

Norske tog

Impact and allocation report 2022



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Introduction



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Øystein Risan CFO

Green bonds, trains and a closing window

We conclude 2022 with COP27 and the sharp warning from the UN secretary general that the world needs faster and bolder climate action, and that the window for opportunity is almost closed. The Norwegian government which is the sole owner of Norske tog has updated its UN commitment to cut greenhouse gas emissions from 50% to 55% by 2030. We stand ready to contribute to this goal.

We also see the tail effects of the covid pandemic with the continued use of home office, see the energy crisis brought on by the Russian strangling of the European gas marked, and the invasion of Ukraine. This combination gave a situation where the cost of running trains went up and the revenue from passengers still is set back to 2019 numbers.

The extreme weather events we are seeing throughout the world, such as great floods and heatwaves affecting millions of lives, further underlines the importance of staying on track for the goal of reaching net zero greenhouse gas emissions by 2050. We expect an increasing demand for environmentally friendly means of transportation. Norske tog plays an important role in the green transition by acquiring electric trains and making train travel a more attractive alternative to travels by car.

The purpose of this annual impact and allocation report is to present an overview of the impact and allocation of the green bond loans used by Norske tog to finance or refinance investments in existing and new electric trains.

Our green bond framework is based on the Green Bond Principles. Norske tog will adapt our Green Bond Framework to align with the new Green Bond Standard (GBS) when the final proposal is adopted. The importance of the transport sector in the green shift is emphasized by the EU taxonomy. To be considered sustainable according to the taxonomy, trains must have zero direct emissions by 2025. Around 90% of Norske tog's trains are already electric, and we are thus on track to contribute to climate change mitigation. The remaining 10% is due to the lack of electric railway infrastructure. Some of the trains are designed to be able to be converted to electric trains if the infrastructure facilitates this, while for the rest a temporary solution can be biofuel.

We are facing more regulations and higher expectations for managing and reporting on sustainability aspects. In the start of 2022, we started the third revision of our sustainability strategy. At the same time, we started planning for our next sustainability report to be aligned with a globally recognized standard, Global reporting Initiative (GRI). In this, we focus on the aspects that are material to our organization. Both our owners and our investors, as well as other stakeholders, expect us to be transparent and relevant, and we find that applying the GRI framework will help make our ESG information comparable and easily accessible.

During the last year, Norske tog has accelerated our work on risk assessments and transparency in the supply chain that we initiated in 2021. Our approach is now supported by the new Norwegian Transparency Act, which came into force on July 1st this year. The Act requires us to ensure human rights due diligence according to OECD guidelines, and it strengthens our mandate to request access to information from our supply chains that previously have not been accessible. Europe will follow shortly with similar regulations. In time we expect that it will be easier to reach the much needed level of transparency as international suppliers get acquainted with the regulations.

We signed the contract with Alstom for the new T77 local trains in 2022 and during the year, we have engaged directly in discussions about supply chain and risk assessment. We have further integrated our expectations to new suppliers in our ongoing competition for the T79 new region trains. We also hope that this autumn our owner will give us the green light for the acquisition of 25 new T77s.

We hope that our Impact Report for 2022 will give you valuable insight into how our green bonds are contributing to an electrified Norwegian railway and contributes to avoided emissions from other means of transport. We look forward to improving and continuing this work in 2023.

Norske tog's vision: Contributing to the Green Transition

Norske tog AS is wholly owned by the Norwegian Ministry of Transportation and Communications. The role of Norske tog is to procure, manage and lease out passenger train rolling stock to train operators in Norway. Our vision states that the company shall be a leading, forward-looking and solid company whose objective is to deliver safe, reliable and modern passenger trains to the Norwegian market. In doing this, we aim to make train travel in Norway attractive and thereby contribute actively to the "Green Transition".

For many years, we have sought to increase our positive impact on climate and the environment, through the acquisition of new or upgrading existing rolling stock. We expect the materials used to be recyclable. There is an estimated recycling rate of approximately 90% for scrapping of the Class 75 and 74 trainsets. We also expect vendors to meet a wide range of environmental standards, including a Life Cycle Assessment (LCA) to be provided for tender evaluations. In addition to the environment focus through the acquirement processes, Norske tog has also participated in studies related to battery technology.

The Green Bonds issued under our Green Bond Framework, aim to actively contribute to the 'Green Transition', by making railways even more climate friendly. The Eligible Projects selected are projects dedicated to new or renewed electric trains and renovation or improvements of the existing electric rolling stock. These projects are a part of the significant investments made in expanding and upgrading the rail network in Norway.

Clean Transportation: An Enabler to a Sustainable Economy

As a form of passenger transportation, trains constitute a key component within 'Clean transportation.' Trains are a low carbon alternative with low energy intensity in comparison to other modes of passenger transportation, such as transport by car. The Norwegian government has set a goal to half emissions from the transport sector by 2030 compared with the 2005 baseline. Even though there are no specific targets placed on rail, we are committed to support the 2030 reduction target.

Transportation has both direct and indirect impacts on various UN Global Sustainable Development Goals (SDG's). By means of the Eligible Projects defined in the Green Bond Framework, it specifically targets the following UN Sustainable Development Goals: 9, 11, 12 and 13 as the most relevant for our activities and their impacts.

On track with Norske tog's Green Bonds

To ensure that Norske tog's Green Bonds are aligned with its vision and goals, four impact indicators have been selected and reported. The impact indicators measure avoided CO₂ emissions, number of electric trains deployed, added passenger capacity and added passenger kilometers. The development of Norske tog's impact reporting, measuring the environmental contribution of the Green Bonds issued, will continue in 2023 and beyond.

Standards and guidelines

Norske tog follows the International Capital Markets Association's Green Bond Principles

Norske tog's Green Bond Framework is based on the Green Bond Principles (GBP's)¹ (2021 version) issued by the International Capital Markets Association (ICMA). ICMA's Green Bond Principles are a set of voluntary guidelines that recommend transparency and promote integrity in the development of the green bond market by clarifying the approach for issuing a green bond.

The 2021 edition of the GBS's recommends heightened transparency by recommending that issuers appoint an external review provider in addition to summarizing relevant information within the context of the issuer's overarching sustainability strategy. Issuers are also encouraged to disclose any taxonomies, green standards or certifications referenced in project selection.

Our intention is to follow best practices in the market as the standards develop and as such the Green Bond Framework may be updated going forward.

