



Norske  
tog



ILLUSTRATION: STADLER

Annual report 2024

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# Norske tog's fleet

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

 Amount

 Maximum speed

 Number of seats

\* Per train set

\*\* Per carriage

 Beds per carriage

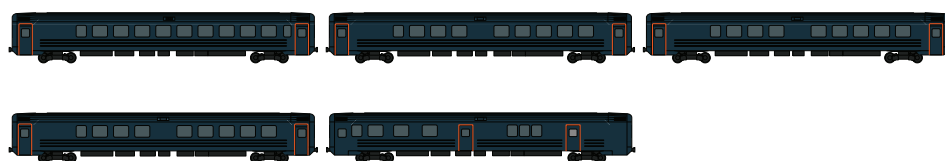
① Other




## Class 5

Subseries: A5-1

B5-3

B5-5



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

① 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 7

Subseries: A7-1

B7-4

B7-5






BC7-1

FR7-3

F7-1



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

① 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

Subseries: Type 69 GA



Class 69 D



Class 69 H



Class 69 CII



Class 69 G



 35    130 km/h    69C has 286 seats, 69D has 302/303 seats, 69G has 269 seats and 69H has 238/240 seats\*

① Series 69H is two car sets with fewer seats

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## Class 70



 6    160 km/h    233/238\*

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## Class 72



 36    160 km/h    310\*

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## Class 73

Subseries: Type 73A



 20    210 km/h    204\*

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## Class 74



 53     200 km/h     240\*

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## Class 75



Class 73B




 83     200 km/h     295\*

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## Class 76



 14     200 km/h (160 km/h during thermal driving)     196\*

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## Class 92



 8     140 km/h     143\*

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## Class 93



 15     140 km/h     87\*

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## Di 4



 5     140 km/h

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## WLAB 2



 20     150 km/h     30

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## EI 18



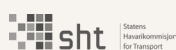
 16     200 km/h

# Norske tog's role in the rail sector



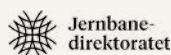
## Samferdselsdepartementet

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

Investigates accidents and incidents on the railway to improve safety.



### The Norwegian Railway Directorate

Coordination, operational management and development of the sector.



### The Norwegian Railway Authority

Supervisory authority for the railway.



### 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.



### Flytoget AS

Passenger



### SJ Norge AS

Passenger



### Go-Ahead Nordic

Passenger train operator.

**Train companies, maintenance companies, contractors and suppliers.**  
Compete for contracts.



## Nærings- og fiskeridepartementet

Ministry of Trade, Industry and Fisheries



### Mantena AS

Vehicle maintenance.

- Administrative bodies
- State-owned standalone units
- Private sector





This is Norske tog AS

# This is Norske tog

### 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 has its head office 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 owning the company is to have an operator that can offer vehicles for passenger train traffic on competition-neutral terms. The state's goal as an 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 train operators pay Norske tog rent for the use of the company's vehicles.

Table 1: Key financial figures for 2023 and 2024

Key financial figures for 2023 and 2024 (NOK millions)	Operating profit/loss 346 2023: 401	Profit before tax 153 2023: 209
Profit for the year 119 2023: 163	Net cash flow 571 2023: -182	Working capital -385 2023: -627
Equity 3 774 2023: 3 606	Equity ratio 25,7% 2023: 25,9 %	Return on equity 3,3% 2023: 4,8 %



## Norske tog in figures

270

motor vehicles

A motor vehicle 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<sup>\*</sup>

engines

An engine is a motor vehicle with an engine that is intended to pull passenger coaches in a train. Norske tog's engines are currently used on the Dovre Line, Bergen Line, Sørland Line and Nordland Line.

135<sup>\*\*</sup>

passenger coaches

A passenger coach is a single vehicle without traction that can carry passengers in a fixed or variable train formation. A passenger coach is dependent on an engine with traction to travel.

18

vehicles including subseries

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

84

score of satisfied passengers  
(scale from 0-100)

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

19,6

average age of the current fleet

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

\* One Di4 engine is totalled after the accident on the Nordland Line.

\*\* One wagon of type 7 is totalled and will be disposed of at the beginning of 2025. In addition, two wagons of type 5 are totalled after the accident on the Nordland Line.



64

permanent employees  
at the end of 2024

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

3,3

per cent return  
on equity

For 2024, Norske tog's return on  
equity was 3.3%. The owner's  
long-term target is a return of  
5 per cent.

4

customers

Vygruppen, Vy Tog, SJ Norge  
and Go-Ahead

A+

rating

The current rating from  
Standard & Poor's is A+. The goal is to  
maintain the the A+ rating.

25,7

per cent equity ratio

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

Vision:

Better and better trains,  
for as many as possible.



# Milestones Norske tog 2024

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**11 March**

The first upgraded type 73 train set, which will run on the Sørland Line, was presented to politicians and the industry. The project comes from an initiative by Go-Ahead Nordic, and Norske tog is collaborating with Mantena on the upgrades.

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**25 March**

Alstom started assembly of the first N05 local train in Salzgitter, Germany.

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**4 June**

For the second time, Norske tog gathered the railway sector for a joint professional conference, the Train Academy Day. The aim of the event was to promote collaboration across the railway sector and to provide participants with a professional refresher.

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**17 June**

As part of the revised national budget between the government and the supporting party SV, it was decided to establish a night train service to Copenhagen by 2030.

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**14 August**

At the Arendalsuka, Norske tog invited train enthusiasts to a debate on night trains to Europe and how to encourage more people to travel by train.

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**6 September**

Since 2023, Norway has been in dialogue with the Ukrainian authorities about donating Norwegian train sets to Ukraine. Before the summer, the Ukrainian authorities reported that it is not practically feasible to accept the trains. The Norwegian authorities has decided to end the donation.

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**18 September**

The Government decided that Norske tog will take over Flytoget's rolling stock, in connection with Flytoget becoming a subsidiary of Vygruppen in 2025.

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**7 October**

The Norwegian government announced that it intends to change the financing model for Norske tog from a model where the company borrows from the private loan market to a model where the state offers loan financing. A decision on the company's financing model is expected to be made in 2025, and the intention is that the new model will be in place from the second half of 2025, if adopted.

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**24 October**


Accident on the Nordland Line railway where a train derailed.

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**27 November**

ERTMS was put into operation on the Gjøvik Line, the first in Norway.





Letter from the CEO:

# A demanding year for the Norwegian railway



**2024 remains an "annus horribilis" for train travellers, and the railway family must now take responsibility to make sure we never have a year like this again.**

2024 has been a demanding year for the Norwegian railway. For Norske tog, the year has been characterised by our biggest initiatives: the procurement of local and long-distance trains, the introduction of condition-based maintenance and improving access to systems and data. These focus areas are a key part in reducing the number of faults on our vehicles and contributing to a more reliable railway sector.

In the past year, the Norwegian railway has underperformed in a number of areas. 2024 remains an "annus horribilis" for train travellers, and the railway family must now take responsibility to make sure we never have a year like this again. Travellers are not interested in apportioning blame - only that the trains run on time. As far as Norske tog is concerned, this is about ensuring that we have the right trains, enough trains, and that the trains are properly maintained and managed.

As a part of this, we have in 2024 focused on the implementation of Condition Based Maintenance (CBM). We want to improve the availability and reliability of our trains by using data and analysis from the trains movement to anticipate and prevent problems before they arise. Throughout the year, we have collaborated with various stakeholders and installed sensor equipment on the trains to monitor the condition of the rolling stock. The aim is for CBM to result in fewer errors leading to cancellations and delays, and to streamline maintenance.

The Norwegian train fleet has a lot of old rolling stock, and the average age of the fleet has now increased to 19.6 years. The oldest train sets in operation, type 69, have been running since 1971. It is essential to add new local, regional and long-distance trains to the fleet to replace the oldest rolling stock. We are well underway with the purchase of new trains and are making progress in our major procurements. The first of the new commuter trains will arrive in Norway for testing in the winter of 2025/2026, and we aim to start production of the new long-distance trains in 2025.

Norske tog's financial situation has remained stable through the last year. Despite a decline in the company's earnings, the financial situation remains secure. In the national budget for 2025, presented in October, the government announced its intent to change Norske tog's financing model from obtaining financing in the private market to a model with

government loans. The ambition is for this to be implemented from the second half of 2025, and Norske tog is in dialogue with the government regarding the process.

Sustainability is at the core of our strategy, and the company is working actively to improve its work on sustainability reporting and measures. Helping reduce emissions from the transport sector is an essential part of our social mission. To do this, we are also dependent on train travel being as attractive a means of transport as possible and being able to outperform private car use.

In 2025, Norske tog will continue the procurement projects, upgrading the type 72 trains and installing ERTMS on-board equipment. Furthermore, the government has decided that Norske tog will take over Flytoget's rolling stock, and we will continue to work on this transaction in the coming year. In addition, there have been signals from the Government that day and night train services will be established to the rest of the continent - perhaps as early as in 2026. Norske tog welcomes this, and we are happy to help realise our politicians' wishes for an attractive international train service.

Finally, I'd like to say that I've been thinking a lot about the tragic accident on the Nordland Line in October, where a train driver was killed. This is an event that affects the entire railway family and reminds us that safety must be at the forefront of everything we do. It is our job to ensure that we have safe and secure trains, both for our employees, travellers and everyone around us. The subsequent stoppage in traffic has also been demanding for many people's everyday lives, and the lack of available trains underlines the need to have enough and standardised trains.

We look forward to continuing our work towards delivering better and better trains, for as many people as possible. Travellers must be able to rely on Norwegian railways having accessible and reliable trains in the years to come.

Yours sincerely



**Øystein Risan**  
CEO, Norske tog

# 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 the 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

# 01

## Competitive service offer and satisfied customers

Norske tog works continuously to offer competitive rolling stock that ensures high customer satisfaction.

### Rolling stock

Today, Norske tog has a fleet of around 300 train sets, with 18 different train classes. For more information about the fleet and how we maintain it, see the chapter "Our trains".

### Customers

In 2024, Norske tog had four customers: Go-Ahead, SJ Norge, Vy Tog and Vygruppen.

GoAhead 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. In the latter half of 2024, the government announced that it will directly assign Traffic Package 1 to Vygruppen from 2027.

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 Rauma Line, Røros Line,

Trønder Line (Lundamo- Trondheim-Steinkjer), Meråker Line and Saltenpendelen Line (Bodø-Rognan).

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

Vygruppen is the operator of the Eastern Norway 1 and Eastern Norway 2 transport agreements. Eastern Norway 1 covers passenger train services on the Østfold Line and the Gjøvik Line, as well as the Spikkestad-Lillestrøm and Stabekk-Ski local train lines. East 2 covers regional trains on the Skien-Eidsvoll and Drammen-Lillehammer lines, local trains on the Kongsberg-Eidsvoll, Drammen-Dal and Asker-Kongsvinger lines, and the train service between Notodden-Porsgrunn (Bratsberg Line).

### Passengers

The Norwegian Railway Directorate collects data from train travellers and reports a quarterly customer

satisfaction index. When asked how satisfied passengers are with cabin comfort on their journey, the overall result across all train operators in 2024 was 84 (on a scale where 100 is the maximum). This is at the same level as 2023. A large proportion of the train fleet is approaching the end of its lifespan, which characterises the offer to passengers today. These trains will be replaced within a few years.

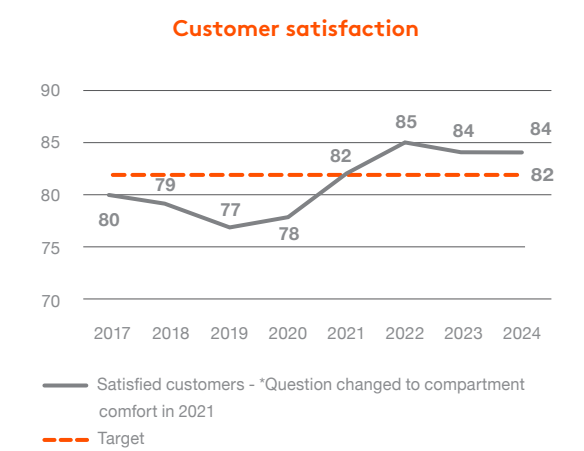
In 2024, Norske tog has implemented a number of measures to improve the overall travelling experience for train passengers. You can read about these in the chapter "Our trains".

Bane NOR reports a decline in the punctuality of passenger trains in 2024 of 1.5 percentage points compared with 2023 (from 87.6% to 86.1%). This is below the target of 90 per cent, and there are complex reasons for this. The number of delays caused by train faults also increased in 2024.

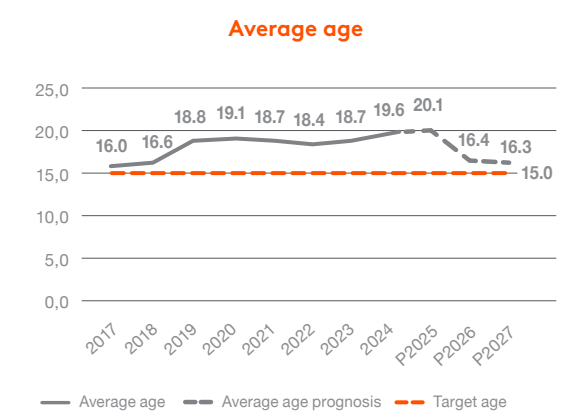
Read more about punctuality on Bane NOR's website ([www.banenor.no](http://www.banenor.no)).

The graphs show indicators related to goal 1: *Competitive offering and satisfied customers.*

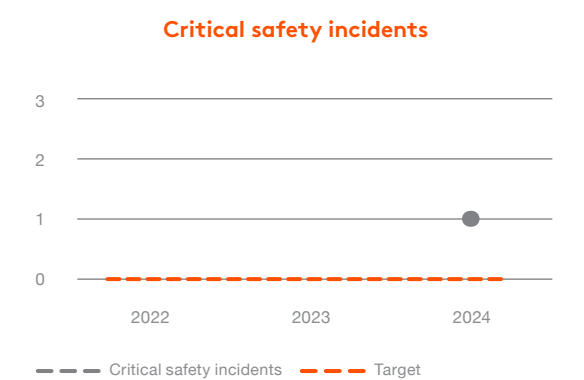
Graph 1 : Development in the Norwegian Railway Directorate's customer satisfaction index on questions about compartment comfort on the journey.



Graph 2: Development in the average age of Norske tog's rolling stock.



Graph 3 : Development in the number of safety-critical incidents. The safety-critical incident in 2024 was the derailment on the Nordland line. No incidents have been reported as a result of Norske tog's deliveries.







Goal

# 02

## Efficient and sustainable operations

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

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

When a large number of trains are to be procured in a short period of time, it is crucial, in terms of both efficiency and costs, that Norske tog has a strong, competent and professional environment to follow up such extensive and demanding projects.

### Upgrade and maintenance

The upgrade and maintenance of existing train sets is crucial to maintaining service life, 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 caused by train faults.

You can read more about what Norske tog does to maintain the service life of its trains in the chapter "Our trains".

### Sustainable operations

The sustainability report provides a more detailed description of Norske tog's work on sustainable operations in 2024. Some key points are summarised below.

🌀 In January 2024, Norske tog had its science-based climate targets approved by the Science Based Targets Initiative (SBTi). In the autumn of 2024, Norske tog started work on a climate transition plan. The plan will be finalised in 2025 and will contain measures towards achieving the company's climate targets for 2030 and 2050.

🌀 Norske tog is implementing a number of measures to contribute to increased circularity. In 2024, the company has, among other things:

- Set sustainability requirements for the procurement and management of vehicles. In 2024, public sector organisations in Norway were required to give 30% weighting towards climate and environment concerns in procurements.
- Extended and maintained the lifespan of trains through modifications and upgrades of the rolling stock.

PHOTO: BENJAMIN WARD



- Reused components, such as train radios, from phased-out trains.
- Co-operated with waste management to improve the handling of disposed trains in accordance with the waste hierarchy.

🔄 In 2024, the first phase of condition-based maintenance on the FLIRT fleet was completed.

🔄 Changed routines for sustainability reporting in accordance with the *Corporate Sustainability Reporting Directive* (CSRD).

If Norske tog is to achieve the company's sustainability goals, co-operation with key stakeholders is crucial. In 2024, the following was important:

🔄 Norske tog works continuously to improve the energy efficiency in procurement and in the management of rolling stock. In 2024, a better data basis was established for the trains, which provides a better basis towards assessing the energy efficiency of trains, both in operation and during procurement.

🔄 Complete development on driver assistance for trains in procurement, through the Driver Advisory System (DAS), and in time, Automatic Train Operation (ATO), which will contribute to optimised energy consumption in the trains.

🔄 Participated in Entur's data collaboration to establish communication of standardised calculations of emissions from the transport sector in Norway.

🔄 Coordinated collaborative meetings on noise within the sector.

🔄 Worked for increased collaboration and expertise sharing in the sector. Among other things, Norske tog helped develop a training programme for railway engineering together with Imperial College London, starting in 2025.

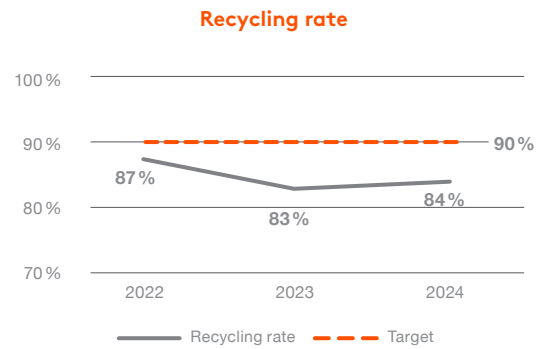
🔄 Conducted follow-up meetings with suppliers for risk as part of the due diligence work.

🔄 Performed an ESG audit for a supplier.

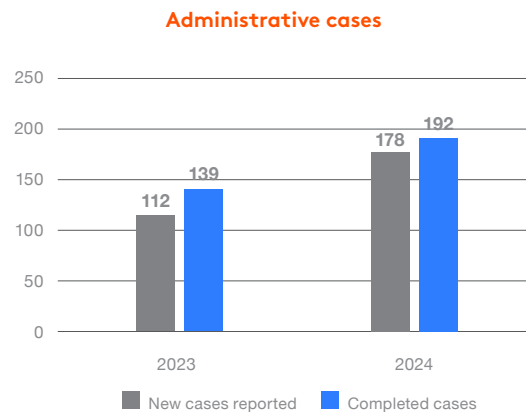
The graphs show indicators related to goal 2: *Efficient and sustainable operations*.

Graph 6 shows an increase in delay hours due to vehicle faults. The oldest trains, types 69 and 70, have considerably more faults than newer rolling stock and will be replaced with new local and regional trains. In the meantime, measures are being implemented on types 69, 72 and 73 on power rectifiers, doors and ATC

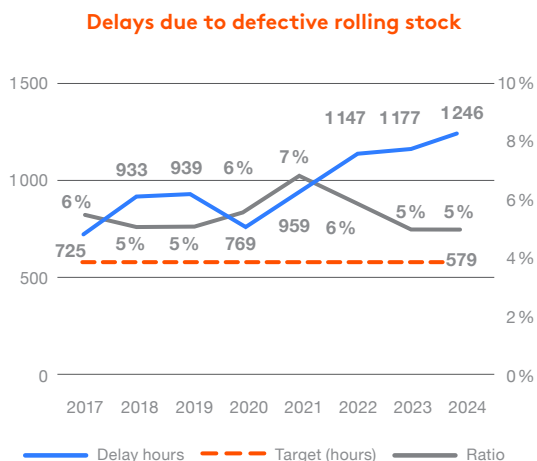
Graph 4: Development in recycling rate when scrapping trains.



Graph 5: Development in the number of new administrative cases reported by the train operators and in the number of completed administrative cases.



Graph 6: Development in delay hours and the proportion of total delay hours in train traffic due to defective rolling stock.



to improve operational stability. The aim is to reduce the number of delays and cancellations by 20% in 2025 and halve them in the long term.



Goal

03

## Competent and satisfied employees

Norske tog aims to have satisfied employees with good and relevant expertise.



PHOTO: HAMPUS LUNDGREN

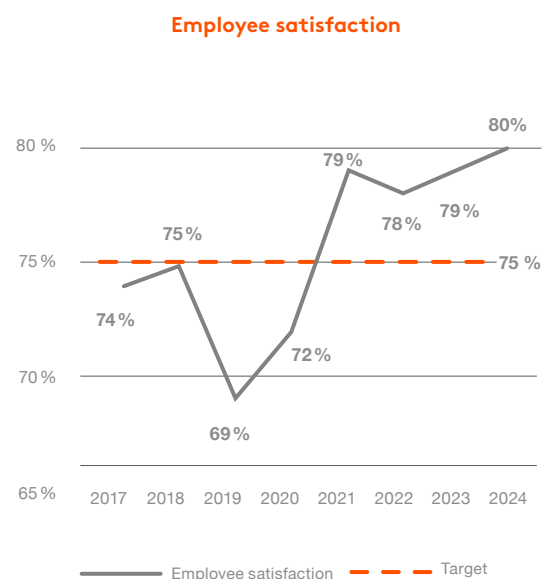
For efficient management of the train fleet, combined with the fact that a record number of trains are to be procured in a short space of time, it is crucial that Norske tog has a strong and competent professional environment. This is essential for both efficiency and cost control in the implementation of extensive and demanding projects.

In 2024, Norske tog conducted an employee survey that shows employee satisfaction remains at a high level. There are only minor changes in the results compared to the corresponding survey in 2023. For job satisfaction, the score is 80 (up from 79 in 2023) and for loyalty, the score is 85 (down from 86 in 2023). A score of over 75 is considered high. In recent years, Norske tog has had a consistently high score for employee satisfaction.

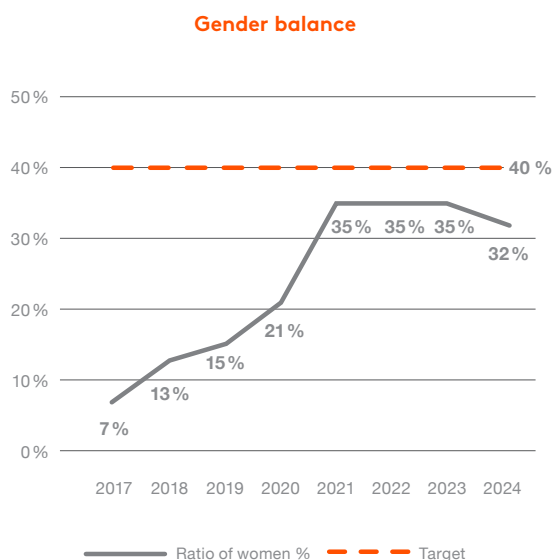
Sickness absence in Norske tog continues to be low at 3.5 per cent in 2024 (up from 1.6 per cent in 2023).

The graphs show indicators related to goal 3: *Competent and satisfied employees.*

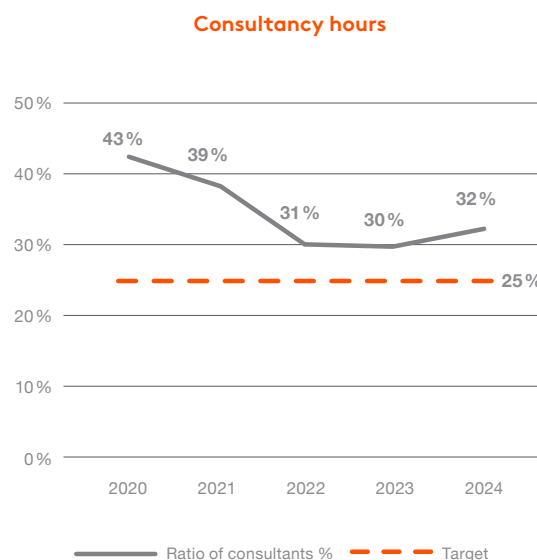
Graph 7: Development in employee satisfaction among employees of Norske tog.



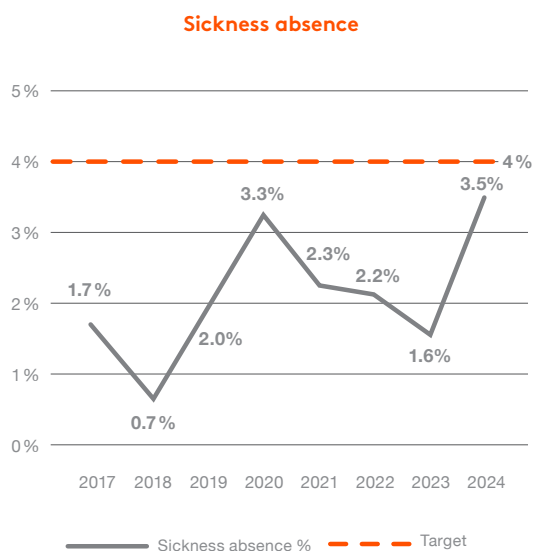
Graph 8: Development in gender balance among employees at Norske tog.



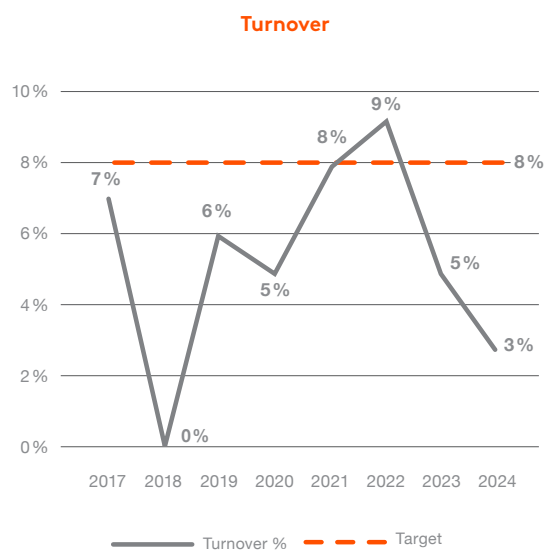
Graph 9: Development in the proportion of contracted consultancy hours, measured against total man-days in Norske tog.



Graph 10: Development in sickness absence among employees of Norske tog.



Graph 11: Development in employee turnover in Norske tog.







Goal

04

## Financial freedom of action

Norske tog has a high credit rating. Standard & Poor's has given the company credit ratings for long-term borrowing of A+ (stable).

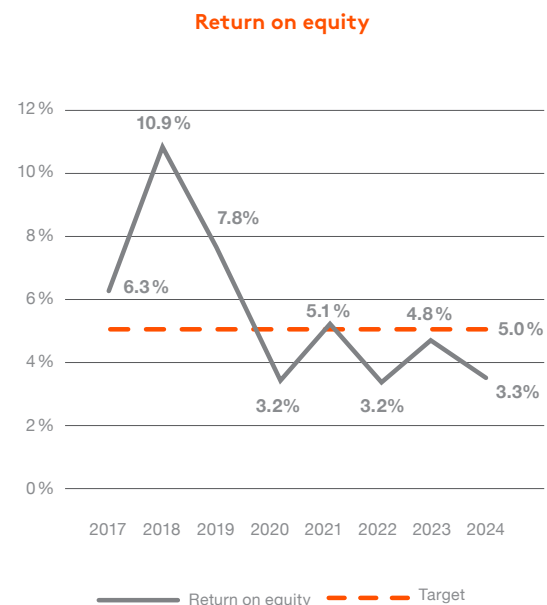
Norske tog borrows through the Euro Medium Term Note (EMTN) programme. This programme does not contain any financial requirements, but an ownership clause related to the state owning 100% of Norske tog.

As of 31 December 2024, Norske tog AS has an undrawn credit facility of NOK 3,000 million maturing in June 2026.

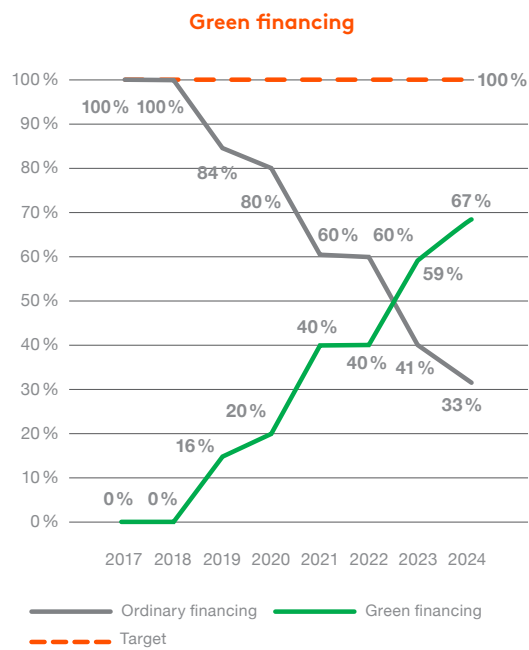
In 2024, the government announced its intent to change Norske tog's financing model from the company raising loans in the private loan market to the state offering loan financing. This new arrangement is intended to be put in place from the second half of 2025. In 2024, Norske tog worked to fulfil the assignment from the Ministry of Transport and Communications in the best possible way. Norske tog requires the financial freedom to ensure the necessary financing of operations and investments and is working to ensure that this is also taken into account in the proposal for a new financing model.

The graphs below show indicators related to goal 4: *Financial freedom of action*.

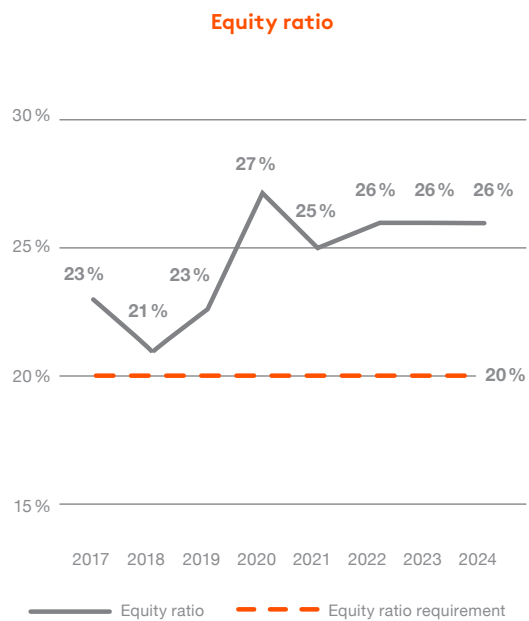
Graph 12: Development in return on equity in Norske tog.



Graph 13: Development in the share of green financing in Norske tog.



Graph 14: Development in Norske tog's equity ratio.







Our trains

Norske tog is responsible for procuring, owning and managing rolling stock for passenger train services in Norway. This chapter provides an overview of the company's rolling stock, major ongoing acquisitions and information on how the rolling stock was maintained in 2024.

### Train fleet

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

# 150

#### Our newest train sets:

A total of 150 FLIRT trains (types 74, 75 and 76) delivered from 2012 to 2023, 14 of which (type 76) are bimodal.

# 71

#### Train sets from the 2000s:

A total of 71 train sets, of which 36 are type 72, 20 are type 73A/73B and 15 are type 93.

# 49

#### Old trains from the 70s, 80s and 90s:

- A total of 49 train sets, of which 35 are type 69, 6 are type 70 and 8 are type 92.
- A total of 21 engines, of which 5 are of type Di4 and 16 are of type EI18.
- A total of 135 wagons, of which 56 are type 5, 59 are type 7 and 20 are type WLAB2.

The average age of the company's train fleet was 19.6 years in 2024, compared to 18.7 years in 2023. The company's train fleet is ageing steadily, and a large proportion of the fleet is now past its technical service life. In order to meet both traffic growth and travellers demands for functionality and facilities, there is a need for significant investment in new trains. With the procurement agreements that Norske tog currently has, there are additional options for up to 200 new local and regional trains and up to 100 new long-distance trains. This means that if the options are

exercised, there could be a capacity increase on the railway from 2028.

### Local and regional trains

Norske tog has signed a contract with Alstom SA for the acquisition of 36 new local trains and 19 new regional trains - Cordia 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 went into production in the fourth quarter of 2023.

The contract originally had a framework of NOK 20 billion. Costs have increased due to exchange rate adjustments, price increases and changes to the order, but the forecasts show that the project appears to be within the price- and exchange rate-adjusted framework from the Ministry of Transport and Communications.

The first part of the order for 30 local trains will replace the type 69 trains, which have passed their technical service life and no longer meet travellers' requirements for air conditioning, network coverage and universal design. The first trains will be put into service on L1 Spikkestad - Lillestrøm.

The second part of the delivery consists of 6 local trains and 19 regional trains and is also planned for use in Eastern Norway.

The new local and regional trains have been delayed. According to the updated plan, the first local train will be ready for traffic in 2026. Compared to the original plan from when the contract was signed, the delay is now at approximately one year. The remaining local and regional trains will be similarly delayed. The delay is due to challenges Alstom has with its subcontractors and challenges with the actual production. Other major train companies in Europe with orders from Alstom have also been notified of similar delays. Norske tog is keeping in close dialogue with Alstom about the situation and is working to ensure the best possible progress for the project, given the challenges that have arisen.

### Long-distance trains

Several of today's long-distance trains are over 40 years old and have reached the end of their service life. Therefore, Norske tog entered into an agreement in 2023 with Stadler for the purchase of 17 new long-distance trains, with an option to purchase up to 100 new trains in total<sup>1</sup>.

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.

<sup>1</sup> The 17 ordered trains are long trains, meaning 66 short or 33 long trains remain in the option.





PHOTO: DIDRIK RUD

The contract originally had a framework of NOK 8 billion. Costs have increased due to exchange rate adjustments, price increases and changes to the order in the project, but the forecasts show that the project appears to be within the price- and exchange rate-adjusted framework from the Ministry of Transport and Communications.

The new long-distance trains will operate on the Bergen Line, Sørland Line, Dovre Line and Nordland Line. The trains on the Bergen Line will be replaced first. Both electrified and bimodal trains are being purchased.

According to the updated plan, the first new long-distance train will be ready for traffic in 2028. This means that the first train set will be delayed by up to a year. This is due to flood damage at a subcontractor to train manufacturer Stadler, as well as some challenges with the design of the new trains.

#### **Mid-life upgrade of type 72**

Norske tog has entered into an agreement with Alstom for the mid-life upgrade of the Italian type 72 trains, which are approaching 20 years old. The first mid-life upgraded train arrived in Norway on 15 December 2024. The upgraded train will undergo a test period before it is handed over to Vy and put into operation.

The 20-year-old trains will look brand new after the upgrade. They will undergo major changes to the exterior and will have a Scandinavian design on the inside. In addition to the external upgrades, the carriage body will be checked for damage and a number of technical upgrades will be made. The fully upgraded trains will provide a major boost for both passengers and train operators.

During the upgrade period, two trains will be out of service to be upgraded in Västerås by Alstom. The last train to be upgraded is scheduled to be ready to enter traffic during 2027/2028.

The trains will operate as local trains in the Oslo area and on the Jæren Line. Passengers in eastern Norway will benefit from the first upgraded train set, which will be operated by Vy.

#### **Upgrades and maintenance**

The upgrade and maintenance of existing rolling stock is crucial to maintaining the lifespan of the trains and ensuring they are perceived as attractive to travellers. In addition, good maintenance is an important factor in reducing the number of delays and cancellations caused by faults.

Proactive management of the trains is intended to ensure high availability, reliability and a long service

life. Management tasks include handling enquiries from train operators, assessing proposed changes to maintenance and documentation, and quality control in the workshop. Norske tog also works proactively to identify and implement improvement measures for technical systems, maintenance programmes and technical documentation. The main measure in Norske tog's management strategy is to introduce condition monitoring (OCM) and condition-based maintenance (CBM). The strategy is for Norske tog to take a more active role in maintenance.

Norske tog has a dedicated team that works exclusively on handling ongoing management issues. The team works proactively with management and has an active co-operation with the train operators.

In 2024, Norske tog took the initiative to establish its own punctuality group in collaboration with the train operators and Bane NOR. The group's mandate is to identify and address technical faults in the rolling stock, and to create a forum where relevant technical measures can be discussed and implemented to improve the situation.

Previously, Norske tog carried out inspections of the trains condition every two years. In 2024, however, the company initiated more frequent maintenance inspections with the train operators, aiming to ensure the right quality of maintenance performance. This has already yielded positive results in the shape of faults being detected at an earlier stage.

In addition to the ongoing management work, Norske tog worked on several modification and upgrade projects in 2024 to improve quality, ensure safety and reduce the number of faults on the rolling stock:

- **Type 76:** The supplier has carried out warranty work and modifications, which have resolved availability issues and returned trains to service.
- **Type 93:** The installation of programmable logic control for better monitoring and control of the batteries on the trains, together with other improvements, has led to a reduction of approximately 50% in battery failures.
- **Type 73:** Several modifications have been carried out, which have reduced faults on the trains by approximately 20%.
- **EI-18:** Overhaul and repair of traction motors has resulted in a reduction of over 60% in recorded failures.
- **Type 5:** Replacing the activation cylinders of

the magnetic rail brake to ensure better winter functionality and strengthen the effect of the emergency brake, has led to a reduction of over 60% in recorded failures.

### Phasing out and recycling of trains

When train sets are phased out of service, they are sent to a workshop for dismantling of components that can be reused, before they are sent for recycling. Norske tog has a permanent partnership with the recycling company Hellik-Teigen, which is based in Hokksund.

In 2024, 5 train sets have been disposed of by Hellik Teigen (3 of type 69 and 2 of type 92). In 2025, 14 trains are planned to be phased out and recycled.

### Flytoget merger

In 2024, the Norwegian government decided to merge Vy and Flytoget, with Flytoget becoming a subsidiary of Vy. Until now, Flytoget has owned its own trains, but with the merger, Norske tog will take over Flytoget's rolling stock. The aim of the transfer is to bring together the state's rolling stock into one company in order to facilitate long-term and comprehensive rolling stock management. In the autumn of 2024, Norske tog and Flytoget worked together to solve the assignment from the Ministry of Transport and Communications in the best possible way.

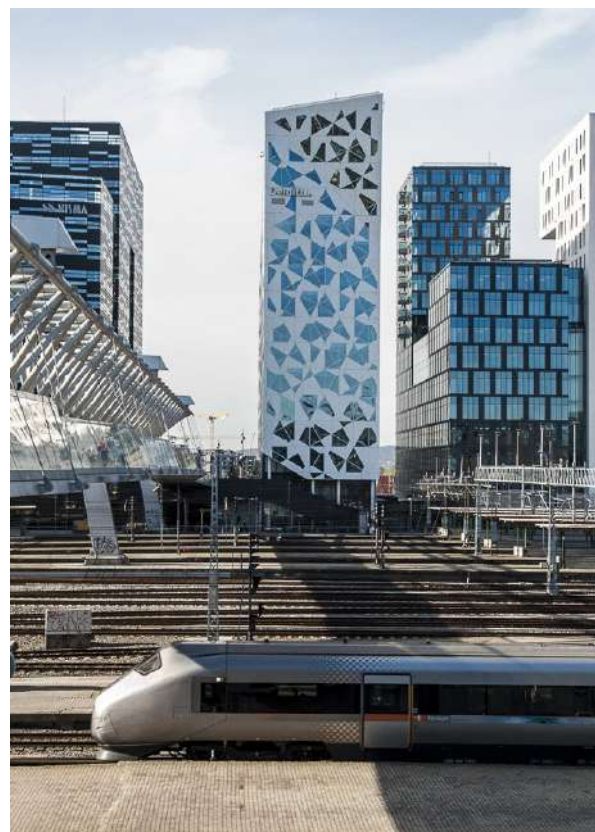


PHOTO: CF SALICATH / FLYTOGET





## Corporate Governance Report

Norske tog reports in accordance with the *Norwegian Corporate Governance Board's recommended reporting framework*. You can read more about this here:

<https://nues.no/eierstyring-og-selskapsledelse/>

Norske tog is wholly owned by the Norwegian state through the Ministry of Transport and Communications 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.

### Business

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

The company has adopted guidelines for ethics and social responsibility.

### Share capital and dividends

As of 31 December 2014, Norske tog had an equity of NOK 3 744 million and an equity ratio of 25,7%. The company aims to have a long-term equity ratio of more than 25 per cent and a short-term 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.



### **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 employees are incorporated in the ethical guidelines and instructions for the board and CEO.

### **Free negotiability**

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

The NUES requirements in this area are not considered relevant.

### **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 is sent no later than seven days before the date of the general meeting. The registration deadline 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.

### **Nomination committee**

In accordance with section 6-3 of the Companies Act, the members of the Board 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 in wholly owned companies (ref. *the Norwegian State Ownership Report 22-23*). 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 competence, 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 the risks and opportunities associated with financial, social and environmental conditions, and thereby 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 team. Examples of such qualities may include a high level of integrity, independence, interpersonal skills, creativity, ability to innovate, as well as commitment to the company's purpose and the ability to safeguard the company's interests in a favourable manner.

As part of the above-mentioned 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 NUES requirements in this area are not considered relevant.

### **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. Principles of independence and impartiality are applied in the election of shareholder-elected board members.

No impartiality assessments were carried out of the Board in 2024. Board members are responsible for reporting any circumstances that may lead to disqualification. In the event of disqualification, the Board member in question will resign from handling 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 Ethics annually.

# The Board of Directors

Table 2: Overview of board members and relevant experience.



**Jan Morten Ertsaas**  
Chairman of the board

**Member since:** June 2023  
**Gender:** Male

**Number of relevant positions/jobs**  
5 (CEO of 1 company, chairman of 3 companies, board member of 1 company)

**Other relevant activity/competence**  
CEO of Siva SF, Chairman of the Board of Siva Eiendom Holding AS and Safetec Nordic AS, Board member of Fokksnø AS.



**Espen Opedal**  
Board member

**Member since:** April 2017  
**Gender:** Male

**Number of relevant positions/jobs**  
3 (CEO of 1 company, chairman of 1 company, and board member of 1 company)

**Other relevant activity/competence**  
CEO of Tryg forsikring, Chairman of the Board of Styreportalen AS, and board member of Finance Innovation.



**Anita Meidell**  
Board member

**Member since:** June 2023  
**Gender:** Female

**Number of relevant positions/jobs**  
1 (programme manager, board member 1 company)

**Other relevant activity/competence**  
Programme manager for NHH's Executive MBA specialising in strategic management. Board member of Norske tog forsikring AS.



