Annual and Sustainability Report 2024

Vy Group

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Key Figures 2024

Turnover

19 359 MNOK

Profit for the year

-112 MNOK

Number employed FTEs

12 035

Number of journeys

213 million

Sick leave ratio

7,9%

Growth in the number of train journeys (Norway)

2,5%

Customer satisfaction

Passenger train	76/100
Passenger bus	82/100

Workforce 2024

Female 17%

Male 83%

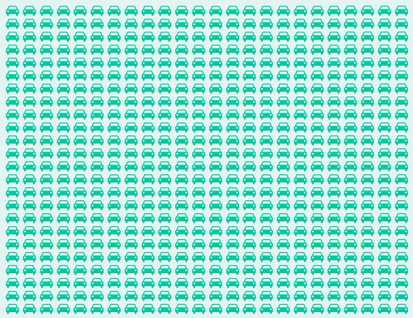
Punctuality passenger train (Norway)

87%

Growth in the number of bus journeys

5,3%

Vy contributes to reduce greenhouse gas emissions

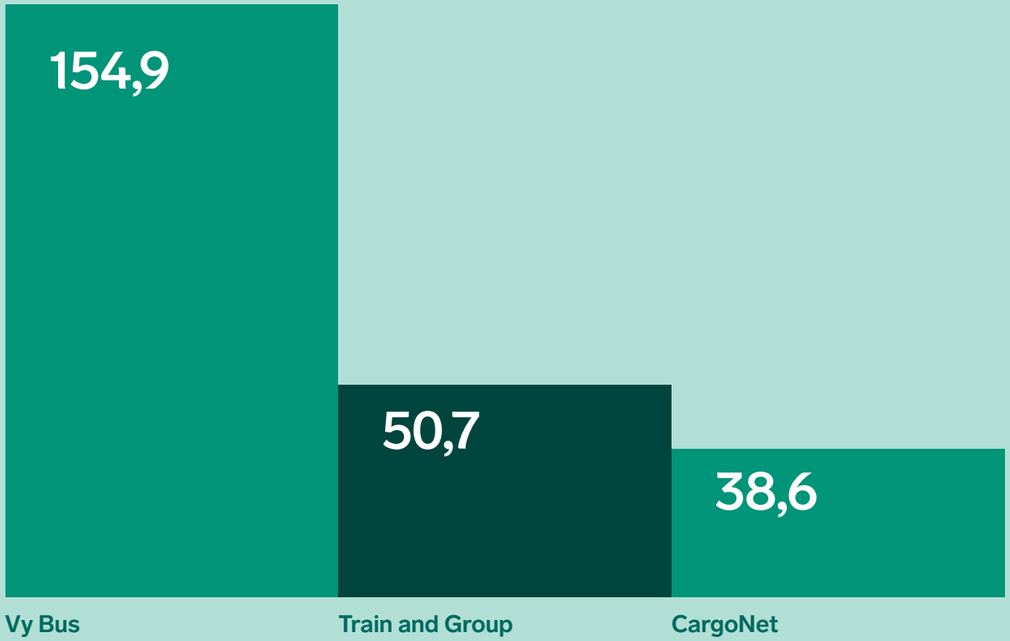


600 cars
is on average replaced by a full train in rush hour traffic

1 200 trailers
replaced by CargoNet's freight operations per operating day

Greenhouse gas emissions (tons CO_2e)

In a thousand tons



787 525
CO_2-equivalents* saved compared to alternative transport by car and truck.

This equates to the annual emissions from

400 860 cars

The share of electric buses increased to 14%

Introduction by the CEO

Growth Despite Challenges

Public transportation is an important part of the solution to climate challenges and is essential for cities to be accessible and for travel without owning a car.

Vy's vision and primary contribution is to make it easy to choose environmentally friendly options, so that more people choose to travel together or transport their goods by rail rather than by road.

Gro Bakstad
CEO, The Vy Group

”When roads and railways are closed, it is also tough to be an employee at Vy. I am proud to have such skilled employees who quickly adapt, plan, assist, and guide our customers when things do not go as planned.”

At the same time, we are working hard to reduce our own emissions. In 2024, for example, we operated more trains and buses while still reducing emissions compared to 2023, increased the proportion of electric buses, and opened a solar power plant in Mysen. It is motivating that our work is being noticed, and we are proud that Norwegian consumers in 2024 named Vy Norway’s most sustainable transport company (Sustainable Brand Index).

Record number of journeys

We are particularly pleased that the growth in the number of journeys with our trains and buses continues in 2024, as it has been a tough year for both customers and us. Heavy snowfall and Arctic temperatures closed roads and railways, and the snow damaged many of the trains. In hindsight, we see that unfortunately, we pushed the trains too hard in the winter weather, as it took a long time to repair them all.

In addition, the railway infrastructure failed regularly, and far too many trains were cancelled or delayed. The punctuality of our trains ended at 86.8 per cent, well below the target of 90.8 per cent and lower than last year’s 88 per cent. Delays and cancellations are, of course, challenging for our customers who rely on the trains to run as they should.

When roads and railways are closed, it is also tough to be an employee at Vy. I am proud to have such skilled employees who quickly adapt, plan, assist, and guide our customers when things do not go as planned.

The challenges throughout 2024 resulted in Vy’s financial performance being weaker than the target for the year. Closed railway sections hit freight customers and CargoNet hard. Randklev Bridge on the Dovre Line did not open until the end of May, and the Ofot Line/the Iron Ore Line was closed for many weeks in the winter. The Nordland Line had to be closed for many weeks in the autumn due to a landslide, in addition to other incidents that have affected the infrastructure. Efforts are being made to reduce our own costs and improve the conditions for rail freight. Closed rail sections have also contributed to significant challenges for the night train contract Stockholm-Narvik. This contract ended in December 2024.

Skilled and committed employees

In customer satisfaction surveys in both bus and train services, onboard staff receive very good feedback from customers. This is important because customer interactions are crucial in our industry. Despite a rough year, employee engagement remains high.

Following the pandemic, sick leave in the entire Norwegian business sector has been at a higher level than before. Vy is no exception, with a total sick leave rate of 7.9 percent, down from 8.2 percent the previous year, and targeted efforts are being made to reduce this.

Vy and Flytoget will merge

In September, the Norwegian government announced that Vy and Flytoget will merge early in 2025, with Flytoget becoming a subsidiary of the Vy Group AS. This is an important step in preparing for the integration of Flytoget’s routes into the regional train service in Eastern Norway, at the latest in 2028. During the period from the merger and until the integration of the train service, we now have the opportunity to get to know Flytoget’s skilled employees and together further develop the train service in Eastern Norway, to the benefit of both daily commuters and those who are travelling to the airport.

New ventures and contracts for Vy

The Norwegian Railway Directorate is now working on assessing the scope and division of future traffic agreements for passenger trains in Norway. While this work is ongoing, the Ministry of Transport has decided that the Norwegian Railway Directorate will directly award the Southern Line, Jæren Line, and Arendal Line (package 1 South) to Vy from December 2027, for up to five years. We look forward to reuniting with many skilled employees and railway lines we know well.

We know that the interest in cross-border traffic is high, and we would therefore like to link Norway more closely to the Nordic region and Europe. Vy doubled the number of departures to Gothenburg at the end of 2023. This has been very popular, with more passengers than expected in 2024.

Now we will continue to invest, and the next step is to extend two departures each way further to and from Malmö for four weeks in the summer of 2025. We hope this summer train will be popular and that it is something we can continue to offer in the future. Since the spring of 2024, we have also been in dialogue with Danish DSB to explore a commercial collaboration on the Oslo-Copenhagen route from 2026.

In the bus business, we win and lose bus contracts, and in 2024 we are particularly pleased to have regained bus operations in Møre and Drammen, and that we won two contracts for Ruter in Bærum. In the express bus segment of the bus business, we constantly adjust the offer to demand and launch new routes where we believe customers want a better bus service. In the past year and a half, we have extended two of our routes all the way to Bergen. Vy190, which runs along the coast from Oslo to Kristiansand and Stavanger, we extended further to Haugesund and Bergen. Vy450 to Valdres is extended over the mountains to Fagernes and all the way to Bergen. It will be exciting to follow the development of these routes.

More vacation and leisure travellers

There is good development and high activity in the vacation and leisure market, among both Norwegian and foreign travellers. The number of trips on the Flåm Line has increased by 23 percent from 2023 to 2024.

In the express bus market, we also experience high demand from vacation and leisure travelers, and we receive very good feedback from customers traveling with us. The customer satisfaction is high, and even though we had to give up the lead in the Swedish Quality Index this year, after 13 years at the top, Vy Bus4You ended up in a strong second place with Vy Flygbussarna on fourth place. We can thank our employees for the good results, as they welcome and treat travelers as their own guests.

Every journey counts

2024 has given us both ups and downs. The two things that have delighted me the most are the growth in the number of journeys, despite the difficulties, and that we at Vy work hard together to provide customers with a good journey, even when things do not go as planned. Because every journey counts.

Highlights 2024

The Government wants one state-owned railway company

The government has decided that Vy and Flytoget will merge early in 2025. Flytoget will become a subsidiary of Vygruppen AS. The integration of the airport express train service into Vy's other rail services in Eastern Norway will be completed in 2028 at the latest.

Hard winter conditions

An unusually cold winter created significant problems for trains, freight trains, and buses. Challenging weather conditions, poor rail infrastructure, and a shortage of trains explain many of the cancellations and delays. This has particularly affected train passengers.

Dovre Line reopened

The Randklev Bridge on the Dovre Line reopened on May 20, 2024, after collapsing into the river in August of the previous year. This limited rail freight transport between Eastern Norway and Central Norway for nine long months.

The Bergen Line closed after freight train derailments

Significant material damage occurred when a freight train from OnRail derailed at Arna Station in March. The Bergen Line was therefore closed for several days during Easter 2024 due to the incident. The Iron Ore Line and the Ofoten Line were also closed for several weeks due to derailments.

Freight train from CargoNet derailed

A freight train from CargoNet derailed on the Southern Line in May, causing traffic stoppages for several days. Over 18,000 railway sleepers were damaged and had to be replaced following the derailment.

Vy takes over the Southern Line in 2027

The government announced that Vy will be directly awarded the operation of the Southern Line, Jæren Line, and Arendal Line from December 2027. The contract will be temporary, lasting at most until 2032.

Vy won contract for self-driving bus in Gothenburg

Vy was awarded the task of operating a self-driving bus in Gothenburg, between the central station and Liseberg. The project has a duration of two years and plans to start in the spring of 2025.

Vy takes over two bus contracts in Bærum

Vy won two bus contracts in Bærum when Unibuss, as part of the company's reconstruction, had to hand over two contracts with Ruter. After a very short takeover period, in October we welcomed 436 new colleagues.

Vy regained bus contracts in Møre

Vy Bus won the tender competition for the operation of FRAM Express and public transport in Ålesund and Volda, in southern Sunnmøre. The two contracts last for over ten and thirteen years and consist of electric buses.

Vy started new bus tender period in Drammen

On July 1, Vy started a new bus contract in Drammen. The contract includes 113 buses, 85 of which are electric, and lasts for a minimum of ten years. Vy Bus has over 300 employes in Drammen.

Double track between Arna and Bergen opened

In May, the double track between Arna and Bergen was officially opened. With the double track, we have increased from 26 to 66 departures daily between Bergen and Arna on weekdays.

Vy lost train tender on X-trafik

Vy lost the train tender on X-trafik, which we have operated for many years. This means that, unfortunately, we must hand over this contract to the Finnish VR in the summer of 2025.

Vy Tåg AB ends Night Train contract

At its own request, Vy's Swedish rail company terminated the Night Train contract between Stockholm and Narvik after only four years. Poor economic conditions led to the contract's termination.

Vy is Norway's Most Sustainable Transport Company

Norwegian consumers voted Vy as the most sustainable brand in the transport industry. This was revealed in the annual brand survey, Sustainable Brand Index.

Our first solar power plant

In November, we commissioned our first solar power plant. The facility consists of 304 solar panels and is located on the roof of Vy Bus' stationing location in Mysen.

Vy's Chairman of the Board named Chairman of the Year

Berit Svendsen was named Chairman of the Year for her efforts as Chairman of the Board of Vygruppen AS. The jury highlighted how Svendsen has focused on team building, structured meeting management, and strategic cooperation in her board work.

New self-driving project in Stavanger

We are continuing the self-driving pilot with Kolumbus in Stavanger. The goal of this project is to have the safety host removed from the bus so that the bus can be operated from the control center.

This is Vy

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

Number of employees

12 035

Turnover

19 359 MNOK

Number employed FTEs

10 073

Bus

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

Number of journeys

144,9 million

Turnover

8 605 MNOK

Number employed FTEs

6 234

Passenger Train

Vy's train operations in Norway consist of local trains, regional trains, and long-distance trains in Eastern and Western Norway. In 2024, it was decided that Vy and Flyoget will merge early in 2025. It was also decided that Vy will be directly awarded the contract for train operations on the Sørland Line, Jæren Line, and Arendal Line from December 2027.

In Sweden, Vy operates four train contracts: Night train traffic in Upper Norrland (ended in December 2024), Norrtåg, X-trafik, and Värmlandstrafik.

Number of journeys

68,4 million

Turnover

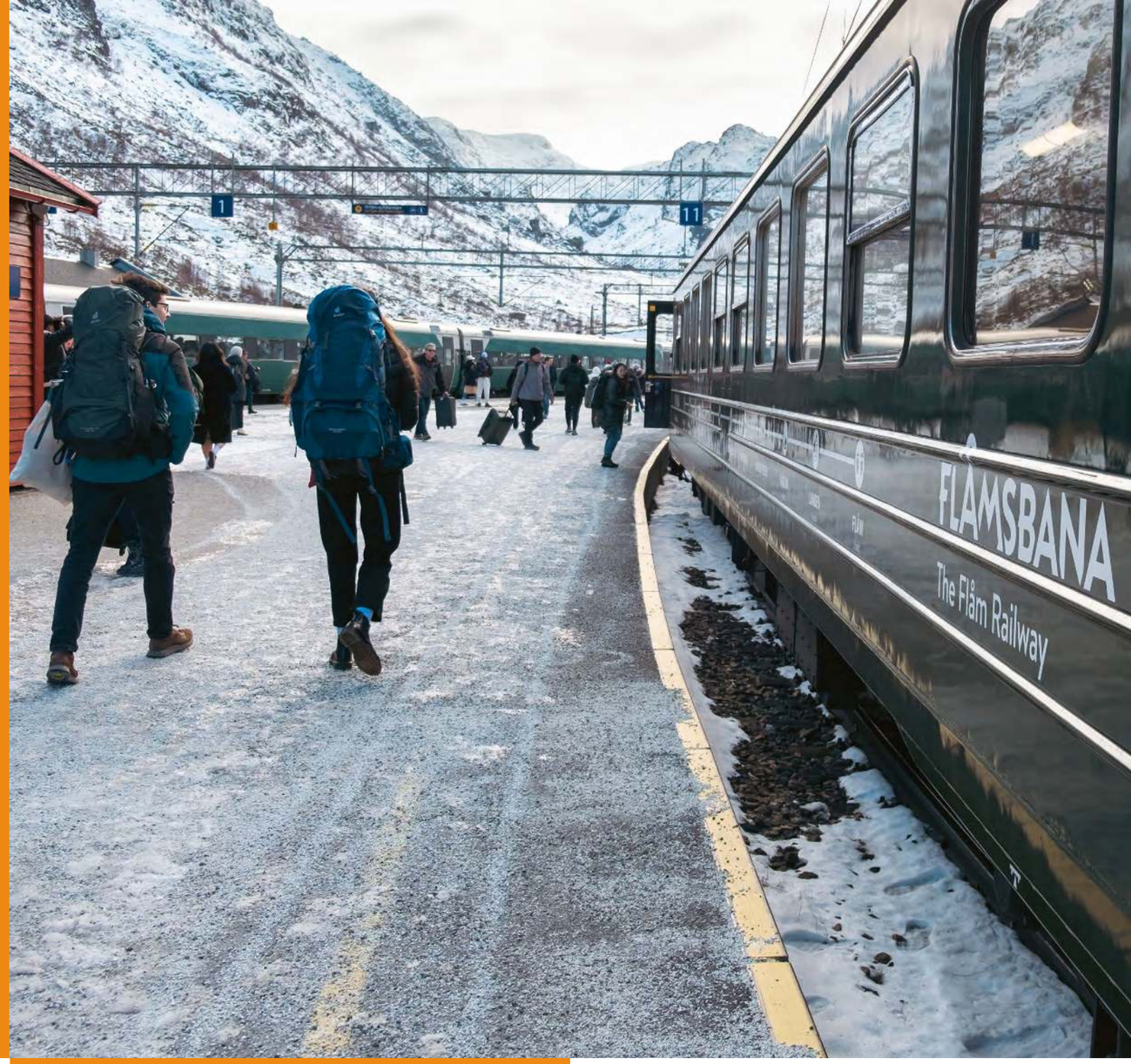
8 606 MNOK

Number employed FTEs

2 597

Flåmsbana and tourism venture

Vy focuses on developing sustainable tourism offerings based on public transport. We offer fjord, mountain, and cultural experiences to Norwegian and international tourists and international tour operators. The activities are mainly conducted through the partially owned companies Flåmsbana AS and Fjord Tours. This venture helps more people choose public transport while creating local jobs and year-round tourism.



Number of journeys

956 348

Freight

Vy's freight business, CargoNet, is Norway's leading provider of rail freight transport. CargoNet transports everything from food and mail to timber, ore, and aviation fuel. CargoNet accounts for around 65 percent of all rail freight transport in Norway and handles a daily volume equivalent to approximately 1,200 trucks. The company offers environmentally friendly and safe rail transport of goods domestically and between Norway and Sweden. The company also operates ten freight terminals.

Turnover

1 306 MNOK

Number employed FTEs

480

Group management

Per 31.12.2024

Gro Bakstad
CEO
Vy

Erik Røhne
Executive director
Passenger train

Ole Engebret Haugen
Executive director
Bus

Ingvild Storås
Executive director
CargoNet

Irene Katrin Thunshelle
CFO

Marius Holm
Executive director
Communication and public affairs

Kristian Kolind
Executive director
Strategy and IT

Kristin Flagstad
Executive director Organization and HR

Our Strategy

Vy makes choosing green easy

Vy's vision is to make it easy to make green choices. The vision stems from our societal mission to ensure efficient, accessible, safe, and environmentally friendly transportation of people and goods. Our goal is to grow by having more people choose sustainable travel and freight transport by rail, and to achieve the highest possible return over time within sustainable frameworks.

This is the foundation for Vy's future initiatives and goals and is the company's most important contribution to a more sustainable society.

We have set an ambitious goal for 2025 to save society one million tons of CO_2 equivalents. Emissions saved for society are calculated based on alternative emissions from the number of completed journeys and freight transports, minus our own emissions. The number of journeys and transports is therefore an important part of the main goal.

In addition to climate and environment, sustainability also includes social and societal aspects. We will contribute to a more sustainable society by having more people share the same resources. By relieving the roads of congestion and heavy transport, the number of accidents will be reduced, and there will be significantly lower local emissions and noise. We also challenge our suppliers to make sustainable choices and constantly work to use resources more efficiently.

Diversity is an important part of our sustainability work, and we are proud to have employees from many different nations and with different backgrounds working together and sharing knowledge.

To fulfil the vision and achieve our goals, we work within four strategic areas:

- Great customer experiences every day
- Industry-leading innovation
- Efficient and reliable in everything we do
- Engaged and customer-oriented employees

In addition to our own internal work, the entire transport sector must work together to deliver better quality to customers and get more people to choose public transport. Therefore, we work closely with authorities, regulators, clients, suppliers, and other operators in the industry.

Great customer experiences every day

A good customer experience starts with reliability, safety, and quality in our deliveries. Vy will meet customers in a friendly, holistic, and consistent manner, both in personal meetings and on digital platforms.

Selected operational performance indicators	Status 2024	Target 2024	Target 2025
Volume growth passenger trains Norway	2,5%	5,0%	4,3%
Customer satisfaction passenger trains Norway	76	80	78
Customer satisfaction commercial buses	82	82	85

We have a service promise that we use in our continuous work to improve in meeting our customers. In 2024, we have worked a lot to improve customer information when things do not go as planned, in all channels and throughout Vy.

Quick, relevant, and accurate information significantly improves the customer experience when things do not go as planned. In 2024, we have, among other things, signed a new bus contract for rail replacement buses and a new solution for taxi requisitions so that buses or taxis can be available when trains are not running, and travellers need alternative transport. Improvements and push notifications in the Vy app have also made it easier for travellers to get information about their journey. There were on average more than 932,000 unique monthly users of the Vy app in 2024, up 7.8 percent from 2023.

Several delays and cancellations in train traffic in Norway have unfortunately given many train customers poor customer experiences in 2024. Nevertheless, customer satisfaction ended up averaging 76 out of 100 points in the Norwegian Railway Directorate's surveys. In the west (the Bergen line and train traffic in Western Norway), customer satisfaction was higher than in Eastern Norway, with an average of 83. Never have so many journeys been completed with our trains. There was also passenger growth in the bus business, and consistently high customer satisfaction for the commercial express buses at 82 out of 100 points.

Industry-leading innovation

By industry-leading innovation, we mean business-driven innovation that benefits the customer, reduces our emissions, and makes us more competitive.

Selected operational performance indicators	Status 2024	Target 2024	Target 2025
Emission of CO_2e per seat kilometre, bus (gr.)	26,7	24,0	24
Emission of CO_2e per tonne kilometre, freight	5,1	5,0	4,9
Percentage of buses on renewable fuel	48%	48%	52%

Transport is undergoing major changes, and the demands from customers, clients, and professional buyers are increasing. Vy must therefore constantly take advantage of the opportunities available through digitalization and new technology and develop new solutions.

Examples of industry-leading innovation initiatives are our groundbreaking projects with self-driving buses, our advocacy work for the electrification of the bus fleet and testing of electric lifting equipment at freight terminals. In 2024, we have driven longer, faster, and more automated with our self-driving bus in Stavanger together with Kolumbus, and in 2025 we will start a new project with a self-driving bus together with Västtrafik in Gothenburg.

Vy's bus operations accounted for approximately 60 percent of the company's total greenhouse gas emissions in 2024, and we are working hard to reduce these emissions. The tender business is the largest part of the bus business and accounts for around 80 percent of Vy's total bus kilometres driven. When the county public transport companies announce new tender competitions, these are mainly based on electric buses.

As Norway's largest commercial bus operator, we have ambitions to electrify and test new technology on this part of our bus fleet, which mainly consists of express buses.

In the freight and passenger train business, we are constantly working to reduce the footprint on the external environment and reduce energy consumption. Hybrid locomotives replace older diesel locomotives in the freight business, energy-efficient driving, and adjusting the indoor temperature when the train is running and parked are examples of measures in this area.

Measurements show that different driving styles can result in significant variations in energy consumption without compromising safety and punctuality. Therefore, we are now increasing locomotive drivers' knowledge and awareness of utilizing typography, quickly achieving target speed, and planning speed variations.

Efficient and reliable in everything we do

For Vy, efficiency and reliability are about systematic work and collaboration with others in the sector to ensure competitiveness, quality, and better deliveries to our customers.

Selected operational performance indicators	Status 2024	Target 2024	Target 2025
Total punctuality, passenger trains	86,8%	90,8%	90%
Operator-dependent punctuality, passenger trains	98,1%	98,6%	98,6%
Operator-dependent regularity, passenger trains	99,3%	99,7%	99,7%

Our goal is for travellers and freight transport to reach their destinations on time. Unfortunately, 2024 has been a bad year for customers and us, with a punctuality rate for passenger trains in Norway of 86.8 percent. Freight trains have been negatively affected by closed railway lines, including long-term closures on the Dovre Line, the Nordland Line, and the Iron Ore Line/Ofotbanen.

It was a challenging start to the year with extreme cold and trains that could not withstand the Arctic winter and insufficient snow clearing. The quality of the railway infrastructure is affected by a significant maintenance backlog, and it is also affected by floods and landslides. Excluding such and other events that are mainly beyond our control, our operator-dependent punctuality for passenger trains is 98.1 percent.

Sufficient train capacity and enough repair shop and parking capacity are crucial for delivering the expected train service, and we have close dialogue in the sector to handle challenges in the best possible way. We implemented many measures to have as many trains as possible in traffic throughout 2024 and used the learning from 2024 to prepare for the winter in 2025. While the old local trains are being repaired, we have, among other things, borrowed modern regional trains from Western Norway, and we work closely with Norske tog and Bane NOR. Measures have been taken to increase maintenance capacity at the repair shops. Unfortunately, we expect that our oldest trains will have major challenges until they are replaced, at the earliest in the second half of 2026.

Throughout Vy, we have initiated several major improvement measures to meet the competition in the bus market, the increased requirements in train contracts, and the commercial freight market.

Engaged and customer-oriented employees

Vy's employees are our most important resource. Our aim is to be a responsible and safe workplace with an open and inclusive culture and engaged employees who always have the customer perspective in mind.

Selected operational performance indicators	Status 2024	Target 2024	Target 2025
Employees – serious injuries	2	0	0
LTI (frequency of occupational accidents that are serious enough to result in at least one full day of absence from the workplace)	8,9	5,7	6,9
Absence due to illness (total)	7,9%	7,6%	7,8%
Employee satisfaction	73	76	75
Proportion of women in management	48%	40-60%	40-60%

The daily cooperation in the business areas is the cornerstone of this work, where all aspects of working life are discussed openly among employer and employee representatives. We work for more diversity, openness and inclusion.

We build competence and focus on employee and leadership development in all parts of Vy, with our own training units that work systematically with vocational training for bus drivers, conductors, locomotive drivers, and terminal workers. For example, technological development requires increased competence to drive electric buses.

Nearly 90 percent of our employees have jobs that are covered by regulations that provide guidelines for regular health checks and approvals. Locomotive drivers, conductors, and bus drivers undergo regular health checks either with our occupational health service or in primary health care. Sick leave has a positive development from the previous year but is still higher than the target, ending at 7.9 percent for the year.

The number of injuries to our own employees is higher than the target and last year, largely due to winter issues that result in slippery surfaces at terminals, stations, and bus stops, leading to fall injuries. To reduce sick leave, we are working on a work environment and sick leave project in the train business. In the bus business, a dedicated task force is used to help the various departments with sick leave and injury prevention, in addition to managers sharing best practices with each other at gatherings. These and other measures resulted in a decrease in sick leave in the bus business from 2023 to 2024.

With these strategic measures, Vy is well-positioned for future growth and will continue to make it easy for people to choose environmentally friendly transport. Every journey counts.

Board of directors report

Board of Director's report Vygruppen 2024

(Last year's figures in parentheses)

Summary for the year 2024

The number of travellers using public transport services by train and bus is increasing and with good growth compared to last year.

A severe winter season with demanding weather conditions and challenging driving conditions affected the quality of the service for both buses and trains, and resulted in more demanding operations than the corresponding winter last year. The winter season also caused more damage to the trains than in previous winters and lower capacity in the train service in Eastern Norway than planned. The development in revenues and profit at the beginning of the year was affected by this.

There is good development and high activity in the holiday and leisure market, with a significant improvement in demand and the number of travels.

It has been a very challenging year for transport of goods by rail with closed railway lines and lower availability of infrastructure. Closed railway lines mean a reduced offer to freight customers, and significant losses for rail freight. Confidence in the freight transport is weakened through low robustness and it therefore takes time to get the market back to these railway lines.

Growth in the number of travels by train and improvement measures contributed positively to the result compared with last year, but severe winter, lower availability of infrastructure and closed railway lines had a negative impact on the Group's profitability. Profit before tax also includes increased capital costs related to leasing obligations in the train and bus operations.

Developments in key management parameters:

- Increase in the number of travels by passenger trains in Norway by 2.5 per cent compared to last year
- Increase in the number of travels by bus of 5.3 per cent compared to last year
- Punctuality for passenger train operations is 86.8 per cent (88.0 per cent)
- Absence due to illness in the period is 7.9 per cent (8.2 per cent)
- LTI is 8.9 (7.0)

Economic Development:

- The operating profit is 493 MNOK (378 MNOK).
- Profit after tax is -112 MNOK (53 MNOK)
- The return on book equity over the last 12 months is -3.5 per cent (1.5 per cent)

Developments in the business

Passenger train

Vy operates train traffic in Eastern Norway and traffic package West. In addition, Vy operates three train contracts in Sweden. The agreements for the traffic packages Østlandet 1 and 2 started in 2023. In December, the Gjøvik Line was merged with our other traffic packages in Eastern Norway.

The traffic agreement Nattåget Norrland with the Swedish Transport Administration was terminated in December 2024.

Operating revenues for passenger train operations in 2024 are 8 606 MNOK (8 429 MNOK), an increase of 2 per cent from the previous year. The total number of journeys in passenger train operations in Norway is 64.9 million, an increase of 2.5 per cent compared to 2023.

The operating profit for passenger trains is 454 MNOK (275 MNOK).

In Norway, Vy achieved an overall punctuality of 86.8 percent, 1.2 percentage points lower than in the same period in 2023 and lower than the target of 90.8 percent. Operator-dependent punctuality is 98.1 percent. A severe winter with icing of the train sets resulted in damage and lower capacity. In addition, there are particular challenges with the oldest train sets that are ready for replacement. A number of measures are being taken to ensure access to a sufficient number of trains to meet demand.

Bus

Vy Bus performs scheduled services under contract with county municipalities in Norway and Sweden, as well as commercial routes in Norway and Sweden. There has been a continued growth in the number of travels by bus from the same period last year of 5.3 per cent. At the same time, there has been a slight decline in the volume of commercial buses from last year, both because of lower activities related to concerts and events and increased competition in the market.

In 2024, the bus business has started three new tender contracts in Drammen and Bærum. In 2024, the company have 184 more electric buses in operation. Two tender contracts have been reclaimed in Møre starting in 2026.

Total operating revenues are 8 606 MNOK (8 466 MNOK). Operating profit is 224 MNOK (303 MNOK). The bus business has also been negatively affected by demanding winter and driving conditions at the start of the year. This resulted in damage and repair costs above target and increased use of overtime to maintain traffic and services. There is a strong focus on recruitment to ensure sufficient staffing.

Freight train

A severe winter and closed railway lines resulted in reduced volumes and increased costs for freight operations. Production challenges have limited the volume development, and it has been challenging for customers, who are experiencing a reduced offer for rail freight.

The challenges with the Randklev bridge meant that the Dovre Line was closed August 2023. It was opened towards the end of May 2024. Both the Ofot Line/Malmbanen and the Nordland Line have also been closed for longer periods during the year, which has major consequences for profitability. There are limited compensation schemes that cover loss of income and cost increases as a result of production changes, and it takes time before all customers are back in full. CargoNet has implemented several improvement measures on both the revenue and cost side

to improve profitability for the company, precisely to ensure that freight by rail will continue to be offered as a more environmentally friendly transport choice for customers.

Operating revenues are 1 306 MNOK (1 268 MNOK), and operating profit is -141 MNOK (-79 MNOK). There are challenges with today's infrastructure and the vulnerability associated with the impact of weather events. Closed railway lines have major consequences for customers and significant risk for the operators who transport goods on the railway. There is therefore a critical need for more predictable and sufficient framework conditions for rail freight, including predictable and adequate compensation schemes when freight trains are prevented from running. The Group follows up the company's own profitability improvement measures and assesses risk and measures on an ongoing basis.

Tourism

Vy focuses on tourism through public transport-based tours with fjord, mountain and cultural experiences for Norwegian customers, tourists and international tour operators. The main part of the investment is made through our part-ownership in Fjord Tours Group and the Flåm Railway. We are working to develop more attractive tourism packages by train, bus and boat together with local tourism operators.

We are seeing a significant improvement in demand, and the number of travels on the Flåm Railway during the year has increased by 23 per cent compared to last year.

Governance and management

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

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

The Board of Directors reviews Vygruppen's strategy annually, and the assessments are based on, among other things, risk analyses, materiality analyses related to sustainability, assessments of market and competitor development, as well as internal analyses.

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

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

- Give our customers great customer experiences every day
- Be an industry leader in innovation
- Be efficient and reliable in everything we do
- Have engaged and customer-oriented employees

The strategy has been operationalised and incorporated into Vygruppen's action plans, and the board follows up on progress and status of goal attainment.

The Board of Directors has considered and adopted a corporate governance report, which is part of this Annual and Sustainability Report.

To set sustainability goals, we have used Science Based Targets tool and analysed what our industry must contribute to emission cuts if we are to limit global warming. We have set absolute targets in line with the Paris Agreement, and will cut 42% of direct emissions by 2030, and 25% of indirect emissions by 2030, as well as 90% of total emissions by 2050, compared to our 2023 emissions. The science-based targets have been submitted to the SBTi for verification. For a detailed account of our sustainability work, goals and results, please refer to the sustainability section of this annual and sustainability report, which also includes reporting in accordance with the requirements in the Norwegian Equality and Discrimination Act, as well as a statement in line with the requirements of the Transparency Act.

Risk

Financial risk

The Group's activities include various types of financial risk: market risk (currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The Group's overall risk management plan shall contribute to ensuring that unforeseen changes in the capital markets have as little negative impact as possible on the Group's financial results. The Group may use financial derivatives within stipulated limits to hedge the company against certain risks.

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

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

Vygruppen reduces counterparty risk in financial transactions by having established limits for exposure and regular monitoring of credit quality on individual counterparties.

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

Operational risk

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

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

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

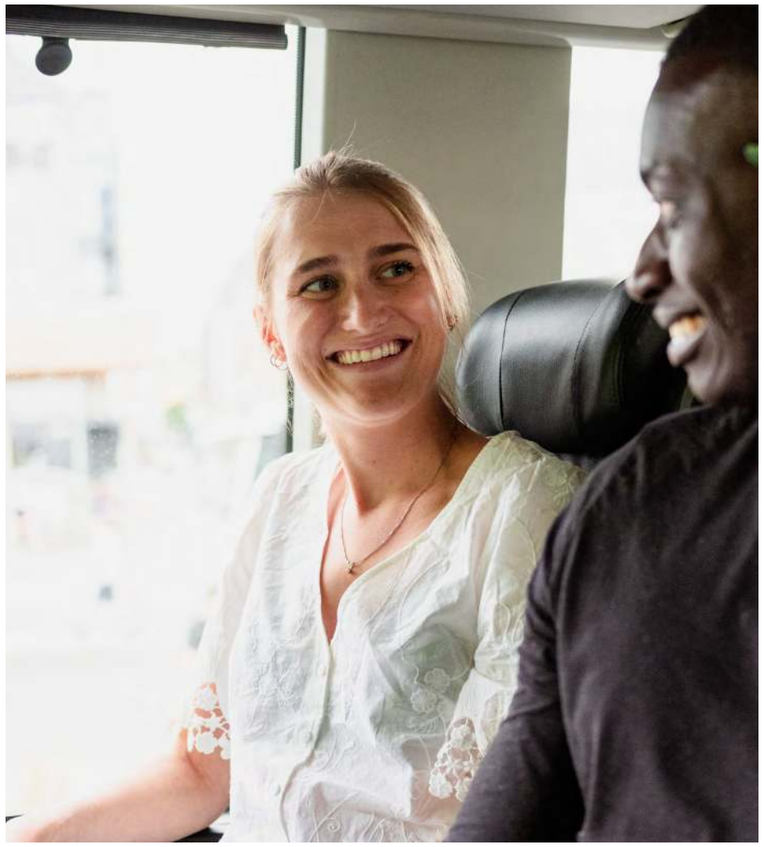
Vy must have a capital structure that is adapted to scope, risk in contracts, size and ambitions. To ensure competitiveness, the equity ratio should be at a level that makes it possible to invest in the development of the company. The business-specific risk is also significant for assessing the necessary capitalisation, depending on the contractual and business portfolio held by the company, among other things.

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

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

Economic development

Profit after tax for Vygruppen is -112 MNOK (53 MNOK), a decrease of 165 MNOK compared to last year. Operating profit is 493 MNOK (378 MNOK), an increase of 115 MNOK. The Group's weak results are related to weaker profitability in the freight operations, and a challenging winter for the bus operations in particular.



The Group's net cash flow from operating activities is 1 988 MNOK (2 176 MNOK). The purchase of property, plant and equipment amounted to 458 MNOK. New leasing rights are 2 472 MNOK.

For the Group, equity is 3 576 MNOK, which gives an equity ratio of 15.5 per cent.

The Group's return on book equity over the last 12 months is -3.5 per cent (1.5 per cent).

The owner represented by the Ministry of Transport and Communications normally expects a 50 per cent dividend of the Group's annual profit after tax, where the dividend level in each year must be assessed in concrete terms. The Board of Directors is focused on strengthening profitability and equity in order to provide a basis for future dividends.

The pandemic years have eroded equity. Vygruppen has also seen a significant increase in fixed assets related to new train contracts in Eastern Norway and increased pension obligations, which in total result in a reduced equity ratio.

As a result of the negative result, no dividend has been proposed for 2024. Therefore, the parent company Vygruppen AS proposes the following allocation of the profit for the year:

- Dividend 0 MNOK
- Transferred other equity -112 MNOK
- Total profit for the year -112 MNOK

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

Future outlook

In Norway, the number of train journeys in connection with work and leisure has returned after the pandemic, and we expect further growth going forward. To meet demand, it is crucial to have a sufficient number of trains. We will continue to prioritise measures to ensure that as many trains as possible are in operation. We look forward to new trains being delivered from Norske tog, both to Eastern Norway from 2026 and to the Bergen Line from 2028.

The authorities have previously decided that the transit service to/from Oslo Airport will be integrated into the ordinary train service in Eastern Norway from 2028 at the latest, and this forms the basis for the Eastern Norway 2 contract that Vy has entered into with the Norwegian Railway Directorate. This must be seen in the context of expected growth in the number of travels, and a goal of making better use of the limited track capacity through the Oslo area. The integration opens up for a new route offering with far more departures and better flow through the tunnel. Over the next ten years, passenger growth on trains in Norway is expected to be 20-30 percent.

In September 2024, the Ministry of Transport and Communications asked Vy and Flytoget to initiate a process to prepare for the merger of the two companies, where Flytoget will be included as a subsidiary of Vy. It is also assumed that Flytoget's trains will be transferred to Norske tog, which is responsible for managing the trains used in the publicly purchased passenger train traffic. These processes are ongoing. Vy is looking forward to further developing the train service in Eastern Norway together with Flytoget.

In October 2024, it was announced that the Norwegian Railway Directorate has been commissioned by the Ministry of Transport and Communications to enter into a temporary directly awarded traffic agreement with Vy to run passenger trains on the Sørlandet Line, the Jæren Line and the Arendal Line when the contract with Go-Ahead expires in December 2027.

In the bus business, we expect that the scheduled services, and thus also Vy's revenues, will mainly be maintained in accordance with agreements with the public transport companies. Going forward, a large number of tender contracts will be issued in which the bus operations will participate, and we assume that these will largely be based on electric operations. The share of electric buses will thus increase significantly as older tenders with diesel buses are terminated. Ensuring sufficient staffing is expected to continue to be a challenge for the bus industry in the years ahead, and targeted investment in recruitment is therefore a priority area. After a demanding winter in 2024 with significantly increased costs, measures were implemented throughout the year to improve the situation and increase resilience in the run-up to this winter.

Demand for commercial bus services is expected to continue to be good, and we will continue to develop the service based on customer needs and demand. Within tourism, we will adapt and develop the offer so that more Norwegian and international tourists will travel with us in 2025.

After another challenging year for the freight operations, with several closed lines and significant operational challenges, CargoNet has worked intensively to reverse the negative trend, and has implemented several measures to both improve revenues and reduce costs. Nevertheless, the industry is dependent on better and more predictable framework conditions, including mechanisms that will compensate for lost revenues when infrastructure is not available. Improved framework conditions are critical for the long-term profitability of rail freight transport.

Both passenger trains and rail freight are dependent on a well-functioning infrastructure to be able to deliver good quality to our customers and to be able to create profitability. Vy works closely with Bane NOR to deliver the best possible offer to customers. We are pleased that increased maintenance of the infrastructure will be a high priority in the coming years and for the ongoing infrastructure projects that Bane NOR will deliver in the future.

After a challenging year in terms of production, the Board would like to thank our employees who perform important work every day to maintain a good service to our passengers and our freight customers. When people choose to travel by public transport instead of by private car or plane, as well as transport goods by rail instead of road, it saves society from large greenhouse gas emissions. The work to get more people to choose climate-friendly is important for Norway to achieve its climate goals and for Vy, as a transport and freight operator, to win tenders and get more customers. Our vision is therefore that Vy will make it easy to choose environmentally friendly. Vy is also actively working to reduce greenhouse gas emissions from its own operations and has therefore set targets for emission cuts in line with the Paris Agreement.

Oslo, 13 February 2025

Board of directors

Per 31.12.2024

Berit Svendsen
Chairman of the board

Geir Inge Stokke
Deputy chair

Espen Almlid
Member of the board

Dina Elverum Aune
Member of the board

Morten Henriksen
Member of the board

Ove Sindre Lund
Member of the board

Petter Louis Pettersen
Member of the board

Line Steinseth
Member of the board

Corporate governance in Vygruppen

This report is set up in accordance with the Norwegian Code of Practice for Corporate Governance.

Vygruppen AS and Vygruppen follow this recommendation, but with deviations because of the company not being listed on the stock exchange, a state-owned limited company with the state as sole owner, and restrictions in the company's articles of association.

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

The Board of Directors has adopted a set of values and guidelines for ethics and corporate social responsibility, which are published on vy.no.

Activity

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

The company's activities are set out in the articles of association:

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

Equity and dividends

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

Important special rules for state-owned limited companies include:

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

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

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

Equal treatment of shareholders and transactions with related parties

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

The Norwegian Railway Directorate and Vygruppen AS have entered into an agreement on the public purchase of passenger traffic services to ensure a train service on routes that are not commercially profitable. Similarly, the Norwegian Railway Directorate has entered into an agreement with Vy's subsidiary Vy Tog AS to operate the Bergen Line.

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

Free negotiability

There are no statutory restrictions on the trading of shares.

General assembly

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

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

Nomination committee

The general meeting of Vygruppen consists of the state through the Ministry of Transport and Communications. The general meeting has not appointed a nomination committee.

Corporate assembly and board of directors, composition and independence

Vygruppen AS does not have a corporate assembly. The board is elected by the general meeting.

Two or three directors with deputies are elected by direct

election by and from among the employees. An agreement has been made not to have a corporate assembly, and the employees elect one board member with deputy in addition to the representation that follows from the previous sentence.

The composition of the board is such that it can safeguard the owner's interests and the company's need for expertise, capacity and diversity. Senior executives are not members of the board and do not own shares in the company. Information about board members is posted on vy.no/vygruppen/styring and management.

The work of the Board of Directors

The board complies with the Norwegian Limited Liability Companies Act's requirement to manage the company's assets on behalf of the owners. The Board's work is set out in separate instructions. The board works according to an annual work plan for its activities. The work plan is based on the board's main tasks with emphasis on goals, strategy, organisation and control of the business. The Board evaluates its activities annually.

The Board of Directors has issued separate instructions for the CEO.

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

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

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

Risk management and internal control

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

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

Remuneration of the Board of Directors

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

Remuneration of senior executives

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

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

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

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

Information and communication

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

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

The Management Board shall submit to the Minister of Transport and Communications all matters that are considered to be of significant social or fundamental importance. Each year, the Board of Directors shall submit to the Minister of Transport and Communications a plan for the activities with subsidiaries, which includes the following matters:

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

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

Company takeover

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

Auditor

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

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

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

Sustainability Report

ESRS 2
GENERAL INFORMATION

At Vy, sustainability is an integral part of both our operations and strategy. Our main goal is to make it easy to travel in an environmentally friendly way. In the sustainability report, we present how we identify impacts, risks, and opportunities through materiality assessments, management, and results related to the significant sustainability topics, as well as our principles for sustainability reporting, which form the basis for this part of the annual report.

Strategic focus areas for sustainability

	Environment	Social	Governance
Approach	• Make it easy to choose environmentally friendly passenger and freight transport • Reduce emissions and pollution, and prepare for changing climate conditions and climate policy	• Be a safe and responsible workplace with an open and inclusive culture • Develop engaged employees who always have the customer perspective	• Integrate sustainability into processes and decision-making across our organization • Openness related to our work and our challenges and opportunities going forward
Priorities	• Increase the share of electric vehicles • Reduce emissions in our own operations and the value chain • Adapt to climate change • Actively work to reduce energy consumption for our electrified modals	• Focus on working conditions and HSE in own operations and value chain • Skills development • Supporting inclusion and diversity • Accessible transport and transparent information for all customers	• Manage public funds efficiently and sustainably • Inform about critical matters

1. Sustainability reporting principles

The purpose of Vy's reporting is to provide stakeholders with an accurate and balanced picture of relevant aspects, activities, practices, and results for the year 2024. The report is prepared with data from bus, train, tourism, and freight operations, as well as personnel and support functions, with operations in Norway and Sweden. The data corresponds to the activity and time period consolidated in the group's financial statements. See the group and business structure in note 3 on page 134 for an overview of which segments the sustainability report covers. The contact point for questions is presse@vy.no.

The information is expanded to include value chain information where this is significant. See the description of our value chain on pages 42 and 43.

The sustainability report is prepared in accordance with GRI and adapted to the structure of the European Sustainability Reporting Standards (ESRS) and certified in accordance with GRI. The report includes reporting requirements according to the Accounting Act, the Transparency Act, and the Equality and Anti-Discrimination Act.

For some of the data points in our reporting, we use assessments and estimates, for example, when calculating our taxonomy KPIs and scope 3 emissions. We regularly reassess the use of estimates based on experiences, development of reporting methodology, and a number of other factors. Estimate changes are reported in the year the estimates are revised and adjusted historically. Changes in reported data are indicated where relevant.

The sustainability data is subject to our own internal control and is not verified by other external parties beyond the chosen auditor.

Changes in Reporting

Vy's sustainability report for 2024 has been restructured based on CSRD and ESRS. The changes include:

- Materiality Analysis: Updated materiality analysis to meet the ESRS format requirements. E2 Pollution is a new significant topic. See the section on materiality analysis for more information.
- Restructuring of Reporting: The sustainability report is included as a separate part of the annual report and follows the structure required by ESRS.
- Reporting Based on ESRS Standards: The report contains information on the various significant topics identified. Information that was previously spread across different parts of the annual report is now consolidated to align with the identified significant topics.
- Integration of ARP Reporting in S1 Own Workforce
- Integration of Reporting According to the Transparency Act and the Significant Topic S2 Workers in the Value Chain
- Added Information on Vy's Science-Based Climate Goals and planned measures to achieve them

Several minor adjustments have also been made to the sustainability report, mainly expanded reporting and the addition of more sustainability indicators. This includes information on:

- Updated and Improved Emissions Reporting: See detailed information under E1 Climate Change and E2 Pollution
- Expanded Reporting on the EU Taxonomy
- Expanded Reporting on Own Employees (Turnover)

2. Business and Risk Management at Vy

Governance is described in the document "Corporate Governance" in this annual and sustainability report 2024 on page 33. Management and handling of financial and non-financial information, including impacts on the economy, environment, and people, take place in the board of directors, the executive management board and management of business areas, and through monthly "Business Reviews" between executive management and business areas.

The five owner representatives on the board are elected by the general meeting (the Norwegian state represented by the Ministry of Transport), which makes its assessments based on, among other things, competence, diversity, and capacity. The owner's representatives do not have an employment relationship with the owner and have disclosed any positions that may be in potential conflict with Vy's interests. Additionally, there are three board members elected from among the employees. The board consists of 3 women and 5 men. See the description of the board members at https://www.vy.no/vygruppen/styring-og-ledelse. The general meeting is held annually, along with contact meetings with the owner section in the Ministry of Transport, typically 4-5 times each year.

The board and executive management govern the Vy group according to an annual cycle that includes processes for establishing strategy, action plans, financial goals, and key performance indicators (KPIs). The sustainability perspective is integrated into these processes. Strategy, action plans, financial goals, and the establishment of financial and non-financial KPIs and goals are discussed and adopted by the board. Progress on these is reported periodically. The board is informed and addresses special topics throughout the year, such as deep dives into business area development, health and safety, traffic safety, cybersecurity, internal control, sustainability work, tenders, and investments.

The board reviews the sustainability work and sustainability reporting as a separate topic once a year in addition to the annual review of the annual and sustainability report.

The Chairman of the Board and the CEO review the sustainability work and sustainability reporting as a separate topic once a year in a contact meeting with the owner, in addition to the annual review of the annual and sustainability report at the general meeting. Other dialogue with stakeholders is conducted by the management of the Vy group.

The Board of Directors annually evaluates its operations, including the board's competence, tasks, working methods, the board as a collegium, the board's relationship with the group's management, and strategic topics/issues that the board should prioritize. Environment and sustainability are among the topics considered, in addition to topics related to economy, reputation, commercial ventures, etc., as well as the management of economy, environment, and human resources. The evaluation is conducted internally and, in some cases, with external assistance. The evaluation has not led to significant changes in the working process. The CEO

is responsible for the daily management of the Vy group. Each business unit leader is responsible for ensuring that the unit addresses sustainability and social responsibility, with support from the group's sustainability specialists. The finance department collects and reports data on management, status, and development annually to the executive management and the board.

Adopted group principles and guidelines are managed and communicated through staff departments for their areas of responsibility. For example, the HR staff for health, safety, and environment (HSE), and the finance and accounting staff for finance and accounting. The staff departments establish processes for operationalizing guidelines and legal requirements and follow up on this through reporting and meetings with the group's businesses.