Nordic Public Sector Issuer's (NPSI) Position Paper on Green Bond Impact Reporting

This Green Bond Impact Report has followed guidance from the Nordic Public Sector Issuer's (NPSI) Position Paper on Green Bond Impact Reporting². The NPSI's Position Paper has been developed as a practical guide on impact reporting for Nordic public sector green bond issuers.

¹ https://www.icmagroup.org/assets/documents/Sustainable-finance/2021-updates/Green-Bond-Principles-June-2021-140621.pdf

² https://www.icmagroup.org/assets/documents/Regulatory/Green-Bonds/Resource-Centre/ NPSIPositionpaper2019final-120219.pdf

EU Green Bond Standard

Norske tog has followed the development of the EU Green Bond Standard (EU GBS)³ over the last years. An updated version was published on July 6th 2021 as a proposed regulation for the European green bonds. As of December 2022, the discussions and negotiations around the final proposal are still ongoing.

In the proposed version, the EU GBS is recommended as a voluntary set of guidelines and is likely to remain so in the future. The standard is based on ICMA's Green Bond Principles but has also integrated recommendations from the Technical Expert Group (TEG) on Sustainable Finance report. The main purpose of the new framework is to better regulate the green bond market, ensuring comparability in order to avoid and decrease "green washing". In addition, the new framework ensures stronger supervision and assures investors have legal recourse if an issuer's noncompliance causes a green bond to depreciate.

The main differences between the EU Green Bond Standard and the Green Bond Principles are as follows:

- 1. **Use of income:** Issuers are required to allocate income to economic activities that meet the EU taxonomy criteria. Activities that fall outside of the EU taxonomy criteria are therefore not eligible for financing under the new standard
- 2. **Framework:** Before a bond is issued, a 'Green Bond Framework' must be completed by the issuer, which must be verified before issuing by an external provider. The 'Green Bond Framework' should include the concrete funding goals and environmental objectives of the bond
- 3. **Reporting:** Both allocation and impact reporting are required, where the final allocation report is required for review by an external provider after full allocation of funds
- 4. **Implementation of the EU taxonomy:** EU GBS proposes that the issuer uses the technical screening criterion that is relevant at issuance and reports on potential/ actual compliance with the criteria. In effect this means that Green Bond projects must not only meet environmental criteria specific to the activity, but also social standards based on OECD guidelines

Norske tog strives to follow best practices in the market and is committed to improving its impact reporting over time. We will follow the development of the EU GBS to determine its relevance and opportunities for Norske tog and will work to close the gap between the current reporting according to ICMA and EU GBS when the latter framework is finally adopted.

³ https://ec.europa.eu/info/business-economy-euro/banking-and-finance/sustainable-finance/european-greenbond- standard_en

Allocation Report: 2019 issuance

Outstanding Green Bonds

Coupon	ISIN	Amount	Maturity
3mN+54 (FRN)	NO0010870009	400 MNOK	11.03.2025
2.55% (Fixed)	NO0010870017	900 MNOK	11.12.2029

Basic information

Green Bond Framework initiated	November 2019
Reporting Period	Nov 2021 to Nov 2021
Reporting frequency	Annual
Reference frameworks	Nordic Public Sector Issuers: Position Paper on Green Bonds Impact Reporting
	International Capital Markets Association's Green Bond Principles
2 nd opinion provider and result	Cicero, Dark Green classification
Project Category	Clean Transportation: New electric trains

Project breakdown

100%



Proceeds raised from Green Bond issuances under the Norske tog Green Bond framework have been used 100% to re-finance the purchase of 17 Class 75 Electric Trains selected as Eligible Projects.

1,300 мнок

Outstanding Green Bonds allocated to Eligible Projects

96%

Outstanding Green Bonds share of total investment

Allocation Report: 2021 issuance

Outstanding Green Bonds

Coupon	ISIN	Amount	Maturity
2.375% (Fixed)	NO0011115487	1,250 MNOK	05.10.2030

Basic information

Green Bond Framework initiated	November 2019
Reporting Period	Nov 2021 to Nov 2022
Reporting frequency	Annual
Reference frameworks	Nordic Public Sector Issuers: Position Paper on Green Bonds Impact Reporting
	International Capital Markets Association's Green Bond Principles
2 nd opinion provider and result	Cicero, Dark Green classification
Project Category	Clean Transportation: New electric trains

Project breakdown





Proceeds raised from Green Bond issuances under the Norske tog Green Bond framework have been used 100% to finance and re-finance the purchase of 17 Class 74 Electric Trains selected as Eligible Projects.

1,250 мпок

Outstanding Green Bonds allocated to Eligible Projects



Outstanding Green Bonds share of total investment

Allocation Report: 2021 issuance

Outstanding Green Bonds

Coupon	ISIN	Amount	Maturity
3mN+43 (FRN)	NO0011115495	750 MNOK	05.10.2026

Basic information

Green Bond Framework initiated	November 2019
Reporting Period	Nov 2021 to Nov 2022
Reporting frequency	Annual
Reference frameworks	 Nordic Public Sector Issuers: Position Paper on Green Bonds Impact Reporting
	International Capital Markets Association's Green Bond Principles
2 nd opinion provider and result	Cicero, Dark Green classification
Project Category	Clean Transportation: New electric trains

Project breakdown

100%

Proceeds raised from Green Bond issuances under the Norske tog Green Bond framework have been used 100% to finance the purchase of 30 Class 77 Electric Trains selected as Eligible Projects.



allocated to Eligible Projects



share of total investment

Governance of the Green Bond Framework

To ensure that the Green Bond Framework delivers on its goals, we have established a comprehensive Governance structure. The Governance Structure is described in detail in the Governance Policy for Norske tog's Green Bond Framework which may be downloaded <u>here</u>. The policy has been approved by the board of Norske tog.

The main internal body with responsibility for overseeing and developing the Green Bond Framework, is the Climate Committee. The Committee reports directly to the CEO and is responsible for managing potential future updates to our Green Bond Framework. It meets on a quarterly basis to review the outstanding Green Bond portfolio, identify and describe potential case studies and to approve potential eligible projects.

Norske tog will over the duration of the outstanding Green Bonds, build up and maintain an aggregate amount of Assets and Projects in the Green Bond Register that is at least equal to the aggregate net proceeds of all outstanding Green Bonds. It is the Climate Committee's responsibility to keep the Green Bond Register updated to enable correct impact reporting.