**Kristin Veierød**  
Board member

**Member since:** June 2024  
**Gender:** Female

**Number of relevant positions/jobs**  
3 (Partner and chairman of 1 company, chairman of 2 companies)

**Other relevant activity/competence**  
Kristin Veierød is chairman of the board and partner at Hjort Law Firm. She is chairman of Norsk Dekkretur and Mentor Medier and has been chairman of Save the Children.



**Vidar Larsen**  
Employee representative

**Member since:** March 2023  
**Gender:** Male

**Number of relevant positions/jobs**  
Only internal positions in Norske tog

**Other relevant activity/competence**  
Vidar Larsen has been an employee representative on Norske tog's board since 2023. He is a member of the Norwegian shadow committee for CEN and ISO railway standards.



**Razieh Nejati Fard**  
Employee representative

**Member since:** January 2024  
**Gender:** Female

**Number of relevant positions/jobs**  
Only internal positions in Norske tog

**Other relevant activity/competence**  
Razieh Nejati Fard has been an employee representative on Norske tog's board since 2024. She is a board member of Tekna Jernbane.

Norske tog's board of directors was changed at the company's annual general meeting on 3 June 2024. Kristin Veierød was elected as a new board member for a period of two years, while chairman Jan Morten Ertsaas and board member Espen Opedal were re-elected for a corresponding period. With the changes, the Board now consists of four permanent shareholder-elected board members and two employee representatives.

The Board of Directors represents broad experience from different parts of the business community and has extensive knowledge of the company's operations. All of Norske tog's shareholder-elected board members have extensive management experience. In addition, several shareholder-elected board members have extensive experience from board work, with three of the members exercising this actively in other non-competing businesses.

Norske tog's employees are represented by two persons who are not part of the company's senior 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.

#### **The work of the Board of Directors**

Norske tog conducts 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 assesses the company's goals, strategies and risk profile on an annual basis.

Each year, the Board of Directors provides 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 procedures for managing and controlling the organisation. Principles and guidelines, routines and authorisation matrices have also been prepared to manage and control finance, accounting and financing.

The Board an annual plan for its meeting activities. The Board meets at least five times a year, including an annual strategy meeting. Other meetings are convened as required. In 2024, five ordinary and three

extraordinary board meetings were held. 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 for the committee to act as a preparatory and advisory body for the Board of Directors, and to support the Board in exercising its management and supervisory responsibilities.

#### **Increase in expertise**

The Board has extensive experience from other businesses and sustainability work in these organisations. In 2024, the board continued its focus on increasing expertise on 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 two Board members have attended a series of seminars on CSRD specifically. One board member is also a supervisor on 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 day-to-day management, including appointing the CEO).
4. Self-assignments (evaluate own work and expertise, developing own expertise, planning for own work).

As the owner of Norske tog, the state contributes to the achievement of goals by, among other things, holding the board of directors accountable for this. Assessments of the companies' goal achievement and work on the state's expectations are carried out on an ongoing basis and are normally summarised annually as part of the planning of the state's ownership follow-

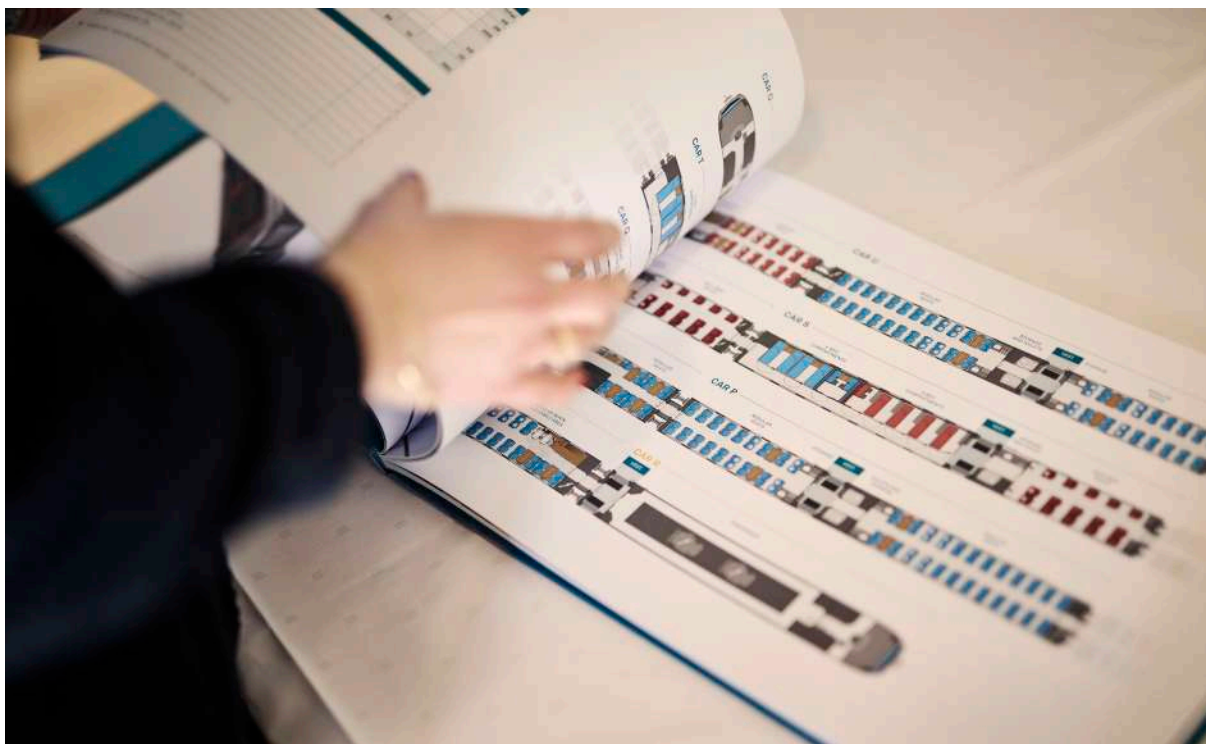


PHOTO: BENJAMIN WARD

up and adjusted as necessary. The company's board members carry out an annual assessment of their own work, with input from the CEO.

Norske tog's strategy, including 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 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 work on sustainability in line with the *UN Sustainable Development Goals*, lies with the management. Each board member must sign the company's *Code of Conduct and Guidelines for Responsible Business Practice* annually.

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 of Transport and Communications 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, sustainability will be included as a topic in the third contact meeting in 2025. The purpose of the

sustainability meeting is to provide the owner with a solid knowledge of how Norske tog works to meet the state's expectations, including the issues that Norske tog considers 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 train 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 organisation's activities. Furthermore, the Board of Directors shall ensure that the principles expressed in *the Norwegian Government's Ownership Report*, 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 CEO's authorisations. Under the Board of Directors, the CEO has overall responsibility for the organisation's impact on the economy, the 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.

#### **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 the goal achievement by holding the Board of Directors accountable for the goal achievement but is not itself represented on the Board.

As the owner of Norske tog, the state keeps regular dialogue with the company where it 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, and resolutions on capital changes and other amendments to the Articles of Association. As an owner, the state can demand that 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 in companies*).

#### **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.

#### **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 (ref. 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 the insurance company Tryg, where a member of the Board is CEO, holds the company's insurance policies. This board member leaves meetings where matters to be discussed can pose a conflict of interest.

The growth in the Board's remuneration has been in line with general wage growth in Norway but had a lower percentage increase than the front-framework during the period. See the executive remuneration report for further information on the Board's remuneration.

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 other members of the Board. For example, the Chairman of the Board has a special responsibility for organising the Board's work, 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 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 (ref. Report to Stortinget Meld. St. 6 (2022-2023) *A greener and more active state ownership - The state's direct ownership of companies* (the Ownership Report) and *the governmental guidelines for executive remuneration in companies with direct state ownership*, as established by the Ministry of Trade, Industry and Fisheries on 12 December 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 compensation programme therefore consists only of fixed salary and is not affected by the management's control 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 and health insurance. For the CEO, "other benefits" also includes a car 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 constitutes a competitive, but not leading, level of remuneration, consideration is normally given to factors such as experience, seniority, expertise and salary conditions that are common in other, similar Norwegian unlisted companies. 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 collectively and individually to ensure moderation and competitiveness at the same time. This also applies to all the company's employees. Only the car 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](http://www.norsketog.no).

### Information and communication

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.*

### Company takeover

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.*

### Auditor

Norske tog is audited by an independent third party annually, in line with the requirements of the *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 auditing services is valid for four years (annual accounts 2022-2025) with options for 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.

The auditor also normally attends meetings of the Audit and Sustainability Committee. The Audit and Sustainability Committee shall maintain ongoing contact with the company's elected auditor regarding the audit of the annual financial statements, as well as the sustainability report when applicable. The audit plan is reviewed annually with the external auditor.

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 firm 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, the environment and people. The consulting firm EY is the internal auditor for a period of four years, starting when the agreement was signed in 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 determine its priorities. The audit plan is proposed to the Board of Directors, which either amends or adopts the proposal.



The Board of Directors from the 10th of february 2025. when Audun Lind-Eriksen was elected as an employee representative.

## Board of Directors' annual report 2024

### Summary and trends for Norske tog AS in 2024

The transport sector plays an important role to whether Norway is to achieve its climate goals. The government is investing in trains, which is reflected in a high level of activity in the railway sector, including at Norske tog. If more travellers are to be persuaded to choose trains over other less environmentally friendly transport solutions, the trains that run on Norwegian rails must satisfy travellers' demands for both reliability and comfort. Norske tog is continuously working on this.

In 2024, Norske tog had a high level of activity around the procurement of new local, regional and long-distance trains. Great work is being done to ensure stable progress in these procurements. Nevertheless, the railway - like all other sectors - is affected by global instability and disruptions in supply lines. The need for new rolling stock in the train fleet makes it critical for Norske tog to succeed in procuring new trains. Read more about the procurement of new trains in the chapter "Our trains".

To achieve the objectives for the railway and rolling

stock, it is also crucial to ensure that the trains have a high reliability throughout their lifetime. It is therefore natural for Norske tog to prioritise the management of the train fleet to a greater extent.

As a state-owned company, Norske tog is subject to political discussions and management. In 2024, the government decided that Flytoget's rolling stock should be transferred to Norske tog. The board and administration are working closely with their counterparts at Flytoget to implement this transaction. In the national budget for 2025, the government also announced its intention to change Norske tog's financing model from loans in the private market to the state offering such loan financing. Norske tog needs to have the financial freedom to ensure the necessary financing of operations and investments and is keen to safeguard this in the new financing model if this is decided.

The government has repeatedly expressed a desire for day and night train services to other countries in Europe. In the national budget for 2025, the government was asked to facilitate night trains



to Copenhagen in 2026, with the ambition of later extending to Hamburg. In the revised national budget for 2024, the governing parties, together with SV, agreed to establish a night train service to Copenhagen by 2030. If these ambitions are to be realised, it is essential to have enough, and the right, rolling stock in place. The new long-distance trains can also run on Danish power supply, which differs from the power supply on the railway in Sweden and Norway.

Norske tog has continued to be successful in recruiting, training and onboarding new employees over the past year. By the end of 2024, there were 64 permanent employees, up from 63 in 2023. The increase in the number of employees is a conscious effort to ensure sufficient and appropriate expertise and capacity to implement the procurement agreements for new local, regional 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 – which is important to ensure that the trains are perceived as attractive to travellers throughout their lifetime.

Statistics from Bane NOR show that the negative development in the number of delays and cancellations on the railway has continued in 2024, which was a historically poor year for punctuality. This is regrettable for travellers, and a trend that is crucial to reverse. Norske tog's work on procuring new trains will result in a much-needed renewal of the train fleet, which will result in fewer faults. At the same time, the company is working actively to improve the maintenance and management of the existing rolling stock, including through condition-based maintenance.

### **Economic development in Norske tog**

In 2024, Norske tog had a positive annual profit after tax of NOK 119 million, down from NOK 163 million in 2023. The decline in profit is complex and is due to movements in several income and expense items. Some of the main explanations are increased operating costs of NOK 96 million (largely due to increased costs for train modifications); and increased operating income of NOK 41 million (the increase in other income is due to an insurance settlement of NOK 25 million relating to a fire in a train from 2023, as well as a provision for an expected insurance settlement of NOK 95 million relating to the derailment on the Nordland line).

The result gives a return on book equity of 3.3% compared to 4.8% in 2023. The Ministry of Transport and Communications has a long-term target of a 5% return on equity. The result will vary from year to year due to investments and modifications made to the rolling stock.

Operating revenues improved less than expected due to delays in the delivery of upgraded trains. The increase in costs is mainly due to insurance costs, in addition to an increased number of investigations where the company has used consultants for the demerger of Flytoget, the establishment of a self-insurance company, work on the company's future financing solutions, and sustainability reporting.

In 2024, cash and cash equivalents increased by a total of NOK 571 million. The main reason for this is higher borrowing than repayment of loans; the net change was NOK 450 million. Net cash flow from operations totalled to NOK 1,119 million in 2024 (NOK 1,079 million in 2023). Net cash flow used for investments was NOK 677 million (NOK 1,949 million in 2023). The company's working capital was NOK -385 million (NOK -627 million in 2023). Working capital has mainly changed due to the maturity of short-term loans. The balance sheet (debt and equity) was NOK 14,551 million in 2024 (NOK 13,908 million in 2023). The balance sheet is higher as a result of more cash in the bank and increased debt.

Including profit for the year, equity totalled at NOK 3,744 million (NOK 3,606 million in 2023). The equity ratio is 25.7 per cent.

### **Human resources, diversity and gender equality**

A good working environment is a priority for Norske tog, and a lot of resources are devoted to ensuring that employees thrive and feel included at work. Employee satisfaction remains high, as in the survey from 2023. Sickness absence remains low at 3.5 per cent but has increased slightly from last year.

Norske tog works purposefully to develop expertise and involve the company's employees. In 2024, there was a particular focus on inclusion and diversity, with a number of courses and dilemma training sessions on various topics 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 2024, the proportion of women in the company was 32.3 per cent (21 out of 64 permanent employees).

Norske tog's Board of Directors was changed at the company's annual general meeting on 3 June 2024. Kristin Veierød was elected as a new board member for a period of two years, while chairman Jan Morten Ertsaas and board member Espen Opedal were re-elected for a corresponding period. With these changes, the Board now consists of four



permanent shareholder-elected board members and two employee representatives. Directors' and officers' liability insurance has been taken out to cover all board members, including deputy members and the company's management. The insurance covers the whole 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 of Directors and management of Norske tog and updated as necessary. The guidelines are sent out every year and must be signed by all employees. Norske tog's work on anti-corruption is described in more detail in chapter 8 "ESRS G1 Business Practices". Through responsible procurement and supply chain management, Norske tog ensures that all procurements safeguard people, the environment and society. A description of Norske tog's system for conducting due diligence, as well as results from the projects in 2024, is given in chapter 7 "ESRS S2 - Workers in the value chain". Work on audits is described in the same chapter.

In its HSE handbook, Norske tog has laid down goals, requirements, roles and responsibilities for the company. It clearly states that the company's operations must not cause serious harm to people, the environment or material assets. One work-related accident among Norske tog's employees was reported in 2024, but no employees were absent from work due to work-related injury or ill health. For more information, see chapter 6 "ESRS S1 - Own workforce".

Norske tog confirms that the company has fulfilled the activity and reporting obligation in section 26 of the *Equality and Anti-Discrimination Act* (LDL). See separate report on Norske tog's website.

### **Sustainability and corporate social responsibility**

The new sustainability directive CSRD is being introduced in stages in Norway from the financial year 2024. The directive increases the scope of the reporting companies must do to show control over internal and external impact, and financial risk and opportunities for impact on the climate, environment, value chain, own employees and business practices. Norske tog are not legally obliged to report in accordance with the CSRD directive until 2026 (financial year 2025) but have nevertheless chosen to begin this work with the report for 2024, the results of which are presented in this report.

### **Research and development**

Norske tog contributes to technological development in the transport sector and participated in these R&D projects in 2024:

- *Smart Train* is a collaborative project with Stadler for the development of condition monitoring of components and the introduction of condition-based maintenance on the FLIRT fleet through the addition of external sensors on the vehicle. In 2024, a preliminary project was carried out, including the installation of sensors and development of solutions for data transfer. The project will continue with field tests in 2025, focusing on the development of algorithms and data analysis for monitoring the vehicles. The project will also enable monitoring of the condition of infrastructure.
- The *Winter Project*, initiated by SINTEF, is a collaboration between several major train operators to find the best possible flange lubrication. The project aims to reduce wear and tear on wheels and rails, and reduced wheel wear was achieved in 2024. The project will continue in 2025.
- The *Post Doc project*, in collaboration with NTNU, ABB and Stadler, is about logging the current signals from the traction rectifiers on the FLIRT train sets to predict wheel wear on the drive wheels. This optimises wheel alignment planning and improves the availability of rolling stock.

### **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 train sets 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 the conditions that follow the Norwegian Railway Directorate's transport agreements with the train operators, the train 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 procedures

Norske tog's *Due diligence report* is available on the company's website: <https://www.norsketog.no/en/rapporter>. The *Transparency Act* report will be published by 30 June 2025.

### Goals and strategies

Norske tog will contribute to attractive passenger train traffic in Norway and the "green shift" by leasing out a sufficient number of modern trains.

The company provides input to the Norwegian Railway Directorate's 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 train 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 the chapter "Our goals".

### Internal control

Norske tog has its own internal control framework 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, guidelines, procedures and key controls. An internal audit was carried out by the internal control in 2024, which identified areas for improvement. The company has prioritised measures that will further develop the internal control in 2025.

### Risk

#### 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 a part of the company's financial policy.

Projects report on risk to management on a monthly basis and at transitions between phases. Norske tog performs an annual risk analysis and double materiality analysis. The Board of Directors conducted risk assessments twice in 2024.

Norske tog has a strong focus on IT security as an integral part of the company's risk management and corporate governance and has therefore carried out regular audits of systems and routines, closely monitored supplier contracts for IT services, and had mandatory IT security training for all employees through exercises.

Norske tog assesses that the tools used for risk management are appropriate for the organisation considering its complexity and size. In 2024, potential for improvement has been identified to better consider risk at business level and in support functions, and the aim is to implement these improvements in 2025.

#### 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.

Since the company was established, Norske tog has obtained financing in the private loan market. In the national budget for 2025, the government announced its intention to change Norske tog's financing model from seeking loans in the private market to the state offering such loan financing. Norske tog must have the financial freedom to ensure the necessary financing of operations and investments and is determined to safeguard this in the new financing model if implemented.

If the financing scheme is changed, the government has announced that solutions will be established that enable the company to offer repayment of existing loans before maturity. In the event of a change, the government will return with the specific details of the scheme in connection with the revised national budget for 2025.

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, regional 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 is of the opinion that there will be no need to currency hedge these procurements. The Board of Directors has acted accordingly 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 a minimum of 70 per cent fixed interest and a maximum of 30 per cent fluctuating interest.

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

Norske tog has established a framework for issuing green bonds. A detailed report is prepared annually describing which green investment projects are 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 for reporting and works continuously to prepare the company's environmental impact reporting.

#### Operational risk

Norske tog is responsible for maintaining and, if possible, extending the technical 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 sufficient rental income and return to enable the company to make the necessary procurements in time and at the same time have the financial room for manoeuvres to carry out the 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 Transport Plan (NTP) 2025-2036*, 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 train sets 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 space of time, it is crucial, in terms of both 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.

Norske tog has several projects that are dependent on a number of highly sought-after raw materials, such as steel and aluminium, as well as other raw materials needed in electronics. Access to raw materials could therefore affect both the economy and delivery times in the projects, and this is a risk that Norske tog monitors closely.

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. Several of Norske tog's largest projects have been delayed in relation to the original schedule. ERTMS is a complex project that covers all lines and all trains in Norway. Start-up depends both on the developed infrastructure, which is Bane NOR's responsibility, and the conversion 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 two years. In retrospect, it became clear that the challenges in the project were greater than expected, and the timetable for the project is now under review. A new plan is expected in the first quarter of 2025. This makes it demanding to plan for the installation of on-board equipment in the coming years.

## 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 choose trains over cars, bus or planes is important for reducing overall greenhouse gas emissions from the transport sector. Norske tog has an active and exciting year ahead, and will in 2025 continue to work on the following in particular:

- The first local trains will arrive for testing in Norway during the winter 2025/2026.
- 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 design of the trains. Work will continue with the aim of starting production in 2025.
- For the 2025 financial year, Norske tog will be required by law to report in accordance with the new EU directive for sustainability reporting, CSRD. Norske tog decided to start reporting according to this standard from 2024, to establish a good reporting framework and identify data gaps. The work to ensure compliance with the reporting directive will continue in 2025.
- The work on the mid-life upgrade of type 72 continues. The first rebuilt train has been shipped to Norway and is expected to enter service in 2025. At any given time, there will be two train sets out for upgrades.
- The installation of ERTMS on the train sets is under way. Bane NOR will present a revised timetable for ERTMS in Q1 2025. This plan will provide guidelines for Norske tog's work on installing ERTMS on the train sets.
- Norske tog will continue its efforts to improve access to systems and updated maintenance data (for train operators, maintainers and Bane NOR). Better access to data will contribute to more comprehensive and efficient operations 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 trains and land. The company also plans to upgrade the network on board the trains to strengthen data communication between trains and land.
- Continue the introduction of condition-based maintenance (CBM) to ensure better and more efficient maintenance and reduce maintenance costs in the long term. The work that has been done on this in 2024 has been promising and can provide major improvements in maintenance.
- In the national budget for 2025, the government announced it is considering changing Norske tog's financing model. It will be important for the company that the new funding model gives the company room to fulfil its social mission.
- In 2024, the Government decided that Flytoget's rolling stock should be transferred to Norske tog. Work on this transaction will continue in 2025.
- The company updated its strategy in 2024. This is described in more detail in the chapter "Our goals". Over the next year, the Board will follow up the work on the strategy, particularly regarding train maintenance.



PHOTO: BENJAMIN WARD



# Sustainability report 2024



# 1 ESRS 2

## General information



ILLUSTRATION: RYO KANEYASU

### 1.1 BP-1, BP-2 Introductory section

This is Norske tog's third sustainability report. In 2024, the company has transitioned to the *European Sustainability Reporting Standards* (ESRS) as its reporting standard, having previously used the *Global Reporting Initiative* (GRI) framework. Norske tog is required to report according to the ESRS standard for the year 2025, in accordance with the timetable for implementation of the *Corporate Sustainability Reporting Directive* (CSRD) in Norway. For the year 2024, Norske tog has started the work to report according to ESRS, and the result is presented in this report. The sustainability report has not been verified by the auditor.

The sustainability report presents a summary of the company's activities and approach to sustainability, as well as the material positive and negative sustainability

impacts, risks and opportunities for the company. The reporting period is the calendar year 2024, and the report is prepared on an individual basis.

Parts of the value chain that are considered to be covered by the reporting, the materiality assessment and calculations performed in connection with the preparation of the sustainability report are shown in the figure "Value chain Norske tog".

The reporting is based on the following time horizons in accordance with the definition given in ESRS 1 6.4:

- Short time horizon: Up to 1 year
- Medium time horizon: From 1 to 5 years
- Long time horizon: More than 5 years

Norske tog will continue to report annually on

sustainability at the same time as the annual report is published.

Some estimates have been made for values, including emission factors and some quantity data in the climate accounts. Norske tog does not have operational control over the trains and is therefore dependent on receiving data for the energy and climate accounts from Bane NOR and the train operators relating to the use of the trains. It is assumed that there may be some uncertainty, as well as some minor deficiencies in the data material from other actors. Approximately 95 per cent of the emissions are estimated based on primary data, while the rest are consumption-based estimates.

The procedure for estimating values, assessing the accuracy of the data, and plans for further improvement of the data basis to increase the accuracy of the data are described in more detail under the chapters ESRS E1 Climate change, E2 Pollution and E5 Resource use and circular economy. There is also some uncertainty associated with calculating the financial impact of measures.

Other requirements and standards that apply to the preparation of this annual report are *the Accounting*

*Act, the Activity and Reporting Obligation, the Companies Act and the Transparency Act*. A transition plan has been drawn up as part of the work towards science-based targets under guidelines from the *Science Based Targets Initiative*. The climate risk analysis has been prepared in accordance with the guidelines from the *Taskforce for Financial Disclosures* (TCFD) and the requirements of the EU taxonomy. Reporting in accordance with the EU taxonomy has been carried out for Norske tog's activities. In addition to ESRS requirements, the climate accounts follow the *Greenhouse Gas Protocol* (GHG Protocol). Reporting in accordance with the Norwegian *Transparency Act* takes place separately from the annual report and is available on the company's website. The annual report fulfils the reporting requirements of Ethical Trading.

Any questions related to this report or Norske tog's sustainability work can be directed to [bærekraft@norsketog.no](mailto:bærekraft@norsketog.no).

## 1.2 IRO-2 ESRS reporting requirements

Table 3 shows reporting requirements in ESRS 2 and material topic-specific ESRS standards for Norske tog. The table links reporting requirements to where in the report they are stated and described.



Table 3 : Overview of disclosure requirements (DR)

DR	ESRS-standard / description	Page No.
<b>ESRS 2 General disclosure</b>		
BP-1	General basis for preparation of sustainability statements	42
BP-2	Disclosures in relation to specific circumstances	42
GOV-1	The role of the administrative, management and supervisory bodies	46
GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	46
GOV-3	Integration of sustainability-related performance in incentive schemes	47
GOV-4	Statement on due diligence	47
GOV-5	Risk management and internal control of sustainability reporting	48
SBM-1	Strategy, business model and value chain	48
SBM-2	Interests and views of stakeholders	52
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	56, 75, 85, 93, 97
IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	59
IRO-2	Disclosure requirements in ESRS covered by the undertaking's sustainability statement	61
<b>E1 Climate change</b>		
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E1-2	Policies related to climate change mitigation and adaptation	76
E1-3	Actions and resources in relation to climate change policies	77
E1-4	Targets related to climate change mitigation and adaptation	77
E1-5	Energy consumption and mix	78
E1-6	Gross Scopes 1, 2, 3 and Total GHG emissions	79
<b>E2 Pollution</b>		
E2-1	Policies related to pollution	83
E2-2	Actions and resources related to pollution	84
E2-3	Targets related to pollution	84
E2-4	Pollution of air, water and soil	84
<b>E5 Resource use and circular economy</b>		
E5-1	Policies related to resource use and circular economy	85
E5-2	Actions and resources related to resource use and circular economy	86
E5-3	Targets related to resource use and circular economy	88
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	<b>S1 Own workforce</b>	
S1-1	Policies related to own workforce	93
S1-2	Processes for engaging with own workers and workers' representatives about impacts	94
S1-3	Processes to remediate negative impacts and channels for own workers to raise concerns	94
S1-4	Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	94
S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	95
S1-6	Characteristics of the undertaking's employees	96
S1-7	Characteristics of non-employee workers in the undertaking's own workforce	96
S1-8	Collective bargaining coverage and social dialogue	96
S1-11	Social protection	96
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S1-14	Health and safety metrics	96
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S2-1	Policies related to value chain workers	97
S2-2	Processes for engaging with value chain workers about impacts	98
S2-3	Processes to remediate negative impacts and channels for value chain workers to raise concerns	99
S2-4	Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions	99
S2-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	101
	<b>G1 Business practice</b>	
G1-1	Corporate culture and business conduct policies and corporate culture	102
G1-2	Management of relationships with suppliers	104
G1-3	Prevention and detection of corruption and bribery	102

## 1.3 Governance

### GOV-1 Board of Directors

Norske tog's Board of Directors consists of six members, four of whom are external, and two represent the company's permanent employees. The gender distribution on the board is 40 per cent women and 60 per cent men. The Board of Directors has solid expertise in Norske tog's key sustainability topics. This expertise is assessed on an ongoing basis through cases and an annual board evaluation. In 2024, two Board members participated in the Sustainability Academy's seminar on the Board's role in sustainability reporting.

The Board of Directors believes that courses and skills development programmes at Norske tog have made a positive contribution to the company's sustainability expertise.

Further information about board members, their expertise and experience are provided in table 2.

### GOV-1 Management group Norske tog

Norske tog's management team consists of five members, including the CEO and four directors. In addition, four middle managers attend meetings of the extended management team twice a year. The total gender distribution in the company's management positions is 33 per cent women and 67 per cent men. Among senior managers, the gender distribution is 40 per cent women and 60 per cent men.

#### Øystein Risan, Chief Executive Officer

Øystein Risan has a civil engineering degree from the University of Glasgow. He was previously Director of Traffic and Passenger Trains at NSB. Risan has over 24 years of experience from the railway sector.

#### Linda Venbakken, Chief Financial Officer

Linda Venbakken was CFO of NSB from 2006 until she joined Norske tog as CFO in 2016. She has held several roles in controller functions and auditing at The Royal Bank of Scotland, Kohn and Pedersen and King Sturge. Venbakken holds a master's degree in management from BI.

#### Kjell-Arthur Abrahamsen, Director Materials

Kjell-Arthur Abrahamsen came to Norske tog from NSB Materiell, where he was project director. He has extensive experience in procurement, modifications and management of the train fleet. Abrahamsen has 19 years of experience from the railway sector and holds a B.Sc. in Mechanical Engineering.

#### Iren Marugg, Chief Legal Officer

Iren Marugg has extensive experience in the railway

sector. She specialises in procurement and contract law and has worked with both Norwegian and foreign suppliers. Marugg holds an M.Sc. in law from the University of Oslo.

#### Luca Cuppari, Technical Director

Luca Cuppari has previously held several technical positions at NSB, and also has experience from the Norwegian Railway Authority, Mantena and AnsaldoBreda. Cuppari has an M.Sc. as an electrical engineer.

The management team has strong sector expertise, and in light of the new requirements for sustainability expertise, the new process for sustainability reporting has raised the level of expertise in following up on material topics. The core expertise on climate, environmental and social issues in public procurement lies with the legal department. Expertise in sustainability reporting lies with the Finance and administration department. Expertise in technical requirements for the design of trains lies with the technical department. Norske tog also has framework agreements with consultancy companies for strategic, management and technical sustainability expertise. Through these agreements, the company has access to expertise in sustainability topics that can be brought in as needed.

### GOV-2 Board and management responsibility for monitoring material impacts, risks and opportunities

#### Board of Directors

The Board assesses impacts, risks and opportunities for Norske tog in connection with strategy, major transactions and risk management. This is followed up through ordinary Board deliberations, reporting from the CEO, control issues and requests for investigations. The Board can initiate an internal audit for the company, and an internal audit was carried out in 2024. The Board approves the Code of Conduct for Responsible Business Practices and the Annual and Sustainability Report. Results of impacts, risks and opportunities and double materiality analysis are annually presented and approved by the Board.

#### Audit and sustainability committee

The Board's Audit and Sustainability Committee is a preparatory and advisory body that supports the Board in exercising its management and supervisory responsibilities. The committee monitors accounting, reporting, internal control and risk management, as well as compliance with related guidelines. In 2024, the committee reviewed the company's CSRD reporting, including a double materiality analysis, prior to Board approval. Going forward, this will be performed annually.



### Management team

The management team has the overall responsibility for operationalising and following up on Norske tog's sustainability work. They are responsible for the overview and management of material impacts, risks and opportunities. The sustainability topics that are relevant to Norske tog are on the monthly agenda for the management team meetings. The management team is involved at several points in the preparation of the double materiality analysis and CSRD reporting prior to the Board's review. Impacts, opportunities and risks are included in the annual strategy update to management. There is also an annual evaluation of the company's work on due diligence.

### Departments

In the respective departments, responsibility for sustainability is distributed as described below:

- The finance department is responsible for financial and non-financial reporting, green finance, monitoring and evaluation of governance processes, internal control and risk management. In terms of material topics, this department has the primary responsibility for green finance, monitoring and evaluation of due diligence, preparation of the climate transition plan and HR, including skills and employee satisfaction.
- The legal department is responsible for procurement procedures, contract requirements, ESG audits, due diligence and supplier dialogue.
- The technical department is responsible for the technical design of trains. Among other things, the

department looks after energy efficiency, ongoing follow-up of suppliers, inspections, audits and investigations

- The rolling stock department is responsible for the management of trains and life extension measures. Steering groups for Norske tog's major projects report to this department.

Status and risk from the departments are reported monthly. Resources from all departments participate in a double materiality analysis and provide data for reporting.

### Working groups

Norske tog has a diversity and inclusion group, a sustainability group and a working environment committee (AMU), see description of this under chapter 6 S1 "Own workforce". Norske tog has a climate committee that monitors and further develops the work on green financing in accordance with Norske tog's *Green Bond Framework*.

### **GOV-3 Bonus schemes**

In accordance with the *Norwegian government's guidelines for executive remuneration*, the government expects Category 2 companies to not have separate bonus schemes for senior executives. The senior management's compensation scheme therefore only consists of fixed salary and is not affected by management's control of the company's financial, environmental and human impact.

### **GOV-4 Statement of due diligence**

Table 4: Key elements of due diligence

KEY ELEMENTS OF DUE DILIGENCE	Section in sustainability report
a) Embed accountability in the organisation's policies, strategy and management systems	46, 93-94, 98
b) Involvement of affected stakeholders in key steps of the due diligence process	52-54, 94, 98-99
c) Mapping and assessing actual or potential negative impact	56-61, 97
d) Stop, prevent and minimise impacts  Monitor implementation and results, and communicate how impacts are managed	94-95, 99-101

## **GOV-5 Sustainability reporting: Risk management and internal control.**

The annual and sustainability report is reviewed by senior management, the Audit and Sustainability Committee and the Board of Directors before publication.

In 2024, separate internal control procedures were drawn up for the annual and sustainability reports. The control routines structure the work of collecting, processing and quality assuring data reported in accordance with ESRS. Through a reporting form in Excel, each person responsible for reporting has an overview of which requirements are to be answered, in which way, as well as who is responsible for the quality control of the content. The reporting form also makes it possible to monitor the progress during the reporting process, so that Norske tog has control over any shortcomings or challenges. Those responsible for reporting keep in regular contact with the company's sustainability adviser, who keeps the management team at Norske tog informed about the process.

Reporting risks are assessed before and during the preparation of the annual report with risk mitigation measures. The largest reporting risks in 2024 were lack of data access and incomplete data. Clarifications have been made regarding data access from partners. In 2025, annual and sustainability reporting will be integrated into the company's general procedures for risk management and internal control.

## **1.4 Strategy**

### **SBM-1 Strategy, business model and value chain**

#### Norske tog's purpose and business model

Norske tog procures, owns and manages vehicles for passenger train traffic in Norway, and generates its income through the leasing of train sets. The company enters into rental agreements with train operators that have a traffic agreement with the Norwegian Railway Directorate. This structure facilitates efficient procurement and management of the trains and brings together cutting-edge expertise related to the purpose in one place. Norske tog is headquartered in Oslo and finances its acquisitions through borrowing and capital injections.

#### Specific framework for the company

Norske tog is owned by the Norwegian state through the Ministry of Transport and Communications. The Norwegian National Rail Administration (Jernbanedirektoratet) determines future train services in Norway and sets the framework for the company's

strategy and business model. The quality and size of Norske tog's train fleet shall be adapted to the publicly funded passenger rail services. Based on the terms and conditions set out in the Norwegian Railway Directorate's traffic agreements with the train operators, the operators pay rent to Norske tog for the use of the company's vehicles.

#### The employees

At Norske tog, it is the employees' expertise and experience that make the company a solid, technical expert-organisation. At the end of 2024, the company had 64 permanent employees.

#### Value chain and activities

The largest contracts Norske tog enters into are with suppliers for the procurement of trains and rental agreements for trains with train operators. The company carries out major mid-life upgrades, but also minor changes to the trains when necessary. At the end of their service life, Norske tog disposes of the trains. The company has contracts with consultancy firms for assistance on tasks regarding the development of the company.

The value chain in table 5 shows an overview of the above and other activities in the value chain, as well as suppliers, customers, partners and relevant areas of impact for Norske tog. The value chain mapping forms the basis for Norske tog's stakeholder engagement and has been used actively in the double materiality process, as it shows connections of potential impacts, risks and opportunities to the business model and specific steps in Norske tog's value chain. The value chain also illustrates the interdependencies in the railway sector by showing which activities are associated with the various actors in the sector. The organisation of the sector has influenced the double materiality assessment, an example is that end-users or local communities are not material topics for Norske tog, even though they are material topics for passenger train traffic as a whole.

Table 5: Value chain in Norske tog



### Raw material procurement

Actual and potentially impacted stakeholders:

- Workers in the supply chain (mines and processing locations)
- Communities near mines and factories including landowners and farmers
- Other population
- Transport personnel

Relevant impact areas: Risk of human and labour rights violations, environmental impacts from mining, emissions, energy use and more.

### Manufacturing of components

Actual and potentially impacted stakeholders:

- Workers in the supply chain
- Transport personnel
- Communities at factories
- Other population

Relevant impact areas: Working conditions, safety, environmental standards at production facilities, pollution, waste management, emissions, water consumption and purchasing practices.

### Train manufacturing

Actual and potentially impacted stakeholders:

- Workers in the supply chain
- Production workshops at Stadler, Alstom and any subcontractors.
- Transport personnel.
- Local communities and other population.

Relevant impact areas: Production safety, environmental standards at production sites, pollution, waste management, emissions, water consumption and purchasing practices.

### Leasing

Actual and potentially impacted stakeholders:

- Operators
- Own employees

Relevant areas for impact: Contractual liability, relations with operators, climate adaptation and climate risk, energy efficiency and cooperation in the sector.



### Procurement

Actual and potentially impacted stakeholders:

- Suppliers and subcontractors
- Operators
- End customers
- Own employees

Relevant impact areas: Climate change adaptation, purchasing practices, corruption and bribery and organisational culture.

### Management

Actual and potentially impacted stakeholders:

- Vendors
- Employees in workshops of subcontractors of components and subsystems
- Local communities (people living at train tracks and workshops)

Relevant impact areas: Life cycle of the trains, waste management, energy use at maintenance facilities, emissions, climate risk, material use, collaboration in the sector and organizational culture.

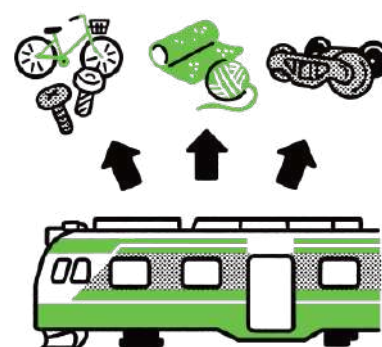


### Operator use and maintenance

Actual and potentially impacted stakeholders:

- Train passengers
- Employees in the supply chain (workshops, cleaning, train employees)
- Local communities (people at train tracks, train parking)
- Other population

Relevant impact areas: Energy and fuel use, maintenance, noise and vibration, universal design and energy and fuel use, maintenance and working conditions.



### Waste management

Actual and potentially impacted stakeholders:

- Supply chain employees working with waste management and further processing
- Communities at recycling plants and landfills

Relevant impact areas: Waste management, circularity, material recycling, HSE, safety, working conditions and cooperation in the sector, and more.



## Sustainability goals

In 2024, Norske tog updated its sustainability targets and measures based on the results of the double materiality analysis. The main targets and themes are listed in table 6, and specific targets are described in the relevant sections of the sustainability report. These goals are subordinate to Norske tog's strategy. In 2025, efforts will be made to integrate sustainability-related goals and measures into the overall strategy.

Norske tog's activities mainly consist of projects and processes for procuring, managing and disposing of trains. Sustainability-related targets are therefore focused on these areas, as this is where Norske tog has the greatest opportunity for influence. Norske tog does not have targets that are specific to geographical locations, other than targets relating to the company's operations in the Norwegian train sector. Norske tog's targets cover a wide area of the value chain.

Table 6: Sustainability goals

Our main ambitions	Our goals	
	Responsible and green procurement of new trains	Responsible and green management of the railway fleet
<b>Circularity throughout the train's lifetime</b> <i>We will think circularly about material and energy use throughout the lifetime of our trains.</i>	<ul style="list-style-type: none"> <li>We will procure trains and rolling stock with a high potential for material recycling, and with recycled materials.</li> <li>We procure trains and rolling stock that have a long service life and are easy to maintain.</li> </ul>	<ul style="list-style-type: none"> <li>We will manage trains in a way that optimises service life.</li> <li>Our trains must be disposed of in accordance with the waste hierarchy, and we must have a reuse and recycling rate of more than 90 per cent when disposing of trains.</li> </ul>
	<ul style="list-style-type: none"> <li>Cut absolute emissions in scope 1 and 2 by 42% from 2022 to 2030 and work towards net zero (scope 1, 2 and 3) by 2050.</li> <li>The trains must be energy-efficient in operations.</li> <li>We will ensure that all our trains are ready to use renewable energy sources as the infrastructure and technology make it possible.</li> <li>Ensure a solid data basis for physical climate risk for our trains and take appropriate measures based on this.</li> </ul>	
	We will set high and clear demands for safeguarding people and the environment in all our contracts.	We will ensure compliance with the requirements we have set in our contracts.
<b>Collaboration in the value chain</b> <i>We will improve and further develop dialogue with our stakeholders and take responsibility in the value chain.</i>	<ul style="list-style-type: none"> <li>We will have regular stakeholder dialogue to understand needs, meet expectations and take appropriate action.</li> <li>We will contribute to experience and data sharing in the railway sector for the benefit of both us, our partners and customers.</li> </ul>	
	<ul style="list-style-type: none"> <li>We will increase the proportion of green loans with favourable terms, maintain a high rating and further develop our position as an issuer of green bonds.</li> <li>We will strengthen the quality of our sustainability reporting.</li> <li>We will work in a data-driven way.</li> </ul>	
<b>Green finance, sustainability reporting and transparency</b> <i>We will make it possible to channel green investments into our trains.</i>	<ul style="list-style-type: none"> <li>We will continue to develop our own employees and attract key expertise.</li> <li>We will promote diversity and inclusion.</li> </ul>	
<b>Highly skilled and diverse organisation</b> <i>We will endeavour to retain and develop managers and employees.</i>	<ul style="list-style-type: none"> <li>Satisfied employees and forward-thinking managers with expertise on trains.</li> </ul>	

Strategy and relevance of sustainability themes

Norske tog's vision is *"Better and better trains, for as many people as possible"*. The company's social mission, the prerequisites for success and four special initiatives in the coming years are illustrated in figure 1.