The daily operational responsibility is delegated to the management of the business areas. The staff departments have both a policy-making role and can also be responsible for group-wide services such as IT infrastructure, payroll, and accounting. The leaders of the staff departments are part of the executive management.

For some areas, specific requirements are set for partners and especially suppliers. Ethical requirements for suppliers are established as an integral part of the contract text, and Vy follows up and controls compliance where risk assessments or alerts indicate this.

Vy has established a group-wide leadership training with digital learning for the most important group principles and guidelines needed as a leader in Vy. The number/percentage of leaders who have completed the training is a strategic KPI reported to the executive management and the board. The responsibility for developing and implementing the leadership training lies with the HR staff.

Sustainability-Related Results in Incentive Schemes

Vy follows the "State Guidelines for Executive Pay in Companies with Direct State Ownership," and therefore no bonus schemes are established for board fees and remuneration to senior executives, neither related to financial goals nor sustainability goals.

Due Diligence Assessments at Vy

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

The board shall ensure that there are satisfactory systems for internal control of the company's operations and that risk analyses with follow-up preventive measures and contingency measures are regularly conducted. The board shall ensure that the company takes social responsibility. See https://www.vy.no/vygruppen/styring-og-ledelse.

The articles of association are adopted at the company's general meeting. Vy's adopted document on corporate governance states:

To ensure comprehensive management of the company, a management system has been developed, which includes management documents, contingency plans, safety procedures, and processes for managing and controlling operations. As part of this, principles, guidelines, routines, manuals, and authorization matrices have been developed to manage and control the company's economy, accounting, and finance. Annual risk analyses are conducted for the group's activities, and measures are evaluated and implemented to manage the risk picture.

See https://www.vy.no/vygruppen/styring-og-ledelse. The document is adopted by the board and is part of the Annual and Sustainability Report 2024 for Vy.

In the management document "Sustainability and Social Responsibility at Vy," the following is stated:

Systematic work with sustainability shall be integrated into business management, and improvement goals shall be set. The work prioritizes areas where we can contribute significantly to society and to the fulfillment of the UN Sustainable Development Goals. Vy's operations shall meet all basic requirements for responsible business conduct, as outlined in, among other things, the OECD Guidelines for Multinational Enterprises. To elevate the group's work with sustainability and ensure a common systematics, a focus is placed on common quality standards. All businesses in Vy that are not already certified shall be certified according to the environmental standard ISO 14001.

In our exercise of social responsibility, we shall follow these fundamental principles:

- Each business unit leader is responsible for ensuring that the unit addresses sustainability and social responsibility as part of its operations
- Sustainability and social responsibility shall be integrated into our strategic foundation and values
- We contribute to the fulfillment of the UN Sustainable Development Goals
- We support the principles of the UN Declaration of Human Rights and the ILO Core Conventions
- We actively work against all forms of corruption
- We shall actively contribute to reducing the environmental impact of the transport sector
- We report annually on the status and development of social responsibility in a separate annual and sustainability report.

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

We shall conduct our business in a manner consistent with the UN Guiding Principles on Business and Human Rights by conducting due diligence assessments related to our operations. The Vy group shall conduct due diligence assessments in line with the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises. As part of the due diligence assessment, the Vy group shall identify actual and potential risks of negative impacts on human rights that we have caused, contributed to, or are directly linked to through our activities, both in our own operations and in the supply chain. We shall stop, prevent, and/or mitigate such impacts. The effectiveness of the measures shall be monitored and evaluated, and communicated to those affected.

The content of the above policies is mainly communicated to suppliers in the form of requirements in procurement processes and follow-up of deliveries. Vy has its own processes for safeguarding employees' rights, which are safeguarded and communicated through cooperation committees and negotiated in collective bargaining. Overall guidelines are communicated through the employee handbook published on the company's intranet. Leaders and board members must periodically sign a declaration of compliance with the company's ethical guidelines and policy for sustainability and social responsibility at Vy.

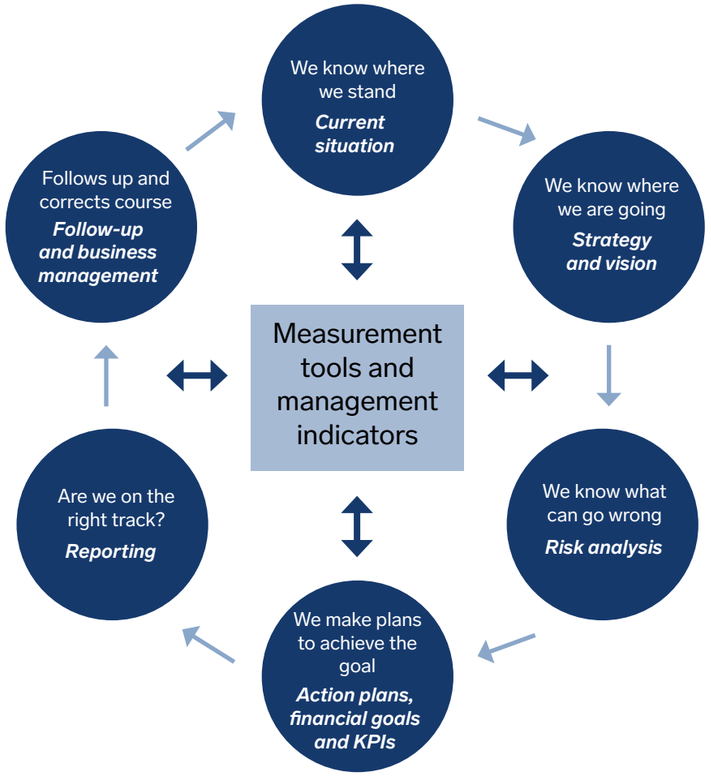
Negative impacts can be reported and handled through internal cooperation bodies such as established working environment committees and collective bargaining, and externally through communication with customer centers. External forums for reporting negative impacts include the Norwegian Railway Authority, the Consumer Authority, and the legal system.

Customers can seek information, request refunds, and report through our customer service: https://www.vy.no/kundeservice/hjelp-og-kontakt. Suppliers can contact Vy's procurement organization for information, questions, and reports: https://www.vy.no/vygruppen/for-leverandorer. Negative impacts can also be reported via interest organizations such as environmental organizations.

Internal risk and control routines are established to detect negative deviations early, initiate measures, and reduce or eliminate negative impacts. In the environmental area, this can, for example, be related to environmental emissions and older environmental pollution. The work to detect and improve undesirable conditions is primarily addressed through risk assessments and internal control assessments, and in dialogue with employees and their organizations.

Vy has established a management model to identify real and potential negative and positive impacts we have on the economy, environment, and people. The main elements of this model are:

- Risk assessments for negative impacts and positive opportunities
- Customer and other stakeholder surveys
- Reporting and statistics for negative impacts
- Establishment of strategic and operational goals that include goals to reduce negative impacts
- Reporting of status compared to goals
- Deviation analyses and action plans



Due diligence assessments are conducted according to an established annual cycle and are reviewed monthly by the executive management and the board.

We conduct annual materiality analyses to identify significant sustainability topics, opportunities, and risks, and the process and results are reviewed by our management and governance bodies. The results, along with other relevant analyses, form the basis of our strategic process to develop the group's and business areas' strategies and strategic goals. These are then operationalized in annual goal processes and five-year plans for the business. In 2025, detailed transition plans will be developed to achieve our established science-based climate goals.

For more information on how we conduct due diligence assessments in the value chain, see chapter S2 Workers in the Value Chain.

Risk Management and Internal Control

Vy has established guidelines that set requirements for responsible business conduct. The articles of association state that the board shall ensure good systems for internal control and regular risk analyses with preventive measures. The board shall also ensure that the company takes social responsibility. See https://www.vy.no/vygruppen/styring-og-ledelse.

Vy analyzes, among other things, traffic safety, environment, quality, procurement, and achievement of economic goals. Annual risk analyses identify both negative and positive effects, and measures are implemented to manage the risks. The analyses include changes in framework conditions, market development, competitive situation, environmental requirements, and climate challenges. Based on these analyses, goals, measures, and control activities are set to reduce risk.

For a description of the most significant risk elements, see the board's report on risk.

The group has established an internal control process for sustainability reporting according to the COSO model.

The executive management and the board are informed annually about the status and development of internal control for the group, including sustainability reporting.

Vy has not been convicted or fined for violations of laws and regulations.

3. Strategy

Vy's mission is to ensure efficient, accessible, safe, and environmentally friendly transport of people and goods. Vy will operate passenger and freight traffic by train and bus in Norway and Sweden, as well as activities naturally related to this.

The board annually reviews the Vy group's strategy, where sustainability is integrated. The basis for the assessments includes risk analyses, stakeholder dialogue, and materiality analyses related to sustainability, assessments of market and competitor developments, as well as internal analyses and risk assessments. The sustainability perspective is thus integrated into our overall strategy and vision.

Our vision is that Vy makes it easy to choose environmentally friendly options. Vy's main goals are growth through more sustainable journeys and freight transport by rail, and the highest possible profitability over time. To deliver on our vision and main goals, Vy will prioritize four main areas:

- Excellent customer experiences every day
- Industry-leading innovation
- Efficiency and reliability in everything we do
- Engaged and customer-oriented employees

The strategy is operationalized and incorporated into Vy's action plans, and the board monitors progress and status for goal achievement.

Through excellent customer experiences every day, industry-leading innovation, and efficient production created by engaged and customer-oriented employees, we increase the number of climate-friendly journeys and transport. When more people choose Vy, which delivers services profitably, the company will also be able to provide returns on invested capital to the owner and simultaneously contribute to a more sustainable society.

Our Business

Economy

The scale of Vy's activities, both in terms of travel/volume and revenue, is described in the board's annual report on page 28 and in the segment note on page 126. See also the table below.

201-1	Direct economic value generated and distributed		
MNOK	**Norway**	**Sweden**	**Total**
Economic value generated			
Revenue	16,545	2,814	19,359
Economic value distributed			
Employee wages and benefits	7,002	1,247	8,249
Operating costs	7,032	1,327	8,359
Payment to providers of capital	834	57	891
Payyment to gouverments (taxes)	-	4	4
Community investments	-	-	-
Economic value retained	**1,677**	**179**	**1,856**

MNOK	Norge	Sverige	Total
Public purchase passanger transport	2,978	467	3,725
Support infrastructure failure Dovre Line	57	-	-
Enviromental support scheme rail freight	69	33	102

The value chain mainly consists of:

- Participation in tenders for transport services and preparation of tender documentation
- Procurement of vehicles, energy, and materials
- Route planning, maintenance, and staffing
- Marketing and ticket sales as well as good customer information
- Execution of agreed routes with bus and train operations, customer service, and handling of production deviations
- Measurement of delivery and customer satisfaction, handling of complaints, specification, and implementation of measures to improve delivery and customer satisfaction

The key inputs in the value chain are:

- Employees with a focus on driving personnel
- Purchase/lease of trains and buses
- Maintenance of trains and buses
- Fossil and non-fossil energy for the operation of trains and buses
- IT, marketing, ticket sales, and digital sales channels
- Road and rail infrastructure owned by the public
- Delivery from sector suppliers within the railway, including leasing of trains, access to infrastructure, back-end systems for ticket sales

See page 100 for a detailed description of the supply chain.

The value chain of Vy has a broad reach and is spread across the world

Upstream

- Extraction of raw materials
- Transportation of raw materials
- Processing of raw materials

Affected stakeholders

- Mining workers
- Local communities
- Cleaning workers
- Consultants

Own operation

- Driving buses, passenger and freight trains
- Customer service
- Planning routes and staffing
- Maintenance
- Management of operational deviations
- Marketing
- Procurement of vehicles, energy, materials, etc.
- Measurement, evaluation and improvement of delivery

Affected stakeholders

- Transport personal on trains and busses
- Staff functions such as finance, marketing, IT, communications
- Maintenance workers
- Customer service

Downstream

- End-users of trains and buses
- End-users of the app
- End-users of customer service

Affected stakeholders

- Bus and train customers
- App users
- Users of customer service
- Local communities

The main services offered are:

Short and long journeys by passenger train on behalf of the Norwegian Railway Directorate in Norway and local procurement bodies for public transport in Sweden, where revenues consist partly of ticket revenues directly from passengers and partly in the form of public purchases of transport services

Bus traffic in Norway and Sweden in the form of scheduled buses on contract with public procurement bodies (county municipalities, etc.) and commercial routes on own account where revenues are covered by ticket revenues from the traveler

Freight train services to businesses in the form of freight train routes in Norway and to/from Sweden

Tourism services based on public transport in cooperation with local and partly owned partners, of which Flåm Utvikling and Fjord Tours are the largest

Our business is divided into four segments:

- Bus
- Train
- Freight
- Other

See the segment note on page 126 for detailed information.

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

Stakeholders' Interests and Views

Vy's mission is to provide efficient, accessible, safe, and environmentally friendly transport of people and goods. To achieve this, we rely on trust and input from our stakeholders.

Vy regularly communicates with key stakeholders in the value chain. For public transport companies and other clients, this is done through reporting and follow-up meetings. For passenger train customers, communication is regularly conducted through the Vy App, customer surveys, and customer service. For important suppliers, meetings are held to review deliveries and identify improvement points, in addition to reporting and negotiations. Communication with employees is conducted through cooperation and working environment committees, collective bargaining, and daily management.

The board and executive management are informed about stakeholders' input throughout the year. Dialogue with the owner takes place through the general meeting, contact meetings, owner meetings, and written communication.

Vy operates in Norway and Sweden, and dialogue with foreign suppliers mainly occurs through Norwegian/Swedish representatives.

The Vy group is a member of labor organizations and several interest organizations. A selection of the most important ones is:

- The Employers' Association Spekter
- NHO Logistics and Transport
- NHO Transport
- Sveriges Bussföretag
- Västra Sveriges Bussbranchforåning
- Skift
- Forum for Reiseliv
- Ethical Trade Norway
- Sustainability Hub Norway

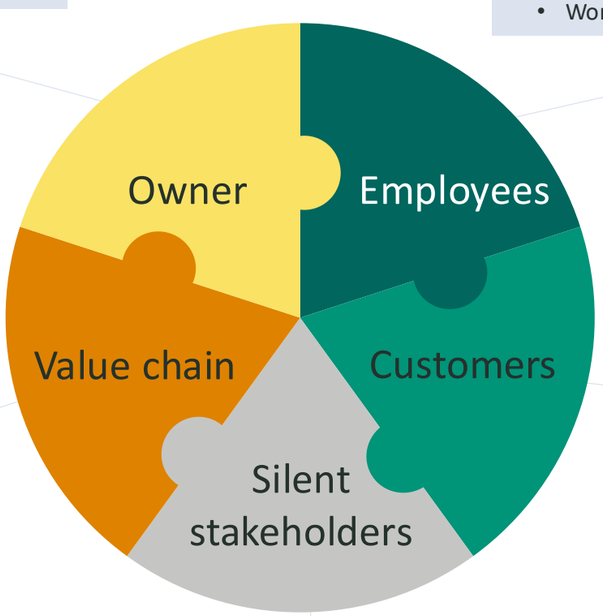
The purpose of these memberships is mainly information sharing within industries, developing joint initiatives and responses to framework conditions and public budgets, and communication and negotiation with labor organizations.

Vy will continue its work with stakeholder dialogue and will work to improve the stakeholder analysis for next year's reporting.

Overview of Key Stakeholders for Vy and Their Input

Ministry of Transport and the Railway directorate
- Climate work and transition plans
- Working conditions
- Efficient, accessible and secure service to end users

Employees in Vy
- Encourage more people to choose environmentally friendly passenger and freight transport
- Climate and environmentally friendly operation
- Reliable operation and good customer information
- Working conditions



Suppliers of trains, buses and other equipment, maintenance of infrastructure and materials:
- Climate-friendly operations
- Pollution
- Working conditions in the value chain
- Reliable and accessible transport to end users

Users of bus, train and freight services, including the Vy app and customer service:
- Reliable transport
- Wide range of routes
- Good customer information
- Climate-friendly operation, pollution

Nature and people in the early stages of the value chain:
- Climate change
- Pollution
- Circular economy
- Nature
- Collaboration with other actors
- Human rights

We adapt our work approach based on feedback from clients, customers, and owners, and have regular dialogue with trade unions. We update our strategy and review the business model annually based on a comprehensive analysis, including the double materiality analysis and stakeholders' views.

The business model is continuously adapted following the railway reform, competition, and societal changes. Going forward, we will continue to adjust the business model towards the green shift, focusing on demand, environmental requirements, the Paris Agreement, and technological advancements. We are also working with technology to improve communication with customers and make it easier for them to provide feedback.

4. Handling Impacts, Risks, and Opportunities

Vy has conducted a double materiality analysis based on the requirements of the EU's sustainability directive, Corporate Sustainability Reporting Directive (CSRD), and in line with the requirements of GRI, to identify important sustainability topics. The analysis mapped the business model, value chain, stakeholders, industry, and market. This provided insights into impacts, risks, and opportunities, helping us prioritize the most important areas for stakeholders, long-term value creation, society, and the environment.

A double materiality analysis looks at two perspectives:

Material Impact: Actual or potential negative and positive impacts the business has on people and the environment

Financial Materiality: Sustainability issues that can impact a business's financial results and development

In 2024, Vy conducted a materiality analysis using the EU's sustainability directive. This means we have made adjustments from previous methodologies. We conducted the analysis in a four-step process:

1. Value Chain Analysis:
a. Mapping the value chain
b. Document review

2. Identifying Impacts:
a. Interviewing internal stakeholders
b. Interviewing external stakeholders
c. Survey to all employees and a selection of our customers

3. Assessing Impacts:
a. Workshops and working meetings to score various impacts

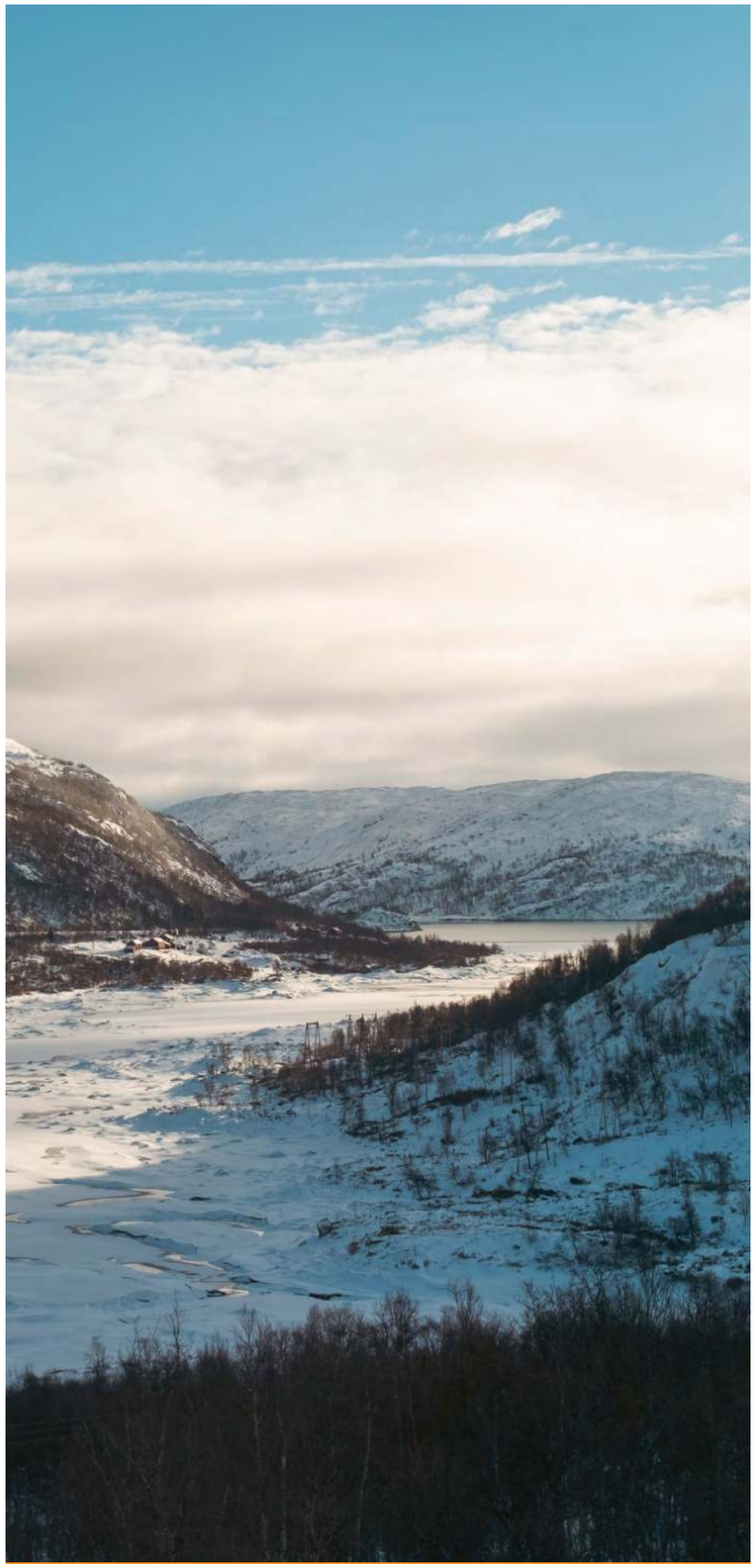
4. Deciding and Anchoring Significant Topics:
a. Calibration and adjustment of assessments
b. Setting threshold values
c. Review and decision by executive management and the board
d. Anchoring in other management

In the materiality analysis, we interviewed representatives from our key stakeholder groups, including employees, customers, owners, interest organizations, and suppliers. The interviews provided important input and confirmed the basis of the analysis work. A working group used input from stakeholder interviews, customer surveys, and market analyses to identify and prioritize impacts, risks, and opportunities. We assessed the entire value chain and Vy's activities in Norway and Sweden.

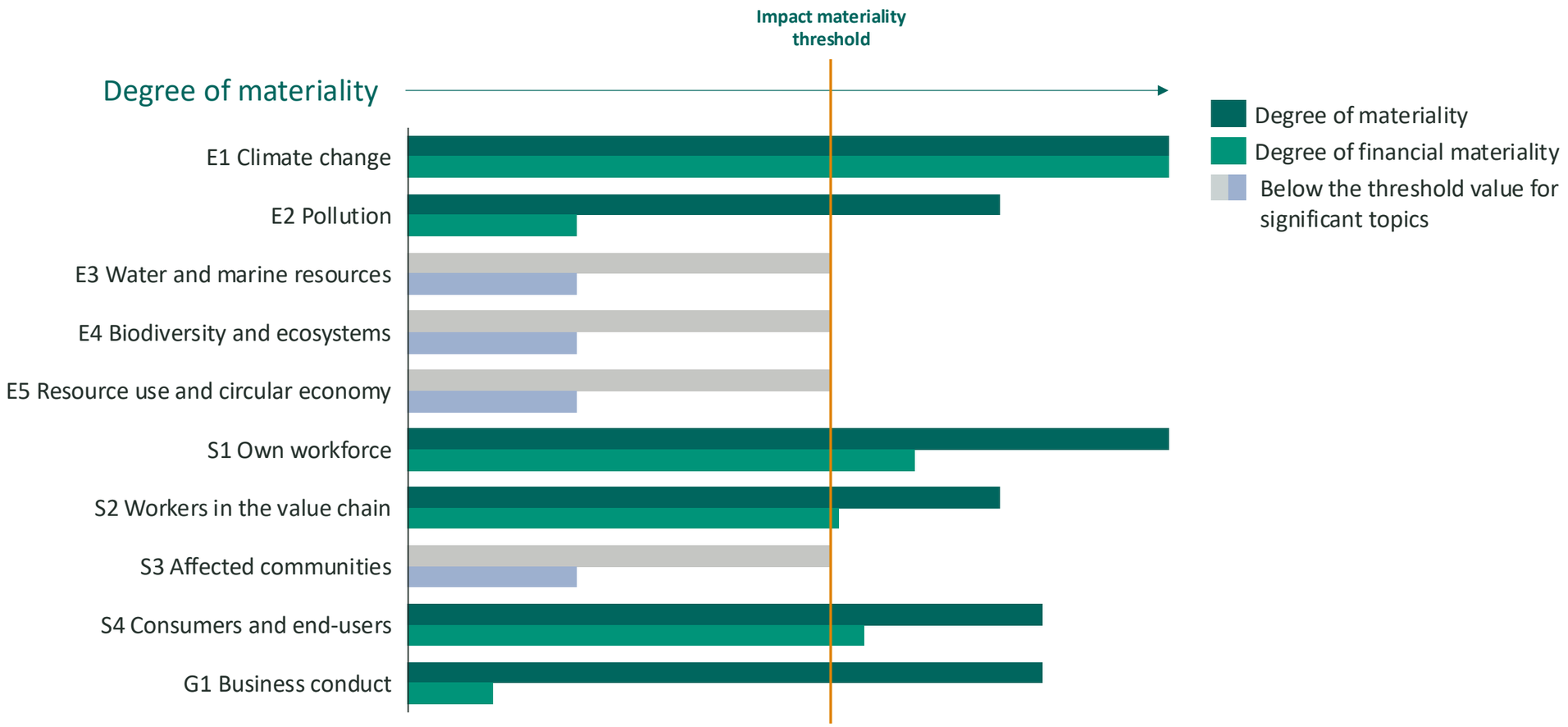
The impacts were assessed based on consequence, scope, irreversibility, and probability. Risks and opportunities were analyzed using the same framework as financial analyses. This year, we focused on quantifying the impacts and financial perspectives. Significant topics were reviewed and decided by executive management and the board as part of the process.

In the analysis, we assessed impacts, risks, and opportunities relevant to Vy in the short (0-1 year), medium (1-5 years), and long term (5-10 years), and concluded that climate change, pollution, own workforce, workers in the value chain, end-users, and business ethics are significant topics for us. We used information from Vy's risk management processes and included several topics to meet CSRD requirements.

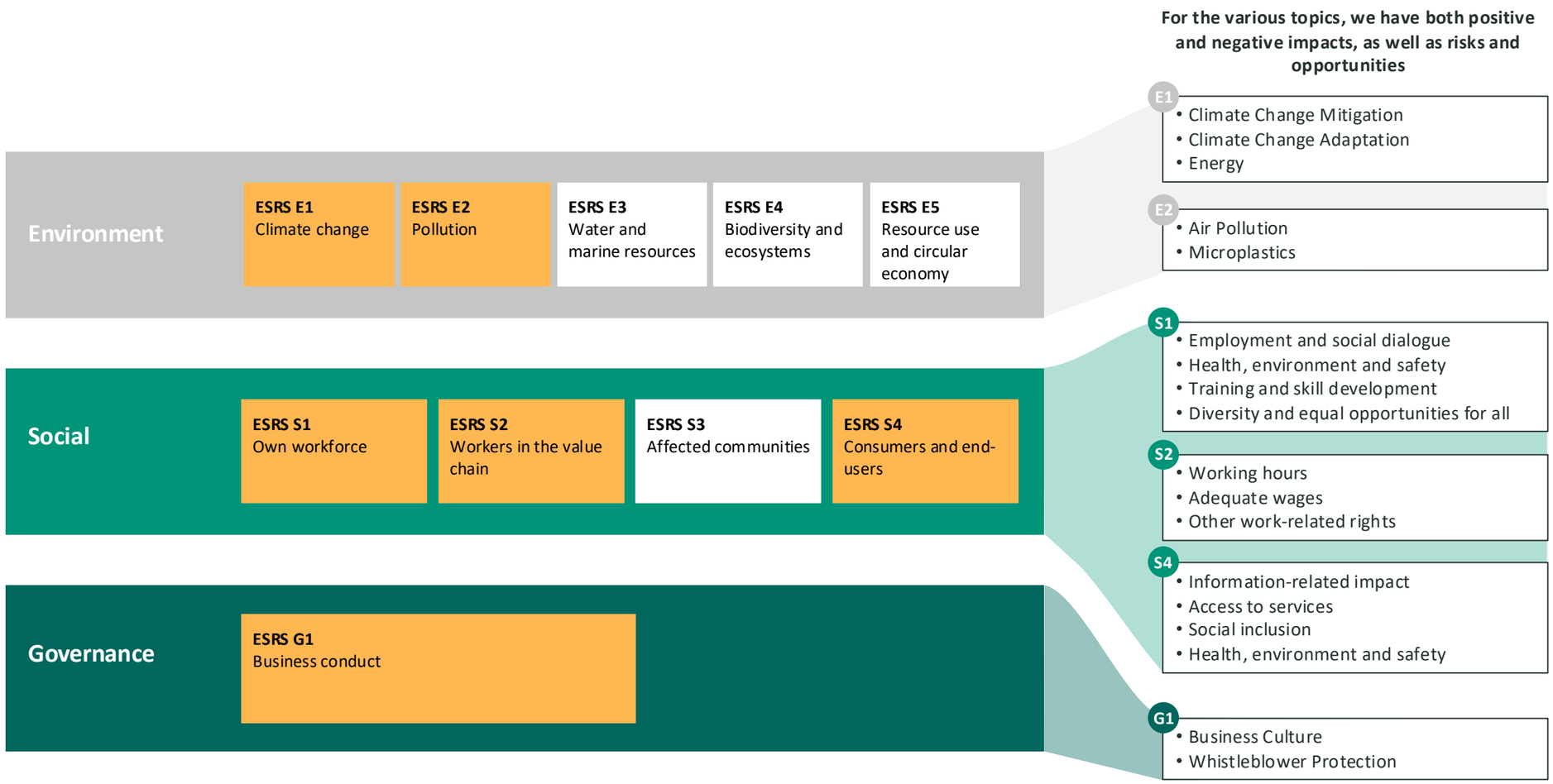
The following topics are considered significant in the updated analysis:



Simplified overview of the materiality analysis by ESRS topics



Material topics



We assessed significant topics on a scale from high to low, and a threshold value was set for what constitutes significant topics based on a top-down analysis and internal discussions within the working group. For financial materiality, we used the same threshold values as other financial analyses in the group. The significant topics are shown in the illustration. Other topics did not meet the threshold values and are therefore not considered significant.

Sustainability is a central part of Vy's strategy. We work to make environmentally friendly transport easy to choose while reducing our own emissions by investing in fossil-free solutions. We use risk analyses and have measures for responsible procurement throughout the supply chain. For more details on how the various significant topics affect Vy and our business model, see the topic-specific chapters.

In the development of the double materiality analysis, specific activities, business relationships, and geographies with increased risk of undesirable impacts were discussed.

The results of the double materiality analysis were reviewed by a cross-functional working group and discussed in management meetings with business areas, executive management, and the board. The executive management then adopted the results of the analysis. We also assessed the internal control of the topics, with the head of internal control in the Vy group as an expert resource. Additionally, the process for identifying, assessing, and managing impacts and risks on sustainability aspects is integrated into the overall risk management process conducted twice a year.

The double materiality analysis, along with other risk analyses such as climate and nature risk analyses and financial risk analyses, forms the basis for strategic assessments and the establishment of the final strategy and goals. In the strategic process, we set operational and strategic goals, with measures for employees, energy consumption, and greenhouse gas emissions. The goals are systematically followed throughout the year in management meetings and business reviews in the business areas.

E1 Climate Change

Why This Topic is Important to Us

According to Norway's Climate Action Plan, Norway aims to cut transport sector emissions by more than half by 20230. Approximately one-third of Norway's greenhouse gas emissions come from transport, making Vy part of a crucial industry in the climate puzzle. Addressing climate change by getting more people to travel collectively and transporting more goods by rail is at the core of our business model and strategy, with a vision to offer sustainable transport. The Paris Agreement underpins everything we do.

Rail and bus transport contribute positively to society by transporting people and goods in an environmentally friendly and space-efficient manner compared to other transport alternatives. Vy aims to make it easy to choose sustainable transport solutions. Although Vy's most important climate contribution is to get more people to choose collective and environmentally friendly solutions, we also recognize that the transport sector is a major source of greenhouse gas emissions, both in our own operations and through the production of train and bus materials in the value chain. Therefore, we are continuously working to reduce our own emissions.

Consumption of fossil fuels in the bus and freight business is currently our largest source of climate emissions. Emissions from diesel engines contribute negatively to climate change by releasing large amounts of carbon dioxide and other greenhouse gases into the atmosphere. Vy is therefore working to replace diesel buses with electric buses and focuses on driving as efficiently as possible.

Vy also faces both physical climate risks and transition risks. Changing weather conditions and extreme weather affect the infrastructure and our ability to deliver our services. This is especially true for the railway, which has limited options for detours if the tracks are affected by landslides, floods, or similar events. We also depend on coordination and investments in the sector, including infrastructure such as tracks, signaling systems, charging infrastructure, and roads. Additionally, we must collaborate with material suppliers and use our voice to influence to develop forward-looking models with low emissions.

A comprehensive assessment of Vy's group strategy against the Paris Agreement's 1.5°C target has not been conducted, nor has a detailed transition plan for the group as a whole been established. Nevertheless, we consider our business model, based on analyses conducted in connection with the establishment and anchoring of science-based targets, to be solid in the transition to achieve Norway's climate goals, especially when comparing rail and bus to other transport alternatives. We are now working to detail a transition plan in line with the Paris Agreement, based on our science-based targets.

Our Approach

Environmentally friendly and collective transport solutions are essential for a sustainable future. Sustainable travel and transport lead to efficient land and energy use, cleaner air, fewer road accidents, and reduced traffic congestion. Vy's mission is to ensure efficient, accessible, safe, and environmentally friendly transport of people and goods. To get more people to choose collective transport and freight by rail instead of road, the choice must be easy.

In the materiality analysis, Vy's climate-related impacts, risks, and opportunities were identified and assessed. See "Handling Impacts, Risks, and Opportunities" for more information. The analysis includes an assessment of impacts due to greenhouse gas emissions, physical risks, and transition risks. The assessment of climate risk is also part of the overall risk assessment in the group and is conducted annually by each business area.

Overview of Significant Topics and Sub-topics

Climate Change Mitigation

Negative impact (VC + OO)

- Greenhouse gas emissions

Positive (OO)

- Encourage society to choose environmentally friendly passenger and freight transport

Climate Change Adaptation

Risks (OO)

- Changing weather conditions and extreme weather affecting infrastructure and our ability to deliver our services ●
- Lack of coordination and investment in the sector ●
- Changes in demand due to changes in climate taxes, framework conditions and support, among other things ●
- Technological shift reduces the climate benefit of trains and buses ●
- Risk of ending up with residual values from green investments ●

Opportunities (OO)

- Increased demand for Vy's services due to greater focus on sustainability

Energy

Negative impact (VC + OO)

- Fossil energy consumption

Risk (EO)

- Risk of energy costs rising due to changes in fossil fuel supply, and/or slow development of renewable energy/increased climate taxes on energy ● ●

● Transition risk ● Physical risk

VC = Value chain, OO = Own operation

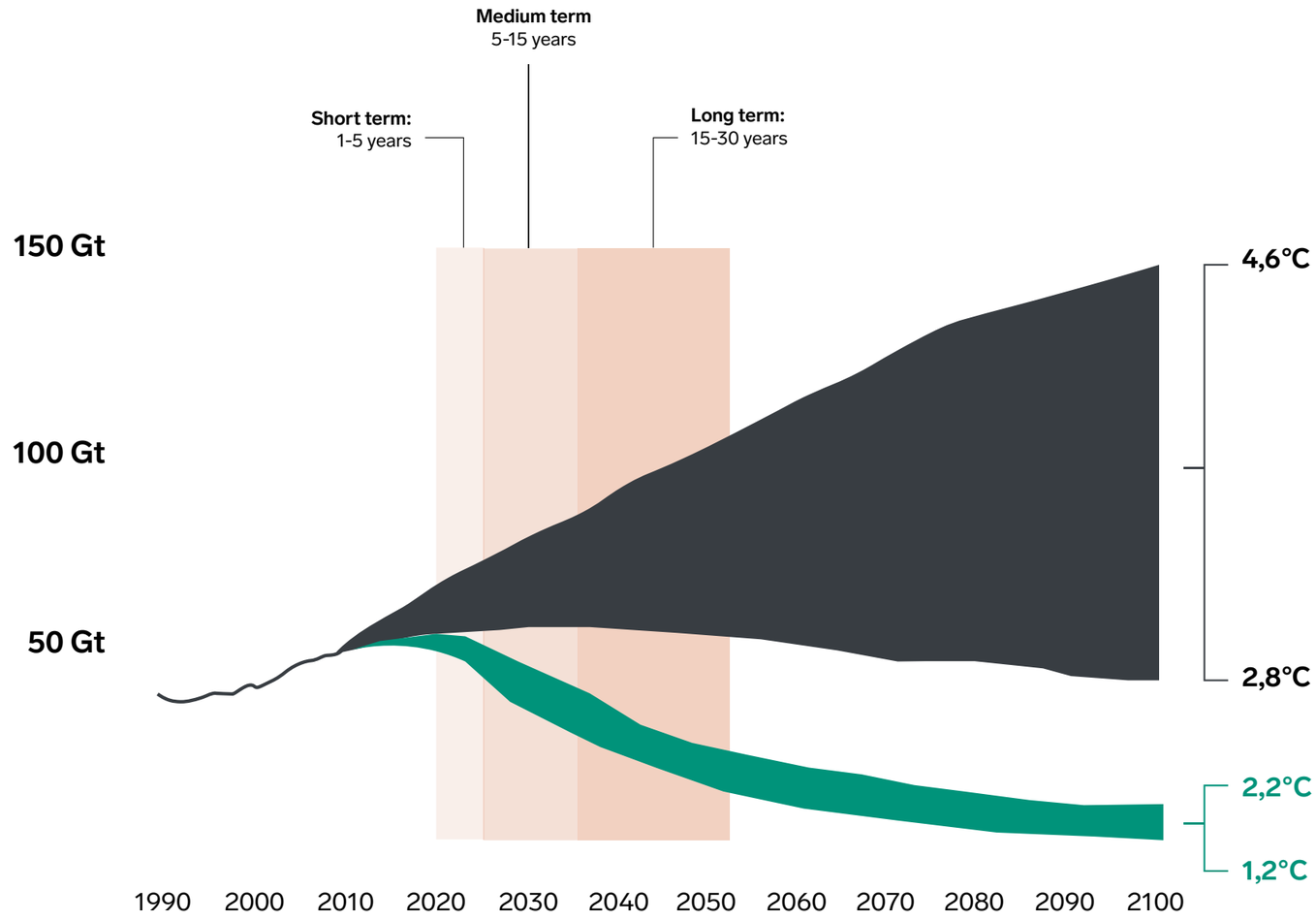
Climate Risk

In line with the TCFD (Taskforce on Climate-related Financial Disclosures) framework, Vy assessed climate-related risks and opportunities related to both physical climate changes and green transition in 2024. The assessments were made for two scenarios in the short, medium, and long term. The identified risks and opportunities were ranked after extensive consultation with business areas and a comprehensive assessment of consequence and probability. For each scenario, we assessed potential physical risks, for example, due to more extreme weather events, as well as transition risks related to changes in regulations, technology, and market conditions.

Vy's framework for risk analyses and threshold values in goal and planning processes forms the basis. The analysis is conducted twice a year. Amounts below 250 MNOK over a 5-year period are considered low consequence, while economic effects over 500 MNOK over a 5-year period are considered high. In 2024, we also supplemented our analysis with climate analyses from BaneNOR.

Based on regulatory requirements and the current global situation, we have chosen the UN climate panel's low-emission scenario referred to as "Sustainability and Green Growth" and a high-emission scenario referred to as "Regional Rivalry." The scenarios are extremes but also realistic models for the interplay between greenhouse gas emissions, global warming, and socio-economic development.

The climate risk analysis has, as part of Vy's general risk management process, provided input to the materiality analysis and has been a central element in assessing relevant climate-related risks. The risk analysis is updated twice a year in connection with the budget and planning processes. The business areas assess potential risk, including transition risk, for a reduction in equity over a 5-year period based on possible events. Where this is considered likely after risk-reducing measures, provisions are made in the accounts and incorporated into financial forecasts based on the best estimate. The largest risk elements are events that will affect our volume and revenue, as well as technological changes that will affect the value of our buses. After careful consideration, it has not been necessary to make provisions in the accounts for this. Vy is insured to cover accidents and consequential damages due to events.



Vy uses three time horizons up to 2050 and two scenarios. Based on IPCC emissions pathways.

The high-emission scenario (SSP3-7.0) describes a situation in which the world is characterised by far more serious climate changes, with more invasive negative impacts and a lack of international collaboration.

The low-emission scenario (SSP1-2.6) describes a situation in which the world fulfils the Paris Agreement, we succeed in the green transition and we manage to limit global warming to below 2°C by prioritising climate and environmental policies.

Key climate and nature-related risks and opportunities for Vy

Key climate risks	Specification	Risk level: Scenario 1-2.6: "Sustainability and green growth" 2030	Risk level: Scenario 1-2.6: "Sustainability and green growth" 2050	Risk level: Scenario 3-7.0: "Regional rivalry" 2030	Risk level: Scenario 3-7.0: "Regional rivalry" 2050	Impact	Measures
Physical risk							
Damage to infrastructure	Risk of destruction of infrastructure as a result of weather events that result in floods, landslides, etc. The combination of a more unpredictable climate and increased degradation of nature reduces the stabilisation capacity in nature and results in an increased risk of destruction.	**Medium**	**High**	**Medium**	**High**	May have significant direct and indirect implications for all Vy business areas. For example full stoppages of operations over prolonged periods of time, but also increased frequency of cancellations, delays and increased risk of damage to rolling stock and vehicles	• Vulnerability risk assessments • Close collaboration with the infrastructure manager in order to ensure robust infrastructure • Training and emergency preparedness procedures
Physical and transition risk							
Lack of preventive measures	Risk of existing infrastructure not being adapted for the climate and nature of the future. Vy is dependent on infrastructure over which it has no control or mandate. Insufficient or delayed investments in climate adaptations for the transport sector constitute a significant risk for Vy.	**Low**	**Medium**	**Medium**	**High**	Insufficient investment in adaptations can lead to an increase in delays and cancellations, as well as a damaged reputation. Weakened confidence in the predictability of rail freight and diminished loyalty to trains as a mode of transport lead to reduced earnings and more passengers likely choosing to travel by passenger car or freight being transported by road, resulting in higher greenhouse gas emissions, resource use and land use.	• Risk assessments conducted to assess vulnerability • Close collaboration with the infrastructure manager in order to ensure robust infrastructure • Training and emergency preparedness procedures
Transition risk							
Insufficient low emissions technology for rolling stock	Buses and trains account for our greatest greenhouse gas emissions. Vy is dependent on suppliers starting to produce electric long-distance buses and terminal equipment that is adapted to our needs in order for Vy to meet its climate objectives. The charging network in Norway is also insufficient for heavy transport (express bus services).	**Medium**	**Low**	**Medium**	**Low**	There are still no electric long-distance buses, electric terminal equipment or battery-operated locomotives available that can meet our needs. Unless a charging network for heavy transport adapted for express bus services is deployed in Norway, it will be difficult to realise the plans to phase out all fossil express buses.	• Monitor the technology market and collaborate with manufacturers • Collaborate with the authorities and other public bodies to ensure a well-functioning charging network for heavy transport
Risk of ending up with 'stranded assets'	Procuring the wrong technology for e.g. new long-distance buses, freight trains and terminal equipment entails a risk that procured technology will end up as outdated solutions and lost investments	**High**	**Low**	**High**	**Low**	Being too passive or too fast when it comes to the green transition are two situations in which Vy encounters a risk that procured technology will end up as outdated solutions and lost investments. All business areas encounter dilemmas related to electrification, where it is possible to end up with both hybrid trains and early generation electrical buses losing significant utility value and ending up as 'stranded assets'.	• Proper risk and investment assessments in connection with the procurement of new technology • Piloting new technology internally before solutions are scaled up • Collaboration with manufacturers/ suppliers in order to pilot new technology

Key opportunities	Specification	Impact	Horizon	Measures
The electrification of rolling stock reduces operating costs and emissions	New electric buses, locomotives and terminal equipment can lead to lower operating costs and thereby a more favourable market position and strengthened competitiveness.	New technology can lead to more efficient operations and can be a critical competitive factor.	Short to long term	Implement existing plans for the electrification of rolling stock
Focus on climate solutions in financing, framework conditions and regulations	Stricter emissions regulations, increased carbon taxes, increased emphasis on environmentally friendly transport in framework conditions and limitations on land use as well as other climate and environmental regulations will strengthen the competitiveness of the public transport sector and all Vy business areas.	Increased emphasis on environmentally friendly transport may lead to both increased demand for public transport, increased market shares for buses and trains in the transport system and increased demand for rail freight.	Short to long term	• Adapting production to increased demand • A proactive participant in social debate to promote public transport
Circular solutions	Vy has opportunities to further develop repair and recycling services internally. This could reduce costs, strengthen our reputation and reduce waste production and the use of natural resources.	Vy and its suppliers are responsible for a significant consumption of and need for components for the operation and maintenance of rolling stock. By focusing on circular solutions, the Group can achieve lower costs and increased control of essential components.	Short to long term	• Develop circular solutions in collaboration with suppliers • Focus on circularity in procurements
Short term: 1-5 | Medium term 5-15 years | Long term: 15-30 years				

Vy's Work with Climate-Related Risks and Opportunities

Business and Risk Management

As with other sustainability topics, the management and board of Vy are responsible for following up on the work with and assessments of climate risk. The directors of the various business areas have overall responsibility for assessing climate risk and opportunities, as well as including measures to manage risk in the existing strategy and business plans. Risks and measures are followed up by management and the board in monthly business reviews and board meetings.

Impact and Strategic Implications

Vy's core business is mainly considered to be an important part of the solution to the climate challenge. The climate risk analysis reflects this perspective and shows that Vy is less challenged by the major lines in the green shift and the typical drivers of transition risk for many businesses.

In both scenarios, the physical climate risk factors dominate the risk picture for Vy, and they are closely linked to dependence on functioning infrastructure services. Vy will potentially be negatively affected by climate changes that lead to more damage and downtime for infrastructure. Vy, as one of several train operators in Norway, is therefore entirely dependent on Bane NOR conducting risk analyses and implementing preventive measures.

According to our risk analyses, we see that the inherent climate risk is increasing and that the consequences potentially can be significant. Through dialogue with Bane NOR, we have nevertheless seen analyses of extensive measures that have been and will be implemented to secure the infrastructure against climate changes, which again reduces the likelihood of major events in the future. At the same time, Bane NOR is open about the fact that an old infrastructure built for a different climate than we now experience is vulnerable to floods and landslides, and there is a great need for upgrading and investment in security measures.

For our bus operations, we depend on the roads being maintained and able to withstand future climate changes. The Norwegian Public Roads Administration works systematically to ensure that the road network is adapted to future weather. Bus operations are more flexible, and unlike our train operations, they can take detours. This makes bus operations less vulnerable to infrastructure damage than trains.

Although the significant physical risks for Vy are most concerning in the long term, the analyses show that climate changes also pose a real risk in the short term, even in a low-emission scenario. Vy experienced this, for example, during the extreme weather event Hans in 2023, where the destruction of the Randkleiv bridge had significant economic consequences for CargoNet.

A green shift also brings positive effects such as increased attention to collective travel and thus more new opportunities for the introduction of new technology, innovation, resource use, and circular solutions.

Further Work

Based on the findings from the analyses, Vy will continue to work on climate-related efforts through financial analyses, as well as concretize measures and action plans to reduce the negative impact of the different risks. We will also work to seize identified opportunities and integrate the work into Vy's strategic business management.

The railway companies mainly relate to Bane NOR as the infrastructure manager when it comes to climate adaptation and risk on the national railway network. In addition, we have dimensioned our own preparedness to handle possible undesirable events related to predicted climate changes and stresses. Similarly, we relate to the Norwegian Public Roads Administration when it comes to the roads that our buses drive on.

Transition Plan

To ensure the credibility of Vy's contribution to limiting global warming, we have set science-based emission targets in line with the Paris Agreement. Vy is in the process with the Science Based Target initiative (SBTi) to get the targets approved according to their framework. As a continuation of this, we will detail a transition plan, which is planned to be completed and anchored during 2025. For more details on emission targets, see the section on "Goals" on page 58.

The transition plan and its goals will be integrated with our business strategy and financial planning. This includes considering climate impacts in decision-making, product development, and marketing strategies, as well as assessing economic risks and opportunities related to climate change. Vy's products and services are based on a sustainable business model, so the transition plan likely requires only minor adjustments.

In the development of the transition plan, we will assess and adjust current routines, ensure concrete goals and relevant KPIs for monitoring and reporting. We will also provide relevant training for key personnel as needed.

Vy is implementing a number of initiatives that will result in CO_2 cuts on the way to achieving net zero emissions by 2050. The most significant of these measures is the electrification of the bus fleet to phase out diesel operation. For more details on measures, see the information under "Measures."

Vy is not excluded from the EU reference values for adaptation to the Paris Agreement.

Financial Effects

The largest costs associated with emission reductions are the purchase of electric buses and charging infrastructure, as well as new equipment for CargoNet. Vy has a history of regularly updating equipment as needed and as new lower-emission technology becomes available. Most of our bus operations run on contracts, so the costs are covered by the contracting authority.

Based on upcoming bus tenders in the market, we have estimated an average investment in buses for Vy of approximately 1.4 billion NOK per year over the next 5-year period. Assuming that the tenderers' plans for the electrification of public transport are implemented, the majority of these investments will be in electrically powered buses and associated charging infrastructure. This will result in an increase in the proportion of taxonomy-aligned revenue, operating costs, and investments going forward.