To ensure a high level of transparency and to reinforce confidence in its' Green Bond Framework, we will publish an annual Impact and Allocation Report. The report shall among other things include a detailed description of how Green Bond proceeds have been utilized, including a breakdown of eligible projects funded. In addition, we will develop Impact measurements to quantify the environmental effects of the Green Bonds issued.

Climate committee meetings

In accordance with the Green Bond Framework, climate committee meetings should be held quarterly. During reporting year 2022 the Committee have met three times, in April, September and November. One of the main focus areas of the committee throughout 2022 has been to develop competency on the new EU Green Bond Standard, and to work on the gaps between the new framework and today's green bond framework. In order to increase the overall competence on sustainability, an advisor within the field have been added to the Committee.

Third-Party Review (post-issuance)

Norske tog has appointed PWC as an external Independent Auditor to annually assure Norske tog's selection process for the financing of Eligible Projects and the allocation of the proceeds of Norske tog's Green Bonds, to ensure that such processes and allocations are in accordance with the Norske tog Green Bond framework.

Case Studies

In September 2008 NSB, the former state owned integrated company which Norske tog split from, ordered 50 new electric multiple unit FLIRTs from the Swiss manufacturer Stadler. This was ordered with an option for one hundred more. A total of 136 new electric train sets of Class 75 and 74 have been ordered, in addition to 14 Class 76 bimodal trains. The final option was called in 2018, and the last trainset is expected to be delivered to Norske tog by December 2022. The procurement of 30 new electric train sets of Class 77 was signed in 2022. The Class 75 are electric trains used for suburban rail transport in the Oslo and Bergen area. The Class 77 are specifically designed to make journeys of up to 40 minutes. The other electric vehicles, Class 74, are designed to make longer journeys of up to 3 hours, in addition to the Bi-mode multiple units that can run on both electricity and diesel.

Selected Eligible Projects

The selected Eligible Projects are 17 Class 75, 17 Class 74 and 30 Class 77 electric trainsets.

The Class 74 operate on intercity routes in Eastern Norway, while 75 operate on routes in in the Western and Eastern Norway. The Class 77 vehicles will be local trains.. The 74 and 75 trains have been acquired to maintain and add passenger capacity on selected routes, while the 77 trains add passenger capacity. The majority of Class 75 and 74 trains have been or will be delivered to Norske tog in the period between 2017 to 2022 and within the look-back period of 15 years from the time of issuance of outstanding Green Bonds. The first Class 77 train sets are scheduled to be delivered in May 2025, while the remaining are expected to arrive in the beginning of 2026.







Class 75 and 74 Electric trains: Production and Key Features



The Class 75 and 74, acquired by Norske tog are all single-decker electric motor vehicle sets. Class 75 and 74 are made up of five coaches, three of which have traction. Both trains have a top speed limit of 200 km/h.

The key difference between Class 75 and Class 74 trains are mainly related to the internal configuration, where Class 75 are intended for longer local train routes, Class 74 are configured for shorter regional routes. The distribution of seats, comfortable seating, and standing spaces is affected specifically by this. Local Class 75 trainsets can accommodate 561 passengers (295 seats and 266 standing spaces (4 people per m²)), while regional Class 74 trainsets may accommodate up to 368 passengers, with 240 seats and 128 standing spaces (2 people per m²)). Included in the seating capacity for Class 74 trains are 44 comfort seating places.

Adapted to the Climate

Both train types are used as local and regional trains in Norway and are adapted to the harsh Nordic winter conditions. Most of the technical equipment is located on the roof or inside to counteract winter problems and to provide easier maintenance access. When there is snow on the railway, a snow-plough enables transport to continue.

Comfort for Passengers and Personnel

The Class 75 and 74 trains are quiet in normal traffic, and at speeds of up to 200 km/h. They are passenger friendly with spacious low floors and wide gangway areas that can be utilized when there is a need for high capacity. There is also good spacing around catering areas. For personnel, the trains have an ergonomically designed working environment to prevent driver fatigue. To increase comfort for both passengers and personnel the trains have increased thermal insulation and high-performance HVAC⁴ systems for the carriages and control cabs.

Reliability Accessibility and Safety

The Class 75 and 74 trains have a clear layout of passenger compartments for passenger orientation and safety. Colors and contrasts make it easier for visually impaired passengers to find their way around. The trains are fully compliant with EU accessibility regulations for people with disabilities and reduced mobility. Wheelchair elevators, and barrier-free compartments enable wheelchair access to the train. The train also fulfils requirements regarding standards for crashworthiness (EN 15227⁵) and car body strength (EN 1263⁶).

⁴ Heating, Ventilation, and Air Conditioning. Refers to the different systems used for moving air around, along with heating and cooling

⁵ DIN EN 15227 Standard: Crashworthiness requirements for rail vehicles

⁶ DIN EN 12663 Railway applications - Structural requirements of railway vehicle bodies - Part 1: Locomotives and passenger rolling stock

Class 77 Electric trains: Production and Key Features

Class 77



The newly acquired Class 77 trainsets are single-decker electric motor vehicles. The Class 77 has a total of six coaches, four of which are equipped with traction. The Class 77 is intended for local train routes. The first Class 77 trainsets are scheduled to be delivered in May 2025.

All coaches on Class 77 have tip-up seats in the low floor regions across the driving direction, maximizing flexibility and ensuring a high passenger load, particularly during rush hours. The train sets can accommodate 778 passengers, including tip-up seats (294 seated and 484 standing (4 people per m²)).

Adapted to the Climate

The trainset is designed for the hard winter conditions in the Nordic region. The majority of the technical equipment is situated on the roof or inside the train to mitigate winter issues and facilitate maintenance access. When there is snow on the railroad, a snow-plough allows for continued transportation.

Comfort for passenger and personnel

Class 77 are passenger-friendly, with vast low floors and wide gangway spaces that can be employed when high capacity is required. Enhanced thermal insulation and high-performance HVAC systems have been installed in the carriages and control cabs of the trains in order to enhance passenger and crew comfort. The HVAC system is equipped with a CO₂ sensor for each saloon area so that it may automatically analyze the passenger load and limit the amount of fresh air required to conserve electricity.

Reliability, Accessibility and Safety

The new Class 77 trainsets have incrementally enhanced safety, performance, dependability, and recyclable materials. The trainsets are being constructed and adapted to operate in severe temperatures, where they have demonstrated their durability.