These initiatives and associated measures are directly and indirectly linked to sustainability-related themes in Norske tog as illustrated under the four goals from Norske tog's strategy:

Competitive offer and satisfied customers

- Condition-based maintenance provides better management of the materials used in the trains.
- Guaranteed availability, reliability and price will contribute to increased punctuality.
- Procurement of new local, regional and long-distance trains helps to ensure that trains remain an attractive low-emission transport alternative.
- User involvement for the design of the new train types.
- Standardisation of train types simplifies work on the trains in Norway and enables a larger market for the reuse of parts.
- Norske tog as an expert on trains, contributes to studies and procurements to ensure the best possible performance of the rolling stock.

Efficient and sustainable operations

- Work on integrating circular principles in the management of trains, through the company's material recycling project.
- Focus on working more data-based, also within sustainability.
- Norske tog identifies material sustainability impacts, risks and opportunities, and integrates measures for this in internal processes. For example, Norske tog works to address material topics in contracts.

Competent and satisfied employees

- Continuous updates to expert competence on trains in order to fulfil our social mission and maintain Norske tog's position as an attractive employer with a focus on railway technical competence.
- Focus on improving expertise in maintenance, IT and key sustainability topics

Financial freedom of action

- Norske tog's trains enable green transport, resulting in better terms when raising loans. Norske tog's sustainability reporting, work on our green framework and other measures for material impacts, risks and opportunities support this.

Figure 1:



## SBM-2 Stakeholder engagement

To ensure the best possible performance of its social mission, it is important for Norske tog to have good dialogue with stakeholders and insight into their needs

and the operational impacts. A stakeholder dialogue in 2024 has provided valuable insights that have informed the double materiality analysis.

Table 7: Norske tog's stakeholders and related topics

Stakeholder		
<b>Owner:</b> Norske tog shall meet the expectations of the Ministry of Transport and Communications.	<b>Customers:</b> Norske tog's customers are the train operators that are awarded traffic packages on the Norwegian railway. Today, these are Vy, Vy Tog, SJ Norge and Go-Ahead.	<b>Authorities:</b> Norske tog is part of a sector that is coordinated and monitored by the Norwegian Railway Directorate and the Norwegian Railway Authority.
Communication channels		
<ul style="list-style-type: none"> <li>Owner's meeting</li> <li>Ongoing dialogue</li> <li>Ownership announcement</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing dialogue</li> <li>KAM</li> <li>Input for procurement of new trains</li> <li>Involvement in the design phase</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing dialogue</li> </ul>
Topics of interest to stakeholders in 2024		
<ul style="list-style-type: none"> <li>Compliance with the ownership report</li> <li>Best practice on ethics</li> <li>Cost-effectiveness leading to the most trains from the investment</li> <li>Optimised maintenance and replacement of the train fleet based on what the infrastructure makes possible</li> <li>Transfer of knowledge from external consultants</li> <li>Implementation of clear sustainability goals and strategies, including and following up on the UN Sustainable Development Goals</li> <li>Working proactively with diversity and inclusion</li> <li>Take responsibility in the supply chain through contracts</li> <li>Unifying actor for the railway sector, advisor</li> </ul>	<ul style="list-style-type: none"> <li>Management of the train fleet</li> <li>Responsible disposal of trains</li> <li>Good customer care and efficient decision-making processes</li> <li>Effective dialogue on maintenance and investment needs, including clear division of responsibilities</li> <li>Access to critical components</li> <li>Technical topics such as energy optimisation, energy-efficient operations and noise</li> <li>Transparency Act, value chain and supplier follow-up</li> <li>Responsible procurement</li> <li>Sustainable production of trains</li> <li>Price model for leases</li> <li>The train system must withstand different weather conditions</li> <li>Norske tog is a contributor to the collaboration on an attractive public transport sector</li> <li>Universal design</li> </ul>	<ul style="list-style-type: none"> <li>Further development of the railways, including organisation of the sector, lease price model, railway reform, political objectives and electrification</li> <li>Numerical basis and methodology for sharing data in the sector, e.g. on climate accounts, and documenting and making processes available</li> <li>For Norske tog to have leading expertise on trains</li> <li>Transparency Act, value chain and supplier follow-up</li> <li>Climate risk and future technological solutions as part of Norske tog's goals</li> <li>Further develop sustainability requirements in contracts and challenge suppliers to further development</li> <li>Energy efficiency</li> </ul>
Norske tog's strategy for addressing input/needs		
<ul style="list-style-type: none"> <li>Science-based climate targets have been set, and a transition plan is being developed.</li> <li>Norske tog works according to guidelines for responsible business practices and has goals and measures for this.</li> <li>Focus on condition-based maintenance.</li> <li>Measures to improve the expertise of our own employees, as well as goals and measures for diversity and inclusion.</li> <li>Measures for collaboration in the sector.</li> </ul>	<ul style="list-style-type: none"> <li>Targets and measures for energy reductions.</li> <li>Measures for collaboration in the sector.</li> <li>Goals and measures for circularity.</li> <li>Norske tog works according to guidelines for responsible business practices and has goals and measures for this.</li> <li>The project model facilitates the incorporation of themes such as robustness against the impact from weather and universal design into the design.</li> </ul>	<ul style="list-style-type: none"> <li>Measures for collaboration in the sector.</li> <li>Focus on condition-based maintenance.</li> <li>Focus on becoming a data-driven company.</li> <li>Goals and measures for competence development of own employees.</li> <li>Norske tog works according to guidelines for responsible business practices and has goals and measures to this end.</li> <li>Science-based climate targets have been set, and a transition plan is being developed.</li> <li>Norske tog has targets and measures for energy efficiency.</li> <li>The punctuality group initiated by Norske tog will continue into 2025.</li> </ul>



Stakeholder		
<b>Investors:</b> Norske tog must ensure access to debt financing in bond and certification markets nationally and internationally.	<b>Employees:</b> Norske tog is a small organisation with technical expertise.	<b>Suppliers:</b> Procurement, modifications and maintenance on trains last many years and require solid co-operation.
Communication channels		
<ul style="list-style-type: none"> <li>Investor meetings</li> </ul>	<ul style="list-style-type: none"> <li>Employee appraisals</li> </ul>	<ul style="list-style-type: none"> <li>Supplier meetings</li> <li>Meetings with follow-up of due diligence, external environment and HSE</li> </ul>
Topics of interest to stakeholders in 2024		
<ul style="list-style-type: none"> <li>Reporting on material criteria and showing improvement year on year</li> <li>Openness and transparency, including strategy and goals</li> <li>Report on the EU taxonomy</li> <li>Show the sustainability impact of new investments</li> <li>Energy efficiency</li> <li>Control and follow-up of labour and environmental conditions, as well as human rights in the value chain</li> <li>Responsible disposal</li> <li>Optimise rail use</li> </ul>	<ul style="list-style-type: none"> <li>Professional development</li> <li>Well-being</li> <li>Contribute to an important social mission through sustainability</li> </ul>	<ul style="list-style-type: none"> <li>Clear expectations and frameworks, also in terms of sustainability</li> <li>Clear procurement process</li> <li>Standardisation of the train fleet</li> <li>Use the opportunity to influence</li> <li>Needs-based maintenance</li> </ul>
Norske tog's strategy for addressing input/needs		
<ul style="list-style-type: none"> <li>Sustainability reporting according to ESRS.</li> <li>Norske tog works according to guidelines for responsible business practices and has goals and measures for this.</li> <li>Norske tog has targets and measures for energy efficiency and circularity.</li> </ul>	<ul style="list-style-type: none"> <li>Measures to improve the expertise of our own employees, as well as goals and measures for diversity and inclusion.</li> </ul>	<ul style="list-style-type: none"> <li>Norske tog works according to guidelines for responsible business practices and has goals and measures for this.</li> <li>Project model in accordance with public procurement requirements provides overview and predictability for suppliers. Risks for workers in the value chain are partly addressed through suppliers' due diligence.</li> </ul>

Stakeholder		
<b>Interest organisations:</b> Organisations Norske tog considers stakeholders include employee organisations, trade unions and user organisations.	<b>Bane NOR:</b> An important partner in the development of the railway and its environmental advantages.	<b>Travellers:</b> <ul style="list-style-type: none"> <li>Train users.</li> </ul>
Communication channels		
<ul style="list-style-type: none"> <li>Dialogue</li> <li>Input for procurements</li> <li>Input in the design phase for new trains</li> </ul>	<ul style="list-style-type: none"> <li>Regular meetings</li> <li>Ongoing dialogue</li> </ul>	<ul style="list-style-type: none"> <li>Annual submission of the train operators' customer satisfaction survey (CTI).</li> </ul>
Topics of interest to stakeholders in 2024		
<ul style="list-style-type: none"> <li><i>Transparency Act</i>, value chain and supplier follow-up</li> <li>Transparency and openness</li> <li>Availability for dialogue</li> <li>Opportunities for input and involvement</li> <li>Universal design of trains</li> <li>Wildlife collisions</li> <li>Temperature for driver and passengers</li> <li>Daytime running lights</li> <li>Insulation of trains</li> </ul>	<ul style="list-style-type: none"> <li>Common approach to communicating the environmental benefits of trains and railways</li> <li>Electrification and further development of the railway</li> <li>Dialogue in the sector</li> <li>Good goals for the environment and holistic life cycle analyses</li> <li>Sustainability in procurement</li> <li>Maintenance</li> <li><i>Transparency Act</i>, value chain and supplier follow-up</li> <li>Energy efficiency</li> <li>Wear and tear from trains on infrastructure and Norske tog taking responsibility for problems</li> </ul>	<ul style="list-style-type: none"> <li>Modern trains</li> </ul>
Norske tog's strategy for addressing input/needs		
<ul style="list-style-type: none"> <li>Norske tog works according to guidelines for responsible business practices and has goals and measures for this.</li> <li>The project model facilitates the involvement of different user groups.</li> <li>The collaboration on applications for research funding in the collaboration group for wildlife collisions in the sector.</li> </ul>	<ul style="list-style-type: none"> <li>Measures for collaboration in the sector.</li> <li>Norske tog has targets and measures for energy efficiency and circularity.</li> <li>Norske tog has initiatives that include contributing to development in the sector.</li> <li>Norske tog orders life cycle analyses for new local, regional and long-distance trains.</li> <li>Norske tog works according to guidelines for responsible business practices and has goals and measures for this.</li> <li>Focus on condition-based maintenance.</li> </ul>	<ul style="list-style-type: none"> <li>Procurement of new local, regional and long-distance trains, as well as mid-life upgrades.</li> </ul>

Stakeholder		
<p><b>Quiet stakeholders, such as the physical environment</b></p> <p>Represented through dialogue with tech-environments with expertise in railway technology, greenhouse gas emissions and the external environment.</p>		
Communication channels		
<ul style="list-style-type: none"> <li>Third party with expert knowledge of the rail sector and technology.</li> </ul>		
Topics of interest to stakeholders in 2024		
<ul style="list-style-type: none"> <li>Develop the potential for energy efficiency in collaboration with the sector</li> <li>Train's lifetime</li> <li>Reducing emissions from operations</li> <li>Using technology to improve maintenance</li> <li>Use of life cycle analyses</li> <li>Disposal plan</li> <li>Circular requirements for material use in trains</li> </ul>		
Norske tog's strategy for addressing input/needs		
<ul style="list-style-type: none"> <li>Measures for collaboration in the sector.</li> <li>Norske tog has targets and measures for energy efficiency and circularity.</li> <li>Science-based climate targets have been set, and a transition plan is being developed.</li> <li>Focus on condition-based maintenance.</li> <li>Norske tog orders life cycle analyses for new local, regional and long-distance trains.</li> </ul>		

Norske tog's strategy is largely based on the framework provided by the owner, the Ministry of Transport and Communications, and the Norwegian Railway Directorate, but the company will continue to work on stakeholder involvement to increase its insight into how activities throughout the value chain affect people and the environment. Collaboration in the sector is important to address these impacts, as well as risks and opportunities.

The management and Board of Directors are regularly updated on stakeholders' views through the reporting structure from the management team in Norske tog. The management and the Board of Directors are informed of the main results of stakeholder involvement in 2024 in connection with work on the double materiality analysis.

### **SBM-3 Material impacts, risks and opportunities and how they interact with strategy and the business model**

The implementation of a double materiality analysis has resulted in the identification of material topics through impacts, risks and opportunities that are summarised in table 8. The results of the analysis have led to the preparation of measures that have been incorporated into Norske tog's strategy and action plan. The overall strategy and action plan were adopted by the company's management and Board of Directors in 2024. The targets have been adjusted based on material impacts, risks and opportunities related to circularity, maintenance-related topics, own employees and science-based climate targets. Specific actions have been identified for material impacts, risks and opportunities, and actions that are still relevant have been continued.



## Material IROs for Norske tog

Table 8: Overview of material IROs for Norske tog in 2024.

IRO nr.	ESRS standard	IRO	Where (value chain or own operations)
1	E1	Actual positive impact on climate when using trains, by avoiding emissions from other more emission-intensive modes of transport.	Downstream value chain
2	E1	Actual negative impact on the environment by contributing to climate change through the operation of leased trains from associated greenhouse gas emissions, by production and by electricity and diesel consumption.	Downstream value chain
3	E1	Actual negative impact on the environment by contributing to climate change through greenhouse gas emissions from material extraction, production processes and transport in the value chain for production of new trains.	Upstream value chain
4	E1	Actual negative impact on the environment from the production of electricity, the use of resources and the consumption of electricity to operate trains for hire.	Own operations, downstream value chain
5	E1	Risk of known increased insurance costs for Norske tog resulting from major or more frequent damage to trains due to extreme weather events.	Own operations
6	E1	Theoretical possibility of a positive financial effect for Norske tog, for example by ordering new trains based on increased demand for green transport.	Own operations
7	E1	Theoretical risk of increased costs in the procurement of trains and train parts through the <i>Carbon Border Adjustment Mechanism</i> (CBA) making materials in the value chain for the trains more expensive.	Own operations, upstream value chain
8	E1	Risk of known increased costs for Norske tog as a result of the replacement of greenhouse gases on the trains due to the <i>Climate Gas Directive</i> .	Own operations
9	E1	Recognised opportunity for positive financial impact for Norske tog through better conditions resulting from trains being an attractive green product for investors.	Own operations
10	E2	Actual negative impact on the external environment from the release of diesel, lubricating oil and transformer oil to the ground and sea following damage to rolling stock resulting from collision with rockfall on the Nordland line in October 2024, with trains leased by Norske tog.	Downstream value chain
11	E5	Potential positive impact on the environment due to reduced resource consumption resulting from Norske tog's work on the longevity of trains and standardisation in the procurement of new trains.	Own operations
12	E5	Actual negative impact on various environmental aspects of material extraction, production processes and transport in the value chain for the production of new trains.	Upstream value chain
13	E5	Potential negative impact on various environmental aspects of material extraction, production processes, use of chemicals and transport in the value chain associated with train maintenance.	Upstream value chain
14	E5	Potential negative impact on various environmental aspects of resource access and material extraction, due to the fact that critical metals and resources are rarely sorted out of waste fractions.	Downstream value chain

15	E5	Potential positive impact on several environmental aspects by Norske tog having a "resource bank" of materials in the train fleet that are used for a long time and can be fed into a circular cycle at the end of their service life, which can reduce the need for extraction of new materials.	Own operations and downstream value chain
16	E5	Potential negative impact on the environment from low-value handling of waste from the disposal of trains, according to the waste hierarchy and circular principles.	Own operations and downstream value chain
17	E5	Known financial risk of increased costs associated with older rolling stock, which is resource-intensive to maintain for ongoing train operations.	Own operations
18	S1	Potential negative impact on own employees' working conditions and well-being due to lack of skill development.	Own operations
19	S1	Actual positive impact on employees' working conditions in that collective bargaining on behalf of everyone provides predictability.	Own operations
20	S1	Potential opportunity for a positive financial effect through recruitment by Norske tog being an attractive actor on green transport.	Own operations
21	S1	Potential opportunity for a positive financial effect for Norske tog as expertise leads to better procurement and management.	Own operations
22	S1	Potential opportunity for a positive financial effect for Norske tog due to low staff turnover and high employee satisfaction, preserving resources internally.	Own operations
23	S2	Potential negative impact on workers in the value chain due to inherent risk associated with parts of the production of materials and train components taking place in developing countries, where the protection of human and labour rights is weak. A large proportion of subcontractors are in Europe, which reduces the inherent risk.	Own operations
24	S2	Actual negative impact in that a train driver died while operating a train during an accident on the Nordland line in October 2024. The accident occurred as a result of a collision with rockfall on the track, in a train leased by Norske tog to the operator.	Downstream value chain
25	G1	Potential positive impact on workers, local communities and the environment associated with the supply chain for the production of materials through predictable public procurement processes.	Upstream value chain
26	G1	Potential negative impact on local communities resulting from business relationships and suppliers that may have ties to activities in conflict areas.	Up- and downstream value chain
27	G1	Potential negative environmental impact due to inherent risks of pollution, land use, nature impact, water consumption and on local communities in the value chain related to train production.	Upstream value chain
28	G1	Actual negative impact on animal populations in the event of animal collisions with trains during hire.	Downstream value chain
29	G1	Potential negative impact on own employees and external whistleblowers by inherent risk of negative consequences for whistleblowers.	Own operations and value chain
30	G1	Potential positive impact on various environmental aspects and users of trains through increased sector collaboration in which Norske tog participates.	Up- and downstream value chain
31	G1	Potential financial risk for Norske tog if internal guidelines are not followed up on and operationalised.	Own operations
32	G1	Potential financial risk for Norske tog due to the inherent risk of corruption in large international procurements.	Own operations and value chain

#### Financial impacts related to sustainability-related impacts, risks and opportunities

Expected financial effects related to impacts, risks and opportunities include estimates of costs or financial opportunities for Norske tog. Some costs are based on internal studies with a high degree of certainty or budget, while others are roughly estimated. For some impacts, risks and opportunities, Norske tog currently has neither actual figures nor estimates.

In 2025, Norske tog will continue its efforts to strengthen its knowledge base on financial impacts. Major costs mainly relate to acquisitions, modifications and increased insurance costs. Norske tog's ability to manage financial risks depends on the size of costs in relation to revenue, as well as the access to liquidity. In the event of large unforeseen costs, approval for increased rental income is required from the owner to cover the costs. The Norwegian government has a stated intention to change Norske tog's financing model so that the company is financed through loans from the state, rather than loans from the private market. A decision on this is expected in 2025.

#### The robustness of the strategy for handling material impacts, risks and opportunities

Norske tog has conducted an overall qualitative analysis of the business model's robustness regarding managing material impacts, risks and opportunities. The analysis is based on a medium to long time horizon, as defined in section 1.1 "Introduction". Norske tog's ability to manage material impacts, risks and opportunities varies based on the company's influence and control in a given area. In the analysis, it has therefore been considered appropriate to distinguish between areas where Norske tog has a high degree of control, and areas where dependencies on other players impose constraints.

#### **Areas where Norske tog has a high degree of control**

Norske tog has contractual options that enable the purchase of local, regional and long-distance trains with various types of zero-emission or hybrid traction solutions within a relatively short time. This strengthens the company's robustness to handle changing needs from the sector. Furthermore, Norske tog's project model reduces the risk of negative impacts and costs related to environmental and social risks in the value chain. The company has the opportunity within the existing framework to increase employees' expertise in sustainability, maintenance and data management. This strengthens the company's ability to handle material sustainability topics.

#### **Areas where dependencies on other actors pose constraints**

Regarding impacts related to energy consumption

for the operation of trains, Norske tog is dependent on cooperation within the sector. Norske tog advises train operators to achieve the most energy-efficient operations possible, but the company's business model does not allow the handling of material impacts on its own. Robustness in this area is therefore limited by dependencies in the sector. This also applies to the choice of technology to be procured, where Norske tog acts as an advisor to the Norwegian Railway Directorate. By developing a solid professional expertise, Norske tog strengthens its ability to influence decisions and thus the ability to handle material sustainability topics in these areas.

#### Changes in material impacts, risks and opportunities compared to the previous reporting period

In 2022 and 2023, Norske tog performed materiality analyses for annual reporting, which formed the basis for the sustainability strategy. New for 2024 is that a double materiality analysis has been performed based on the requirements in CSRD, ESRS 1 and ESRS 2, on the basis of main topics and selected subtopics given in ESRS 1 AR16. The fundamental change in the materiality method has led to changes in the material topics for Norske tog. Nevertheless, circular economy, workers in the value chain, greenhouse gas emissions and own employees continued to be material topics in 2024.

## **1.5 Management of impacts, risks and opportunities**

### **IRO-1 Description of the process for assessing impacts, risks and opportunities**

Norske tog has conducted a double materiality analysis in line with CSRD to identify which sustainability topics are material for the company to report on and prioritise in strategy work. The analysis is operationalised through the following steps:

#### 1. Mapping and understanding

In the first step of the analysis, Norske tog has mapped the company's activities, value chains and stakeholders. The mapping helped link Norske tog's activities across the value chain to specific actors and potentially affected stakeholders, as well as relevant sustainability topics in ESRS. This insight has defined the scope of the analysis and formed the basis for further work on identifying actual and potential impacts, as well as risks and opportunities for Norske tog.

#### 2. Identify

In the second step of the analysis, Norske tog has, through desktop analysis and stakeholder interviews, developed a list of sustainability topics. The company has worked on the basis of the ESRS<sup>1</sup> list with

<sup>1</sup> The list of sustainability issues covered by ESRS standards can be found in ESRS 1, AR 16

topics, subtopics and sub-subtopics to formulate concrete impacts, risks and opportunities across the sustainability topics. Each impact is also classified as positive/negative and actual/potential, and the financial topics are categorised as risks or opportunities. Each IRO is assessed against location in the company's value chain, affected stakeholders, any dependencies and time perspective. Certain risks and opportunities are identified by reviewing identified impacts to assess dependencies the company may be vulnerable to.

Norske tog has used both internal and external sources in the desktop analysis. Among the internal sources, employee surveys, risk registers and whistleblowing channels, climate accounts, energy accounts, material accounts and due diligence assessments, reports, as well as RVA analyses and deviation registers were examined to identify potential and actual impacts, risks and opportunities. In addition to internal sources, Norske tog has examined external professional reports and studies, for example *the Extractive Industries Transparency Initiative* and *DFØ's high-risk list*, as well as media searches and utilised guidance from EFRAG.

Norske tog has supplemented the desktop analysis with stakeholder interviews with internal stakeholders, external actors in the sector, as well as other subject matter experts, to deepen the insight into the views and perspectives of affected parties. The interviews were semi-structured, where Norske tog asked the different stakeholders to talk about potential impacts, risks and opportunities they experience through their relationship with the company. The stakeholders included Bane NOR, the Ministry of Transport and Communications, Vy, Lokforbundet and the Support Committee for Western Sahara. The stakeholder involvement has provided Norske tog with insight into the perspectives of various stakeholder groups. By talking to stakeholders on both the owner and user side, the company has expanded its understanding of which activities can give rise to impacts, risks and opportunities.

### 3. Evaluate

In the third step of the analysis, Norske tog has performed a quantitative assessment of the IROs. Based on the recommendations in ESRS 1, the company assessed impacts on the basis of severity and likelihood, and risks and opportunities on the basis of likelihood and extent of financial effects. All identified impacts, risks and opportunities were assigned a score and ranked from lowest to highest. This provided an initial indication of the materiality of the IROs, which following quantitative scoring was subject to a qualitative assessment to ensure that the final list provides a fair picture of the company's material

impacts, risks and opportunities. Norske tog has also made separate assessments of potential negative impacts related to human rights. This is done to ensure that potential human rights violations are weighted higher than the likelihood of the impacts occurring.

Due to the dependencies and complexity of the railway sector, Norske tog has made a company-specific assessment of the approach to financial materiality. In order to identify financially material topics, Norske tog viewed the financial impact from a societal perspective to reflect the real impact various sustainability topics related to procurement, management and leasing of trains can have on the Norwegian railway sector as a whole and on the state as owner. In addition to the socio-economic perspective (indirect economic effects), financially material topics are also defined according to the direct financial effects the sustainability topic has on Norske tog's ability to deliver the best possible trains for the cost and to fulfil its mandate and vision.

### 4. Validate

After the completion of the double materiality analysis, Norske tog has validated the results. The final threshold value for material impacts, risks and opportunities were set to determine which are material for the reporting and further strategy work. The threshold was determined in consultation with senior management and is set according to the company's existing risk matrix.

The final list of material impacts, risks and opportunities has been approved by Norske tog's board and senior management.

Norske tog has followed the above-mentioned steps in its work on a double materiality analysis across all sustainability topics, including climate and environment, social conditions and business practices. In addition, a separate climate risk analysis has been carried out. The climate risk analysis followed the recommendations of the *Task Force on Climate-Related Financial Disclosures* (TCFD) and the requirements of the EU taxonomy and was based on both a low-emission and a high-emission scenario. The findings from the analysis have been used to identify and assess climate-related impacts, risks and opportunities in the double materiality analysis. See chapter 3 "E1 - Climate" for further details on the climate risk analysis and its significance for Norske tog's material climate topics.

In the initial phase of the double materiality analysis, Norske tog has, through stakeholder interviews and desk analysis, assessed whether there are any specific locations or business activities that may give rise to



impacts, risks and opportunities related to pollution, water and marine resources, resource use and circular economy, as well as biodiversity and ecosystems. For the latter topic, Norske tog has, through dialogue with other actors in the railway sector, identified that relevant impacts, risks and opportunities may relate to the development of railway lines in the form of tracks and stations, as well as to the extraction of metals at multiple stages in the company's supply chain.

Norske tog has also investigated conditions at workshop locations in Norway and Sweden, as well as at Alstom and Stadler's production facilities. Among other things, Norske tog looked closely at impacts related to pollution and water consumption, for example through runoff to soil. Norske tog also assessed waste management to identify impacts, risks and opportunities related to resource use and the circular economy.

Regarding special assessments related to business practices, Norske tog has paid particular attention to sector-specific conditions due to the interdependencies between the players in the railway sector. By virtue of the company's mandate, Norske tog has concentrated on procurement activities and made detailed assessments of the influences, risks and opportunities that may arise in procurement.

Internal control of the double materiality analysis is ensured by documenting the steps taken in the analysis, as well as by internal review of the results by employees and the Board. Sustainability-related risks are treated in the same way in risk management as the findings from the risk and vulnerability analysis, in that they are addressed in further work on strategy, action plan and budget. The double materiality analysis process will be integrated into the work on overall processes for risk management, reporting and internal control in 2025.

The company's double materiality analysis will go through the annual audit in Q2 2025.

#### **IRO-2 Assessment of information sharing around material impacts, risks and opportunities**

Norske tog has reviewed the company's material impacts, risks and opportunities against the relevant reporting requirements in ESRS. Based on EFRAG's guidance<sup>2</sup>, Norske tog has made qualitative assessments of the relevant reporting requirements to ensure that the company's responses to requirements provide a true and fair view of the company's material impacts, risks and opportunities. This has resulted in Norske tog reporting on the requirements listed in tables 3 and 9.

PHOTO: DIDRIK RUD



<sup>2</sup> [ID 177 - Links between AR16 and Disclosure requirements](#)

## Data points in overarching and topic-specific standards stemming from other EU legislation

SFDR: Sustainable Finance Disclosure Regulation reference

P3: Pillar 3 reference

BR: Benchmark regulation reference

EUCL: EU Climate Law reference

Table 9: Data points in overarching and topic-specific standards derived from other EU legislation

Disclosure	Data point	Description	Legislation	Page No.
ESRS 2 GOV-1	21 (d)	Board's gender diversity	SFDR/BR	46
	21 (e)	Percentage of board members who are independent	BR	46
ESRS 2 GOV-4	30	Statement on due diligence	SFDR	47
ESRS 2 SBM-1	40 (d) (i)	Involvement in activities related to fossil fuel activities	SFDR/P3/BR	Not relevant
	40 (d) (ii)	Involvement in activities related to chemical production	SFDR/BR	Not relevant
	40 (d) (iii)	Involvement in activities related to controversial weapons	SFDR/BR	Not relevant
	40 (d) (iv)	Involvement in activities related to the cultivation and production of tobacco	BR	Not relevant
ESRS E1-1	14	Transition plan to achieve climate neutrality by 2050	EUCL	75
	16 (g)	Undertakings excluded from Paris-aligned Benchmarks	P3/BR	76
ESRS E1-4	34	GHG emission reduction targets	SFDR/P3/BR	77
ESRS E1-5	38	Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors)	SFDR	79
	37	Energy consumption and energy mix	SFDR	79
	40-43	Energy intensity associated with activities in high climate impact sectors	SFDR	Not relevant
ESRS E1-6	44	Gross Scope 1, 2, 3 and Total GHG emissions	SFDR/P3/BR	80
	53-55	Gross GHG emissions intensity	SFDR/P3/BR	82
ESRS E1-7	56	GHG removals and carbon credits	EUCL	Not material
ESRS E1-9	66	Exposure of the benchmark portfolio to climate-related physical risks	BR	Phasing in

	66 (a)	Disaggregation of monetary amounts by acute and chronic physical risk	P3	Phasing in
	66 (c)	Location of significant assets at material physical risk	P3	Phasing in
	67 (c)	Breakdown of the carrying value of its real estate assets by energy efficiency	P3	Phasing in
	69	Degree of exposure of the portfolio to climate related opportunities	BR	Phasing in
ESRS E2-4	28	Amount of each pollutant listed in Annex II of the EPRT Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil	SFDR	Not available
ESRS E3-1	9	Water and marine resources	SFDR	Not material
	13	Dedicated policy	SFDR	Not material
	14	Sustainable oceans and seas	SFDR	Not material
ESRS E3-4	28 (c)	Total water recycled and reused	SFDR	Not material
	29	Total water consumption in m3 per net revenue on own operations	SFDR	Not material
ESRS E4 – SBM 3 (ESRS 2)	16 (a) (i)	Activities that have a negative impact on the biological diversity of sensitive areas	SFDR	Not material
	16 (b)	Land degradation, desertification or soil sealing	SFDR	Not material
	16 (c)	Endangered species	SFDR	Not material
ESRS E4-2	24 (b)	Sustainable land/agriculture practices or policies	SFDR	Not material
	24 (c)	Sustainable oceans / seas practices or policies	SFDR	Not material
	24 (d)	Policies to address deforestation	SFDR	Not material
ESRS E5-5	37 (d)	Non-recycled waste	SFDR	91
	39	Hazardous waste and radioactive waste	SFDR	91
ESRS S1 – SBM 3 (ESRS 2)	14 (f)	Risk of incidents of forced labour	SFDR	Not material
	14 (g)	Risk of incidents of child labour	SFDR	Not material
ESRS S1-1	20	Human rights policy commitments	SFDR	93-94

	21	Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8	BR	93-94
	22	Processes and measures for preventing trafficking in human beings	SFDR	Not material
	23	Workplace accident prevention policy or management system	SFDR	96
ESRS S1-3	32 (c)	Grievance/complaints handling mechanisms	SFDR	94
ESRS S1-14	88 (b-c)	Number of fatalities and number and rate accidents	SFDR/BR	96
	88 (e)	Number of days lost to injuries, accidents, fatalities or illness	SFDR	96
ESRS S1-16	97 (a)	Unadjusted gender pay gap	SFDR/BR	Not material
	97 (b)	Excessive CEO pay ratio	SFDR	Not material
ESRS S1-17	103 (a)	Incidents of discrimination	SFDR	96
	104 (a)	Nonrespect of UNGPs on Business and Human Rights and OECD	SFDR/BR	96
ESRS S2 – SBM3 (ESRS 2)	11 (b)	Significant risk of child labour or forced labour in the value chain	SFDR	97
ESRS S2-1	17	Human rights policy commitments	SFDR	97-98
	18	Policies related to value chain workers	SFDR	97-98
	19	Nonrespect of UNGPs on Business and Human Rights principles and OECD guidelines	SFDR/BR	99-100
	19	Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8	BR	97-98
ESRS S2-4	36	Human rights issues and incidents connected to its upstream and downstream value chain	SFDR	99-100
ESRS S3-1	16	Human rights policy commitments	SFDR	Not material
	17	Nonrespect of UNGPs on Business and Human Rights, ILO principles or and OECD guidelines	SFDR/BR	Not material
ESRS S3-4	36	Human rights issues and incidents connected to its upstream and downstream value chain	SFDR	Not material
ESRS S4-1	16	Policies for consumers and end users	SFDR	Not material
	17	Non-respect of UNGPs on Business and Human Rights and OECD guidelines	SFDR/BR	Not material



ESRS S4-4	35	Human rights issues and incidents paragraph	SFDR	Not material
ESRS G1-1	10 (b)	United Nations Convention against Corruption	SFDR	102
	10 (d)	Protection of whistleblowers	SFDR	102-103
ESRS G1-4	24 (a)	Fines for for violation of anti-corruption and anti-bribery	SFDR/BR	Not material
	24 (b)	Standards of anticorruption and anti-bribery	SFDR	Not material

# EU Taxonomy Report

As a non-financial entity, Norske tog reports its operating income (turnover), capital expenditures (Capex), and operating expenditures (Opex) related to taxonomy-eligible and taxonomy-aligned economic activities, in accordance with the requirements of EU Regulation 2020/852.

An economic activity is classified as environmentally sustainable when it meets the following criteria:

- Contributes substantially to at least one of the EU's six environmental objectives.
- Do no significant harm (DNSH) to the other five objectives.
- Comply with minimum safeguards criteria.

## 2.1 Identified Taxonomy-Eligible Activities

Norske tog is engaged in one taxonomy-eligible activity that has the potential to contribute substantially to environmental objectives 1 and 2:

- Passenger interurban rail transport (CCM 6.1)

Norske tog's core business, the procurement and leasing of trains, is an economic activity covered by the EU taxonomy through activity 6.1 "Passenger interurban rail transport." This is also considered a transitional activity according to the EU taxonomy.

## 2.2 Assessment of Technical Screening Criteria Related to Activity CCM 6.1

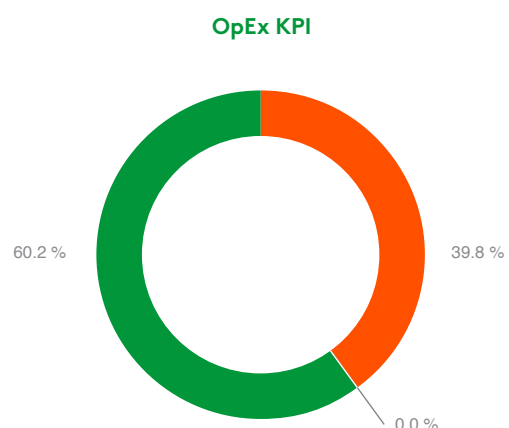
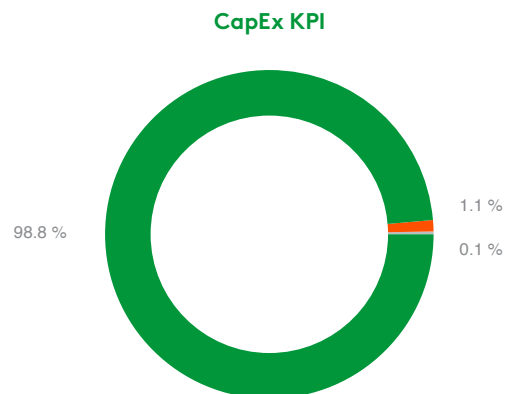
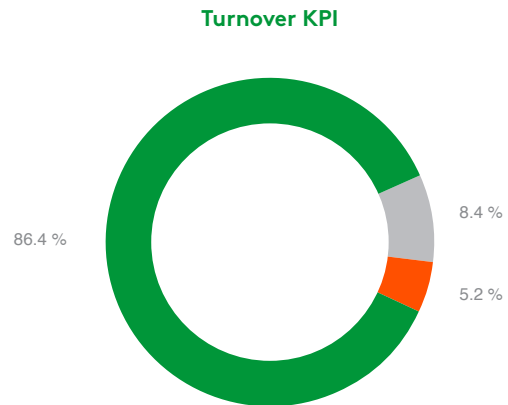
### Substantial Contribution – Climate Change Mitigation

To meet the requirements for substantial contribution to climate change mitigation, Norske tog must comply with one of the following criteria:

- a. the trains and passenger coaches have zero direct (tailpipe) CO<sub>2</sub> emissions;
- b. the trains and passenger coaches have zero direct (tailpipe) CO<sub>2</sub> emissions when operated on a track with necessary infrastructure, and use a conventional engine where such infrastructure is not available (bimode).

All electric trains in Norske tog's fleet will meet the requirements for zero direct CO<sub>2</sub> emissions (a), along with bimodal trains, which have the capability to use electricity on routes where the infrastructure supports it and conventional engines where such infrastructure is

Chart 15, 16 og 17: KPIs for turnover, CapEx, and OpEx



■ Aligned  
■ Eligible - not aligned  
■ Not-eligible

unavailable (b). Conventional trains with engines that use fossil fuels do not meet the criteria for significant contributions due to their CO<sub>2</sub> emissions. Passenger coaches (without their own engines) are assessed based on whether the locomotives that operate them meet the criteria.

#### **Climate Adaptation (DNSH 2)**

To meet the requirements of DNSH 2, Norske tog has conducted a thorough climate risk and vulnerability assessment based on a screening of physical climate risks, evaluated against both a low-emission scenario and a high-emission scenario. Norske tog conducted this climate risk analysis in 2023. The analysis assessed relevant risks and opportunities and how the development of these would affect Norske tog. In 2024, the company refined the analysis, prioritized, and developed mitigating measures that are both implemented and followed up in Norske tog's sustainability action plan.

#### **Circular Economy (DNSH 4)**

To meet the DNSH 4 criteria, measures ensuring waste management in accordance with the EU waste hierarchy, particularly during maintenance, have been implemented. Responsibility for and execution of train maintenance is divided among several stakeholders. For maintenance, this primarily refers to train modifications managed by Norske tog. Waste management is addressed in all of Norske tog's contracts related to upgrades and life-extending measures for trains. Norske tog will continue to specify actions that ensure waste handling in alignment with the waste hierarchy in future projects.

#### **Pollution Prevention (DNSH 5)**

DNSH 5 requires that emissions from propulsion engines comply with the emission limits established by Regulation (EU) 2016/1628. This ensures that engines used in operations meet stringent environmental standards to minimize their impact on air quality. Norske tog has assessed emissions from engines in electric and bi-modal trains and compared these values against 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 bi-modal trains meet the requirements of DNSH 5.

#### **Minimum Safeguards**

The minimum safeguards requirement entails that companies must comply with the *OECD Guidelines for Multinational Enterprises* (OECD) and the *UN Guiding Principles on Business and Human Rights* (UNGP). This includes requirements for due diligence procedures, anti-corruption, fair competition, and taxation.

Norske tog has guidelines for responsible business conduct that clarify its commitments under the *OECD Guidelines for Multinational Enterprises* and the *UN Guiding Principles on Business and Human Rights* (UNGP). This includes conducting due diligence in line with OECD standards and implementing procedures to prevent corruption and money laundering. The company regularly conducts exercises on topics such as corruption. Norske tog has a corporate structure and financial practices that ensure the payment of the correct taxes on time. Additionally, the company has initiated the development of an internal tax policy. Fundamental principles of competition, transparency, equal treatment, predictability, verifiability, and proportionality apply to all Norske tog suppliers. Norske tog assesses that the company meets the requirements related to minimum safeguards.

## **2.3 Measurement of Results**

#### **Reporting Principles**

The three performance indicators, turnover, CapEx, and OpEx are based on International Financial Reporting Standards® (IFRS) as adopted by the EU and refer to Norske tog's financial statements. All values are rounded to the nearest NOK thousand, unless otherwise stated. Due to rounding differences, figures or percentages may not add up to the total. Since Norske tog only contributes substantially to one economic activity, there is no risk of double-counting in the allocation between multiple economic activities. There are also no intra-group transactions involved.

For each of the indicators, the financial figures are determined at the lowest level where identifiable cash flows for assets or groups of assets (cash-generating unit) exist. For operating income and operating costs, this is by train class. For capital expenditures, train class or project is used as the lowest cash-generating unit.

In 2024, Norske tog operated a fleet of 418 train units, comprising 13 different train classes which were operational and generated rental income.

- 262 motor vehicles, of which 233 are electric, 14 are bi-modal, and 15 are diesel. Type 92 is omitted as these did not generate revenue in 2024.
- 21 motor vehicles, of which 16 are electric and 5 are diesel.
- 135 passenger coaches capable of being operated with either electric or diesel locomotives. Of these, 59 coaches have been used exclusively on routes operated by electric locomotives, while 76 passenger coaches have been used on routes operated by both electric and diesel locomotives.

The financial figures related to passenger coaches operable with both electric and conventional diesel motor vehicles are allocated based on the number of departures conducted by each motor vehicle class. Aggregated items that could not be broken down by train class are allocated using distribution keys based on the number of train units.

Because 2024 is the first year Norske tog reports on the financial KPIs in the EU taxonomy, there will be no comparison against the previous year.

### Turnover

The turnover KPI represents the proportion of the company's net turnover derived from products or services that are taxonomy-aligned. The KPI is calculated as the portion of net turnover from products or services, including intangible assets, related to economic activities that are taxonomy-aligned, divided by total net turnover. Total turnover has the same definition as income in Norske tog's income statement.

Norske tog's taxonomy-eligible turnover relates to the leasing of trains. Turnover from the leasing of electric and bi-modal trains is taxonomy-aligned (A.1.). Additionally, bi-modal trains are transitional. Income from the leasing of trains with engines that use fossil fuels is taxonomy eligible, but not environmentally sustainable (A.2.). Income from the leasing of passenger coaches (without engines) is allocated based on whether they are operated by motor vehicles with electric engines or with fossil engines.

In 2024, the company's total income was NOK 1 488 409 thousand, of which 91.6 per cent derived from Taxonomy eligible activity CCM 6.1. 86.4 per cent of the income meets the Taxonomy screening criteria and is therefore classified as aligned. This income is entirely derived from leasing contracts for trains, and the company does not have any internal consumption of its own production.