In 2025, we will continue to quantify relevant investments to achieve our science-based targets, as well as the financial effects of physical risks, transition risks, and relevant opportunities.

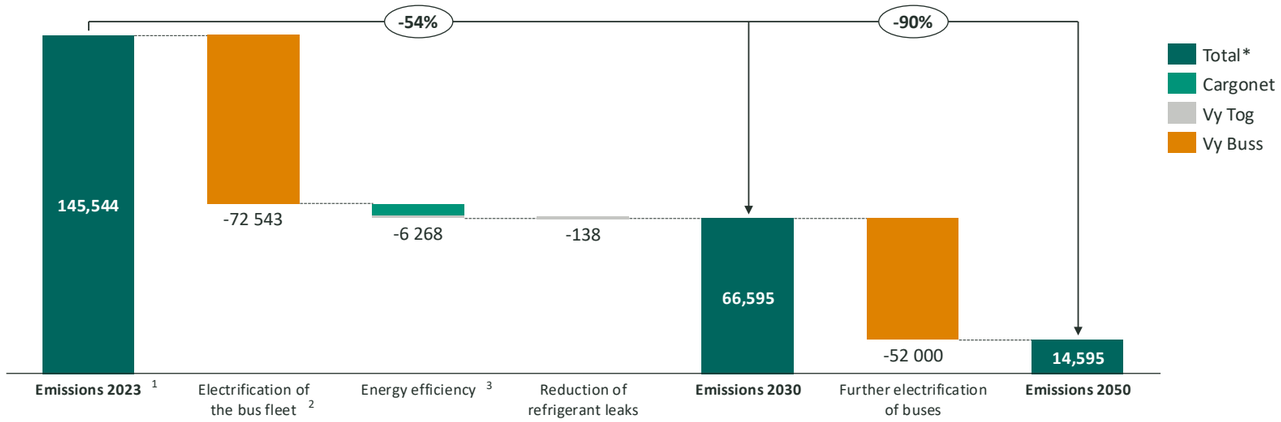
Locked-In Greenhouse Gas Emissions

Vy's locked-in greenhouse gas emissions mainly consist of diesel-powered buses. The buses have a specific lifespan, which for tender traffic typically lasts until the end of the tender contract. New buses require a relatively high investment and are largely dependent on both available technology and financing from the tenderer. Technological development will eventually enable electric long-distance buses. Market development leads to changes in the tender processes, where we now mainly see electric tenders.

Vy also has some locked-in greenhouse gas emissions due to railway lines where it is only possible to run diesel trains. Electrification of all railway lines in Norway is not considered economically feasible by 2030, but likely by 2050 through partial electrification or battery operation for the Nordlandsbanen. Overall, we still see that Vy's goal of emission cuts by 2030 is realistic, as significant emission cuts are planned in the business towards the target year. In 2023, the Norwegian Railway Directorate conducted a concept evaluation (KVU) for reduced greenhouse gas emissions on the railway. The conclusion is that the Nordlandsbanen is the first of the so-called "diesel lines" that should become emission-free by introducing battery operation with partial electrification. By 2050, CargoNet depends on the Nordlandsbanen becoming diesel-free.

Estimated decrease in emissions towards 2030 and 2050 is largely due to the transition to electric buses

Planned reduction in direct emissions (scope 1 and 2) 2023-2050, tCO_2e

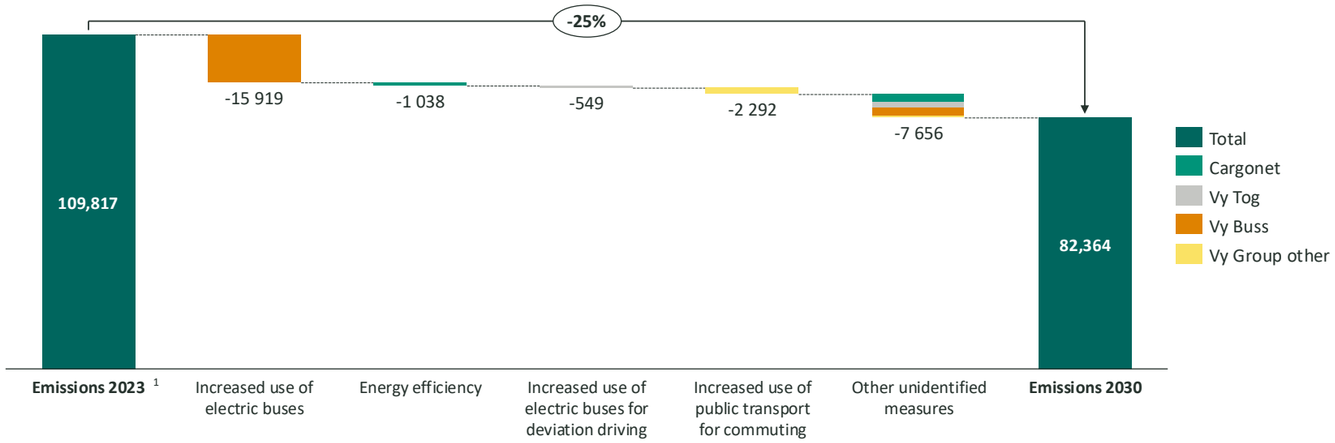


1. The emissions in 2023 differ slightly from the annual and sustainability report, adjustments were made in connection with the submission of the application to SBTi to be in line with their framework. The main lines are still the same.

2. Including increase in use of electricity for electric buses

3. The figures include an included growth in passenger trains

Planned reduction in indirect emissions (scope 3) 2023-2050, CO_2e



1. The emissions in 2023 differ slightly from the annual and sustainability report, adjustments were made in connection with the submission of the application to SBTi to be in line with their framework. The main lines are still the same.

Guidelines

The work on climate measures is an integral part of Vy's strategy and management system. Getting more people to travel collectively is one of the overarching goals in our group-wide sustainability guidelines. Vy will detail our climate transition plan for emission cuts and adaptation to climate changes in 2025, as previously described. Goals, measures, and KPIs are incorporated into the group's and business areas' strategies.

Our strategy, action plans, science-based targets, and governing documents support our work on climate. We have an environmental management system that covers emissions to air, soil, water, and groundwater, as well as the consumption of materials, resources, and energy. The system includes documents that ensure roles, responsibilities, management, planning, and activities to ensure proper environmental management and continuous improvement. Environmental goals are set by management, documented, and followed up in dedicated systems.

The environmental management system has a procedure for "Environmental Aspect Assessment" and "Environmental Policy," which, in combination with environmental goals, set the framework for reducing energy consumption and mitigating climate change.

Vy has several policies and procedures related to adapting to climate changes, such as monitoring weather forecasts and collaborating with others in the sector to ensure operations run as planned. The required competencies for the area are also specified.

The Director of Safety and Quality in Vy Tog, the Director of HSE and Development in CargoNet, and the Director of Traffic Safety, Quality, and Environment in Vy Buss are responsible for ensuring that the environmental management system is followed, while the line management is responsible for implementing environmental activities.

Vy Buss and Vy Tog are certified according to ISO 14001, followed up annually by the certification body, and this is an integral part of their management system. CargoNet is currently not ISO-certified but is in the process of becoming certified.

Energy Efficiency and Consumption

Continuously working on energy efficiency is important for all our business areas. This is supported by governing documents that cover training, driving style, temperature control, and parking of vehicles. Vy has overarching guidelines in the environmental policy stating that we should have good routines for energy-saving use and parking of trains. We are now working on implementing more specific guidelines for climate-friendly driving, based on extensive measurements of energy consumption on various routes with different driving styles. The project is nearing rollout through a new app that measures energy consumption in real-time and provides recommendations based on test results from the routes. Driving style will also be central training point going forward, both through driving instructor gatherings and in classes with train driver trainees. E-learning modules on the topic have already been rolled out to parts of the organization.

To reduce internal greenhouse gas emissions, we have an overarching travel policy stating that all Vy employees should travel in the most environmentally friendly way.

Measures

Emissions from Rail Transport

CargoNet continuously works to reduce its environmental footprint and energy consumption. Hybrid locomotives replace older diesel locomotives. The new locomotives have regenerative braking, feeding electricity back into the grid, and can also run on diesel on tracks and terminals where there is no access to overhead lines.

We are working to make our trains more energy-efficient and aim to reduce energy consumption by 10 % by the end of 2025. This will be achieved through energy-efficient train operation, as well as adjusted indoor temperature during train operation and parking. Additionally, we are working to improve the data basis for energy consumption to gain more control and see the effects of the measures we implement.

Energy-Efficient Train Operation

Measurements show that different driving styles can result in significant variations in energy consumption. To save energy, we are now increasing knowledge and awareness of utilizing typography, quickly reaching target speed, and planning speed variations. Train drivers can also use digital tools to measure energy consumption and continuously improve their driving style on the given route. Energy-efficient driving will not compromise safety and punctuality.

Adjusted Temperature on Trains

We plan to pilot new software to adjust the standard temperature in passenger compartments and smarter climate control. This will reduce energy consumption for heating and cooling and prevent simultaneous heating and cooling. By adjusting the temperature by +/- 1-2°C on the Flirt fleet, energy savings can amount to between 27,000 MWh and 29,000 MWh per year.

Adjusted Temperature During Parking

To save energy, we are also testing adjusting the indoor temperature during train parking as a routine. Today, trains use a lot of energy in parking mode to maintain a temperature of around 22 degrees. By introducing the new parking mode, unnecessary functions are put into standby, while ensuring that water tanks do not freeze and fans run. This can result in energy savings of approximately 64,800 kWh per Flirt train set per year, equivalent to 8,700,000 kWh annually for the entire Flirt fleet.

Electricity with Guarantee of Origin

Vy purchases electricity with guarantees of origin for the operation of electric passenger and freight trains, except for electricity for freight train operation in Sweden in 2024. This guarantees that the electricity we use is produced as renewable energy by Norwegian hydropower plants. We use Norwegian and Swedish electricity mixes instead of Nordic to provide the most relevant picture of actual CO_2 emissions per kWh.

Zero-Emission Lifting Equipment at CargoNet Terminals

CargoNet has close cooperation with lifting equipment suppliers at the terminals for the development and transition to zero-emission lifting equipment. CargoNet has tested an electric large truck and electric reach stacker in operation, making it the first terminal operator in Europe to test zero-

emission machines produced by European suppliers with a lifting capacity of up to 45 tons. We are proud to have been part of this development at such an early stage, but unfortunately, the electric lifting equipment does not perform as well as diesel equipment. We still believe that the equipment will be of good enough quality to roll out electric lifting equipment by 2030.

Assessment of the Effectiveness of Measures for Train Operations

We are working on installing effective energy meters in trains to provide drivers with with direct feedback on energy consumption. This will also allow us to see the direct effect of the various measures we implement. Additionally, we measure and set targets for energy consumption in passenger and freight operations, both in terms of energy use per seat kilometer and emissions per train kilometer.

It is challenging to measure the effect of the measures when the infrastructure fails. When there are signal failures or track damage, which are beyond Vy's control, the trains must stop or run slower, they cannot use optimal driving speed, there is more frequent acceleration, breaking or detours. This means that the trains use more time and energy to reach the destination than necessary. Given the low punctuality in 2024, it is not possible to isolate direct effects from these measures.

The measures in train and freight operations are followed up by a project group and through the environmental management system described earlier. KPIs on punctuality, regularity, and energy consumption are followed up by the management team and regions through scorecards.

Vy is entirely dependent on collaborating with other actors in the sector to succeed, and it is challenging to achieve energy efficiency if the timetable does not go as planned. It is also necessary for technical systems to function so that it is possible to conduct detailed measurements of achieved results. The environmental management system in train and freight operations is built according to the structure required in ISO 14001 and relies on continuous improvement in environmental work.

Emissions from Bus Operations

Vy Bus Continues Electrification

Vy's bus operations account for approximately 60 % of the company's total greenhouse gas emissions in 2024, and we are continuously working to reduce these emissions. Most Vy buses operate under tender contracts, which account for around 80 % of the total kilometers driven. Due to market development, electric buses are now being requested in new tender contracts, and we hope that Vy has delivered the last diesel tender.

Professional assessments made by Vy estimate that 90 % of tender traffic in Norway will be electric by 2030, while commercial bus traffic will be 43 % electric. By 2050, all bus traffic in Norway is expected to be electric. In Sweden, it is estimated that 30 % of bus traffic will be electric by 2030, and 80 % by 2050.

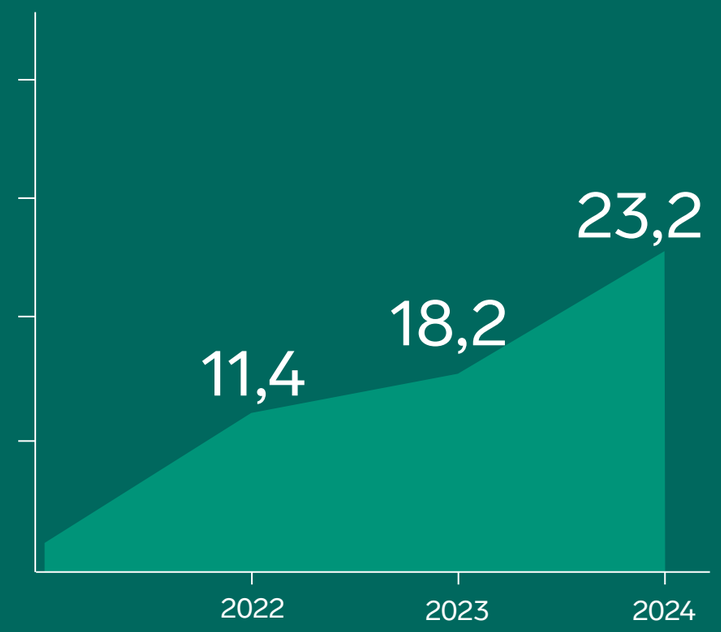
Electrification is expected to reduce emissions from bus operations by 55 % in total (scope 1-3) by 2030. This will lead to a reduction in Vy's direct emissions (scope 1-2) by 47 % and indirect emissions (scope 3) by 17 %.

We are running more and more electric buses, and in 2024 we started an electric contract in Drammen. As of today, we have 488 electric buses in operation in Norway and Sweden out of approximately 3400 in total. We also see an increasing trend in the number of electric buses.

We have continued to invest in electric tour buses, and the goal is a bus fleet that does not pollute. Transport with electric buses has increased from approximately 2 million km in 2020 to 23 million km in 2024. In 2024, we started with electric airport buses in Ålesund, and we are also working to establish charging facilities in Fredrikstad and at Gardermoen to increase the number of electric tour buses.

Vy Bus is Norway's largest commercial bus operator, and with that comes a great social responsibility. By electrifying the bus fleet and testing technology, we set a standard in the industry and help ensure that more competitors and partners take the environment and climate seriously.

Millions of kilometers operated by electric bus 2022–2024



Vy Championship Contributes to Emission Reduction
To measure driving style, we use technology called Ecosafe. Good driving style is important for optimizing energy consumption and reducing wear on equipment and tires. Poor driving style is followed up with the driver through conversations and possibly guidance. Every year, we organize a bus driving championship. This year, we had 20 excellent participants from Norway and Sweden in the final. The finalists are selected based on measurements of driving style and fuel consumption.

Assessment of the Effectiveness of Measures for Bus Operations
For buses, measurement points are established in each bus that provide an overview of driving style deviations to the driver and contribute to immediate feedback on effects such as wear on the bus and energy consumption. Status and goal achievement for this are reported monthly in KPI charts for buses and the group and are considered a good measurement parameter that contributes to reduced energy consumption and lower emissions. Additionally, goals for direct emissions related to bus driving are set through emissions per seat km, which are regularly followed up in the group.

The lesson from the measures in the bus operations is that during the transition to electric buses compared to fossil ones, good training in driving style is particularly important due to increased weight and increased acceleration capability – both to ensure comfort and avoid unnecessary energy consumption.

Vy's First Solar Power Plant
In 2024, we installed 304 solar panels at Vy Bus's office in Mysen. The project is a pilot and will provide useful learning. The estimated annual energy production is approximately 142,000 kWh, which could result in an annual estimated CO_2 savings of 54 tons.

The Headquarters is One of Norway's Most Environmentally Friendly Buildings

Vy's headquarters was Norway's first building with the environmental certification "Excellent" in BREEAM-NOR. The building is space-efficient, flexible, and future-oriented. The management places great emphasis on reusing building materials and furniture. During major renovations, ceiling tiles, kitchen fittings, doors, and wall modules have been reused, contributing to good resource utilization and economy.

Emissions from the Supply Chain
Vy has emissions in the supply chain resulting from purchased goods and services, such as buses, uniforms, trains, IT equipment, and similar. We are in contact with our suppliers and work both to obtain better data on indirect emissions and to push the supply chain in the right direction. We assess market maturity among our suppliers and, where appropriate, set requirements for environmental aspects and emission reductions in our procurements.

An example of a measure we are working on to reduce supply chain emissions is the transition from disposable blankets to reusable blankets on the night train on the Bergen Line. With full occupancy on the trains, this has amounted to approximately 35,000 blankets per year. In 2024, Vy worked to establish a contract where we switch to reusable blankets. This will significantly reduce the total need for the number of blankets. The total greenhouse gas emissions from blanket production are estimated to be reduced by a minimum of 219 tons of CO_2e over a three-year consumption period. The reusable blankets will be on the trains from 2025.

In 2025, we plan to contact our largest suppliers to map their transition plans and reduction targets going forward.

Assessment of Other Measures
The effect of other measures for reducing greenhouse gas emissions is measured annually through the greenhouse gas inventory and compared to the emission targets set for the group.

Inclusion of Stakeholders
Achievement of goals and measures is published annually in the annual and sustainability report, which informs stakeholders. For more information on stakeholder inclusion in assessments made, see the text on materiality analysis.

Goals

Greenhouse gas emissions have emerged as a significant topic in our materiality analysis, and to address this, we have set science-based targets. An internal working group has analyzed current emissions, looked at required emission cuts, and expected emission cuts. When setting targets, we have used the Science Based Targets tool and looked at how much emission cut our industry must contribute to if we are to limit global warming.

The science-based targets have been submitted for verification by SBTi. We have set absolute targets in line with the Paris Agreement and aim to cut 42 % of direct emissions by 2030 and 25 % of indirect emissions by 2030, as well as 90 % of total emissions by 2050, compared to our 2023 emissions. For emissions in the base year, see the table under "Results." The most up-to-date figures for greenhouse gas emissions at the time the project was ongoing are used as the basis for the emission targets to ensure that the reference value is representative. We have also used location-based calculation of greenhouse gas emissions for scope 2.

Going forward, we will incorporate the science-based targets into strategies, strategic goals, and guidelines for the business.

Overview of Vy's Science-Based Targets and Planned Measures to Reduce Own Emissions

	Status business areas (scope 1 + 2)			Value chain status (scope 3)	
	Vy Buss	**Vy Tog**	**CargoNet**	**Value chain**	
Status 2023[1]	• 137.6 million travelers • 109,330 tCO_2e • 8% of total route km driven by electric buses	• 65.8 million travelers • 12,313 tCO_2e	• 1268 mNOK in revenue • 23,901 tCO_2e	• 8.5 billion NOK in purchases of goods and services per year • 109,817 tCO_2e	
	Measures business areas (scope 1 + 2)			Value chain measures (scope 3)	Emission targets
Short term (2030)	• 85% of route km driven by electric buses in Norway and 30% in Sweden • 70% route km on biodiesel in Sweden	• 10% reduction in energy consumption • 29% reduction in refrigerant gas consumption • 10% electrification of rail replacement bus services	• 10% reduction in energy consumption • 100% use of electric lifting equipment	• Increase in the number of electric buses • Increased use of public transport for employee travel to/from work	**-42%** direct emissions (scope 1 + 2) **-25%** indirect emissions (scope 3)
Long term (2050)	• 100% of route km driven by electric buses in Norway and 80% in Sweden (remaining on biodiesel)	• 100% electrification of replacement bus services	• Renewal of freight locomotive fleet • Electrification of railway lines	• Collaboration with manufacturers • Reuse and recycling • Minimize waste and extend lifespan	**-90%** total emissions

[1]Figures based on greenhouse gas emissions for 2023, adjusted according to SBTi requirements and will differ slightly from this year's accounts, the main lines are still the same.

To ensure that the science-based targets are followed, we have sub-targets for specific emission sources that are significant. Internal stakeholders have also been included in setting these targets. For energy, for example, we have set a goal of a 10 % reduction in energy consumption from our trains from 2021 to 2025.

For buses, we have a driving style goal of 1.6 deviations per 100 km. There is a G-sensor in the buses that measures acceleration, braking, and turning. If, for example, one drives too fast, brakes, or accelerates too hard, points are assigned to the driving style.

We also have goals for idling and the consumption of various types of fuel for our buses. Our goal for 2025 is to have a maximum idling time of 6.4 % when the bus is in operation. This includes time at stops.

We calculate fuel type and consumption, and goals are set for this for the various bus departments. The goals depend on the types of buses used (e.g., whether they are short or long buses, double-deckers, etc.), the topography of the bus department, and speed regulations for the routes. Currently, there is no aggregated goal at the group level.

Other Strategic Focus Areas Related to Greenhouse Gas Emissions:

Performance indicators and targets	Status 2024	Target 2024	Target 2025
Direct emissions CO_2 per seatkm. Bus (gr.)	26,7	24,0	24,0
Direct emissions CO_2 per tonnekm. freight (gr.)	5,1	5,0	4,9
Proportion of busses on fossil-free fuel	48%	48%	52%

Vy has also set an ambitious goal to save society from the emission of one million tons of CO_2 equivalents in 2025 (scope 4) by transporting more passengers and goods by rail. By having our travelers choose collective transport over private cars or planes, and goods on rails instead of roads, we save society significant emissions.

The effectiveness of the guidelines and initiatives to achieve our goals is continuously measured through business reviews and reviews of various KPIs in management groups, executive management, and the board.

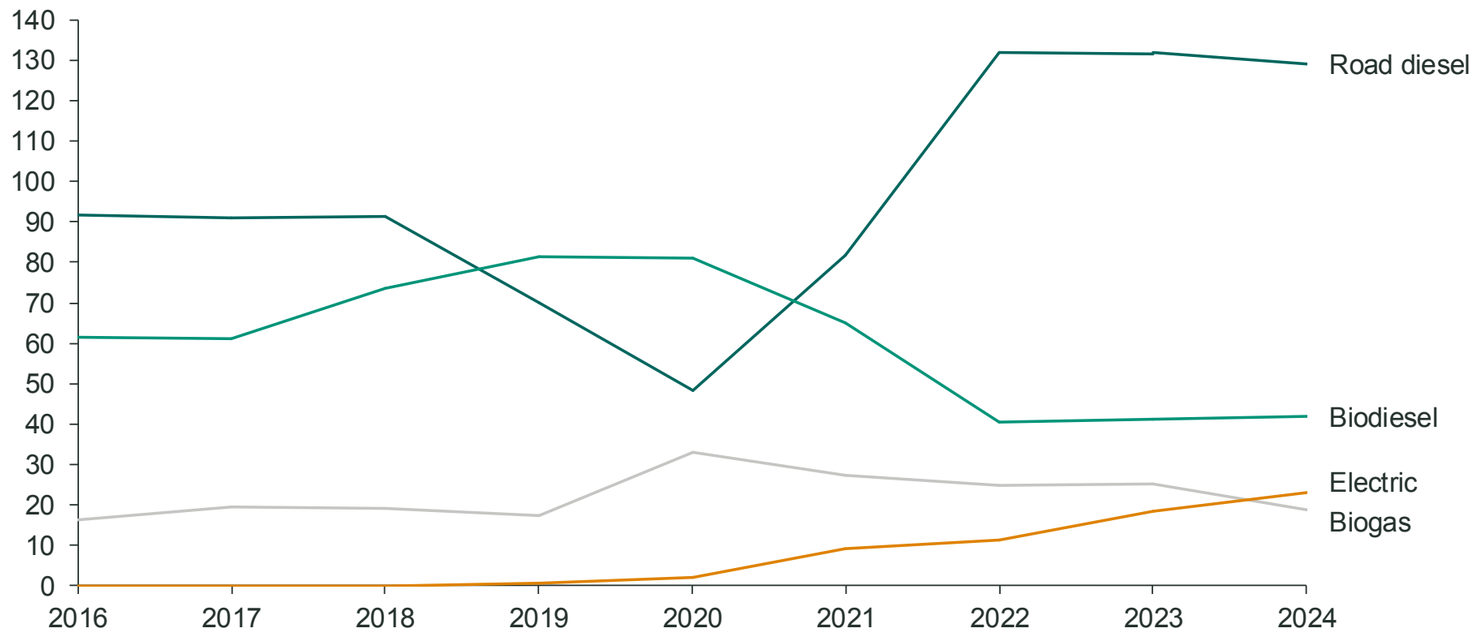
Results

Since 2013, Vy has reduced absolute emissions by 24%, 76,950 tons of CO_2e. During the same period, we have seen a significant increase in the number of people and goods transported. In 2013, we traveled 2,931 million passenger km by train, 3,168 million passenger km by bus, and transported 2,702 million ton km of goods. In 2024, we traveled 3,757 million passenger km by train, 3,477 million passenger km by bus, and transported 3,043 million ton km of goods.

Vy's total greenhouse gas emissions were reduced by 5% in 2024 compared to 2023. The reduction is due to slightly different energy consumption (diesel, biodiesel, electricity) and a changed proportion of km driven with vehicles and various emission factors. Emissions from electricity were reduced by 1%, from 37.9 g CO_2e/kWh to 37.5 g CO_2e/kWh.

Additionally, there is a change in the conversion factor for biodiesel in road diesel, which means that emissions from road diesel in 2023 had a fossil emission of 2.77 kg CO_2e/liter, while road diesel in 2024 has an emission of 2.65 kg CO_2e/liter.

Type of fuel used in buses as a proportion of km driven



As Vy grows within environmentally friendly transport, our own emissions will increase somewhat. At the same time, the savings for society compared to alternative transport, such as private cars and trucks, will increase significantly.

For 2024, this saving is estimated at 787,525 tons of CO_2e, which corresponds to the annual greenhouse gas emissions of approximately 400,000 cars. On average, 600 cars are replaced by a full train during rush hour. In addition to direct climate-related emissions, the freight business relieved the roads of approximately 304,000 truck trips in 2024. This corresponds to approximately 1,200 trailers per operating day.

Tables

All companies in the Vy group and associated companies are included in the greenhouse gas inventory. The consolidation method for the greenhouse gas inventory is operational control; for associated companies without operational control, we have used the equity method. For the Flåm Railway, we have assessed that Vy has operational control over the trains themselves, and the emissions from the operation of the trains are therefore included in direct emissions. Other associated companies are included in scope 3 category 15.

Energy consumption and mix*

Total energy consumption in own operation, kWh	2020	2021	2022	2023	2024
Energy consumption from fossil sources					
Fuel consumption from coal and coal products	0	0	0	0	0
Fuel consumption from crude oil and petroleum products	318 395 571	363 131 696	530 759 511	531 178 203	523 494 727
Fuel consumption from natural gas	0	0	0	0	0
Fuel consumption from other fossil sources	0	0	0	0	0
Energy consumption from renewable sources (including biofuels, biogas and hydrogen)	365 809 177	279 395 126	198 518 405	184 373 831	179 311 242
Energy consumption from nuclear sources	0	0	0	0	0
Fuel consumption from renewable sources*	0	0	0	0	0
Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources	0	0	0	0	0
Electricity consumption	624 180 443	673 859 304	684 495 796	698 686 418	694 871 201
Heat consumption	0	0	0	350 066	1 561 275
Cooling consumption	0	0	0	0	0
Steam consumption	0	0	0	0	0
Consumption of self-generated non-fuel renewable energy	0	0	0	0	0
Sales of electricity, heat, steam or cooling	0	0	0	0	0

*See Energy consumption from renewable sources

	2020	2021	2022	2023	2024
Total energy consumption outside the organization in kWh	Not calculated	Not calculated	Not calculated	Not calculated	57 070 046

Energy intensity	2020	2021	2022	2023	2024	Unit
Energy intensity based on net revenue	0,090	0,086	0,080	0,074	0,072	kWh/NOK
Energy intensity based on pkm						
Bus	0,210	0,186	0,191	0,187	0,189	kWh/pkm
Passenger trains Norway	0,283	0,324	0,209	0,178	0,157	kWh/pkm
Passenger trains Sweden	0,272	0,315	0,211	0,102	0,112	kWh/pkm
Freight train	0,064	0,064	0,063	0,065	0,065	kWh/tkm

Reduction in energy consumption*	2020	2021	2022	2023	2024
Bus	Not calculated	-11,57 %	2,90 %	-1,97 %	1,04 %
Passenger trains Norway	Not calculated	14,27 %	-35,50 %	-14,55 %	-12,21 %
Passenger trains Sweden	Not calculated	15,95 %	-33,08 %	-51,78 %	10,03 %
Freight train	Not calculated	0,09 %	-1,14 %	2,54 %	0,99 %

*Negative number means decrease, positive number means increase compared to previous year

Greenhouse gas emissions, tCO_2e	2020	2021	2022	2023	2024
Direct emissions (Scope 1)					
Biodiesel - fossil	2 286	1 359	701	1 374	1 127
Biodiesel - biogenic	68 139	54 762	33 564	32 314	33 382
Biogas - fossil	22	14	15	13	11
Biogas - biogenic	20 135	13 089	13 383	11 830	9 887
Fuel oil	83	27	42	42	42
Road diesel - fossil	47 870	58 338	95 574	97 724	95 162
Road diesel - biogenic	3 161	12 766	21 203	18 243	19 126
Dyed diesel - fossil	35 027	27 251	25 712	23 863	22 886
Dyed diesel- biogenic	0	0	0	2 230	2 192
Refrigerants	2 215	2 366	2 381	2 470	2 194
Scope 1 - fossil	**87 504**	**89 355**	**124 425**	**125 485**	**121 423**
Scope 1 - biogenic	**91 434**	**80 618**	**68 150**	**64 617**	**64 586**
Indirect emissions from electricity (Scope 2)					
Location-based scope 2	18 998	21 507	22 985	14 101	12 105
Market-based scope 2	22 928	21 762	20 166	32 398	29 811
Indirect emissions from the value chain (Scope 3)					
1: Purchased goods and services	13 818	12 859	12 189	12 762	11 496
2: Capital goods	22 904	23 838	24 708	25 283	26 125
3: Emissions relating to energy production	35 991	33 988	39 695	50 333	48 437
4: Upstream transportation and distribution	8 105	8 342	6 944	6 275	4 531
5: Waste generated	196	213	235	243	230
6: Business travel	406	442	487	503	535
7: Employees commuting	5 985	6 510	7 176	7 417	5 326
8: Upstream leased assets	10 413	11 066	11 860	12 260	12 366
9: Downstream transportation and distribution	0	0	0	0	0
10: Processing of sold products	0	0	0	0	0
11: Use of sold products	0	0	0	0	0
12: End-of-life treatment of sold products	0	0	0	0	0
13: Leased assets	0	0	0	0	0
14: Franchises	0	0	0	0	0
15: Investments	1 648	1 648	1 648	1 648	1 766
Scope 3 - fossil, location-based	**99 468**	**98 905**	**104 941**	**116 725**	**110 812**
Scope 3 - fossil, market-based	**99 468**	**98 905**	**104 941**	**116 725**	**98 060**
Scope - biogenic	**459**	**1 514**	**1 269**	**928**	**1 518**
Total fossil emissions - location-based	205 969	209 767	252 351	256 311	**244 341**
Total fossil and biogenic emissions - location-based	297 404	290 385	320 501	320 928	**308 927**
Total fossil emissions - market-based	209 900	210 022	249 532	274 608	**249 294**
Total fossil and biogenic emissions - market-based	301 335	290 640	317 682	339 225	**313 880**

GHG intensity	2020	2021	2022	2023	2024	Unit
GHG intensity based on net revenue	14,20	13,72	14,31	13,45	12,62	tCO2e/revenue(million NOK) Total emissions excluding biogenic carbon, location-based method
GHG intensity based on pkm						
Bus	0,019	0,020	0,029	0,029	0,029	kg CO2e/pkm bus
Passenger trains Norway	0,013	0,009	0,006	0,006	0,006	kg CO2e/pkm passenger train
Passenger trains Sweden	0,024	0,024	0,011	0,005	0,004	kg CO2e/pkm passenger train
Freight train	0,008	0,008	0,008	0,008	0,008	kg CO2e/ton-km

Reduction in GHG emissions	2020	2021	2022	2023	2024	Comment
Reduction/increase	-	1,84 %	20,30 %	1,57 %	-4,67 %	A negative number means a reduction in emissions, a positive number means an increase in emissions compared to the previous year

Information on method and assumptions:
CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3 are included in the calculation of Vy's greenhouse gas emissions, summed in tons of CO_2 equivalents.

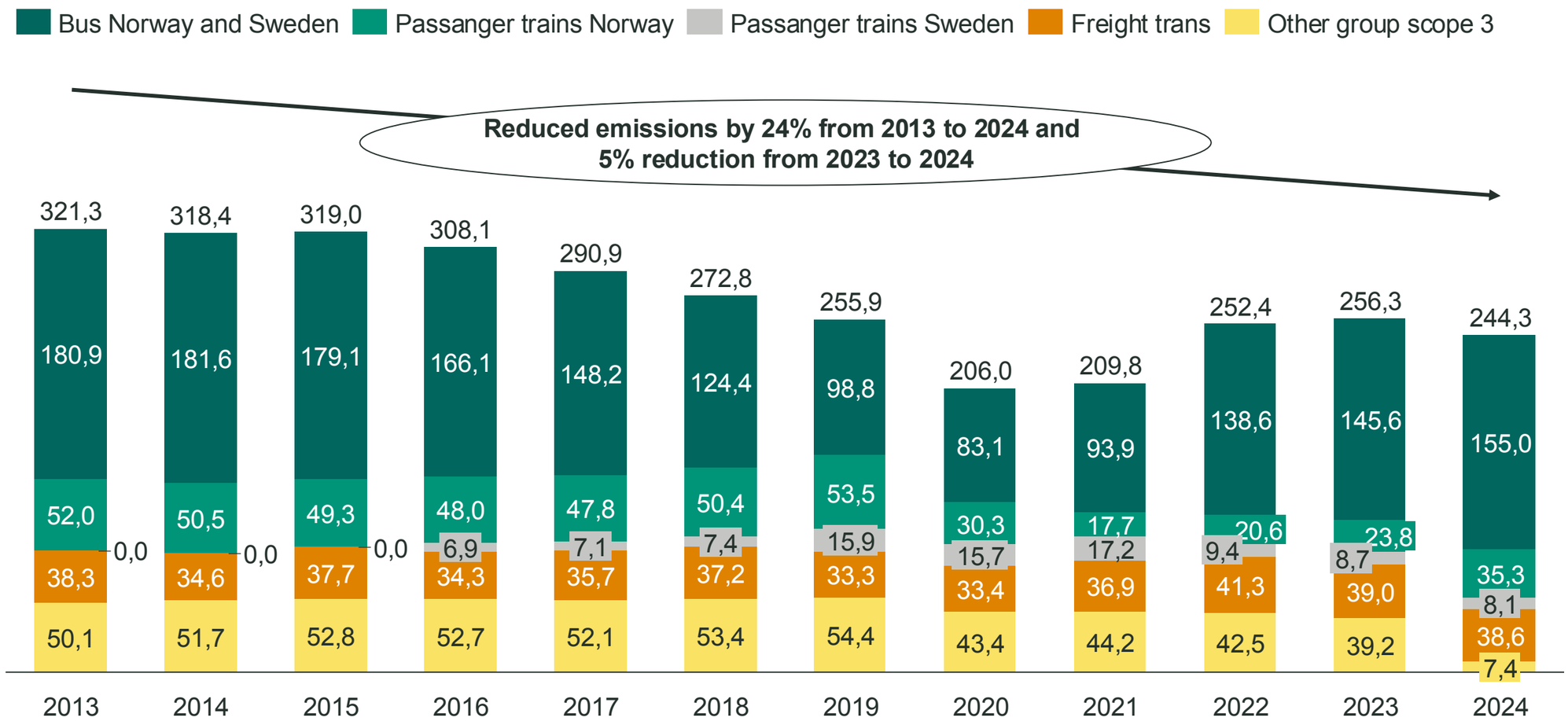
The sources of emission factors are based on DEFRA and ISO 14083:2023 factor sets, adjusted for national variations in biodiesel blending requirements in diesel. For electricity emission factors, the Norwegian consumption mix with a 5-year average for 2020-2024 is used in developing the 'physical' factors. The location-based consumption mix is based on a 5-year average calculated from actual production, import, and export in Norway and the Nordic region. Data is sourced from the ENTSO-E Transparency Platform and processed in Excel and Power BI reports to extract the Nordic and Norwegian electricity mix. To calculate emission intensities, ENTSO data is used in Simapro along with appropriate ecoinvent processes for each technology.

The 'market-based' electricity mix with renewable energy guarantees is based on Norwegian hydropower. The emission factor for the residual mix is based on the declaration for electricity suppliers who do not purchase guarantees of origin and is developed by NVE. According to NVE, the factor is based on the assumption that electricity with unknown guarantees of origin is replaced with an estimate of the composition of electricity without guarantees of origin in Europe, i.e., a European residual mix. For the declaration in Sweden, AIB-NET's residual mix is used.

In scope 3, an environmentally extended input-output model based on trade statistics from the national accounts, developed by Asplan Viak AS, is also used.

The Vy Group´s greenhouse gas emissions 2013 – 2024

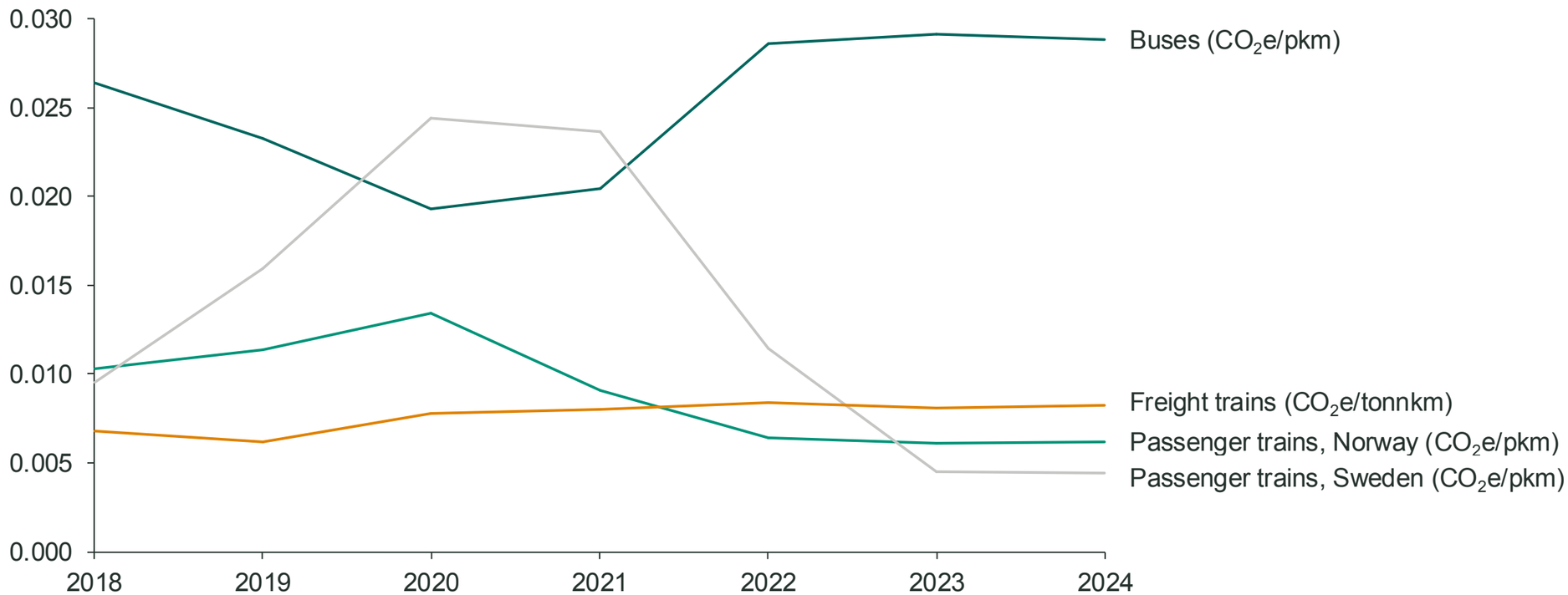
Absolute emissions (location-based), tCO_2e, scope 1, 2 and 3 excluding biogenic CO_2 emissions from biodiesel



Source: Asplan Viak

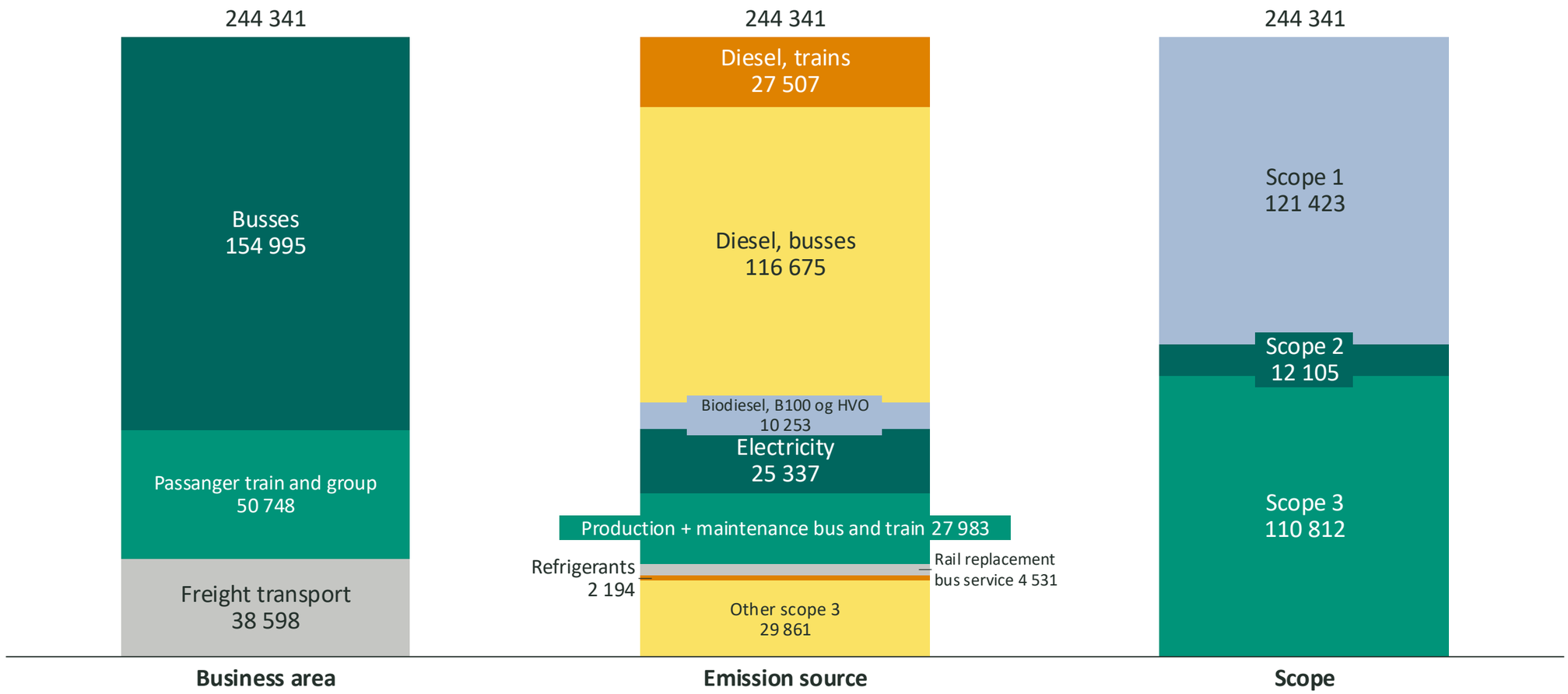
Emissions in kg CO_2e/pkm and tonne km from 2018 to 2024

Scope 1+2+3 (only electricity production and loss), location-based electricity without biogenic emissions



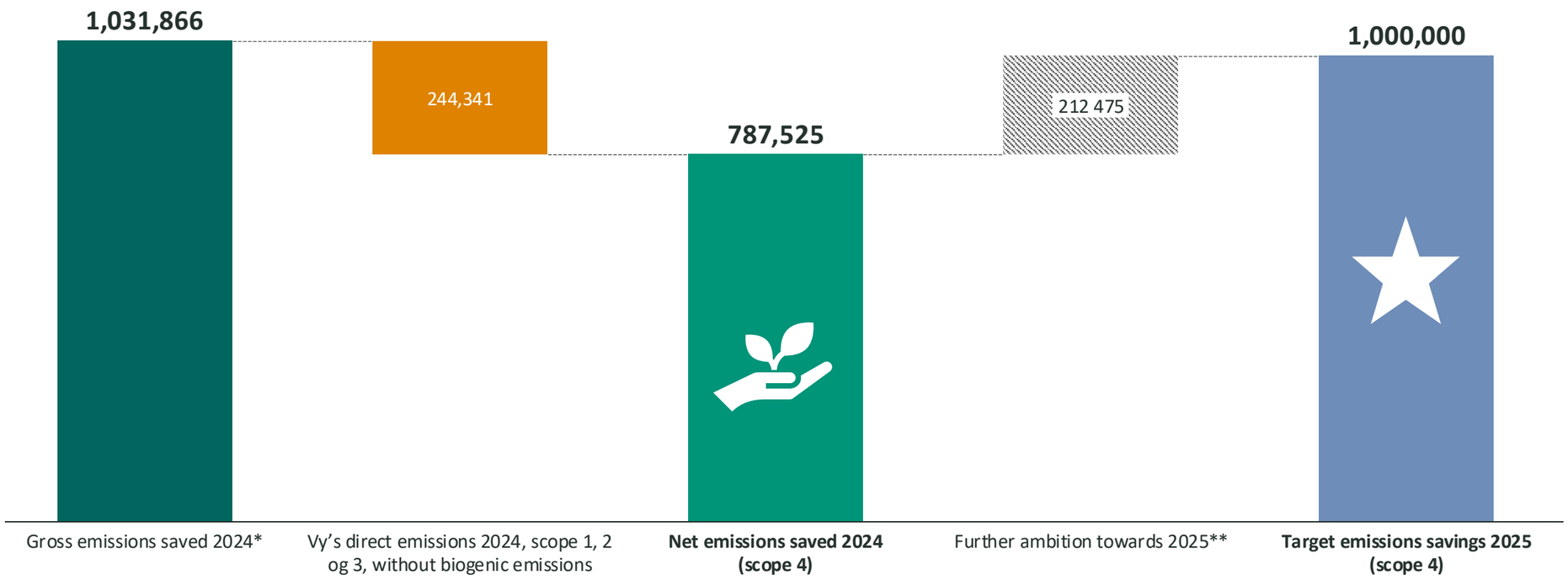
Emissions per source and scope

Location-based, tCO_2e, scope 1, 2 and 3 excluding biogenic CO_2 emissions from biodiesel



* Other scope 3: category 1: Purchase of goods and services, category 5: Waste management, category 6: Business travel, category 7: Employee Commuting, category 8: Upstream Leased Assets, category 15: Investments

Emissions (tCO_2e) saved in 2024, including 2025 target and further ambitions towards 2025



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

1

Methodology for Calculating Emissions

Vy has prepared and published a climate account since 2003, and the reporting has gradually improved year by year. With improved reporting, we have revised and adjusted previous years to the best of our ability so that the accounts are comparable over time.

Vy uses five principles in our climate reporting:

1. Relevance - Calculations account for the most significant emissions
2. Completeness - Calculations are as complete as practically possible
3. Consistency - The calculation methodology is consistent (or recalculated with a new method)
4. Transparency - Assumptions and estimates are communicated openly
5. Accuracy - Calculations are as accurate as practically possible

Vy aims to include all significant direct and indirect emissions and conducts an annual materiality analysis.

The climate account is prepared in accordance with the international standard for climate reporting, the Greenhouse Gas Protocol (GHG Protocol), with well-to-wheel calculations. According to the GHG Protocol, emissions of biogenic CO_2 are considered neutral (uptake = emissions), but we have nevertheless included biogenic emissions in tables and results to increase understanding and provide knowledge about the proportion of emissions in scope 1 that are based on renewable and non-renewable raw materials.

Vy aims to focus on reducing emissions of both fossil and biogenic greenhouse gases. Depending on the raw material for the biofuel, the production of the biofuel will have an uptake and storage of biogenic carbon via photosynthesis (well to tank - scope 3). This effect is not included in the climate account for Vy and is challenging to quantify as it largely depends on the type of raw material. Therefore, estimated biogenic greenhouse gas emissions are considered a conservative estimate.

The measurements are based on internal data for energy consumption as well as information provided by significant suppliers, and otherwise based on cost consumption. Emission coefficients are provided by Asplan Viak based on recognized national and international sources. The measurements are subject to our own internal control and validation by our chosen auditor.