Impact: Methodology, Baselines, Assumptions

In reporting on the Impact indicators contained in this report, the following methodology, baselines and assumptions have been adopted:

- A high level of transparency around the data sources used for calculations.
- The Eligible Projects have been acquired to cover passenger growth, providing new capacity to existing intercity routes in Eastern Norway (Class 75 and Class 77), in addition to maintaining the current train services by replacing older trainsets (Class 70 and Class 69) with new trainsets (Class 74 and Class 77).
- Indicators that use CO₂ emissions calculations to measure impact are reported as avoided emissions. In order to calculate "avoided emissions", a comparison is made between estimated train emissions and the emissions from a baseline/alternative transport scenario. The avoided emissions are emissions from the alternative transport scenario, if the train project was not financed.
- Baseline: The "baseline" for impact assessment purposes in this report is the "alternative means of transportation". For Indicator 4, the baseline is for emissions from cars and buses that would need to be used by travelers if the new electric trains were not in operation.
- We have sought to establish baselines on as representative a selection as possible. This means that when for example establishing a baseline for car emissions for Indicator 4, the distribution of vehicles per fuel type was taken from an SSB report for on the same region that the electric trains operate in.
- In cases where data for the required selection is not available, we have used estimates from the closest possible selection.
- When calculating CO₂ emissions for electricity for operation of the trains in Indicator 4, we consider the origin of the electricity purchased by Bane NOR for the operation of all trains in Norway (Market based method). Bane NOR purchases Guarantees of Origin (GoO) that ensure that the electricity bought comes from 100% renewable sources. When making these calculations, we also compared figures for CO₂ emissions from the Nordic Energy Mix for 2021 (Location based method)⁷. In our calculations for electricity for operations, which is bought with Guarantees of Origin, we calculate emissions from electricity with 0 emissions. Since difference in result between this figure and the Location based figure was insignificant, only the Market based estimate is reported.

⁷ IEA (2021): "IEA EMISSIONS FACTORS 2021", *"ELECTRICITY INFORMATION 2021"

- As a simplified estimation, kwh/seatkm is used in calculating kwh from passengerkm. This is based on what data was available when starting calculations with the indicators. This estimate is in 2022 compared to a now available factor for kwh/passengerkm for general electric trains in the Nordics. As the difference in results is negligible and the factor is considered representative, the factor kwh/seatkm is used further in the calculations in 2022 to provide comparability in the indicator.
- When calculating the impact of Class 74 and Class 77 trainsets, we have used data from 2019 for the relevant routes in order to get more accurate calculations of the future effect. The rationale for this is that the year 2021 was still an abnormal year due to continuous Covid-19 restrictions and ongoing home offices, and we assume that these figures will not be representative of the actual effect in the future. Only four out of 17 Class 74 train sets was in operation per 2021. A total of 16 Class 74 train sets are in operation per 2022, but with several activated during the fall of 2022. Therefore, most of the impact will materialize during the next year. Class 77 train sets are yet to be deployed and the impact of the first train sets will not materialize until 2025. For that reason, we have used Class 69 trains deployed on the relevant route. See further explanation behind this rationale under Conclusion.

Impact indicators

Class 75

Total impact attributable to Green Bond investors: 96%

Impact indicators	Type of calculation	Data points utilised	Data source	Result
1. Number of electric trains financed and deployed (electric rolling stock)	Actual number	Total number of new electric trains financed and deployed	• Norske tog	17 trains
2. Added passenger capacity provided by new electric trains financed and deployed	Actual number	Total new seating places and standing room places added for new electric trains	• Norske tog	9,537 sitting and standing places
3. Estimated added passenger-kilometres for new electric trains	Post ante Impacts measured after actual operations	Total passenger numbers for relevant routes for Class 75 electric trains for year 2021	Train operator	122,817,681 passenger km
		Number of total Class 75 electric trains deployed on relevant routes for year 2021	Train operator	
4. Estimated annual CO ₂ emissions avoided measured in tons of CO ₂ compared to alternative transport car/bus and based on estimated added passenger km/year	Post ante Impacts measured after actual operations	Estimated added passenger km (indicator 3)	Indicator 3	11,444 tonnes CO ₂ avoided
		CO ₂ emissions pr. passenger km for added • Tank-to-Wheel (TtW) values	Norske togBane Nor	
		 Emissions from electricity production for operation of the trains. Guarantee of Origin 		
		Baseline for alternative transport – car/bus	 The Norwegian Public Roads Administration 	-
		 Distribution in passenger/km car/ bus for Oslo and Akershus for 2021⁸ 		
		 Distribution of cars by fuel type (petrol, diesel, gas, electric) for Oslo and Viken 2021⁹ 	• SSB	
		 Kg CO₂/km for cars by fuel type for 2021¹⁰ 	DEFRA Coach (UK) 2021	-
		 Kg CO₂ for buses by fuel type for 2021¹¹ 	DEFRA Coach (UK) 2021	

⁸ https://www.vegvesen.no/globalassets/fag/fokusomrader/nasjonal-transportplan-ntp/reisevaner/2021/ transportmiddelbruk-2019-2021.pdf

⁹ https://www.ssb.no/statbank/table/11823/

¹⁰ https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2021

¹¹ https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2021

Impact indicators

Class 74

Total impact attributable to Green Bond investors: 89%

Impact indicators	Type of calculation	Data points utilised	Data source	Result
5. Number of electric trains financed and deployed (electric rolling stock)	Actual number	Total number of new electric trains financed and deployed	• Norske tog	17 trains
6. Added passenger capacity provided by new electric trains financed and deployed	Actual number	Total new seating places and standing room places added for new electric trains	• Norske tog	6,256 sitting and standing places
7. Estimated added passenger-kilometres for new electric trains	Ex ante Estimated impacts measured before	Total passenger numbers for relevant routes for Class 74 electric trains for year 2019	Train operator	304,658,543 passenger km
		Number of total Class 74 electric trains deployed on relevant routes for year 2021	Train operator	
8. Estimated annual CO ₂ emissions avoided measured in tons of CO ₂ compared to alternative transport car/bus and based on estimated added passenger km/year	Ex ante Estimated impacts measured before	Estimated added passenger km (indicator 3)	Indicator 3	28,431 tonnes CO ₂ avoided
		 CO₂ emissions pr. passenger km for added Tank-to-Wheel (TtW) values Emissions from electricity production for operation of the trains. Guarantee of Origin 	 Norske tog Bane Nor 	
		 Baseline for alternative transport – car/bus Distribution in passenger/km car/bus for Oslo and Akershus for 2021¹² 	The Norwegian Public Roads Administration	-
		Distribution of cars by fuel type (petrol, diesel, gas, electric) for Oslo and Viken 2021 ¹³	• SSB	-
		+ Kg CO $_{\rm 2}/km$ for cars by fuel type for 202114	DEFRA Coach (UK) 2021	-
		 Kg CO₂ for buses by fuel type for 2021¹⁵ 	DEFRA Coach (UK) 2021	