### Capex

Norske tog's capital expenditures under the taxonomy consist of this year's additions to fixed assets and balance sheet interest according to Note 10 in the annual financial statements. The capitalized interest refers to construction loan interest directly linked to the taxonomy-aligned assets. The CapEx is reported net of public subsidies.

Norske tog's taxonomy-eligible CapEx relate to investments in new train material and modifications and life-extending upgrades of existing material. The CapEx for electric trains and bi-modal trains are taxonomy-aligned (A.1.). Additionally, bi-modal trains are transitional. CapEx for trains with engines

that use fossil fuels are taxonomy-eligible but not environmentally sustainable (A.2.). No investments are made in new train material with engines that use fossil fuels, and the reported figure for A.2 includes modifications of existing train material with fossil engines and some passenger coaches (without engines). Capital expenditures for passenger coaches (without engines) are allocated based on whether they are pulled by motor vehicles with electric engines or with fossil engines.

In 2024, Norske tog's CapEx were NOK 847 030 thousand, of which 99.9 per cent derived from Taxonomy eligible activities. 98.8 percent of the capital expenditure was related to activities that meet the taxonomy requirements and is therefore classified as aligned.

### CapEx Plan

The CapEx plan aims to either expand the company's taxonomy-aligned economic activities or upgrade taxonomy-eligible economic activities to make them taxonomy-aligned within a period of five years.

Norske tog is investing in several new trains. Investments are made only in trains that are electric or bi-modal and therefore taxonomy-aligned. The investments in new train material serve different purposes, including the replacement of old electric trains, which are already taxonomy-aligned, the replacement of conventional diesel trains, and capacity expansion. Based on the EU taxonomy's definition of investment plans, only board-approved investments in new trains that replace conventional diesel trains or increase capacity will be included in the investment plan:

- New local/regional trains option 1: 25 new electric trains to meet the need for capacity expansion in Norske tog's fleet.
- New long-distance trains: Four new bi-modal trains will replace conventional diesel trains operating on certain sections of the Nordland Line, where complete infrastructure for running on electric power alone is not available.



Table 10: Table for CapEx plans

Economic activity	Environmental objective	Train class	Number of trains	Planned year of alignment
CCM 6.1 Passenger interurban rail transport	Climate change mitigation	Local/regional trains (N05/N06)	25	2026–2027
		Long-distance trains (N11)	4	2029

The budget framework for Option 1 of the new local trains in the 2023 national budget was set at NOK 3,728 million (2023 figures). For the procurement of 17 new long-distance trains, the 2022 national budget allocated a framework of NOK 8,054 million (2022 figures). Of these trains, only four are included in Norske Tog's investment plans under the EU taxonomy

### OpEx

The taxonomy's definition of total OpEx (A. + B.) includes direct, non-capitalized costs related to research and development, building renovation measures, short-term leases, repairs, and other direct expenses associated with the day-to-day maintenance of assets, facilities, and equipment. This includes activities carried out by the company itself or outsourced to third parties, which are necessary to ensure the continued and efficient functioning of such assets.

Based on the taxonomy's definition, the taxonomy-eligible OpEx for Norske tog will be operating costs directly related to the management of train material, including repairs and maintenance that do not qualify for capitalization, as well as modifications.

Of these, the OpEx for electric trains and bi-modal trains are taxonomy-aligned (A.1.). Additionally, bi-modal trains are transitional. OpEx related to trains with engines that use fossil fuels are taxonomy-eligible but not environmentally sustainable (A.2.). OpEx for passenger coaches (without engines) are allocated based on whether they are operated by motor vehicles with electric engines or fossil engines.

In 2024, the total OpEx, according to the taxonomy's definition, was NOK 57 314 thousand, of which 100 per cent derived from Taxonomy eligible activities and 60.2 per cent derived from activities that meet the taxonomy requirements.

Table 11: Proportion of turnover from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2024

Financial year 2024	2024			Substantial contribution criteria						Do no significant harm criteria (DNSH)									
Economic Activities (1)	Code (2)	Turnover (3)	Proportion of Turnover, year N (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) turnover, year N-1 (18)	Category enabling activity (19)	Category transitional activity (20)
		TNOK	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Passenger interurban rail transport	CCM 6.1	1286334	86.42 %	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y			T
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		1286334	86.42 %																
Of which enabling		-	-															E	
Of which transitional		133 810	8,99 %																T
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Passenger interurban rail transport	CCM 6.1	76 949	5,17 %	EL	EL	N/EL	N/EL	N/EL	N/EL										
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		76 949	5.17 %																
A. Turnover of Taxonomy-eligible activities (A.1+A.2)		1363283	91.59 %																
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy-non-eligible activities		125 126	8.41 %																
TOTAL (A+B)		1488409	100 %																

Table 12: Proportion of turnover / total turnover

	Proportion of turnover / total turnover	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	86.42 %	91.59 %
CCA	0 %	0 %
WTR	0 %	0 %
CE	0 %	0 %
PPC	0 %	0 %
BIO	0 %	0 %

Table 13: Proportion of CapEx from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2024

Financial year 2024	2024			Substantial contribution criteria						Do no significant harm criteria (DNSH)									
Economic Activities (1)	Code (2)	CapEx (3)	Proportion of CapEx, year N (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy-aligned (A.1.) or eligible (A.2.) CapEx, year N-1 (18)	Category enabling activity (19)	Category transitional activity (20)
		TNOK	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Passenger interurban rail transport	CCM 6.1	836 794	98.79 %	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y			T
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		836 794	98.79 %																
Of which enabling		-	-															E	
Of which transitional		39 065	4.61 %																T
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Passenger interurban rail transport	CCM 6.1	8 963	1.06 %	EL	EL	N/EL	N/EL	N/EL	N/EL										
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		8 963	1.06 %																
A. CapEx of Taxonomy-eligible activities (A.1+A.2)		845 757	99.85 %																
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
CapEx of Taxonomy-non-eligible activities		1 273	0.15 %																
TOTAL (A+B)		847 030	100 %																

Table 14: Proportion of CapEx / Total CapEx

	Proportion of CapEx / Total CapEx	
	<i>Taxonomy-aligned per objective</i>	<i>Taxonomy-eligible per objective</i>
CCM	98.79 %	99.85 %
CCA	0 %	0 %
WTR	0 %	0 %
CE	0 %	0 %
PPC	0 %	0 %
BIO	0 %	0 %

Table 15: Proportion of OpEx from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2024

Financial year 2024	2024			Substantial contribution criteria						Do no significant harm criteria (DNSH)									
Economic Activities (1)	Code (2)	OpEx (3)	Proportion of OpEx, year N (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) OpEx, year N-1 (18)	Category enabling activity (19)	Category transitional activity (20)
		TNOK	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Passenger interurban rail transport	CCM 6.1	34 499	60.19 %	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y			T
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		34 499	60.19 %																
Of which enabling		-	-															E	
Of which transitional		104	0.18 %																T
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Passenger interurban rail transport	CCM 6.1	22 814	39.81 %	EL	EL	N/EL	N/EL	N/EL	N/EL										
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		22 814	39.81 %																
A. OpEx of Taxonomy eligible activities (A.1+A.2)		57 313	100.00 %																
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
OpEx of Taxonomy-non-eligible activities		1	0.00 %																
TOTAL (A+B)		57 314	100 %																

Table 16: Proportion of OpEx / Total OpEx

	Proportion of OpEx / Total OpEx	
	<i>Taxonomy-aligned per objective</i>	<i>Taxonomy-eligible per objective</i>
CCM	60.19 %	100.00 %
CCA	0 %	0 %
WTR	0 %	0 %
CE	0 %	0 %
PPC	0 %	0 %
BIO	0 %	0 %



Table 17: Nuclear and fossil gas related activities

Row	Nuclear energy related activities	
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO
<b>Fossil gas related activities</b>		
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

### 3 ESRS E1

## Climate change

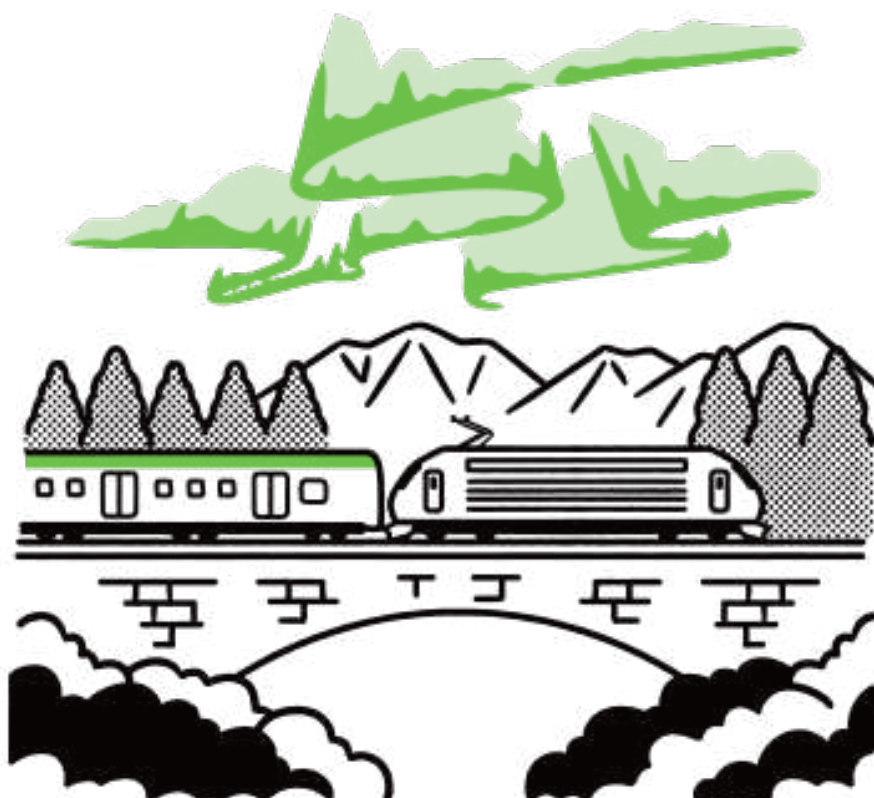


ILLUSTRATION: RYO KANEYASU

Through its responsibility for procurement of passenger trains for the railway sector, Norske tog plays an important role in the green transition of the Norwegian transport sector, and thus the government's overall goal for a climate-neutral Norway by 2030. Furthermore, through its ownership of Norske tog, the state sets clear expectations that the company includes sustainability goals in its strategy work and daily operations. Norske tog wants to play a more active role in efforts to make the Norwegian railway sector more sustainable, and initiated in 2024 the process of preparing a climate transition plan that will enable the company to achieve its climate ambitions in the short and long term.

Norske tog has previously based its climate accounting on the principle of operational control in accordance with the GHG Protocol. ESRS requires the use of financial controls to sort emissions and energy consumption into scopes 1, 2 and 3, which is used in this report. This means that the emissions from the use of the trains are moved from scope 3 - category 13 (downstream leased assets) to scope 1 for diesel and refrigerant gases, and scope 2 for electricity

consumption to operate the trains. This accounts for the majority of Norske tog's emissions and means that this year's climate accounts differ from previous editions. Norske tog's reported science-based targets and work on the climate transition plan are based on operational control and are therefore not compatible with the climate accounts as presented here. This is further elaborated and explained in chapter 3.7 "E1-6 Gross greenhouse gas emissions within scope 1,2,3 and total greenhouse gas emissions".

Norske tog has material negative impacts on climate change, both in the upstream value chain through emissions from the production of trains that Norske tog procures, and in the downstream value chain through emissions and energy consumption from the operation of trains leased to the train operators. At the same time, the company has a positive impact as train transport is less emission-intensive than alternative forms of transport. Upcoming climate regulations such as the *Climate Change Directive* and CBAM entail financial risks for Norske tog in the form of increased costs. In addition, the company has a financial risk in the form of increased insurance premiums as a result

of increased physical climate risk. On the other hand, Norske tog can capitalise on financial opportunities related to increased demand for green transport and increased attractiveness of green bonds.

### **3.1 ESRS E1 and SBM-3 Material impacts, risks and opportunities and their interaction with the strategy and business model**

In 2023, Norske tog conducted a climate risk analysis that mapped the company's climate-related risks, opportunities and resilience regarding climate change. The analysis included the company's own operations, as well as the upstream and downstream value chain. It was conducted in line with the *Task Force on Climate-Related Disclosures* (TCFD framework) and the EU taxonomy requirements, with the aim of ensuring systematic climate risk management based on knowledge of risk exposure and opportunities related to the green transition.

Identified risks and opportunities were assessed in the short term (up to 2030) and the long term (up to 2060), in the light of two scenarios: the low-emission "Sustainable Development" scenario (SSP1-2.6) and the high-emission "Regional Rivalry" scenario (SSP3-7.0). The low-emissions scenario assumed, among other things, interventionist and effective climate policy and lower resource and energy intensity, while the high-emissions scenario was based on a development with scarcity of raw materials, lack of international cooperation and resulting operational and financial risks.

The climate risk analysis was used as the data basis for Norske tog's double materiality analysis. This analysis identified increased insurance premiums due to climate risk as a material physical risk, and more expensive trains due to CBAM and replacement of HVAC gases as material transition risks. The transition risks are identified using the low emission scenario, while physical risks are identified through the high emission scenario.

### **3.2 E1-1 Transition plan for climate change mitigation**

In the autumn of 2024, Norske tog began work on a climate transition plan to be completed in 2025. The plan will contain measures that must be implemented for Norske tog to achieve its climate targets for 2030 and 2050. As previously mentioned, the climate transition plan and the associated science-based targets are based on operational control.

#### How the targets are in line with limiting global warming to 1.5° C according to the Paris Agreement

In 2024, Norske tog had its science-based climate targets approved through the *Science Based Targets*

*initiative* (SBTi), which is in line with limiting global warming to 1.5° C according to the Paris Agreement. Through these targets, Norske tog is committed to cutting absolute emissions in scope 1 and 2 by 42 per cent from 2022 to 2030, as well as measuring and reducing scope 3 emissions. Furthermore, Norske tog will work towards net zero emissions by 2050, and as part of this reduce total emissions in scope 1, 2 and 3 by 90% by 2050 compared to 2022.

#### Measures for climate change mitigation and decarbonisation

Norske tog is working to identify measures for the transition plan. The measures will be based on all of Norske tog's emission categories, but will be concentrated on train's energy consumption, which is by far the company's largest source of emissions. Within this category, Norske tog will look at measures related to procurement, electrification and fuel types. As the Norwegian railway sector consists of a number of different actors with varying degrees of interdependence, the action plan will also address the need for collaboration in the sector.

#### Investment and financing for implementation of the transition plan

Investment and financing needs related to the implementation of the transition plan have not been fully mapped. Norske tog will continue to work on this in 2025.

One relevant instrument for financing the measures in the transition plan will be the issuance of green bonds. Since 2019, Norske tog has issued green bonds to finance the purchase of electric trains, with a total nominal value of NOK 1.3 billion for type 75, NOK 1.25 billion for type 74 and NOK 3.75 billion for type N05. Electric and bimodal trains can be classified as green and thus financed through the issuance of green bonds. Given that phasing in bimodal trains on non-electrified and partially electrified lines will be a key measure in the transition plan, financing through the issuance of green bonds could be an effective instrument.

On 7 October 2024, the government published a press release regarding its intention to change Norske tog's financing model. The government's intention is to change the financing of Norske tog from loans in the private market to loans from the state. A decision on the company's financing model is expected to be made in 2025 and will have consequences for further green financing solutions in the market. Norske tog is determined to ensure financial freedom of action in any new financing model and the necessary financing of the transition plan once the need has been further analysed.

#### Locked-in greenhouse gas emissions

Norske tog has locked-in emissions in the form of existing diesel trains. The company owns four diesel engines, and 22 diesel railcar sets, which are operated on the non-electrified railway lines. The locomotives are 43 years old, seven of the railcar sets are 39 years old, while the remaining 15 are 23 years old. Norske tog generally operates with a lifespan of 30 years, which means that all diesel trains are either already or soon to be ready for replacement. The process of replacing diesel trains with bimodal trains is already underway and will continue at a steady pace. The challenge associated with locked-in emissions from diesel trains will therefore be solved well before 2050. At the same time, it should be pointed out that the major gains associated with the replacement of diesel trains will only be realised through the electrification or partial electrification of today's non-electrified railway lines.

In addition to locked-in emissions associated with diesel trains, Norske tog has emissions which the company has little or no control over. This includes emissions associated with the use of district heating and electricity. Although the emission intensity of district heating and electricity in Norway is relatively low, there are still some emissions. Reducing the emissions intensity is beyond Norske tog's control, and although measures can reduce the usage somewhat, the remaining emissions in this area will need to be removed using alternative methods, such as carbon offsetting.

#### Goals and plans for customisation of activities according to the EU taxonomy

In 2024, Norske tog implemented the necessary measures to ensure electric and bimodal trains that fulfil the necessary criteria to be classified as an environmentally sustainable activity according to the EU taxonomy. The economic activity related to electric and bimodal trains contributes significantly to climate change mitigation, does not significantly harm other climate objectives and fulfils the minimum criteria for social rights. A detailed description of these assessments can be found in chapter 2 "Reporting under the EU taxonomy".

#### Exclusion from the EU Benchmarks Regulation on minimum requirements for climate transition benchmarks and Paris-adapted benchmarks

Norske tog is not covered by the exclusion criteria in the EU Benchmark Regulation on minimum requirements for climate transition benchmarks and Paris-adapted benchmarks. The relevant legal act came into effect in Norway on 1 January 2023.

### **3.3 E1-2 Climate change mitigation and adaptation policies**

*Norske tog's Guidelines for Responsible Business Practice and Code of Conduct for Suppliers* govern the company's climate work. Although the guidelines cover several topics and are not specifically designed for climate, they contain elements that provide guidelines for the company's climate work. At the same time, Norske tog's Green Bond Framework governs the company's work on green bonds.

#### Guidelines for responsible business practices

*Norske tog's Guidelines for Responsible Business Practice* address climate change mitigation, climate change adaptation and energy efficiency, and provide guidelines for the company's work on climate and energy. Through the guidelines, Norske tog undertakes to follow up opportunities for emission reductions in both its own operations and the value chain, and to conduct regular climate risk analyses to ensure that climate-related risks and opportunities are taken into account in Norske tog's decisions and projects. Norske tog also works to ensure that new procurements are adapted to use renewable energy sources, where the infrastructure makes this possible.

#### Code of Conduct for Suppliers

*Norske tog's Code of Conduct for Suppliers* sets out requirements for suppliers' ethical behaviour and is part of the contract between Norske tog and the individual supplier. The guidelines address climate change mitigation and energy efficiency. Through the *Code of Conduct*, suppliers commit to continuously work towards reducing the energy use and greenhouse gas emissions, as well as working to develop environmentally friendly solutions both in their own operations and to ensure compliance by their subcontractors.

Norske tog's *Code of Conduct and Responsible Business Practices* are aligned with international frameworks such as the *UN Guiding Principles on Business and Human Rights* (UNGPR), *ILO conventions* and the *OECD Guidelines for Responsible Business Conduct*. The *Code of Conduct* also builds on the *Universal Declaration of Human Rights* and the *UN Sustainable Development Goals*.

#### Green Bond Framework

Norske tog's *Green Bond Framework* governs the company's issuance and follow-up of green bonds. The framework sets out how generated funds are to be utilised, the selection and evaluation of projects and reporting. The issuance of green bonds is an important source of financing for the company, and the framework ensures, among other things, that the expectations of investors and other stakeholders are



met through reporting and quality assurance. Norske tog's framework is based on *the Green Bond Principles*, which are a set of guidelines from the International Capital Markets Association (ICMA). Going forward, Norske tog will consider adapting its framework to the European Commission's new *Green Bond Standard*, which came into effect in December 2024. Norske tog's climate committee is responsible for following up the framework.

### 3.4 E1-3 Actions and resources related to climate change policies

Norske tog's transition plan for climate change mitigation will be essential to the process of identifying measures to address climate-related impacts, risks and opportunities. The company already has several ongoing work processes aimed towards reducing greenhouse gas emissions.

#### Replacement of HVAC gases for the trains

Due to the EU's stricter rules relating to the use and handling of F-gases (*the Climate Gas Directive*), alternative use of F-gases in Norske tog's train fleet is planned in 2024. In the current situation, F-gases are the dominant refrigerant in HVAC and other heat pumps in passenger trains. The train fleet consists of different types of rolling stock with large differences in planned time to phase-out, and the measure will be adapted accordingly. The effect of this measure has not been quantified but could lead to minor changes in Norske tog's climate accounts.

#### Supplier dialogue to cut emissions

In 2024, Norske tog investigated how its main suppliers plan to reduce greenhouse gas emissions. Alstom has set science-based climate targets, and Stadler has committed to setting science-based targets within two years through its commitment to SBTi.

The suppliers' measures include increased use of renewable energy in production, facilitation of energy-efficient and low-emission traction in trains, and efforts to reduce environmental impacts throughout the train's life cycle through design. Suppliers also have a strategic focus on recycled materials. Norske tog follows up on suppliers' choice of materials and life cycle analyses through the regular follow-up meetings and will continue to monitor the environmental performance of the projects.

#### Collaboration in the sector

Norske tog works continuously with energy efficiency as part of its procurement and management processes. In 2024, Norske tog has worked to gain access to energy data from all train operators, which will provide a better basis for assessing the energy efficiency of trains in operation.

In 2024, Norske tog has coordinated a collaborative group in the sector to solve noise issues when storing trains, where the issues are also relevant to electricity consumption.

Development work on driver assistance on trains, with different levels from Driver Advisory System (DAS) to Automatic Train Operation (ATO), will in the long-term help optimise energy consumption when driving trains.

Norske tog participates in the data collaboration led by Entur to enable communication of standardised calculations of emissions from the transport sector in Norway.

#### Improved data basis for climate risk

In 2024, Norske tog took a closer look at how requirement specifications for the procurement of trains address physical climate risk. Train sets procured by Norske tog must be robust and withstand Nordic weather conditions. Norske tog has also mapped the data available in the sector on physical climate risk for infrastructure.

### 3.5 E1-4 Targets related to climate change mitigation and adaptation

Norske tog's SBTi targets are described in section 3.5 "E1-4 Targets related to climate change mitigation and adaptation". They are based on the GHG Protocol and are based on the principle of operational control. The SBTi targets are aligned with limits set in Norske tog's climate accounts. For scope 2, the location-based method for calculating emissions is used. 2022 is used as the base year, as operations in this year fell within what can be described as normal, and because this is the first year Norske tog prepared climate accounts.

There may be significant variations in the number of old and new trains that are phased in and out from year to year, and this effect has been taken into account at a lesser extent in the choice of base year. 99.9% of Norske tog's total emissions occur in the value chain, mainly through the trains' energy consumption. Achieving the emission reduction targets is dependent on sector collaboration and the use of existing or new technology to cut emissions or provide a transition to emission-free alternatives.

In addition to the targets approved by SBTi, Norske tog has previously established targets to give direction to the company's climate work. These targets define key areas that the company will prioritise. In 2025, Norske tog will continue its work on developing climate-related targets.

Table 18: Greenhouse gas emissions and targets

	Base level (2022)	Status (2024)	2030 targets		2050 target	
	Emissions (tCO2e)	Emissions (tCO2e)	Reduction	Emissions (tCO2e)	Reduction	Emissions (tCO2e)
Scope 1 and 2	6.6	16.2	-42%	3.8		
Scope 1, 2 and 3	41 269	35 933			-90%	4 127

*Target: The trains shall be energy-efficient in operation*

Status: Over the next few years, Norske tog will replace its old type 69 trains with new N05 trains supplied by Alstom. The new trains will be more resource-efficient than the old ones, which will help Norske tog's vehicles to be operated as energy-efficiently as possible. Norske tog will also plan the replacement of fluorescent tubes, continue to work with suppliers, train operators and Bane NOR to improve energy efficiency, and contribute to the introduction of DAS (Driver Advisory System) on local and long-distance trains. The plan is for C-DAS to be ready for operation on local trains in 2026, and in operation with a data interface from Bane NOR in 2027.

*Target: We will ensure that all our trains are ready to use renewable energy sources when the infrastructure and technology make it possible*

Status: Norske tog has several bimodal trains in operation and the possibility of acquiring more. This will enable the trainsets to use renewable energy sources as soon as the remaining non-electrified railway lines are electrified or partially electrified. Norske tog will also analyse the effect of zero-emission solutions in accordance with the *National Transport Plan* as part of the work on the transition plan.

*Target: Ensure a solid data basis for physical climate risk for our trains and take appropriate measures based on this*

Status: Norske tog will in the future update its climate risk analysis and integrate measures for this in the transition plan. The company will also integrate climate risk into general risk management.

### 3.6 E1-5 Energy consumption and energy mix

Trains are one of the most energy-efficient forms of transport, but still require a lot of energy for driving,

ventilation, heating and lighting. In addition, a lot of energy is consumed in connection with the production, disposal and customisation of train sets. Energy consumption accounts for a significant part of the cost of operating the Norwegian railway system, and it is therefore important to have trainsets that are both energy- and climate-friendly throughout the value chain.

Norske tog is committed to replacing a significant part of its train fleet in the future. As part of this process, the company 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 are also evaluated in the competitions. All new train types also have back-feeding of electricity when the train brakes, making electricity that was previously wasted able to be "reused". In a procurement process, other energy consumption will be weighed up against a number of other parameters.

Norske tog's energy accounts are presented in Table 19 and are based on financial controlling, in accordance with ESRS. These accounts only include energy consumption from scope 1 and 2, which means that the use of the trains is included in the accounts, but that the downstream transport of trains for disposal, business travel, etc. is not included. Trains are not considered a sector with a high climate impact, which is why they are reported at an aggregated level. For electricity, the Norwegian power mix is used per the Norwegian Water Resources and Energy Directorate (NVE) for 2023, as figures for 2024 were not available when the report was finalised. The figures shows that approximately 3% of the energy was from fossil sources. Norske tog does not produce any energy themselves, either renewable or fossil, but some energy is regenerated when the most modern trains brake. This is visible as a reduction in the electric trains' reported energy consumption. Norske tog has no revenue linked to sectors with a high climate impact.

Table 19: Norske tog's energy consumption in the organisation - financial control, scope 1+2

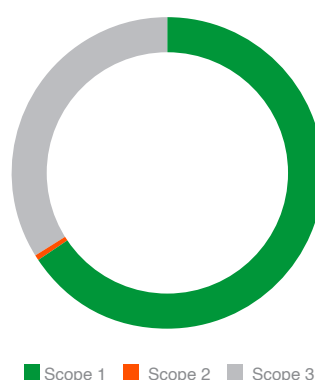
Total energy consumption and mix	2024
Fuel consumption from coal and coal products (MWh)	0
Fuel consumption from crude oil and petroleum products (MWh)	94 041
Fuel consumption from natural gas (MWh)	-
Fuel consumption from other fossil sources (MWh)	-
Consumption of purchased or acquired electricity, heating, steam and cooling from fossil sources (MWh)	11 910
<b>Total energy consumption from fossil sources (MWh)</b>	<b>105 951</b>
<b>Share of consumption from fossil sources (%)</b>	<b>19 %</b>
<b>Consumption from nuclear sources (MWh)</b>	<b>8 242</b>
<b>Share of consumption from nuclear sources in total energy consumption</b>	<b>2 %</b>
Fuel consumption for renewable sources (MWh)	9 826
Consumption of purchased or acquired electricity, heating, steam and cooling from renewable sources (MWh)	425 956
Consumption of self-generated, non-fuel based, renewable energy	-
<b>Total consumption of renewable energy (MWh)</b>	<b>435 781</b>
<b>Share of consumption from renewable sources (%)</b>	<b>79 %</b>
<b>Total energy consumption, all sources (MWh)</b>	<b>549 975</b>

The format of the energy accounts differs between this year's ESRS report and previous sustainability reports. Energy use in 2023, based on operational control including scope 3, was 552,357 MWh.

### 3.7 E1-6 Gross greenhouse gas emissions within scope 1, 2, 3 and total greenhouse gas emissions

In accordance with ESRS, Norske tog's climate accounts based on financial control are presented in table 20. The majority of emissions occur when trains are used, but there are also significant emissions in the value chain related to procurement, disposal, maintenance and modification of the trains. The base year 2022 is reflected in Norske tog's science-based targets. Since previous accounts and targets are based on operational control, there is no direct basis for comparison to refer to, either for 2022 or 2023. Emission factors are mainly taken from the UK Department for Environment, Food & Rural Affairs (DEFRA, 2024) where these have been relevant.

Distribution of greenhouse gas emissions for Norske tog



Graph 18: Distribution of greenhouse gas emissions for Norske tog (CO<sub>2</sub>e) divided by scope 1 (direct emissions from what the company owns itself), scope 2 (from the company's energy consumption) and scope 3 (emissions from goods and services that the company purchases and sells). Classification according to financial control.

Table 20: Climate accounts

	Retrospectively				Milestones and goals			
	Base year 2022	2023	2024	Change % 2024/2023	2025	2030	2050	Annual % target/base year
<b>Greenhouse gas emissions within scope 1</b>								
Gross greenhouse gas emissions within scope 1 (tonnes CO <sub>2</sub> -eq.)		-	24 449	-				
Percentage of scope 1 greenhouse gas emissions from regulated emissions trading schemes (%)			0%					
<b>Greenhouse gas emissions within scope 2</b>								
Gross location-based greenhouse gas emissions within scope 2 (tonnes CO <sub>2</sub> eq.)		-	6 688	-				
Gross market-based greenhouse gas emissions within scope 2 (tonnes CO <sub>2</sub> -eq.)		-	223	-				
<b>Significant greenhouse gas emissions within scope 3 (tCO<sub>2</sub>e)</b>								
Total gross indirect greenhouse gas emissions within scope 3 (tonnes CO <sub>2</sub> -eq.)			12 556					
1 Purchased goods and services		-	4 175	-				
2 Capital goods		-	450	-				
3 Fuel and energy related activities (not covered by scope 1 or 2)		-	7 765	-				
4 Upstream transport and distribution		-	12	-				
5 Waste generated during operation		-	4	-				
6 Business travel		-	111	-				
7 Commuting by employees		-	23	-				
12 Treatment of discarded products sold		-	17	-				
<b>Total greenhouse gas emissions</b>								
Total greenhouse gas emissions (location-based) (tonnes CO <sub>2</sub> eq.)		-	43 693	-				
Total greenhouse gas emissions (market-based) (tonnes CO <sub>2</sub> -eq.)		-	37 228	-				



If operational control was applied, the emissions in the respective scopes would be 0 tCO<sub>2</sub>e for scope 1, 16 tCO<sub>2</sub>e for scope 2 (location-based) and 35,917 tCO<sub>2</sub>e for scope 3, or a total of 35,932 tCO<sub>2</sub>e. This corresponds to a decrease in total emissions of approximately 10 per cent from 2023 to 2024, when emissions in 2023 were 39,972 tCO<sub>2</sub>e (location-based). This is mainly due to lower emissions related to energy consumption from diesel for the trains.

Emissions from diesel trains account for approximately 54% of Norske tog's emissions across all scopes (location-based), and close to 100% of scope 1. These emissions have been reduced by 14% from 2023, when they were placed in scope 3. This is partly due to the fact that the consumption of diesel has decreased by 10% from 2023. One reason for this may be a reduction in traffic on the Nordland line in the latter part of the year. Another may be that there has been carried out warranty work and modifications on type 76, which may have reduced the incidence of faults that in 2023 led to hybrid trains running more on diesel on electrified routes. Approximately 3% of the decrease is due to adjustments in calculations, so that the product regulation's requirement for 10% biofuel for trains is more correctly reflected in the results.

In the 2023 version of the accounts, an emission factor from the UK was used from *Department for Environment, Food & Rural Affairs* (DEFRA) with an average lower blend of biofuels in UK fuel than in Norway, which may have resulted in excessive emissions from diesel consumption, depending on the actual purchase of diesel after the requirement came into force at the start of 2023. Similarly, 19% biofuel in road transport has now been taken into account, where the same factor was previously used. This consumption of biofuels results in biogenic emissions that, with the exception of small amounts of N<sub>2</sub>O and CH<sub>4</sub>(<sub>4</sub>), are not part of the climate accounts. The biogenic emissions in scope 1 correspond to 2,4 tCO<sub>2</sub>e. Other biogenic emissions, including those from car hire and mileage allowances, amount to approximately 34.5 tCO<sub>2</sub>e.

Refrigerant use in 2024 was significantly higher than in 2023, most likely due to more accurate data. However, data is missing for a limited number of trains, so it is possible that this still is underreported. Refrigerants account for 1-2% of total emissions and are placed in scope 1. In terms of electricity consumption, two new locations leased by the company have led to a significant increase in electricity consumption and associated emissions to the company outside of train operations. However, this is overshadowed by the electricity consumption of the trains, which accounts for almost all the emissions in scope 2.

On a location basis, emissions from the trains' electricity consumption contribute approximately 15 per cent of Norske tog's emissions. On a market basis, however, the contribution from train operations is zero, as the train operators in 2024 purchased a guarantee of origin for electricity to operate the passenger trains leased by Norske tog. In 2023, the emissions from the electricity consumption of the trains were placed in scope 3, with a location-based power mix. Consumption in kWh is 1% higher in 2024 than in 2023. Both years' location-based emissions are based on figures from NVE. However, these are not published in time to be used in the climate accounts, so 2022 figures (19 gCO<sub>2</sub>/kWh) were used in last year's report, and 2023 figures (15 gCO<sub>2</sub>/kWh) were used in this report. The emissions intensity in the electricity mix has a major effect, meaning that emissions from the electric trains are approximately 25% lower in 2024 than in 2023. Overall, the reduced emissions intensity results in a reduction in emissions of 4% (location-based).

Electricity consumption connected to the storage of trains is included for the first time in 2024 but does not constitute a significant impact. In total, 99.94 per cent of Norske tog's electricity consumption in scope 2 is covered by guarantees of origin, via Bane NOR.

The basis for the well-to-tank calculations in scope 3, category 3, is significantly higher with financial control than operational control, since the production of electricity and diesel for the trains is now part of the calculation basis. The Norwegian power mix contains approximately 3% non-renewable energy imported from Europe. The extraction of the fossil input factors for these is a significant item in the climate accounts, along with extraction emissions for diesel and biodiesel consumption. This leads to a significant increase in emissions compared to previous years.

Purchased goods and services, including capital goods, also constitute a major item under scope 3 in the climate accounts. Maintenance of the trains by the train operators' maintenance supplier is the largest single source of emissions in the category for purchased goods and services, accounting for just over 6% of total location-based emissions.

In 2024, an estimate was made for maintenance of locomotives and wagons that was not previously included in the climate accounts, which has led to an increase in this item. Note that these emissions are estimated on the basis of an older life cycle analysis, and that there is some uncertainty associated with this estimate. Nevertheless, the estimate shows that emissions from maintenance are of a significant order of magnitude. Calculations for maintenance will be developed in further climate accounts.

Five trains were disposed of in 2024, an increase from two trains in 2023. The transport emissions of trains for disposal hauled by diesel locomotives are calculated based on an estimated number of litres of diesel consumption, instead of generic train transport as previously. This is more precise. Emissions from both the disposal and production of new trains have been smaller in the climate accounts prepared from 2022, but these are expected to increase significantly in the future as the replacement of local trains of type 69 increases.

Also new in 2024 is a spend-based estimate of greenhouse gas emissions for emissions associated with other goods and services purchased by Norske tog. The most important individual categories within these are emissions related to consultancy, insurance and licences, although there is great uncertainty associated with these figures. Services and purchases linked directly to the trains are considered capital goods. Overall, these spend-based emissions account for 4-5% of total emissions. These emissions, maintenance and some travel and transport work are the only emissions that are not based directly or indirectly on primary data. In Scope 3, approximately 63% is based on primary data, and 89% overall (location-based). An error was also reported in

the climate accounts for 2023, where a factor for emissions from waste was calculated per tonne and not per kilogram, resulting in significant over-reporting of waste-related emissions.

All of the company's activities are based in Norway, except for the import of trains and related value chains. In connection to this, there is some air travel (13 tCO<sub>2</sub>e) and some use of car hire abroad (approximately 14 tCO<sub>2</sub>e). Norske tog therefore has no significant foreign greenhouse gas emissions, with the exception of emissions associated with production and materials for modifications train and potentially from the production of energy sources. Norske tog has also no direct emissions covered by emissions trading. Note that Norske tog recognises emissions from both the purchase and disposal of trains in the years in which they are delivered or fully processed. Therefore, no emissions from the production of trains abroad are included in the accounts for 2024, despite the fact that there are trains on order.

Norske tog's net revenue of TNOK 1,488,409 was used in the calculation of the company's emissions intensity for 2024. This gives the following emissions intensity:

Table 21: Greenhouse gas intensity

Greenhouse gas intensity per net income	2023	2024	% 2024/2023
Total greenhouse gas emissions (locationbased) per net revenue (tCO <sub>2</sub> e/MNOK)	N/A	29	N/A
Total greenhouse gas emissions (marketbased) per net revenue (tCO <sub>2</sub> e/MNOK)	N/A	25	N/A

Key figures for both climate and ordinary accounts have the same period: 01.01.2024-31.12.2024.

## 4 ESRS E2 Pollution



ILLUSTRATION: RYO KANEYASU

### 4.1 ESRS E2 and SBM-3 Material impacts, risks and opportunities and their interaction with the strategy and business model

In October 2024, an actual negative impact on the environment occurred when diesel, lubricating oil and transformer oil leaked into the ground and the sea in connection with the railway accident on the Nordland Line. The accident involved a diesel engine, leased to SJ Norge from Norske tog, which derailed as a result of a rockfall in the train track.

This chapter presents information on the extent of the pollution, which is taken from a report prepared by Norconsult on behalf of Bane NOR SF: *Sluttrapport. Oljeutslipp etter togulykke i Finneidfjord*. Further details about the pollution can be found in this report..

### 4.2 E2-1 Policies related to pollution

In the railway system, there are strict technical safety requirements for rolling stock, infrastructure and activities in railway areas. The companies have different areas of responsibility for prevention, notification and coordination in the emergency phases. For example, Bane NOR is responsible for securing infrastructure, organising rescue efforts and implementing measures to reduce the consequences for the surroundings in the emergency phase. Train operators are responsible for safeguarding employees and passengers on board the trains.

Norske tog's task in the area of prevention is to ensure compliance with all regulatory requirements for vehicles, from the European Railway Authorisation (ERA) and the Norwegian Railway Authority (SJT), including *Technical Specifications for Interoperability* (TSI), as well as other Norwegian regulatory requirements. This is integrated into ongoing processes related to Norske tog's core business.

Norske tog's contingency plan shall ensure safeguarding in the event of centralised comprehensive incidents, local emergency situations or incidents, undesirable incidents, deviations, operational or infrastructure failures, and "near misses". *The Norwegian Train Contingency Plan* includes responsibilities and routines for the company in an emergency and is an integral part of Norske tog's safety management.

Norske tog's HSE manual contains guidelines for systematic work to protect the external environment and describes roles and responsibilities in Norske tog for this.

### 4.3 E2-2 Actions and resources related to pollution

The accident on the Nordland line in October triggered Norske tog's contingency plan. Crisis teams were activated in the involved companies. The board of Norske tog and the Norwegian Ministry of Transport and Communications were notified in accordance with

emergency preparedness procedures. Tasks were allocated to Norske tog's crisis team, and there was coordinated cooperation between SJ, Mantena and Bane NOR, and others, to handle the situation.

Norske tog contributed with data about the trains, participated in inspections of the accident site, assessed the extent of the damage and was involved in transporting the wagons from the site. Norske tog, in collaboration with SJ Norge, also made estimates of diesel and oil leaks, and contributed to the clean-up work in the accident area. As the organisation responsible for following up the pollution situation, Bane NOR has implemented damage-reducing measures and is continuously monitoring the situation through ongoing measures and clean-up. They are in close dialogue with the Norwegian Coastal Administration, which is the pollution authority at sea.

Bane NOR's end report for the follow-up of the pollution shows that the pollution spread in the ditch along the E6 where the train crashed, towards the mountain, and some in the sea. Oil booms were deployed in the sea on the same day as the accident occurred. Oil absorbent and adsorbent mats were deployed to limit the runoff.

The end report assesses that most of the oil that went to sea was captured by the oil booms. A total of 997 tons of oil-contaminated mass was removed and delivered to a landfill, and a total of 1800-2400 liters of diesel/oil were removed. Samples taken after the clean-up show that most of the remaining masses on the upper side of the E6 are not contaminated or in condition class 2 for degree of contamination. It is likely that there is some oil-contaminated mass below the E6, but it is considered impractical to close the road for further excavation. Remaining oil pollution is considered to have an acceptable environmental risk.

Regular observations will be carried out at the discharge point until May 2025, as well as inspections of the coastal zone in Sørfjorden. Any measures will be assessed based on observations and environmental consequences.

Norske tog has initiated an evaluation to draw lessons from the incident and further strengthen the company's emergency procedures. The Norwegian Safety Investigation Authority's investigation report had not been published by the time this annual report was finalised, and the follow-up of the accident is still ongoing.

#### 4.4 E2-3 Targets related to pollution

Norske tog works on the basis of overall guidelines from the state and also has its own specific goals for the environment in the HSE handbook, and for emergency preparedness in the contingency plan.

#### Contingency goals

The most important objectives in connection to accidents are related to emergency preparedness. Norske tog's emergency preparedness management is stated in the contingency plan and has the following objectives:

- Establish operational control on crisis.
- Communication with relevant actors and parties involved in the crisis.
- Prepare routines for handling crises.
- Minimise disruption to normal operations.
- Limit the damage/scope/impact of a crisis.
- Train employees in how to deal with different crises through emergency preparedness tests.
- Implement learning processes in the aftermath of a crisis in order to reduce the likelihood of a similar incident occurring again or improve the handling of the incident if it does occur.

#### Environmental targets

Preventive measures are intended to protect against pollution, discharges and the like into the external environment and improve the treatment of waste, including:

- Protecting the external environment from pollution, reduce existing pollution and promote better treatment of waste.
- Ensuring acceptable environmental quality so that pollutants and waste does not harm health, jeopardise well-being or damage nature's ability to produce and self-renew.