New in 2024:

- Added emissions from insurance
- Emissions from Fjord Tours Group, Flåm Utvikling, Nordisk Togteknikk AS, Peer Gynt Tours, and Nordlandsbuss added to scope 3 category 15. Emissions are calculated based on ownership share
- Used energy data from Bane NOR Eiendom for areas
- Allocate emissions from electricity to scope 2 and scope 3
- Change the emission factor for Norwegian hydropower when purchasing a guarantee of origin (updated factor is slightly lower than previously used)
- Changed emissions from travel habits after our own survey
- Added emissions from AdBlue
- Added other direct emissions (beyond climate), mainly based on the combustion of diesel in various Euro classes

The changes mentioned above are added to previous years' results.

Avoided Emissions
Scope 4 (avoided emissions) is currently not an official category according to the GHG Protocol, but CO_2e emissions that would have occurred if our travelers by bus and train had instead traveled by private car and if goods transported by rail had instead been transported by truck on the road.

The goal of calculations in scope 4 is to show potential greenhouse gas emissions if the alternative to train and bus was car travel. It is assumed that all passenger kilometers by bus and train would have been driven by private car (1.6 people per car) using the average of the Norwegian car fleet. This is not entirely realistic, as some would have chosen other modes of transport such as planes. For goods, it is assumed that all ton kilometers by freight train would have been transported by truck.

Greenhouse gas emissions from scopes 1, 2, and 3, excluding biogenic carbon, for passenger trains, buses, and freight trains are 244,341 tons of CO_2e in 2024. This results in a reduced emission compared to alternative transport of 787,525 tons of CO_2e. This corresponds to the annual emissions of 400,000 cars.

Scope 4	Extent		Alternative Emissions from Car and Truck	Enhet
Person km by bus - replaces car	3 476 668 218	pkm	367 217	tons CO_2 eq
Ton km by freight train - replaces truck	3 043 394 539	tonnkm	267 819	tons CO_2 eq
Person km by train - replaces car	3 757 036 971	pkm	396 830	tons CO_2 eq
Total emissions from alternative transport			**1 031 866**	tons CO_2 eq

Data basis

Scope	Main Category	Sub-Category	Data Source	Emission Factors, WTW
1	Road diesel, Norway, litre • Vy buss Norway • Minibuss 247 • Geilo turbusser	Transport	Vy sustainability reporting 6.5% conventional biodiesel UK Gov. GHG v1.1. 2024: Biodiesel ME (from tallow) 12,5 % advanced biodiesel UK Gov. GHG v1.1. 2024: HVO 83 % fossil diesel: ISO 14083:2023	Fossil: 2,15 kg CO_2e/litre Biogenic: 0,46 kg CO2e/litre
	Road diesel, Sweden, litre • Vy buss Sweden	Transport	Vy sustainability reporting 6,0 % advanced biodiesel UK Gov. GHG v1.1. 2024: HVO	Fossil: 2,48 kg CO_2e/litre Biogenic: 0,15 kg CO2e/litre
	Biodiesel B100 RME, liter • Vy buss (buss)	Transport		
	Biodiesel HVO, litre • Vy buss	Transport	Vy sustainability reporting UK Gov. GHG v1.1. 2024: HVO	Fossil: 0,04 kg CO_2e/litre Biogenic: 2,43 kg CO2e/litre
	Biogas, kg • Vy buss • Minibuss 247	Transport	Vy sustainability reporting UK Gov. GHG v1.1. 2024: biogas	Fossil: 0,0013 kg CO_2e/litre Biogenic: 0,1,11 kg CO2e/litre
	Fuel oil, litre • Team Verksted	Buildings	Vy sustainability reporting UK Gov. GHG v1.1. 2024: burning oil	Fossil: 2,54 kg CO_2e/litre Biogenic: 0,0 kg CO2e/litre
	Dyed diesel, Norway, litre • Agilia • Cargonet • Vy Gjøvikbanen • Vygruppen • Vy tog Vest	Transport	Vy sustainability reporting 10 % advanced bio diesel UK Gov. GHG v1.1. 2024: HVO Fossil diesel: ISO 14083:2024	Fossil: 2,48 kg CO_2e/litre Biogenic: 0,15 kg CO2e/litre
	Dyed diesel, Sweden, litre • Vy Tåg	Transport	Vy sustainability reporting 100 % fossil diesel: ISO 14083:2024	Fossil: 2,64 kg CO_2e/litre Biogenic: 0,0 kg CO_2e/litre
	Refrigerants, leakage • Vy buss • Cargonet • Vy Gjøvikbanen • Vygruppen • Vy tog Vest • Vy Tåg	Refrigerants	Vy sustainability reporting GHG factors from GHG Protocol HFC Tool v1 R452a and R453a are not covered by sources under the GHG Protocol, but are still included in calculations.	kg CO2e/kg R134a: 1300 kg CO_2e/kg R404a: 3260 kg CO_2e/kg R452a: 2139 kg CO_2e/kg R453a: 1765 kg CO_2e/kg R507: 3985 kg CO_2e/kg
2	Electricity, low-voltage, Norway, kWh • Vy buss, Norway • Vy buss, Norway • Minibuss 24-7 • Team Verksted • Agilia • CargoNet • Vygruppen	Transport, workshop, building	Vy sustainability reporting Energy consumption, excluding purchase of guarantee of origin	Please refer to emission factors for location-based and the product declaration below

2	Electricity, high-voltage, Norway, kWh • VY-gruppen • Vy Gjøvikbanen • Vy tog Vest • Vy Flåmbanen • Cargonet	Transport	Vy sustainability reporting Electricity, high-voltage, Norway, kWh	Please refer to emission factors for location-based and the product declaration below
	Electricity, high-voltage, Norway, kWh • Tågkompaniet • Cargonet	Transport	Vy sustainability reporting	Please refer to emission factors for location-based and the product declaration below
	District heating, Oslo • Vy-gruppen	Building	Vy sustainability reporting EPD Hafslund Oslo Celsio NEPD-3785-2721-NO	Fossil: 0,008 kg CO_2e/kWh
	Location-based: NO electricity mix	Electricity mix	High-voltage/Low-voltage Norwegian mix 2029-2024 Based on Entso-e dataset	Fossil: 0,021 / 0,035 kg CO_2e/kWh
	Location-based: SE electricity mix	Electricity mix	High-voltage/Low-voltage Ecoinvent SE mix	Fossil: 0,012/ 0,041 kg CO_2e/kWh
	Market-based: Guarantees of origin NO	Electricity mix	NVE Atrøm with GOO, hydropower	Fossil: 0,006 kg CO_2e/kWh
	Market-based: Guarantees of origin SE	Electricity mix	Corresponding electricity from guarantee of origin Norway (NVE)	Fossil: 0,006 kg CO_2e/kWh
	Product declarations NO	Electricity mix	NVE Product declaration for electricity suppliers: 2022	Fossil: 0,599 kg CO_2e/kWh
	Product declarations SE	Electricity mix	AIB-NET European Residual Mixes 2022: SE 2022	Fossil: 0,0068 kg CO_2e/kWh
3	**Upstream emissions:**			
	1: Purchased goods and services	Maintenance and spare parts, passenger trains and freight trains	Electricity and fuel consumption in internal production used in intercompany agreements with Vygruppen. Information received from suppliers. Energy consumption at workshops: litres of diesel and kWh. Maintenance, freight trains, general figure per kilometre travelled: Average calculation of emissions associated with maintenance and use of spare parts for locomotives and wagons (energy measured at workshop) based on the kilometres travelled by freight train. Source: ecoinvent Maintenance, passenger trains, LCA Flirt, Neosys AG 2012. Converted to per kilometre travelled. Assuming the same need for maintenance for all types of passenger trains.	Emission factor for electricity and diesel, see Scope 1, 2 and 3:3 Maintenance, freight trains (locomotives and wagons): Not publicly available (ecoinvent) Maintenance, passenger trains: 0.0014 kg CO_2e/p train kilometres
		Maintenance and spare parts, buses	lectricity and fuel consumption in internal production used in intercompany agreements with Vygruppen. Information received from suppliers. Energy consumption at workshops: litres of diesel and kWh. Maintenance, buses, general figure per kilometre travelled: Average calculation of emissions associated with maintenance and use of spare parts for buses (energy measured at workshop) based on the kilometres travelled by bus. Source: ecoinvent	Emission factor for electricity and diesel, see Scope 1, 2 and 3:3 Maintenance, buses: Not publicly available (ecoinvent)
		Washing and cleaning	Consumption/spend with the largest suppliers	0,058 kg CO_2e/1000 NOK
		Tyres, buses	Number of new and retreaded tyres. Information obtained from supplier Emission figures provided by supplier	New tyres: 3,24 Kg CO_2e/tyre Retreaded: 3,57 Kg CO_2e/retreaded
		Textiles (uniforms and backpacks)	Number of garments/items, kg per garment/item and number of shipments. Information received from supplier. Bags: Number of kg and number of shipments. Information received from supplier. UK Gov. GHG v1.1. 2024: Clothing	22,3 kg CO_2e/kg tekstil
		Laundry	Electricity consumption in kWh and fuel consumption in internal production used in intercompany agreements with Vygruppen. Information received from suppliers.	Emission factor for electricity and diesel, see Scope 1, 2 and 3:3
		Onboard café	Fuel consumption in litres of diesel in internal production used in intercompany agreements with Vygruppen. Information received from suppliers.	Emission factor for diesel, see Scope 1, 2 and 3:3
		IT equipment and operations (hosting)	Number of products and kg per product. Information received from suppliers Consumption/spend with the largest suppliers Emission figures provided by supplier	Tablets: 86 kg CO_2e each 0,013 kg CO2e/1000 NOK

3	2: Capital goods	Production of buses	Production of buses, general figure per kilometre travelled: Average calculation of emissions associated with the production of buses, based on kilometres travelled by bus. Source: ecoinvent	Production (buses): Not publicly available (ecoinvent)
		Production of passenger trains	Production, passenger trains, LCA Flirt, Neosys AG 2012. Converted to per kilometre travelled. Assuming the same need for maintenance for all types of passenger trains.	Production of passenger trains: 0,253kg CO_2e/train km
		Production of freight trains	Production of freight trains, general figure per kilometre travelled: Average calculation of emissions associated with the production of locomotives and wagons, based on kilometres travelled by train. Source: ecoinvent	Production, freight trains (locomotives and wagons): Not publicly available (ecoinvent)
	3: Emissions relating to energy production	3A – Upstream emissions from purchased fuel	Vy sustainability reporting Emission figures: UK Gov. GHG v1.1. 2024 ISO 14083:2023	Road diesel: 0,50 kg CO_2e/litre Dyed diesel NO: 0,48 kg CO_2e/litre Dyes diesel SE: 0,47 kg CO_2e/litre Biodiesel B100 RME: 0,66 Biodiesel, HVO: 0,56 kg CO_2e/litre Biogas: 0,10 kg CO_2e/litre Fuel oil: 0,53 kg CO_2e/litre
		3B – Upstream emissions from purchased electricity	Vy sustainability reporting	Location-based NO/SE: 0,016 kg CO_2e/kWh Market-based GOO NO/SE: 0 kg CO_2e/kWh Production declaration NO/SE: 0 kg CO_2e/kWh
		3C – Loss from transfer and distribution (also referred to as grid loss):	Vy sustainability reporting	Loss from transfer and distribution (also referred to as grid loss): CargoNet: 13,9 % Vy-gruppen: 14,4 % Vy tog Vest: 14,0 % Vy Gjøvikbanen: 14,4 % Vy Tåg: 13,9 %
		3D – Production of electricity for resale	Not applicable	
	4: Upstream transportation and distribution	Rail replacement bus services	Scheduled and unscheduled kilometres driven distributed by the Euroclass of the buses used. Data from internal system.	Utslippsfaktor for veidiesel i Norge og Sverige, se scope 1, 2 og 3:3
		Rail replacement taxi services	Average emissions, passenger car Emission factor from Environmental Calculator, NSB/Vy	Taxi, one passenger: 0.164 kg CO_2e/car kilometre
		Subcontracting of freight transport services (freight)	Not included, information not available	
	5: Waste generated	Waste management	Number of transport journeys and associated fuel. Information received from suppliers. Vy sustainability reporting: specified volume of waste and degree of sorting. Sorted waste assumed to be recycled. Unsorted waste and hazardous waste are sent for incineration with energy recovery. UK Gov. GHG v1.1. 2023: Residual waste	Emission factor for electricity and diesel, see Scope 1, 2 and 3:3 Incineration of unsorted waste: 21.28 kg CO2e/tonne
		Waste management	Fuel consumption, fuel type and average consumption per vehicle. Information received from suppliers.	UEmission factor for electricity and diesel, see Scope 1, 2 and 3:3
	6: Business travel	Hotel accommodation	Number of overnight stays. Information obtained from suppliers. UK Gov. GHG v1.1. 2023: Hotel UK room	Hotel accommodation: 10.4 kg CO_2e/room per night
		Flights	Vy sustainability reporting: Specified number of domestic and international flights. Average distance, domestic flights: 370 km Average distance, international flights: 562 km Emission factors, aviation fuel: 14083:2023	Flyreise i Norge: 0,185 kg CO_2e/pkm Flyreise utenfor Norge: 0,151 kg CO_2e/pkm
		Transport for office employees (e.g. taxi)	Average emissions, passenger car Emission factor from Environmental Calculator, NSB/Vy	Taxi, one passenger: 0.164 kg CO2e/car kilometre

	7: Employees commuting	Transport, employees	Vy sustainability reporting: Vy has conducted a travel habits survey for employees. Provides the distribution of means of transport in % and average travel length. Only calculated emissions from transport by car. Transport by public transport is already included in calculations for scope 1-3. Emission factor car from Environmental calculator NSB/ Vy	Car, 1 person: 0,164 kg CO_2e/car km
	8: Upstream leased assets	Rent	Rented premises/leased equipment	0,0154 kg CO_2e/1000 NOK
	Downstream emissions			
	9: Downstream transportation and distribution	N/A. Not applicable		
	10: Processing of sold products	N/A. Not applicable		
	11: Use of sold products	N/A. Not applicable		
	12: End-of-life treatment of sold products	N/A. Not applicable		
	13: Leased assets	N/A. Not applicable		
	14: Franchiser	N/A. Not applicable		
	15: Investments	Estimated emissions for, based on ownership interest • Vy Flåmsbana: 16,6 % • Fjord Tours Group: 50 % • Nordisk Togteknikk AS: 50 % • Peer Gynt Tours: 34 % • Nordlandsbuss: 34 %		
4	Emissions avoided	Estimated emissions for, based on ownership interest	Passenger kilometres travelled by bus and train in place of car (average of 1.6 people in each car) Tonne kilometres travelled by freight trains in place of lorries Emission factor for passenger cars from Environmental Calculator, Vy	Car: 0,106 kg CO_2e/pkm Lorry: 0,088 kg CO_2e/tonne km

Asplan Viak assists the Vy Group in preparing the climate accounts by compiling basic data, finding the correct emission factors, and ensuring the quality of both methodology and results.

EU Taxonomy

The EU Taxonomy is a classification system for economic activities introduced by the EU through EU Regulation 2020/852 with accompanying delegated acts. The goal of the taxonomy is to direct capital towards sustainable projects and investments.

About the Framework

The EU Taxonomy includes a description of all economic activities covered by the framework ("eligible"). The sectors currently included are those where the Commission believes there is the greatest potential to reduce emissions. For all economic activities that are eligible, it must then be assessed whether these activities are environmentally sustainable ("aligned") or not. To be taxonomy-aligned, the activity must meet the following criteria:

1. Contribute substantially to at least one of the six environmental objectives
2. Do no significant harm to any of the other environmental objectives (DNSH)
3. Compliance with the minimum social safeguards

For each economic activity described in the taxonomy, a set of technical screening criteria has been developed to assess whether the requirements for substantial contribution and no significant harm are met. Technical screening criteria for environmental objectives 1 and 2 are set out in the EU Delegated Act 2021/2139 ("Climate Delegated Act"), while criteria for environmental objectives 3 to 6 are defined in the EU Delegated Act from June 2023 ("Environmental Delegated Act"). Both acts have been incorporated into Norwegian law. Based on the screening against these criteria, the following KPIs must be reported: Operating income, capital expenditure, and operating expenses.

Environmental Objectives in the EU Taxonomy
1. Climate Change Mitigation
2. Climate Change Adaptation
3. The sustainable use and protection of water and marine Resources
4. The transition to a circular economy
5. Pollution prevention and control
6. The protection and restoration of biodiversity and Ecosystems

Reporting under the EU Taxonomy in Vy Group's annual and sustainability report for 2024 is voluntary as the group does not have a reporting obligation until next year, i.e., for the financial year 2025. This is done as preparation for the upcoming reporting requirements and based on expectations from the owner and other stakeholders.

Reporting for 2024

In the Annual and Sustainability Report for 2023, Vy reported on which activities in the group that are eligible. Operating income, capital expenditure, and operating expenses were reported for eligible and non-eligible activities. The reporting in this year's report has been expanded, and for the activities identified as Vy Group's primary activities in last year's report (no. 6.1, 6.2, and 6.3), it is also reported for 2024 on the proportion of these activities that are taxonomy-aligned. In addition to these activities, 6 new activities were identified in 2024 (no. 6.5, 6.6, 6.14, 6.15, and 7.7). These activities have a significantly smaller scope, and this year's report does not assess whether these are aligned or not. Therefore, in this year's report, these are reported as eligible but non-aligned.

Vy reports for 2024 on all environmental objectives, but no activities have been identified that can make a substantial contribution to environmental objectives 3 to 6. When assessing eligible activities, the definitions in the delegated acts with associated NACE codes have been used as a basis.

See the table for all identified activities in the Vy Group for the financial year 2024.

Activity No.	EU Taxonomy Activity Name	Description of the Activity in Vy
6.1	Passenger interurban rail transport	Passenger transport by train, and investment in such equipment.
6.2	Freight rail transport	Freight transport by train and investment in new locomotives and wagons.
6.3	Urban and suburban transport, road passenger transport	Passenger transport by bus (M2 and M3), and investment in such vehicles. Includes also rail replacement buses.
6.5	Transport by motorbikes, passenger cars and light commercial vehicles	Passenger transport by vehicle category M1, and investment in such vehicles.
6.6	Freight transport services by road	Distribution of goods by van and truck (category N1, N2, or N3).
6.14	Infrastructure for rail transport	Operation of freight terminals.
6.15	Infrastructure enabling low-carbon road transport and public transport	Investment in charging facilities in the bus business area.
7.7	Acquisition and ownership of buildings	Operation and investment in property (primarily leasing).

Fulfillment of the Technical Screening Criteria

Assessment of Substantial Contribution

Most of the Vy Group's identified activities can contribute significantly to both environmental objective 1, "Climate Change Mitigation," and environmental objective 2, "Climate Change Adaptation." To avoid double counting, only substantial contribution to environmental objective 1, "Climate Change Mitigation," have been assessed. Substantial contribution to climate change mitigation is defined in Article 10 of the regulation and involves avoiding or reducing greenhouse gas emissions and increasing the uptake of greenhouse gases.

For Vy's transport activities, this means that vehicles with zero direct CO_2 emissions contribute significantly to climate change mitigation. This requirement is met for the group's electric train sets, locomotives, and buses. In the group's freight operations (6.2), hybrid locomotives are also used. These are considered to meet the requirement for substantial contribution as they use electricity where the infrastructure is available. Locomotives transporting aviation fuel do not meet the requirement for substantial contribution and are reported as eligible but non- aligned. In activity 6.3, which concerns the group's bus operations, there is a transitional rule until the financial year 2025. This rule considers Euro class 6 buses that are used in interurban traffic and with specific body types to meet the requirement for substantial contribution even if they have direct CO_2 emissions. This transitional rule has been applied in the reporting for 2024, and to operationalize it, bus classes (1, 2, and 3) have been used in the reporting.

When calculating KPIs, the proportion of operating income, operating expenses, and capital expenditure that are aligned but not related to vehicles with zero direct CO_2 emissions has been separated and reported as transitional activities.

Do No Significant Harm (DNSH)

For Vy Group's primary activities (6.1, 6.2, and 6.3), the following environmental objectives are relevant when assessing the requirement for no significant harm: "2. Climate Change Adaptation," "3. Circular Economy," and "5. Pollution."

For climate change adaptation, reference is made to the groups reporting under the framework "Task Force on Climate-Related Financial Disclosures (TCFD)" and our work with science-based targets. Regarding the circular economy, guidelines have been developed for how companies in the group should relate to the EU waste hierarchy, including waste management and the sale/disposal of older buses and other equipment. These guidelines are also used by the group's joint procurement function where relevant.

To meet the requirements for environmental objective "5. Pollution," it has been checked that our hybrid locomotives in the freight operations do not have emission values that exceed the permitted values for activity 6.2. For the group's bus operations (6.3), requirements are also set for the buses' tires regarding noise and impact on the vehicle's energy efficiency. In 2024, it has been a time-consuming task to identify the tires on the group's buses and assess which of these meet the taxonomy's technical screening criteria. For a significant part of the group's bus activities, we have not yet identified which tires are on which bus, and in these cases, tires per contract are used for the 2024 reporting. All identified tires have been assessed against comparable tires in the EU product database for energy labeling "EPREL." Our observation when screening tires is that winter tires used in Norway and Sweden perform poorly compared to winter tires in a European database where few tires are adapted to Nordic winter conditions. In addition, a significant proportion of retreaded tires are used in the group, which do not have EPREL labeling and therefore cannot be screened against this database. In the 2024 reporting, it is assumed that these tires do not meet the requirement for no significant harm. Consequently, a significant proportion of the group's buses is assessed as non-aligned due to the tires not complying with the taxonomy's technical screening criteria.

Compliance with minimum social safeguards

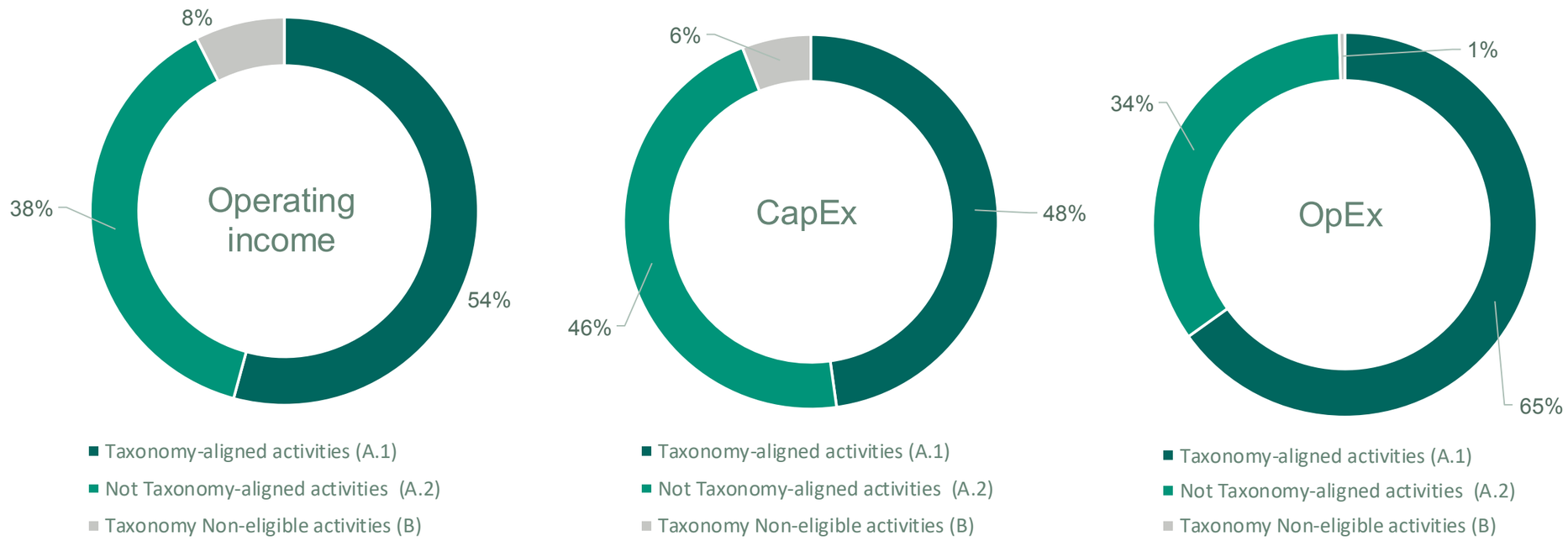
The Vy Group meets the requirements concerning minimum social safeguards. The group's activities are carried out in accordance with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the International Labour Organization's (ILO) eight core conventions and the International Bill of Human Rights. Reference is made to the group's account pursuant to the Norwegian Transparency Act, the Workplace equality and diversity report, reporting under ESRS G1, S2, and tax policy for more information.

Taxonomy Indicators

According to Article 8 of the Taxonomy Regulation, three KPIs must be reported: operating income, capital expenditure, and operating expenses. These KPIs are split between what is eligible and what is aligned. What is aligned is only assessed for the group's primary activities, i.e., passenger transport by train (6.1), by bus (6.3), and freight transport (6.2).

In summary, this year's screening shows that a large proportion of the Vy Groups activities is eligible, and a significant proportion is also taxonomy-aligned. See figure.

Diagram 1: Share of taxonomy-aligned (A.1), not taxonomy-aligned (A.2) and Taxonomy non eligible (B) for all activities

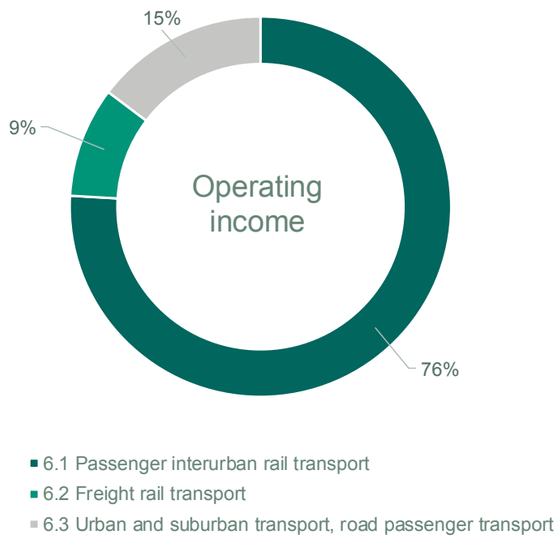


Operating Income

Andelen driftsinntekter i konsernet som er omfattet av taksonomien er for regnskapsåret 2024 92 % (2023: 95 %), og andelen miljømessig bærekraftig er 54 %. De taksonomiforenlige inntektene kommer i hovedsak fra aktivitet 6.1 persontransport med tog (se figur), men aktivitet 6.2 og 6.3 bidrar også betydelig.

The proportion of operating income that is eligible for the financial year 2024 is 93 % (2023: 95 %), and the proportion that is aligned with the taxonomy is 54 %. The taxonomy-aligned income mainly comes from activity 6.1 passenger transport by train (see figure), but activities 6.2 and 6.3 also contribute significantly.

Diagram 2: Share of taxonomy-aligned operating income per activity

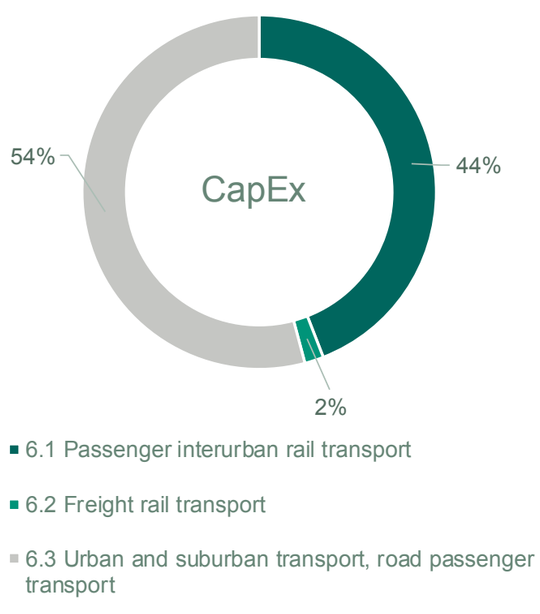


Capital Expenditure (CapEx)

The proportion of CapEx that is eligible for the financial year 2024 is 94 % (2023: 99 %), and the proportion that is taxonomy-aligned is 48 %. The largest investments in 2024 have been within the bus business area, where several electric buses have been invested in (e.g., Drammen). Since tires also need to be considered, not all investments in electric buses are reported as taxonomy-aligned in 2024.

In calculating the KPI for CapEx, all additions according to the standards IAS 16 Property, Plant and Equipment, IAS 38 Intangible Assets, and IFRS 16 Leases are included. This includes the acquisition of assets in connection with business combinations. The assessment of which additions are taxonomy-aligned is done per asset for vehicles. Where the addition cannot be linked to an activity, it is reported as non-eligible. CapEx plans have not been used in the reporting of CapEx in this year's report.

Diagram 3: Share of taxonomy-aligned capital expenditure per activity



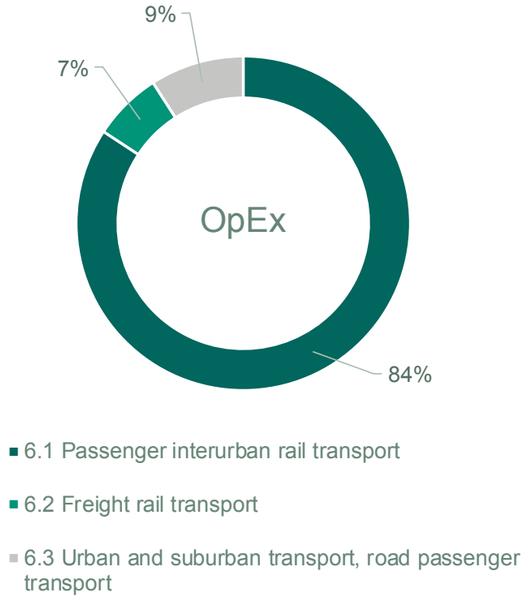
Operating Expenses (OpEx)

The proportion of OpEx that are eligible for the financial year 2024 is 99 % (2023: 98 %), and the proportion that is taxonomy-aligned is 65 %. A large proportion of the taxonomy-aligned OpEx are within Vy Group's passenger transport by train (6.1), where only electric train sets are used in Norway.

For Operating expenses, the denominator is defined in the taxonomy as non-capitalized costs related to research and development activities, building renovation, short-term leases, maintenance and repair, and other direct expenses related to the daily operation of fixed assets necessary to ensure that the assets function efficiently. These operating expenses constitute a portion of the costs reported in the lines "other operating expenses" and "payroll and related expenses" in Vy Group's income statement. A large proportion of Vy's operating expenses are related to the maintenance and repair of the group's vehicles. Other costs included in operating expenses are costs for tires, vehicle cleaning, and research and development activities.

The calculation of the proportion that is taxonomy-aligned is done per material type or using keys per contract (Activity 6.3).

Diagram 4: Share of taxonomy-aligned operating expenses per activity



Summary and Further Work

This year's report shows that a large part of the group's activities is eligible while a significant proportion also is taxonomy-aligned. In 2024, it has been challenging to assess the group's bus activity against the technical screening criteria, as there are also requirements for tires. In 2025, we will continue to map out and document this and other areas as needed. We will also work on assessing the remaining activities that have been identified against the technical screening criteria, with the goal of reporting on this for the financial year 2025 in 2026.

This year's reporting is based on the interpretation of the Taxonomy Regulation with associated delegated acts as of the end of 2024. We are monitoring the further development of this and will make changes to the reporting when necessary.

KPI- tables for EU taxonomy

Operating income

Financial Year		2024		Substantial Contribution Criteria						DNSH criteria ('Does Not Significantly Harm')									
Economic Activities	Code	Turnover	Proportion of Turnover	Climate Change Mitigation	Climate Change Adaptation	Water	Circular Economy	Pollution	Biodiversity	Climate Change Mitigation	Climate Change Adaptation	Water	Circular Economy	Pollution	Biodiversity	Minimum Safeguards	**Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) turnover, year 2023**	Category enabling activity	Category transitional activity
		MNOK	*%*	*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)																			
6.1 Passenger interurban rail transport	CCM 6.1	7 936	41 %	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	N/A	Y	Y	N/A	Y			
6.2 Freight rail transport	CCM 6.2	980	5 %	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	N/A	Y	Y	N/A	Y			T (only parts)
6.3 Urban and suburban transport, road passenger transport	CCM 6.3	1 537	8 %	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	N/A	Y	Y	N/A	Y			T (only parts)
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**10 453**	54 %	**54 %**	**0 %**	**0 %**	**0 %**	**0 %**	**0 %**	Y	Y	N/A	Y	Y	N/A	Y			
Of which Enabling			**0 %**	**0 %**	**0 %**	**0 %**	**0 %**	**0 %**	**0 %**	Y	Y	N/A	Y	Y	N/A	Y		E	
Of which Transitional		**1 447**	8 %	**0 %**						Y	Y	N/A	Y	Y	N/A	Y			T
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	*EL; N/EL*	*EL; N/EL*	*EL; N/EL*	*EL; N/EL*	*EL; N/EL*										
6.1 Passenger interurban rail transport	CCM 6.1	40	0 %	EL	EL	N/EL	N/EL	N/EL	N/EL										
6.2 Freight rail transport	CCM 6.2	248	1 %	EL	EL	N/EL	N/EL	N/EL	N/EL										
6.3 Urban and suburban transport, road passenger transport	CCM 6.3	6 943	36 %	EL	EL	N/EL	N/EL	N/EL	N/EL										
6.5 Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	63	0 %	EL	EL	N/EL	N/EL	N/EL	N/EL										
6.6 Freight transport services by road	CCM 6.6	25	0 %	EL	EL	N/EL	N/EL	N/EL	N/EL										
6.14 Infrastructure for rail transport	CCM 6.14	49	0 %	EL	EL	N/EL	N/EL	N/EL	N/EL										
7.7 Acquisition and ownership of buildings	CCM 7.7	21	0 %	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)		7 389	38 %	**38 %**	**0 %**	**0 %**	**0 %**	**0 %**	**0 %**										
A. Turnover of Taxonomy eligible activities (A.1+A.2)		**17 842**	93 %	**93 %**	**0 %**	**0 %**	**0 %**	**0 %**	**0 %**										
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy-non-eligible activities		1 441	7 %																
TOTAL 1		**19 283**	100 %																

*Footnote Sum (A+B)
Profit from the sale of fixed assets of NOK 75 million is not included in total operating income.

KPI- tables for EU taxonomy

CapEx

Financial Year		2024		Substantial Contribution Criteria						DNSH criteria ('Does Not Significantly Harm')									
Economic Activities	Code	CapEx	Proportion of CapEx	Climate Change Mitigation	Climate Change Adaptation	Water	Circular Economy	Pollution	Biodiversity	Climate Change Mitigation	Climate Change Adaptation	Water	Circular Economy	Pollution	Biodiversity	Minimum Safeguards	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) CapEx, year 2023	Category enabling activity	Category transitional activity
		MNOK	%	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)																			
6.1 Passenger interurban rail transport	CCM 6.1	494	21 %	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	N/A	Y	Y	N/A	Y			
6.2 Freight rail transport	CCM 6.2	19	1 %	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	N/A	Y	Y	N/A	Y			
6.3 Urban and suburban transport, road passenger transport	CCM 6.3	607	26 %	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	N/A	Y	Y	N/A	Y			T (only parts)
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**1 120**	**48 %**	**42 %**	**0 %**	**0 %**	**0 %**	**0 %**	**0 %**	Y	Y	N/A	Y	Y	N/A	Y			
Of which Enabling			**0 %**	**0 %**	**0 %**	**0 %**	**0 %**	**0 %**	**0 %**	Y	Y	N/A	Y	Y	N/A	Y		E	
Of which Transitional		**155**	**7 %**	**7 %**						Y	Y	N/A	Y	Y	N/A	Y			T
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
6.1 Passenger interurban rail transport	CCM 6.1	0	0 %	EL	EL	N/EL	N/EL	N/EL	N/EL										
6.2 Freight rail transport	CCM 6.2	1	0 %	EL	EL	N/EL	N/EL	N/EL	N/EL										
6.3 Urban and suburban transport, road passenger transport	CCM 6.3	908	39 %	EL	EL	N/EL	N/EL	N/EL	N/EL										
6.5 Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	7	0 %	EL	EL	N/EL	N/EL	N/EL	N/EL										
6.6 Freight transport services by road	CCM 6.6	2		EL	EL	N/EL	N/EL	N/EL	N/EL										
6.14 Infrastructure for rail transport	CCM 6.14	6	0 %	EL	EL	N/EL	N/EL	N/EL	N/EL										
6.15 Infrastructure enabling low-carbon road transport and public transport	CCM 6.15	65	3 %	EL	N/EL	N/EL	N/EL	N/EL	N/EL										
7.7 Acquisition and ownership of buildings	CCM 7.7	94	4 %	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)		**1 083**	**46 %**	**46 %**	**0 %**	**0 %**	**0 %**	**0 %**	**0 %**										
A. CapEx of Taxonomy eligible activities (A.1+A.2)		**2 203**	**94 %**	**94 %**	**0 %**	**0 %**	**0 %**	**0 %**	**0 %**										
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
CapEx of Taxonomy-non-eligible activities		140	6 %																
TOTAL		**2 343**	**100 %**																

KPI- tables for EU taxonomy

OpEx

Financial Year:		2024		Substantial Contribution Criteria						DNSH criteria ('Does Not Significantly Harm')									
Economic Activities	Code	OpEx	Proportion of OpEx	Climate Change Mitigation	Climate Change Adaptation	Water	Circular Economy	Pollution	Biodiversity	Climate Change Mitigation	Climate Change Adaptation	Water	Circular Economy	Pollution	Biodiversity	Minimum Safeguards	**Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) OpEx, year 2023**	Category enabling activity	Category transitional activity
		MNOK	%	*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)																			
6.1 Passenger interurban rail transport	CCM 6.1	1 745	59 %	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	N/A	Y	Y	N/A	Y			
6.2 Freight rail transport	CCM 6.2	138	5 %	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	N/A	Y	Y	N/A	Y			T (a proportion)
6.3 Urban and suburban transport, road passenger transport	CCM 6.3	188	6 %	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	N/A	Y	Y	N/A	Y			T (only parts)
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**1 914**	65 %	**65 %**	**0 %**	**0 %**	**0 %**	**0 %**	**0 %**	Y	Y	N/A	Y	Y	N/A	Y			
Of which Enabling		**-**	**0 %**	**0 %**	**0 %**	**0 %**	**0 %**	**0 %**	**0 %**	Y	Y	N/A	Y	Y	N/A	Y		E	
Of which Transitional		**177**	**0 %**	**0 %**						Y	Y	N/A	Y	Y	N/A	Y			T
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	*EL; N/EL*	*EL; N/EL*	*EL; N/EL*	*EL; N/EL*	*EL; N/EL*										
6.1 Passenger interurban rail transport	CCM 6.1	2	0 %	EL	EL	N/EL	N/EL	N/EL	N/EL										
6.2 Freight rail transport	CCM 6.2	73	2 %	EL	EL	N/EL	N/EL	N/EL	N/EL										
6.3 Urban and suburban transport, road passenger transport	CCM 6.3	749	25 %	EL	EL	N/EL	N/EL	N/EL	N/EL										
6.5 Transport by motorbikes, passenger cars and light commercial v	CCM 6.5	2	0 %	EL	EL	N/EL	N/EL	N/EL	N/EL										
6.14 Infrastrucuture for rail transport	CCM 6.14	34	1 %	EL	EL	N/EL	N/EL	N/EL	N/EL										
7.7 Acquisition and ownership of buildings	CCM 7.7	150	5 %	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)		**1 011**	34 %	**34 %**	**0 %**	**0 %**	**0 %**	**0 %**	**0 %**										
A. OpEx of Taxonomy eligible activities (A.1+A.2)		**2 925**	99 %	**99 %**	**0 %**	**0 %**	**0 %**	**0 %**	**0 %**										
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
OpEx of Taxonomy-non-eligible activities		14	0,5 %																
TOTAL		**2 944**	100 %																

E2 Pollution

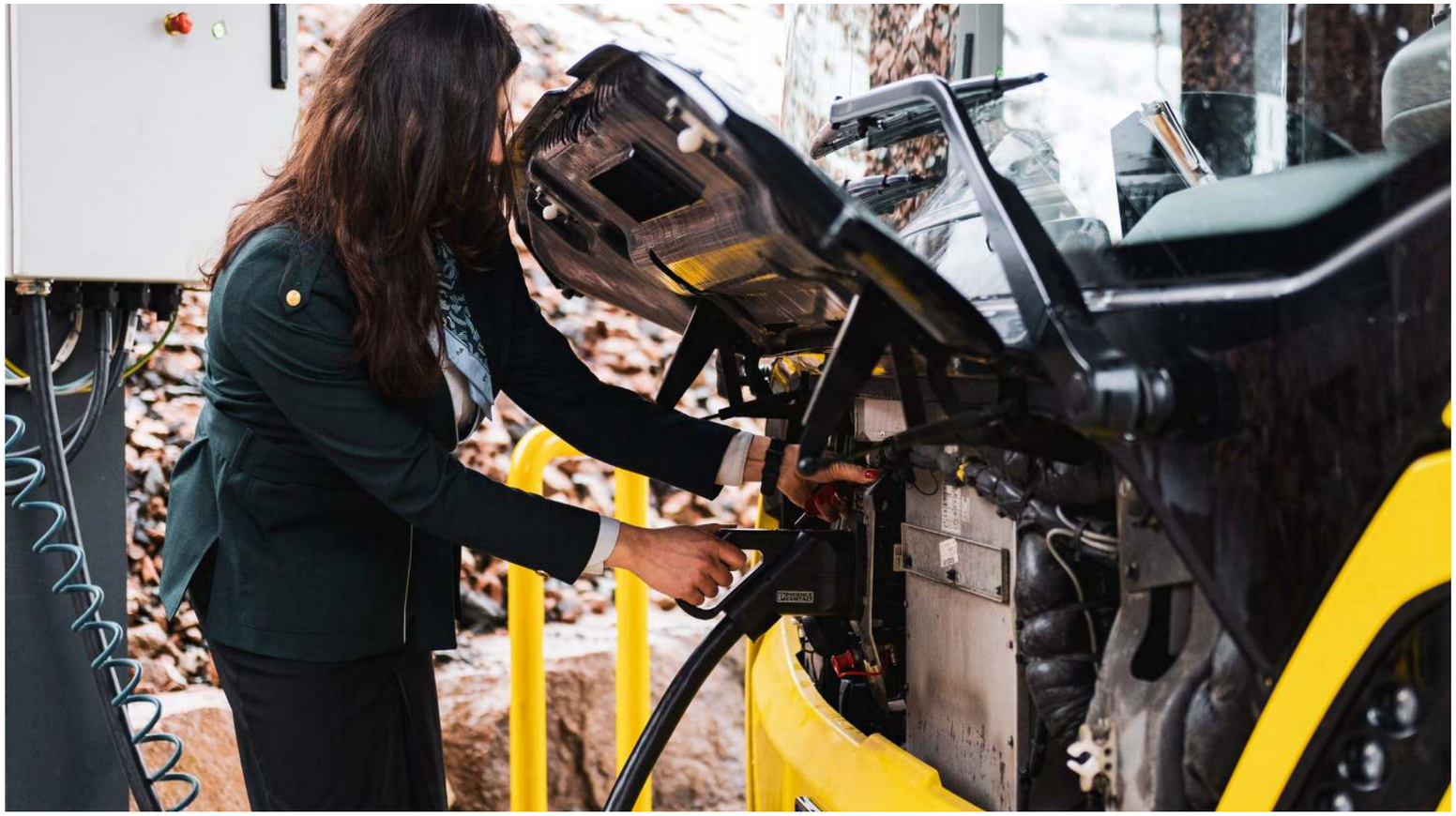
Why This Topic is Important to Us

Vy contributes to air pollution through the combustion of fossil fuels and the release of microplastics from vehicle tires. Air pollution can lead to health problems for humans and contribute to acid rain, which damages nature. Microplastic pollution can harm wildlife and marine life, in addition to spreading environmental toxins. These emissions mainly come from bus operations, which pollute the air with nitrogen oxides (NOx), sulfur oxides (SOx), particulate matter, and microplastics from tire and road wear.

Microplastics from car tires are the largest source of plastic pollution in Norway. Estimates show that tire wear alone accounts for around 85 % of microplastic emissions from roads. The transition to electric buses reduces air pollution, but in cases where electric buses are heavier than diesel buses, increased tire wear may occur. We continuously work to increase our knowledge of Vy's impact on air pollution and microplastic emissions.

Our Approach and Guidelines

Vy's impacts, risks, and opportunities resulting from emissions are assessed in our materiality analysis (see "Handling and Impact of Risks" for more information).



Overview of Significant Topics and Sub-topics

Air pollution

Negative impact (OO)

- Air pollution from vehicles (Particulate matter, NOx, CO, VOCs)

Microplastics

Negative impact (OO)

- Microplastic pollution from tires, laundry service

VC = Value chain, OO = Own operation

Guidelines

Vy has overarching guidelines and an environmental management system (described under E1) to ensure that we work systematically with sustainability and that this is an integral part of business management. Each business unit leader is responsible for ensuring that the unit addresses sustainability and social responsibility as part of its operations. This is done, for example, by setting clear environmental requirements in the procurement of buses. The principles are operationalized through group-wide goals to reduce greenhouse gas emissions.

Explicit requirements are set for the type of bus we operate in the various contracts. Currently, all our contracts require Vy to operate the latest Euroclass technology (Euroclass 6), gas, or electric buses. Buses that meet the Euroclass 6 requirements introduced in 2015 have approximately 30 times lower NOx emissions than the previous generation of buses. Vy expects that new contracts in Norway will mainly require electric buses.

Norwegian trains also set environmental requirements when procuring new train equipment that Vy leases, including that new trains are more energy-efficient than older ones.

When purchasing tires, departments must choose approved suppliers who met the environmental requirements during the procurement process.

Measures
By transitioning to electric buses, air pollution is reduced. Thus, our science-based climate target will also be a measure to reduce air pollution.

For diesel tenders, as well as our own tenders for bus-for-train services, we require the use of the latest Euroclass technology and systematic training of drivers in climate and environmentally efficient driving. The latest Euroclass helps reduce air pollution through the buses' cleaning technology.

Although air pollution is reduced with increased use of electric vehicles, tires and roads wear more due to heavier vehicles and faster acceleration. This can increase microplastic pollution due to increased tire wear.

For buses, measurement points are established in each bus that provide an overview of driving style deviations to the driver and contribute to immediate feedback on effects such as bus wear and energy consumption. Through driving scores, our drivers are assessed on efficient driving style, with the goal of driving as safely and environmentally friendly as possible. Status and goal achievement for this are reported monthly in KPI charts for buses and the group and are considered a good measurement parameter that contributes to reduced energy consumption and emissions.

To reduce microplastics from tire wear, we use several measures:

- Use of high-quality tires: Vy primarily buys tires from quality manufacturers who state that the tires last longer than cheaper variants since they are made of materials that wear less and thus produce fewer microplastic particles.
- Regular service and maintenance: Vy performs regular maintenance with tire checks to detect wear early. We also adjust wheel alignment for detected faults such as uneven tire wear to minimize wear.
- Driving style and driver training: We provide driver training and system support to avoid harsh acceleration and braking as this reduces tire wear. Vy has an extensive training program for our bus drivers where they gain knowledge on the above topics with special attention to efficient driving style.
- Studless winter tires: Vy uses studless winter tires where possible instead of studded tires.
- Collaboration with manufacturers: We encourage our tire suppliers to continue developing more sustainable tire solutions.

Vy Bus's environmental management system includes documents that ensure clear roles and responsibilities, management, control, planning, and improvement related to the above measures. The Director of Traffic Safety, Quality, and Environment in Vy Buss is responsible for ensuring that the measures are followed, while the line management is responsible for implementing the activities. Going forward, we will initiate projects to assess the impact of tire wear, and we will also calculate the financial effects of pollution in general.

Assessment of Measures
There is currently no technological solution that can prevent tire wear. Vy follows the recommendations of the Norwegian Institute for Water Research (NIVA) to reduce the amount of microplastics worn off the tires on our buses, such as correct tire pressure and wheel alignment, as well as smooth driving where harsh accelerations and braking are avoided.

The effect of the various measures on air pollution and microplastics is measured annually in connection with the annual reporting, where both the amount of microplastics and air pollution emitted are separate KPIs.

To prevent the spread of microplastics to the environment, we see a clear need for more knowledge about both sources and effective measures. This is also highlighted in the Government's plastic strategy and the National Transport Plan. Vy is in dialogue with both tire manufacturers and NIVA to learn more about the microplastic issue and to see if there are additional measures that can be implemented to reduce tire wear.

Achievement of goals and measures is published annually in the annual and sustainability report, which informs stakeholders. For more information on stakeholder inclusion in assessments made, see the text on materiality analysis.

Goals

Reduction of greenhouse gases and the transition to electric buses contribute to reducing air pollution. The group's decision to set science-based climate targets serves as an indirect goal for reduced air pollution. See goals under E1 for more information on our science-based targets as well as goals for driving style, idling, and fuel consumption on buses.

Similarly, goals for driving style in buses will also be an indirect goal for pollution, contributing to reduced tire wear and thus reduced microplastic emissions.