¹² ttps://www.vegvesen.no/globalassets/fag/fokusomrader/nasjonal-transportplan-ntp/reisevaner/2021/ transportmiddelbruk-2019-2021.pdf

13 https://www.ssb.no/statbank/table/11823/

¹⁴ https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2021

 $^{15}\ https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2021$

Impact indicators

Class 77

Total impact attributable to Green Bond investors: 17%

Impact indicators	Type of calculation	Data points utilised	Data source	Result
9. Number of electric trains financed and deployed (electric rolling stock)	Actual number	Total number of new electric trains financed and deployed	• Norske tog	30 trains
10. Added passenger capacity provided by new electric trains financed and deployed	Actual number	Total new seating places and standing room places added for new electric trains	• Norske tog	23,970 sitting and standing places
11. Estimated added passenger-kilometres for new electric trains	Ex ante Estimated impacts measured before	Total passenger numbers for relevant routes for Class 77 electric trains for year 2019	Train operator	79,645,262 passenger km
		Number of total Class 77 electric trains deployed on relevant routes for year 2021	Train operator	
12. Estimated annual CO₂ emissions avoided measured in tons of CO ₂ compared to alternative transport car/bus and based on estimated added passenger km/year	Ex ante Estimated impacts measured before	Estimated added passenger km (indicator 3)	Indicator 3	7,421 tonnes CO ₂ avoided
		 CO₂ emissions pr. passenger km for added Tank-to-Wheel (TtW) values Emissions from electricity production for operation of the trains. Guarantee of Origin 	 Norske tog Bane Nor 	
		Baseline for alternative transport – car/bus • Distribution in passenger/km car/ bus for Oslo and Akershus for 2021 ¹⁶	 The Norwegian Public Roads Administration 	-
		 Distribution of cars by fuel type (petrol, diesel, gas, electric) for Oslo and Viken 2021¹⁷ 	• SSB	
		 Kg CO₂/km for cars by fuel type for 2021¹⁸ 	DEFRA Coach (UK) 2021	
		 Kg CO₂ for buses by fuel type for 2021¹⁹ 	DEFRA Coach (UK) 2021	

¹⁶ https://www.vegvesen.no/globalassets/fag/fokusomrader/nasjonal-transportplan-ntp/reisevaner/2021/ transportmiddelbruk-2019-2021.pdf

17 https://www.ssb.no/statbank/table/11823/

¹⁸ https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2021

¹⁹ https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2021

Conclusion

The impact calculations for Class 75 trainsets use data from 2021. The Covid-19 pandemic continued to have a significant impact on Norwegian society last year. It is therefore still reasonable to assume that Covid-19 had a negative influence on the data for 2021, given that a bulk of commuters continued to work from home temporary. As a result of the government's directive to stay at home and the implementation of travel restrictions, there was likely a drop in travel for other purposes as well. The positive impact for Class 75 is projected to increase as society returns to normal in the following years.

As most of Class 74 trains and none of Class 77 trains are not yet deployed, we use kilometer data from 2019 for the calculations of the impact of these trainsets in order to get a more accurate estimation of impact, due to the abnormal years of 2020 and 2021. We assume that the overall train demand and passenger kilometers per year will increase when these train sets are deployed, compared to 2020 and 2021 data. However, when calculating the emissions on cars/buses we used 2021 data.

Compared to the year before, we see a somewhat increase in avoided emissions from Class 74 and 75 train sets compared to alternative means of transportation. This is because of a shift to a higher share of passenger cars in the alternative means of transportation scenario in the region in 2021 (70 %) compared to the share of 2020 (50 %).

Qualitative impact analysis

As an important step in improving Norske tog's impact reporting, we have for the second year included a qualitative assessment of sustainability impacts and data for the train sets life cycle in comparison to the trainsets replaced. We believe this addition to the impact report will strengthen the impact analysis of Class 74 and Class 77 trainsets as these are purchased for replacement in contrast to Class 75 which are purchased to add passenger capacity.

In this section, we will provide information on the impacts of the trains we purchase across several stages of its life cycle, including both environmental and climate impacts. In addition, we would like to highlight the social benefits from upgrading the trainsets, as this is an important aspect in the procurement of trains.

In this report we have gathered information on Class 70 and Class 74, and Class 69 and Class 77 trainsets and attempted to describe the most significant changes related to their respective environmental impacts.

For the Class 74 and Class 77 trainsets, we have a Life Cycle Analysis (LCA) describing the emissions and environmental impact of the production, transport and use phases. For the Class 70 and Class 69 trainsets, an LCA is not available, as these trainsets were produced in Strømmen, Norway from 1992-1996 and in the early 70's, respectively. We have therefore extracted knowledge of the trainsets from the documentation we have and internal knowledge from the technical department of Norske tog. Qualitative assessments of changes and improvements are based on relevant available data for the purpose of this assessment.