#### 4.5 E2-4 Pollution of air, water and soil

Table 22 shows the estimated emissions of diesel, lubricating oil and transformer oil as a result of the accident on the Nordland line.

Table 22: Estimated emissions of chemicals from the accident on the Nordland line in 2024.

Chemical	Estimated emissions (litres)
Diesel	3 625 l
Lubricating oil	748 l
Trafo oil	208 l

Acute emissions to the ground is estimated by subtracting the remaining measured values in the tank from the calculated amount in the tank based on consumption since the last refuelling. Data is collected in co-operation with SJ Norge.

## 5 ESRS E5

### Resource use and circular economy

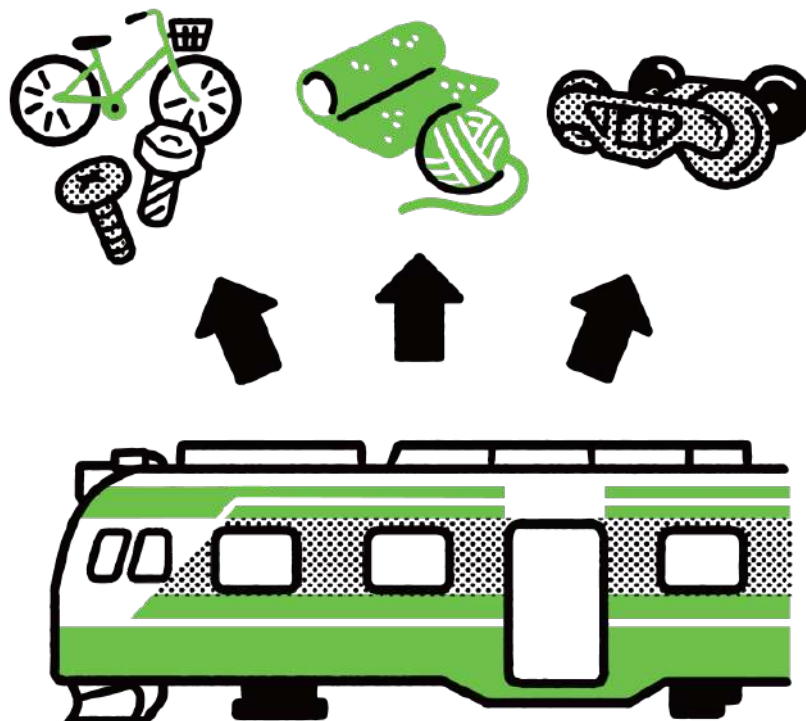


ILLUSTRATION: RYO KANEYASU

#### 5.1 ESRS E5 and SBM-3: Material impacts, risks and opportunities and their interaction with the strategy and business model

The circular economy is a key element in Norske tog's operating model. The company procures, manages and disposes of trains in Norway, and thus has the control throughout the life of the train. This puts Norske tog in a good position to set requirements for procurement, manage rolling stock in a sustainable way that extends service life, and to reuse components and set high standards for waste management when trains are phased out. Thinking in a circular way also reduces emissions and energy consumption related to the extraction of new materials, while reducing the need for new resources.

Norske tog has a negative impact on resource use and the circular economy through the use of resources for the production and maintenance of trains, as well as the potential loss of critical metals and substances and low-grade waste management in connection with the disposal of trains. At the same time, the company has positive impacts in the form of trains with a long

service life reducing the need for resources, as well as through good resource utilisation in operation and disposal. Norske tog has also identified a financial risk through increased costs for maintenance of older rolling stock.

#### 5.2 E5-1 Policies for resource use and circular economy

Norske tog has several policies that govern the company's work on resource use and the circular economy. The topics are addressed in several of the company's guidelines, but it is primarily *the Guidelines for Responsible Business Practices*, and the *Code of Conduct for Suppliers* that cover resource use and the circular economy. Both of these policies address the increased use of recycled resources and sustainable procurement.

##### Guidelines for responsible business practices

*Norske tog's Guidelines for Responsible Business Practice* lay down guidelines for the company's work to ensure recycling of materials and reduction of waste in the management and phasing out of train sets. Circularity shall be a key aspect throughout the train's



life cycle, from procurement to management and finally phasing out. Furthermore, trains must be disposed of in accordance with the waste hierarchy, and a reuse and recycling rate of over 90 per cent shall be strived for. The guidelines demand that circularity and life cycle costs are taken into account in all projects and contracts, and that supplier documentation is reviewed and assessed by Norske tog. Among other things, this can help to change material flows from virgin materials to increased use of recycled materials. Where applicable, Norske tog requires certifications or labelling schemes that document environmental performance.

Through its policies, Norske tog undertakes to use known standards to the extent possible. In relevant procurements, suppliers are required to be environmentally certified in accordance with ISO 14001.

#### Ethical guidelines for suppliers

*Norske tog's Code of Conduct for suppliers* set requirements for suppliers' ethical behaviour and form a part of the contract between Norske tog and the individual supplier. Through the ethical guidelines, suppliers must, among other things, commit to continuously working to reduce resource consumption, ensure sustainable resource extraction and work to develop environmentally friendly solutions both in their own operations and ensure compliance among their subcontractors. Furthermore, they shall also work to reduce waste in accordance with the waste hierarchy and circular principles. To the extent possible, circular principles shall form the basis of the production process.

Norske tog's *Code of Conduct and Guidelines for Responsible Business Conduct* are consistent with international frameworks such as the *UN Guiding Principles on Business and Human Rights* (UNGP), *ILO conventions* and the *OECD Guidelines for Responsible Business*. The *Code of Conduct* also builds on the *Universal Declaration of Human Rights* and the *UN Sustainable Development Goals*.

### **5.3 E5-2 Measures and resources related to resource use and circular economy**

Norske tog carries out several activities and measures to manage material impacts and risks related to resource use and the circular economy.

#### Procurement

Procurement is a core process in Norske tog's work on resource use and the circular economy. In its procurement processes, Norske tog endeavours to ensure a long service life for its trains. This is

a continuous endeavour, and the company sets contractual requirements for suppliers in connection with deliveries. In 2024, Norske tog conducted design reviews with train suppliers Alstom and Stadler to ensure that the new local, regional and long-distance trains fulfil contractual requirements, including for service life. Regular environmental follow-up meetings are held with the supplier to discuss performance according to circular standards. Requirements and verification processes will be prioritised in train procurement as part of the handover of new trains.

#### Maintenance and the goal of transitioning to condition-based maintenance

Norske tog is working to implement condition-based maintenance to reduce repairs and optimise planned maintenance. By basing maintenance on the actual condition, instead of fixed intervals, the service life of the components can be extended, and the use of resources can be more efficient. In 2024, Norske tog completed and finalised the first phase of the condition-based maintenance project on doors and compressors on the FLIRT fleet. This involves a simple but effective way of using existing diagnostic data to identify maintenance needs.

In collaboration with Stadler, Norske tog has also developed solutions for installing sensors on several of the vehicles' systems (HVAC, doors, toilets and bogies). The purpose is to develop more complete solutions for collecting additional condition-based data. In 2025, the company will test and develop sensor solutions and algorithms, with the aim of introducing condition-based maintenance on these components. The project will run throughout 2025, and the results will form the basis for decisions on further development and industrialisation of the solution in 2026 and beyond.

By 2024, Norske tog has improved the maintenance management system, as well as improved data on the maintenance status of the trains. Furthermore, Norske tog plans to carry out 25% more targeted inspections from 2024 to ensure better quality maintenance.

#### Lifetime extensions

Norske tog's fleet is currently 19.6 years old. Several of the vehicles are more than 40 years old and are approaching their technical and functional life expectancy. Mid-life upgrades and preventive and corrective maintenance ensure that the trainsets can be utilised throughout - or even beyond - their expected service life. This helps to reduce the need for new trains and ensures good resource utilisation.

The production of train sets requires large quantities of steel and aluminium, two raw materials that are

resource-intensive to extract. In addition, upgrades and modifications of trains require a variety of materials. When trains have a long lifespan, are built from high-quality materials, and have the right design, the need for both replacement and extensive upgrades is reduced. Life extensions, upgrades and storage of components that are difficult to replace are therefore both economically sensible and important to ensure efficient use of resources.

In 2025, Norske tog will start planning for the upgrades of type 74 and type 75.

#### Modifications

Technical modifications have been carried out on types 74 and 75, among others, in 2024. In 2025, it is planned to carry out prioritised modifications according to the plan to increase reliability. This includes, among other things, replacing the coupler cover on type 74, rectifiers on type 72 and type 73 and ERTMS remodelling for relevant trains.

#### Material recycling

Norske tog is actively working on several measures to increase the degree of material recycling. For several years, the company has co-operated with the recycling company Hellik Teigen for the disposal of trains, which ensures a high degree of recycling of metals. There are variations between different types of material when it comes to recycling opportunities. The market for recycling metals is mature and profitable, and this

enables a high degree of recycling.

In 2024, Norske tog has also achieved a high recycling rate for glass, while other materials such as textiles, rubber and plastics are still somewhat more challenging due to uncertain profitability in the market. New solutions are being sought for the recycling of various types of materials, and specific actions related to this are described in section 5.5 "E5-5 Outgoing resources". An important measure going forward is to create a disposal plan for type 69, which will be replaced from 2026.

#### Dismantling of components

Before the trains are disposed of, components are "harvested" from the trains by the train operators and Norske tog. The possibility of reusing components internally in the train sector in Norway depends on there still being trains in operation that use the same components. Train sets consist of several components and modules that can be dismantled and, to varying degrees, reused. This includes bogies, batteries, window glass, ceilings, seats and toilet modules.

In 2024, Norske tog investigated the potential withdrawal of components or parts from manufacturers, but this has not been relevant for the manufacturers that were investigated. Specific actions regarding this measure are described in chapter 5.5 "E5-5 Outgoing resources".

In 2025, Norske tog will continue to assess solutions

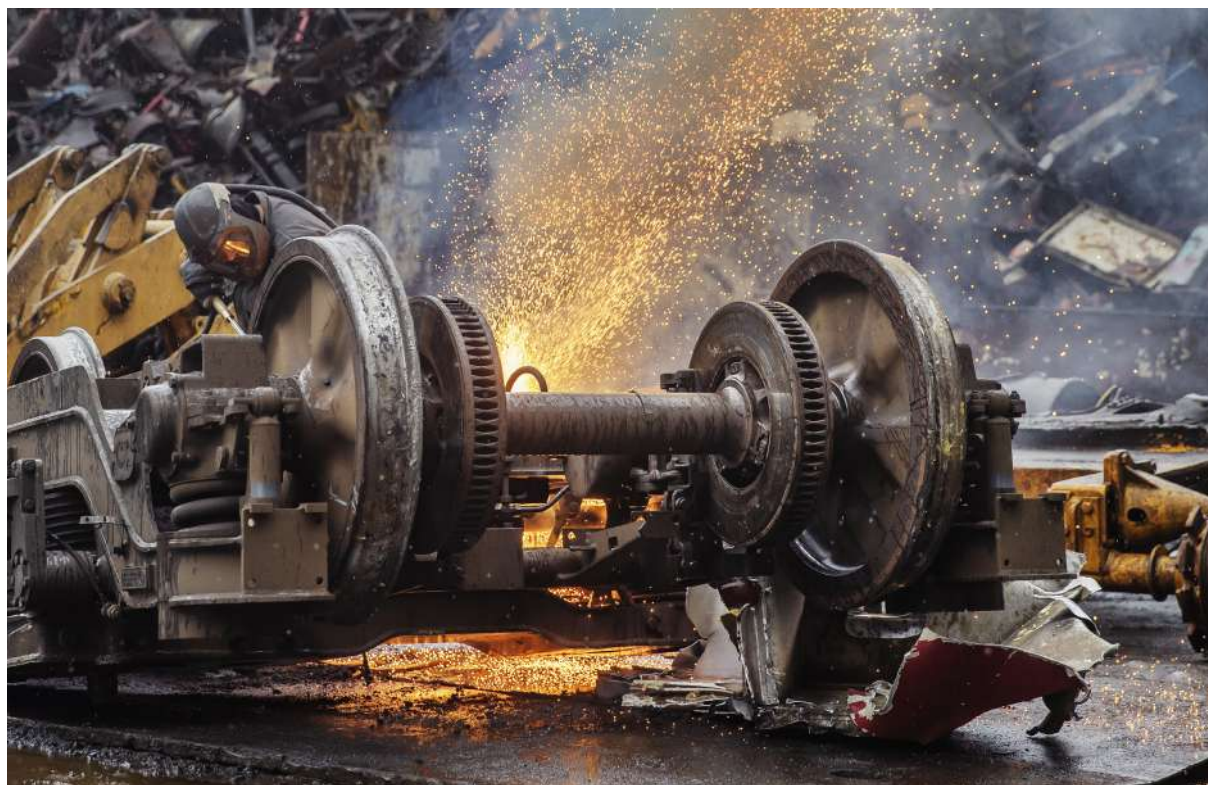


PHOTO: HAMMUS LUNDGREN

that can increase the degree of re-use of the various components included in the train sets.

### 5.4 E5-3 Targets related to resource use and circular economy

Norske tog has an overall target and KPI for material recycling rate, which has set the direction for the work on circularity within relevant activities in Norske tog the recent years.

*Target: Trains shall be disposed of in accordance with the waste hierarchy, and Norske tog shall have a reuse and recycling rate of more than 90% when disposing of trains.*

Status: According to reports from Hellik Teigen, a total of 84% of train materials went to recycling or reuse in 2024. The remaining 16% went to energy recovery in the form of incineration. This proportion is calculated based on weighing the various material fractions in connection with the disposal process. See the results for the previous year in the figure for this in the chapter "Our goals".

To obtain a high level of reuse and contents of recycled materials Norske tog needs to procure train sets designed according to circular principles and consisting of materials that can be recycled. Achieving this goal therefore requires effective dialogue and collaboration with suppliers, the recycling company Hellik Teigen and other relevant stakeholders.

The reuse and recycling rate is calculated annually and is based on the weight of waste fractions in the disposal process. The proportion of material recycling depends on the trains' composition of components and materials. The percentage will therefore vary somewhat from year to year based on the types of trains being disposed of, and this can make it challenging to achieve the target in certain years. The trains currently being disposed of are 40 to 50 years old and therefore not necessarily designed according to circular principles. However, Norske tog helps reduce the need for primary raw materials and the amount that goes to energy recovery or landfill by increasing the proportion of reuse and material recycling.

Through its sustainability strategy, Norske tog has defined three goals related to resource use and the circular economy. These goals set a direction for Norske tog's work on resource use and the circular economy.

*Target: We will procure trains and rolling stock with a high potential for material recycling, and with recycled materials*

Status: In connection with the procurement processes for new trains of type N05 and N10, design reviews have been conducted with the suppliers where material recycling and circularity were topics. In dialogue with Stadler, Norske tog has placed particular emphasis on the use of recycled materials by subcontractors in the production of train sets. Norske tog will also start planning for the mid-life upgrade of types 74 and 75, where circular principles will be incorporated into the requirements for this.

*Target: We procure trains and rolling stock with a long service life and trains that are maintenance-friendly*

Status: Through dialogue with the supplier Stadler and the operator Vy, Norske tog has worked towards closer collaboration on condition-based maintenance, which will ensure maintenance efficiency throughout the life of the train. Norske tog is also planning to strengthen its collaboration with the train operators to optimise maintenance processes and safeguard the value of the trains.

*Target: We will manage the trains to optimise their service life*

Status: Norske tog is working to optimise the service life of the trains by focusing on condition-based maintenance and implementing mid-life upgrades. Based on Norske tog's assessments, a strategic focus on guaranteeing availability, reliability and price can help to improve the condition of the trains

In 2024, Norske tog worked on a mid-life upgrade for type 72, and and technical upgrades for type 74 and 75.

### 5.5 E5-4 Resource inflows

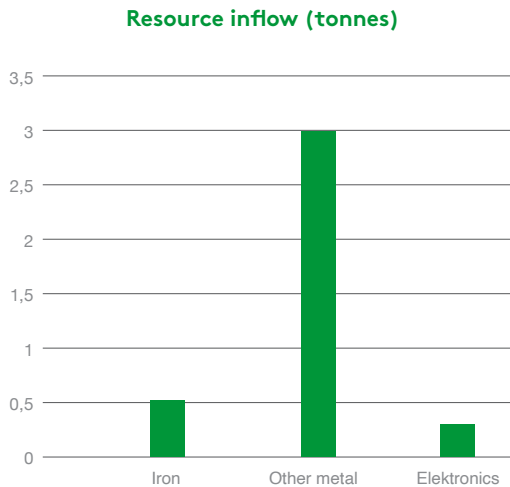
Solid data for incoming resources in Norske tog provides an overview of the "material bank" the company manages during the train's lifetime. Large parts of the trainsets consist of steel and aluminium - metals that can be recycled and thus reduce the need for extraction of new resources. Other materials, which make up a smaller proportion of the train sets, are recycled to varying degrees. Norske tog is endeavouring to increase the recycling rate for these materials too.

Norske tog calculates input resources for trains that have been phased in, upgrades that have been completed and modifications that have been carried out during the reporting period. In 2024, no new trains were phased in and no major upgrades were completed. As a result, the reported incoming resources in 2024 are lower than a normal year. The use of resources related to modifications constitutes

a relatively small proportion of the total material composition of the trainsets and is largely related to essential replacements and modifications. It is expected that incoming resources will increase significantly in 2026 when the new trains of type N05 are delivered from Alstom. From June 2026 onwards the plan is to phase in four trainsets per month.

Incoming resources in 2024 consisted largely of metals, in addition to some electronics. No biological materials were phased in during 2024. Norske tog is working to map the extent to which incoming resources used in modifications originate from secondary or recycled products. The company currently has little quantitative data regarding secondary and recycled materials used in modifications, but some qualitative data has been collected. Steel and carbon steel in pipes and couplings, that are used in the tilting function of the train, consist of a mixture of scrap metal and new material. Surplus material from production is melted into new raw material. When pipes and couplings have completed their service life or are replaced for other reasons, they are sent to recycling. The material is 100% recyclable.

Graph 19: Resource inflow in tonnes of material



### 5.6 E5-5 Resource outflows

Norske tog does not produce rolling stock, but through the procurement of trains it has the opportunity to influence the design of the trains and thus facilitate the reuse and recycling of resources when trains are to be disposed of. The trains that are procured fulfil several principles of circularity, such as longevity, high quality, repairability and ease of maintenance. The trains must fulfil the requirements for traffic on Norwegian infrastructure and "public use", which in turn must result in a long service life. Norwegian train sets generally have a service life of at least 30 to 40

years, which is comparable to the industry standard in Europe. In the train's product structure, there are several product categories with shorter service lives. The new trains are designed to simplify maintenance, repairs and upgrades. This includes overhauling bogies and batteries and repairing electrical components. Some products are series-controlled, so they can be maintained in the second line. Another important aspect is modular products, which allow modules to be replaced efficiently. This applies, for example, to seats attached to rails and electronics attached to standard 19-inch racks. In addition, there are requirements for suppliers to be able to supply spare parts for a given period, and for replacement solutions components to be offered in good time before parts go out of production.

Norske tog has collaborated with Hellik Teigen on recycling for many years. In 2024, one type 69 trainset and four type 92 trainsets were taken out of service. In addition, two trainsets of type 69, which were decommissioned in 2023, were recycled in 2024. In total, three type 69 train sets, two type 92 train sets and one wagon, which had previously been used for conductor training, were recovered at Hellik Teigen in 2024. The two type 92 trainsets, which were decommissioned in 2024, will be recycled in 2025. Before the train sets are delivered for recycling, they pass through the maintenance base where components that are not immediately necessary are dismantled and stored for later use.

One type Di4 locomotive and two type 5 carriages also had to be taken out of service as a result of the accident on the Nordland line in October 2024. These will be fragmented in Mo i Rana in 2025, and outgoing resources from this process will thus be reported in the next period.

In 2024, Norske tog achieved a total recycling rate of 84% from the disposing of trains. This high percentage is mainly due to a high recycling rate for metals, which account for between 75-80% of the total weight of the train sets. Norske tog is also working to identify solutions for the reuse and recycling of other material fractions such as rubber, plastic, wood, fibreglass and other components. At present, there is limited interest in the downstream market due to the uncertain profitability of reusing and recycling these materials, but improvements have been made in the waste management of glass from windows, for example.

Executed and planned activities related to recycling and reuse of the various material types are presented in table 23 below.



Table 23: Materials and activities in the recycling project

Material type	Status	Reuse and recycling
Metals	In progress	99-100% of the metals are recycled. The metals mainly consist of steel, aluminium and copper.
Metals in EE waste	In progress	Goes to a Norwegian recycling and treatment plant, and on to a Swedish mining company and metal producer.
Electric motors	In progress	E-motors in train bogies consist of metals such as steel/iron, aluminium and copper. E-motors are currently sold to customers in India who have the necessary import licences. It is being investigated whether it is possible to dismantle E-motors in Europe.
Batteries	In progress	After use, nickel-cadmium batteries are returned to the battery manufacturer through the company Batteriretur. Around 75 per cent of the batteries' weight is recycled for further industrial use.
Mineral mass	In progress	The mineral mass consists of shredder waste. This mass is currently classified as an operating resource and environmental product, as it has the ability to bind sulphides in the landfill gas. Efforts are being made to reduce the amount of mineral mass.
Glass	In progress (new from 2024)	From 2024, virtually all glass from phased-out train sets will be recycled. The glass is dismantled from the train sets before being cut and used as raw material in the production of glass wool insulation.
Textiles	Possible future	In 2024, Norske tog tested several options for recycling and reusing textiles dismantled from the train seats in discarded type 69 trains: <ul style="list-style-type: none"> <li>• Preparation of wool felt</li> <li>• Spinning of wool yarn</li> <li>• Textiles used to sew new products</li> </ul>
Foam	Possible future	Foam can be recycled by either being ground up into new products or through chemical pyrolysis.
Woodwork	Possible future	There are large fractions of laminated plywood in the older trains. A challenge for material recycling is glued-on rubber, plastic and laminate. This goes to energy recovery today.
Plastic	Possible future	The trains contain small amounts of thermoplastics polycarbonate that are generally well suited for recycling.
Fibreglass	Possible future	Fibreglass fractions are found in interior wall panels and window frames. The approximate fraction per wagon is 300-400 kg, which corresponds to approximately 1000 kg for a type 69 train set.
Rubber	Possible future	Rubber fractions are found in window seals, transition pads and dampers.



### Waste management

Norske tog's operations generate significant amounts of waste in connection with the disposal of trains. Some waste is also generated from Norske tog's leased premises, and this waste is included in the climate accounts in section 3.7 "E1-6 Gross greenhouse gas emissions within scope 1, 2, 3 and total greenhouse gas emissions". However, it is only waste from the disposal of trains that is considered material within the topic of resource use and circular economy, and therefore only these waste streams are included in this chapter.

Batteries are the only part of Norske tog's waste that is defined as hazardous. In addition, some of the EE waste can be defined as hazardous waste, but Norske tog does not currently have precise calculations of the potentially hazardous waste. Norske tog does not generate radioactive waste. This is checked by scanning the waste at Hellik Teigen to detect any radioactive material.

Data for 2024 shows that three trainsets of type 69

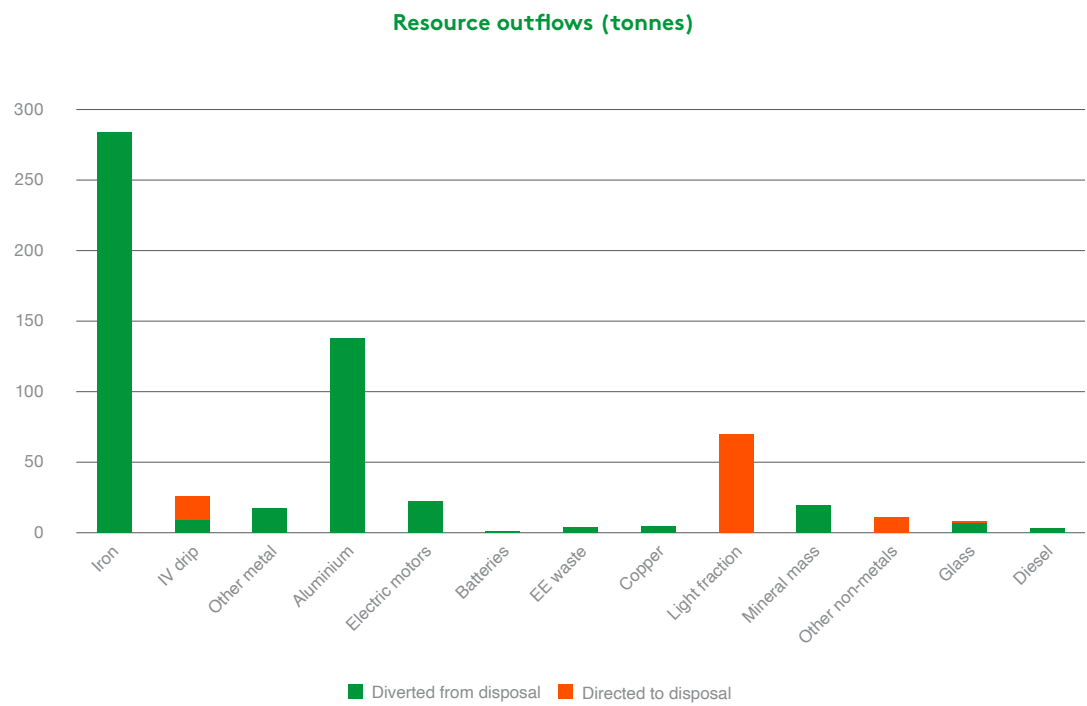
and two trainsets of type 92 have been disposed of. Waste volumes are calculated by weighing the material fractions at Hellik Teigen, which provides good data. Deviations may occur in connection with the dismantling of components, but efforts are being made to reduce any significant uncertainty associated with the measurements. All waste for end treatment went to energy recovery through incineration. The incineration process generates a small ash fraction that goes to landfill. Due to the lack of precise calculations of this proportion, the entire amount of waste for final treatment is categorised as incineration.

Outgoing resources mainly consist of metals, primarily iron and aluminium. These fractions are recycled in their entirety and thus ensure a high recycling rate overall. At present, only diesel and diesel engines are sent for preparation for reuse. Waste for final treatment mainly consists of light fractions. In addition, a mixed waste fraction and the collection category "other non-metal", consisting of foam, rubber, textiles and plastics, are sent for final treatment.

Table 24: Distribution of waste fractions for 2024

	Amount of waste (tonnes)			
	Hazardous waste	Non-hazardous waste	In total	Share
Preparation for reuse	1	12	13	2 %
Recycling	0	493	493	82 %
Other recovery operations	0	0	0	0.0 %
<b>Diverted from disposal</b>	<b>1</b>	<b>505</b>	<b>506</b>	<b>84 %</b>
Incineration	0	97	97	16%
Landfill	0	0	0	0 %
Other disposal operations	0	0	0	0 %
<b>Directed to disposal</b>	<b>0</b>	<b>97</b>	<b>97</b>	<b>16 %</b>
<b>Total amount of waste</b>	<b>1</b>	<b>602</b>	<b>603</b>	<b>100 %</b>

Graph 20: Distribution of waste fractions



## 6 ESRS S1 Own workforce



ILLUSTRATION: RYO KANEYASU

### 6.1 ESRS S1 and SBM-3 Material impacts, risks and opportunities and their interaction with the business model and strategy

Norske tog's material impacts, risks and opportunities related to its own workforce affect the company's own employees. There is identified as a potential negative impact on working conditions by lack of training, education and competence building. This impact includes employees in administration, including legal, purchasing, finance, accounting, IT and HR. In addition, Norske tog has employees with technical train expertise related to the operation and management of trains, technical equipment, documentation and RAMS, as well as project managers and account managers.

The company's IROs are understood to be systematic, as they address typical subjects for Norwegian working life and are not due to isolated events in the reporting year. Norske tog has identified both impacts and opportunities related to expertise, especially railway technical expertise. In order to meet the owner's expectations for efficient procurement and management of trains, as well as gathering the necessary cutting-edge expertise in one place, Norske

tog is working to create conditions for learning and development among its employees.

### 6.2 S1-1 Policies for own workforce

Norske tog has a number of policies that govern the company's work on managing material impacts, risks and opportunities related to its own workforce. The company works to ensure opportunities for skills development and to utilise the flat structure as an opportunity for employee involvement.

#### Ethical Guidelines

Norske tog's *Ethical Guidelines* apply to the company's entire workforce and are intended to ensure professional behaviour at a high level of ethics. The guidelines are updated as necessary, sent out annually and must be signed by all employees. The guidelines cover issues such as loyalty, impartiality and conflicts of interest, as well as anti-corruption, whistleblowing, follow-up and sanctions. It also states that all employees must be treated with courtesy and respect, and that Norske tog must ensure equal opportunities for all employees. No one shall be discriminated against on the basis of age, gender, disability, sexual orientation or religious, ethnic or cultural background.

### Code of Conduct

Norske tog's *Code of Conduct* for all own employees specify the company's expectations for employees' attitudes and behaviour in the workplace. They cover areas such as communication, co-operation and interaction, both between colleagues and between employees of Norske tog and customers, suppliers and partners. The *Code of Conduct* is available via the intranet.

### **6.3 S1-2 Process for interaction with own workforce**

Norske tog has established processes for employee involvement through the working environment committee (AMU), general meetings, appraisal interviews and other communication via the intranet. Norske tog's HR advisor is responsible for contact meetings with employee representatives from the trade unions, while the CEO is responsible for organising general meetings.

The AMU meets quarterly, and in 2024 the health and welfare aspect, reported accidents, review of the action plan, absence reporting and deviation reporting were regular topics for discussion. During the reporting year, Norske tog's office premises have been subject to extensive renovation work, which has resulted in a lot of noise. Because of this, it has been necessary to adapt the working day for the company's employees. This has been clearly communicated to the employees, primarily through general meetings, department meetings and Teams posts. A representative from the occupational health service has been present at all but one AMU meeting.

Norske tog also conducts an annual employee survey, as well as pulse measurements in the first and third quarters. The results of the annual employee survey were communicated to the employees at the last general meeting for 2024. The company's departments have also reviewed the results and measures will be prepared at the start of 2025.

Representatives from management participate in contact meetings with employee representatives and in AMU. Matters raised by employees here are passed on to the rest of the management when decisions need to be made.

### **6.4 S1-3 Process to mitigate negative impacts**

Norske tog emphasises an open culture of expression. Illegal or unethical behaviour can be harmful to both people and the working environment. It is therefore important that such matters are addressed and handled properly. In co-operation with Kvale Advokatfirma DA, Norske tog has set up a joint whistleblowing

service. This service can be used by both employees and external stakeholders, and is intended to ensure professional, neutral and independent handling of whistleblowing in line with the requirements and intentions of the Norwegian Working Environment Act. The whistleblowing service shall also contribute to the safety and security of whistleblowers, particularly in terms of confidentiality and anonymity, and shall be used without fear of consequences and retaliation.

The individual employee has a statutory right to report unacceptable conditions. This right also applies to hired employees and consultants. It is desirable, but not a requirement, that the whistleblowing service should only be used when there are particularly reprehensible circumstances. Misconduct refers to illegal behaviour, breaches of general ethical norms and breaches of internal guidelines.

Whistleblowing should primarily take place to the nearest superior manager, possibly via the safety representative or employee representative. If this is not possible or appropriate, notification can be made directly to the company's contact person for notifications, which is Kvale Advokatfirma DA. Whistleblowing can take place verbally or by written enquiry. An anonymous whistleblowing channel is available on Norske tog's website.

The CEO is responsible for contacting the board directly with information if the company receives a notification. If the notification concerns the CEO, the person who receives the notification is responsible for passing on information about this to the chairman of the board.

If Norske tog has caused or contributed to negative impacts, the company shall, in accordance with the recovery procedure, ensure that the damage is restored or that compensation is paid where required.

In 2024, no notifications were reported.

### **6.5 S1-4 Measures against negative impacts**

Norske tog bases its measures on insights from engagement surveys, employee dialogues, one-on-one conversations with HR and registered risks in the risk portal. A double materiality analysis has also provided further insight into areas that should be prioritised to improve employees' working conditions. The company's ethical guidelines set out guidelines for how work at Norske tog should be carried out so as not to have a negative impact on employees or other parties the company works with. The ethical guidelines also cover the compliance with working environment regulations and data protection.

Norske tog has a special focus on competence enhancement measures and recognises that a solid professional environment for trains and technical railway expertise is important for making the company an attractive workplace. The integration of sustainability-related expertise also helps to ensure that trains continue to be a competitive alternative, with an impact on the climate and environment that is relatively better than other forms of transport. In 2025, the focus will be on improving expertise in sustainability, IT and maintenance, in line with Norske tog's strategic initiatives in these areas.

Since 2021, Norske tog has organised the Train Academy to facilitate experience sharing and learning across the organisation. The Train Academy is organised as a digital Friday meeting where all employees are encouraged to participate. A number of external experts and actors from the railway sector have spoken at the Train Academy, and the platform is being increasingly used by internal resources to share insights or experiences from specific projects or disciplines. In 2024, topics have included train theory from academia, vehicle recycling, international experiences with the use of smart technology for maintenance, climate and environment, and inclusion and diversity. Norske tog will continue the Train Academy in 2025 and will continue to utilise this arena for continuous skills development in the company. A skills development plan will also be drawn up for the railway profession.

In 2024, Norske tog organised courses for its own employees in project management and presentation techniques, as well as middle management courses. These courses will continue in 2025 as needed. The CEO has participated in the Sustainability Academy's seminar for board and management, and three employees have participated in the Sustainability Academy's full series of courses in 2024. Norske tog has also established an internal sustainability group, which throughout the year has focused on improving expertise in circular economy and greenhouse gas emissions, in addition to CSRD.

Norske tog works actively to increase co-operation and skills sharing in the sector. In connection to this, the company had an employee on a work placement with the Ministry of Transport and Communications in 2024. For 2025 and the years ahead, a training programme in railway engineering has been developed in collaboration with Imperial College London. This programme will increase Norske tog's internal expertise, while also paving the way for collaboration with other companies in the railway sector to

strengthen experience sharing and knowledge transfer. Norske tog will work to include suppliers, train operators and maintainers in this programme.

Most of the resources allocated to work on managing material impacts, risks and opportunities related to our own workforce are ongoing budgets linked to fixed tasks. Norske tog has an HR advisor in a 100% position who works specifically with labour-related issues. In addition, managers with HR responsibility have specific tasks related to the follow-up of employees in departments and/or sections. Union representatives, chief safety representatives and employee representatives in the works council are also given the necessary time to fulfil their duties in line with the collective agreement.

## 6.6 S1-5 Targets

Norske tog has a strategic target of having competent and satisfied employees. This target also includes promoting diversity and inclusion, as a diverse workforce contributes to varied expertise and perspectives that strengthen both the working and learning environment in the company. Norske tog follows up the company's strategic target by measuring employee satisfaction, which is done through an annual employee survey. The indicator "job satisfaction" was measured at 80, which is an increase of 1 from 2023 and 2 from 2022. This score is considered high when it is above 75, and it is at this level that Norske tog aims to be<sup>4</sup>. Norske tog has specifically looked at several scored sub-themes and discussed results and measures from the section level to the company level to maintain its high level.

Norske tog has defined the above-mentioned targets as a result of strategy processes in which material IROs have been included in the decision-making basis. The company's governing documents that support the realisation of the strategy are also influenced by national guidelines. This is reflected, for example, in the ownership report, which sets out expectations that state-owned companies set targets and measures in order to promote and realise the value of increased diversity, gender equality and inclusion. The Ownership Report also expects companies to work systematically on the development and recruitment of employees in line with the company's goals and strategies.

Norske tog's employees are involved in the annual strategy meeting and in other processes where objectives are discussed and established.

<sup>4</sup> In the employee survey, various statements are assessed on a scale of 1-10. Norske tog's target is for the average score to be 7.5, hence at a level of 75 or above.



## 6.7 S1-6 Information about the organisation's employees

Table 25: Number of employees by gender and contract type\*

Contract type	Women	Men	Other
Permanent employees	21	43	-
Temporary employees	0	1	-
Employees without guaranteed hours	0	2	-
<b>Total number of employees</b>	<b>21</b>	<b>46</b>	<b>-</b>

\* The table shows the number of employees as of 31 December 2024. The majority of Norske tog's employees work 100 per cent, with the exception of one person who has an 80 per cent position and two employees with temporary contracts who work when needed.

In 2024, one employee retired and another one left at his own request. Norske tog's turnover rate is therefore 2.9 per cent.

## 6.8 S1-7 Non-employees in own labour force characteristics

Norske tog has hired a temporary employee to cover a long-term sick leave and uses consultants to cover for its own employees who are on leave, on sick leave or assigned to other tasks. These, as well as temporary staff, are considered non-employees of Norske tog. During the year, there is also a varying number of consultants who contribute to various projects, or where the work performed, or the expertise needed is of a temporary nature. The company has also procured canteen services and cleaning through external suppliers. These groups are regarded as workers in the supply chain. Precise data is not available for how many different employees work at Norske tog at any given time throughout the year, but for 2024 the utilisation corresponded to 28.8 full-time equivalents.

## 6.9 S1-8 Joint negotiations and social dialogue

In Norske tog, all employees - 100% - are covered by collective labour agreements. Several employees are also unionised, and Norske tog has established arenas for dialogue between a selection of the unions

## 6.10 S1-11 Social protection

All employees are covered by Norske tog's insurance schemes and the company also covers full salary in the event of illness and parental leave. Other areas where social security benefits are relevant are regulated and covered by public schemes. This applies, for example, to occupational injuries, illness or if an employee becomes disabled.

## 6.11 S1-13 Training and skills development

Table 26: Percentage of employees who participated in regular performance and career development reviews

	Women	Men
Employee appraisals	100 %	100 %

All the company's employees have two regular annual appraisal interviews with their immediate manager. During these interviews, a development plan is filled out together with the manager. The main appraisal should take place during the first quarter, while the half-yearly appraisal should take place during the third quarter.

Feedback from employees through annual employee surveys and appraisal interviews shows that there is plenty of room for professional and personal development at Norske tog.

## 6.12 S1-14 HSE

All employees of Norske tog are covered by the company's HSE system.

The company experienced no deaths among its own employees in 2024, and no employees were absent from work due to work-related injuries or ill health. There has been one work-related accident, and the accident rate is 7.7 accidents per 1,000,000 hours worked.

## 6.13 S1-15 Work-life balance

During 2024, 3% of men and 4% of women were entitled to parental leave in Norske tog, and all took advantage of it.

## 6.14 S1-17 Incidents, complaints and impact on human rights

Norske tog has not had any reported cases in 2024.

## 7 ESRS S2 Workers in the value chain

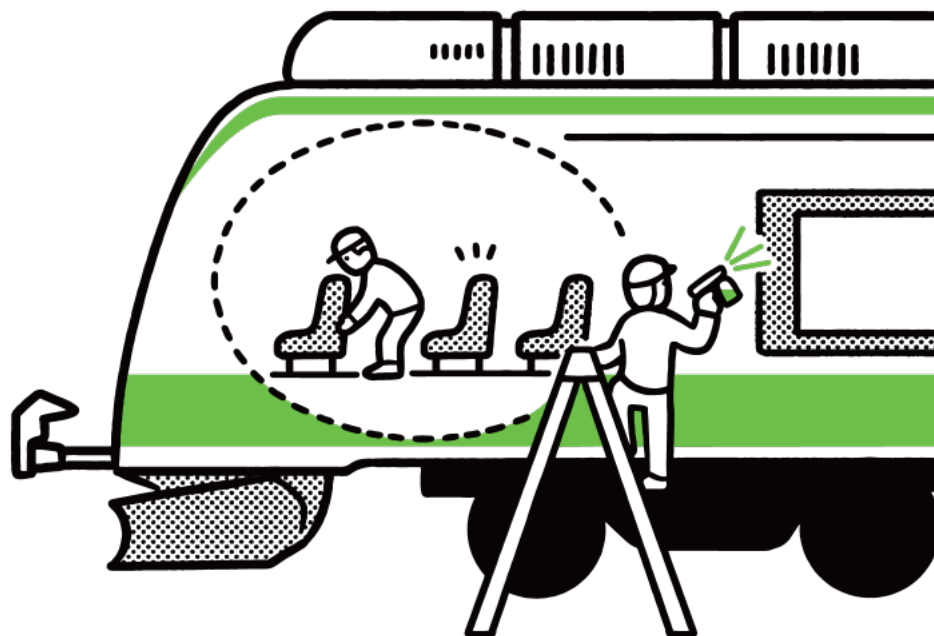


ILLUSTRATION: RYO KANEYASU

### 7.1 ESRS S2 and SBM-3 Material impacts, risks and opportunities and their interaction with the business model and strategy

Norske tog has identified two material impacts related to workers in the value chain for this year's report. One is the company's potential impact on workers in the value chain due to the inherent risk of some production of materials and train components taking place in developing countries where there is weak protection of human and labour rights. The second is an actual negative impact in the value chain that arose acutely when a train driver was killed at work in October 2024, when a rockfall in the train track caused a train to derail on the Nordland line. The fatality occurred on a train leased by Norske tog to SJ Norge

Norske tog is aware that there is a high inherent risk of human and labour rights violations primarily related to the input factors used in the production of trains. Raw materials such as metals and minerals and the work of extracting them are characterised by poor working conditions. The majority of rolling stock and components are produced in Europe, and Norske tog considers both lack of transparency and the risk of human rights violations to be greater further up the value chain.

Norske tog's negative impact on workers in the value

chain is mainly in the company's upstream value chain, as it primarily concerns workers at the suppliers' manufacturers. This impact is considered to be systematic because it is linked to a general challenge with cases of forced and child labour in areas where human and labour rights protection is weak. The risk of forced and child labour, as well as other human rights violations related to working hours, poor HSE conditions and low wages, is particularly present in countries such as China. For this reason, Norske tog specially monitors, for example, battery production due to the potential content of conflict minerals and the inherent risk of human rights violations in the value chain.

In addition to the systematic challenges related to the protection of human and labour rights in the production of trains, there was a railway accident on the Nordland line in October 2024 in which a driver employed by SJ Norge was killed. See reporting on measures below for further information on Norske tog's handling of the accident.