Tables

Emissions of NOx, SOx and PM, in tonnes	2020	2021	2022	2023	2024
Nitrogen oxides (NOx)*	515,2	483,8	486,7	491,0	12,0
Sulfur oxides (SOx)*	0,56	0,64	0,73	0,73	1,23
Particulate matter (PM)*	2,45	2,69	3,01	3,02	5,21
Persistent organic pollutants (POP)	Information unavailable / incomplete				
Volatile organic compounds (VOC)	Information unavailable				
Hazardous air pollutants (HAP)	Information unavailable				

*For NOx, SOx and PM, the calculation method has been updated from 2024

Other emissions to air

Emissions to air (kg)	2024*
Carbon monoxide (CO)	268 918
Refrigerant (HFC134a)	1 669
Ammonia (NH3)	1 123
Non-methane volatile organic compounds (NMVOC)	11 032
Arsenic and compounds (as As)	0
Cadmium and compounds (as Cd)	1
Chromium and compounds (as Cr)	2
Copper and compounds (as Cu)	2
Mercury and compounds (as Hg)	0
Nickel and compounds (as Ni)	1
Lead and compounds (as Pb)	4
Zinc and compounds (as Zn)	128
Benzene	10
Polycyclic aromatic hydrocarbons (PAH)	6

*The emissions were calculated for the first time in 2024, and there is no historical data available.

Information about method and assumptions:
The sources of emission factors are the Ecoinvent database, direct emissions, calculated by SimaPro.

We do not have an exact calculation of microplastic pollution resulting from tire wear, but according to our tire supplier Conti, they estimate an average of approximately 100 mg per kilometer driven. In 2024, we drove nearly 200 million kilometers in Vy Bus in total, which corresponds to approximately 20 tons of microplastics.
There have been no major spill incidents for Vy in 2024, except for a spill of 3,500 liters of diesel at a bus parking area in Asker. The fire department assisted with the cleanup. We are not aware of any significant air emissions from this spill.

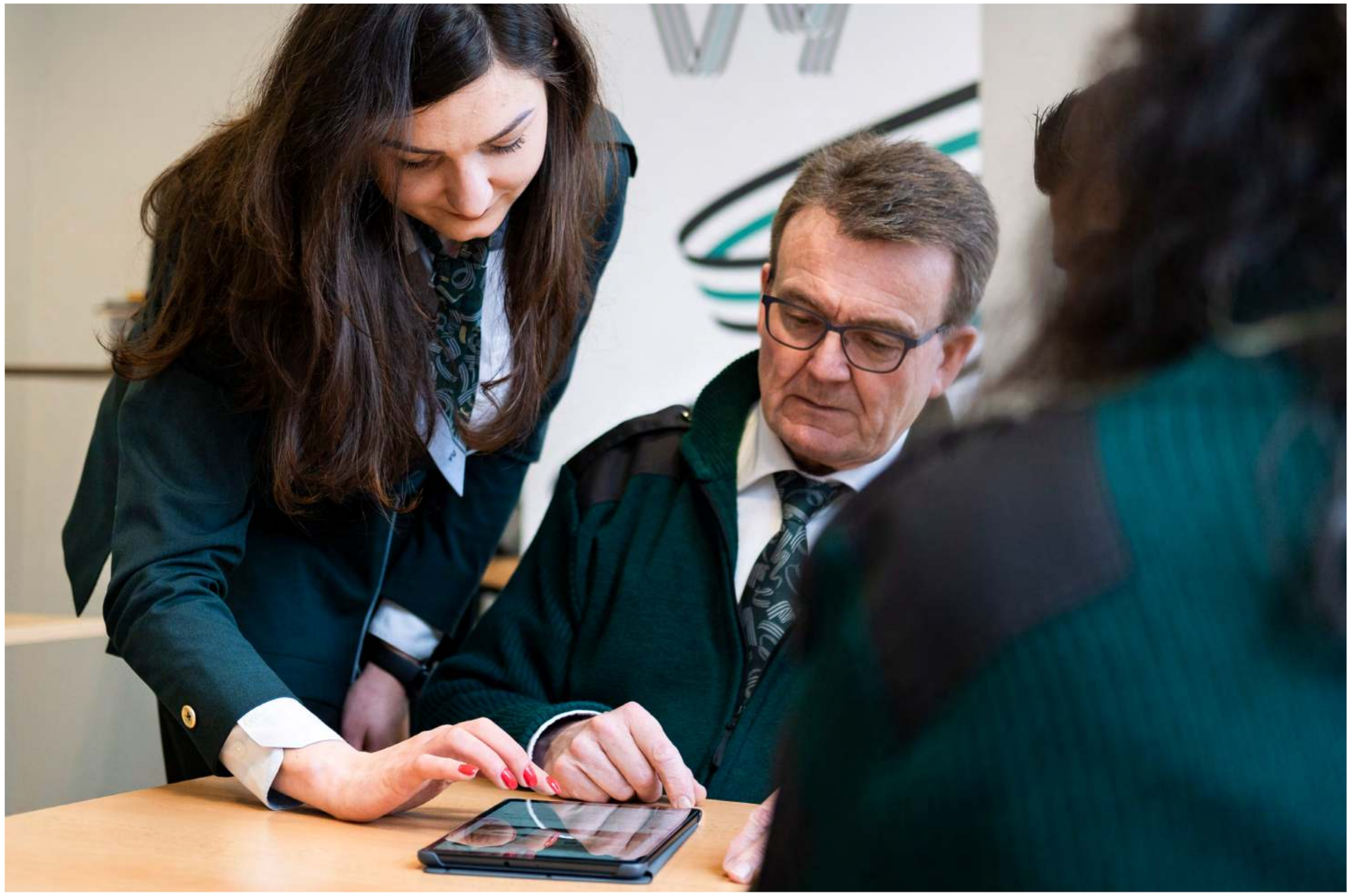
S1 Own Workforce

Why This Topic is Important to Us

At Vy, our employees are our most important resource. An engaged, competent, customer-oriented and stable workforce is crucial for Vy's success and our ability to deliver sustainable solutions. We are committed to creating a safe, fair and inclusive work environment that promotes well-being and development. Predictable wages and working conditions are necessary to attract labor, ensure traffic safety, and maintain our reputation.

Vy operates in a labor-intensive market and has over 12,000 employees who, among other things, drive buses and trains, work at terminals and provide customer support.

In the materiality analysis on page 48, Vy's impacts, risks, and opportunities for its own employees are identified and assessed. Identified significant themes and sub-themes are illustrated below.



Overview of Significant Topics and Sub-topics

Employment and social dialogue

Positive impact (OO)

- Orderly working conditions and good communication between employees, management and trade union

Negative impact (OO)

- Language challenges

Health, environment and safety

Negative impact (OO)

- Health, environment and safety in the workplace

Training and skill development

Positive impact (OO)

- Skill development

Risk (OO)

- Labor shortage: maintaining and attracting sufficient capacity with the right skills

Opportunity (OO)

- Be an attractive employer

Diversity and equal opportunities for all

Positive impact (OO)

- Diversity and equality

VC = Value chain, OO = Own operation

The most significant potential negative impact for employees and employers is injuries to our employees on duty and other work environment-related issues. Vy is a labor-intensive company. The most significant positive impact is being and being perceived as a good and inclusive employer that attracts enough and the right competence. Secondly, ensuring necessary training so that our services are carried out in a quality manner.

Our Approach and Guidelines (S1-1)

Vy's corporate principles describe policies related to various aspects of ensuring conditions for our employees. They include overarching principles within:

- Recruitment
- Wages and working conditions
- Competence development
- Work environment
- Diversity, equality and inclusion

These themes are all related to the significant themes and sub-themes identified through the double materiality analysis. In the work to reinforce positive impacts and manage and improve areas that may have a negative impact on employees, more specific guidelines are also available.

Significant Themes for the Group:

1. Safe working conditions and participation
2. Working hours
3. Health, safety, and environment (HSE)
4. Training and competence development
5. Diversity

Our participation in organized working life through membership in the employer associations Spekter and NHO ensures established framework conditions where the agreement partners are both LO and YS. The Basic Agreement and the various collective agreements with employee confederations representing all major employee groups in the group, along with the commitments that both bus and train have entered into through certification according to ISO 45001 "Occupational Health and Safety Management Systems," set the guidelines for this work.

Working hours in positions with shift work can cause strain. Strain resulting from unfavorable shifts can have negative health consequences for our employees, increase sick leave, and reduce quality of life. Established processes for developing shifts in the business areas that ensure compliance with the Working Environment Act's requirements and participation describe the guidelines for reducing negative impact.

Vy has a labour-intensive, socially critical business that affects many people every day. The operation involves the movement of vehicles with significant weight and energy in all business areas. For the bus business, it must also be considered that buses operate in a dynamic and unpredictable traffic system. Good occupational health is therefore important for safe and stable operations. Vy's HSE declaration sets the guidelines for HSE work and, together with the HSE policy and HSE guidelines in Vy, forms the framework for the work to reduce negative impacts in the work environment. The HSE declaration, HSE policy, and associated guidelines cover all employees in the group.

HSE Declaration:

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

Training and competence development are fundamental to creating engaged and customer-oriented employees who perform their work efficiently and safely without causing health problems for employees. The corporate principles emphasize that Vy should facilitate targeted competence development based on business needs so that the group attracts, develops, and retains the competence needed to realize our strategy.

Vy's many employees and occupational groups provide opportunities for great diversity. Multiple perspectives and experiences can enhance problem-solving and innovation. Greater awareness of diversity can provide a better basis for delivering good service to the many who travel with us every day. The corporate principles emphasize that all employees at Vy are equal, regardless of gender, age, disability, sexual orientation, or religious, ethnic, and cultural background. We want a broad and diverse range of leaders and employees, where individual characteristics are respected and valued. Improved gender balance and increased diversity are desirable at all levels in the group and should be emphasized in recruitment and competence development.

The composition of the workforce at Vy reflects the population in Norway in many ways, and the proportion of immigrants (as defined by Statistics Norway) has steadily increased over the past ten years, from just over 15 % in 2010 to around 32 % in the latest measurement from 2023.

Vy's corporate policy for safeguarding employees and human rights emphasizes that our management system is built on principles in line with:

- The Universal Declaration of Human Rights
- The UN International Covenant on Economic, Social, and Cultural Rights
- The UN International Covenant on Civil and Political Rights
- The ILO Declaration on Fundamental Principles and Rights at Work and relevant standards in international humanitarian law

This commitment supports the work on the most significant issues identified through the double materiality analysis. Our corporate policy applies to all employees in the group's businesses.

Measures

Employee Involvement (S1-2)

Processes are established at the corporate level and at all levels in the business areas to ensure safe working conditions and participation. Vy has a high level of organization among its employees, providing good opportunities for dialogue and active participation through union representatives from the 10 unions with which collective agreements have been made.

The group's Negotiation Director coordinates collective bargaining, participates in discussions on collective issues that cross business areas, and also contributes to other types of processes when the business areas need assistance.

Established structures with regular meetings at various levels in the organization:

a) Corporate – quarterly meetings in the contact committee for the group's management and central union representatives

b) Business areas – cooperation and participation committees where the leaders of the business areas meet with the chief union representatives and chief safety representatives for information and discussion 6-10 times per year

c) At the local level, i.e., in regions and departments depending on the organizational structure, where the unit's management and local union representatives and local safety representatives discuss and collaborate on local issues, 6-10 times per year depending on the size of the unit

d) There are separate committees for developing shifts for all driving occupational groups, and there are defined shift union representatives with special competence in shift planning who participate in this work in collaboration with management and the planning function in the business area.

In these cooperation forums, significant issues are addressed in fixed agendas in line with laws and agreements, in addition to collective issues. Working hours issues are regularly discussed, recruitment challenges, training and competence development are important topics, as well as diversity initiatives and inclusion issues. Input from these formally defined meetings is recorded, and if necessary, protocols are created describing the agreements made. Discussions and input provide good opportunities for participation in both the basis for and implementation of decisions.

The cooperation is based on the Basic Agreement between Spekter and LO, and between Spekter and YS. These regulate the following areas of the business, decision-making models, and cooperation:

- Establishment and revision of collective agreements
- Cooperation, co-determination, and competence development
- Union representatives and management – rights and duties

In addition to participation through local and central cooperation forums, employees are represented on the boards of the companies and on Vy's corporate board. Decisions made by the companies' boards are thus made with the involvement of employees through their representatives.

The safety service, consisting of nearly 90 safety representatives, is an important part of the systematic HSE work. The safety representatives represent all employees in their safety areas and participate in safety rounds and risk assessments in addition to the regular meeting structure.

The joint Working Environment Committees (AMU), which hold meetings four times a year, are established for:

- Vy Group AS – this includes the train business and corporate staff and is conducted centrally (SAMU) and locally (LAMU) in the operations.
- CargoNet AS – for the freight business
- Vy Bus AS – for the bus business

The safety service and union representatives are represented in the AMU, and the composition is in line with the Working Environment Act. The chair of the AMU alternates annually between the employer and employee sides. Preventive HSE work such as work environment mapping, safety rounds, risk assessments, sick leave work, injury prevention activities, HSE competence, and follow-up of AML overtime are all part of the fixed agenda.

There is extensive and good cooperation with both safety representatives and union representatives on issues related to traffic safety. A concrete example of this is that safety representatives are defined as participants in risk assessments, and union representatives must be involved in risk assessments related to training and organization. Measures to improve traffic safety are implemented both internally at Vy and in collaboration with sector suppliers, such as the infrastructure supplier Bane NOR, to develop and implement joint measures to further reduce risk. The systematics for working with traffic safety and reducing accidents are considered satisfactory based on the risk picture and the inherent risk associated with all transport.

As part of the preventive work on discrimination and inclusion, the occurrence and experience of bullying and harassment are mapped through the annual employee survey. The survey is conducted with full anonymity through our supplier Ennova, which is certified according to "ISO 27001" and has quality-assured processes in accordance with privacy legislation. The results related to questions about bullying and harassment cannot identify individuals but can be used for processes in affected units in collaboration with operational HR resources.

The operational responsibility for all significant themes related to our own workforce lies within the line. Therefore, the daily operational responsibility lies with the management in the business areas.

Whistleblowing Channels (S1-3)

Issues that employees wish to report related to the most significant themes concerning our own workforce can be channeled through various structures.

We aim to ensure that problems can be raised with local management as much as possible. Questions related to wages and working conditions, working hours issues, HSE conditions, and competence will generally be natural to address in the established cooperation structures mentioned earlier. The principle of seeking the best solutions as close to the employees as possible underpins the way both the cooperation structure, the union representative apparatus, and the safety service are built.

In cases where it does not feel right to raise an issue, event, or situation through the management structure or cooperation arenas, a routine for whistleblowing about critical conditions has been established.

Whistleblowing should generally occur through the chain of command. Alternatively, whistleblowing should be done in writing to the central chief safety representative or the Legal Director. Whistleblowing about critical conditions involving the CEO or other members of the executive management should be done in writing to the Chairman of the Board of Vy Group AS. Whistleblowing can also be done to Vy Group's external whistleblowing channel via email. Vy Group's external whistleblowing channel is administered and handled by Arntzen de Besche Advokatfirma AS.

Employees can also report to a public supervisory authority or another public authority, such as the Norwegian Labour Inspection Authority, the Norwegian Railway Authority, the Norwegian Environment Agency, the Norwegian Data Protection Authority, or Økokrim.

The whistleblowing channels are made known to all employees through the management system and are available on the intranet.

To ensure that it is safe to report critical conditions, both the Working Environment Act and our whistleblowing routine clearly state that retaliation should not occur. In our routine, it is formulated as follows: The person who reports in accordance with this procedure is protected against retaliation. Such protection applies not only in cases where whistleblowing has occurred but also when an employee or contractor has expressed that he/she will report on a critical condition.

Vy Group must also ensure that the person who has reported has a fully safe working environment and, if necessary, provide measures suitable for preventing retaliation.

The number of reports handled in accordance with the whistleblowing institute, either through the legal department or via our external whistleblowing channel, is regularly reported to the board, through the board's audit committee.

Handling of Impacts, Risks, and Opportunities (S1-4)

Vy aims to be an attractive employer. Our employees are Vy's most important resource. We must attract, develop, and retain leaders and employees with the right competence.

Daily cooperation in the business areas is the cornerstone of this work. Management at all levels is responsible for maintaining this, with support from the HR function in the units and assistance from the group's central negotiation function. The basis for good shifts and compliance with working hours regulations is laid through broad involvement in shift processes and good competence among both employer and employee representatives in these. Established planning systems that include key figures and guidelines from laws and agreements are used in all business areas. Follow-up of working hours regulations and monitoring of any violations are also done through the AMU.

The collective bargaining that takes place in the freight and train business and in collaboration with the rest of the bus industry for the bus business sets the framework conditions for maintaining and developing wages and working conditions.

Where there are industry challenges, such as the issue of split shifts in the bus industry, Vy Bus actively participates in industry initiatives aimed at both political actors and the Public Transport Association, which represents the clients for bus tender operations.

In Minibuss 24-7, there is a certain risk that particularly willing drivers take on extra shifts, leading to violations of working hours regulations. To avoid this, a procedure has been developed to ensure that shifts are not assigned that might result in small violations of working hours regulations. Further work is being done on digital platforms that will provide better oversight and greater control opportunities.

In cases where operational conditions have created challenges for the freight and train business, cross-disciplinary processes have been initiated with involvement across operational units, the planning function, union representatives, and HR to correct deviations, implement corrective measures, and prevent recurrence.

In 2024, there has been a process related to overtime use among train drivers in Train East. The safety service and union representatives have reported potential violations of working hours regulations. A plan of action is being developed to improve routines, further develop support tools for both managers and the planning function, and increase competence among the various actors in demanding operational situations.

Preventive HSE work lies within the line and is owned by the operational management in the business areas. Professional support is established in trains, freight, and buses, in addition to a group-wide HSE function that supports and follows up. Risk assessments, safety rounds, and work environment surveys are conducted, forming the basis for action plans. Vy has a group-wide agreement on occupational health services with Falck Occupational Health Service, which contributes to both mapping and implementing HSE plans.

Goals are set for the level of sick leave and work injuries, and reporting on goal achievement is conducted monthly. Status and measures are reviewed in monthly reports, working environment committees, business reviews, board meetings, and meetings with the owner. The goal is for HSE work to be based on a combination of proactive and reactive measurement indicators to highlight actual activities that are part of the preventive work.

Competence in HSE is important, and various competence-enhancing measures are carried out for all occupational groups.

- Basic course in work environment for safety representatives and AMU representatives is conducted as internal courses by HSE resources, chief safety representatives, and the occupational health service in collaboration.
- An e-learning course in HSE has been developed for all managers and administrative employees.
- HSE is part of both basic training and the mandatory continuing education for all bus drivers and is part of the training for conductors and train drivers.
- The two-day physical leadership training conducted for all managers with personnel responsibility in 2024 has had sick leave as one of the main topics.
- Safety management is mandatory training for all managers in CargoNet.

Internal audits are conducted in all business areas where various HSE topics are addressed according to stated priorities. In the train and bus business, this is a natural part of ISO 45001, while in freight, it is linked with other internal audit activities.

In Agilia, personal injuries have been a challenge, and internal audits have revealed a need for greater attention to personal safety. The Personal Safety campaign has therefore been launched. This is an awareness campaign to make employees aware of the physical dangers/risks in the workplace. As part of this campaign, we aim to increase the number of registered deviations and improvements. This is to increase insight and the basis for analysis to initiate improvement measures.

In Team Verksted, risk assessments have been conducted, and action plans and training plans have been developed regarding several topics for mechanics in 2024. The topics have included the use of equipment and tools, musculoskeletal disorders, and vibration.

Ensuring the right competence is done through both recruitment and the development of existing employees.

All business areas have their own training unit that works systematically with vocational training for bus drivers, conductors, train drivers, and terminal workers.

The necessary competence to perform the work includes, in addition to the purely vocational skills, basic competence in working life related to being able to write, read, and have the necessary understanding of the technology to be used in daily work. To ensure a good understanding of routines, good communication in customer interactions, and effective emergency management, work on plain language has been started in the bus business. Plain language is communication with such clear wording, structure, and design that readers in the target group find the information they need, understand it, and can use it. Reviewing routine descriptions, information, and both physical and digital training materials are important elements of this work.

The bus industry is undergoing rapid development in adopting electric buses. For Vy Bus, this means that an increasing proportion of employees will use new technology in their daily work. Structured training programs are conducted before each start-up with new equipment to ensure that employees remain safe in their profession and are not negatively affected by this transition.

Business-specific leadership training also takes place in the business areas.

Regular group-wide initiatives for leadership training and development are conducted, and in 2024, the main topics of the mandatory physical leadership training attended by over 400 participants have been:

- Leadership in change
- Sick leave
- Diversity, equality and inclusion

Many recruitment initiatives are carried out, both to meet a real recruitment need and to build a clear and positive employer profile over a longer time perspective.

The bus business has participated in the nationwide campaign “Follow the Dream, Not the Stream,” visiting numerous high schools and education fairs in a joint effort for the bus driver profession.
The train and freight business collaborates with the Railway School on an apprenticeship period for both train drivers and conductors who gain their professional practice at Vy.

Each year, we have about 20 summer students from many Norwegian and several foreign higher education institutions in various fields who get to try out real projects for two months in both corporate staff and business areas.

Events are held to make Vy known as a relevant employer at various educational institutions, such as NTNU.

A good introduction is important for retaining employees and giving them good insight into the business as a whole. The apprenticeship period in trains and freight gives potential candidates good knowledge of the workplace and tasks. An obligatory basic training is conducted for all new bus drivers. A basic package of 10 e-learning courses covering the framework conditions for the leadership role at Vy has been established, and four times a year, new employees in leadership and administrative positions are invited to an introductory breakfast with the CEO and parts of the executive management.

Employee development in the employment relationship is an important process that takes place with various tools, depending on the business area and job content. In the bus business, conversations about the actual work performance, so-called EcoSafe conversations with bus drivers, are conducted, and all bus drivers are encouraged to participate in the annual Vy Championship, which involves skill driving and understanding of the bus driver profession. The final consists of 16-20 of the best bus drivers in Norway and Sweden and is held in September/October. There is system support for conducting employee appraisals linked to personal goals and Vy’s values, which are used in the train business and among all administrative employees.

In addition, a systematic leadership evaluation and succession planning process is regularly conducted, where development wishes and needs are mapped, talents and successors are identified, and measures for further development of individuals and facilitation for internal mobility are put on the agenda.

This work applies to leadership and employees in all business areas, support functions, and geographical areas in the group and is conducted annually.

Goals for Managing Impacts, Risks, and Opportunities (S1-5)

Performance indicators and targets	Status 2024	Target 2024	Target 2025
Employees - Sirious injury	2	0	0
LTI (number of lost time injuries per million hours worked)	8,9	5.7	6,9
Absence due to illness	7,9 %	7.6 %	7.8 %
Employee satisfaction	73	76	75
Proportion of women in management	48%	40-60%	40-60%

Strategic and operational goals are set through the annual strategy, goal, and planning process (five-year perspective) and adopted by the executive management and the board. The above goals apply to the group, and sub-goals are developed and adopted for our business areas and their sub-departments. Achievement is measured and reviewed monthly, per quarter, and annually. Goals and results are based on established and consistent definitions with data captured from our HR and HSE systems. Employee engagement is measured using an employee engagement indicator (MTA) based on the results of our employee survey, which all employees participate in. The survey is provided by Ennova, which uses an internationally recognized model as the basis for analyses and indicators.

The number of customer injuries is higher than our zero vision and at the same level as previous years. The number of injuries to our own employees is higher than the target and the previous year, largely due to winter issues causing slippery surfaces at terminals, stations, and bus parking areas, leading to fall injuries. Sick leave is lower than last year but still somewhat higher than the target. The proportion of women among leaders has increased slightly and is within the target set by the group. The employee engagement indicator has decreased by two points for the group as a whole, from 75 to 73. From the overview of the results below, it can be seen that it is in the freight and train business that employee engagement has declined. These are business areas that have experienced a year with both equipment and infrastructure challenges, causing significant operational problems and consequences for customers. In the rest of the group, the results are steadily increasing.

Our Employees and Working Conditions (Statistics and Tables)

Our employees (S1-6 and 7)

Engelsk

ESRS S1-6, S1-7, GRI 2-7	Females	Males	Sum	Norway	Sweden
Average no. of permanent employees	1761	8041	9802	8045	1757
Average no. of full-time employees	1473	7100	8573	6952	1621
Average no. of part-time employees	618	2844	3462	2686	776
Average no. of temporary employees	335	1897	2232	1592	640
Average no. of non-guaranted hours employees	267	1636	1904	1328	576
Rate of employee turnover	100	442	542	392	150
Average no. of permanent FTEs	1599	7501	9101	7420	1680
Average no. of full-time FTEs	1421	6979	8400	6804	1597
Average no. of part-time FTEs	322	1351	1673	1289	384
Average no. of temporary FTEs	151	820	971	671	300
Average no. of nin guaranteed hours FTEs	98	703	801	508	292

Coverage of Collective Agreements and Dialogue Between the Parties in Working Life (S1-8)

ESRS S-1-8

Collective agreement coverage	Percent	Employees	Produkt
Vygruppen As	82 %	2125	1743
Vy Tog AS	95 %	333	316
Gjøvikbanen AS	97 %	96	93
Vy Tåg AB	84 %	567	476
Vy Buss Norge	90 %	4641	4177
CargoNet AS	90 %	477	429
Agilia AS	85 %	242	206
Minibuss 24-7	94 %	553	519
Weighted avarage	88 %	9034	7959

Vy is organized in the employer association Spekter and has collective agreements with unions in LO, YS, Akademikerne, and various parts of LO in Sweden. We have a high level of organization for all operational occupational groups. The implementation of wage adjustments at Vy adheres to the national front-line framework – and this principle is applied to all employees, regardless of whether they are organized, covered by a collective agreement, or not.

Diversity Parameter (S1-9)

ESRS S1-9 GRI405-1 Age and gender distribution

Number of employees	Females	Men	<30	30-50	>50
Board	3	5	-	2	6
Excecutive board	4	4	-	2	6
Office staff	534	1 063	153	702	742
Train drivers and conductors	769	2 000	420	1 545	804
Bus drivers	610	6 282	181	2 580	4 131
Cleaning and workshop	165	552	159	315	243

Proportion	Females	Men	<30	30-50	>50
Board	38 %	63 %	0 %	25 %	75 %
Excecutive board	50 %	50 %	0 %	25 %	75 %
Office staff	33 %	67 %	10 %	44 %	46 %
Train drivers and conductors	28 %	72 %	15 %	56 %	29 %
Bus drivers	9 %	91 %	3 %	37 %	60 %
Cleaning and workshop	23 %	77 %	22 %	44 %	34 %

he average age in The average age for the employees in the group is approximately 49 years, which is about 7 years higher than the average age in the Norwegian workforce. More than half of the employees belong to the age group 55 to 65 years, strongly influenced by the bus industry, which is characterized by mature, experienced bus drivers and constitutes a large proportion of Vy's employees. The development in average age from 2022 to 2024 has shown a declining trend, from 51 to 49 years. Awareness of recruiting younger employees in all parts of the organization has, among other things, led to a 75% increase in the number of employees under 35 years during the same period. A balanced age composition is desirable, and as previously described, active work is being done on this topic in the bus business.

Wage Statistics (S1-10)

As part of organized working life covered by an established legal and agreement framework, we see that the collective agreements Vy has entered into provide employees with good wages and working conditions that, at 100% employment, allow them to live off their wages, both in Norway and Sweden.

Social Benefits (S1-11)

The legislation in Norway, among others, the Working Environment Act, the Holiday Act, and the National Insurance Act, and corresponding legislation in Sweden, regulates both sick pay, unemployment benefits, and parental leave. All companies in Vy have entered into pension agreements for employees and have insurance schemes that cover occupational injuries and occupational diseases.

Persons with Disabilities (S1-12)

We cannot collect and report this information as it is contrary to Norwegian and Swedish legislation.

Training and Competence Development (S1-13)

Percentage receiving regular performance and career development reviews	Females	Males
Office staff	77 %	65 %
Train drivers and conductors	36 %	41 %
Freight rain drivers and terminal operators	3 %	30 %
Bus drivers	20 %	20 %
Cleaning and workshopstaff	40 %	40 %

ESRS S1-13 GRI 404-1

Average hours of training	Females	Males
Office staff	5	5
Train drivers and conductors	42	64
Freight train drivers	24	44
Bus drivers	10	10
Freight terminal operators	46	51
Cleaning and workshop staff	3	3

Employee development at Vy is carried out not only through individual conversations using structured conversation tools such as EcoSafe conversations and support tools for employee appraisals. As described above, training and development in work performance are important. In the bus business, bus drivers receive a monthly report on driving style, which is used for continuous improvement of job performance through both individual and group conversations.

The training measures conducted internally at Vy take place both as physical gatherings and with digital training solutions. Driving personnel in the train and freight business are subject to strict regulatory requirements for regular updates related to both route and equipment competence.

Employees approaching retirement age at Vy have the opportunity for two types of preparatory activities. Preparatory courses are conducted with our two pension providers, the Norwegian Public Service Pension Fund and Storebrand. Both providers also offer individual counseling, which is communicated through the HR function. In the event of restructuring that leads to downsizing, a process structure has been established that includes close cooperation with the parties, where guidelines for downsizing are developed, consisting of:

- Agreed criteria for the assessment of placement in positions
- Offer of targeted career counseling, which includes a personal advisor and a digital tool as support during a program that can have different time perspectives based on the employee's needs
- Severance pay paid at the time of termination, calculated based on the employee's seniority
- Opportunity for gift pension until the age of 67 upon retirement with an agreed pension for employees over 62 years with the right to an agreed pension

Work Environment (S1-14)

All employees at Vy are covered by the company's HSE system, which meets the requirements of the Working Environment Act and is governed by the HSE declaration and the guidelines given in "HSE at Vy."

There are legal limitations on what data we can collect regarding cases of work-related poor health. A large proportion of our employees have work that makes them subject to regulations that provide guidelines for regular health checks and approvals. For train drivers, conductors, and bus drivers, the frequency and content of these examinations are set in, for example, the "Regulations on the Certification of Drivers of Traction Vehicles on the National Railway," the "Regulations on the Performance of Work," and the "Regulations on Working Hours in Road Transport." As a result, nearly 90% of our employees undergo regular health checks either with our occupational health service or in primary health care. Our employees are also covered by a good public health service.

ESRS S1-14 GRI 403-10

	2024	2023	2022	2021	2020
Number of fatalities employees	0	0	1	1	0
Number of atalities customers	1	0	0	0	0
Number of fatalities third parties	3	6	3	5	2
Number of injuries employees	2	2	3	2	3
Number of injuries customers	11	0	11	1	2
Number of injuries third parties	4	7	6	5	3
Employees	12 035	11 643	11 512	12 457	11 284
FTEs	10 073	9 748	9 746	9 760	9 250
Sick leave ratio	7,9 %	8,2 %	8,0 %	7,8 %	8,1 %
LTI ratio	8,9	7,0	6,6	5,2	5,0

Work-Life Balance (S1-15)

ESRS S1-15	Males	Females	Total
The percenage of employees entitled to take family-related leave	100 %	100 %	100 %
The percentage of entitled employees that took family-related leave	5 %	7 %	5 %

All employees at Vy are covered by legal provisions where rights to family-related leave are described; in the Working Environment Act, Chapter 12 (Norway), and the Parental Leave Act (Sweden).

Compensation Parameter (S1-16)

ESRS S1-16 GRI405-2

Female proportion of male total annual wage	Norway	Sweden	Total
Office staff	101 %	84 %	95 %
Train drivers and conductors	91 %	94 %	85 %
Bus drivers	98 %	97 %	97 %
Cleaning and workshop staff	87 %	91 %	92 %

	CEO (NOK)	Employee (NOK)	Ratio
Remuneration ratio CEO compensation and median wage employees	4 760 512	492 980	9,7

The CEO of Vy is the highest-paid employee in the group. Salary and other benefits are 9.6 times higher than the median for the remaining employees. The salary increase for the CEO in 2024 was 4.1 %, while the median for the rest of the organization was 5.2 %, meaning the CEO received a percentage increase of 79 % of the percentage increase for other employees.

Vy follows the state's guidelines for executive pay in companies with direct state ownership, and the board has adopted guidelines for determining salary and other compensation for senior executives in accordance with this. The board has established a compensation committee that handles this and the remuneration of senior executives on behalf of the board. The guidelines and the executive pay statement are reviewed by the corporate board and then by the general meeting. See also the discussion on page 157, note 31 in the financial statements, which details the salary and benefits for the board and management.

Incidents, Complaints, and Serious Human Rights Violations (S1-17)

In the internal and external whistleblowing channels covering the entire Vy, eight reports were received in 2024.

Five of the six reports concerning relationships between employees, categorized as reports of bullying/discrimination, were all reported through our internal whistleblowing channel. One report in a subsidiary was reported in both the internal and external whistleblowing channels simultaneously. They have all been handled in accordance with our whistleblowing routine.

The report of sexual harassment from one of the subsidiaries was handled in accordance with the group-wide whistleblowing routines. The reports that can be described as related to fundamental human rights and decent working conditions were reported through the external whistleblowing channel and concern issues such as overtime use among train drivers in a unit in the train business, lack of local competence in payroll calculation routines in the bus business, and GDPR violations related to the use of camera surveillance in a bus wash hall.
None of the reports have revealed serious human rights violations.

ESRS S1-17

Harassment and discrimination	Totalt
Complaints regarding sexual harassment	1
Complaints regarding discrimination	6
Fines/compensation regarding harassment and discrimination (MNOK)	0
Notifications related to basic human rights and decent working conditions	3
Fines/compensation related to violation of basic human rights and working conditions (MNOK)	0

Supplementary Equality Statement

Vy has ongoing efforts to reduce gender disparities in the organization. Parts of the operations still have a predominance of men, and we seek to recruit more women into male-dominated professions. The proportion of women in the group is 17%. The work to prevent discrimination is an integral part of both the cooperation with the parties, HSE work, and improvement work in general. Equality and diversity are also a separate theme in the mandate for the corporate board's compensation committee, which emphasizes measures to ensure greater diversity among leaders and talent development in the group, as well as a review of the status of equality at Vy.

Gender Balance in the Organization (Number of Employees)

Number of Women	Number of Men	Proportion of Women	Proportion of Men
2091	9943	17 %	83 %

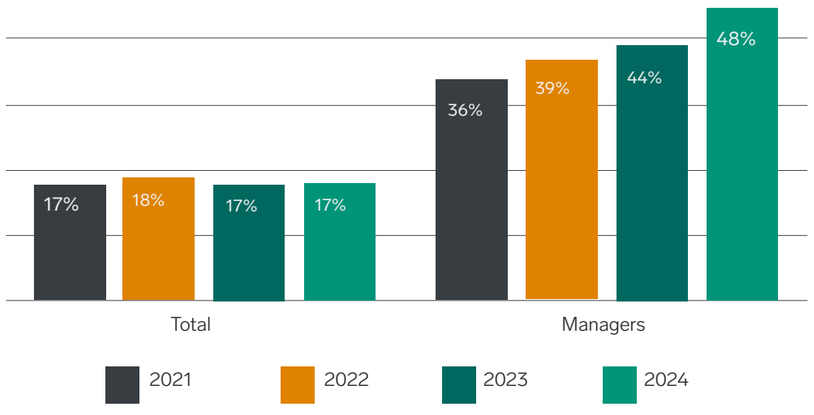
Equality

In recruitment, a risk may be a lack of willingness to accommodate employees with disabilities. Another risk may be negative expectations of female employees due to absence, pregnancy, and leave. We are not significantly aware of these risks occurring today. We manage the potential risk by ensuring that ethical guidelines, values, and leadership principles are well known and practiced in daily life, as well as through good recruitment routines.

Regarding promotion, development opportunities/training, there is little risk of discrimination against driving personnel, while the risk may be higher for administrative staff and leaders. We manage the risk by working towards more transparency in promotion processes and succession planning, as well as through compliance with our internal job posting routines. All positions are advertised on the intranet, which is accessible to all employees regardless of which part of the organization they belong to.

For 2024, a specific KPI has been defined for the proportion of female employees in administrative and leadership functions to ensure positive development in this area. The goal is to have a gender balance in leadership positions of 40/60. For 2024, 48 % of leadership positions are held by women. This is within the desired level, as it was in 2023. There has been steady development in this area over the past few years.

Proportion of female employees



Part-Time and Temporary Employment

Vy has permanent full-time positions as the main principle. Part-time and temporary employment is regularly discussed with union representatives in the business areas through the established cooperation forums that form the foundation of the cooperation with the parties.

Employees in Part-Time Positions

Proportion Among Female Employees	Proportion Among Male Employees	Proportion of Total Employees
30 %	29 %	29 %

In Vy's train and freight business, we are not aware of any significant occurrence of involuntary part-time positions. However, part-time work is widespread in the bus industry, particularly affecting drivers and bus companies in rural areas. About one-third of bus drivers in rural areas outside cities and towns work part-time, especially related to school bus driving. Older drivers dominate among those working part-time, and the average age is increasing. This trend raises concerns among bus companies because they experience a shortage of drivers, especially young ones, and the industry has collectively initiated various efforts to increase the recruitment of young people. There is also dialogue with public transport companies (clients for bus contracts) about these challenges. Drivers working part-time are generally satisfied with their percentage of employment. This is likely because most part-time employees today have pensions or social security benefits in addition to their work income, while drivers who have involuntarily been in part-time positions have either achieved an acceptable percentage of employment or moved to other types of work.

Temporary Employees

Proportion Among Female Employees	Proportion Among Male Employees	Proportion of Total Employees
16 %	19 %	19 %

Two-thirds of those defined as temporary employees at Vy are what the bus industry calls on-call substitutes. This is a legal form of employment that is common in the industry. On-call substitutes cover needs arising from short and long-term sick leave, various types of leave, extraordinary needs due to arising situations, and can contribute to tour driving and other ad hoc assignments. In the bus industry, efforts are being made collectively to find opportunities and solutions to avoid contracts being designed in such a way that on-call substitutes are needed to the same extent as today. Vy actively participates in this work, just as in the work to achieve more full-time positions in the bus industry.

Another group of temporary employees at Vy is approximately 150 customer advisors in the train business. These are employees who guide customers on platforms and at station areas primarily during planned production deviations. These are often students, retirees, etc., who have this position as an extra job.

Temporary employees in temporary positions and projects and campaigns where the work is of a temporary nature make up about 5 % of the employees.

Parental Leave

All employees at Vy are covered by legal provisions where rights to family-related leave are described; in the Working Environment Act, Chapter 12 (Norway), and the Parental Leave Act (Sweden). The average age at Vy throughout 2024 was relatively high, over 49 years. This may be one of the reasons why a large proportion of employees did not take parental leave during 2024.

ESRS S1-15	Men	Women	Total
Proportion of Entitled Employees	100 %	100 %	100 %
Proportion of Entitled Employees Who Took Parental Leave	5 %	7 %	5 %

Measures in 2024

The table below shows examples of measures implemented in 2024, including both group initiatives covering the entire organization and activities in the business areas.

Surveys and risk assessments conducted in collaboration with the safety service and union representatives form the basis for the priorities. In addition, there are several established processes, including those related to shift processes, and many other local and limited measures have been implemented based on needs in the organization.

We can already see that the leadership evaluation and succession planning have improved the gender balance among leaders at Vy, with an increase from 26 % female representation in 2020 to 48 % in 2024.

The group function Organization and HR coordinates the work on inclusion and diversity in the group. This includes mapping areas for action, strategic planning of the work, and further development of diversity management.

Theme	Measure	Result
Recruitment	Competence enhancement and DnV certification of HR resources involved in recruitment according to established, non-discriminatory recruitment routines	Quality assurance of non-discrimination in recruitments
Recruitment	Implementation of digitized reference collection (RefApp) integrated with our recruitment support tool (Webcruiter)	Quality assurance of non-discrimination in recruitments
Recruitment	Recruitment campaign "Follow the Dream, Not the Stream" in the bus business	Increase awareness of Vy as an employer regardless of education, cultural background, and age
Recruitment	Summer student program with a broad reach and participants from many educational institutions	Increase awareness of Vy as an employer regardless of education, cultural background, and age
Recruitment	Presentations at educational institutions and practice students from several educational institutions	Increase awareness of Vy as an employer regardless of education, cultural background, and age
Promotion, Development, and Training	Contextual advertising in Schibsted inserts in connection with International Women's Day where three female employees at Vy were interviewed	Awareness of women's opportunities at Vy internally and externally
Promotion, Development, and Training	Leadership training for all managers with personnel responsibility where diversity management was one of three main themes	Increase managers' competence in diversity management
Promotion, Development, and Training	Competence enhancement for union representatives, managers, and support functions in gender and sexual diversity (Rosa Kompetanse)	Awareness of diversity in the organization and active communication related to gender and sexual diversity
Promotion, Development, and Training	Marking Pride throughout June (Norway) and August (Sweden) and participation in Pride parades in Oslo, Gothenburg, and Stockholm	Awareness of diversity in the organization and active communication related to gender and sexual diversity
Promotion, Development, and Training	Marking World Mental Health Day	Awareness of diversity in the organization and active communication related to mental health
Promotion, Development, and Training	Universal design of e-learning	Ensure good learning outcomes for all employees regardless of reading and writing skills
Promotion, Development, and Training	Leadership evaluation and succession planning covering three leadership levels	Increase awareness, motivate for internal mobility, and prevent discrimination in promotion processes
Promotion, Development, and Training	Mapping of internal mobility and reporting of results to the Corporate Board's Compensation Committee	Increase awareness, motivate for internal mobility, and prevent discrimination in promotion processes
Work-Life Balance	Development of shifts adapted to family life in the bus business to accommodate parents with young children	Shifts that can maintain a balance between work and family life
Wages and Working Conditions	Competence enhancement of selected HR resources responsible for job and salary assessments using Korn Ferry's framework	Ensure that salary determination and adjustment are done on a non-discriminatory basis
Wages and Working Conditions	Implementation of salary adjustment for individually paid employees using a digital process with double approval and traceability in the decision flow	Ensure that salary adjustment is done on a non-discriminatory basis

S2 Workers in the Value Chain

Why This Topic is Important to Us

Vy purchases and leases a variety of products. This includes, among other things, rolling stock such as buses, trains, and locomotives, and other types of goods such as IT equipment, uniforms, spare parts for trains, freight, and buses, and tires. Many of these products are produced in countries where there is an increased risk of violations of labor and human rights. Many of the products have complex supply chains, and workers are affected at multiple levels. This includes, among others, workers who extract minerals in mines, workers at smelters, those who produce components and assemble products in factories, and those who transport and resell the products to us at Vy.

Also, for some industries here in Norway, there is a high risk of violations of wage and working conditions regulations during the performance of the work. This applies to some of the services Vy purchases, such as cleaning services and transport services. In these cases, it is the workers who perform the services, often at our locations or on our equipment, who are affected.

Since we purchase some goods and services in areas where there is an increased risk of violations of labor and human rights, this is defined as significant, and we work purposefully to reduce risks and negative consequences for affected parties.

Vy Group AS is a member of Ethical Trade Norway and follows their membership obligations. Vy Group (the parent company) and our subsidiaries are each subject to the Transparency Act and thus obligated to comply with these provisions. The information in this part of the annual report also constitutes our account under the Transparency Act related to conditions in the supply chain. For the statement related to our own employees, refer to S1 Own Employees, from page 84.

The statement covers the following companies, and the descriptions apply to all companies unless otherwise specified:

Vygruppen AS (the parent company), also includes the train business in Eastern Norway and corporate staff

- Vy Tog AS
- Vy Gjøvikbanen AS
- Vy Buss AS
- CargoNet AS
- Agilia AS
- Team Verksted AS (wholly owned subsidiary of Vy Bus)
- Minibuss 24-7 AS (wholly owned subsidiary of Vy Bus)
- Geilo turbussser AS (wholly owned subsidiary of Vy Bus)

Below is our account on due diligence assessments, in accordance with the Transparency Act.

Significant Risks

Through our double materiality analysis, the following have been identified as our significant risks for workers in the value chain:

Overview of Significant Topics and Sub-topics

Working hours

Nevative impact (VC)

- Long working days and lack of rest time

Adequate wages

Nevative impact (VC)

- Lack of fair compensation and living wage

Other work-related rights

Risk (VC)

- General risk of human and labor rights violations

VC = Value chain, OO = Own operation

Significant Negative Impact Due to Green Transition

In the transition to greener and more climate-friendly transport, Vy Bus purchases electric buses. Electric buses are one of the areas in Vy associated with a high risk of human rights violations. Several of the electric buses are produced in China, as well as the production of components and the extraction of raw materials. The batteries for the buses are mainly produced in China, and the raw materials are also from there. Where the production of electric buses takes place in European countries, we also find that battery cells and raw materials for batteries often originate from China. We have to a lesser extent purchased electric buses with cobalt as part of the battery composition.

China has a score of 5 (where 1 indicates lowest risk and 5+ the highest), indicating that labor rights cannot be guaranteed, according to the International Trade Union Confederation (ITUC) Global Rights Index. In addition to the generally high risk of labor rights violations, including working hours and HSE, several reports in recent years have revealed gross human rights violations against the Uyghur population. This includes extensive surveillance and forced labor in and outside internment camps. Several reports link companies producing batteries and electric buses in China to the Xinjiang province, and thus to forced labor and other human rights violations.

Integrity due diligence (IDD) analyses we have conducted, as well as several published reports, show that there is a high risk of forced labor and exploitation of Uyghurs in the supply chain of at least one battery manufacturer that is also part of our supply chain. We therefore find it difficult to completely rule this out and consider forced labor in battery production in China as a significant risk in our supply chain for buses. However, no findings of forced labor have been revealed through our own investigations so far, and we are informed that the production of buses and components, as well as extraction of raw materials, occurs in provinces other than Xinjiang. Despite this, we continuously focus on conducting investigations into this in the follow-up of our relevant suppliers and are aware that such human rights violations can be very difficult to uncover.

Our Approach

Guidelines

The work on responsible business practices is adopted and anchored in the executive management and board of Vy Group. We shall conduct our business practices responsibly and carry out due diligence assessments in line with the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises. As part of the due diligence assessments, we shall identify actual and potential risks of negative impacts on human rights that we have caused, contributed to, or are directly linked to through our activities, both in our own operations and in the supply chain. We shall stop, prevent, and/or mitigate such impacts. The effectiveness of the measures shall be monitored and evaluated, and communicated to those affected. These principles are enshrined in our policy for safeguarding labor and human rights, which covers the group and all wholly owned subsidiaries and applies to employees, temporary workers, and consultants representing them. Wholly owned subsidiaries of Vy Bus also base their operations on this policy.

The policy states that we shall respect internationally recognized human rights, as derived from, among others, the Universal Declaration of Human Rights, the UN International Covenant on Economic, Social, and Cultural Rights, the UN International Covenant on Civil and Political Rights, the ILO Declaration on Fundamental Principles and Rights at Work, and relevant standards in international humanitarian law. Forced labor and child labor are indirectly mentioned through reference to the ILO. Compliance with the rights enshrined in the policy applies to both our own employees and all our suppliers.

The content of the policy is extended to suppliers and subcontractors through the “Ethical Requirements for Suppliers” (Code of Conduct for suppliers), which is included in all contracts with suppliers entered into by Vy Group and wholly owned subsidiaries, including Team Verksted and Geilo turbusser. Minibuss 24/7 has to a lesser extent used ethical requirements in its supplier agreements but will consider adopting Vy Group’s requirements from 2025.

Both the policy for safeguarding labor and human rights and the ethical requirements for suppliers were revised in 2022, and both were adopted by Vy Group’s executive management. The management teams in the group’s companies have been informed about these guidelines and their responsibility for compliance. Vy Group’s policy and ethical requirements for suppliers are available on our website.

Each of the group’s companies is responsible, according to the policy, for reporting actual negative consequences and significant risks, planned and implemented measures, and actual or expected results of these.

Our Method for Identifying Negative Consequences and Significant Risks

Annual overarching risk analyses of social and ethical conditions in our procurement plans and contract portfolio are conducted. The overarching risk mapping is divided into the risk of violations of labor and human rights in global supply chains and the risk of violations of wage and working conditions during the performance of work in Norway. Various sources are used to assess the risk of violations of labor and human rights. These include, among others:

- “High-Risk List” published by the Directorate for Public Administration and Financial Management (DFØ)
- “Upphandlingsmyndighetens Riskanalystjäneste”
- “MVO’s CSR Risk Check tool”
- “The US Department of Labor’s List of Goods Produced by Child Labor or Forced Labor”
- “Responsible Sourcing Tool”
- “US State Department’s Country Reports”
- and “ITUC”’s overview of labor rights in various countries.

The assessment of the risk of violations of wage and working conditions mainly relates to service contracts in Norway. If the contract area is covered by regulations on wage and working conditions in public contracts and general application regulations, it will generally be considered a category with potentially high risk.

The figure below describes the method for risk assessment and consequences at different risk levels, including the follow-up measures we implement with suppliers to ensure compliance with labor and human rights/wage and working conditions, both during the procurement process and after the contract is signed.

Figure 1: Vygruppen's method for risk assessments, requirements for and follow-up of suppliers

Organization of the Work

The leader of each company in Vy Group is responsible for compliance with the policy for safeguarding labor and human rights, including due diligence assessments, in their business and underlying operations, and in the supply chain.

Corporate Procurement carries out the work to ensure decent working conditions and safeguard human rights in the supply chain. Corporate Procurement is organized in the corporate center and functions as the procurement department for the group. The department has expertise in procurement and contract follow-up and the implementation of measures concerning human rights in the supply chain. The responsibility for planning, entering into, and following up on contracts is distributed through governing documents "Roles and Responsibilities in the Procurement Process" and through service agreements with the companies. An annual authorization is given by the executive management for entering into and following up on contracts covering several business areas.