Comparisons and implications Class 74 vs 70 and Class 77 vs 69

	Class 74 vs Class 70	Class 77 vs Class 69
Production phase place of production, materials, recyclability)	 Increased possibility of reuse of Class 74 trainsets and components due to technological developments and included manual for areas of reuse with 90 % or more potential recyclability rate depending on the type of components. E.g.electronics has a larger reuse value for Class 74. 	 Increased possibility of reuse of Class 77 trainsets and components due to technological developments and included manual for areas of reuse with 96 % potential recyclability rate and 97 % recovery potential depend- ing on the type of components. E.g.electronics has a larger reuse value for Class 77.
	 Regardless of place of production, Norske tog sets environmental and social requirements for the company's suppliers. Every supplier must comply with international conventions and arrange for inspections by Norske tog or authorities of working conditions throughout the supply chain. In addition, the supplier must have certifications in accordance with the quality and environmental system standards ISO 9001: 2015 and ISO 14001: 2015, or equivalent. The supplier must deliver an LCA for the production of the train in accordance to the relevant PCR, and ISO 14040 and 14044. In case of any changes of production site and/ or place of production, Norske tog must give approval and carry out an audit prior to the move. 	• Regardless of place of production, Norske tog sets environmental and social requirements for the company's suppliers. Every supplier must comply with international conventions and arrange for inspections by Norske tog or authorities of working conditions throughout the supply chain. The Class 77 contract represents the first train procurement after the Norwegian Transparency stepped into force and takes into account stricter requirements and expectations. In addition, the supplier must have certifications in accordance with the quality and environmental system standards ISO 9001: 2015 and ISO 14001: 2015, or equivalent. The supplier must deliver an LCA for the life cycle of the train in accordance to the relevant PCR, and ISO 14040 and 14044. In case of any changes of production site and/ or place of production, Norske tog must give approval and carry out an audit prior to the move.
Use phase (energy efficiency, stability of operations, safety, access for disabled, comfort)	 Class 74 trainsets have slightly lower average energy consumptions (4%²⁰) compared to Class 70 trainsets. Also, Class 74 have better thermal isolation which reduces energy consumption, less heat loss, and more energy efficient components due to technological developments. 	 Energy savings of up to 40 %²³ are expected after Class 69 is replaced by Class 77. This is Norske tog's estimate based on simulation results provided by Alstom for some fixed assumptions (fixed number of passengers and outside temperature). Real data will be delivered after testing the trainsets in Norway.
• • • (In average Class 74 regenerates approx. 25 % of electricity from braking compared to only approx. 10 %²¹ for Class 70 trainsets. Class 74 have 3 times more acceleration performance than the Class 70 trainsets due to the increase from 1,7 total of the acceleration approximate acceleration of the accelerati	 Class 77 regenerates approximately 38 - 40 %²⁴ of electricity from braking, whereas Class 69 trainsets are not able to recover any of the braking energy and feed it back to the grid. This will lead to more effective use of electricity in the future.
	MW to 4,5 MW. This leads to a higher acceleration and deceleration capabilities. Class 74 has been designed	 Class 77 have a higher efficiency of the components in the traction system due to technological development.
 For higher maximul pared to Class 70 Class 70 trainsets (due to their single addition to slower lays in operations, provides better op people choosing of the choosi	 for higher maximum speed Class 74 (200 km/h) compared to Class 70 (160 km/h). Class 70 trainsets require longer stays at the stations (due to their single-leaf doors and high floor design in addition to slower acceleration) which may result in delays in operations. Replacement with Class 74 trainsets provides better operational stability and may lead fewer people choosing other means of transport if delays are 	 Class 77 trainsets have a Driver Advisory System (DAS) which will guide the train drivers to drive in a more energy efficient manner and meet the timetable at the same time.

²⁰ Numbers calculated for route Skien-Eidsvoll

- ²¹ Numbers calculated for route Oslo-Skien during January 2021
- ²² Heating, Ventilation, and Air Conditioning
- ²³ Numbers based on simulation results from Alstom based on a set of assumptions
- ²⁴ Numbers based on simulations from Alstom

Class 74 vs Class 70

Use phase

(energy efficiency, stability of operations, safety, access for disabled, comfort)

- Class 74 trainsets have increased accessibility for disabled passengers with varying degrees of functionality resulting in more inclusive trains, including automatic passenger information system (PIS) and 70% low-floor for barrier-free wheelchair access.
- Class 74 trainsets have water-based cooling system for the traction converters which is more environmental-friendly than oil-based cooling system in Class 70 trainsets traction converters.
- Significantly improved safety in collisions for Class 74 which provides less dangerous collisions for both driver and passengers, including modular front section and reinforced side panels for impact protection in the case of collisions with moose and deer.
- Increased comfort in Class 74 due to lower noise levels and 44 comfort seating places. Increased thermal insulation and high-performance HVAC²⁵ systems are likely to make trains more attractive as a means of transport during both summer and winter. In addition, Class 74 has a better level of redundancy in its traction system that has improved the reliability and passenger satisfaction increase in long term.
- Ergonomically and comfortably designed working environment to prevent driver fatigue and improve the working environment for the Class 74 trains compared to Class 70.

Class 77 vs Class 69

- Compared to Class 69, Class 77 have better thermal insulation and aerodynamics design. The window glass of Class 77 is four times better compared to Class 69 in terms of thermal isolation. In addition, there is adaptation of fresh air, with CO₂ measurements which checks the air quality to help reduce the need for heating.
- 5 % increased passenger capacity in Class 77 in relation to the length of the trainsets.
- Class 69 trainsets do not have lowered floors to increase accessibility for the disabled, in contrast to Class 77. There are also few Class 69 trainsets which have toilets and chair lifts for the disabled. Class 77 have lowered floors and absence of stairs in all trainsets, in addition to wider aisles with room for wheelchairs.
- A good level of redundancy and reserve capacity in the systems of Class 77, has been considered, that provides high reliability and improves actual system performance. This means that, for instance, in the presence of a single failure in its traction system, the train can continue the journey fulfilling its timetable. Passenger comfort will also be assured by an improved door system and a high level of redundancy in the auxiliary supply system feeding e.g., HVAC. All of these factors, as a result, will improve passenger satisfaction.

²⁵ Heating, Ventilation, and Air Conditioning

Contribution to UN Sustainable Development Goals (SDG's)

Through the Eligible Projects defined in the Green Bond Framework we have identified positive impact on several SDG's. This is for Goal 8: Decent work and economic growth, Goal 9: Industry, Innovation and Infrastructure, Goal 11: Sustainable Cities and Communities, Goal 12: Responsible consumption and production and Goal 13: Climate Action. We highlight some of the specific UN targets related to the relevant goals that the framework positively impacts below:



- SDG Target 9.1. Develop quality, reliable, sustainable and resilient infrastructure, including regional and transborder infrastructure, to support economic development and human wellbeing, with a focus on affordable and equitable access for all"
- SDG Target 11.2: By 2030, provide access to safe, affordable, accessible and sustainable transport systems for all, improving road safety, notably by expanding public transport, with special attention to the needs of those in vulnerable situations, women, children, persons with disabilities and older persons"
- SDG Target 11.6: By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management"

Contribution to Goal 8: Decent work and economic growth



The procurement of trains involves global supply chains and the standards for decent working conditions vary across regions and countries. In Norske tog we have developed procedures and assessment tools that enables us to identify risks as child labor and forced labor throughout global supply chains. Suppliers are also obliged

to accept our Code of Ethical Conduct for Suppliers and sign Contract performance clauses for safeguarding basic human rights in the supply chain. By putting such mechanisms in place, we are in position to be more proactive and better prepared to evaluate our suppliers, and also their suppliers.