### 7.2 S2-1 Policies for workers in the value chain

Norske tog has several policies that govern its work on managing material impacts, risks and opportunities related to workers in the value chain. The company 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*. Norske tog also maintains a close dialogue with Ethical Trade Norway to improve the company's work with, and reporting on, due diligence and business practices.

Norske tog's *Code of Conduct for Suppliers* and *Code of Conduct for Responsible Business Practices* are the most central governing documents for efforts to manage potential negative impacts related to workers in the value chain.

#### Code of Conduct for suppliers

Norske tog's *Code of Conduct for Suppliers* shall ensure that all suppliers of goods and services are aware of, and committed to, Norske tog's principles for ethical and responsible behaviour. This means that suppliers act in line with the *UN Guiding Principles on Business and Human Rights*, the *ILO Core Conventions on Decent Work* and the *OECD Guidelines for Responsible Business Conduct*. Among other things, the guidelines require all suppliers to refrain from child and forced labour, as well as discrimination on the basis of gender, race, sexual orientation and political views. Norske tog has also updated the guidelines to include requirements for due diligence in accordance with the OECD methodology and consideration of animal welfare.

The policy is included as a condition in all contracts, and gives Norske tog the right to check compliance, both with suppliers and subcontractors, including through on-site inspections. Furthermore, daily fines have been added for breaches of the *Code of Conduct*, which gives Norske tog greater room for manoeuvre to actively improve reprehensible conditions. The legal department prepares and follows up the guidelines.

#### Contingency plan and security requirements

In the railway system, there are several strict technical safety requirements for rolling stock, infrastructure and activities in the railway area. The companies have different areas of responsibility for prevention, notification and coordination in the emergency phase. For example, Bane NOR is responsible for securing infrastructure, organising rescue efforts and implementing measures to reduce the consequences for the surroundings in the emergency phase, while train operators are responsible for safeguarding employees and passengers on board trains. Norske tog's task in the area of prevention is to ensure compliance with all regulatory requirements for vehicles from the European Railway Authorisation (ERA) and the Norwegian Railway Authority (SJT), including the *Technical Specifications for Interoperability* (TSI), as well as other Norwegian

regulatory requirements. This is integrated in ongoing processes related to Norske tog's core business.

Norske tog's contingency plan shall ensure that the company is prepared in the event of major central incidents, local emergency situations or incidents, undesirable incidents, deviations, operational or infrastructure failures and "near misses". *Norske tog's contingency plan* includes responsibilities and routines for the company in a contingency situation and is an integral part of the organisation's safety management.

#### Guidelines for responsible business practices

*The Guidelines for Responsible Business Practice* include the company's commitments to a wide range of topics, including human rights and labour rights. Norske tog's work on due diligence is set out in this policy, supported by an internal process description for conducting due diligence. The company's procedure for remediation is also set out in the policy for responsible business practice. Where Norske tog's activities cause or contribute to a negative impact on people, the environment or animals, the company shall endeavour to stop the activity and remediate the damage. This procedure is an integral part of the company's corporate governance. The procedure has been developed by the Finance and Administration department in collaboration with the legal department and approved by the management and board of Norske tog.

The Finance and Administration department is responsible for following up the above policies. The policies apply to all suppliers, subcontractors, business partners and Norske tog's own operations.

### **7.3 S2-2 Process for interaction with workers in the value chain**

Norske tog focuses on continuous supplier dialogue. In accordance with the company's project model, the project manager is responsible for conducting a dialogue with Norske tog's suppliers and subcontractors. For strategic projects, there are held follow-up meetings quarterly, and more frequently if necessary, regarding sustainability and due diligence, primarily related to the Transparency Act. The meetings focus on high-risk findings and prioritise measures for the coming period. This allows Norske tog to have a dialogue about the suppliers' identified measures, request information about the supplier's work and evaluate the usefulness of the measures. Work is underway to further develop audit processes for robust follow-up of suppliers in the area of sustainability, including safeguarding human rights in accordance with UN and ILO conventions and national regulations.

Norske tog has not had contact with stakeholders beyond first-tier suppliers in 2024. Contact is made with suppliers, and not directly with workers in the value chain. Continuous efforts are made to establish a common understanding of the risk picture in the contracts together with the company's suppliers, and Norske tog also conducts audits to expand the company's ability to uncover negative impacts on workers in the value chain.

#### **7.4 S2-3 Process to mitigate negative impacts**

Norske tog's procedure for remediation is an integral part of the corporate governance and forms a central part of the company's guidelines for responsible business practice. In situations where one of Norske tog's suppliers is responsible for negative impact or damage, the supplier is also responsible for remediation. Norske tog uses its influence to ensure that the responsible party works to reduce the risk of the negative impact persisting or occurring in its operations or through contracts. Norske tog's legal department is responsible for ensuring that the company's suppliers provide remediation in these situations. If Norske tog itself has caused violations of human rights or decent working conditions, the CEO is responsible for ensuring that remediation measures are implemented. The measures are prepared together with stakeholders and the effect is assessed and communicated to affected parties.

In order to ensure remediation where necessary, Norske tog is dependent on obtaining or receiving information about reprehensible conditions. Such matters can be reported directly to Norske tog or through an external whistleblowing channel administered by Kvale Advokatfirma DA. The whistleblowing channel can be used by both employees and external stakeholders. The service is intended to ensure professional, neutral and independent handling of reports in line with the requirements and intentions of the Norwegian Working Environment Act. The whistleblowing service must also contribute to the safety and security of whistleblowers, particularly in terms of confidentiality and anonymity, and must be able to be used without fear of consequences and retaliation. Any reports received are included in the company's risk assessments and assessment of negative impact.

To ensure that the whistleblowing channel is known and accessible to affected parties, Norske tog has translated it into English, German and French, in addition to Norwegian. Information about the whistleblowing channel has been shared with Alstom and Stadler, with an agreement that it will be shared with their employees involved in the production of trains for Norske tog.

#### **7.5 S2-4 Measures against negative impacts**

##### General measures

Norske tog's work consists mainly of procurement projects, and the company has considered it appropriate to prepare a risk assessment tool and associated process to identify and prioritise significant risks in each individual project. The risk mapping is then carried out in the projects using the suppliers' customised tools. In this way, Norske tog endeavours to carry out due diligence at the project level in line with *OECD's Guidance for Due Diligence*.

Norske tog's work on due diligence serves as a recurring measure for the year, and the work put into this is leading for other measures that are implemented. Norske tog's follow-up of suppliers' work on due diligence is currently, together with risk-reducing requirements and risk assessments in contract processes, the most important measures for working against risk for workers further up the value chain. The dialogue with Stadler and Alstom creates a basis for development, and Norske tog is using this opportunity to drive maturity in the work with due diligence among suppliers. In 2024, the company has also incorporated a formal evaluation of the work with due diligence in the annual sustainability wheel.

In procurement projects, Norske tog carries out a risk assessment based on inherent and other known risks. The background investigation *Integrity Due Diligence* (IDD) is carried out for projects over 1 billion NOK. The investigation addresses risks related to ethics and integrity at the supplier and also includes any findings related to decent work and human rights. In addition, an initial risk assessment of Norske tog and a supplier-specific risk assessment is carried out for these projects together with the selected supplier after contract signing. Whether IDD is implemented for projects below 1 billion NOK depends on a specific assessment of inherent and known risk for each individual project.

Both Alstom and Stadler endeavour to carry out due diligence in accordance with the *OECD Guidelines for Multinational Enterprises*, and Norske tog has seen improvements in the suppliers' work on due diligence in the recent years. Norske tog receives statements in accordance with the Transparency Act from Stadler and Alstom every year and has conducted an audit of Stadler in 2024. The planned audit at Alstom was postponed and will be carried out in 2025. Norske tog has not uncovered any violations of human rights or decent working conditions in the supply chain in 2024.

In 2024, Norske tog has seen positive effects of the

company's participation in Ethical Trading's battery group. As an extension of Norske tog's participation in the battery group, the company has agreed with Stadler to conduct further analyses of its battery suppliers in 2025.

Industry collaboration adds great value, and in 2024 Norske tog participated in experience transfer between Nordic train operators.

## Results from follow-up of suppliers' due diligence assessments

### Stadler

Stadler reports to Norske tog on its work with due diligence on a quarterly basis, and urgent matters are addressed in the project's monthly reports. In these reports, Stadler reviews the status of the current project, implemented and planned measures, and fulfilment of environmental requirements. From Stadler's latest report, Norske tog knows that in-depth analyses of a selection of suppliers are still open, and that potential critical suppliers must complete a self-assessment to be approved by Stadler, followed by an ESG audit if the self-assessment leaves any questions open. The completed risk analyses show that low risk has been identified for the assessed suppliers, and Stadler confirms that no human rights violations have been identified among suppliers in relation to the Norske tog contract. In 2024, 224 new suppliers were assessed in Stadler's risk assessment tool. Of these, 23 suppliers were rejected before the contract was signed based on the results of the initial risk assessment. Stadler screens all suppliers at an early stage in its risk assessment tool, which enables Stadler to implement measures at an early stage and select suppliers with a low risk profile.

Norske tog has identified an inherent risk for workers in the value chain of steel and aluminium production. Stadler generally uses manufacturers with whom it has extensive experience with for steel and aluminium and perform regular audits and revisions. New suppliers are screened in the risk assessment tool in the same way as all other suppliers. Norske tog has also identified the inherent risk of conflict minerals in the value chain. Stadler scrutinises each subcontractor for how they address this risk.

### Alstom

Alstom's due diligence and reporting on these to Norske tog involves updating a risk tool to assess and evaluate potential risks of negative impact. In 2024, Alstom assessed 80 subcontractors associated with Norske tog's procurements in connection with its due diligence. The mapping has revealed risks of negative impact, which are further summarised for the various three procurements

where Alstom is Norske tog's main supplier:

### ERTMS project:

36 suppliers have been assessed. Four risk categories were prioritised for further follow-up.

- Two risk categories are classified as medium-high risk and medium-low risk, both due to inherent risks in the production of electronic components. This includes potential health, safety and environmental impacts related to hazardous equipment, work practices and hazardous substances, as well as long working hours.
- Two other risk categories are classified as medium-low risk. One is related to the inherent risk of accidents and exposure to hazardous substances associated with the sale of machinery. The other is related to the production of electronic components, with potential safety issues related to hazardous equipment, work practices and hazardous substances in addition to long working hours.

### The MLU72 project:

Twelve suppliers have been assessed, and two risk categories have been prioritised for further follow-up. Investigations are still ongoing.

- The first category is classified as medium-high risk for potential negative impacts related to HSE, potential exposure to hazardous chemicals and heavy metals in paint.
- The second category is classified as medium-low risk for potential health, safety and environmental impacts related to hazardous equipment, work practices and hazardous substances associated with the production of electronic components.

It has been decided to audit a supplier in 2025 as investigations revealed a particularly high risk of breaches.

### The N05/N06 project:

32 suppliers have been assessed, and six risks have been prioritised for further follow-up, two of which are still being followed up with further investigations:

- High-risk has been identified due to human rights risks and inherent risks related to labour conditions due to the geographical location of suppliers.
- Medium-high risk relates to potential health, safety and environmental issues related to hazardous equipment, labour practices and hazardous substances in the production of train components.



- Two different medium-low risk categories have been identified. One is related to the treatment and coating of metals, and the other to the production of electrical lighting materials. The risks are related to exposure to heavy metals and chemicals.

A decision has been made to audit a supplier due to a lack of co-operation in the risk assessment and information gathering process.

Alstom has worked systematically to review and investigate the risks of breaches of responsible business practices in accordance with the *OECD Guidelines for Multinational Enterprises*. This work will continue in 2025 with quarterly reporting to Norske tog. Norske tog recognises that Alstom cooperates and takes the necessary steps to reduce identified risks of negative impact.

In February 2020, Alstom was added to the UN list of companies with activities in occupied Palestinian territory. Norske tog has requested Alstom risk assessments related to their presence through activities in the Israel/Palestine area. Alstom has in 2024 and 2025 communicated that there have been no activities within or related to Israeli settlements in occupied Palestinian territories and requested in 2024 to be removed from the UN list. Norske tog will continue to monitor Alstom's activities in the region and make regular assessments of whether companies that participate in deliveries to Norske tog have activities in occupied Palestinian territory or in Israel.

#### The accident on the Nordland Line

The accident on the Nordland Line in October triggered a contingency plan in Norske tog. Crisis teams were established in the companies involved, and the board of Norske tog and the Ministry of Transport and Communications were notified in line with Norske tog's emergency preparedness procedures. Tasks were allocated to Norske tog's crisis team and there was coordinated cooperation between SJ, Mantena and Bane NOR, among others, to handle the situation. Among other things, Norske tog contributed data relating to the trains, co-operated and participated in inspections around the site of the incident and in assessing the extent of the damage. SJ Norge was responsible for looking after SJ employees, passengers and relatives after the accident. An evaluation has been initiated at Norske tog to gather experience that will further strengthen the company's emergency response procedures. At the time of finalising this annual report, the investigation report by the Norwegian Safety Investigation Board had not yet been published, and the accident is still being investigated.

## **7.6 S2-5 Targets for workers in the value chain**

Norske tog has defined goals in its sustainability strategy that provide direction for its work with the supply chain.

*Target: Norske tog shall set high and clear requirements for safeguarding people and the environment in all our contracts*

Status: Norske tog defines specific guidelines for the company's projects in the procurement phase through contracts. These guidelines form the basis for how Norske tog can follow up various issues in the value chain, with a particular focus on suppliers' ESG-related risk management. The contract requirements are described in more detail in chapter 8 "ESRS G1 Business Practices".

*Target: Norske tog will ensure compliance with contractual requirements*

Status: In 2024, Norske tog held regular meetings with suppliers to discuss identified risks in the value chain. To ensure that the company's suppliers comply with Norske tog's contractual requirements, it has been important to follow up the suppliers' own work on due diligence to ensure that they work in accordance with the *OECD Guidelines for Responsible Business Conduct*.

Through the supplier dialogue, Norske tog has highlighted the importance of working according to prioritised risk based on overall risk assessments for the companies. It has been identified that this methodical approach had potential for improvement among the suppliers. Norske tog's assessment is that the suppliers have strengthened their work and are now working more in line with the OECD guidelines than previously.

In 2025, Norske tog will work to achieve increased transparency in the value chain.

Methods for stakeholder dialogue with "silent" stakeholders related to inherent risk in the value chain will be assessed. Efforts will be made to collect data that can help Norske tog to prioritise measures aimed at the value chain to a greater extent. A clearer prioritisation of risk will also enable the company to set more specific targets.

When it comes to transport safety, the vision of zero traffic fatalities and serious injuries is the basis for all transport safety work in Norway. The vision is an ethical guide and a guideline for work on transport safety.

## 8 ESRS G1

### Business practices



ILLUSTRATION: RYO KANEYASU

#### 8.1 G1-1 Policies for business conduct and corporate culture / G1-3 Prevention and detection of corruption and bribery

Norske tog's work on business conduct is governed by the company's *Guidelines for Responsible Business Practice*, *Ethical Guidelines* and *Ethical Guidelines for Suppliers*.

The policies on anti-corruption and anti-bribery are generally in accordance with, and refer to, the *UN Convention on Corruption*. To ensure follow-up and operationalisation of the policies, all employees of Norske tog must sign internal ethical guidelines, the *Code of Conduct* for suppliers are included in all contracts entered into by the company, and the *guidelines for responsible business practices* are updated and approved annually by the Board of Directors.

Norske tog utilises the policies as a key tool for establishing, promoting and evaluating the company's corporate culture. The company has internal procedures and systems for deviation and risk registration, and employees are regularly reminded to follow correct practices and work in line with internal policies. The departments are responsible for the

policies of their specific disciplines and ensure that these are updated as necessary.

Norske tog's corporate culture is evaluated annually indirectly through overall risk assessments such as risk and vulnerability analyses and double materiality analyses, as well as through management's and the Board's review of project risks and any deviations. Internal audits on various topics are carried out annually, and Norske tog's systems for internal control were audited in 2024. Recommendations from the internal auditor are followed up with measures to strengthen the company's internal control based on the social mission and any consequences for the company in the event of negative incidents. Measures have been identified and initiated.

#### Guidelines for responsible business practices

Norske tog's *Guidelines for responsible business practice* shall ensure responsible and dignified conditions in all parts of the company's value chain. They address key issues such as responsible procurement, anti-corruption, money laundering, requirements for suppliers and whistleblowing. The guidelines require Norske tog to use procurement processes to strengthen suppliers' ability to deliver

on sustainability requirements. Furthermore, they confirm zero tolerance for any form of corruption and emphasise the importance of ensuring adequate routines and processes to avoid corruption both internally and in the supply chain. The guidelines also convey Norske tog's efforts to ensure a well-functioning whistleblowing service that can be used without fear of retaliation. The guidelines are based on international frameworks such as the *Universal Declaration of Human Rights*, the *International Labour Organization's (ILO) declarations on fundamental principles and rights at work*, the *UN Guiding Principles on Business and Human Rights (UNGP)*, the *OECD Guidelines for Multinational Enterprises* and the *UN Sustainable Development Goals*.

#### Ethical guidelines for employees

Norske tog's *Ethical Guidelines* apply to the company's entire workforce and are intended to ensure professional behaviour at a high ethical level. It is updated as necessary, issued annually and must be signed by all employees. The guidelines address supplier relations, anti-corruption, animal welfare, whistleblowing, follow-up and sanctions. It requires suppliers to be treated impartially and fairly, and that Norske tog's employees must not abuse their position to gain advantages from suppliers. The guidelines also cover the company's zero tolerance of corruption, and state that employees may not accept gifts or other benefits that could lead to a weakening of integrity. The guidelines also state that Norske tog shall promote animal welfare and respect for animals through its work.

#### Code of Conduct for Suppliers

*Code of Conduct for Suppliers* are included in all Norske tog's agreements and are intended to ensure that requirements for ethical business practices are followed up in the value chain. Norske tog's suppliers are responsible for informing their employees and subcontractors about the relevant content of the guidelines. The guidelines include anti-corruption, bribery, money laundering, business ethics and animal welfare. They require train operators to act in accordance with relevant local legislation, while actively working to avoid corruption, bribery and money laundering. Furthermore, suppliers must actively follow up on animal welfare, including through their own risk mapping for negative impact on animals, and to stop, prevent and reduce such impact. The guidelines are consistent with international frameworks such as the *UN Guiding Principles on Business and Human Rights (UNGP)*, *ILO conventions* and the *OECD Guidelines for Responsible Business Conduct*.

#### Whistleblowing channel and procedures

Norske tog has established a whistleblowing channel that is administered by an external party. It is available

on the company's website and can be used by both employees and external stakeholders. The purpose of the whistleblowing channel is to uncover illegal behaviour or behaviour that contravenes Norske tog's policies, including allegations or cases of corruption and bribery. Whistleblowing is handled professionally, neutrally, independently and in line with the requirements and intentions of the *Working Environment Act*. The service shall contribute to the safety and security of whistleblowers, with a particular focus on confidentiality and anonymity, and shall be used without fear of consequences and retaliation. In addition to the whistleblowing channel, concerns about illegal behaviour or behaviour that contravenes Norske tog's policies can be uncovered through employee appraisals, direct contact with the HR department, follow-up meetings with the immediate manager and through the deviation portal.

The deviation portal can be used to register cases that do not comply with Norske tog's internal procedures or with laws and regulations. In the event of a notification, the responsible technical director will be appointed as the person responsible for taking action. The person receiving the notification must record the information if the notification is given verbally and send the whistleblower a copy of the record. The recipient of the notification is responsible for ensuring that the notification is dealt with by the right person, for example the HR manager, manager or chairman of the board, depending on the type of notification. A whistleblower who has chosen to disclose his or her identity will be kept updated on the progress of the case unless the nature of the case indicates that this is unlawful. When the case is finalised, the outcome of the case is decided by the person in the company responsible for the matter in question, and it is assessed whether the case provides grounds for general measures in the company. Once a decision has been made, the person who has reported the matter must be informed of the decision, unless this is unlawful. A decision may, for example, be that Norske tog concludes that the matter should be dropped, that an investigation should be carried out, that one or more of those involved should be sanctioned under labour law or that the matter should be reported to the police. The above points are examples and not an exhaustive list of the decisions Norske tog can make. A whistleblowing case is considered closed when the whistleblower has received appropriate feedback on the outcome of the whistleblowing case and documentation has been archived and/or deleted in accordance with the *Data Protection Act*.

#### Training and education

Norske tog conducts annual mandatory training for employees on responsible business practices.

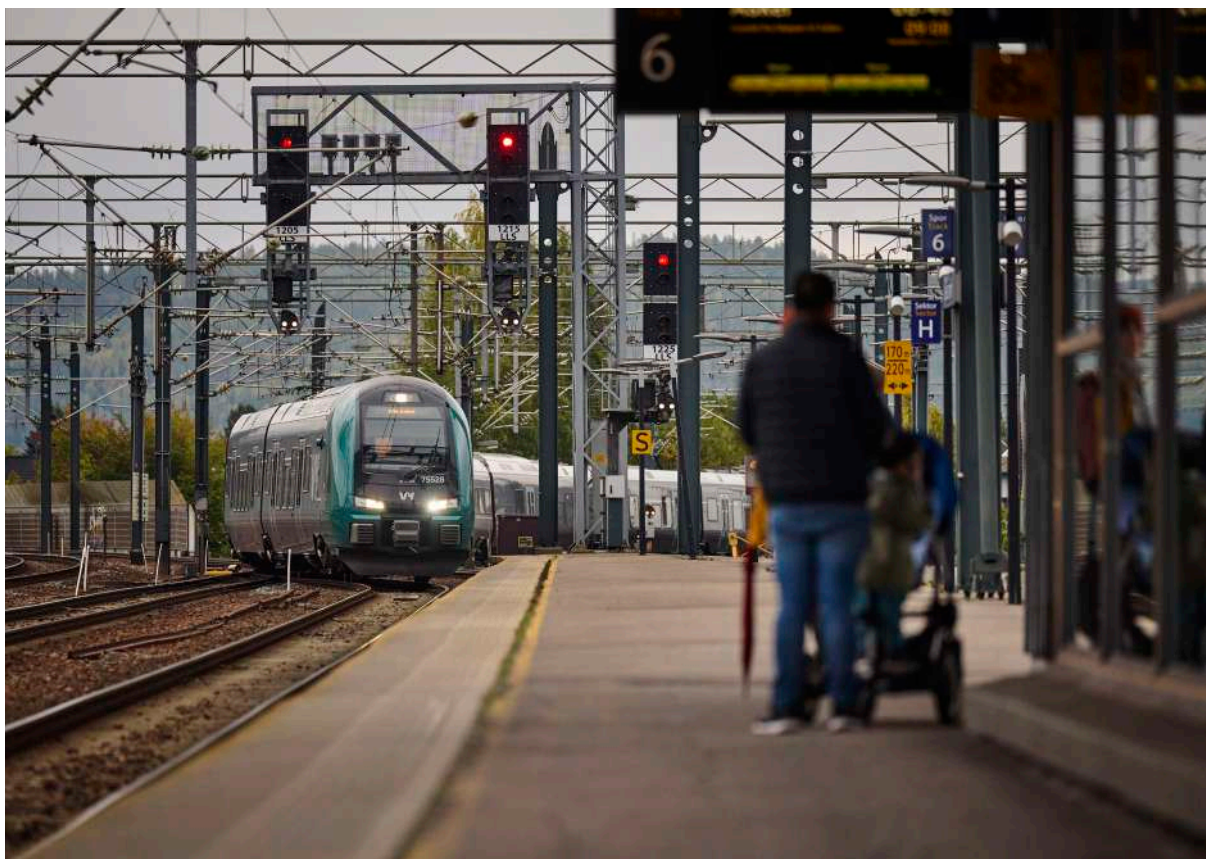


PHOTO: BENJAMIN WARD

This is enshrined in the company's annual wheel for sustainability-related activities. In 2024, a review was organised for all employees on combating corruption and bribery. Norske tog considers the risk of corruption and bribery to be highest in the department responsible for rolling stock and customers, given the department's responsibility for major procurements and dialogue with the supplier market. Norske tog conducts annual training for all (100 per cent) of the company's employees, including all managers, and extra training is provided when necessary.

In 2024, Norske tog held a refresher course for all employees in the public procurement regulations and project model in Norske tog. The course covered the background and purpose of the regulations, governing documentation in Norske tog, conceptual training and practical guidance in the implementation of the tender process and project phases in Norske tog.

## 8.2 G1-2 Connections to suppliers

Norske tog has few, but large, projects that either involve the procurement of new trains or the upgrading of trains to maintain or extend their service life. In these projects, the company is dependent on good relationships with suppliers. At the same time, Norske tog is determined to set clear requirements on how

the projects should proceed and how suppliers are expected to behave.

Norske tog conducts an initial risk assessment in all procurements, as well as a supplier-specific risk assessment in collaboration with the selected supplier in connection with the signing of the contract. Procurements with a high inherent risk related to human and labour rights, the environment or society are prioritised for further follow-up, regardless of the value of the contract. For smaller and/or non-prioritised procurements, a risk screening is carried out and measures are defined in line with *the Directorate for Public Management and Financial Control's (DFØ) high-risk list*.

On-site audits and controls are carried out for topics based on identified risks. In 2024, for example, an ESG audit of Stadler was carried out, focusing on sustainability management, labour conditions, HSE and sustainability in the value chain.

In Norske tog's largest contracts and in the updated *Code of Conduct for Suppliers*<sup>5</sup> for new contracts, requirements are set for suppliers to work in accordance with *the OECD's methodology for due diligence*, the Norwegian Transparency Act and Norske

<sup>5</sup> From 2023



tog's risk methodology. There are also requirements that the work is carried out with respect for human rights, in line with the UN and ILO conventions, as well as national regulations.

Suppliers are expected to include risk management as part of the project plan, and Norske tog's contract defines requirements for the frequency of risk assessments and reporting from suppliers. In addition to specific contract requirements, the *Code of Conduct for Suppliers* covers Norske tog's material sustainability topics and identified risks of negative impact in the value chain. Both contract and code of conduct are legally binding, and Norske tog has sanction mechanisms in case of breach.

Environmental issues are also an important element in the procurement of new trains. Norske tog requires suppliers to be environmentally certified according to ISO 14001 and ISO 9001 or equivalent<sup>6</sup>. In train procurements, suppliers are asked to submit 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. In the procurement projects, Norske tog also requires suppliers and subcontractors to explain what materials and components the trains consist of, and why they have been chosen. During projects and production, suppliers are also expected to document how they take eco-design into account. This involves assessments of the activity's footprint, the lifespan of the trains, efficient resource utilisation, degree of recycling and that climate and environmental specifications are taken into account in the choice of materials. In addition to product and project eco-design requirements, Norske tog evaluates and weighs the suppliers' environmental

management plan for the specific project. The environmental management plan is expected to clarify roles and responsibilities, align with the company's goals and policies, and describe procedures for risk assessment and identification of measures to address significant environmental impacts.

Contractually, the buyer (waste manager) has full responsibility for the material from the time of delivery when trains are being disposed. The buyer must be able to document that they have an environmental management system in line with ISO 9001 and 14001 and that the business is operated in accordance with applicable laws and regulations. The waste processor must carry out a dismantling of returned parts and components to ensure that they are in good condition, where Norske tog wishes to reuse components. The material must be disposed of in a way that results in reduced waste volumes, reduced use of resources and reduced use of substances hazardous to health and the environment. Recycling and reuse shall be facilitated as far as possible, and disposal manuals shall be used where available. The proportion of materials sent for reuse, recycling, incineration and landfill must be reported.

In 2024, the government introduced new requirements for the weighting of climate and environmental impact in all public procurements. This is now integrated into Norske tog's procurement processes. Procurements with requirements in 2024 include auxiliary power supplies, technical consulting, and communication systems on trains. The requirement does not apply to procurements with assessed insignificant impact, which accounted for approximately 50% of procurements in 2024.

Oslo, 6 March 2025



**Jan Morten Ertsaas**  
Styreleder



**Espen Opedal**  
Styremedlem



**Anita Meidell**  
Styremedlem



**Kristin Veierød**  
Styremedlem



**Audun Lind-Eriksen**  
Styremedlem/  
Ansattrepresentant



**Razieh Nejati Fard**  
Styremedlem/  
Ansattrepresentant



**Øystein Risan**  
Administrerende  
direktør

<sup>6</sup> Where the supplier is not certified, for some procurements it will be accepted that the supplier submits documentation of a management system that covers the requirements of ISO certification.



# Annual accounts and notes



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# Statement of comprehensive income

	Notes	Year 2024	Year 2023
<i>(All numbers in TNOK)</i>			
Leasing of train	2	1 363 283	1 442 890
Other income	2	125 126	4 561
<b>Total income</b>	2	<b>1 488 409</b>	<b>1 447 451</b>
Payroll and related expenses	3	69 069	56 425
Depreciation and impairment	4	754 705	746 612
Other operating expenses	5	318 822	243 623
<b>Total operating expenses</b>		<b>1 142 596</b>	<b>1 046 660</b>
<b>Operating profit</b>		<b>345 813</b>	<b>400 791</b>
<b>Financial posts</b>			
Financial income	6	96 753	105 617
Financial expenses	6, 7	-280 012	-293 534
Unrealised fair value changes	8	-9 446	-3 956
<b>Net financial items</b>		<b>-192 705</b>	<b>-191 873</b>
<b>Profit before income tax</b>		<b>153 108</b>	<b>208 918</b>
Income tax expense	9	33 876	46 101
<b>Profit for the period</b>		<b>119 232</b>	<b>162 817</b>
Attributable to			
<b>Equity holders</b>		<b>119 232</b>	<b>162 817</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
Profit for the year	9	119 232	162 817
<b>Items that can be reclassified to profit or loss</b>			
Hedge accounting - currency hedging unrealised	10	14 943	23 276
Tax related to items that can be reclassified	9	-3 287	-5 121
Hedge accounting - currency hedging realised	10	10 070	20 057
Tax related to items that can be reclassified	9	-2 215	-4 413
<b>Items that will not be reclassified to profit or loss</b>			
Deviation retirement benefit obligations	7	-1 279	376
Tax related to items that will not be reclassified	9	281	-82
<b>Total comprehensive income for the period</b>		<b>137 745</b>	<b>196 911</b>
Attributable to			
<b>Equity holders</b>		<b>137 745</b>	<b>196 911</b>

# Statement of financial position

	Notes	31.12.2024	31.12.2023
<i>(All numbers in TNOK)</i>			
<b>ASSETS</b>			
Property, plant and equipment	4	13 462 308	13 369 982
<b>Total non-current assets</b>		<b>13 462 308</b>	<b>13 369 982</b>
Trade and other receivables	11	137 226	150 677
Derivative financial assets	12, 13	18 828	19 939
Cash and bank deposits	14	932 988	367 807
<b>Total current assets</b>		<b>1 089 043</b>	<b>538 423</b>
<b>Total assets</b>		<b>14 551 351</b>	<b>13 908 405</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Ordinary shares and premium</b>	<b>15</b>	<b>2 400 000</b>	<b>2 400 000</b>
Retained earnings		1 312 615	1 194 381
Hedge reserves		31 044	11 534
<b>Total equity</b>		<b>3 743 660</b>	<b>3 605 915</b>
Borrowings	16	8 323 111	8 208 444
Deferred tax obligation	9	925 061	885 963
Retirement benefit obligations	7	2 462	1 327
Debt leasing agreements	17	83 063	41 466
<b>Total long-term liabilities</b>		<b>9 333 697</b>	<b>9 137 200</b>
Trade and other payables	18	169 378	196 158
Borrowings	12, 16	1 296 532	954 483
Derivative financial instruments	12, 13	8 083	14 649
<b>Total short term liabilities</b>		<b>1 473 993</b>	<b>1 165 289</b>
<b>Total equity and liabilities</b>		<b>14 551 351</b>	<b>13 908 405</b>

Oslo, 6. March 2025



**Jan Morten Ertsaas**  
Chairperson



**Espen Opedal**  
Board member



**Anita Meidell**  
Board member



**Kristin Veierød**  
Board member



**Audun Lind-Eriksen**  
Board Member/  
Employee  
Representative



**Razieh Nejati Fard**  
Board Member/  
Employee  
Representative



**Øystein Risan**  
CEO

# Cash flow statement

	Notes	Year 2024	Year 2023
<i>(All numbers in TNOK)</i>			
Profit for the period before income tax expense		153 108	208 918
Net financial items		198 209	162 012
Other financial items		22 023	39 057
Sales amount		-506	4 061
Loss/(Gain) on sale of property, plant and equipment		-	-4 061
Depreciation and impairment in the income statement	4	754 705	746 612
Net changes to obligations and retirement benefit oblig.		-189	43
Changes to working capital		-8 259	-77 147
<b>Net cash flow from operating activities</b>		<b>1 119 090</b>	<b>1 079 496</b>
Loss/(Gain) on sale of property, plant and equipment		506	-
Purchase of PPE	4	-677 147	-1 949 342
<b>Net cash flow from investment activities</b>		<b>-676 641</b>	<b>-1 949 342</b>
Interest paid on borrowings		-317 698	-300 662
Interest income derivatives		21 259	68 373
Interest expense derivatives		-9 478	-
Other financial activities		-4 059	-
Proceeds from borrowings	16	1 200 000	2 550 000
Repayment of borrowings	16	-750 000	-1 618 750
Payment of installments on lease liabilities	17	-11 520	-11 226
<b>Net cash flow from financial activities</b>		<b>128 504</b>	<b>687 735</b>
<b>Net change in cash and bank deposits for the period</b>		<b>570 953</b>	<b>-182 111</b>
Cash and bank deposits as at the beginning of the period	14	367 807	538 207
Foreign exchange gain/loss on cash and bank deposits		-5 771	11 712
<b>Cash and bank deposits as at the end of the period</b>		<b>932 988</b>	<b>367 807</b>

\*Interest on derivatives and other financing activities has been moved from operating activities to financing activities. The figures for 2023 are unchanged from the annual report 2023. Corresponding figures for 2023 would have been 43 929 TNOK for interest income and -18 916 TNOK for interest expense and -4 136 TNOK for other financing activities.

\*\*Sales proceeds and losses/(gains) have been moved from operating activities to investing activities in 2024.



## Statement of changes in equity

<b>2024</b> <i>(All numbers in TNOK)</i>	<b>Notes</b>	<b>Ordinary shares</b>	<b>Share premium</b>	<b>Specifica- tion hedge accounting</b>	<b>Retained earnings</b>	<b>TOTAL</b>
Equity 1st of January 2024		100 000	2 300 000	11 534	1 194 381	<b>3 605 915</b>
Profit for the year		-	-	-	119 232	<b>119 232</b>
From other comprehensive income		-	-	19 510	-998	<b>18 512</b>
Reported directly to hedge reserve	10	-	-	-	-	<b>-</b>
<b>Equity 31st December 2024</b>		<b>100 000</b>	<b>2 300 000</b>	<b>31 044</b>	<b>1 312 615</b>	<b>3 743 660</b>
<b>2023</b> <i>(All numbers in TNOK)</i>	<b>Notes</b>	<b>Ordinary shares</b>	<b>Share premium</b>	<b>Specifica- tion hedge accounting</b>	<b>Retained earnings</b>	<b>TOTAL</b>
Equity 1st January 2023		100 000	2 300 000	-21 000	1 031 270	<b>3 410 270</b>
Profit for the year		-	-	-	162 817	<b>162 817</b>
From other comprehensive income		-	-	33 800	294	<b>34 094</b>
Reported directly to hedge reserve	10	-	-	-1 265	-	<b>-1 265</b>
<b>Equity 31st of December 2023</b>		<b>100 000</b>	<b>2 300 000</b>	<b>11 534</b>	<b>1 194 381</b>	<b>3 605 915</b>

# 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 (formerly NSB) would be consolidated in a state-controlled rolling stock owner to ensure low barriers of entry and competition on equal terms.

## Purpose and scope of the company

The company's business 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 shall have efficient operations.

Norske tog AS is headquartered in Oslo.

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

The annual accounts for 2024 were approved by the Board of Directors on 6 March 2025.

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

## Framework for financial reporting

The corporate financial statements of Norske tog AS have been prepared in accordance with IFRS® Accounting Standards as adopted by the EU and interpretations from IFRS® Interpretations Committee (IFRIC).

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

The financial statements are prepared on a historical cost principle with the exception of financial derivatives and certain financial assets and liabilities.

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

## Key assumptions and accounting estimates

The application of the company's accounting policies involves the use of estimates and assumptions. Estimates and assumptions are evaluated on an ongoing basis and are based on historical experience combined with expectations of future events that are considered probable at the time of assessment.

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

### Financial assets and liabilities at fair value

The company has long-term liabilities, financial derivatives, and some financial assets

recognised at fair value. When calculating fair value, estimates are used that are mainly based on observable prices that can change over time. Changes in the assumptions will result in changes in capitalised 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. The company also assesses the value of fixed assets and whether there are any indicators of a decrease in value. If there are indicators that the recoverable amount is lower than the carrying amount, an impairment test is performed. These assessments involve a high degree of estimation.

#### Pension liabilities

The company has an operating pension scheme for employees who will not be able to earn the right to an early contractual pension in the new contribution scheme. This obligation will only be paid out if employees retire before the age of 67.

#### **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, procurement and financing costs are predominantly in NOK and EUR. Transactions in foreign currencies are converted to the functional currency at the time of the transaction. Currency gains and losses arising from the conversion of items in foreign currency are recognised in the statement of comprehensive income.

The company's operations are only conducted in Norway.

#### **Revenue recognition**

The company's revenue comes from the leasing of rolling stock. The leases are classified as operating leases in accordance with IFRS 16, and revenue is recognised on a straight-line basis over the term of the lease as the leases are based entirely on fixed prices. The leases are invoiced monthly in advance. 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 daily operations are 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 decide 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 capitalised 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 statement of comprehensive income in the period in which the expenses are incurred.

As regards to capitalisation of major projects, these are recognised at the following times:

1. Prepayment of advances on conclusion of the contract is classified as prepayment for partial delivery of trains (see note 4).
2. When progress milestones are achieved, Norske tog is invoiced (PTO) and the cost is classified as prepayment for partial delivery of trains (see note 4).
3. When a train set is handed over to Norske tog AS and onwards to the customer, partial delivery of trains and the estimated remaining cost are capitalised as a means of transport for amortisation.
4. On receipt of the final invoice (FTO), the estimated capitalisation for amortisation is calculated.

Borrowing costs (so-called construction loan interest) incurred in 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 concerned. 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 the residual value over the expected useful life, which is within the following range:

In individual cases, some operating assets may have a shorter remaining service life than the 10 years mentioned below, in which case the depreciation period will be the expected service life of the operating asset. The depreciation period for rights of use is the lease period if less than the expected service life of the asset.

Vehicles 10 - 30 years  
Rights of use (IFRS 16) 2 - 12 years

The amortisation method, the useful life of the assets and the 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 statement of comprehensive income 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 the lessee, recognises a liability for the present value of future lease payments. At the same time, a corresponding asset is recognised that reflects the right to use the underlying asset during the lease term (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's revenue 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

According to IFRS 16, the lessee must recognise all leases on the statement of financial position by recognising the obligations to pay the lease over the lease term and the associated right to use the underlying asset. All lease agreements that transfer to the lessee the right to control the use of an identified asset and receive the economic benefits shall be recognised.

### **Depreciation**

Assets that are depreciated are tested for impairment only when there are indications that future earnings cannot justify the carrying amount.

An impairment loss 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 separate independent cash flows (cash-generating units). At each reporting date, the possibility of reversing previous impairment losses is assessed.

### **Derivatives and hedging**

The company enters into derivatives to hedge interest rates and currencies on long-term debt to create predictability and to achieve both the lowest possible price and predictability in prices.

The company practises hedge accounting for forward exchange contracts relating to future purchases, but not for interest rate and currency swaps relating to bond loans - see note 10. Derivatives are recognised in the statement of financial position at fair value at the time the derivative contract is entered into and are continuously adjusted to fair value through profit or loss. Changes in the fair value of derivative contracts relating to debt are recognised in the statement of comprehensive income as financial items. Foreign currency futures have been entered into to hedge future payments under the contract for the mid-life upgrade of Class 72 trains (local trains), which is denominated in EUR. 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 deemed to be an effective hedge is recognised in other comprehensive income and classified as a cash flow hedge reserve in equity. On payment, the associated change in value is reclassified from the cash flow hedge reserve to property, plant and equipment (classified as construction in progress until the mid-life upgrade is completed).

The financial derivatives are recognised in accordance with IFRS 9.

### **Receivables**

Receivables include trade receivables and are measured on initial recognition at the original value, which is considered to be fair value.

On subsequent measurement, trade receivables are measured at amortised cost,

determined using the effective interest method, less provisions for anticipated 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**

Loans are initially recognised 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 equal 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 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 duration 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 taxable and accounting values and the tax effects of losses carried forward. Deferred tax is determined using tax rates and tax rules that have been adopted on the statement of financial position date. Deferred tax assets are recognised in the statement of financial position to the extent that it is probable that the asset can be utilised.

Deferred tax assets and deferred tax liabilities are offset if there is a legally enforceable right of offset and the income tax is levied by the same tax authority for (i) the same taxable entity or (ii) for 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 measured 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 the quoted price (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 2024:

- Amendments to IAS 1 Presentation of Financial Statements: The amendments clarify the criteria for assessing whether a liability should be classified as long-term or short-term, the settlement of liabilities and introduce new disclosure requirements, particularly related to long-term liabilities arising from loan arrangements.
- Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments - Disclosures: The amendments contain new requirements for disclosures on supplier financing.
- Amendments to IFRS 16 Leases: The amendments specify the requirements that a seller/lessee uses in measuring the lease liability arising in a sale and leaseback transaction to ensure that the seller/lessee does not recognise a gain or loss related to the right of use retained.

The changes listed above have no implication for previous accounting periods, nor are they expected to have a significant effect on either this or future accounting periods.

### ***New standards and interpretations not implemented at this time***

New accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for the accounting period ending 31 December 2024 and are not currently adopted by Norske tog. The following accounting standards, amendments and interpretations are not expected to have a material impact on the company in the current accounting period:

IAS 21 on dealing with lack of exchangeability of currencies. The amendment is effective for accounting periods beginning on or after 1 January 2025.