In the service agreements with the bus and train businesses, CargoNet, and Agilia, it is specified which work Corporate Procurement is responsible for carrying out; including conducting risk analyses, implementing measures in the supply chain, and reporting on these. The work is carried out with the help of a dedicated resource, Procurement Advisor Sustainability, who collaborates closely with the other procurement staff on both procurement and contract follow-up where the risk of negative consequences has been identified. The Procurement Advisor Sustainability also has specific responsibility for safeguarding and incorporating sustainability into systems, routines, and processes in the procurement department. Agilia also carries out its own measures with some of its suppliers, such as subcontractors of cleaning services.

Contract follow-up of the agreements takes place in a cross-disciplinary collaboration between the contract manager, procurement coordinator, subject matter expert, and others to follow up on the contract terms. In cases where the contract is marked with high risk related to sustainability, Procurement Advisor Sustainability will also participate in the cross-disciplinary team. The Procurement Advisor Sustainability follows up on suppliers for the various companies where this is included in the service agreement.

Wholly owned subsidiaries of Vy Bus do not use resources from Corporate Procurement for conducting due diligence assessments, including follow-up, of labor and human rights in the supply chain. Where the companies carry out this work, it is handled by their own resources in the individual companies.

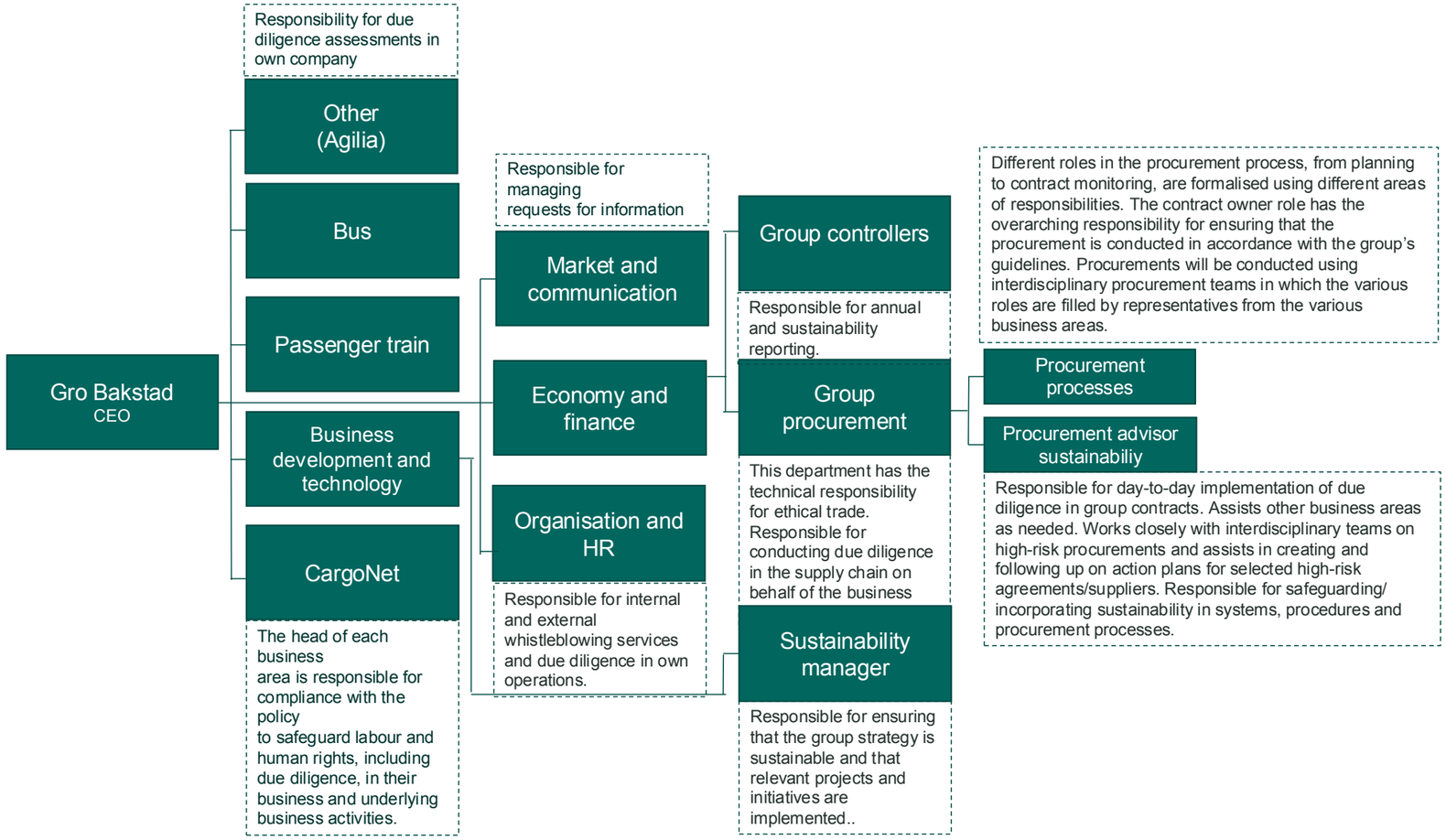


Figure 2: Organization of the Work on Human Rights and Decent Working Conditions at Vy

Dialogue with Stakeholders in the Value Chain

We have less direct dialogue with the affected workers, especially in the global supply chains, as this is done through our contracting party. Meetings with our contracting party or market dialogue with suppliers are therefore our main source of viewpoints and experiences directly from the workers. In some cases, our contracting party conducts audits at the factories that assemble the products. In these audits, conversations with the employees "on-site" are conducted, and through the audit reports, we gain access to information from the workers.

In cases where we are closer to the workers, such as certain service contracts, we have direct dialogue with the affected workers. For example, we travel annually to India, where we visit our supplier for IT operational services. An important part of these visits is to have direct dialogue with the workers who perform work for us, including hearing about their working conditions. We have also addressed questions about employee rights, such as unionization, with the management on-site in India. Cleaning services and canteen services are other relevant areas where we have direct contact with the workers.

As part of the work on developing the double materiality analysis, an interview was conducted with Amnesty. Amnesty represents both workers and local communities affected by business operations. For us, this was an important dialogue as they have insight into how workers and local communities are affected by the extraction of raw materials used in battery production.

The insights we gain from workers in the value chain, either directly or indirectly, especially about potential negative consequences, are addressed in meetings with our contracting parties.

The responsibility for conducting dialogue with workers in the value chain and other stakeholders lies with the leader of the individual business area/company, who is responsible for ensuring compliance with our policy on labor and human rights.

For wholly owned subsidiaries of Vy Bus, no direct dialogue has been conducted with workers in the value chain. Any follow-up is done with their contracting party.

Remediation and Whistleblowing Channels

If we uncover deviations in our supply chains related to workers' rights and working conditions, this is first addressed in dialogue with our contracting party, where we require them to correct these deviations. Our ethical requirements state that in the event of a breach of the ethical requirements, the supplier must immediately take necessary actions to correct the breaches. We have the right to require a corrective action plan for when and how the breaches will be corrected.

If the breaches are not corrected, we can terminate the contract. However, this is considered a last resort. Terminating the contract could negatively impact the workers, so we will attempt to correct the deviations/breaches through dialogue and other sanctions before contract termination becomes relevant. We have not experienced situations where we have had to provide compensation or remedial measures due to significant negative impacts on employees in the value chain.

Vy Group has established an external whistleblowing channel, but this applies to reporting critical conditions internally in Vy Group and applies to all wholly owned subsidiaries. We will consider whether this can be made available through our suppliers for reporting critical conditions in the supply chain.

Whether our suppliers have established whistleblowing channels for their employees and employees in their supply chains is one of the areas we investigate further in dialogue with our contracting parties.

Subsidiaries of Vy Bus have their own whistleblowing channels. Information about these channels is available to their own employees in the companies, either through the occupational health service, the employee handbook, or other internal routines. Information about these whistleblowing channels is not available to suppliers and their employees in the value chain.

Impacts, Risks, Opportunities, and Measures

As described in the section "Our Method for Identifying Negative Consequences and Significant Risks," we conduct an annual risk analysis for violations of labor and human rights (including wage and working conditions) of our entire contract portfolio and procurement plans. In the procurement of products is within categories with a high risk of violations, we often use qualification requirements for work on human rights. This means that suppliers wishing to submit a tender must demonstrate that they conduct due diligence assessments for labor and human rights in their supply chains. If they cannot document this satisfactorily, they will be disqualified from participating in the procurement process.

The table below provides a summary of some key figures for risk analyses and results from supplier follow-up in 2024, concerning labor and human rights in the supply chain. The figures in the table are presented at the supplier level and include the suppliers with whom we have a contractual agreement. It should be noted that follow-up has been conducted with more suppliers than indicated by indicator no. 5 in the table below, but if no deviations have been identified, no direct improvement requirements have been set. Therefore, the total number of suppliers with whom follow-up measures have been conducted is not reflected in the table.

Table: Summary of key figures, risk analyses and follow-up measures*

No	Indicator	Number / Percentage
1	(New) Suppliers contracted who had to respond to social qualification requirements during procurement	3
2	Number of suppliers with requirements for safeguarding labor and human rights in the contract	376
3	Number of suppliers risk-assessed for violations of labor and human rights	376
4	Number of suppliers identified with a significant risk of violations of labor and human rights	138
5	Percentage of suppliers with identified actual or potential risk of violations of labor and human rights where improvement requirements have been set	9 %
6	Percentage of suppliers with identified actual or potential risk of violations of labor and human rights where the contract has been terminated due to violations	0 %

*Applies to the companies Vygruppen AS, Vy buss AS, Vy tog AS, Vy Gjøvikbanen AS, CargoNet AS, Agilia AS, for agreements/suppliers registered in our procurement system Ivalua.

The risk analyses we have conducted show that the risk for employees in the supply chain is higher for some procurement categories and contracts. Based on a prioritization made by the companies, focusing on the most severe risks, specific measures are implemented for selected categories/contracts, which are regularly assessed through information from suppliers, reports, and qualitative assessments.

The table on the right-hand side indicates which product categories with identified elevated risk, and which are prioritized for further measures, apply to the various companies in Vy Group and wholly owned subsidiaries of Vy Bus. Some procurement categories are purchased by several companies in Vy Group. This means that the identified risk and/or uncovered negative consequences within this category apply to several companies. Other procurement categories are purchased only by one or a few companies.

More information about identified risks, negative consequences, and implemented and planned measures within the various product categories is described in more detail in the table below. In some places in the table, so-called Tradebroker agreements are mentioned. These are agreements entered into by Tradebroker, which all companies in the group, including subsidiaries of Vy Bus, have the opportunity to use. The implemented measures therefore apply to all these companies.

Table: Categories with Risk Distributed by Company

Category	Vygruppen AS	Vy tog AS	Vy Gjøvik-banen AS	Vy buss AS	CargoNet AS	Agilia AS	Team verksted AS	Minibuss 24-7 AS	Geilo turbusser AS
Maintenance services including materials and parts	X	X	X		X		X		
IT equipment	X	X	X	X	X	X		X	
Cleaning services	X	X	X	X	X	X			
Deviation transport	X	X	X		X				
Catering/food on trains	X	X							
Hotel accommodation	X	X	X	X	X				
Work clothes and uniforms	X	X	X	X	X	X	X	X	X
IT services	X	X	X	X	X	X			
Buses				X				X	X
Tires				X	X				
Fuel				X					
Terminal services					X				
Consumables and supplies for trains						X			

Table: Overview of Categories with Identified Risks/Negative Consequences, and Implemented/Planned Measures, for the Various Companies in Vy Group

Category	Company	Identified Risk and Negative Consequences	Implemented and Planned Measures
Maintenance services for train and freight equipment/locomotives, including spare parts	Vygruppen AS, Vy Tog AS, Vy Gjøvikbanen AS, CargoNet AS	Mapping conducted by our suppliers shows that the parts purchased are mainly assembled in Europe, and the risk of human rights violations is considered low for this level. The suppliers have to a lesser extent mapped further back in the supply chain, so we know little about the production countries and risks further down the chain. According to our suppliers, several parts for train equipment have a European supply chain. Exceptions include some product categories, such as batteries, electronics, and textiles. Some suppliers state that battery cells come from China, and we assume that some raw materials for these cells also come from there. When production takes place in China, there is a high risk of violations of several labor rights, including working hours regulations, low wages, and lack of the right to unionize. Reports on battery production for other industries (electric buses) also point to a high risk of forced labor. The risk in performing the maintenance itself is considered low as this is mainly carried out in Norway.	In 2024, we held meetings with all our maintenance suppliers, both for trains and freight. We requested information about risks, what the supply chain looks like, and how they work with these issues. Since our suppliers to a lesser extent have mapped the supply chain beyond the first level, where the risk is identified as low, few risk-reducing measures have been implemented. In 2025, we will continue to follow up and put pressure on suppliers to gain more insight into production countries and the highest risks for selected parts and implement measures accordingly. Where a high risk has already been identified, such as for batteries, we will request information on specific measures implemented to reduce the risk.
Purchase of spare parts for maintenance and repair of buses	Team Verksted AS	The risk for spare parts/bus components will vary depending on the type of spare parts/components purchased. Products produced in Asia are considered to have a high risk.	Documentation has been obtained from suppliers, including their guidelines and any due diligence assessments conducted. If the documentation is insufficient, it is assessed to what extent the cooperation can continue depending on the risk level.
Cleaning of trains, buses, and buildings	Vygruppen AS, Vy Tog AS, Vy Gjøvikbanen AS, Vy Buss AS, CargoNet AS, Agilia AS	The cleaning industry has a general collective agreement, and buyers have a duty to ensure compliance. Based on experiences with follow-up of wage and working conditions, as well as other available information on risks, we assess that the risk of violations particularly relates to: • Working hours regulations • HSE regulations/routines to ensure a healthy and health-promoting work environment for cleaners. The following deviations/negative consequences have been identified through spot checks: • Violations of working hours regulations (rest time not observed, worked too many hours or too many consecutive weekends) • Lack of content in employment contracts • Expired HSE cards • Lack of payment of public holiday supplements (identified by a third party on behalf of one of our clients who conducted an inspection at our location).	Spot checks of cleaners' payslips, timesheets, employment contracts, and HSE cards have been conducted at one selected location for train cleaning, two locations on the corporate agreement for building cleaning, and two locations for bus agreements. Deviations described under identified negative consequences were found. These were addressed with the suppliers, and follow-up meetings documented that the deviations had been corrected or that routines had been implemented to avoid future violations. For example, deficiencies in employment contracts were corrected, and new, updated employment contracts were documented. We have also seen confirmation that new HSE cards have been ordered. Documentation that missing public holiday supplements have been paid has been submitted. We will continue with spot checks in 2025, at locations other than those conducted in 2024. Agilia will conduct an audit of subcontractors of cleaning services in 2025.
Deviation transport	Vygruppen AS, Vy Tog AS, Vy Gjøvikbanen AS	Road passenger transport is an industry subject to a general collective agreement, and in the transport industry in general, there is a risk of violations of wage and working conditions. Violations of working hours regulations are an identified risk. Identified deviations/negative consequences uncovered through inspections are: • Violations of working hours regulations • Deficiencies in employment contracts	Vy sets requirements for wage and working conditions in all our deviation transport agreements (bus for train and taxi services). As part of the follow-up, a declaration from an independent third party is obtained for the control of wage and working conditions for all bus-for-train suppliers. Identified deviations from these are described under identified negative consequences. We will obtain third-party declarations in 2025 as well and follow up with some suppliers more closely based on findings from the third-party declarations.

Category	Company	Identified Risk and Negative Consequences	Implemented and Planned Measures
Catering/food on trains	Vy Tog AS, Vygruppen AS	The catering agreement on trains includes the performance of the service on board and the purchase of the goods sold on the trains. There is a separate agreement for vending machine goods on the trains. The risk of violations of wage and working conditions in performing the service on the trains is considered low. The risk for the goods purchased as part of the contracts is assessed as medium to high. The supplier itself highlights palm oil, tea, coffee, cocoa (for hot chocolate), and fish as product categories with particularly high risk. According to DFØ's high-risk list, the risks associated with these products are: • Child labor, • forced labor, • discrimination, • low wages, • violations of union rights, • very poor working and living conditions. Our supplier is connected to the Sedex platform, and audits of some of their subcontractors have been conducted. These have uncovered minor deviations, such as working hours.	In 2024, meetings were held with the supplier (of both agreements) to gain further insight into how they follow up with their suppliers. We assess that the supplier has room for improvement in following up with their suppliers. We will continue with annual status meetings to gain more information about their work and risks in the supply chain. Deviations in working hours at some selected subcontractors have been documented as corrected. All of our supplier's purchases of coffee, tea, cocoa for hot chocolate, and palm oil, as well as 57% of the fish, are certified, and we assess that this reduces some of the mentioned risks.
Hotel accommodation	Vygruppen AS, Vy Tog AS, Vy Buss AS, Vy Gjøvikbanen AS, CargoNet AS	Vy has several suppliers providing hotel accommodation that our personnel can use when needed in connection with work. The hotel industry is subject to a general collective agreement and is defined as a high-risk industry for violations of wage and working conditions. Spot checks conducted by an external third party, engaged by our supplier (requirement in the contract), have uncovered deviations in working hours, payment of overtime allowances (one case), and violations of rest time regulations.	Vy sets requirements for wage and working conditions when entering into agreements in areas covered by regulations on wage and working conditions in public contracts and general application regulations. As part of the follow-up, auditor declarations of wage and working conditions are obtained from several of our hotel suppliers. In 2025, we will enter into dialogue with the suppliers where deviations have been identified, in addition to obtaining new auditor declarations.

Category	Company	Identified Risk and Negative Consequences	Implemented and Planned Measures
IT equipment and IT equipment in buses	Vygruppen AS, Vy Tog AS, Vy Gjøvikbanen AS, Vy Buss AS, CargoNet AS, Agilia AS, Minibuss 24/7 AS	IT equipment is listed on DFØ's high-risk products list, and the risk of human rights violations in the production of the equipment is defined as high. Identified risks in the supply chain for IT equipment generally relate to: • Working hours, • Wages, • lack of the right to unionize. Our supplier of tablets and mobile phones specifically points to violations of working hours regulations and health and safety as high-risk areas. The risk is defined as higher further down the supply chain, particularly related to the extraction of minerals used in the equipment. External sources have reported risks of child labor, forced labor, and high health and safety risks in mineral extraction. Based on these risk assessments, we consider the risk of violations to be high in our agreements as well.	In meetings with one of our IT equipment suppliers (tablets, train tablets, mobile phones) to Vygruppen AS, Vy Tog, Gjøvikbanen, Vy Buss, and CargoNet, we have attempted to map the supply chain for the products we purchase. It is reported that there is little transparency and traceability in the production of IT hardware. Our supplier also has limited influence over large international actors but can show that they engage with other actors to gain more insight into workers' working conditions, challenge, and put pressure to obtain information. We will conduct dialogue with our supplier of tablets and mobile phones in 2025 for a new status on the work. PCs, monitors, and other IT equipment are purchased through a Tradebroker agreement. For this, we look at the work Tradebroker does and the information they gather. We consider the submitted documentation from the supplier to be good and that they work systematically to safeguard human rights in risk areas. In 2023, a mapping was conducted against several IT system suppliers to Vy Bus, particularly for the hardware part of the delivery. Information about the supply chain and their guidelines and routines for working with human rights was obtained. Follow-up meetings with some suppliers were also conducted. Different maturity levels were identified among the suppliers, and the plan for 2024 was to concentrate follow-up on the suppliers who had made less progress. We lack this status update and will therefore focus on obtaining this in 2025.
Uniforms and Work Clothes	Vygruppen AS, Vy Tog AS, Vy Gjøvikbanen AS, Vy Buss AS, CargoNet AS, Agilia AS, Team Verksted AS, Geilo turbusser AS	Vy's uniforms are assembled at factories in India and China, and for several of the materials used in the uniforms, the country of origin/production is also China and India. There is generally a high risk of human rights violations in textile production, and the category is found on DFØ's high-risk list. China and India are further countries where labor rights are rarely respected, and both countries have a score of 5 (where 1 indicates lowest risk and 5+ the highest), indicating that rights cannot be guaranteed, according to ITUC's Global Rights Index. Through follow-up with our supplier, deviations have been identified, particularly regarding working hours regulations at some of the factories producing Vy's uniforms in China. Additionally, our supplier has identified risks for other labor and human rights in this supply chain. These relate to: • Unionization, • health and safety, • discrimination. We also believe that low wages and lack of living wages may be a present risk. So far, no deviations have been identified in these areas. For work clothes, the risk is also defined as high, and several of these products come from China, in addition to Laos. Suppliers of work clothes have themselves assessed that there are similar risks here as those mentioned for uniforms. Where the products come from Bulgaria and Lithuania, the risk is assessed as lower.	We hold regular meetings with our uniform supplier on how human rights and labor rights are ensured in the production of Vy's uniforms. Deviations in working hours regulations were identified through audit reports received in 2023. In 2024, measures taken at the various factories to reduce overtime have been a topic at each meeting. The supplier can show that they have continuous dialogue with their suppliers to reduce overtime, and in some places, specific measures have been implemented, such as hiring more people. We assess that our uniform supplier has good systems and routines for due diligence assessments concerning human rights. Due to the high risk in this category, we will continue to hold regular meetings where working hours regulations, decent wages, unionization, health, and safety will be addressed. Vy avoids requirements for short lead times, as we are aware that this can lead to high workloads and high levels of overtime for those producing the uniforms. We have good ordering routines, with a main uniform order placed once a year. For work clothes, which is a Tradebroker agreement, we look at the work and information Tradebroker gathers. We consider the submitted documentation from the supplier to be good and that they work systematically to safeguard human rights in risk areas. One of the work clothes suppliers is the same supplier we use for uniforms, and, as described above, we have regular dialogue with them.

Category	Company	Identified Risk and Negative Consequences	Implemented and Planned Measures
IT operational services - abroad	Vygruppen AS, Vy Tog AS, Vy Gjøvikbanen AS, Vy Buss AS, CargoNet AS, Agilia AS	IT operational services are mainly performed from India. India is a country where labor rights are rarely respected, and the country has a score of 5 (where 1 indicates lowest risk and 5+ the highest), indicating that rights cannot be guaranteed, according to ITUC's Global Rights Index. Therefore, it is assessed that there is an elevated risk associated with this agreement. At the same time, we consider the risk of violations in the IT industry in India to be lower than in other sectors that involve more physically demanding work and require less formal competence than work in the IT sector. However, the ILO conventions on the right to organize and collective bargaining have not been ratified by India, and laws limiting union activities have also been introduced. We consider restrictions on union activities to be possibly present in the IT industry as well. Discrimination, especially based on caste, is also identified as a risk in India in general.	In 2024, we focused on conducting further investigations with our supplier on how employees' rights to unionization and collective bargaining are safeguarded by the supplier in India. Representatives from Vy Group addressed the topic in physical meetings with supplier representatives during visits to the supplier's premises in India. The supplier states that employees' rights, including dialogue with workers, wage negotiations, etc., are safeguarded. A questionnaire on this was also answered. Based on the obtained documentation and conducted meetings, we assess that the supplier has guidelines and routines to ensure the safeguarding of labor and human rights for their employees. The overall risk for the delivery of IT operational services from India is therefore assessed as somewhat lower than initially assumed. However, we will continue to address human rights with the supplier, especially during the annual visits conducted in India.
Electric Buses/Vehicles	Vy Buss AS, Minibuss 24/7 AS	Vy Buss purchases from several different dealers and bus manufacturers, both European and Asian bus manufacturers. We assess that the risk of violations is highest in the supply chain of the Asian bus manufacturers. However, we recognize that there may also be a risk of human rights violations further down the supply chain of the European manufacturers. Several of the raw materials and components in the supply chain of these also come from countries and industries with an elevated risk of human rights violations. At the time of reporting, most of our purchases of electric buses are from China, and the focus of the follow-up is therefore related to these. The inherent risk of purchasing electric buses from China is assessed as high. The overall risk of human rights violations in the production of electric buses and batteries for buses in China is described in more detail under "Significant Negative Impact Due to Green Transition" further up in the report. We assess that the risk is somewhat lower for the level in the supply chain where our buses are assembled. This is justified by the systems and routines that bus manufacturers have shown to be good. A previously published Swedish report reveals particularly high risks related to wages, overtime, and health and safety for one of the Chinese bus manufacturers producing our buses. We therefore assess that there are risks in these areas also in the production of our buses. The audits conducted at the assembly stage have only uncovered minor deviations, such as working hours. We assess the risk related to battery production as high. One of our contracting parties has conducted an audit of working conditions at the battery manufacturer. This revealed a very high degree of overtime and several instances where the minimum of one day off per week was not given. Reports also identify a high risk of labor and human rights violations at the battery manufacturer in the supply chain of one of our suppliers. The areas/rights where the risk is defined as high relate particularly to involuntary overtime and extensive overtime, low wages (not living wages) and wage manipulation, and recruitment. Furthermore, reports point to links to the Xinjiang province and a high risk of forced labor of Uyghurs. As mentioned above, we have not uncovered links to the Xinjiang province, but we will continue to map the risk. For other components included in the buses, as well as raw materials further down the supply chain, we have less information about the risk, other than that the country of origin is mainly China. Minibuss 24/7 has identified a risk of human rights violations for a type of vehicle they purchase, which is built in China. According to a report from Human Rights Watch, there is a risk that the aluminum used in the vehicles is produced in the Xinjiang province, and there is suspicion of forced labor.	In connection with procurements and contract follow-up meetings with Vy Bus' contracting partners (dealer level), great emphasis has been placed on their work related to the Transparency Act. Several meetings are held annually with the Nordic dealers, as was done in 2024. Vy Bus has seen significant maturity among several suppliers in the years we have followed up on their work to safeguard human rights in the supply chain. The supplier's progress plan/action plan is among the topics discussed in the meetings, in addition to identified risks and deviations. Further investigations or corrections are required where relevant. For example, we follow up with our supplier on measures to reduce identified deviations/violations of overtime regulations in the supply chain. Detailed risk analyses have been prepared for Chinese suppliers of electric buses, gathering all the information we have about risks concerning human and labor rights for each supplier. These risk analyses are updated with new information and form the basis for assessments before new purchases from these suppliers, whether in connection with tender processes or purchases for commercial use. Before deciding to purchase from Chinese electric bus suppliers, risks must be addressed in steering group meetings. Vy Bus has engaged an external third party to conduct IDD analyses of three Chinese bus manufacturers and one battery manufacturer. These were conducted in March/April 2023. Findings from these analyses are included in the risk analyses for each bus company. In 2025, we will continue with regular status meetings with our suppliers of electric buses. We will continue to prioritize gathering information and documentation of risks for the areas highlighted in published reports, such as forced labor of Uyghurs, wages, overtime, and health and safety. We will further prioritize obtaining more information about risks further down the supply chain, especially for raw materials, both for batteries and other parts of the bus. Minibuss 24/7: Identified risks have been addressed with the supplier, and it has been requested information on what measures the dealer has implemented with their subcontractors to confirm that materials from regions with known forced labor, such as Xinjiang, are not used in their vehicles.

Category	Company	Identified Risk and Negative Consequences	Implemented and Planned Measures
Tires	Vy Buss AS	Tires are listed on DFØ's high-risk list, and there is a high risk associated with rubber extraction. Identified risks particularly relate to: • Low wages, • lack of union rights, • health and safety risks. According to our tire supplier for 2024, the natural rubber used in our tires mainly comes from Malaysia and Thailand. For a smaller number of tires purchased in 2024, and for tires purchased from 2025 onwards, the natural rubber mainly comes from Indonesia, Thailand, and Vietnam. Natural rubber from Indonesia is listed on the US Department of Labor's list of products produced with child labor. Therefore, there is a risk that child labor may occur in natural rubber production. Indonesia and Vietnam have a score of 4 on ITUC's list, indicating systematic violations of workers' rights. Thailand and Malaysia have a score of 5, indicating no guarantee of rights. According to US State Department country reports, union rights and especially the right to strike are limited in Indonesia. Minimum wages are also below the poverty line in many provinces/districts, and many workers are not covered by existing minimum wage legislation. There are also reports of inadequate health and safety standards and/or implementation and follow-up of such standards by authorities. According to the US Department of State, plantation agricultural workers often worked long hours without state health insurance benefits. They lacked proper protective equipment and training in pesticide safety. In Thailand, seasonal and migrant workers have limited opportunities to join unions, according to the US Department's country report. NGOs have also reported that forced labor is present in the rubber industry in Thailand. We consider the listed risks to be possibly present in our supply chain as well.	During 2024, we conducted a procurement process for tires, which means that from 2025 we will have a new tire supplier. With the tire supplier we had an agreement with until the end of 2024, we held several meetings focusing on their work. We found that our pressure contributed to this being placed higher on their agenda, and they established their own systems and routines for the work. In 2025, we will conduct thorough follow-up with our new tire supplier to gain more insight into how they work to safeguard human rights in their supply chain, as we have less knowledge of their work. This involves regular status meetings, where we will request an action plan and ensure continuity in the work. Furthermore, we will seek to gain insight into the specific risks they believe apply to their supply chain and the tires they supply to us, as well as the risk-reducing measures they implement.
Fuel	Vy Buss AS	Vy Bus uses fossil fuels, HVO, and gas for buses that do not run on electricity. Crude oil and raw materials used for fossil fuels and HVO come from countries where the risk of human rights violations is defined as low, but also from countries where the risk of violations is higher, such as Angola. Work on oil platforms is also considered risky concerning employee safety. Documentation from the bulk fuel supplier shows that the fuel we purchase, both fossil and HVO, mainly comes from European countries and the USA. We therefore believe that the risk in our agreement and supply chain is somewhat lower than if the crude oil had come from, for example, Angola. Our supplier has conducted a closer inspection of working conditions at oil refineries located in Sweden. No violations of workers' rights were found.	We assess that our bulk fuel supplier has initiated systematic work to ensure human rights in the supply chain. We have received documentation showing that they have routine and policy documents, have conducted a thorough mapping of the supply chain, and have conducted risk assessments against suppliers and countries in their supply chain. We still want to conduct annual follow-up of this work for more detailed information about risks in the raw material stage. Several meetings have been held with the supplier of AdBlue. Documentation obtained about the supply chain shows that the raw material comes from Poland, and the finished product is assembled in Sweden. The risk is therefore assessed as low, but we will continue with semi-annual meetings with the supplier in 2025.
Truck Tires	CargoNet AS	CargoNet purchases tires used on larger machines at our terminals. Tires are listed on DFØ's high-risk list, and especially for rubber extraction, there is a high risk of human rights violations. Identified risks particularly relate to low wages, lack of union rights, and health and safety risks.	Less follow-up has been done for this category in 2024, and in 2025 we will request a separate meeting to get a status on the supplier's work.
Purchase of Terminal Services	CargoNet AS	CargoNet purchases terminal services at terminals where the company does not have its own employees or operates the terminal. This involves purchasing services where terminal workers handle cargo on our behalf. The performance of such services involves hard physical labor, and in Norway, it will in most cases be subject to a collective agreement. CargoNet also purchases terminal services at regular freight train terminals and port terminals in Sweden.	In 2024, follow-up was conducted with the supplier of terminal services in Sweden using a self-reporting form. Through this, we gained insight that wage and working conditions are regulated by a Swedish collective agreement, which also applies to our subcontractor's employees, and we assess that this reduces the risk of violations of wage and working conditions.
Purchase of Distribution Services from Subcontractors	CargoNet AS	In connection with deviation handling and regular distribution, CargoNet purchases distribution services from various suppliers. The purchase of transport services is considered an area with a risk of social dumping, and road freight transport has a general collective agreement.	Planned measures were not implemented in 2024 and are on the agenda for 2025. In 2025, information will be requested about any risks and conducted risk analyses, and what measures our suppliers are implementing to safeguard wage and working conditions for their employees. The follow-up will be in the form of self-reporting, but follow-up meetings and spot checks may also be relevant based on the responses in the self-reporting.

Category	Company	Identified Risk and Negative Consequences	Implemented and Planned Measures
Leasing of Lifting Equipment/Trucks for Terminals	CargoNet AS	CargoNet leases a number of larger lifting equipment/trucks for terminals. One of CargoNet's main suppliers of terminal machinery states that these are assembled in Sweden, and we assess the risk here as low. However, we have less knowledge of the supply chain further back, and the risk picture here is therefore unknown. Our main supplier, however, indicates that these are reputable suppliers, even further back in the supply chain.	Follow-up was conducted with one of the relevant suppliers using self-reporting. Based on the assessment that the risk is low, we do not consider further follow-up in 2025 to be necessary for this supplier. We will consider follow-up with other suppliers in 2025.
Consumables and Supplies for Trains	Agilia AS	Agilia is a major purchaser of hygiene articles and supplies for trains. Such articles may be associated with a risk of human rights violations, depending on where the production takes place.	In 2023, we obtained information about the systems and routines the supplier has for their work in safeguarding human rights in their supply chain and assessed these as sufficient. In 2024, few measures were implemented against the supplier, and in 2025, we will conduct follow-up measures with the supplier for a status of their work and further insight into the risks for the products purchased by Agilia.

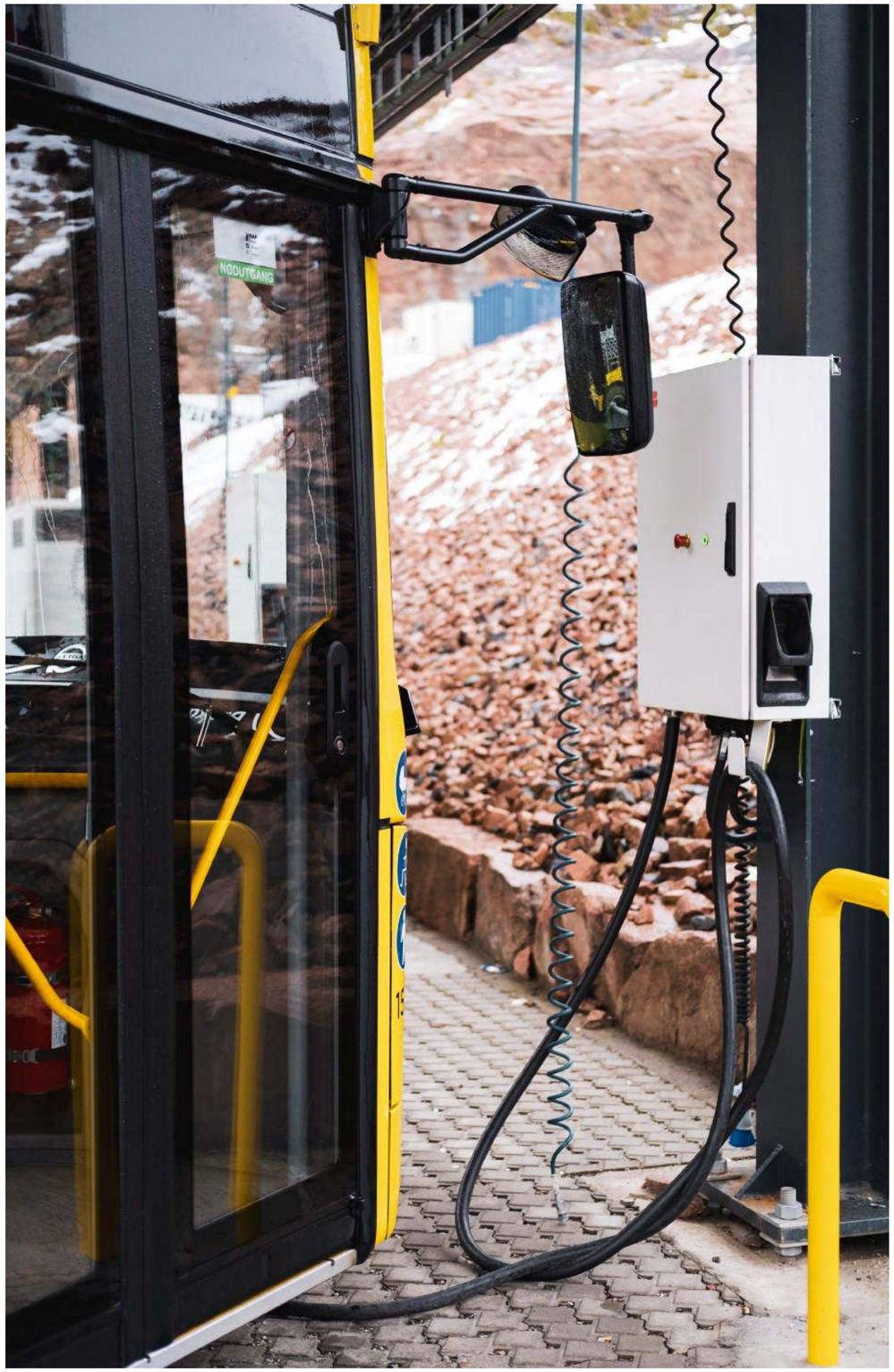
Goals

Our procurement organization is working on assessing relevant quantified goals for Vy regarding workers in our supply chain. As of today, we are working with goals for 2025 that we have set through our membership in Ethical Trade Norway, linked to our strategies and risk categories within procurement, including:

- Conduct contract follow-up concerning labor and human rights for a minimum of 12 high-risk agreements/suppliers during the year.
- Conduct a minimum of 6 spot checks of wage and working conditions within selected agreements during the year.
- Further develop existing policies and ethical requirements for suppliers during the year.
- At least 50% of the target group should have completed internal e-learning courses on due diligence assessments concerning human rights during the year.

In summary, in 2024, we have:

- Conducted contract follow-up for a minimum of 10 agreements that were assessed to have a significant/ high risk of violations of labor and human rights. We have thus met the goal of conducting contract follow-up for a minimum of 10 high-risk agreements. Additionally, follow-up has been conducted with several other agreements/ suppliers where the risk was assessed to be somewhat lower, to gain more insight into the risk level.
- Conducted spot checks of wage and working conditions for cleaners at five different locations, meeting the goal of conducting a minimum of 5 checks of this type.
- Developed an internal e-learning course on human rights and labor rights in the supply chain, meeting the goal set for this in 2024.
- Worked specifically to gain insight into the risk of spare parts for train equipment. As part of this, we have conducted follow-up and dialogue with our maintenance suppliers of train and freight equipment in several rounds to obtain information on what the supply chain for selected spare parts looks like and what the risk of violations is in these supply chains. A specific goal was set for this, which is considered met.



S4 Consumers and End Users

Why This Topic is Important to Us

Our customers are at the core of Vy's business, and customer satisfaction and loyalty are crucial to our success. Vy works every day to improve travel and service offerings, making it easier to choose collective and environmentally friendly solutions. For us, our customers are one of the most important contributors to our products, helping to reduce the number of trucks on the roads and less traffic in and around cities. We always aim to provide our customers with a good and predictable journey, where we arrive on time.

We have developed a double materiality analysis that forms the basis for our strategy and goals. Customers and end users are one of our most important stakeholders, and we spend significant resources asking and measuring customer satisfaction and opinions to improve our products and deliveries. In the work of assessing risks and opportunities, all customer groups within passenger transport and freight transport have been included in the assessments.

A more detailed description of how we have worked to identify significant impacts, risks, and opportunities for our stakeholders can be found on page 48. The assessments in the double materiality analysis apply to customers and end users within passenger transport by bus and train, as well as customers within freight transport by rail. This includes both public buyers of passenger transport by bus and train, the specific customers being transported, and corporate customers purchasing freight transport by rail.

Overview of Significant Topics and Sub-topics

Information-related impact

Positive impact (VC, OO)

- Open and transparent communication in the event of breaches and changes

Access to services

Positive impact (VC)

- Reliable transportation
- Available and extensive route offer

Social inclusion

Positive impact (VC)

- Accessible transportation for everyone

Health, environment and safety

Negative/positive impact (VC)

- Health, environment and safety for customers

VC = Value chain, OO = Own operation

Positive and Negative Impact

In addition to the positive effects of traveling environmentally friendly with our products, travel by train and bus can also potentially lead to traffic accidents and harm to customers, and goods can be damaged in accidents during transport by freight train. On some trains or buses, there may also be limited accessibility for certain users, for example, due to high floors lacking wheelchair access.

Passenger transport is always associated with a certain risk, although the risk is very low and generally accepted in society. Freight traffic by rail does not have the same direct risk impact on its customers, but this mode of transport is also associated with inherent risk and is therefore included in our reporting. Staff and support functions are included in the assessment. Improvement assessments are conducted for all businesses based on conducted risk assessments. For example, improvement assessments are conducted in trains following our process for continuous improvement.

Information Sharing

Vy has established digital communication with its customers and aims to provide updated route information, information on deviations, and good and efficient payment solutions. Customers traveling with us have access to information about Vy's products on our own channels; the Vy app, vy.no, and vybuss.no. Customers can choose other channels for information on prices, routes, and departures, for example, from Ruter, Entur, Brakar, and other travel services. Data is retrieved to the customer channels automatically from the core systems. Vy channels provide the most details about the products and the most detailed deviation information for trains.

Vy collects and processes personal data about customers who purchase our services or use the Vy app, vy.no, or vy.se. Rights, how we process personal data, and how customers can access their personal data are described on "vy.no/vilkår-og-personvern/personvern".

Route Offerings

Vy establishes and implements, in collaboration with public buyers, a route offering for personal customers that makes it easy to travel environmentally friendly. The route offering should result in fewer emissions, accidents, and congestion, and provide fast and easy transport for commuters and leisure travelers. New buses and trains should make the offer accessible to everyone. We make information about the products easily accessible.

Risk Mapping

In our investigations, we have not identified groups of customers and end users who have a higher risk than others for negative impacts concerning health and privacy. We are also not aware of systematic violations of privacy and harm to our customers, either in our operations or with sector partners. In our customer surveys, risk assessments, and other dialogues with customers, we have not registered a higher risk of harm for specific customer groups.

Freight transport by rail results in fewer emissions and accidents compared to road transport.

Transport by train and bus carries the risk of delays and accidents that can negatively impact customers and owners of goods and will affect our reputation as well as potential travel activity and profitability.

Good safety for all customers traveling with us is important for Vy. Accidents can result in personal injuries, environmental damage, and material damage. Accidents can also result in high costs and negatively affect our reputation, which in turn can lead to fewer trips and lower revenues. Accidents can occur due to errors or deficiencies on Vy's part, but also from sector suppliers such as Bane NOR or due to landslides, floods, etc., which can also be linked to climate change. Historically, safety results in Norway and for Vy are good compared to the rest of Europe.

Vy has a defined safety organization responsible for traffic safety. Proactive work is done with risk assessments, regulations, analyses, preparedness, and other elements of safety management, such as MTO, the interaction between Humans, Technology, and Organization. Security and national preparedness are part of traffic safety at Vy and contribute to us taking good care of both customers and our responsibility within societal security.

Unwanted incidents (conditions, near misses, and injuries) are registered, followed up, and reported. At Vy, there is a strong safety culture that contributes to a high degree of reporting unwanted incidents. Our employee surveys and pulse measurements confirm the strong safety culture.

Strategies and Guidelines for Consumers and End Users

Our goal is to deliver good customer services every day, get more people to travel by public transport and choose freight by rail, and strengthen profitability. Vy will deliver an attractive and profitable transport offer that customers are satisfied with. Within the train business, we will do everything we can to ensure stable and robust train operations every day.

At Vy, we have developed corporate principles for handling important topics related to customers and employees. It is stated that Vy Group's operations should not cause serious harm to people, the environment, or material values, and our business areas should proactively prevent unwanted incidents and have the necessary ability to handle critical situations.

The corporate guidelines are approved by the executive management and apply to all the group's businesses and geographical areas.

In our management document on strategies and goals, we have established the following:
Good customer experience begins with high reliability, safety, and good quality in daily deliveries. The fundamental expectation is that the traveler or goods arrive at the agreed time. In case of delays or cancellations, good and timely information is crucial for the customer's experience. Vy must work systematically with the customer journey so that the customer has a good experience at all stages of the journey or transport. We will meet customers in a holistic and consistent manner in personal customer interactions, on digital and physical platforms, and provide customers with good experiences in everything we do.

We will continue the systematic work to achieve good customer interactions on the platform and stop, on the train and bus, on the phone, chat, and email, and provide our employees with good training in Vy's products and customer

promises.

We will have sales channels that make it easy for customers to choose an environmentally friendly journey and provide the customer with good information before, during, and after the journey. By creating attractive and reliable customer channels and selling others' tickets that complement Vy's own offering to customers, we will contribute to increased ticket sales for Vy's businesses.

In all parts of the business, we will strengthen our work with professional customers. We will do this by creating good relationships and collaborating on common goal achievement so that our customers' customers have good experiences every day.

There have been no reported failures to comply with Vy's overarching guidelines for exercising social responsibility concerning final deliveries to our customers within train, bus, and rail freight traffic.

In our work with customers, we follow the WCAG2.0 standard for universal design of our sales and information channels.

Routines for Contact with Consumers and End Users about Impacts

Stakeholder Dialogue

The executive management has the operational responsibility for ensuring dialogue with stakeholders and that the results of the dialogue are incorporated into the assessments in each area of responsibility for trains, buses, freight, and corporate staff. This is carried out through strategic processes and Business Reviews.

Vy has regular communication and meetings with key stakeholders. For public transport companies and other clients, communication is conducted in the form of mandatory reporting and follow-up meetings.

Daily, direct contact with customers occurs on trains and buses between customers and our operating staff. We place great emphasis on providing accurate information during the journey. The marketing and digital channels department is centralized in the corporate staff and, together with commercial bus operations, is responsible for customer contact before, during, and after the journey.

For individual customers, daily information and communication also occur through the Vy App and Vy's websites. Monthly customer surveys are conducted, and we have daily dialogue with our customers via our customer service. Emails are sent to those who have consented to receive information.

Our customer and service centers handle 5,000-15,000 inquiries each month, and all are answered. Serious and/or repetitive incidents are forwarded to the owner of the problem, who implements measures. Examples of measures include establishing a dedicated customer deviation project and automatic refund handling.

We establish an annual marketing plan for communication with our customers about significant events, consequences, and measures – for example, to inform about long periods of disruptions (closure of railway lines), consequences, and alternatives for customers. Our Vy App provides information about routes and prices and gives an overview of delays and alternative transport. We measure customer satisfaction and significant themes through Customer Pulse or monthly customer satisfaction surveys that summarize and sort out inquiries from customers, including inquiries received via the customer center and service center. Each quarter, the Norwegian Railway Directorate surveys customer satisfaction for the various railway contracts, providing a basis for comparison with competitors.

The person responsible for universal design has regular meetings with interest organizations and participates in the Train Group for Universal Design (organized by the Norwegian Railway Directorate).

Routines for Mitigating Negative Impacts and Channels for Consumers and End Users to Express Concerns

Vy maps actual and potential risks for negative impacts that we have caused, contributed to, or are directly linked to through our activities in all business areas, corporate staff, and geographical areas where we are present. The assessments apply to all our products and services. The risk assessment, together with information from communication with customers, forms the basis for strategic and operational goals and associated tasks and measures.

There is extensive and good cooperation with both safety representatives and union representatives on issues related to traffic safety. A concrete example of this is that safety representatives are defined as participants in risk assessments, and union representatives are involved in risk assessments related to training and organization.

Measures to improve traffic safety are implemented both internally at Vy and in collaboration with sector suppliers, such as the infrastructure supplier Bane NOR, to develop and implement joint measures to further reduce risk. The systematics for working with traffic safety and reducing accidents are considered satisfactory based on the risk picture and the inherent risk associated with all transport.

To manage residual risk, Vy has a well-established and tested emergency preparedness. In emergency preparedness work, we have focused particularly on cyber incidents and maintaining as much of the operation as possible during an incident. In the passenger train section, changes have been made with the introduction of staff methodology and proactive crisis management. Emergency preparedness evaluations show that the staff is trained to handle incidents well.

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

Improvement assessments are conducted for all businesses based on risk assessments. For example for trains following our process for continuous improvement.

We work continuously on improving punctuality and regularity and look at potential improvements and changes to the offering together with our clients. Traffic safety measurements and assessments are conducted daily both at Vy and Bane

NOR. These form the basis for measures such as temporary suspension of the service due to, for example, expected extreme weather or signal system failures.

Our customer and service centers handle compensation, refunds, compensations, guarantees, and information about travel rights as a result of negative deviations.

The work on risk assessments and measures is integrated into our regular operations and is financed and accounted for as part of this. In this context, budgets and 5-year plans are prepared to ensure that resources are available for this work to be carried out and developed.

Handling Inquiries

Expressions of concern can be reported through communication with customer and service centers for trains, buses, and freight. Other external forums for conveying negative effects include the Norwegian Railway Inspectorate, the Consumer Authority, and the judicial system. Customers can seek information, request refunds, and report through our customer service function at https://www.vy.no/kundeservice/hjelp-og-kontakt.

Such negative effects can be reported and handled through internal cooperation bodies such as established working environment committees and collective bargaining, and external customer centers. External forums for conveying negative effects include the Norwegian Railway Inspectorate, the Consumer Authority, and the judicial system. Customers can seek information, request refunds, and report through our customer service function at https://www.vy.no/kundeservice/hjelp-og-kontakt. Negative effects can also be reported to the Transport Complaints Board and the Discrimination Board.

In addition to our own app and web driver, Entur AS operates the railway customer center for ticket sales on behalf of train operators. Our clients within bus tenders also have their own customer centers that handle inquiries from end users, and these are forwarded to us where the deviation is due to Vy.

All inquiries and responses to our customer centers are registered and stored in dedicated customer databases and deleted continuously.

Vy has its own satisfaction measurement for handling complaints and how satisfied customers are with digital channels, and customers are generally satisfied. Preventing retaliation against complainants is not considered significant and relevant in this context.