Contribution to Goal 9: Industry, Innovation and Infrastructure



The underlying SDG target 9.1 refers to the development and maintenance of infrastructure including transport infrastructure. Through our activities, we contribute to the development of reliable, sustainable and solid infrastructure of high quality that focus on affordability and equitable access for all. The deployment of new electric

trains in and around the Oslo greater Metropolitan region contributes to expanding a system of public transport to meet the clean transport needs of the general public, including those with special needs. By renewing and upgrading the rolling stock, and adapting the trains to a new, digital future, Norske tog plays a part in renewing the rail network and ensuring Norway has a train service adapted to the needs of tomorrow. Increased train capacity also reduces the infrastructure needs of road transport.

Contribution to Goal 11: Sustainable Cities and Communities



Impact Indicators 1,2 and 3 in this report demonstrate how the electric trains purchased under the Green Bond framework contribute positively to Sustainable Development Goal 11, in particular target 11.2 to enable access to safe transport systems with attention to the needs of those in vulnerable situations, as persons

with disabilities and older persons). Efficient rail transport is particularly important heading into urban centers and in densely populated areas. By developing solutions that can accommodate expected traffic growth, Norske tog contributes to efficient and environmentally friendly transport, reducing the per capita environmental impact of cities (Target 11.6). This in turn provides an important foundation for developing good residential environments and local communities. Extra passenger capacity provided by these trains not only avoids CO2 emissions, as reported in Impact indicator 4, but contributes to better air quality by reducing particle matter from road traffic and the need for diesel and petrol driven cars and buses.

Contribution to Goal 12: Responsible consumption and production



SDG 12 is particularly relevant for Norske tog in our procuring, owning and managing rolling stock. We promote public procurement practices that are sustainable in accordance with national policies and priorities (Target 12.7) and we integrate information on sustainability in our reporting (Target 12.6).

Norske tog incorporate practices for prevention, reduction, recycling and reuse of trainsets and materials (Target 12.5) in management of our trainsets, which contribute to a more efficient use of natural resources (Target 12.2). We also apply an environmentally sound management of chemicals and waste (Target 12.4).

Contribution to Goal 13: Climate Action



By procuring electrical trains with no or low emissions during operation we contribute to the overall target of combating climate change and its impacts (SDG 13). As well, we seek to grow our institutional capacity on climate change and integrate measures into our strategies (Target 13.2, 13.3) and we seek insight to identify and better

understand the emissions in the value chains. The deployment of modern, electric trains provides travelers with the ability to commute to work or to other activities with a low carbon footprint. Impact Indicator 4 provides an estimate of the emissions avoided by these journeys over a period of one year. The emissions are significant, and thus these trains are a positive contribution to a low emissions economy.

Contribution to EU Environmental Objectives

The EU Sustainable Finance Action Plan is a broad swathe of legislation designed to increase capital flows in the EU into more sustainable activities. One of the most important pieces of legislation in the Sustainable Finance Plan is the EU Taxonomy, a classification system for sustainable activities. The Taxonomy defines 6 environmental objectives as follows

Goal 1

Climate Change Mitigation

Goal 4

Transition to a Circular Economy

Goal 2 Climate Change Adaptation

Goal 5

Pollution Prevention and Control

Goal 3

Sustainable and Protection of water and Marine Resources Goal 6

Protection and Restoration of biodiversity and ecosystems

To be "taxonomy aligned" an activity must make a significant contribution to one of these objectives while doing No Significant Harm (DNSH) to the other objectives. In addition, the company or entity behind the activity must comply with Social Safeguards.

Contribution to Goal 1: Climate Change Mitigation

The deployment of electric trains is an activity that contributes positively to Climate Change Mitigation and may potentially be aligned with the EU Taxonomy criteria. Under **Category 6.1 Passenger Rail Transport (interurban)**²⁶ there are strict environmental thresholds for positive contribution to mitigation.

The activity complies with one of the following criteria for substantial contribution:

- a. the trains and passenger coaches have zero direct (tailpipe) CO2 emissions;
- b. the trains and passenger coaches have zero direct (tailpipe) CO2 emission when operated on a track with necessary infrastructure, and use a conventional engine where such infrastructure is not available (bimode).

The electric Class 75, 74 and 77 trains financed and acquired by Norske tog, meet the environmental technical screening thresholds. In 2022, the EU updated its substantial criteria which now also includes bimode trains where the infrastructure is not available for electric trains. This implies that more of Norske tog's trainsets can meet the criteria for substantial contribution to Climate change mitigation. However, to be able to report and verify substantial contribution and alignment with the EU Taxonomy, the DNSH criteria and Social Safeguards must also be met.

The relevant criteria under DNSH applies to Climate change adaptation, Circular economy and Pollution prevention. Under DNSH the electric trains must for example reduce all material physical climate risks to the extent possible and on a best effort basis by performing a robust climate risk and vulnerability assessment, manage waste in accordance with the waste hierarchy, in particular during maintenance, and comply with emissions limits set out for engines.

Norske tog has relevant policies in place to ensure compliance with Social Safeguards based on UN Guiding Principles and OECD guidelines. In parallel, we are doing work related to the new Norwegian Transparency Act, which entered into force on July 1st this year. These regulations coincide and overlap.

Norske tog will perform a full taxonomy screening in the future and over time to evaluate the actual taxonomy alignment for Class 75, 74 and 77 trainsets. First impressions from Norske tog's initial analysis suggest a good chance of meeting the EU Taxonomy criteria for Goal 1.

²⁶ Technical Expert Group on Sustainable Finance, Final Technical Report March 2020: Technical Annex https:// ec.europa.eu/info/sites/info/files/business_economy_euro/banking_and_finance/documents/200309sustainablefinance-teg-final-report-taxonomy-annexes_en.pdf

Contribution to Goal 2: Climate Change Adaptation

In the EU Taxonomy guidelines, Passenger Rail Transport (interurban) is an activity that is regarded as making a substantial contribution to climate change adaptation²⁷. As in contribution to climate change mitigation, positive contributions to climate change adaptation must also meet DNSH criteria and Social Safeguards.