IFRS 9 and IFRS 7 on classification and measurement of financial instruments. The amendment is effective for accounting periods beginning on or after 1 January 2026.

IFRS 19 on reduced disclosure requirements for certain subsidiaries. The amendment is effective for accounting periods beginning on or after 1 January 2027.

IFRS 18 on presentation and disclosure in financial statements. IFRS 18 will replace IAS 1 and introduce new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. The amendment is effective for accounting periods beginning on or after 1 January 2027.

## 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). These three companies, together with Vygruppen, account for 100 per cent of leasing income.

Overview future leasing agreements 2024	Vygruppen	Go-Ahead Norge	SJ Norge	Vy Tog	Sum
<i>(All numbers in TNOK)</i>					
<b>Contract expires:</b>	<b>Dec. 23</b>	<b>Dec. 27</b>	<b>Dec. 28</b>	<b>Dec. 29</b>	
<b>Options on length of contract</b>	<b>1+1 year</b>	<b>1+1 year</b>	<b>1+1 year</b>	<b>1+1 year</b>	
Leasing agreements next year (2025)	978 567	151 947	331 016	134 853	1 596 383
Leasing agreements next 1-2 years (2026)	1 266 808	161 158	321 182	121 780	1 870 928
Leasing agreements next 2-3 years (2027)	1 450 750	163 719	319 448	156 517	2 090 433
Leasing agreements next 3-4 years (2028)	1 471 040	-	329 791	339 481	2 140 311
Leasing agreements next 4-5 years (2029)	1 453 090	-	-	316 947	1 770 037
Leasing agreements more than 5 years (2030-)	2 754 605	-	-	-	2 754 605
<b>Total</b>	<b>9 374 860</b>	<b>476 823</b>	<b>1 301 436</b>	<b>1 069 579</b>	<b>12 222 698</b>

The government is currently conducting a sector review and will conclude on how the railway sector should be organised in the future.

In September 2023, Norske tog signed a lease agreement with Vygruppen for the transport of passengers in Eastern Norway (Eastern Norway 1 and Eastern Norway 2). The agreement runs until 31 December 2031.

<i>(All numbers in TNOK)</i>	<b>2024</b>	<b>% of rental income</b>	<b>2023</b>	<b>% of rental income</b>
Vygruppen AS	848 978	62 %	954 858	66 %
Go-Ahead AS	120 774	9 %	111 097	8 %
SJ Norge AS	283 718	21 %	280 091	19 %
Vy Tog AS	109 813	8 %	96 845	7 %
<b>Total</b>	<b>1 363 283</b>	<b>100,00 %</b>	<b>1 442 890</b>	<b>100,00 %</b>

### Other income

Other income in 2024 consists of sales and insurance settlements from the derailment on the Nordland Line in October 2024, as well as a fire in a train in Lodalen from 2023. The insurance settlements amount to 125 MNOK

### 3. Payroll and related expenses

<i>(All numbers in TNOK)</i>	2024	2023
Wages and salaries, including employment taxes	79 860	68 266
Pension costs - defined benefit plans (note 7)	42	104
Pension costs - pension contribution plan (note 7)	5 486	4 143
Other employee benefit expenses	7 617	6 977
Other employee expenses-capitalising employee hrs	-23 936	-23 066
<b>Total</b>	<b>69 069</b>	<b>56 425</b>

Salary and other benefits for the CEO are described in the note on benefits to senior executives and board members (note 21).

	2024	2023
Average man-labour year	66	61
Average number of employees	66	61

### 4. Property, plant and equipment and depreciation and impairment

<i>(All numbers in TNOK)</i>	Machinery and equipment	Transportation	Partially deliv. trains	Under construction	Right-to-use other assets	Total
<b>At 1 January 2024</b>						
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
<b>Total</b>	<b>57 705</b>	<b>10 740 477</b>	<b>2 139 803</b>	<b>382 521</b>	<b>49 475</b>	<b>13 369 982</b>
<b>2024</b>						
Opening net book value	57 705	10 740 477	2 139 803	382 521	49 475	13 369 982
Additions	1 677	46 312	462 108	167 050	56 385*	733 532
Balance sheet interest	-	-	-	113 498	-	113 498
Train for recycling	-379	-7 935	-	-	-	-8 314
Train for recycling - depreciation	379	7 935	-	-	-	8 314
Transfers within PPE	-	-	-12 474	12 474	-	-
Interest carried on the balance sheet activated	-	-	-	-	-	-
Depreciation	-23 662	-720 699	-	-	-10 344	-754 705
<b>Total</b>	<b>35 720</b>	<b>10 066 090</b>	<b>2 589 437</b>	<b>675 543</b>	<b>95 517</b>	<b>13 462 308</b>
<b>At 31st of December 2024</b>						
Accumulated acquisition cost	161 228	15 635 488	2 589 437	675 544	129 136	19 190 833
Accumulated depreciation	-125 508	-5 569 398	-	-	-33 620	-5 728 526
<b>Total</b>	<b>35 720</b>	<b>10 066 090</b>	<b>2 589 437</b>	<b>675 544</b>	<b>95 516</b>	<b>13 462 308</b>

\*Additions amount to TNOK 57 842, of which TNOK 1 457 has been capitalised on partial delivery of trains.



<i>(All numbers in TNOK)</i>	<b>Machinery and equipment</b>	<b>Transportation</b>	<b>Partially deliv. trains</b>	<b>Under construction</b>	<b>Right-to-use other assets</b>	<b>Total</b>
<b>At 1st of January 2023</b>						
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
<b>Total</b>	<b>62 821</b>	<b>11 236 232</b>	<b>602 922</b>	<b>133 888</b>	<b>41 423</b>	<b>12 077 287</b>
<b>2023</b>						
Opening net book value	62 821	11 236 232	602 922	133 888	41 423	12 077 287
Additions	19 006	213 340	1 716 000	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 accum. Depreciation	-	5 846	-	-	-	5 846
Train for recycling	-1 329	-12 951	-	-	-	-14 280
Train for recycling - depreciation	1 329	12 951	-	-	-	14 280
Disposals	-	-	-	-	-6 897	-6 897
Accum. Depr. Disposals	-	-	-	-	4 186	4 186
Transfers within PPE	-	-	-179 119	179 119	-	-
Interest carried on the balance sheet activated	-	3 160	-	-3 160	-	-
Depreciation	-24 123	-712 255	-	-	-10 235	-746 612
<b>Total</b>	<b>57 705</b>	<b>10 740 477</b>	<b>2 139 804</b>	<b>382 521</b>	<b>49 474</b>	<b>13 369 982</b>
<b>At 31st of March 2022</b>						
Accumulated acquisition cost	159 930	15 597 111	2 139 804	382 521	72 751	18 352 118
Accumulated depreciation	-102 225	-4 856 634	-	-	-23 276	-4 982 135
<b>Total</b>	<b>57 705</b>	<b>10 740 477</b>	<b>2 139 804</b>	<b>382 521</b>	<b>49 476</b>	<b>13 369 982</b>

\*The figures for Machinery and equipment (12 153 TNOK) and Vehicles (191 259 TNOK) have been moved up to Additions compared to the annual report for 2023.

Depreciation for the year includes a write-down of TNOK 10 271. This relates to the train set that derailed on the Nordland Line in October 2024.

The company's trains have a life expectancy of between 10 and 30 years when they are put into traffic. 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 and 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 trainsets, the

entire value of the respective trainsets is capitalised as Transport assets and depreciation begins. 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 fixtures and inventory that are not directly related to the trains.

**Right-of-use property:** Consists of leases that are recognised in accordance with IFRS 16 Leases. Leases in this item mainly consist of leases of warehouse premises, office premises and leases of tracks.

Capitalised interest for 2024 is 113 498 TNOK (2023: 71 678 TNOK). The interest rate for 2023 is an average of 3.70% (2023: 3.53%).

## 5. Other operating expenses

<i>(All numbers in TNOK)</i>	2024	2023
Sales- and overhead expenses	3 334	2 249
Repair and maintenance, machinery rental, property expenses	6 699	5 328
Modifications	53 957	50 577
Insurances	131 449	100 348
IT, licenses and communication	37 362	32 717
Other operating expenses	86 021	52 404
<b>Total</b>	<b>318 822</b>	<b>243 623</b>

The main reason for the increase in other operating expenses is primarily related to the costs of the derailment on the Nordland Line on 24 October 2024.

<b>Auditing fees (excluding VAT):</b>	2024	2023
<i>(All numbers in TNOK)</i>		
Auditing	697	811
Other attestation services	389	566
Other services outside audits	278	74
<b>Total</b>	<b>1 364</b>	<b>1 451</b>

## 6. Financial items

<i>(All numbers in TNOK)</i>	<b>2024</b>	<b>2023</b>
Interest income SWAPs	21 270	31 418
Interest income bank	34 268	24 444
Other financial income	35 429	35 462
Net foreign exchange gains	5 786	14 294
<b>Total financial income</b>	<b>96 753</b>	<b>105 617</b>
Interest expense	-371 547	-351 771
Balance sheet interest	113 498	71 678
Other financial expenses	-10 405	-10 860
Net foreign exchange losses	-11 557	-2 582
<b>Total financial expenses</b>	<b>-280 012</b>	<b>-293 534</b>
Unrealised value changes (note 8)	-9 446	-3 956
<b>Total financial items</b>	<b>-192 705</b>	<b>-191 873</b>

Other financial income consists of the amortisation of the difference between the nominal value and fair value of bond loans in connection with the business transfer in 2016 from Vygruppen 35 429 TNOK (2023: 35 462 TNOK).

## 7. Retirement benefit obligations and similar obligations

### General information

The company has pension schemes relating to retirement, disability and bereavement pensions for spouses and children. Below is a more detailed description of the Class of schemes and how they are organised. Norske tog offers all employees a defined contribution scheme in Sparebank 1. The pension cost for 2024 and the obligation at 31 December 24 have been calculated for the company in accordance with the principles of IAS 19 and the capitalised pension liability, which for the company amounts to 2 462 TNOK (2023: 1 327 TNOK), is considered to provide a prudent, and currently best, expression of the company's liability taking into account the estimated effect of winding up the schemes.

Norske tog AS has established an occupational pension for employees who will not be able to earn the right to AFP in the new defined contribution scheme; 2 462 TNOK (2023: 1 327 TNOK) has been included in the pension liability as of 31 December 2024. This liability will only be paid out if the employees retire before the age of 67.

## 8. Unrealised fair value changes

The following is an overview of unrealised changes in the value of assets, liabilities and derivatives measured at fair value. The figures below refer only to the company's loans and not to foreign exchange futures, which are recognised using hedge accounting (see note 10).

<i>(All numbers in TNOK)</i>	<b>2024</b>	<b>2023</b>
Unrealised value changes derivatives used for hedging	-9 446	-568 002
Unrealised value changes bonds	0	564 046
<b>Total unrealized value changes financial items</b>	<b>-9 446</b>	<b>-3 956</b>

## 9. Deferred income tax/Income tax expense

<b>This years tax cost</b> <i>(All numbers in TNOK)</i>	<b>2024</b>	<b>2023</b>
Current income tax payable	-	-
Changes in deferred tax	-33 876	-46 101
<b>Total income tax expenses</b>	<b>-33 876</b>	<b>-46 101</b>

<b>Reconciliation between nominal and actual tax expense rate</b> <i>(All numbers in TNOK)</i>	<b>2024</b>	<b>2023</b>
Net income before tax	153 107	208 918
Expected income tax using the nominal tax rate (22%)	33 684	45 962
Tax effect from the following items:		
Other non-deductible expenses	192	139
Income tax expense	33 876	46 102
<b>Effective tax rate</b>	<b>22 %</b>	<b>22 %</b>

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

	Book value 01.01	Re- classifi- cation	Changed Balance 01.01	Income statement charge	Charge to other comprehen- sive income	Transfer to other equity	Book value 31.12
<b>2024</b> <i>(All numbers in TNOK)</i>							
Benefit (+) / Liability (-)							
Fixed assets	-6 622 326	-	-6 622 326	-234 892	-	-	-6 857 218
Leases on statement of fin. Position	2 278	-	2 278	555	-	-	2 833
Value changes to financial current assets	3 956	-15 670	-11 714	9 446	-	-	-2 268
Retirement benefit obligation	1 327	-	1 327	-144	1 279	-	2 462
Hedging-currency	-31 350	31 291	-59	-	-14 943	-	-15 002
Losses carried forward	2 619 008	-15 621	2 603 387	71 053	-10 070	-	2 664 370
Total gross temporary differences	-4 027 106	-	-4 027 106	-153 982	-23 734	-	-4 204 823
Off balance sheet temporary differences		-	-	-	-	-	-
Total net temporary differences	-4 027 106	-	4 027 106	-153 982	-23 734	-	-4 204 823
Net temporary differences (22%)	-885 963	-	-	-33 876	-5 221	-	-925 061

	Book value 01.01	Income statement charge	Charge to other comprehen- sive income	Transfer to other equity	Book value 31.12
<b>2023</b> <i>(All numbers in TNOK)</i>					
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	-31 350
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



## 10. Hedge accounting

Forward contracts in foreign currency have been entered into to ensure procurement in currencies other than Norwegian kroner.

**As of 31 December 2024 the company has the following hedging instruments on the balance sheet:**

(All numbers in TNOK)					Maturity		
Fair value currency futures	Currency bought	Currency sold	Nominal amount EUR	Total fair value	1-6 months	6-12 months	Over 1 year
Assets	EUR	NOK	44 545	15 403	8 694	5 155	1 553
Obligations	EUR	NOK	9 449	401	276	16	109

**As of 31 December 2023, the company has the following hedging instruments on the balance sheet:**

(All numbers in TNOK)					Maturity		
Fair value currency futures	Currency bought	Currency sold	Nominal amount EUR	Total fair value	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

Specification of hedging reserve (All numbers in TNOK)	2024	2023
Balance 1 January	11 534	-21 000
Change in fair value	25 013	43 333
Reclassified to property, plant and equipment	-	-1 265
Reclassified to profit before tax	-	-
Deferred tax	-5 503	-9 533
<b>Balance 31 December 2024</b>	<b>31 044</b>	<b>11 534</b>

Norske tog has signed a contract with Alstom Transport Deutschland GmbH for the mid-life upgrade of commuter trains Class 72 in EUR. The payments in the contract were currency hedged. See more information in Note 1 - Principles and Note 19 Financial risk management.

Currency hedging is based on the 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 on the basis of the company's currency strategy and threshold values. 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 on rollover is recognised as a realised value change in 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 statement of comprehensive income 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 2024 and 2023, no effects have been recognised from other comprehensive income to ordinary income as a result of ineffectiveness.

## 11. Rental receivables and other receivables

<i>(All numbers in TNOK)</i>	<b>2024</b>	<b>2023</b>
Rent receivables	21 920	11 346
Provision for losses	-	-
Net rental receivables	21 920	11 346
Advance payments	7 495	126 811
Other receivables	107 811	12 520
<b>Total rent receivables and other receivables</b>	<b>137 226</b>	<b>150 677</b>
<b>Total</b>	<b>137 226</b>	<b>150 677</b>

Rental receivables in 2024 mainly consist of invoicing of costs related to the installation of ERTMS equipment on trains.

Other receivables consist mainly of receivables from insurance settlements relating to the derailment of the Nordlandsbanen railway in October 2024.

Refer to note 19 for credit risk and the reason why it is not considered necessary to make provisions for losses on lease receivables.

<b>Overdue receivables with distribution by due date:</b>		
<i>(All numbers in TNOK)</i>	<b>2024</b>	<b>2023</b>
Due receivables on the balance sheet date	-	1 237
Receivables overdue with 0 - 2 months	-	-
Receivables overdue with 2 - 6 months	-	2
Receivables overdue by more than 6 months	-	-
<b>Total</b>	<b>-</b>	<b>1 239</b>

## 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)	2024				2023			
	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	13 849	1 553	292	109	5 287	2 938	8 166	-
Other hedging conditions (Actual value carried over ordinary income)	-	-	-	-	-	-	-	-
Interest and currency swaps	-	-	-	-	-	-	-	-
Interest rate swaps	3 426	-	7 681	-	11 714	-	6 483	-
<b>Total</b>	<b>17 275</b>	<b>1 553</b>	<b>7 973</b>	<b>109</b>	<b>17 001</b>	<b>2 938</b>	<b>14 649</b>	<b>-</b>

The company uses hedge accounting for forward exchange contracts related to the mid-life upgrade of the local train Class 72. Changes in 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

Norske tog has issued loans in the bond market since the company was established. Bond loans with a maturity of more than five years are raised at a fixed interest rate, while loans with a maturity of five years or less are raised at a floating interest rate. Loans in foreign currency are swapped to Norwegian kroner through combined interest rate and currency agreements. Norske tog also utilises interest rate swaps on loans in Norwegian kroner to reduce the interest rate risk and achieve the desired interest rate structure on the debt. Swap agreements with significant value in the financial statements for 2024 are related to an outstanding bond loan with floating interest rate, which is swapped to fixed interest rate for the entire term of the loan. The nominal principal amount of outstanding interest rate swaps as of 31 December 2024 was NOK 400 million (2023: NOK 400 million). As of 31 December 2024, the fixed interest rate ranged from 2.34% to 2.35% (2023: 2.34% to 2.35%).

## 13. Financial instruments by category

<b>Assets at 31 December</b> <i>(All numbers in TNOK)</i>	<b>Loans and receivables</b>		<b>Assets at fair value through profit and loss</b>		<b>Other assets at amortised cost</b>		<b>Total</b>	
<b>Year</b>	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Derivatives	-	-	-	-	-	-	-	-
Trade and other receivables (excl. Prepayments)	3 426	11 714	15 403	8 225	-	-	18 828	19 939
Cash and bank deposits	-	-	-	-	137 226	150 677	137 226	150 677
Total	-	-	-	-	932 988	367 807	932 988	367 807
<b>Sum</b>	<b>3 426</b>	<b>11 714</b>	<b>15 403</b>	<b>8 225</b>	<b>1070215</b>	<b>518 485</b>	<b>1089 043</b>	<b>538 423</b>

<b>Liabilities at 31 of December</b> <i>(All numbers in TNOK)</i>	<b>Liabilities at fair value through profit and loss</b>		<b>Other financial liabilities at amortised cost</b>		<b>Other liabilities at amortised cost</b>		<b>Total</b>	
<b>Year</b>	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Borrowings (excl. Financial lease liability)	65 068	100 497	-	-	9 554 576	9 062 430	9 619 645	9 162 927
Financial lease liabilities	-	-	-	-	98 351	51 754	98 351	51 754
Derivatives	7 681	6 483	401	8 166	-	-	8 083	14 649
Trade and other payables excl. statutory liabilities	-	-	-	-	181 974	217 991	181 974	217 991
<b>Total</b>	<b>72 749</b>	<b>106 979</b>	<b>401</b>	<b>8 166</b>	<b>9834 901</b>	<b>9 332 175</b>	<b>9 908 052</b>	<b>9 447 321</b>

All loans and derivatives measured at fair value are at level 2.

For more information about assets at fair value through other comprehensive income - see the principle note and note 10 Hedge accounting.

Stock exchange	ISIN	Amount	Due date	Measuring principle
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	NO0013161943	1200 MNOK	20.02.2034	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

<i>(All numbers in TNOK)</i>	<b>2024</b>	<b>2023</b>
Cash and bank deposits	932 988	367 807

Includes restricted funds of 7 958 TNOK (2023: 7 232 TNOK).

## 15. Share capital and share premium

	Number of shares	Ordinary shares (TNOK)	Share premium (TNOK)	Total (TNOK)
Shares at 1 January 2024	100	100 000	2 300 000	2 400 000
Shares at 31 December 2024	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

<b>Non-current</b> <i>(All numbers in TNOK)</i>	<b>2024</b>	<b>2023</b>
Bonds measured at fair value	29 735	65 068
Bonds measured at amortised value	8 293 376	8 143 376
<b>Total</b>	<b>8 323 111</b>	<b>8 208 444</b>
<b>Current</b> <i>(All numbers in TNOK)</i>		
Current share of long-term debt at fair value	35 332	35 429
Current share of long-term debt at amortised cost	-	-
Other current borrowings	1 261 200	919 054
<b>Total</b>	<b>1 296 532</b>	<b>954 483</b>
<b>Total borrowings</b>	<b>9 619 644</b>	<b>9 162 926</b>

<b>Change in short- and long-term borrowings 2024</b> <i>(All numbers in TNOK)</i>	<b>Sum</b>	<b>SD-AV</b>	<b>SD-Amort.</b>	<b>LD-vv</b>	<b>LD-Amort.</b>
Beginning balance	9 162 926	35 429	919 054	65 068	8 143 376
New loans for the year	1 200 000	-	-	-	1 200 000
Repayment of loan	-750 000	-	-750 000	-	-
Reclassification of loan	-	-	1 050 000	-	-1 050 000
Reclassification from long-term debt to short-term debt	-	-	-	-	-
Amortisation of transferred debt portfolio	-35 429	-97	-	-35 332	-
Interest paid	-305 917	-	-305 917	-	-
Change in accrued interest	348 063	-	348 063	-	-
Change in fair value due to payment of loan	-	-	-	-	-
Change in fair value	-	-	-	-	-
<b>Total borrowings</b>	<b>9 619 644</b>	<b>35 332</b>	<b>1 261 200</b>	<b>29 735</b>	<b>8 293 376</b>

**Change in short- and long-term borrowings 2023** (All numbers in TNOK)

	Sum	SD-AV	SD-Amort.	LD-vv	LD-Amort.
Beginning balance	8 769 649	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 loan	-1 618 750	-768 750	-850 000		
Reclassification of loan	-	-	550 000	-	-550 000
Reclassification from long-term debt to short-term debt	-	-	-	-	-
Amortisation 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	-	-	-
<b>Total borrowings</b>	<b>9 162 926</b>	<b>35 429</b>	<b>919 054</b>	<b>65 068</b>	<b>8 143 376</b>

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 with 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.

<b>Short-term loans due and future interest payments are as follows</b> (All numbers in TNOK)	<b>2024</b>	<b>2023</b>
6 months or less	400 000	750 000
Over 6 months	650 000	
<b>Non current borrowings expire in</b> (All numbers in TNOK)	<b>2024</b>	<b>2023</b>
Between 1 and 2 years (Year 2026)	1 250 000	1 050 000
Between 2 and 5 years (Years 2027-2029)	2 800 000	3 150 000
Over 5 years (from 2030->)	4 250 000	3 950 000
<b>Effective interest rate on balance sheet date in %</b>	<b>2024</b>	<b>2023</b>
Bonds	3,69	3,67

Future interest payments include interest rate swaps and are based on the interest rate level and loan portfolio as of 31 December 2024.

**The carrying amounts of borrowings are denominated in the following currencies** *(All numbers in TNOK)*

	<b>2024</b>	<b>2023</b>
NOK	9 619 644	9 162 926
<b>Total</b>	<b>9 619 644</b>	<b>9 162 926</b>

**The company has the following undrawn credit facilities:**

	<b>2024</b>	<b>2023</b>
<b><i>Floating interest rate</i></b>		
- Expiring within one year	-	-
- Expiring beyond one year	3 000 000	3 000 000
<b>Total</b>	<b>3 000 000</b>	<b>3 000 000</b>

Norske tog's current long-term loan facility is a revolving credit facility that runs until June 2026.

In January 2025, the company signed a new 3-year credit facility of 6 000 000 TNOK. The agreement includes extension options of 1+1 years as well as options to increase the credit facility by up to a further 3 000 000 TNOK. Including options, the credit facility runs until January 2030.

## 17. Rental leases and tenancy agreements

The leases consist of property leases; the largest leases are leases for the head office, workshops for receiving new trains, and smaller premises for offices, storage, etc.

<b>Lease agreements</b>		
<b>Specification of changes in the period 2024</b> <i>(All numbers in TNOK)</i>	<b>Liability</b>	<b>Assets</b>
<b>Total opening balance right-to-use assets / lease obligations 1. January</b>	<b>51 754</b>	<b>49 475</b>
Lease payments	-11 520	-
Interest expense	1 731	-
Depreciations	-	-10 344
Capitalized expenses	-1 456	-1 456
Additions and changes in agreements	57 842	57 842
Other	-	-
<b>Total closing balance 31. December</b>	<b>98 351</b>	<b>95 518</b>
<b>Specification of changes in the period 2023</b> <i>(All numbers in TNOK)</i>	<b>Liability</b>	<b>Assets</b>
<b>Total opening balance right-to-use assets / lease obligations 1. January</b>	<b>43 424</b>	<b>41 423</b>
Lease payments	-11 226	-
Interest expenses	1 399	-
Depreciations	-	-10 235
Capitalized expenses	-	-
Additions and changes in agreements	20 997	20 997
Other	-2 840	-2 710
<b>Total closing balance 31. December</b>	<b>51 754</b>	<b>49 475</b>
For further specification on the effects from right-of-use assets on the balance sheet and the income statement, see note 3 Property, plant and equipment		
<b>Liabilities</b> <i>(All numbers in TNOK)</i>	<b>31.12.2024</b>	<b>31.12.2023</b>
Short-term liability	15 288	10 288
Long-term liability	83 063	41 466
<b>Total</b>	<b>98 351</b>	<b>51 754</b>
Weighted average of the discount rate is 3,45%		
<b>Additional information</b>		
<b>Leases not recognised</b>	<b>2024</b>	<b>2023</b>
Short-term agreements (between one month and one year)	144	181
Costs related to low value items	258	125
<b>Sum</b>	<b>401</b>	<b>306</b>

For a more detailed specification of the effects relating to the right of use of the assets in the balance sheet and income statement, see note 4 Property, plant and equipment and depreciation and impairment.

### Leasing

In accordance with IFRS 16, the lessee must recognise all leases in the statement of financial position 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 shall 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. Payments 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 operating expenses separately from the rental component.

When determining the lease term, the non-cancellable lease term adjusted for extension options and termination rights that it is reasonably certain the company will utilise.

Impairment is assessed in accordance with IAS 36 for capitalised right-of-use assets, with a separate assessment of how the associated lease liability should be included in the assessment.

## 18. Trade and other payables

<i>(All numbers in TNOK)</i>	<b>2024</b>	<b>2023</b>
Trade payables	60 418	192 436
Social security and other taxes	26 172	-22 473
Current liability lease agreements (IFRS 16)	15 288	10 288
Other current liabilities	67 501	15 906
<b>Total</b>	<b>169 378</b>	<b>196 158</b>

The book value of trade and other short-term liabilities corresponds to fair value. Other short-term liabilities include provisions for holiday pay and cost provisions for invoices not yet received.



## 19. Financial risk management

### Asset management

The company's goal for asset management is to minimise risk and ensure continued operations.

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 invests part of its surplus liquidity in interest-bearing products such as deposits, certificates and bonds with short remaining maturities. The company had no short-term investments other than bank deposits in 2023 or 2024.

Norske tog aims to 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 borrowing 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 management must strive 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 thus exposed to currency risk. The aim is to create predictability regarding future payments measured in NOK through financial hedging agreements, or that the currency risk and any increased expenses as a result of 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. This means that the company is not exposed to currency risk on debt.

### Sensitivity assessments for currency risk as of 31 December 2024

Currency risk is calculated on the basis of acquisitions in foreign currency with associated currency futures. In isolation, a 20% change in exchange rates would result in an estimated change in value of NOK 126 million.

Norske tog generally enters into major procurements in foreign currency. In 2021, a contract was entered into in EUR for the upgrade of commuter trains Class 72 (36 train sets). 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 commuter trains was signed in EUR, and in 2023 the contracts for option 1 of new commuter trains and the procurement of new long-distance trains were signed in EUR. The contracts will not be hedged as the Norwegian state is self-insured and does not want the

company to hedge the procurement. Norske tog will recover additional costs related to currency through increased rental income and adjusted residual value guarantee for the procurement.

### **Interest rate risk**

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

Norske tog is exposed to changes in interest rates through the company's loan agreements and utilises interest rate swaps to reduce interest rate risk and to achieve the desired interest rate structure on the debt portfolio. The purpose is to reduce the risk associated with possible future increases in interest rates and create greater predictability in relation to future interest payments. Guidelines have been established that regulate the proportion of loans subject to interest rate adjustments 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 and 100% of currency in the loan portfolio. As of 31 December 2024, the company's loan portfolio had a floating interest rate of 8%, where the floating interest rates were 3M+ margin.

Interest rate derivatives are exposed to changes in interest rates; 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 2024**

Interest rate risk is calculated on the basis of capitalised long-term loans with associated interest rate swaps. In isolation, a change in interest rates of 50 basis points would result in an estimated change in value of NOK 195 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 in reference interest rates is considered 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 a loan facility and cash equivalents, through rolling forecasts of expected cash flow. Norske tog minimises the liquidity risk associated with financial liabilities through a diversified maturity structure, access to multiple sources of funding in Norway and internationally, and sufficient liquidity to meet planned operating, investing and refinancing needs without raising new debt within a 12-month period. In accordance with established objectives to reduce liquidity risk and satisfy liquidity requirements from S&P with regard to the company's credit rating, 150% of the company's capital requirements in the next 12-month period will be covered by free liquidity and established drawing 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 2024. The overdraft facility has not been utilised since it was entered into 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 external capital. No more than 25 per cent of the company's debt shall fall due for payment within a 12-month period, and the average remaining maturity (duration) of the loan portfolio shall be approximately 3-6 years.

The table shows the future maturities of the company's contractual obligations as of 31 December 2024:

<b>Liquidity risk</b> <i>(All numbers in TNOK)</i>	<b>&lt; 1 year</b>	<b>1 - 2 years (2026)</b>	<b>2 - 5 years (2027-2029)</b>	<b>&gt; 5 years</b>
Financial obligations				
Borrowings	1 050 000	1 250 000	2 800 000	4 250 000
Derivatives	2 268	-	-	-
Future interest payments	345 219	317 225	651 650	807 708
Contractual obligations:				
Other obligations	34 853	32 139	49 601	55 050
New trains	836 400	3 778 600	8 124 950	313 900
Property, plant and equipment	496 732	540 857	664 341	109 000

Future interest payments are based on interest rates and the loan portfolio as of 31 December 2024.

The table shows the future maturities of the company's contractual obligations as of 31 December 2023:

<b>Liquidity risk</b> <i>(All numbers in TNOK)</i>	<b>&lt; 1 year</b>	<b>1 - 2 years (2026)</b>	<b>2 - 5 years (2027-2029)</b>	<b>&gt; 5 years</b>
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 payments are based on interest rates and the loan portfolio as of 31 December 2023.

### Credit risk

Credit risk is the loss that the company may incur if a counterparty does not fulfil its financial obligations. The company's exposure to credit risk is mainly influenced by individual circumstances related to each customer. As of 31 December 2024, the company has four major customers: Vygruppen, Go-Ahead Norge AS, SJ Norge AS and Vy Tog AS. Vygruppen (which owns 100% of Vy Tog AS) is wholly owned by the Norwegian 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 over 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 the equivalent from another international rating agency, when the agreement is entered into. The counterparty risk is monitored continuously, and Norske tog has agreements regulating legal offset rights in a bankruptcy situation (ISDA agreements) with four banks.

When the company has surplus liquidity, it can be invested in Norwegian bonds and certificates with short maturities.

<b>Norske tog assesses maximum credit risk to be the following:</b> <i>(All numbers in TNOK)</i>	<b>2024</b>	<b>2023</b>
Cash and bank deposits	932 988	367 807
Financial derivatives	3 426	11 714
Trade receivable and other short-term receivables	137 226	150 677
<b>Sum</b>	<b>1 073 640</b>	<b>530 199</b>

## 20. Related party transactions

Norske tog has the following related parties:

### Owner

The Norwegian Ministry of Transport and Communications is the 100% owner of Norske tog. Other enterprises owned by the state through the Norwegian Ministry of Transport and Communications will be related parties to Norske tog, this applies to both Vygruppen and Bane Nor.

Bond loans and associated basis swaps were transferred from Vygruppen 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 liabilities". The consideration for the transfer of the bond loans to Norske tog AS was determined on market terms. The consideration was determined on the basis of 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 that 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.

Norske tog was only part of the NSB Group for accounting purposes in 2016. For the years after 2016, these companies will still be related parties, because they are indirectly owned by the Norwegian Ministry of Transport and Communications.

### Board of Directors and senior executives

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:

<b>Revenue</b> <i>(All numbers in TNOK)</i>	<b>2024</b>	<b>2023</b>
Leasing revenue	958 791	1 051 703
<b>Total</b>	<b>958 791</b>	<b>1 051 703</b>
<b>Purchases of goods and services</b> <i>(All numbers in TNOK)</i>	<b>2024</b>	<b>2023</b>
Purchases of goods and services	53 080	26 865

The costs are mainly related to modifications to trains and rental costs for buildings. These costs are recognised under "Other costs" in the income statement. In addition, the installation of a new digital signalling system on the trains (ERTMS) is capitalised on the trains.

Balances with related parties resulting from the purchase and sale of goods and services:

<b>Receivables</b> <i>(All numbers in TNOK)</i>	<b>2024</b>	<b>2023</b>
Entities owned by the Ministry of Transport	28 450	9 040
<b>Total</b>	<b>28 450</b>	<b>9 040</b>

The receivables are mainly related to the new digital signalling system on the trains (ERTMS).

<b>Receivables</b> <i>(All numbers in TNOK)</i>	<b>2024</b>	<b>2023</b>
Entities owned by the Ministry of Transport	14 964	3 012
<b>Total</b>	<b>14 964</b>	<b>3 012</b>

Liabilities to related parties mainly relate to modifications made to the trains.

**Loans to related parties:**

There are no loans to related parties.



## 21. Executive- and Board member compensation

<b>Board members</b> <i>(All numbers in TNOK)</i>	<b>Title</b>	<b>2024</b>	<b>2023</b>
Jan Morten Ertsaas	Chairman (from 9.6.23)	410	302
Annette Malm Justad	Chairman (until 9.6.23)	-	188
Marianne Abeler	Board member	-	90
Espen Opedal	Board member	274	261
Anita Meidell	Board member	240	131
Kristin Veierød	Board member	99	-
Bjørn Erik Olsson	Board member-employee repr.	-	29
Henriette Fjæreide Torgersen	Board member-employee repr.	-	25
Ole Høgtun	Board member-employee repr.	-	40
Berit Gjeruldsen	Board member-employee repr.	10	24
Razieh Nejati Fard	Board member-employee repr.	87	-
Vidar Larsen	Board member-employee repr.	97	64
<b>Total</b>		<b>1 217</b>	<b>1 153</b>

### 2024

<b>Management</b> <i>(All numbers in TNOK)</i>	<b>Tittel</b>	<b>Salary</b>	<b>Other benefits</b>	<b>Total benefits paid</b>	<b>Pension expenses</b>
Øystein Risan	Chief executive officer	2 531	138	2 669	140
Kjell-Arthur Abrahamsen	Material director	1 900	57	1 957	140
Linda Venbakken	Chief financial officer	1 844	15	1 859	140
Luca Cuppari	Technical director	1 744	21	1 765	140
Iren Marugg	Judicial director	1 497	15	1 512	140
<b>Total</b>		<b>-</b>	<b>-</b>	<b>9 762</b>	<b>-</b>

The CEO salary increased by 213 TNOK from 2 319 TNOK in 2023 to 2 531 TNOK in 2024, which was within the framework of the salary settlement.

### 2023

<b>Management</b> <i>(All numbers in TNOK)</i>	<b>Tittel</b>	<b>Salary</b>	<b>Other benefits</b>	<b>Total benefits paid</b>	<b>Pension expenses</b>
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
<b>Total</b>		<b>-</b>	<b>-</b>	<b>9 164</b>	<b>-</b>

We refer to the guidelines on executive remuneration published on the company's website. In addition, we refer to the executive remuneration report which is a separate report in the annual report 2024.

## 22. Contingencies

The company started operations on 15 October 2016, and no contingent liabilities relating to legal claims have arisen in connection with ordinary operations.

## 23. Events after the balance sheet date

There have been no events after the balance sheet date that have a significant impact on the company's results for 2024 and financial position as of 31 December 2024.

## Declaration by the Board of Directors and CEO for the annual report 2024

The Board of Directors 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 2024 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, 6. March 2025



**Jan Morten Ertsaas**  
Chairperson



**Espen Opedal**  
Board member



**Anita Meidell**  
Board member



**Kristin Veierød**  
Board member



**Audun Lind-Eriksen**  
Board Member/  
Employee  
Representative



**Razieh Nejati Fard**  
Board Member/  
Employee  
Representative



**Øystein Risan**  
CEO

# APM

## **Return on recognised equity:**

Net profit/equity at the beginning of the period (119 232/3 605 915= 3.3%)

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 (3 743 660/14 551 351=25.7%)

The key figure provides an indication of the company's financial strength. The equity ratio is also important to monitor on an ongoing basis, as the company has a syndicated credit facility of NOK 3 000 million with associated covenant requirements of minimum equity ratio of 20%. A healthy equity ratio is also important in order to realise targets related to investments in new trains and upgrades to existing rolling stock.

## **Operating profit:**

Operating income minus operating expenses: 1 488 409 – 1 142 596 = 345 813

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 the operating profit in relation to the profit for the year, please refer to the company's statement of comprehensive income.

## **Working capital:**

Total current assets less total current liabilities: (1 089 043-1 473 993= -384 950)

The company's working capital is important 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 balance sheet as at 31 December 2024, the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion the financial statements comply with applicable statutory requirements, and the financial statements give a true and fair view of the financial position of the Company as at 31 December 2024, 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 Norske tog AS for 7 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 7 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. There have been no regulatory changes, transactions, or events that have led to the identification of new key audit matters. Therefore, our focus areas have been the same in 2024 as they were in 2023.



Key Audit Matters	How our audit addressed the Key Audit Matter
-------------------	--

<p><b>Accurate and complete accounting for loans and financial instruments</b></p> <p>For a closer description of loans and derivatives, please refer to notes 12, 13, and 16. The carrying amount of the company's loan portfolio is NOK 9,620 million as of December 31, 2024, constituting approximately 2/3 of the company's total balance sheet. The carrying amount of the company's net derivatives is NOK 10,745 million on the balance sheet date.</p> <p>The loan portfolio of Norske tog AS consists of bonds in Norwegian kroner (NOK) with both floating and fixed interest rates. The portfolio is valued at amortized cost. The company has no loans measured at fair value as of December 31, 2024. Interest rate derivatives are used as hedging instruments and are measured at fair value.</p> <p>We have focused on routines and processes aimed at ensuring the correct accounting of loans and associated derivatives because the loan portfolio, along with the derivatives, represents a significant amount subject to complex regulations and extensive calculations.</p>	<p>We have assessed the company's accounting guidelines and principles for loans and derivatives. These are, in all material respects, in line with generally accepted accounting principles and applicable regulations.</p> <p>We have verified that new loans are completely and accurately registered in the financial system, ensuring compliance with loan agreements and the company's principles for accounting. Our control activities did not reveal any significant deviations.</p> <p>We have also reviewed the note information describing loans and derivatives and found the information to be sufficient.</p>
--	--

#### 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 Directors' report applies correspondingly to the statement on Corporate Governance.





### **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 NorsketogAS ESEF-reporting 31-12-24, 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, 6 March 2025

**PricewaterhouseCoopers AS**

Marius Thorsrud

State Authorised Public Accountant

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

## Revisjonsberetning

### Signers:

<i>Name</i>	<i>Method</i>	<i>Date</i>
Thorsrud, Marius	BANKID	2025-03-06 21:02



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The seal is a guarantee for the authenticity  
of the document.



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# Executive salary report 2024



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# 1.Introduction

The Board of Directors shall prepare a report in accordance with section 6-16 b of the Norwegian Public Limited Liability Companies Act, as well as regulations on guidelines and report on remuneration for senior executives, which provides a comprehensive overview of the salary and other remuneration paid and received by senior executives each year. In this context, senior executives are defined as Norske tog's board members, CEO and other directors.

To help achieve the state's goals as owner and the company's goals, it is necessary to attract highly skilled labour at all levels of the organisation. Norske tog needs expertise in a wide range of technical and administrative areas, and the company is dependent on attracting people who are attractive to other businesses, both in terms of technical expertise on trains and expertise in public procurement in the industry. In order to achieve the owner's and the company's goals, it is therefore necessary for Norske tog to be able to offer competitive compensation packages. Norske tog shall emphasise moderation and not be a wage leader. The senior management's compensation scheme consists only of fixed salary, in line with the expectations in the state's ownership report (Meld. St. 6 (2022-2023))

When determining and adjusting salaries in senior positions in Norske tog, the development of other positions in the company shall also be emphasised. The salary level for all positions in Norske tog is determined through negotiations between the social partners.

## 2. Key events and results in 2024

Norske tog shall contribute to attractive passenger train traffic in Norway and the "green shift" by leasing out a sufficient number of modern trains.

The company works towards the main goals of financial freedom of action, a competitive offering and satisfied customers, efficient and sustainable operations, and competent and satisfied employees.

Norske tog has major projects that span many years, in addition to some minor modifications that are carried out on an ongoing basis. The smaller modifications help to characterise the company's financial results.

The company is measured on return on equity, where the owner has set a target of a five per cent return. The return is affected by the number of modifications carried out in the course of a year and increased equity to handle major acquisitions, which in turn requires increased earnings from rental income. The company has a requirement in the loan facility for an equity ratio of over 20 per cent. The equity ratio is affected by the major acquisitions and increased debt.

### 2.1. Health, safety and environment

Norske tog works continuously to avoid injuries to both its own employees and subcontractors. The company's goal is that no one should die as a result of Norske tog's operations. In 2024, there were no fatal accidents directly related to Norske tog's operations, and no serious injuries were reported. There was a railway accident on the Nordland Line in October in which a driver employed by SJ was killed. The accident occurred as a result of a collision with a rockfall on the track in a train leased by Norske tog to the operator.

### 2.2. Organisation

It's important for Norske tog to have good access to skilled labour in all positions and functions in the company. Diversity in terms of background, expertise and gender is important to achieve this. The company aims to prioritise women in all new recruitments. The proportion of women in the company at the end of 2024 was 33 per cent

### 2.3. Development in remuneration to the Board of Directors and senior executives

The average increase in basic salary for the company's management was 6.6 per cent in 2024. The budget for salary adjustments for other employees in 2024 was 5.2 per cent.