Vy has a defined safety organization responsible for traffic safety. Unwanted incidents (conditions, near misses, and injuries) are registered, followed up, and reported. At Vy, there is a strong safety culture that contributes to a high degree of reporting unwanted incidents. Our employee surveys and pulse measurements confirm the strong safety culture.

Measures to improve traffic safety are implemented both internally at Vy and in collaboration with sector suppliers, such as the infrastructure supplier Bane NOR, to develop and implement joint measures to further reduce risk. The systematics for working with traffic safety and reducing accidents are considered satisfactory based on the risk picture and the inherent risk associated with all transport.

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

The Railway Act governs traffic safety work for trains, and a license and safety certificate are required to be a train operator in Norway (Norwegian Railway Inspectorate) and Sweden (Transport Agency). To ensure traffic safety in the bus business, we are certified according to ISO 39001 (traffic safety).

Measures to Handle Significant Impacts, Risks, and Opportunities

When we receive inquiries through our customer channels, they are sorted and prioritized, and we forward them to the party responsible in the operational operation as a basis for improvement. Refund requests are handled according to the customer guarantee and refund rules. We establish and measure efficiency in the form of KPIs related to identified significant themes and risks.

The risk of harm to people is managed through risk analyses and traffic safety management. Measures include training employees in safe driving, maintenance, suspension of transport during extreme weather, and organized dialogue with the infrastructure manager. Deviations in delivery, such as delays and cancellations, are handled by offering alternative transport and refunds according to the travel guarantee.

In connection with planned closures of railway lines in the summer due to maintenance, alternative transport in the form of buses for trains is provided. An important measure in connection with reduced train capacity after a harsh winter is to increase maintenance capacity and maintenance activity.

The most important measures to increase customer satisfaction are working on improved punctuality, increased capacity, an improved customer offer, an improved customer meeting, and good customer information through our sales channels.

It should be easy for everyone to travel with Vy. We are therefore working to ensure that our products and services meet the requirements for universal design. We are in contact with several interest organizations for people with disabilities and other external actors in the field. We are also part of the Norwegian Railway Directorate's train group for universal design.

We collaborate with Bane NOR to develop a new type of station-based wheelchair ramp for low-floor trains. We have provided input to Norske Tog in the procurement of new local trains (type 77) and new long-distance trains (type N10), and we have worked on adapting vy.no and the Vy app in connection with the new EU directive.

Vy Bus purchases all route and express buses in accordance with the regulations for universal design. We collaborate with several interest associations representing various user groups.

Identification of Measures

The main processes for identifying significant themes related to our customers are risk analyses, customer communication

through our channels, and materiality analyses. Based on the analysis results, tailored measures are planned and implemented.

Planned Measures

We establish long-term goals and measures through strategic processes, planning processes with a five-year time horizon, and annual goal processes that cover all business areas, corporate staff, and geographical areas where we have activities. The goals are adopted by the executive management and the board. Some of the identified measures require collaboration and influence from other companies in the railway and transport sector, as well as communication with authorities with proposals for changed framework conditions.

We continuously measure and follow up to ensure that strategies and measures to achieve goals are implemented. In case of deviations in goal achievement, measures will be implemented to improve goal achievement. Some of these measures will depend on other sector companies also succeeding in similar work, such as punctuality, track and signal system uptime.

The main elements to reduce risks related to customer satisfaction and travel volume development are working with good and accurate customer communication and ensuring that we deliver the capacity and route plan we have promised. When we succeed in this, we see that customer satisfaction and travel volume increase.

We hold weekly marketing and communication meetings with participants from staff and business areas where all significant information from customer interactions and digital channels is handled from a communication and marketing perspective. Punctuality, regularity, and traffic safety perspectives are reviewed in operational meetings in the business areas, and measures are implemented where necessary.

Human Rights Violations

Vy Group has not had any non-compliance with requirements that have resulted in fines or other forms of penalties, or requirements that have resulted in warnings from public authorities. There have been no reported human rights violations concerning customers and end users.

Resources

The customer perspective is very important for Vy, and to maintain this perspective, we have established a group-wide marketing department, communication department, and digital channels department. In the operational business, we have our own commercial departments. Our operating staff is at the forefront of daily communication with customers (customer interaction).

Goals to Reduce Negative Impact

We have set goals and continuously measure injury frequency and deviations in the service provided to the customer (punctuality and regularity). We have HSE measurements and conduct risk analyses to assess whether safety is maintained. We measure and evaluate how satisfied customers are with information regarding deviations. We implement measures together with Bane NOR to improve and ensure timely information. A dedicated forum with Bane NOR and Entur has been established for information on deviations.

Goals for Positive Impact

Here we have set goals for:

- How satisfied customers are with information on the web and app during disruptions and changes
- Punctuality and customer satisfaction measurements: Satisfaction with the last trip and the route offering
- Availability of digital channels (99.7 %)

General Goals

Strategic goals and associated KPIs are set in connection with annual strategic processes and goal processes, adopted by the executive management and the board, and measured based on documented and consistent measurement methods with internal data capture. The measurements are validated internally through our internal control processes. Some measurements, such as punctuality and customer satisfaction, are set and measured by stakeholders and clients (Bane NOR and the Norwegian Railway Directorate) as part of the contract between the parties.

Measurements are taken and presented monthly to management and the board, from the operational department and at all levels upwards, including the corporate board. Deviations are identified, and measures are established in management meetings in our operational business and in executive management's review with the operational businesses through Business Reviews.

Performance indicators and targets	Status 2024	Target 2024	Target 2025
Volume growth passenger trains Norway	2,5%	5,0%	4,3%
Customer satisfatcion passenger trains Norway (Source: Railway Directorate)	76	80	78
Customer satisfaction commercial bus	82	82	85

Performance indicators and targets	Status 2024	Target 2024	Target 2025
Total punctuality passenger trains Norway	86,8%	90,8%	90,0%
Operator dependent punctuality passenger trains Norway	98,1%	98,6%	98,6%
Operator dependent regularity passenger trains Norway	99,3%	99,7%	99,7%

G1 Business Conduct

Why This Topic is Important to Us

Vy's reputation and trust depend on the professionalism, competence, and ethical standards of its employees. This applies to both the group's business operations and the conduct of each individual employee. It is therefore expected that everyone acts with caution, integrity, and objectivity, and refrains from actions that could undermine trust in the group.

Vy has developed an ethical code of conduct. The code is intended as a set of norms and principles to guide Vy's employees and their actions.

We have conducted a double materiality analysis to identify significant impacts, risks, and opportunities. This process is described in more detail on page 48 of the report. Significant themes identified within the topic of business conduct are:

Overview of Significant Topics and Sub-topics

Business Culture

Positive impact (VC, OO)

- Manage public funds effectively

Whistleblower Protection

Positive impact (OO)

- Inform an report abount critical matters

VC = Value chain, OO = Own operation

Vy is partly financed through direct payments from customers and public funds through agreements with bodies such as county councils and the Norwegian Railway Directorate. Through the agreement with these bodies, there are clear requirements for and follow-up of deliveries. In the agreements with the Norwegian Railway Directorate, an ex-post mechanism is also established, requiring profit-sharing of economic results above a certain level.

Vy relies on feedback from customers and its own employees to improve and avoid critical issues. We actively use our whistleblowing channel and our dialogue with customers to uncover critical issues and as a basis for improving working conditions and our delivery to customers.

The Role of Administrative, Management, and Control Bodies in Business Conduct

The work on business conduct is anchored and decided by management and the board, in the form of overarching corporate guidelines, including Corporate Governance, Ethical Guidelines, and Supplier Requirements. The corporate guidelines apply to all parts of the business and in the countries where we operate. We have developed and conduct training and internal control processes to reduce the risk of negative deviations. Management and the board are informed about the status of this area at least annually. For a more detailed explanation of this topic, see pages 39 and 40 of the report.

Strategies for Business Conduct and Corporate Culture

Whistleblowing Institute

Through the Working Environment Act (AML), protection is established for all employees and contractors who wish to raise critical issues in the business. Vy's routines are developed in line with these rules. Employees and contractors have the right to report critical issues in the business. Critical issues are defined as matters that are in violation of legal rules, written ethical guidelines, or ethical norms that have broad support in society.

Vy has established a whistleblowing institute in the form of an internal and external whistleblowing channel for our employees. Information and regulations are included in Vy's employee handbook and published on Vy's intranet pages. Employees and employee organizations are well aware of the whistleblowing institute through, among other things, reviews in The joint Working Environment Committees.

Synergi and EK Delta are the systems used by Vy Train, CargoNet, and Vy Bus for registering and handling unwanted incidents (near misses and injuries) and deviations, with the associated measures and activities of importance for safety management (risk assessments, investigations, emergency analyses/evaluations, root cause analyses, etc.).

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

Complaints from customers are received through our customer center and systematically followed up. See page 110 in the report for our dialogue with train and bus customers.

Vy assesses the risk of corruption and fraud at least annually. Corruption in connection with procurement can result in poor quality and insufficient quantity. Potentially, it can also support violations of labor laws, human rights, and the environment. Often, procurement costs will also increase. Corruption in connection with the sale of services can also result in lower revenues for the business.

Vy continuously conducts data analyses with data from internal systems and available official registers to detect possible deviations. These are continuously followed up.

Investigations are led by our corporate legal and controlling functions. Whistleblowing about critical issues involving the CEO or other members of the executive management must be done in writing to the Chairman of the Board of Vy or through the external whistleblowing channel. The handling of the whistleblowing is managed through the group's legal department and/or the external whistleblowing channel according to established routines.

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

Formal measurement of the number of whistleblowing cases is conducted twice a year in connection with the board's review and the preparation of the annual and sustainability report. Verification is ensured through internal control processes. For a more detailed description of the status of whistleblowing cases, see page 92.

Cases of Corruption or Bribery

There have been no registered cases of corruption and related legal disputes at Vy in 2024.

There have been no convictions or fines related to corruption and bribery in 2024.

Statement of use	Vy group (Vygruppen) has reported in accordance with the GRI Standards for the period 1.1.2024 -31.12.2024
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standards	None

GRI STANDARD/ OTHER SOURCE		LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
General disclosures						
GRI 2: General Disclosures 2021	2-1 Organizational details	Page 39	*A gray cell indicates that reasons for omission are not permitted for the disclosure or that a GRI Sector Standard reference number is not available.*			
	2-2 Entities included in the organization's sustainability reporting	Page 39				
	2-3 Reporting period, frequency and contact point	Page 39				
	2-4 Restatements of information	Page 39				
	2-5 External assurance	Page 119				
	2-6 Activities, value chain and other business relationships	Page 42-43				
	2-7 Employees	Page 89				
	2-8 Workers who are not employees	Page 89		Information unavailable/incomplete		
	2-9 Governance structure and composition	Page 39-40				
	2-10 Nomination and selection of the highest governance body	Page 39				
	2-11 Chair of the highest governance body	Page 39				
	2-12 Role of the highest governance body in overseeing the management of impacts	Page 39				
	2-13 Delegation of responsibility for managing impacts	Page 40				
	2-14 Role of the highest governance body in sustainability reporting	Page 39-40				
	2-15 Conflicts of interest	Page 39				
	2-16 Communication of critical concerns	Page 87 and 110-111				

	2-17 Collective knowledge of the highest governance body	Page 39-40				
	2-18 Evaluation of the performance of the highest governance body	Page 39				
	2-19 Remuneration policies	Page 40				
	2-20 Process to determine remuneration	Page 85, 86, 89, 92				
	2-21 Annual total compensation ratio	Page 91				
	2-22 Statement on sustainable development strategy	Page 42				
	2-23 Policy commitments	Page 40-41				
	2-24 Embedding policy commitments	Page 40				
	2-25 Processes to remediate negative impacts	Page 40-41				
	2-26 Mechanisms for seeking advice and raising concerns	Page 87, 110-111				
	2-27 Compliance with laws and regulations	Page 42				
	2-28 Membership associations	Page 44				
	2-29 Approach to stakeholder engagement	Page 44-46				
	2-30 Collective bargaining agreements	Page 89				
Material topics						
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Page 44-48	*A gray cell indicates that reasons for omission are not permitted for the disclosure or that a GRI Sector Standard reference number is not available.*			
	3-2 List of material topics	Page 48				
Economic performance						
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Page 42				
	201-2 Financial implications and other risks and opportunities due to climate change	Page 51-53				
	201-3 Defined benefit plan obligations and other retirement plans	Page 147				
	201-4 Financial assistance received from government	Page 42				
Energy						
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 55-56				

GRI 302: Energy 2016	302-1 Energy consumption within the organization	Page 60-61				
	302-2 Energy consumption outside of the organization	Page 60				
	302-3 Energy intensity	Page 61				
Emissions						
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 55-56				
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Page 62, 64				
	305-2 Energy indirect (Scope 2) GHG emissions	Page 62, 64				
	305-3 Other indirect (Scope 3) GHG emissions	Page 62, 64				
	305-4 GHG emissions intensity	Page 63				
	305-5 Reduction of GHG emissions	Page 63				
Pollution						
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 82				
GRI 305: Emissions 2016	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Page 83	Requirement III-V and VII	Information unavailable/incomplete		
Occupational health and safety						
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 85				
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Page 85, 91				
	403-2 Hazard identification, risk assessment, and incident investigation	Page 87-88	403-2b	Information unavailable/incomplete		
	403-3 Occupational health services	Page 91				
	403-4 Worker participation, consultation, and communication on occupational health and safety	Page 85, 91				
	403-5 Worker training on occupational health and safety	Page 88-89				
	403-6 Promotion of worker health	Page 87- 88, 91				
	403-8 Workers covered by an occupational health and safety management system	Page 91				

Training and education						
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 85, 88				
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Page 90				
	404-2 Programs for upgrading employee skills and transition assistance programs	Page 91				
	404-3 Percentage of employees receiving regular performance and career development reviews	Page 90				
Diversity and equal opportunity						
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 85, 92				
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Page 90				
	405-2 Ratio of basic salary and remuneration of women to men	Page 91				
Non-discrimination						
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 85				
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Page 92				
Supplier social assessment						
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 96-98				
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Page 99				
	414-2 Negative social impacts in the supply chain and actions taken	Page 101-106				
Customer health and safety						
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 109-110				
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	Page 110-112				

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To the Board of Directors of Vygruppen AS

INDEPENDENT AUDITOR'S LIMITED ASSURANCE REPORT ON VYGRUPPEN'S SUSTAINABILITY REPORTING FOR 2024

We have performed a limited assurance engagement for the Board of Directors of VYGRUPPEN AS on the sustainability reporting as defined in GRI Index 2024 (the "Selected Information") within the Annual Report for the reporting period ended 31 December 2024.

Our limited assurance conclusion
Based on our procedures described in this report, and evidence we have obtained, nothing has come to our attention that causes us to believe that the Selected Information for the year ended 31 December 2024, as described below, has not been prepared, in all material respects, in accordance with the Applicable Criteria.

Scope of our work
We have conducted an independent Limited assurance in accordance with International Standard on Assurance Engagements 3000 (Revised) *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* ("ISAE 3000 (Revised), issued by the International Auditing and Assurance Standards Board ("IAASB") and our agreed terms of engagement.

The Selected Information in scope of our engagement, as presented in the Annual Report for the year ended 31 December 2024 is as follows:

Selected Information	Applicable Criteria
GRI Index 2024	Reporting in accordance with GRI Standards, published by the Global Reporting Initiative (globalreporting.org).

In relation to the Selected Information, as listed in the above table, needs to be read and understood together with the Applicable Criteria.

Inherent limitations of the Selected Information
We obtained limited assurance over the preparation of the Selected Information in accordance with the Applicable Criteria. Inherent limitations exist in all assurance engagements.

Any internal control structure, no matter how effective, cannot eliminate the possibility that fraud, errors or irregularities may occur and remain undetected and because we use selective testing in our engagement, we cannot guarantee that errors or irregularities, if present, will be detected.

Board of Directors' responsibilities
The Board of Directors are responsible for:
- Selecting and establishing the Applicable Criteria
- Preparing, measuring, presenting, and reporting the Selected Information in accordance with the Applicable Criteria
- Designing, implementing, and maintaining internal processes and controls over information relevant to the preparation of the Selected Information to ensure that they are free from material misstatement, including whether due to fraud or error.

Our responsibilities
We are responsible for:
- Planning and performing procedures to obtain sufficient appropriate evidence in order to express an independent limited assurance conclusion on the Selected Information.
- Communicating matters that may be relevant to the Selected Information to the appropriate party including identified or suspected non-compliance with laws and regulations, fraud or suspected fraud, and bias in the preparation of the Selected Information.
- Reporting our conclusion in the form of an independent limited Assurance Report to the Board of Directors.

Our independence and quality management
We are independent of the company as required by laws and regulations and the International Ethics Standards Board for Accountants' Code of International Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We apply the International Standard on Quality Management (ISQM) 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, and accordingly, maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Key procedures
We are required to plan and perform our work to address the areas where we have identified that a material misstatement of the description of activities undertaken in respect of the Selected Information is likely to arise. The procedures we performed were based on our professional judgment and included, among others, an assessment of the appropriateness of the Applicable Criteria. In carrying out our Limited assurance engagement on the description of activities undertaken in respect of the Selected Information, we performed the following procedures:
- Through inquiries of relevant personnel obtain an understanding of the Company, its environment, processes and information systems relevant to the preparation of the Selected Information sufficient to identify areas where material misstatement in the Selected Information is likely to arise, providing a basis for designing and performing procedures to respond to address these areas and to obtain limited assurance to support a conclusion.
- Through inquiries of relevant personnel obtain an understanding of the internal processes relevant to the Selected Information and data used in preparing the Selected Information, the methodology for gathering qualitative information, and the process for preparing and reporting the Selected Information.
- Perform procedures on a sample basis to assess whether the Selected Information has been collected and reported in accordance with the Applicable Criteria, including comparing to source documentation.

The nature, timing and scope of the procedures performed in a limited assurance engagement are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

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Medlemmer av Den norske Revisorforening
Organisasjonsnummer: 980 211 282

Oslo. 13. February 2025
Deloitte AS

Eivind Skaug
State Authorised Public Accountant – Sustainability Auditor

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

Accounts
Vy Group

Accounts – Vy Group

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INCOME STATEMENT

	Notes	2024	2023
Operating revenue	5	**19 359**	**19 063**
Payroll and related expenses	23	8 249	7 851
Depreciation and impairment	7,9	2 334	2 378
Other operating expenses	28	8 359	8 497
Total operating expenses		**18 942**	**18 726**
Share of loss(-)/profit of joint ventures	11	72	34
Share of loss(-)/profit in associates	10	4	7
Operating profit		**493**	**378**
Financial items			
Financial income	29	182	193
Financial expenses	29	-822	-496
Net financial expenses - pensions	24,29	-22	-10
Change in unrealised fair value	29	38	14
Net financial items		**-624**	**-299**
Profit before income tax		**-131**	**79**
Income tax expense	22	19	-26
Profit for the year		**-112**	**53**
Attributable to			
Equity holders		-112	53
Total		-112	53
OTHER COMPREHENSIVE INCOME			
Profit for the year		-112	53
Items that will not be reclassified to profit or loss			
Actuarial gain/loss	24	506	-583
Tax on items that will not be reclassified	22	-111	128
Items that may be reclassified in net income in future periods			
Currency translation differences		24	67
Total comprehensive income for the year		**307**	**-334**
Attributable to			
Shareholders equity		307	-334
Total comprehensive income for the year		307	-334

STATEMENT OF FINANCIAL POSITION

	Notes	31.12.2024	31.12.2023
ASSETS			
Intangible assets	9	1 081	1 084
Deferred Tax Assets	22	365	367
Property, plant and equipment	7	15 282	14 742
Investments in associates	10	20	20
Financial fixed assets	18	123	127
Pension plan assets	24	333	94
Total non-current assets		**17 204**	**16 434**
Investments in joint ventures	11	245	210
Inventories	12	395	469
Trade and other receivables	14	2 445	2 379
Financial assets	17	1 811	2 057
Derivative financial assets	16	3	1
Cash and bank deposits	19	964	584
Total current assets		**5 863**	**5 700**
TOTAL ASSETS		**23 067**	**22 134**

EQUITY AND LIABILITIES			
Share capital	20	3 387	3 387
Retained earnings		189	-91
Total equity		**3 576**	**3 296**
Debt	21,30	12 317	11 750
Deferred tax	22	156	152
Retirement benefit obligations	24	487	820
Provisions for other liabilities and charges	26	162	127
Total long term liabilities		**13 122**	**12 849**
Trade and other payables	25,26	3 943	3 884
Tax payable	22	131	45
Debt	21,30	2 295	2 055
Derivative financial instruments	16	-	5
Total short term liabilities		**6 369**	**5 989**
TOTAL EQUITY AND LIABILITIES		**23 067**	**22 134**

Oslo, 13. February 2025

Board of directors Vygruppen

Berit Svendsen/Chairman of the board

Geir Inge Stokke

Espen Almlid

Dina Elverum Aune

Morten Henriksen

Ove Sindre Lund

Petter Louis Pettersen

Line Steinseth

Gro Bakstad / CEO

GROUP CASH FLOW STATEMENT

	Notes	2024	2023
Profit for the period before income tax		**-131**	**79**
Depreciation and impairment	7,9,29	2 342	2 378
Gain/loss on sale of property, plant and equipment (PPE)		-85	-66
Difference between exp. and paym. made/receiv. for pensions	24	-65	-294
Change in provisions for other liabilities and charges	26	-90	-8
Change in unrealised fair value	29	-20	-8
Interest items		-47	-22
Shares of profit/loss (-) from associates and joint ventures	10, 11	-76	-41
Change in working capital		164	162
Taxes paid		-4	-4
Net cash flow from operating activities		**1 988**	**2 176**
Acquisition of subsididaries, less cash acquired	33	-3	-
Sale of subsidiaries, less cash acquired		20	-
Changes in financial non-current assets		339	-205
Purchase of PPE and investment property	7, 8	-458	-342
Proceeds from sale of assets		116	90
Dividends received		41	6
Net cash flow to investment activities		**55**	**-451**
Proceeds from borrowings		3	1
Repayment of borrowings		-1	-4
Lease payments		-1 639	-1 952
Dividends paid to company's shareholders	20	-27	-67
Net cash flow to financial activities		**-1 664**	**-2 022**
Net change in cash and bank deposits for the year		**379**	**-297**
Cash and bank deposits as at the beginning of the year	19	584	905
Foreign exchange gain/loss on cash and bank deposits		1	-24
Cash and bank deposits as at the end of the year		**964**	**584**

STATEMENT OF CHANGES IN EQUITY

2024	Share capital	Retained earnings Acc. currency translation	Retained earnings	TOTAL
Equity 1st of January	3 387	70	-161	**3 296**
Profit for the year	-	-	-112	**-112**
From other comprehensive income	-	24	395	**419**
Dividend	-	-	-27	**-27**
Equity 31st of December	**3 387**	**94**	**95**	**3 576**

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

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

Segment information

Business segments

As of 31 December 2024, the Group has its main activities in the following segments:

(1) Train: Passenger train operations
(2) Bus: Passenger bus operations
(3) Freight: Freight train operations
(4) Other entities and Group functions

According to changes in the management reporting structure, the Customer experience and Innovation segment is no longer reported as a separate segment but moved into Other segment as from 1 January 2024. Comparative figures for 2023 are adjusted accordingly.

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

2024	Train	Bus	Freight	Other/elim	Group
Sales revenue	4 593	8 428	1 254	822	15 098
Public purchases	3 556	-	-	-	3 556
Other revenue	457	177	52	19	705
Operating revenue	**8 606**	**8 605**	**1 306**	**841**	**19 359**
Operating expenses	7 195	7 293	1 249	870	16 608
Depreciation, impairment	957	1 092	198	87	2 334
Total operating cost	**8 152**	**8 385**	**1 447**	**957**	**18 942**
Share of profit/loss in joint ventures and associated companies	-	4		72	76
Operating profit	**454**	**224**	**-141**	**-44**	**493**
Segment assets	9 808	8 872	1 266	2 733	22 679
Investments	867	1 947	47	67	2 928

2023	Train	Bus	Freight	Other/elim	Group
Sales revenue	4 079	8 298	1 228	767	14 372
Public purchases	3 972				3 972
Other revenue	378	168	40	133	719
Operating revenue	**8 429**	**8 466**	**1 268**	**900**	**19 063**
Operating expenses	7 038	7 155	1 162	993	16 348
Depreciation, impairment	1 116	1 015	185	62	2 378
Total operating cost	**8 154**	**8 170**	**1 347**	**1 055**	**18 726**
Share of profit/loss in joint ventures and associated companies	-	7		34	41
Operating profit	**275**	**303**	**-79**	**-121**	**378**
Segment assets	9 960	7 816	1 435	2 438	21 649
Investments	6 903	1 276	307	52	8 538

Please refer to note 5 for further details.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 2024

All figures in the report are in MNOK.

1. Vy Group accounting principles
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The consolidated financial statements were approved by the Board of Directors on 13th of February 2025.

Note 1
General information and Group accounting principles

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

- Passenger train transport
- Passenger bus transport
- Freight train transport

Additionally, the Group has its own insurance operation, which is organized in a separate captive, Finse Forsikring AS, as well as investment in companies within the tourism industry

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

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

The financial statements for the year 2024 were approved by the Board of Directors on 13th February 2025.

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

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

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

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

Accounting principles applied in 2024 are consistent with the accounting principles that were used for the financial statements in 2023.

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

Changes in accounting principles, new standards and interpretations

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

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

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

Leases IFRS 16
When determining the lease period for the individual contract, the Group must assess whether there are extension options and termination rights that must be taken into account when determining the lease term. These assessments involve a great deal of discretion as extension options and termination rights that it is reasonably certain that the group will use will be included. The Group has established guidelines for assessments so that all relevant issues are handled in a consistent manner. Leases for train and bus material and premises used in relevant agreements for the execution of passenger or goods transport are considered in connection with these.

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

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

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

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

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

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

Provision for costs of periodic maintenance
After the commencement of the new lease agreement in December 2022, there will be no settlement of periodic maintenance against the lessor at the end of the agreement as long as the maintenance plan is followed. Going forward, provisions will be made for some periodic maintenance related to larger components (including boggies), to ensure that the cost associated with larger components is accounted for when the wear occurs and not when the component is replaced. Refer to the note on periodic maintenance for a more detailed description.

Consolidation principles

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

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

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

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

Joint ventures and associates
Joint ventures are companies or entities where Vy has joint control with one or several other investors.
Share of associates are companies where Vy has considerable but not controlling influence. Normally, considerable influence is defined as having an ownership between 20 % and 50 % of the voting rights.

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

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

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

Segment information

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

Currency

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

The Vy Group's operations are primarily conducted in Norway and to some extent in Sweden. Income statements and balance sheets from Group entities with a functional currency different from the presentation currency are converted accruing currency translation differences directly to equity through other comprehensive income.

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

Public grants

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

Revenue

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

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

Leases

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

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

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

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

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

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

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

Property, plant and equipment

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

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

Borrowing costs accrued during construction of PPE, are capitalized until the asset is ready for intended use. Depreciation on other assets is calculated using the straight-line method to allocate the cost of each asset to its residual value over its estimated useful life, as follows.

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

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

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

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

Intangible assets

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

Internally generated intangible assets, excluding capitalized development costs, are not capitalized but are expensed as occurred.
The economic life is either definite or indefinite. Intangible assets with a definite economic life are amortized over their economic life and tested for impairment if there are any indications. The amortization method and period are assessed at least once a year. Changes to the amortization method and/or period are accounted for as a change in estimate.

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

Research and development

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

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

Impairment

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

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

Impairment is recognized if the carrying amount is higher than the recoverable amount. The recoverable amount is the higher of fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). At each reporting date, one considers the possibilities for a reversal of prior impairments (except goodwill).

Possible contract losses

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

Before a provision is performed for contracts that may result in losses according to IAS 37, an evaluation is completed in accordance with IAS 36 (see section for impairment above). Then the Group measures continuously the present value of future expected cash flow from operational activities in each separate contract, where estimated payments consist of all future unavoidable operating costs including wear on assets.

The provision is limited to the lower of continuing the contract or to go out of the contract. The provision is reversed over the expected loss period. At each reporting date, one considers the possibilities for a reversal of prior contract losses.

Financial assets held for trading purposes

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

Inventory

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

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

Receivables

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

For subsequent measurement receivables are considered at amortised cost using the effective interest method, less provisions for probable losses. Provisions are made for expected future losses based on the best estimate on the balance sheet date. Assessment is based on information about past, present and future estimates.

Cash and bank deposits

Cash and bank deposits including restricted tax withholdings and restricted bank deposits in Finse Forsikring as well as restricted bank deposits related to traffic agreements with the Norwegian Railway Directorate (Jernbanedirektoratet) (Ex-post). This is specified in note 19.

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

Tax

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

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

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

Retirement benefit obligations

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

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

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

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

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

Provisions

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

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

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

Other short-term debt

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

Dividend distribution

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

Fair value estimation

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

Level 1
Fair value is measured using quoted prices from active markets for identical assets and obligations.

Level 2
Fair value is decided by using input based on other observable factors; either direct (price) or indirect (derived from prices) rather than noted prices (used in level 1) for the asset or obligation.

Level 3
Fair value is measured using inputs that are not based on observable market data.

Note 2
Shares in subsidiaries

The table shows the parent company's directly owned investments at 31.12.24.
The group also owns companies and interests indirectly.

Subsidiaries	Established- / acquisition- date	Registered office	Votes and profit share	Book value shares in subsidiaries in parent company	Equity	Profit/ loss for the year
Vy Buss AS	1st December 1996	Oslo	100 %	1 333	1 325	-68
Agilia AS	1st October 2001	Oslo	100 %	61	-8	-2
Finse Forsikring AS	8th November 2001	Oslo	100 %	59	328	33
CargoNet AS	1st January 2002	Oslo	100 %	453	100	-190
Vy Tåg AB	1st January 2007	Gävle	100 %	-	37	-125
Vy Tog AS	16th June 2016	Oslo	100 %	516	451	6
Vy Mobility AS	14th May 2018	Oslo	100 %	87	116	3
Tømmervogner AS*	31st December 2008	Oslo	45 %	2	8	0
TOTAL				**2 511**	**2 357**	**-344**

** Vygruppen AS owns 45% and CargoNet AS owns 55%..*
Vy Gjøvikbanen AS was merged with Vygruppen AS as per 1st January 2024 . Go Mobile AS was merged with Vy Mobility AS as per 1st Januar 2024

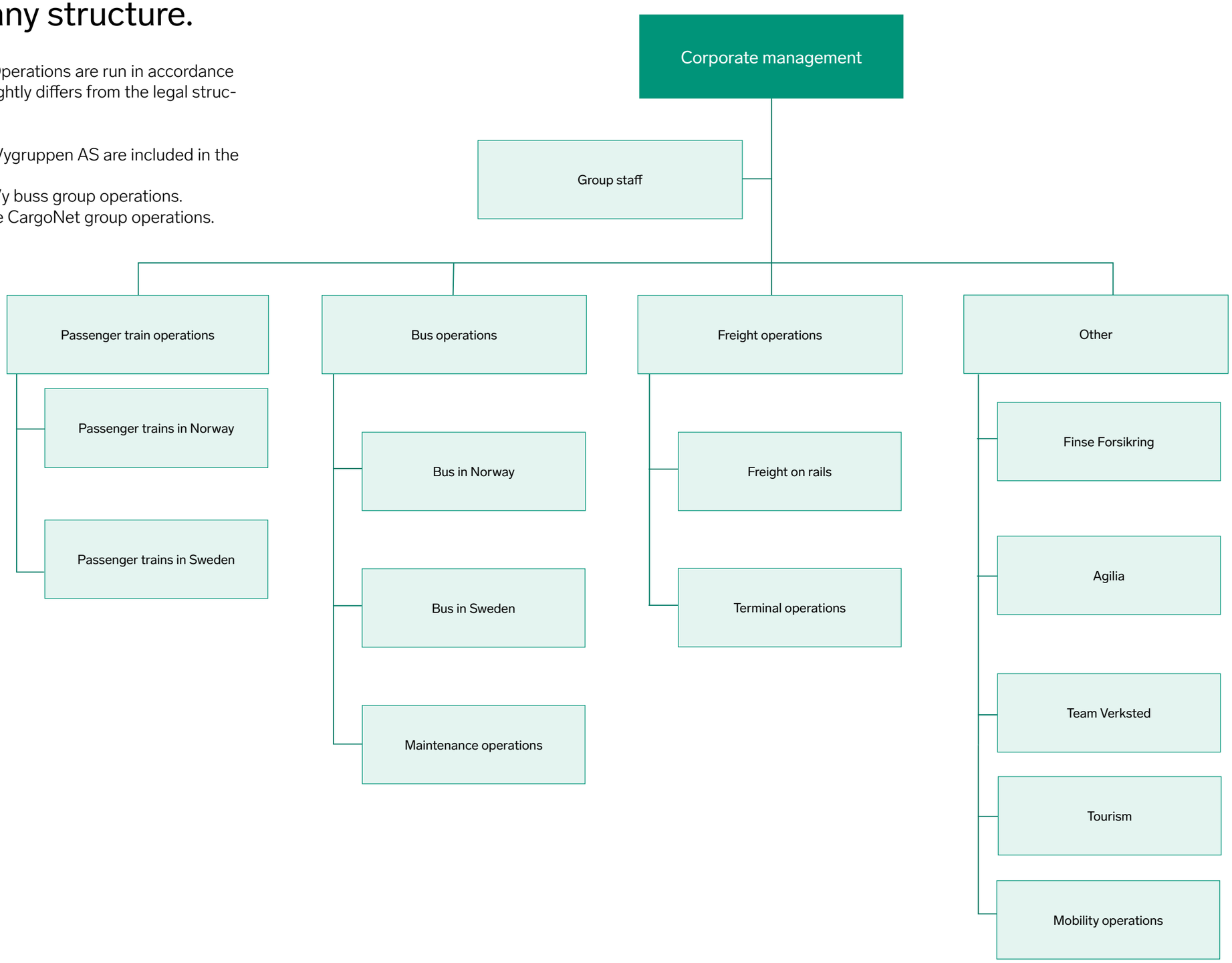
The equity presented is 100 % of the equity recognized in the subsidiary's statement of financial position as of 31st of December 2024.

Note 3

Group- and company structure.

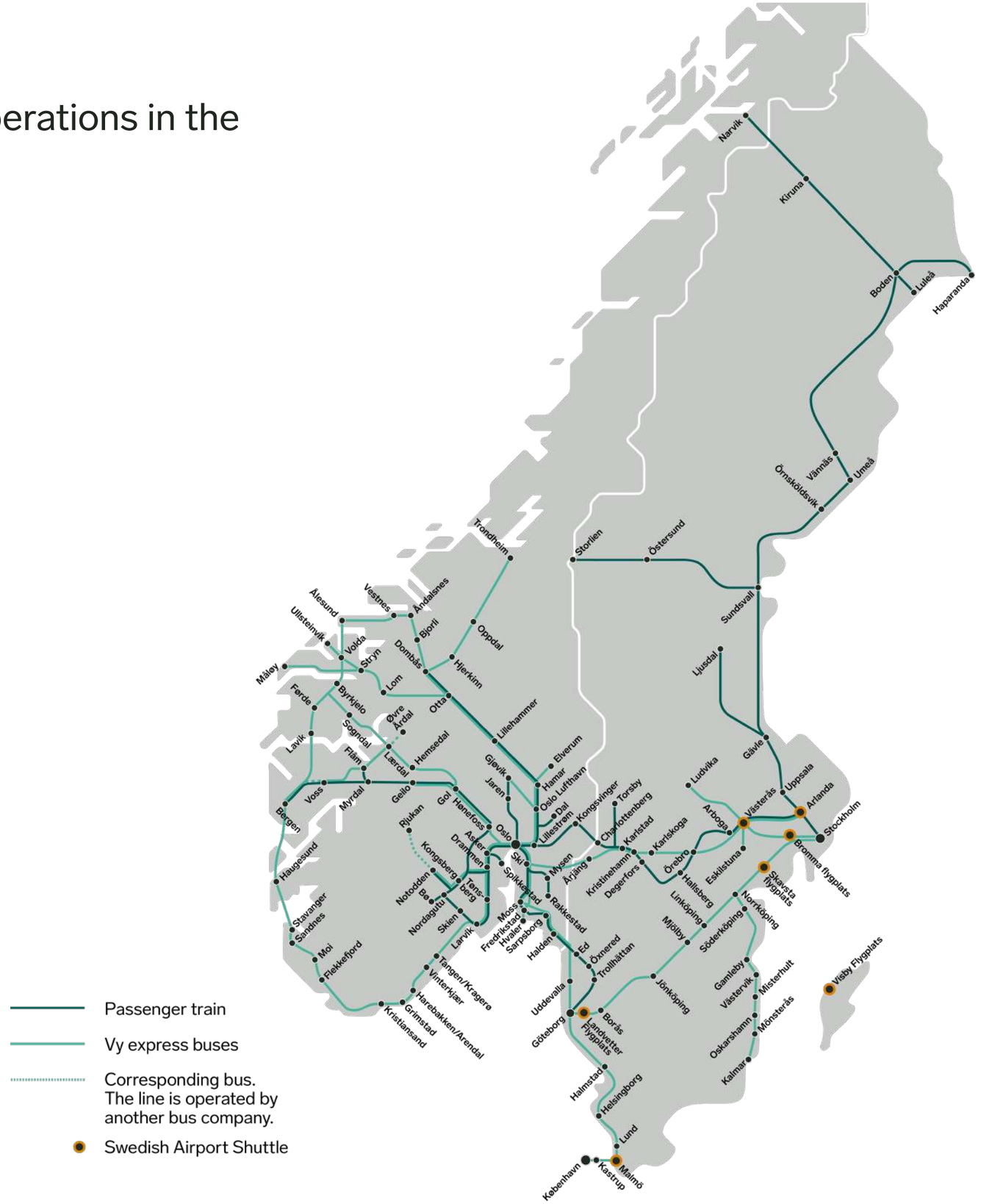
Vy operates in Norway and Sweden. Operations are run in accordance with the Business Segments which slightly differs from the legal structure:

- Vy Tåg AB, Vy Tog AS and part of Vygruppen AS are included in the Train segment.
- The Bus segment consists of the Vy buss group operations.
- The Cargo segment consists of the CargoNet group operations.



Note 4

Vy group's passenger operations in the Nordic Region



Note 5
Segment information

Analysis of Operating income by category	2024	2 023
Transport revenue	17 883	17 498
Other revenue	1 476	1 565
Total	**19 359**	**19 063**

Analysis of Operating income by country	2024	2 023
Norway	16 545	16 004
Sweden	2 814	3 059
Total	**19 359**	**19 063**

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

Information on important customers
The Group has one customer which constitues more than 10 per cent of the operating revenue. Information on govt. public purchase of transport services is available in note 31.

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

Type	Segment	IFRS 16 accounting treatment
Personnel transport	Passenger train and bus	Revenue recognition when the service is delivered (transport date)
Food and on board services	Passenger train and bus	Revenue recognition when the service is delivered
Agreements with counties and municipalities	Bus	Revenue recognition when the service is delivered
Workshop services	Bus	Revenue recognition when the service is delivered
Agreements with counties and municipalities	Passanger train	Revenue recognition when the service is delivered (transport date)
Traffic agreement with the state of Norway and public purchaser abroad	Passanger train	Revenue recognition when the service is delivered
Fees	Passanger train	Revenue recognition when the service is delivered
Freight and terminal services	Freight	Revenue recognition when the service is delivered
Other services - sale of ad hoc services, renting premises etc.	All	Revenue recognition when the service is delivered

Note 6
Leases

Specification of changes in the period	Liability	Assets
Total opening Balance right-to-use assets / lease obligations as per 1 January 2024	**13 793**	**13 269**
Lease payments	-1 645	-
Depreciations	-	-1 958
Additions and changes in agreements	2 395	2 423
Other / currency effects	55	15
Total Closing Balance as of 31 December 2024	**14 598**	**13 749**

Interest expenses on the leasing obligation amounted to 706 MNOK in 2024.

	Liability	Assets
Total opening Balance right-to-use assets / lease obligations as per 1 January 2023	**7 506**	**7 074**
Lease payments	-1 954	-
Depreciations	-	-2 000
Additions and changes in agreements	8 124	8 131
Other / currency effects	117	64
Total Closing Balance as of 31 December 2023	**13 793**	**13 269**

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

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

Liabilities	2024	2023
Short-term liability	2 295	2 055
Long-term liability	12 303	11 738
Total	**14 598**	**13 793**

There is also future rental obligations of approx. 1.141 MNOK (nominally) not included. This concerns the rental of operating assets for which an agreement has been entered into,but not delivered.

Supplementary information

Leases not recognized	2024	2023
Short term agreements (between one month and one year)	143	138
Costs aligned to low-value items	27	28
Total	**170**	**166**
P&L		
Revenue from sub-lease	7	8
Cash flows		
Total cash flows on leases	2 351	2 307

For more information on the Group's handling of leases, refer to the principles.
For future maturities for the Group's lease liabilities, refer to note 15.

Note 7
Property, plant and equipment

At 1st of January 2024	Machinery and equipm.	Transport equipment	Land and buildings	Assets under construction	Right-to-use bus and train	Right-to-use buildings	Right-to-use other assets	Total
Accumulated acquisition cost	1 837	11 271	185	36	14 699	3 329	91	31 447
Accumulated depreciation	-1 538	-10 189	-128	-	-3 344	-1 462	-44	-16 705
Total	**299**	**1 082**	**57**	**36**	**11 355**	**1 867**	**47**	**14 742**
Year ended 31st of December 2024								
Opening net book value	299	1 082	57	36	11 355	1 867	47	14 742
Exchange differences	1	2	-	-	12	3	-	18
Acquisition of subsidiary	-	-	-	-	14	-	-	-
Accumulated depr. acq. of subsidiary	-	-	-	-	-	-	-	-
Additions	155	254	5	28	2 116	351	5	2 914
Disposals at acquisition cost	-21	-414	-3	-	-322	-43	-16	-819
Accumulated depreciation disposals	17	373	2	-	264	38	15	709
Transfers within PPE	46	-	-	-46	-	-	-	-0
Depreciations	-78	-253	-6	-	-1 598	-317	-17	-2 269
Impairments	-1	-	-	-	-26	-	-	-27
Total	**417**	**1 044**	**55**	**18**	**11 815**	**1 899**	**34**	**15 282**
At 31st of December 2024								
Accumulated acquisition cost	2 018	11 113	187	18	16 519	3 639	80	33 574
Accumulated depreciation	-1 600	-10 069	-132	-	-4 704	-1 741	-46	-18 292
Total	**417**	**1 044**	**55**	**18**	**11 815**	**1 899**	**34**	**15 282**
Deprecation period	5 - 30 years	5 - 30 years	3 - everlast.		1 - 10 years	1 - 20 years	1 - 10 years	

At 1st of January 2023	Machinery and equipm.	Transport equipment	Land and buildings	Assets under construction	Right-to-use bus and train	Right-to-use buildings	Right-to-use other assets	Total
Accumulated acquisition cost	1 743	11 757	199	31	11 534	3 070	66	28 399
Accumulated depreciation	-1 507	-10 590	-129	-	-6 334	-1 231	-31	-19 822
Total	**236**	**1 167**	**70**	**31**	**5 200**	**1 839**	**35**	**8 577**
Year ended 31st of December 2023								
Opening net book value	236	1 167	70	31	5 200	1 839	35	8 577
Exchange differences	3	13	-	-	54	12	-2	80
Additions	105	195	1	25	7 880	304	28	8 538
Disposals at acquisition cost	-28	-700	-15	-	-4 769	-57	-1	-5 570
Accumulated depreciation disposals	28	678	8	-	4 689	56	1	5 460
Transfers within PPE	14	6	-	-20	-	-	-	-
Depreciations	-59	-275	-7	-	-1 657	-287	-14	-2 299
Impairments	-	-2	-	-	-42	-	-	-44
Total	**299**	**1 082**	**57**	**36**	**11 355**	**1 867**	**47**	**14 742**
At 31st of December 2023								
Accumulated acquisition cost	1 837	11 271	185	36	14 699	3 329	91	31 447
Accumulated depreciation	-1 538	-10 189	-128	-	-3 344	-1 462	-44	-16 705
Sum	**299**	**1 082**	**57**	**36**	**11 355**	**1 867**	**47**	**14 742**
Deprecation period	5 - 30 years	5 - 30 years	3 - everlast.		1 - 10 years	1 - 20 years	1 - 10 years	

Depreciation, amortization and impairment	2024	2 023
Depreciation charges PPE	2 269	2 299
Impairment charges PPE	27	44
Amortization and impairment of intangible assets (note 9)	38	35
Total	**2 334**	**2 378**

Property, plant and equipment, and contract losses
Operating revenue in the Group is mainly related to long term tender contracts which means significant investments in property, plant and equipment (PPE). In the presentation of the accounts as at 31st of December 2024 an evaluation of the value of the Groups' PPE is performed, where there are indications of permanent impairment (IAS 36).

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

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

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

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

Growth rate of	2,2%-3,2%	
Discount rate	9,4%-9,5%	evaluations according to IAS 36
Borrowing rate	4,5%-5,3%	evaluations according to IAS 37

Based on the main assumptions, the Group has made impairment on assets in 2024 by MNOK 27 (2023: MNOK 44). The Group has cash-generating units where the assets are valued at value in use as at 31 December 2024 and in total written down by MNOK 96 (2023: 96). The Group also has cash-generating units where the assets are valued at the fair value of transport equipment as at 31 December 2024, which are written down by MNOK 74 (2023: MNOK 75). For contracts where the assets are written down to fair value, total value in use is MNOK 477, which was approximately MNOK 100 lower than fair value.

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

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

Discount rate Change in factors	Change in present value	Actual accumulated impairment	Estimated accumulated impairment*
Interest rate +1%	-50	170	199
Interest rate -1%	53	170	140

EBITDA Change in factors	Change in present value	Actual accumulated impairment	Estimated accumulated impairment*
EBITDA + 1 MNOK per contract	35	170	150
EBITDA -1 MNOK per contract	--35	170	190

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

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

Note 8
Periodic maintenance

Periodic maintenance on leased trains	2024	2023
Prepaid maintenance as of 1st of January	-19	-29
Accrual for incurred maintenance cost through the year	-	-2
Performed maintenance through the year	1	-
Change in provision	-52	12
Prepaid maintenance as of 31st of December	**-70**	**-19**

The transition to a new maintenance agreement from 2024 results in a changed need for the allocation of costs for periodic maintenance. More maintenance will be included in the maintainer's cost per kilometer. The contract for the maintenance of bogies on Flirt trains (types 74 and 75) requires allocation based on annual wear (driven kilometers) as well as for predetermined planned maintenance acccording to the maintenance program. The assessment is based on judgement and estimates. There should be no settlement of periodic maintenance against the lessor at the end of the Traffic Agreement as long as the maintenance program is followed.

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

Note 9
Intangible assets

	Goodwill		Other		Total	
	2024	2023	2024	2023	2024	2023
At 1st of January						
Accumulated acquisition cost	680	647	858	789	1 538	1 436
Accumulated amortization and impairments	-222	-212	-232	-187	-454	-399
Total	**458**	**435**	**626**	**602**	**1 084**	**1 037**
Changes during the year						
Opening net book value	458	435	626	602	1 084	1 037
Exchange differences - acquisition cost	8	33	13	52	21	85
Exchange differences - amortization and impairments	-2	-10	-3	-10	-6	-20
Additions	4	-	16	17	20	17
Amortization and depreciation		-	-38	-35	-38	-35
Total	**468**	**458**	**614**	**626**	**1 081**	**1 084**
At 31st of December						
Accumulated acquisition cost	692	680	887	858	1 579	1 538
Accumulated amortization and impairments	-224	-222	-273	-232	-498	-454
Total	**468**	**458**	**614**	**626**	**1 081**	**1 084**

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

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

No impairment charges relating to goodwill and intangible assets with indefinite useful lives have been recognised during year 2024.

Note 10
Investments in associates

	2024	2023
Book value 1st of January	20	18
Disposals/ -sale of associates	-1	-
Share of profit/loss	1	2
Net book value 31st of December	**20**	**20**

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

Profit/loss, assets and liabilities of its associates, all of which are unlisted, are as follows:
The table below shows 100% of the associated company's assets,liabilities,operating incom and anual profit.

2024	Registered office	Assets	Liabilities	Revenues	Profit/Loss	% Interest held
Nordlandsbuss AS	Bodø	328	289	358	11	34 %
Peer Gynt Tours AS	Oslo	12	7	57	-	34 %
Total		**340**	**296**	**415**	**11**	

2023	Registered office	Assets	Liabilities	Revenues	Profit/Loss	% Interest held
Nordlandsbuss AS	Bodø	351	312	331	9	34 %
Peer Gynt Tours AS	Oslo	11	6	56	3	34%
Sjøholt Last og Buss AS	Ørskog	5	4	16	0	49 %
Applied Autonomy AS	Kongsberg	16	10	13	0	21 %
Sum		**383**	**332**	**416**	**12**	

SjøholtLast og Buss AS was merged into Team Verksted AS in 2024, and as of the end of 2024, it is no longer an associated company in the Vy group but is concolidated line by line. In addition, all the group's shares in the company Applied Autonomy AS were sold in 2024, so this company is not an associated company in the group at the end of the year.