Under category 6.1 Passenger Rail Transport (interurban) there are strict environmental thresholds for substantial contribution to adaptation. These include but are not limited to:

- The economic activity has implemented physical and non-physical solutions ('adaptation solutions') that substantially reduce the most significant physical climate risks that are material to that activity
- The physical climate risks that are material to the activity have been identified by performing a robust climate risk and vulnerability assessment during its expected lifetime
- The climate projections and impact assessments are based on best practices and available guidance. They also take into account the state-of-the-art science for vulnerability and risk analysis and related methods
- The economic activity and its adaptation measures do not adversely affect the adaptation efforts of other people, nature and assets
- · The reduction of physical climate risks can be measured

As with EU Taxonomy Goal 1, Norske tog will conduct a full taxonomy screening in order to assess the actual taxonomy alignment for Class 75, 74 and 77 trainsets going forward and over time.

Contribution to Goal 3-6

A first draft of the criteria for goals 3-6 was published on August 3rd, 2021, and the hearings lasted until September 24th 2021. A final report with the technical screening criteria for goals 3-6 is expected to be finalized by the end of 2022.

When the technical screening criteria are finalized, Norske tog will assess the possibilities for alignment for Class 75, 74 and 77 trainsets and plan to report potential and actual alignment going forward.

²⁷ Technical Expert Group on Sustainable Finance, Final Technical Report March 2020 https://ec.europa.eu/info/ publications/sustainable-finance-technical-expert-group_en

Experiences from 2022 and the Road Ahead Report Development

The reporting year of 2022 is the third full operating year for the Norske tog Green Bond Framework. As with the first two years, we are still facing some challenges in meeting the goal of precise and comprehensive impact reporting. The main challenge facing us, is undoubtedly still access to reliable data. The Norwegian railways are organized into a number of public companies. This means that different companies are responsible for procurement and operation of trains. Data flow on relevant Environmental Impact data between these companies is an area of development.

The inclusion of a section on a qualitative impact analysis in the last two years' report has been an important development. This type of reporting offers an insight into the total impact of the train sets financed and acquired by Norske tog. It is also important as it places a necessary focus on the types of environmental issues that Norske tog can have the most influence over during the procurement process. Going forward Norske tog seek to further develop the qualitative section of the report to provide more detail and where possible quantitative comparisons.

As also considered in the first two years' impact reporting, we have assessed the possibility of reporting on potential impact indicators including Resilience to Climate Change, Reduction of Air Pollutants and Energy Consumption avoided. However, we have not chosen to do so because of continued limited data access and quality issues. While these data issues are considerable, they are far from insurmountable. We are committed to improving our Impact reporting over time and are closely following developments in EU GBS and the EU Taxonomy. Norske tog plans to close the gaps between today's reporting standard and report according to EU GBS and the EU Taxonomy over the coming years. In particular, we will work towards implementing the following improvements:

- Expanding the range of indicators to include issues such as Energy Consumption, Resilience to Climate Change and Reduction of Air Pollutants
- · Where possible report on actual impacts, measured after operations and based on historical data
- Identifying relevant data sources and work towards efficient data flows (automated where possible)
- · Establishing more precise input data to baseline estimates
- Reporting on project alignment with the EU Taxonomy on Climate Change Mitigation and Adaptation
- Closing the gap between today's reporting standard and EU GBS
- Assessing opportunities to align reporting with relevant international frameworks such as the Task Force for Climate Related Financial Disclosures (TCFD)
- Elaborating on the qualitative assessment of sustainability impacts and data for the trainsets' life cycle, including both environmental and climate impacts

Conclusion

We are very pleased to have completed our third year of the Green Bond Framework. The issuance of Green Bonds has proved to be a popular initiative in the financial market and has continued to contribute to the avoidance of CO_2 emissions. As this report has discussed, Impact reporting is complex and under development. We will seek to report in line with common standards, methods, and data sources for the railway sector in Norway. Where possible, we will also share data that helps other railway sector actors to develop their climate and impact reporting.

Since our first year of the Green Bond Framework we have improved our reporting by incorporating a chapter on qualitative sustainability by describing the most significant changes related to environmental impact between Class 74 and Class 70, and Class 77 and Class 69 trains. Looking ahead, 2023 will be a year of continual improvement for Norske tog and we hope that regulations from the EU become more tangible so that we can begin the process of aligning with the EU Green Bond Standard.



To the Board of Directors of Norske tog AS

Independent Statement regarding Norske tog AS' Impact and Allocation Report 2022

We have undertaken a limited assurance engagement in respect of Norske tog AS' Impact and Allocation Report 2022 (the Subject Matter) as per November 2022.

The scope of our work was limited to assurance over processes and systems for financing of eligible assets and allocating proceeds from the Green Bond to such assets, as described in the "Impact and Allocation report 2022", section "Governance of the Green Bond Framework" (The Subject Matter Information).

The reporting criteria against which this information was assessed is the Company's "Governance Policy for Green Bond Framework" and relevant parts of the Company's "Green Bond Framework" as per November 2019, available on the Company website (the Criteria).

Our assurance does not extend to any other information in the Impact and Allocation report 2022. We have not reviewed and do not provide any assurance over any individual project information reported, including estimates of sustainability impacts.

Management's Responsibility

Management is responsible for the preparation of the Subject Matter Information in accordance with the applicable Criteria. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of a Subject Matter Information that is free from material misstatement, whether due to fraud or error.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We apply International Standard on Quality Control 1 and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our Responsibilities

Our responsibility is to express an opinion on the Subject Matter Information based on the evidence we have obtained. We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 revised – «Assurance Engagements other than Audits or Reviews of Historical Information», issued by the International Auditing and Assurance Standards Board. That standard requires that we plan and perform this engagement to obtain limited assurance about whether the Subject Matter Information is free from material misstatement.

A limited assurance engagement in accordance with ISAE 3000 involves assessing the suitability in the circumstances of management's use of the Criteria as the basis for the preparation of the Subject Matter Information, assessing the risks of material misstatement of the Subject Matter Information

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whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the Subject Matter Information. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

The procedures we performed were based on our professional judgment and, among others, included:

- Making inquiries of the persons responsible for the Subject Matter;
- Obtaining an understanding of the process for collecting and reporting the Subject Matter Information, including relevant internal controls;
- Performing limited substantive testing on a selective basis of the Subject Matter Information to test whether data had been appropriately measured, recorded, collated and reported;
- Considering the disclosure and presentation of the Subject Matter Information.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about whether the Subject Matter Information has been prepared, in all material respects, in accordance with the Criteria

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Subject Matter Information as at 29 November 2022 is not prepared, in all material respects, in accordance with the applicable Criteria.

Oslo, 8 Desember 2022 PricewaterhouseCoopers AS

Marius Thorsrud State Authorised Public Accountant

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