### 2.4. Changes in company management and board of directors

There were no changes to the company management in 2024. A new shareholder-elected board member was elected at the AGM in June 2024, Kristin Veierød. Jan Morten Ertsaas is the Chairman of the Board. A new employee-elected representative joined the board in January 2024, Razieh Nejati Fard, replacing Berit Gjeruldsen.

### 3. 3. Remuneration to the management team

Total remuneration is the sum of fixed salary, other benefits and pension schemes.  
The main elements of the remuneration scheme are summarised in the table below:

**Table 1 - Main elements of the remuneration scheme**

Remuneration		Commentary
<b>Base salary</b>		Base salary is determined after a job and market assessment, assessed against Norske tog's principle of offering competitive conditions, but not being a wage leader.
<b>Pensions</b>		The pension scheme in Norske tog is on equal terms for all employees, including management. The scheme has a contribution rate from the company of 5.5 per cent up to 7.1 G and 15 per cent between 7.1 and 12 G.  The pension scheme includes private AFP and group life insurance of 20 G plus 2 x salary.
<b>Other benefits</b>	Insurance	Personal, health and travel insurance in accordance with the standard for other employees of Norske tog.
	Car allowance	Fixed car allowance for the CEO of NOK 120,000.  Only the CEO has a car allowance.
	Other benefits	Other benefits include mobile phones and coverage of broadband communication in accordance with established standards and on equal terms for all employees of Norske tog. In addition, staff tickets for passenger trains in Norway are covered for management on an equal basis with all employees of Norske tog.
<b>Severance pay</b>		A special severance pay has been agreed for the CEO in the event of termination by the employer with less notice than the agreed notice period. The CEO is entitled to severance pay of up to six months' severance pay in excess of the agreed notice period.

The table below summarises the executive team's remuneration for 2024, compared with the remuneration for the previous year.

**Table 2 - Salaries and other remuneration to senior executives for the financial years 2023 and 2024**

	Fixed remuneration (Amounts in whole NOK 1,000)				
Name and role	Financial year	Base salary	Other benefits	Pension entitlement	Total remuneration*
<b>Øystein Risan</b> Chief Executive Officer	2024	2 531	138	140	2 809
	2023	2 319	136	134	2 589
<b>Kjell-Arthur Abrahamsen</b> Director Materials and Customer	2024	1 900	57	140	2 097
	2023	1 802	51	134	1 987
<b>Luca Cuppari</b> Technical Director	2024	1 744	21	140	1 905
	2023	1 658	21	134	1 813
<b>Linda Marie Venbakken</b> CFO	2024	1 844	15	140	1 999
	2023	1 691	14	134	1 839
<b>Iren Marugg</b> Chief Legal Officer	2024	1 497	15	140	1 652
	2023	1 459	13	134	1 606

\*Starting from the Executive Salary Report for 2024, total remuneration includes pension accrual.

### 3.1. Remuneration to the Board of Directors

The members of the Board of Directors have no agreements on remuneration other than board fees and remuneration for participation in the Audit and Sustainability Committee. The General Meeting determines the remuneration of the Board's shareholder-elected members. Employee-elected representatives on the Board receive 50 per cent of the remuneration of the Board's shareholder-elected members. Board members are paid a fixed fee for board and committee work. Deputy members are remunerated per attendance. An overview of the Board of Directors' fees for the financial years 2023 and 2024 is shown in the table below.

**Table 3 - Remuneration to the Board of Directors for the financial year 2023 and 2024**

Remuneration (Amounts in whole NOK 1,000)				
Name and role	Financial year	Fees, total	Board fees	Audit committee fees
<b>Jan Morten Ertsaas</b> Board member/Chairman of the Board from June 2023	2024	410	410	-
	2023	302	302	-
<b>Annette Malm Justad</b> Chairman of the Board	2024	-	-	-
	2023	188	169	19
<b>Marianne Abeler</b> Board member	2024	-	-	-
	2023	90	90	-
<b>Espen Opedal</b> Board member	2024	274	194	80
	2023	261	184	77
<b>Anita Meidell</b> Board member	2024	240	194	46
	2023	131	106	25
<b>Kristin Veierød</b> Board member	2024	99	99	-
	2023	-	-	-
<b>Bjørn Erik Olsson</b> Employee-elected board member	2024	-	-	-
	2023	29	29	-
<b>Henriette Torgersen</b> Employee-elected board member	2024	-	-	-
	2023	25	25	-
<b>Ole Høgtun</b> Employee-elected board member	2024	-	-	-
	2023	40	40	-
<b>Berit Gjeruldsen</b> Employee-elected board member	2024	10	10	-
	2023	24	24	-
<b>Razieh Nejati Fard</b> Employee-elected board member	2024	87	87	-
	2023	-	-	-
<b>Vidar Larsen</b> Employee-elected board member	2024	97	97	-
	2023	64	64	-



### 3.2. Development in executive remuneration, board fees, financial key figures and other employees' salaries related to remuneration for the period 2020-2024 (5 years)

Table 4 shows annual changes in total remuneration for the CEO and current and former members of the management team, for the last five years.

Salary growth for the company's other employees has been in line with the frontline framework. The same applies to management, with the exception of 2024.

In 2024, an exercise was carried out to benchmark the management team compared to other companies owned by the Ministry of Transport and Communications. As a result, the salary adjustment deviates for the management team from the recommended frontline framework in 2024.

The growth in the Board's remuneration has been in line with general wage growth in Norway but has had a lower percentage increase in fees than the frontline framework during the period.

**Table 4 - Comparison table remuneration for management over the last 5 years. Percentage change in total remuneration, annualised figures\***

Total remuneration (in NOK 1,000 and annual change in NOK 1,000 and in per cent)						
Name of senior executives and position		2020	2021	2022	2023	2024
<b>Øystein Risan</b> Chief executive officer	Total remuneration	2 317	2 398	2 468	2 589	2 809
	Change in NOK	15	81	70	121	220
	Change in per cent	0,7 %	3,5 %	2,9 %	4,9 %	8,5 %
<b>Kjell-Arthur Abrahamsen</b> Director Materials and Customer	Total remuneration	1 737	1 812	1 879	1 987	2 097
	Change in NOK	-13	75	67	108	110
	Change in per cent	-0,7 %	4,3 %	3,7 %	5,7 %	5,5 %
<b>Luca Cuppari</b> Technical Director	Total remuneration	1 609	1 672	1 726	1 813	1 905
	Change in NOK	12	63	54	87	92
	Change in per cent	0,8 %	3,9 %	3,2 %	5,0 %	5,1 %
<b>Linda Marie Venbakken</b> CFO	Total remuneration	1 638	1 708	1 759	1 839	1 999
	Change in NOK	-9	70	51	80	160
	Change in per cent	-0,5 %	4,3 %	3,0 %	4,5 %	8,7 %
<b>Iren Marugg</b> Legal director	Total remuneration	1 433	1 483	1 537	1 606	1 652
	Change in NOK	25	50	54	69	46
	Change in per cent	1,8 %	3,5 %	3,6 %	4,5 %	2,9 %

\* Since the 2023 Executive Remuneration Report, base salary was changed to total remuneration.

Table 5 shows the total remuneration for current and former members of the board for the last five years.

In June 2023, Norske tog got a new chairperson.

There was a change of employee-elected board members in 2024. In 2024 the number of shareholder-elected board members was increased from three to four.

**Table 5 - Comparative table of remuneration for the Board of Directors over the past 5 years. Percentage change in total remuneration, annualised figures**

Total fee (in NOK 1,000 and annual change in per cent)					
Name of board member and role	2020	2021	2022	2023	2024
<b>Annette Malm Justad</b> Chairman of the Board until June 2023	399	425	418	188	-
	1,3%	6,5%	-1,6%	-55,0%	-
<b>Jan Morten Ertsaas</b> Board member from June 2022, chairman from June 2023	-	-	90	302	410
	-	-	-	235,6%	35,8%
<b>Espen Opedal</b> Board member	239	243	252	261	274
	0,8%	1,7%	3,7%	4,0%	5,0%
<b>Marianne Abeler</b> Board member until June 2023	169	171	177	90	-
	1,2%	1,2%	3,5%	-49,2%	-
<b>Anita Meidell</b> Board member from June 2023	-	-	-	131	240
	-	-	-	-	83,2%
<b>Kristin Veierød</b> Board member from June 2024	-	-	-	-	99
	-	-	-	-	-
<b>Vidar Larsen</b> Employee elected board member From April 2017 to March 2021 and from January 2023	85	21	-	64	97
	2,4%	-75,3%	-100%	-	51,6%
<b>Bjørn Erik Olsson</b> Employed elected board member from March 2021 to January 2023	-	65	89	29	-
	-	-	36,9%	-67,4%	-
<b>Henriette Torgersen</b> Employee elected board member from January 2022 to April 2023	-	-	89	25	-
	-	-	-	-71,9%	-
<b>Ole Høgtun</b> Employee elected board member from April 2023 to October 2023	-	-	-	40	-
	-	-	-	-	-
<b>Berit Gjeruldsen</b> Employee elected board member from October 2023 to January 2024	-	-	-	24	10
	-	-	-	-	-58,3%
<b>Razieh Nejati Fard</b> Employee elected board member from January 2024	-	-	-	-	87
	-	-	-	-	-

**Table 6 – Norske tog's financial development over the last 5 years**

Norske tog's performance targets		2020	2021	2022	2023	2024
Equity ratio	KPI	27%	25%	26%	26%	26%
	% change	21,3%	-7,3%	1,2%	1,2%	-0,8%
Return on equity <sup>1</sup>	KPI	3,2%	5,1%	3,2%	4,8%	3,3%
	% change	-59,0%	59,4%	-37,3%	50,0%	-31,3%

Remuneration in table 7 is the average annual remuneration less deductions for employees who are members of management. The number of employees is calculated as an average for the year.

**Table 7 - Average annual remuneration for full-time employees, excluding senior executives\***

Remuneration		2020	2021	2022	2023	2024
Average annual remuneration	In whole 1000 kroner	838	842	891	927	1 002
	% change		0,5 %	5,7 %	4,0 %	8,2 %
Average number of full-time equivalents	% change	9,1 %	30,6 %	19,2 %	8,9 %	8,2 %

*\*The table was changed starting from the Executive remuneration report for 2024. Previously, the percentage change in total salary costs was reported, this was changed to average annual remuneration in whole NOK and per cent change. The average annual remuneration consists of the average salary including paid benefits in kind. Hourly paid employees are excluded from the average calculation.*

## 4. Decision-making process set out in the guidelines

At the general meeting 2023, cf. section 5 of the articles of association, Norske tog AS has adopted guidelines in accordance with section 6-16 a of the Public Limited Liability Companies Act.

## 5. Deviations from the guidelines

Determination of executive salaries for 2024 was carried out in accordance with established guidelines.

In 2024, a benchmarking exercise was carried out for the management team in relation to other companies owned by the Ministry of Transport and Communications. As a result, the salary adjustment for the management team deviates from the recommended frontline framework in 2024 in order to maintain competitiveness and retain skilled managers. Consideration for moderation was taken into account in the assessment. The average salary adjustment for the management team was 6.6 per cent, compared with the front-line framework of 5.2 per cent.

In 2024, the company assesses that a responsible executive remuneration policy has been implemented and that the remuneration of senior executives is in accordance with the guidelines and in line with the company's long-term interests and financial viability.

## 6. Information about voting at the Annual General Meeting

The general meeting approved the board's executive remuneration report for 2023 on 3 June 2024.

## 7. Board statement

The board of directors has today considered and adopted the report on remuneration of senior executives in Norske tog AS for the financial year 2024. The report has been prepared in accordance with the company's articles of association, section 6-16 b of the Public Limited Liability Companies Act and regulations on guidelines and reports on remuneration for senior executives.

The report will be presented to the Annual General Meeting in June 2025 for an advisory vote.

Oslo, 6 March 2025



**Jan Morten Ertsaas**  
Styreleder



**Espen Opedal**  
Styremedlem



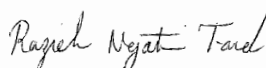
**Anita Meidell**  
Styremedlem



**Kristin Veierød**  
Styremedlem



**Audun Lind-Eriksen**  
Styremedlem/  
Ansattrepresentant



**Razieh Nejati Fard**  
Styremedlem/  
Ansattrepresentant



**Øystein Risan**  
Administrerende  
direktør

## 8. Auditor's attestation opinion on the report on remuneration to senior executives



To the General Meeting of Norske tog AS

### Independent auditor's assurance report on report on salary and other remuneration to directors

#### Opinion

We have performed an assurance engagement to obtain reasonable assurance that Norske tog AS report on salary and other remuneration to directors (the remuneration report) for the financial year ended 31 December 2024 has been prepared in accordance with section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation.

In our opinion, the remuneration report has been prepared, in all material respects, in accordance with section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation.

#### Board of directors' responsibilities

The board of directors is responsible for the preparation of the remuneration report and that it contains the information required in section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation and for such internal control as the board of directors determines is necessary for the preparation of a remuneration report that is free from material misstatements, whether due to fraud or error.

#### Our Independence and Quality Management

We are independent of the company as required by laws and regulations and the International Ethics Standards Board for Accountants' Code of International Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We apply the International Standard on Quality Management (ISQM) 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, and accordingly, maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

#### Auditor's responsibilities

Our responsibility is to express an opinion on whether the remuneration report contains the information required in section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation and that the information in the remuneration report is free from material misstatements. We conducted our work in accordance with the International Standard for Assurance Engagements (ISAE) 3000 – "Assurance engagements other than audits or reviews of historical financial information".

We obtained an understanding of the remuneration policy approved by the general meeting. Our procedures included obtaining an understanding of the internal control relevant to the preparation of the remuneration report in order to design 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. Further we performed procedures to ensure completeness and accuracy of the information provided in the remuneration report, including whether it contains the information required by the law and accompanying regulation. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

PricewaterhouseCoopers AS, Dronning Eufemias gate 71, Postboks 748 Sentrum, NO-0106 Oslo  
T: 02316, org. no.: 987 009 713 MVA, [www.pwc.no](http://www.pwc.no)  
Statsautoriserte revisorer, medlemmer av Den norske Revisorforening og autorisert regnskapsførerselskap



## 8. Auditor's attestation opinion on the report on remuneration to senior executives



Oslo, 6 March 2025  
**PricewaterhouseCoopers AS**

Marius Thorsrud  
State Authorised Public Accountant  
Note: This translation for Norwegian has been prepared for information purposes only.

# Gender equality statement

Appendix to Norske tog's annual report 2024

# Gender equality statement

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 treating its employees fairly and giving equal opportunities to everyone and focuses on organising working conditions where necessary. The fact that Norske tog takes equality and diversity seriously is natural - it is expected both by the company's employees and by society in general, as a state-owned enterprise.

Norske tog does not accept any form of harassment and works actively for equality and against discrimination on the basis of gender, pregnancy, maternity or adoption leave, caring responsibilities, ethnicity, religion, beliefs, disability, sexual orientation, gender identity and gender expression, as well as combinations of these grounds.

This report has been prepared in accordance with the requirements of the Activity and Reporting Obligation and includes salary mapping to analyse salary differences between women and men in total and per job level. Norske tog has previously reported on gender balance and age distribution on the Board in its report. Reporting related to the Board of Directors from 2024 can be found in Norske tog's annual and sustainability report.

## Actual condition in 2024

**Table 1 Gender distribution of employees in Norske tog at the end of 2024**

Women	Men	Other	Total	Comment
<b>Number of employees</b>				
21	44	-	65	
<b>Number of permanent employees</b>				
21	43	-	64	All the company's employees work at the office in Oslo.
<b>Number of temporary employees</b>				
-	1	-	1	
<b>Number of employees with no set workload</b>				
-	2	-	2	The company has two resources that work a limited number of hours when needed.

In 2024, a total of 67 different employees (22 women and 45 men) were employed by Norske tog. As of 31 December 2014, the company had 64 full-time employees, including 21 women and 43 men.

In 2024 four employees joined the company (four men) and two employees left (one woman and one man). The increase in the number of employees is a conscious effort to ensure sufficient and appropriate expertise and capacity to carry out and follow up the procurement processes for new local and long-distance trains, as well as proper management of the trains.

**Table 2 Age and gender distribution of the company's senior management in figures**

	Management team	Extended management team
Women	2	3
Men	3	6

**Table 3 Salary mapping for 2022 and 2024, based on all permanent employees during the year. Mapping of salary and overtime was carried out last in 2022 in accordance with reporting requirements.**

Salary mapping	Gender distribution at different job levels/groups				Total benefits		Fixed salary		Overtime allowances*		
	2022		2024		2022	2024	2024		2024		
	Women	Men	Women	Men	Women's share of men's salaries		Women's share of men's salaries		Women	Men	Difference payment women vs. men
Total	36%	64%	33 %	67 %	82%	93 %	77%	89 %	19 %	81 %	39 %
Managers (top manager/ middle manager)	40%	60%	30 %**	70 %	82 %	90 %	82%	79 %	0 %	0 %	-
Other employees	36%	64%	33 %	67 %	79 %	88 %	76%	90 %	18 %	82 %	44 %

\*Overtime compensation as a result of required overtime work or approved work over 7.5 hours Mon-Fri. Overtime pay varies between 50, 100 and 145 per cent depending on the time of day and whether it is a weekday, weekend or public holiday.

\*\*There has been a change in the management team in 2024, the number in the table reflects all managers who have held a position. At the end of 2024, the proportion of women in management was 33 per cent.

Norske tog has experienced a positive development in the equalisation of differences in pay between women and men from 2022 to 2024. One reason for this is that for the wage settlement in 2024, it was decided that individual assessments would be made of the pay rise. Management was also allocated a pot that was used to equalise differences. We see particular improvements in fixed salaries, where women's salaries have increased from 77 per cent to 89 per cent of men's salaries during the period. Some of the pay gap for total benefits is made up of overtime. The proportion of overtime work is higher for men, and this is explained by life stages and the age composition of men and women, in addition to individual roles that may involve a greater workload at times.

Norske tog has not identified any risk of discrimination or obstacles to equality related to the differences in the amount of overtime work or overtime pay.

## Gender balance

At the end of 2024, Norske tog had a gender balance of 32.3 per cent women and 67.7 per cent men. 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 purposefully 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.

After a real boost in the proportion of women in 2021, the company set an ambitious target - that the proportion of women among employees should be over 40 per cent. As of 31 December 2024, the proportion of women was 32.3 per cent, and the company has not yet reached the target, but is continuing the efforts towards employee gender balance. Norske tog has a low staff turnover and is growing moderately in terms of the number of employees, which affects Norske tog's ability to set a time-based target for goal achievement.

**Figure 1 Development of gender balance**

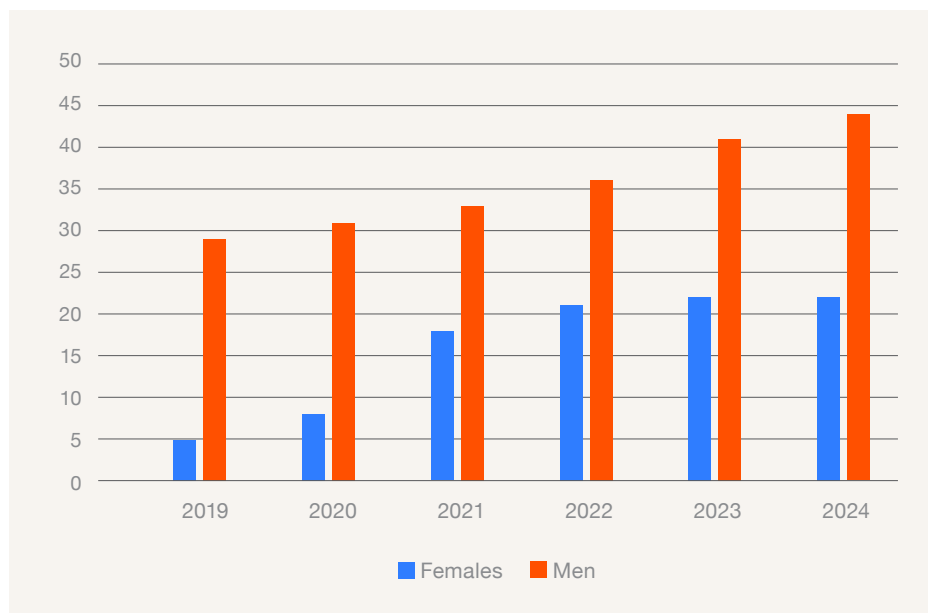


Figure 1 shows the development in the proportion of women in Norske tog. At the company's start-up in 2016, the proportion of women was six per cent (two women and 27 men).



### **Involuntary part-time work and temporary employees**

Norske tog wants to avoid temporary positions and involuntary part-time work. In 2024, the company had only full-time employees, with the exception of one resource who works 80 per cent at his own request. In addition, there are two hourly workers who work when needed and at their own request.

Norske tog hired external consultants equivalent to 28.8 man-years in 2024.

The consultants were mainly involved in the procurement projects for new local and long-distance trains, the establishment of a self-insurance company, the takeover of Flytoget's rolling stock, and the administration's work on corporate governance and new sustainability reporting requirements. There has also been a need for temporary support due to parental leave.

### **Parental leave**

Norske tog encourages both men and women to take parental leave. In 2024, seven employees took parental leave. The average number of weeks of parental leave in the organisation was 27 weeks for women and 16 weeks for men. Everyone entitled to parental leave took it. Norske tog organises "baby showers" for both male and female employees who are expecting a child.

# Norske tog's work for equality and against discrimination

## Principles and procedures

The Finance, HR and Administration department have the overall responsibility for work on diversity, equality and gender balance. They co-operate with employee representatives and the committee for the working environment to forward proposals and ensure progress in the work. With a better structure and systematic approach, it will be easier to follow the development and results of the work going forward.

### Promote equality and prevent discrimination

Diversity and inclusion are important in a small organisation where individual employees are visible. Norske tog wants to show that there is room for everyone, and that differences should be the company's strength, both personal and professional. Despite being a technical competence centre, the organisation has a large proportion of employees without a technical background.

At Norske tog, no one shall be discriminated against on the basis of gender, age, disability, sexual orientation or religious, cultural and ethnic background. The company's workforce shall reflect the diversity of the population.

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

Both senior management and the Board of Directors of Norske tog are committed to working for equality and against discrimination. There is great awareness that diversity helps strengthen the company's work through different points of view and good discussions about how the company can create a better product. In 2023, a Diversity and Inclusion Group was established to work on this topic. The group includes employee representatives, safety representatives and senior management. The topic is also integrated in the management team's yearly cycle.

The group meets once a month and follows an annual cycle in which various diversity and inclusion topics are addressed. In 2024, the company has, among other things, mapped the potential risk of discrimination related to religion and disability. Potential obstacles to equality and challenges are discussed in the group, and attempts are made to come up with solutions to reduce obstacles to hiring qualified applicants with minority backgrounds, disabilities or gaps in their CVs.

A separate page has also been created on the intranet for inclusion and diversity. Video clips are regularly posted here and other material to raise employee awareness of diversity and inclusion. Diversity and inclusion topics have also been discussed at the Train Academy.

Several members of the group have participated in seminars on the topic of inclusion and diversity.

The importance of diversity and inclusion is also enshrined in Norske tog's Code of Conduct:

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

*NT will safeguard equal treatment in recruitment, promotion and competence-enhancing continuing and further education. Similarly, NT will emphasise diversity that reflects a cross-section of society. Recruitment work shall be characterised by all applicants having equal opportunities for employment, regardless of age, gender, disability, sexual orientation or religious, ethnic and cultural background. Any employee travelling on business or otherwise on assignment for the company must refrain from purchasing sexual services."*

Norske tog's strategy for 2024 states, among other things:

*"Recruitment is adapted to the company's strategy, the need for transfer of expertise, and with the aim of maintaining a diverse organisation."*

One of the KPIs defined in the strategy for 2024 is *Gender balance*. A high proportion of women in new hires is prioritised.

#### Notification system

In co-operation with the legal firm Kvale Advokatfirma DA, Norske tog has established a joint whistleblowing service. This service can be used both by employees and external stakeholders and is intended to ensure professional, neutral and independent handling of whistleblowing in line with the requirements and intentions of the Norwegian Working Environment Act. The whistleblowing service must also contribute to the safety and security of whistleblowers, particularly in regard to confidentiality and anonymity, and must be able to be used without fear of consequences and retaliation.

Norske tog emphasises an open culture of expression. Matters of an illegal or unethical nature can be detrimental to the working environment, and it is therefore important that such matters are addressed and handled properly. Each employee has a statutory right to report unfavourable conditions, and this right also applies to contracted employees and consultants. It is desirable, but not a requirement, that the whistleblowing service should only be used when there are special (objectionable) circumstances.

Misconduct refers to illegal behaviour, breaches of general ethical norms and breaches of internal guidelines. Examples of misconduct are (non-exhaustive list):

- cases of bullying
- employment in violation of the requirements of the Working Environment Act
- irresponsible case management
- failure in safety procedures
- sexual harassment
- discrimination

- corruption, abuse of power, financial misconduct, breach of confidentiality, discrimination, etc.

Whistleblowing should primarily take place to the nearest manager, possibly via the safety representative or employee representative. If this is not possible or appropriate, whistleblowing can take place directly to the organisation's contact person for whistleblowing, which is Kvale Advokatfirma. An anonymous whistleblowing channel is available on Norske tog's website. Whistleblowing can take place verbally or by written enquiry (letter, e-mail or similar).

The CEO is responsible for contacting the board directly with information if the company receives a notification. If the notification concerns the CEO, the person who receives the notification is responsible for passing on information about this to the chairman of the board.

There were no notifications in 2024.

#### Working environment committee

All members of the working environment committee have completed a basic HSE training course.

AMU meetings have been held once a quarter. Fixed topics at the AMU meetings in 2024 have been:

- The health and welfare aspect
- Reported accidents
- Review of action plan
- Absence reporting
- Non-conformance reporting

A representative of the occupational health service has been present at all AMU meetings.

During the reporting year, Norske tog's office premises were subject to extensive renovation work. This has led to a lot of noise at times, and it has been necessary to adapt the working day for the company's employees. As a consequence, the home office policy has been changed and the requirement for physical attendance at the office has been relaxed. This has been clearly communicated to employees through general meetings, department meetings and Teams posts. Due to these circumstances, the AMU has also discussed working environment challenges related to the refurbishment of the office building, the flooding of the basement, lunch arrangements in the absence of a canteen, noise in office areas and space challenges.

### **Identification of risk**

Norske tog shall work actively, purposefully and systematically to promote gender equality and prevent discrimination in the workplace. In recent years, the company has worked to structure and put into system its work on equality and diversity. There is a particular need to review the company's guidelines in the various personnel policy areas in order to identify the risk of discrimination and obstacles to gender equality and introduce targeted measures to remove these obstacles.

Based on the above, Norske tog has implemented the following measures:

- Developed an annual cycle of activities aimed at diversity and equality work.
- Established a working group for diversity and inclusion with resources from HR, employee representatives, safety representatives and employees in the company who wanted to be involved with the work.
- Included questions about diversity and inclusion in the employee survey. Data from this survey will provide the company with a better basis for mapping risks, monitoring developments, deciding and implementing targeted measures, and following up the results of initiated measures.
- Conducted a risk analysis across the organisation 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.
- Analysed sickness absence to a greater extent than previously, particularly with a view to picking up trends, for example if one employee accounts for a large proportion of sickness absence. Norske tog had a low level of sickness absence in 2024. Three people were on long-term sick leave, but none of these were due to work-related injury or illness.
- Announced vacancies internally, so that employees have the opportunity to apply. No internal employees have applied for advertised positions.
- A special arrangement has been introduced to accommodate employees with different religious and cultural affiliations with holidays other than Norwegian public holidays. Those who wish to do so have the opportunity to take two days of paid leave. The measure has been utilised in 2024.

## Recruitment

The company wants to recruit a diversity of employees reflecting the diversity of the population. To ensure quality and professionalism in the company's recruitment, Norske tog uses two external recruitment agencies, Assesit and Personarhuset. The external recruitment agencies work closely with the recruiting manager. Both recruitment agencies are DNV-certified and have competence and training programmes where unconscious bias is part of the training.

At the end of 2024, the recruitment services tender was finalised and Assesit was replaced by Academic Work. Personarhuset continues. In the tender round, the importance of diversity and gender equality in Norske tog's recruitment was emphasised.

Norske tog has set a requirement that a minimum of one qualified female applicant and one qualified applicant with a minority background shall be invited to interviews, where possible. All job advertisements must include an invitation to qualified candidates to apply, regardless of age, disability, gender, sexual orientation, religion or ethnic background. Norske tog attaches great importance to organising working conditions if employees need it.



## **Salary and working conditions**

All the company's employees are covered by the Employers' Association Spekter's main agreement, which contains clear guidelines and provisions for wage setting. Compensation is adjusted annually in line with the current wage settlement. Senior management receives a percentage supplement that corresponds to the average for all employees.

Norske tog's employees shall be treated fairly and given equal opportunities. The company shall not have unjustified pay differences between women and men. The local pay policy shall ensure that employees with the same type of expertise and the same tasks have the same opportunities for pay and skills development. Experience and expertise are the only factors that can justify different salary levels in similar positions. In the event of employment, the final salary will be decided in negotiations between the employee and Norske tog, with the assistance of the recruitment agency that has been responsible for the relevant recruitment process on behalf of Norske tog.

Annual assessments are made of the need for salary adjustments beyond the salary settlement, primarily related to changes in position, tasks or areas of responsibility, as well as to adjust any internal imbalances in salary levels. The management team, in consultation with the employee's immediate manager, is responsible for assessing the need for further changes for the individual employee. The assessments are made in an extended management meeting to eliminate the risk of both conscious and unconscious favouritism or discrimination of individuals. The extended management team compares the salary levels per department and against what they consider to be the same level in other departments. For example, a senior project manager, an engineer and an accounting manager should have relatively similar salary levels. If particularly large salary differences are discovered, the equalisation must usually be spread over a couple of years to avoid the adjustment exceeding the fixed percentage salary increase for the remaining employees in the company.

At present, the company does not have a separate policy for salary setting or changes in salary but is considering developing one.

Norske tog conducts an annual employee survey each November. In 2024, the response rate was 87 per cent. The results of the survey show that Norske tog has largely satisfied and loyal employees. The loyalty score was a full 85 out of a possible 100 points.

## **Promotion and development opportunities**

All the company's employees have two regular performance appraisals with their immediate manager. During the appraisal, a development plan is completed in consultation with the manager. The plan can include everything from internal training and participation in breakfast meetings to more formal courses, certifications and master programmes. The main appraisal should take place during the first quarter, while the half-yearly appraisal should take place during the third quarter.

Employees who perform part of their work in the workshop are required to undergo regular certification to be able to carry out their work. All competence building measures beyond this are primarily driven by the employees' desire to acquire more knowledge. The programme must be relevant to the position, but this is interpreted broadly. This means that if an employee has management ambitions, even a course in psychology can be considered relevant.

There is no limit to the number of hours of courses an employee can complete per year, but for larger training courses, such as master's programmes, there is a limit that only one programme can be completed at a time.

When an employee completes a master's programme funded by Norske tog, they commit to staying with the company for two years after completing the course. For less extensive training programmes, the commitment period is one year. By committing employees to the company after completing the programme, Norske tog ensures a return on investment in the individual employee.

Feedback from Norske tog's annual employee surveys and appraisal interviews shows that there is plenty of scope for professional and personal development in the company. There has not been identified any risks of discrimination or obstacles to gender equality related to promotions or development opportunities. This is something the company is proud of and keen to continue.

## Organisation

Norske tog offers and supports a diverse working life, with a high degree of flexibility, and places great emphasis on adapting working conditions to the individual employee's needs.

The company has had a stable low level of sickness absence ever since its inception in 2017. In 2024, the sickness absence was 3.5 per cent, an increase of 1.9 per cent from the previous year. The increase is mainly due to more people on long-term sick leave for reasons that are not work-related.

Norske tog has fixed procedures for organising long-term sick leave, which describe what employees can expect from the company in the event of long-term sick leave. Sickness absence is followed up at AMU meetings throughout the year, and in 2024 the committee did not identify any findings that triggered special measures.

All employees who need it receive a specialised monitor, mouse and keyboard, extra lighting, an adapted chair and more in their office space. In addition, the company has an agreement for support for home office equipment. This agreement means that employees can buy equipment of their choice for their home office for up to NOK 25,000, provided they have signed Norske tog's home office agreement. Employees can also borrow equipment from the office if they wish.

Norske tog has many employees with a non-Norwegian cultural background. The company's scheme to accommodate employees with other religious and cultural affiliations, with public holidays other than Norwegian public holidays, is still applicable. Those who wish to do so have the opportunity to take two days of paid leave. In addition, Norske tog adapts, as far as possible, gatherings, major meetings and social events to periods outside relevant holidays, such as Lent. The details of the arrangements are clarified between the employee and the immediate manager. The canteen also caters to other diets when needed. Currently we cater for vegetarian, gluten-free and certain allergies. This is continuously adjusted in line with employees' wishes and needs.

Norske tog's guidelines allow employees to wear what they want, as long as the attire is decent.

## **Work life- and family life balance**

Norske tog wants its employees to have good lives, both at work and at home, and therefore organises for employees in different phases of life. Provided that the individual's job description allows it, Norske tog offers its employees flexible working hours with an outer framework from 07-20, where the core hours are 09-14.30. Flexible working hours make it possible for individuals to customise their working day to their needs. In recent years, Teams and other such digital tools has enabled increased flexibility in positions where this is desirable and feasible.

Norske tog has established a general practice of a minimum of 40 per cent physical presence at the office. The company is flexible on this practice, and employees who need a greater proportion of home office can arrange this with their immediate manager. HR quality-assures all requests to ensure that there is no discrimination between the various departments in the company. For large parts of 2024, our premises have been characterised by renovation, which has meant that we have not required physical attendance of at least 40%. From January 2025, we will return to normal.

Arrangements are also being made for employees to take half care days for absence with a sick child, so that employees have greater flexibility.

Norske tog goes to great lengths to organise the working day for its employees, and in certain welfare cases it will be possible to have reduced working hours if the reduced working hours do not entail any particular disadvantages for the company. Applications for reduced working hours must be submitted in writing to the immediate manager. Further needs for adaptation for the individual employee are reviewed in the annual appraisal interview.

## **Expectations for the work ahead**

Norske tog is an organisation with a lot of activity in a small administration. As a result, some of the planned measures in the work on diversity and equality were not implemented in 2024 as planned. Nevertheless, we feel that there has been a positive development in the work and that we have matured as a company and as employees through the year's activities. Norske tog will continue this work in 2025.

In 2024, Norske tog carried out a statutory risk assessment relating to obstacles to gender equality and the risk of discrimination. Furthermore, a risk assessment of the recruitment process was carried out, and requirements were set for suppliers of recruitment services to have expertise in diversity and inclusion. All managers, with the exception of one new manager, participated in courses on the inclusion programme. Awareness of both conscious and unconscious biases were raised through the Train Academy and content on the intranet. An interview process to hire a person through the Helt Med foundation was started. The measures will continue in 2025.

In order to succeed with its gender equality work in the future, Norske tog sees it as crucial to strengthen co-operation between the company, employees, employee representatives and safety representatives.



# Norske tog's Code of Ethical Conduct for Suppliers

## Purpose of Norske tog's Code of Ethical Conduct for Suppliers

Ethical and responsible conduct by its suppliers is of highest importance for Norske tog (NT).

The purpose of NT's Code of Ethical Conduct (CEC) for Suppliers is to ensure that all suppliers of goods and services to NT are equally aware and obligated by principles and requirements as stated in this document.

CEC applies to all of NT's suppliers and sub-suppliers (jointly referred as Supplier). The Supplier is responsible for his own and any sub-suppliers' compliance with CEC.

CEC is a part of the contract between NT and the Supplier, and violations may have consequences.

## International standards and frameworks

The requirements in this CEC aligns with globally recognised standards, such as the United Nations Guiding Principles on Business and Human Rights (UNGP), the International Labour Organization's (ILO) conventions, and the Organisation for Economic Co-operation and Development's (OECD) guidelines for responsible business.

## Child labour

The supplier shall respect and comply with the provisions on child labour in the UN Convention on the Rights of the Child art. 32. and ILO Convention No. 138 on the Minimum Age for Admission to Employment and work, ILO Convention No. 182 on the Worst Forms of Child Labour and No. 79 Night work of Young Persons as well as the ILO minimum wage recommendation No. 146. The Supplier shall i.e. not in violation of the conventions

- use workers of an age where school is mandatory or that are under the age of 15 years, or
- use workers under the age of 18 years for work at night or work that poses physical danger and/or health risk

## Forced labour

The Supplier shall comply with ILO Convention No. 29 on Forced or Compulsory Labour or Forced Labour Convention, and No. 105 Abolition of Forced Labour Convention i.e. by ensuring that the Supplier does not contribute to, and counteracts, forced labour, slave labour and involuntary work. All of the Supplier's employees shall i.e. be at liberty to terminate their employment with a reasonable termination period.

## Discrimination, Marginalised Populations, Harsh or inhumane treatment

The Supplier shall comply with ILO Convention No. 100 on Equal Remuneration Convention and ILO Convention No. 111 on Discrimination (Employment and Occupation) and the UN Convention on Discrimination Against Women) and UN Covenant on Civil and Political Rights, Art. 7 on Harsh or Inhumane Treatment, i.e. by ensuring that no arbitrary or illegal discrimination or treatment takes place based on sex, race, sexual orientation, political views, or other grounds. The Supplier shall also comply with UN Covenant on Civil and Political Rights.

## Employees rights, wages and working conditions

The Supplier shall comply with ILO conventions No. 87 Freedom of Association and Protection of the Right to Organise, No. 98 on Right to Organise, No. 131 Wages, Working Hours (ILO Convention No. 1 and 14)

and No. 154 Collective Bargaining and No. 135 Workers' Representatives Convention. and ILO Convention No. 1 and 14 on working hours, as well as ILO Convention No. 95, 158, 175, 177 and 181 on regular employment.

The Supplier shall i.e.

- ensure respect of national legislation on workers rights and international labour standards
- Ensure wage levels that is necessary to afford a decent standard of living for workers and their families in accordance with the ILO's principles of estimating the living wage
- ensure that his employees or hired workers' rights are respected
- respect legislation and ILO-conventions on working conditions, working time and protection of wages and unjustified dismissals
- requirements on working hours and working environment legislation on acceptable remuneration

## Health and safety

The Supplier shall comply with ILO Occupational Safety and Health Convention No. 155 and ILO Recommendation No. 164 and ensure that the working environment complies with legal requirements i.e.

- regarding information on health risk to workers
- requirements in access to safety equipment.

The Supplier shall respect employees and third parties personal data protection, the Suppliers may i.e. not register or monitor employees in violation of legislation in the relevant jurisdiction.

## Environment and animal welfare

In the event that the Supplier's business is potentially harmful to the environment or animal welfare, or if required by NT, the Supplier shall have a publicly available environmental policy. Negative impact on animals or the environment shall be reduced throughout the value chain. In line with the precautionary principle, measures shall be taken to continuously minimize greenhouse gas emissions and local pollution, the use of harmful chemicals, pesticides, and to ensure sustainable resource extraction and management of water, oceans, forest and land, and the conservation of biodiversity.

The Supplier shall continuously work to achieve the least possible environmental effects of its business, i.e. continuously endeavour to

- reduce use of energy and resources
- reduce any discharges, e.g. by participating in relevant systems for recycling and deposit, etc. of the Suppliers' goods and raw materials
- work for the development of more environmentally and animal friendly solutions.

## Business ethics

The Supplier shall comply with legislation on all relevant areas, i.e. within the areas of taxes and duties and competition law.

## Corruption, bribery and money laundering

The Supplier and its directors and employees shall comply with any applicable anti-corruption and anti-bribery laws, including the Norwegian Penal Code (LOV-2005-05-20-28) and any other anti-corruption or anti-bribery laws in effect where the Supplier conducts its business.

The Supplier shall actively and continuously work to eliminate extortion, corruption and money laundering. The Supplier shall i.e.

- if he has more than 30 employees, or in all events on NT's requests, present a publicly available policy against corruption and ensure that any incident where there is suspicion of corruption is properly investigated,
- implement internal regulations on gifts to employees, etc.,
- comply with general standards on ethical conduct of business, and ensure orderly and transparent conduct of its business,



- comply with requirements of legal competence, and report on any instance of possible legal incompetence, ref. clause 9.

### Inspection and reports

NT shall have the right to perform all inspections at the Supplier's and its sub-suppliers' premises that are necessary to verify that CEC are complied with.

The Suppliers shall immediately report any violation of CEC that the Supplier detects in his own or his sub-suppliers' business.

The Supplier shall immediately carry out necessary actions to remedy the relevant violations.

The Supplier shall immediately report to NT in the event of a possible conflict of interest between NT and a third party with which the Supplier has a business relationship, or owns, is owned by or has a joint ownership with.

### Due Diligence for responsible business in line with the OECD guidelines and compliance with the Norwegian Transparency Act

NTs Suppliers shall conduct due diligence for responsible business conduct in line with OECD Guidelines for Multinational Enterprises on Responsible Business Conduct methodology<sup>1</sup> and according to the Norwegian Transparency Act (LOV-2021-06-18-99) and the Corporate Sustainability Due Diligence Directive (CSDDD). If the supplier is responsible for the negative impact/damage, they are responsible for providing remedy.

### Information to employees and sub-suppliers

The Supplier shall provide employees and sub-suppliers with the necessary introduction to CEC, so that all participants in any work done for NT shall have information and understanding of the CEC.

### Consequences of breach

Violations of CEC shall be regarded as material breach of contract and may result in i.e.

- termination of the contract by NT,
- exclusion of the Supplier from qualification as a supplier to NT
- day penalties equivalent to 0.1% of the contract value each day. The penalties shall not exceed 10% of the total contract value.

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<sup>1</sup> [OECD Guidelines for Multinational Enterprises on Responsible Business Conduct | OECD iLibrary \(oecd-ilibrary.org\)](https://oecd-ilibrary.org/)