Note 11
Investment in joint ventures

	2024	2023
Book value 1st of January	210	176
Share of profit/loss	72	34
Dividend	-37	-
Net book value 31st of December	**245**	**210**

Share of profit and loss includes adjustments from prior years.
The Vy Group's interest in joint ventures is as follows:

Joint venture:	Year of acquisition	Registered office.	Votes and profit share	Equity	Profit/loss	Book value 31st of December
Flåmsbana AS	2013	Aurland	50 %	197	58	256
Fjord Tours Group AS	2019	Oslo	50 %	281	10	333

The table above shows 100% of the joint-controlled entity's book equity including the annual resultat,year-end result and book value. The amounts below represent the Group's share of assets and liabilities,as well as sales and results of the investment in the total joint-controlled entity.

Assets	2024	2023
Non-current assets	128	134
Current assets	167	108
Total	**295**	**242**

Liabilities		
Long term liabilities	4	5
Short term liabilities	52	33
Total	**56**	**38**
Net assets	**239**	**204**

Income/expenses	2024	2023
Operating revenue	314	250
Operating expenses	-246	-216
Profit after tax	**68**	**34**

Description of operations:

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

Fjord Tours Group AS
Fjord Tours Group AS is owned 50% each by Vygruppen AS and Fjord1 AS, and is the companies' joint tourism venture. Together with the subsidiary Fjord Tours AS the company shall develope, market and sell sustainable collective-based round trips. In addition they sell individual train journeys and other transport products to international tour operators and agents. Fjord Tours Group also has ownership stakes in other travel companies, Book Harandanger AS (33%), Best Artic AS (34%) and Geiranger Fjordservice (31%)

Note 12
Inventory

	2024	2023
Components	395	469
Total inventory	**395**	**469**

Note 13
Guarantees

The Group has bank guarantees in connection with the normal operations. As per 31 December 2024 the upper limit on these guarantees is 1705 MNOK (1 705 MNOK).

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

Note 14
Trade and other receivables

	2024	2023
Trade receivables	1 495	1 629
Less: provision for impairment of receivables	-16	-13
Trade receivables - net	1 479	1 616
Prepayments	793	606
Other receivables	173	157
Total trade and other receivables	**2 445**	**2 379**

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

Maturity of receivables:	2024	2023
Matured receivables on balance sheet date	88	530
Matured between 0 - 2 mnths ago	48	478
Matured between 2 - 6 mnths ago	20	42
Matured more than 6 mnths ago	20	10

Note 15
Financial risk management

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

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

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

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

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

Market risk

Foreign exchange risk
Currency risk is the risk that fluctuations in the exchange rate will lead to changes in the Group's income statement, statement of financial position or cash flows.
The Group operates in the Nordic region, makes purchases from foreign suppliers and is therefore exposed to currency risks. The Group minimizes currency risk associated with larger investments from foreign suppliers by mainly entering into agreements in NOK or sometimes are being hedged. The goal is to create predictability with respect to future payments measured in NOK.

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

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

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

Other price risk
The Group has a risk associated with price changes related to electric power and diesel fluel used in its train and bus operations. The Group does in a limited extent hedge its exposure to changes in electricity- and diesel prices. Fluctuaction in energy prices are regulated in most of the train- and bus contracts.

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

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

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

Vy has a high credit rating. Standard & Poor's rates Vy's long-term debt at A- (Negative outlook). This high credit rating gives Vy good access to external financing.
The table below shows future maturities for the Group's liabilities as at 31st of December 2024:

Liquidity risk	< 1 year	1 - 2 years	2 - 5 years	> 5 years
Short term liabilities	3 761			
Debt		15		
Lease obligations	1 148	1 123	3 263	3 911
Property, plant and equipment	928	97		

Credit risk
Credit risk is the potential loss if an external part cannot meet its financial obligations to Vy. The Group's exposure to credit risk is mainly related to individual customers.
Passenger train- and bus operations mainly sell its services on a cash basis. Deferral of payment is given to public authorities based on long-term agreements. Revenue from freight operations is divided between several medium sized customers whose financial development is tracked through updated credit assessments. Other subsidiaries have its parent company as their main customer. The Group is therefore to a small degree exposed to credit risk.

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

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

Vy assesses maximum credit risk to be the following:	2024	2023
Cash and bank deposits	964	584
Placements	1 811	2 057
Financial derivatives	3	1
Trade receivable and other short term receivables	2 445	2 379
Total	**5 223**	**5 021**

The credit risk (counterparty risk) is reduced by diversifying exposure across several counterparties. Strict requirements are set for the counterparty's creditworthiness with a minimum A- rating from S&P, or equivalent from another international rating agency upon conclusion of the agreement. Counterparty risk is continuously monitored.

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

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

A decline in value of 40 % gives a calculated portfolio risk of -25 MNOK (2023 40 % -23 MNOK). The evaluation and determination of percentage decline in value has been set in accordance with the Financial Supervisory Authority of Norway's regulations on reporting stress tests for insurance and pension companies.

Note 16
Derivatives

	2024		2023	
	Assets	**Liabilities**	**Assets**	**Liabilities**
Interest and exchange rate swaps	3		1	-
Energy swaps			-	-5
Total	**3**	**-**	**1**	**-5**

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

Changes derivatives fair value:	2024	2023
This period's change in fair value:	7	-7
Accumulated change in fair value:	3	-4

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

Securities	2024	2023
Stocks and other fixed income securities/ Funds – Norway	1 681	1 918
Stocks and other fixed income securities/ Funds – Globally	60	56
Deposits	70	83
Total	**1 811**	**2 057**

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

Effective interest rate on short term bank deposits was 47 % as at 31st of December 2024 (2023: 4,7 %).

Changes in fair value of securities	2024	2023
This period's change in fair value	21	19
Accumulated change in fair value	64	43

Note 18
Financial instruments by category

Assets at 31st of December	Loans and receivables		Assets at fair value through profit and loss		Total	
Year	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
Financial fixed assets	123	127	-	-	123	127
Derivatives	-	-	3	1	3	1
Trade and other receivables (excl. prepayments)	1 653	1 773	-	-	1 653	1 773
Financial assets at fair value through profit or loss	-	-	1 811	2 057	1 811	2 057
Cash and bank deposits	964	584	-	-	964	584
Total	**2 740**	**2 484**	**1 814**	**2 058**	**4 554**	**4 542**

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

Liabilities at 31st of December	Other financial liabilities at amortised cost		Liabilities at fair value through profit and loss		Total	
Year	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
Debt (excl. financial lease liabilities)	15	12	-	-	15	12
Lease liabilities IFRS 16	14 598	13 793	-	-	14 598	13 793
Derivatives	-	-	-	5	-	5
Trade and other payables (excl. statutory liabilities)	3 761	3 714	-	-	3 761	3 714
Sum	**18 374**	**17 519**	**-**	**5**	**18 374**	**17 524**

Financial assets and liabilities at fair value through profit and loss per 31st of December 2024:

	Level 1	Level 2	Level 3	Total
Financial assets	1 811	-	-	1 811
Derivatives	-	3	-	3
Total assets	**1 811**	**3**	**-**	**1 814**
Debt and accrued interest	-	-	-	-
Derivatives used for hedging	-	-	-	-
Total liabilities	**-**	**-**	**-**	**-**

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

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

	Nivå 1	Nivå 2	Nivå 3	Sum
Financial assets available-for-sale:	2 057	-	-	2 057
Derivatives	-	1	-	1
Total assets	**2 057**	**1**	**-**	**2 058**
Debt and accrued interest	-	-	-	-
Derivatives used for hedging	-	5	-	5
Total liabilities	**-**	**5**	**-**	**5**

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

Note 19
Cash and bank deposits

	2024	2023
Cash and bank deposits	964	584

Includes restricted funds of 18 MNOK (2023: 11 MNOK).
See note 13 for a decription of guarantees related to outstanding wage witholding tax

Note 20
Share capital

	No. of shares	Ordinary shares	Total MNOK
Shares at 1st of January 2024	3 387 905	3 387 905	3 387
Shares at 31st of December 2024	3 387 905	3 387 905	3 387

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

A dividend of 26.5 MNOK was paid in 2024 for the financial year 2023.

Note 21
Interest bearing debt

Long term liabilities	2024	2023
Lease obligations IFRS 16	12 302	11 738
Mortgage loan		11
Other loans	15	1
Total	**12 317**	**11 750**
Short term liabilities		
Lease obligations IFRS 16	2 295	2 055
Other current debt	-	-
Total	**2 295**	**2 055**
Totaldebt	**14 612**	**13 805**

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

Loans and hedgings		2024	2023
6 months or less		3 490	2 910
Over 6 months		-	-
Non-current borrowings expire in:		**2024**	**2023**
Between 1 and 2 years		754	852
Between 2 and 5 years		1 756	1 111
Over 5 years		980	947
Effective interest rate at the balance sheet date in %:		**2024**	**2023**
Other loans	NOK	5,90	5,10
Other loans	SEK	4,66	4,70

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

The carrying amounts of the Group`s loans are denominated in the following currencies:	2024	2023
NOK	2 527	2 110
SEK	963	800
Total	**3 490**	**2 910**

The Group has the following unused loan facilities:	2024	2023
Floating interest rate	-	-
- Expiring within one year	400	400
Total	**400**	**400**

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

Note 22

Deferred income tax/income tax expence

Income tax expense:	2024	2023
Current income tax payable	127	41
Changes in deferred tax	-146	-15
Total income tax expense	**-19**	**26**

Tax payable on the balance sheet are as follows:	2024	2023
Current payable tax expense	131	45
Insufficient/ too much tax provision prior years	-	-
Tax payable on the balance sheet	**131**	**45**

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

Reconciliation between nominal and actual tax expense rate:	2024	2023
Profit before income tax	-131	79
Expected income tax using the nominal tax rate	-27	10
Tax effect from the following items:		
Other permanent differences related to investments (exemption method)	4	-3
Other non-deductible expenses	2	-4
Other non-taxable income	-27	-1
Effect of change deferred tax asset not recognized	29	25
Insufficient tax provision prior years	-	-1
Income tax expense	**-19**	**26**
Effective tax rate	**15 %**	**33 %**

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

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

2024	01.01.	Exchange diff.	Income statement charge	Charge to other compr. Income	Charged directly to equity	Tax effect Group contr.	31.12.
Benefit (+) / Liability (-)							
Fixed assets	-829	-3	32	-	-	-	-800
Intangible assets	-595	-9	33	-	-	-	-571
Financial assets	-90	-	-247	-	-	-	-337
Inventories	93	-	-32	-	-	-	61
Receivables	-0	-	-1	-	-	-	-1
IFRS 16	433	-	299	-	-	-	732
Value changes to financial current assets	-81	-	-15	-	18	-	-78
Retirement benefit obligations	812	-	178	-506	-	-	484
Provisions for other liabilities and charges	156	-	74	-	-	-	230
Gains (losses)	-50	-	10	-	-	-	-40
Losses carried forward	2 218	18	309	-	-	-189	2 356
Other	-17	-	7	-	-		-10
Total gross temporary differences	2 050	6	647	-506	18	-189	2 025
Off-balance sheet deferred tax benefits	-1 127	-18	20	-	-	-	-1 125
Net temporary differences	923	-12	667	-506	18	-189	900
Net deferred tax asset/liability balance sheet 22%	215	-3	146	-111	4	-42	209

2023	01.01.	Exchange diff.	Income statement charge	Charge to other compr. Income	'Charged directly to equity	Tax effect Group contr.	31.12.
Benefit (+) / Liability (-)							
Fixed assets	-789	-3	-37	-	-	-	-829
Intangible assets	-586	-41	32	-	-	-	-595
Financial assets	-211	-	121	-	-	-	-90
Inventories	109	-	-16	-	-	-	93
Receivables	-5	-	5	-	-	-	-0
Value changes to investment property	353	1	79	-	-	-	433
Value changes to financial current assets	-82	-	-17	-	18	-	-81
Retirement benefit obligations	795	-	-405	583	-161	-	812
Provisions for other liabilities and charges	100	-	56	-	-	-	156
Gains (losses)	-35	-	-15	-	-	-	-50
Losses carried forward	1 852	69	375	-	-	-77	2 218
Other	-18	-	4	-	-	-3	-17
Total gross temporary differences	1 483	26	181	583	-143	-80	2 050
Off-balance sheet deferred tax benefits	-937	-69	-121	-	-	-	-1 127
Net temporary differences	546	-43	60	583	-143	-80	923
Net deferred tax asset/liability balance sheet 22%	128	-8	15	128	-31	-17	215

Deferred tax assets on tax losses carried forward are recognized when it is probable that the Group will utilize the losses towards future taxable profits. The Group has not recognize deferred income tax assets in Sweden of 232 MNOK (235 MNOK) in respect of losses carried forward amounting to 1 124 MNOK (1 142 MNOK).

Note 23
Payroll and related expences

	2024	2023
Wages and salaries, including employment taxes	7 611	7 222
Pension costs – defined contribution plans (note 24)	512	491
Pension costs – defined benefit plans (note 24)	18	28
Other employee benefit expenses	108	110
Total	**8 249**	**7 851**

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

	2024	2023
Average full-time equivalent	10 073	9 748
Average number of employees	12 035	11 643

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

Note 24
Retirement benefit obligations and similar obligations

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

Defined benefit pension plans in Norway
The companies in the Group have several collective pension agreements that are handled by the Norwegian Public Service Pension Fund (SPK) or insurance companies. The Norwegian companies comply with the law on public pension. The plan covers benefits from the pension basis up to 12G and results in a age- and disablity pension of 66 % of the pension basis when fully vested. The obligations connected to these agreements covers 280 (366) active members, 2 734 (2 624) retirees and 1 555 (1 625) earned rights. The retirement benefit plans entitle defined future services that mainly are dependent on the number of contribution years and wage level at the time of retirement.
The pension benefits received are coordinated with the National Insurance scheme and will also be dependent on its benefits paid out.
The companies have, through tariff agreements, retirement benefit obligations in affiliation with Early Retirement Pension Regulated by Contract (AFP). Obligations through this agreement cover 280 active members.
The additional defined benefit pension plan agreement for top leadership is not funded and will be paid through operations.

Closing of the defined benefit plan and changing to contribution scheme
The defined benefit plans in SPK were closed for all individuals under 55 years of age during 2018 and 2019. All indivuduals aged 55 and above transitioned to a closed plan on 1st of January 2019, while those under 55 received vested rights and were transferred to a new defined contribution plan in Storebrand. The employees included in the new defined contribution plan in Storebrand are also included in a private AFP pension plan. This scheme is also accounted for as a defined contribution plan

As of 31st of December 2024, 3 175 (3 126) employees are active members in the defined contribution scheme in Storebrand.

In the new traffic agreement from 2023 and subsequent agreements, Jernbanedirektoratet will cover obligations to the defined benefit plan in SPK that exceed what a defined contribution plan would have cost the company. The obligation for these members has therefore been extracted from the recognized pension liability and the associated cost below. The total pension liability for these members amounts to MNOK 78 as of December 31st, 2024.

Other arrangements in Norway and Sweden
There are additionally defined contribution plans in Vy buss in Norway,Vy Buss and Vy Tåg in Sweden which covers 8 897 employees (9 377 employees).

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

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

Specification of net defined benefit pension plan obligations	2024	2023
Present value of earned pension rights for funded collective pension plans	3 969	4 273
Fair value of plan assets	-3 836	-3 569
Present value of unfunded obligations	133	704
Unrecognised actuarial losses	21	22
Net pension obligation on the balance sheet	**154**	**726**
In statement of financial position		
Plan assets	333	94
Pension obligation	487	820
Net pension obligation on the balance sheet	**154**	**726**
Changes in pension retirement obligations:		
Book value net pension obligation 1st of January	726	598
Correction opening balance Traffic agreement	-	-161
This years' actuarial deviations	-476	558
This years net return on assets/increase in obligation	-29	8
Net financial expenses - pensions	22	10
Payments to plan	-89	-287
Book value 31st of December	**154**	**726**
Pension expenses included in the accounts, defined benefit pension plan		
Present value of current pension earnings	18	28
Employee contribution	-	-
Total return on pension plan, incl. in payroll and related expenses – see note 23	**18**	**28**
Total financial items in the accounts	**22**	**10**
Total pension expenses defined benefit pension plan	**40**	**38**
Defined contribution plan		
Employer's contribution, included as payroll and related expense – see note 23	512	491
Total pension expenses	**552**	**529**

Sensitivity analysis with change in central assumptions

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

	Discount rate		Salary growth rate		Increase in G	
	1 %	-1 %	1 %	-1 %	1 %	-1 %
Increase (+)/decrease (-) this period's net pension expense in %*	-53 %	42 %	6 %	-5 %	58 %	-48 %
Increase (+)/decrease (-) net pension obligation at 31st of December in %	11 %	14 %	1 %	-1 %	13 %	-11 %

**Net pension expence throug ordinary resultat in 2024*

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

Financial assumptions (defined benefit plans in Norway)

	2024	2023
Discount rate	4,55 %	3,95 %
Expected return on plan assets	4,55 %	3,95 %
Average salary growth	4,00 %	3,50 %
G-regulation	3,75 %	3,25 %
Annual reg. of pension increases	3,00 %	2,80 %
Average social security tax	14,10 %	14,10 %

Explanation to chosen assumptions as per 31 December 2024

The discount rate is set at 4,55 % (3.95%) and is determined based on preferential bonds (OMF). The OMF-market is considered a deep and liquid marked with applicable terms to maturity that qualifies as a reference for interest rate according to IAS 19.

Salary adjustments for Norwegian schemes is primarily calculated as the total of expected real salary growth of 1,50 % and long term inflation of 2.25 %. A factor of 0,25% has also been added to take account of expected higher inflation in the short term. Pension adjustments disbursement primarily follows average expected inflation and salary growth.

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

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

Male 21 år
Female 24,2 år

Acturial deviations in 2024 are mainly due to changes in economic and actuarial parameteres.

Risk evaluation of defined benefit contribution plans

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

Expected longevity

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

Yield risk

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

Inflation- and salary growth risk

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

Note 25
Trade and other short term payables

	2024	2023
Trade payables	1 061	1 180
Social security and other taxes	181	169
Other short term liabilities (including provisions for other liabilities and charges)	2 701	2 535
Total	**3 943**	**3 884**

The amount due to related parties is in 2024: 776 MNOK (2023: 549 MNOK).

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

Note 26
Provisions for other liabilities and charges

2024	Reorganization obligation	Provision for contract losses (see note 27)	Other	Total
At 1st of January	87	175	24	286
Change in provision during the year	3	56	61	120
Used during the year	-12	-193	-5	-210
Exchange differences		1		1
Total	**78**	**39**	**80**	**197**

2023	Reorganization obligation	Provision for contract losses (see note 27)	Other	Total
At 1st of January	83	164	36	283
Change in provision during the year	4	74	-9	69
Used during the year		-74	-3	-77
Acc. currency translation		11		11
Total	**87**	**175**	**24**	**286**

Classification in the statement of financial position:	2024	2023
Non-current liabilities	162	127
Current liabilities (included in note 25)	35	159
Total	197	286

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

Restructuring
The Vy Group announced a restructuring plan in 2016. The purpose of the restructuring is to adapt to the changes required by the railway reform . The restructuring provision of 20 (29) MNOK at the end of 2024. The accruals include in addition 58 (58) MNOK as compensation according to changed pension.

Note 27
Contract losses

56 MNOK (74 MNOK) has been expensed for future losses in train tenders. A previous loss provision is reversed with 193 MNOK (69 MNOK) regarding train operation and 0 MNOK (5 MNOK) regarding bus operation in Norway. Reversal of previous accrued loss provisions related to train tenders primarily results from renegotiated or terminated agreements. It is expected that the most significant part of the installment flows will take place during the next year. See notes 7, 25 and 26 for further information.

Note 28
Other expenses

	2024	2023
Sales- and overhead expenses	1 662	1 659
Energy used in operations	1 574	1 777
Repair and maintenance, machinery rental, property expenses	2 888	2 673
Other operating expenses	2 235	2 388
Total	**8 359**	**8 497**

Auditing fees total operations (excluding VAT):	2024	2023
Statutory audit fee	6	6
Other services	2	1
Total fee to auditor	**8**	**7**

Note 29
Financial income and expenses

	2024	2023
Interest income	121	116
Other financial income	5	8
Net foreign exchange gains	56	69
Total	**182**	**193**
Interest expense	-711	-362
Other financial expenses, including write-down of shares	-14	-6
Net foreign exchange losses	-97	-128
Total	**-822**	**-496**
Net financial expenses - pensions	-22	-10
Unrealised value changes	38	14
Total financial items	**-624**	**-299**

Note 30
Liabilities from financing activities

	Liabilities	Asset held to hedge liabilities	Financial lease liabilities	Total
Liabilities as per 1 January 2024	**12**	**5**	**13 793**	**13 810**
Cash flow from financial activities	2	-	-1 645	-1 643
Non-cash changes				
Acquisition lease liabilities		-	2 194	2 194
Other transactions	-	-5	200	195
Currency translation differences	-	-	56	56
Liabilities as per 31 December 2024	**14**	**-**	**14 598**	**14 612**

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

Note 31
Related party transactions

The Vy group has the following related parties:

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

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

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

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

Sale of goods and services:	2024	2023
Public purchase of passenger traffic services	2 978	3 530
Sales of other goods and services	526	425
Total	**3 504**	**3 955**
Purchases of goods and services:	3 353	3 476

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

	2024	2023
Receivables		
Associated companies	-	-
Entities owned by the Ministry of Transportation	217	178
Total	**217**	**178**
Debts		
Entities owned by the Ministry of Transportation	776	549
Total	**776**	**549**

In addition the group has received 57 MNOK in 2024 and 55 MNOK in 2023 for freight transport in connection with losses due to the flood that led to the collapse of the Randklev bru on Dovrebanen.

There are no related party loans.

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

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

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

Board members	Title	2024	2023
Berit Svendsen	Chairman of the board	556	531
Semming Semmingsen	Member of the board (until 12.06.23)	-	184
Geir Inge Stokke	Member of the board	339	324
Dina Elverum Aune	Member of the board (from 20.06.22)	335	321
Espen Almlid	Member of the board (from (20.06.22)	257	246
Morten Henriksen	Member of the board (from (12.06.23)	302	105
Ove Sindre Lund	Member of the board (staff representative)	281	269
Grethe Therese Thorsen	Member of the board (staff representative until 01.09.23)	-	204
Petter Louis Pettersen	Member of the board (staff representative)	302	289
Line Steinseth	Member of the board (staff representative from 01.09.23)	257	42
Total		**2 629**	**2 515**

All employees are included in the collective pension agreement. The agreement premium is not included the tables. For Vygruppen AS, the General Meeting has approved a fee for the Chairman of the Board of 533 TNOK, Vice Chairman 325 TNOK and the other board members 265 TNOK each. In addition, fees for members of the audit committee with 82 TNOK for the leader, and 47 TNOK for each of the other members, and the compensation committee with 41 TNOK for the leader and 25 TNOK for each member. Fees for the staff representatives exclude their employee wages.

2024 (Figures in TNOK)	Title	Salary	Salary paid	Other benefits	Total benefits payed	Calcul. Pension expence*
Gro Bakstad	Chief Executive Officer	4 141	4 216	618	4 834	140
Irene Katrin Thunshelle	Chief Financial Officer	2 801	2 822	130	2 952	140
Synne Homble (til 31.12.2023)	Executive Director Mobility and Travel	-	373		373	-
Kristin Elisabeth Flagstad	Executive Director Organization and HR	2 102	2 118	130	2 248	140
Ole Engebret Haugen	Executive Director and General Manager Vy buss	3 086	3 106	120	3 226	93
Erik Røhne	CEO, Director of Vy Passenger Train	3 322	3 347	130	3 477	140
Ingvild Storås	Executive Director and General Manager CargoNet	2 987	3 010	130	3 140	140
Marius Holm	Executive Director Communications and Public affairs	2 210	2 215	130	2 345	140
Kristian Kolind	Executive Director Strategy and IT	2 591	2 599	130	2 729	140
Sum			**23 806**	**1 518**	**24 324**	**1 073**

'*Calculated pension expenses for CEO includes compensation for loss of pension scheme in previous employment of 368

'Reference is made to guidelines on salary and other remuneration for executive personnel in the note below. No severance pay or severance pay has been paid in 2024. The difference between fixed salary and paid salary is mainly linked to the fact that paid salary takes holiday pay into account.

2023 (Figures in TNOK)	Title	Salary	Salary paid	Other benefits	Total benefits payed	Calcul. Pension expence*
Gro Bakstad	Chief Executive Officer	3 963	4 033	611	4 644	134
Irene Katrin Thunshelle	Chief Financial Officer	2 681	2 705	130	2 835	134
Synne Homble	Executive Director Mobility and Travel	2 979	3 006	130	3 136	134
Kristin Elisabeth Flagstad	Executive Director Organization and HR	2 012	2 012	130	2 142	134
Ole Engebret Haugen	Executive Director and General Manager Vy buss	2 956	3 000	120	3 120	89
Erik Røhne	CEO, Director of Vy Passenger Train	3 179	3 208	130	3 338	134
Ingvild Storås	Executive Director and General Manager CargoNet	2 858	2 897	130	3 027	134
Marius Holm	Executive Director Communications and Public affairs	2 013	2 035	130	2 165	134
Kristian Kolind	Executive Director Strategy and IT	2 384	2 405	130	2 535	134
Sum			**25 301**	**1 641**	**26 942**	**1 161**

**Calculated pension expenses for CEO includes compensation for loss of pension scheme in previous employment of 361

GUIDELINES FOR THE DETERMINATION OF SALARY AND OTHER REMUNERATION FOR SENIOR EXECUTIVES

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

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

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

1 INTRODUCTION

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

The guidelines apply to the Company's "senior executives" as the term is used in Section 6-16a of the Norwegian Public Limited Liability Companies Act. In accordance with the above, the guidelines shall apply to the Chief Executive Officer (Group CEO) and other senior executives. The Group CEO and executive management team are referred to as "senior executives" in these guidelines. The guidelines also apply to members of the Company's Board of Directors as elected by and from employees pursuant to Section 6-4 of the Norwegian Limited Liability Companies Act, cf. Section 6-5. Only remuneration received for board positions is included in the guidelines.
The guidelines shall also apply when determining remuneration for senior executives in the Group's subsidiaries in order to ensure that "The Norwegian government's guidelines for executive pay in companies with state ownership" are applied throughout the Group as a whole. The Board of Directors has instructed the Group CEO to follow up on subsidiaries to ensure that the principles are adhered to by the Boards of Directors in subsidiaries.
The members of the Company's Board of Directors receive an annual remuneration as determined by the annual general meeting. Company employees who are board members in subsidiaries receive no special compensation, with the exception of employee-elected board representatives.

2 ABOUT VY

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

3 THE BOARD OF DIRECTOR'S GUIDELINES FOR REMUNERATION FOR SENIOR EXECUTIVES

3.1 Introduction

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

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

The Company's and
owner's objective is to achieve the highest possible return over time within a sustainable framework. For the part of the Company's activities that are directly allocated transport agreements for Eastern Norway, the owner's goals are sustainability and the most efficient attainment of public policy goals. In the long term, sustainable value creation is an overarching consideration for corporate governance and forms the basis for the Company's strategy and business plans at all times.
The Company's and owner's goals will be the main consideration when determining executive pay. The remuneration contributes to the Company's business strategy, long-term interests and financial sustainability by ensuring that salaries are competitive so that the Company can attract and retain good managers, while also ensuring that the remuneration is moderate. The total remuneration paid to senior executives shall promote the current strategy and reflect the individual employee's responsibilities for governance and performance.

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

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

Nevertheless, remuneration shall still be moderate. The principle of moderation is ensured through a number of steps. Remuneration shall not be market-leading, insofar that it shall not be higher than necessary to attract and retain the desired expertise. When determining remuneration in connection with new appointments, the Board of Directors/

Group CEO will consider expertise, experience, length of service and pay conditions that are common in other, similar companies. These assessments are carried out using external frameworks for position and salary assessments in combination with comparisons based on reference companies deemed relevant by the Company. The reference group includes companies that are comparable based on complexity and scope and primarily includes Norwegian companies.

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

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

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

3.4 The Board of Directors' work on establishing guidelines

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

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

3.5.1 Fixed salary

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

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

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

3.5.2 Variable remuneration

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

Pursuant to their employment contract, the Group CEO can be considered for a bonus but has accepted a temporary suspension of bonuses until determined otherwise by the Board of Directors pursuant to a supplementary agreement. All executive vice presidents are covered by the bonus scheme in effect for the position at any time and as determined by Vygruppen's Board of Directors and will not be entitled to a bonus for as long as the Board of Directors has not adopted any bonus scheme.

3.5.3 Directorships

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

3.5.4 Benefits in kind

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

3.5.5 Pension

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

All current employees are enrolled in a collective pension scheme. The pension scheme with the Norwegian Public Service Pension Fund was discontinued as of 01/01/2019. This scheme is "closed", which means that employees of the Group who were over the age of 55 years as of 31/12/2018 retained their defined benefit pension with the NPSPF. Employees who were 54 years of age or younger as of 31/12/2018 or employees appointed after this date have a defined contribution pension scheme with Storebrand. The Storebrand scheme has a contribution rate of 5.5 per cent from the Company, up to 7.1 G and 15 per cent between 7.1 and 12 G. The pension scheme includes a private old-age retirement pension, children's pension and group life insurance. The disability coverage is equivalent to the scheme provided by the Norwegian Public Service Pension Fund.

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

3.5.6 Severance pay

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

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

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

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

4 THE BOARD OF DIRECTORS' RIGHT TO TEMPORARILY DEPART FROM THE GUIDELINES

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

Note 32
Contingencies

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

Note 33
Business combinations

On the 2nd of January Vy Buss AS acquired 100% of the shares in Turistbussen Ålesund AS for a cash condideration of 7 MNOK. There were no business combinations during 2023.

Cash flow regarding acquisition	2024	2023
Consideration paid	7	-
Cash and bank deposit in the company at acquisition date	-4	-
Net cashflow regarding acquisition	**3**	**-**

Identified assets and liabilities on the balance sheet recognized from the acquisition:	2024	2023
Current assets	6	-
Property, plant and equipment	14	-
Current liabilities	-4	-
Lease liability IFRS 16	-12	-
Tax payable	-1	-
Total net identifiable assets	**3**	**-**
Goodwill	4	-
Total	**7**	**-**

Note 34
Events after the reporting date

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

Accounts Vygruppen AS

Accounts – Vygruppen AS

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INCOME STATEMENT

	Notes	2024	2023
Operating revenue	4	**7 200**	**6 778**
Payroll and related expenses	18	2 287	2 045
Depreciation and impairment	6,22	812	920
Other operating expenses	23	3 704	3 663
Total operating expenses		**6 803**	**6 628**
Operating profit		**397**	**150**
Financial items			
Financial income	24	289	172
Financial expenses	24	-542	-154
Net financial expenses - pensions	19, 24	-11	-5
Change in unrealised fair value	24	34	12
Net financial items		**-230**	**25**
Profit before income tax		**167**	**175**
Income tax expense	17	-46	-37
Profit for the year		**121**	**138**
Attributable to			
Equity holders		121	138
OTHER COMPREHENSIVE INCOME			
Profit for the year		121	138
Items that will not be reclassified to profit or loss			
Actuarial gain/loss	19	120	-191
Tax on items that will not be reclassified	17	-26	42
Total comprehensive income for the year		**215**	**-11**
Attributable to			
Equity holders		215	-11

OVERVIEW FINANCIAL POSITION

	Notes	31.12.2024	31.12.2023
ASSETS			
Deferred tax assets	17	113	42
Property, plant and equipment	6,22	7 372	7 400
Investments in subsidiaries	2	2 511	2 192
Financial fixed assets	13	19	32
Loans to group companies	25	1 299	1 288
Total non-current assets		**11 315**	**10 954**
Investments in joint ventures	8	160	160
Inventories	9	159	224
Trade and other receivables	10,11,12	1 080	1 077
Financial assets	11	1 425	1 677
Cash and bank deposits	11,13, 14	845	431
Total current assets		**3 669**	**3 569**
TOTAL ASSETS		**14 984**	**14 523**

EQUITY AND LIABILITIES			
Ordinary shares	15	3 388	3 387
Retained earnings		446	202
Total equity		**3 834**	**3 589**
Interest bearing liabilities	5,16,7	6 616	6 604
Retirement benefit obligations	19	229	293
Provisions for other liabilities and charges	21	149	87
Total long term liabilities		**6 994**	**6 984**
Trade and other payables	20	3 001	3 000
Tax payable	17	111	11
Interest bearing liabilities	5,16,7	1 045	939
Total short term liabilities		**4 156**	**3 950**
TOTAL EQUITY AND LIABILITIES		**14 984**	**14 523**

Oslo, 13. February 2025

Board of Directors Vygruppen

Berit Svendsen/Chairman of the board

Geir Inge Stokke

Espen Almlid

Dina Elverum Aune

Morten Henriksen

Ove Sindre Lund

Petter Louis Pettersen

Line Steinseth

Gro Bakstad / CEO

CASH FLOW STATEMENT

	Notes	2024	2023
Profit for the period before income tax		**167**	**175**
Depreciation and impairment	6,22	812	920
Impairments of shares in subsidiaries and joint ventures	2,24	76	-
Gain/loss on sale of assets		-1	-
Net changes to obligations and retirement benefit oblig.	19	-3	-100
Change in provisions for other liabilities and charges	21	43	-8
Change in unrealised fair value	24	-25	-12
Interest items		-114	-46
Change in working capital		136	48
Net cash flow from operating activities		**1 091**	**977**
Acquisition of subsidiaries	2	-418	-4
Changes in financial non-current assets	8	340	-200
Purchase of PPE	6	-9	-11
Dividends and group coontributions received	24	161	-
Net cash flow to investment activities		**74**	**-215**
Lease payments received from group companies		7	63
Lease payments		-606	-1 008
Group contributions paid to subsidiaries		-160	-17
Dividends paid to company's shareholders		-27	-67
Net cash flow to financial activities		**-786**	**-1 029**
Net change in cash and bank deposits for the year		**379**	**-267**
Cash and bank deposits as at the beginning of the period	14	431	723
Cash and bank deposits from merged company		35	-
Foreign exchange gain/loss on cash and bank deposits		-	-25
Cash and bank deposits as at the end of the year	**14**	**845**	**431**

STATEMENT OF CHANGES IN EQUITY

2024	Share capital	Retained earnings	TOTAL
Equity 1st of January	3 387	202	**3 589**
Equity from merged company	-	57	**57**
Total equity as of January 1st	3 387	259	**3 646**
Profit for the year	-	121	**121**
From other comprehensive income	-	94	**94**
Dividend	-	-27	**-27**
Equity 31st of December	**3 387**	**447**	**3 834**

2023	Share capital	Retained earnings	TOTAL
Equity 1st of January	3 387	153	3 540
Profit for the year	-	138	138
From other comprehensive income	-	-149	-149
Opening balance of impact of pensiion changes in the new traffic agreenment	-	127	127
Dividend	-	-67	-67
Equity 31st of December	**3 387**	**202**	**3 589**

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

Notes

All figures in the report are in MNOK.

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The financial statements were approved by the Board of Directors on 13th of February 2025.

Note 1
General information and summary of important accounting principles

We refer to note 1 in the Vy group annual report, with the exception of the following:
a) Method for incorporation of associated companies and joint ventures.

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

Note 2
Shares in subsidiaries

See note 2 in Vy group report. See note 24 below for write-down for shares in subsidiaries.

Note 3
Passenger train operations in the Nordic Region

See note 4 in Vy group report.

Note 4
Segment information

Vygruppen AS has only one operating segment - passenger train.

Analysis of operating income by category	2024	2023
Transport revenue	6 464	6 029
Other revenue	736	749
Total	**7 200**	**6 778**

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

Note 5
Leases

Specification of changes in the period	Liability	Assets
Total opening Balance right to use assets/lease obligations per 1 January 2024	7 543	7 348
Total opening Balance right-to-use assets / lease obligations	**7 543**	**7 348**
Opening Balance from merged company	54	52
Lease payments	-660	-
Depreciations	-	-806
Additions and changes in existing agreements	723	722
Total Closing Balance 31 December 2024	**7 661**	**7 316**

Interest expenses leaseobligation amounted to 366 MNOK in 2024

Specification of changes in the period	Liability	Assets
Total opening Balance right to use assets/lease obligations per 1 January 2023	1 836	1 559
Total opening Balance right-to-use assets / lease obligations	**1 836**	**1 559**
Lease payments	-1 009	-
Depreciations	-	-916
Additions and changes in existing agreements	6 716	6 705
Total Closing Balance 31 December 2023	**7 543**	**7 348**

Interest expenses leaseobligation amounted to 62 MNOK in 2023

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

Liabilities	2024	2023
Short term liabilities	1 045	939
Long term liabilites	6 616	6 604
Total liabilities	**7 661**	**7 543**

Supplementary information

Leases not recognized	2024	2023
Short term agreements (between one month and one year)	36	31
Costs aligned to low-value items	-	1
Total	**36**	**32**

P&L	2024	2023
Revenue from sub-lease	61	63

Cash Flows	2024	2023
Total cash flows on leases	1 131	1 073

Future lease payments	2024	2023
Future nominal lease obligations related to lease of passenger trains not yet received	5 942	565

Note 6

Property, plant and equipment

At 1st of January 2024	Machinery and equipment	Transport-ation	Assets under construc-tion	Right-of-use transport-ation assets	Right-of-use buildings	Total
Accumulated acq.cost	634	24	22	6 625	1 393	8 698
Accumulated depreciation	-622	-6	-	-39	-631	-1 298
Total	**12**	**18**	**22**	**6 586**	**762**	**7 400**
Year ended 31st of December 2024						
Opening net book value	12	18	22	6 586	762	7 400
Accumulated acq. cost merged company	0	1	-	379	6	386
Accumulated depreciation merged company	-0	-	-	-328	-5	-333
Additions	27	-	9	682	39	757
Disposals at acq. cost	-	-	-27	-381	-29	-437
Accumulated depreciation disposals	-	-	-	381	29	410
Depreciations continuing operations	-4	-1	-	-715	-91	-812
Total	**35**	**17**	**4**	**6 604**	**711**	**7 372**
At 31st of December 2024						
Accumulated acq.cost	661	25	4	7 305	1 409	9 404
Accumulated depreciation	-626	-7	-	-701	-698	-2 032
Total	**35**	**17**	**4**	**6 604**	**711**	**7 372**
Depreciation period (years)	5 - 30 years	5 - 30 years		1 - 6 years	1 -20 years	

At 1st of January 2023	Machinery and equipment	Transport-ation	Assets under construc-tion	Right-of-use transport-ation assets	Right-of-use buildings	Total
Accumulated acq.cost	627	24	18	4 470	1 315	6 454
Accumulated depreciation	-619	-5	-	-3 687	-539	-4 850
Total	**8**	**19**	**18**	**783**	**776**	**1 604**
Year ended 31st of December 2023						
Opening net book value	8	19	18	783	776	1 604
Additions	7	-	11	6 630	75	6 723
Disposals at acquisition cost	-	-	-7	-4 475	3	-4 479
Accumulated depreciation disposals	-	-	-	4 475	-3	4 472
Depreciations	-3	-1	-	-827	-89	-920
Total	**12**	**18**	**22**	**6 586**	**762**	**7 400**
At 31st of December 2023						
Accumulated acq.cost	634	24	22	6 625	1 393	8 698
Accumulated depreciation	-622	-6	-	-39	-631	-1 298
Total	**12**	**18**	**22**	**6 586**	**762**	**7 400**
Depreciation period (years)	5 - 30 years	5 - 30 years		1 - 6 years	1 -20 years	

Note 7
Liabilities from financing activities

	2024	2023
Liabilities 1 January	7 543	1 836
Opening balance merged company	56	-
Cash flow from financial activities	-660	-1 009
Additions to liabilities	459	6 628
Other changes	263	88
Liabilities 31 December	**7 661**	**7 543**

Note 8
Investments in joint ventures

	2024	2023
Book value 1st of January	160	160
Net book value 31st of December	**160**	**160**

Vygruppen AS has shares in joint ventures as follows:

Joint venture:	Year of acquisition	Registered office	Votes and profit share	Equity	Profit/loss	Book value 31st of December
Flåmsbana AS	2013	Aurland	50 %	197	117	256
Fjord Tours Group AS	2019	Oslo	50 %	281	20	333
Total				**478**	**137**	**589**

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

Description of operations:

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

Fjord Tours Group AS
Fjord Tours Group AS is owned 50% each by Vygruppen and Fjord1 AS, and represents the companies' joint tourism venture. Fjord Tours Group AS's subsidiary, Fjord Tours AS, works on developing, marketing, and selling sustainable, public transport-based tours in addition to selling individual train journeys and other transport products to international tour operators and agents. Fjord Tours Group AS also holds shares in other tourism companies; Book Hardanger AS (33%), Best Arctic AS (34%), and Geiranger Fjordservice (31%).

Note 9
Inventory components

	2024	2023
Components	159	224
Total inventory	**159**	**224**

Note 10
Trade and other receivables

	2024	2023
Trade receivables	458	366
Group internal trade receivables	188	496
Less: provision for impairment of receivables	-0	-0
Trade receivables - net	**646**	**862**
Prepayments	411	200
Other receivables	23	15
Total trade and other receivables	**1 080**	**1 077**
Loans to group companies	-	-
Total	**1 080**	**1 077**

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

Maturity of receivables:	2024	2023
Matured receivables on balance sheet date	6	11
Matured between 0 - 2 mnths ago	-	1
Matured between 2 - 6 mnths ago	6	10
Matured more than 6 mnths ago	-	-

Note 11
Financial risk management

This table shows future maturities for the Company's liabilities as of 31st of December 2024:

Liquidity risk	< 1 år	1-2 år	2-5 år	> 5 år
Short term liabilities	3 046	-	-	-
Lease obligations train	954	969	2 983	3 646
Lease obligations property	119	116	347	353
Property, plant and equipment	-	-	-	-

Vygruppen AS assesses maximum credit risk to be the following:	2024	2023
Cash and bank deposits	845	431
Financial assets	1 425	1 677
Trade receivable and other short term receivables	1 080	1 077
Total	**3 350**	**3 185**

Note 12
Periodic maintenance

Periodic maintenance on leased trains	2024	2023
Prepaid maintenance as of 1st of January	-	-12
Opening balance merged company	-19	-
Conducted maintenance through the year	1	-
Change in accrual	-52	12
Prepaid maintenance as of 31st of December	**-70**	**-**

Transition to a new maintenance agreement from 2024 results in a changed need for provisioning of costs for periodic maintenance. More maintenance will be included in the maintainer's cost per kilometer.
The contract for the maintenance of boggies on Flirt (type 74 and 75) requires provisions based on annual wear (kilometers driven) as well as for future planned maintenance according to the maintenance program. The assessment is based on judgment and estimates.
There should be no settlement of periodic maintenance against the lessor at the end of the Traffic Agreement as long as the maintenance program is followed.

Note 13
Financial instruments by category

Assets at 31st of December	Loans and receivables		Assets at fair value through profit and loss		Total	
Year	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
Financial fixed assets	19	32	-	-	19	32
Trade and other receivables (excl. prepayments)	1 968	2 165	-	-	1 968	2 165
Financial assets at fair value	-	-	1 425	1 677	1 425	1 677
Cash and bank deposits	845	431	-	-	845	431
Total	**2 832**	**2 628**	**1 425**	**1 677**	**4 257**	**4 305**

Liabilities at 31st of December	Loans and receivables		Assets at fair value through profit and loss		Total	
Year	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
Financial lease liabilities	7 661	7 543	-	-	7 661	7 543
Trade and other payables excl. statutory liabilities	2 963	2 952	-	-	2 963	2 952
Total	**10 624**	**10 495**	**-**	**-**	**10 624**	**10 495**

Financial assets and liabilities at fair value through profit or loss at 31st of December 2024:

	Level 1	Level 2	Level 3	Total
Derivatives used for hedging	1 425	-	-	1 425
Total assets	**1 425**	**-**	**-**	**1 425**

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

	Level 1	Level 2	Level 3	Total
Derivatives used for hedging	1 677	-	-	1 677
Total assets	**1 677**	**-**	**-**	**1 677**

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

Note 14
Cash and bank deposits

	2024	2023
Cash and bank deposits	845	431

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

Note 15
Share capital

See note 20 in Vy group report.

Note 16
Debt

The Group has the following undrawn borrowing facilities:	2024	2023
Floating interest rate		
- Expiring within one year	400	400
Total	**400**	**400**

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

Note 17

Deferred income tax/Income tax expense

Income tax expense	2024	2023
Current income tax payable	110	11
Changes in deferred tax	-64	26
Total income tax expense	**46**	**37**

Tax payable on the balance sheet are as follows:	2024	2023
Current payable tax expense	111	11
Tax payable in the balance sheet	**111**	**11**

Reconciliation between nominal and actual tax expense rate:	2024	2023
Net income before tax	167	175
Expected income tax using the nominal tax rate (22 %)	37	37
Tax effect of the following items:		
Other non-deductible expenses	17	-
Other non-taxable income	-8	-
Income tax expense	**46**	**37**
Effective tax rate	**27 %**	**21 %**

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

2024	Book value 01.01.	Acquisition of subsidiaries	Income statement charge	Charge to other comprehensive income	Tax effect of group contribution	Book value 31.12.
Benefit (+) / Liability (-)						
Fixed assets	-333	1	90	-	-	-242
Inventories	67	-	-38	-	-	29
Receivables	-12	-	3	-	-	-9
Lease obligations	109	2	207	-	-	318
Value changes to financial current assets	-5	-	-13	-	-	-18
Retirement benefit obligations	288	59	1	-120	-	228
Provisions for other liabilities and charges	90	59	69	-	-	218
Gains (losses)	-11	-	2	-	-	-9
Losses carried forward	-	-	-28	-	28	-
Total gross temporary differences	193	121	293	-120	28	515
Net temporary differences	**193**	**121**	**293**	**-120**	**28**	**515**
Net deferred tax asset/liability on the balance sheet 22%	**42**	**27**	**64**	**-26**	**6**	**113**

2023	Book value 01.01.	Income statement charge	Charge to other comprehensive income	Charged directly to equity	Tax effect of group contribution	Book value 31.12.
Benefit (+) / Liability (-)						
Fixed assets	-443	110	-	-	-	-333
Inventories	80	-13	-	-	-	67
Receivables	-11	-1	-	-	-	-12
Lease obligations	139	-30	-	-	-	109
Value changes to financial current assets	10	-15	-	-	-	-5
Retirement benefit obligations	360	-101	190	-161	-	288
Provisions for other liabilities and charges	83	7	-	-	-	90
Gains (losses)	-14	3	-	-	-	-11
Losses carried forward	60	-77	-	-	17	-
Total gross temporary differences	264	-117	190	-161	17	193
Net temporary differences	**264**	**-117**	**190**	**-161**	**17**	**193**
Net deferred tax asset/liability on the balance sheet 22%	**58**	**-26**	**42**	**-35**	**4**	**42**

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

Deferred income tax assets	2024	2023
Deferred income tax assets to be recovered after more than 12 months	168	107
Deferred income tax assets to be recovered within 12 months	6	15
Total	**174**	**122**

Deferred tax liabilities	2024	2023
Deferred income tax liabilities to be recovered after more than 12 months	-55	-76
Deferred income tax liabilities to be recovered within 12 months	-6	-4
Total	**-61**	**-80**
Total deferred income tax assets (net)	**113**	**42**

Note 18
Payroll and related expenses

	2024	2023
Wages and salaries, including employment taxes	2 067	1 844
Pension costs – defined contribution plans (note 19)	181	163
Pension costs – defined benefit plans (note 19)	3	1
Other employee benefit expenses	35	37
Total	**2 287**	**2 045**

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

	2024	2023
Average man-labour year	1 988	1 916
Average number of employees	2 170	2 134

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

Note 19

Retirement benefit obligations and similar obligations

General

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

Defined benefit pension plan

The companies in the Group have several collective pension agreements that are handled by the Norwegian Public Service Pension Fund (SPK) or insurance companies that for the Norwegian companies satisfy the demands according to the law on public pension. The arrangement covers benefits from the pension basis up to 12G and results in a age- and disablity pension of 66 % of the pension basis when fully vested. The obligations connected to these agreements covers 172 active members, 480 retirees and 201 earned rights.The retirement benefit plans entitle defined future services that mainly are dependent on the number of contribution years and wage level at the time of retirement. The pension benefits are coordinated with the National Insurance benefits, and will depending on the size of the benefit from the National Insurance Scheme.

The companies have, through tariff agreements, retirement benefit obligations in affiliation with Early Retirement Pension Regulated by Contract (AFP). Obligations through this agreement cover 172 active members.

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

Closing of the defined benefit plan and changing to contribution scheme

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

The employees included in the new defined contribution plan in Storebrand are also included in a private AFP pension plan. This scheme is also accounted for as a defined contribution plan.
As of 31st of December 2024, 2 132 employees are active members in the defined contribution scheme in Storebrand.

In the new traffic agreement from 2023 and subsequent agreements,the Jernbanedirektoratet will cover obligations to the defined benifit plan in SPK that exceed what a defined contribution plan would have cost the company. The obligation for these members has therefore been extracted from the recognized pension liability and the associated cost below. The total pension liability for these members amounts to MNOK 79 as of December 31,2024.

Specification of net defined benefit pension plan obligations	**2024**	**2023**
Present value of earned pension rights for funded collective pension plans	1 158	1 105
Fair value of plan assets	-949	-833
Present value of unfunded obligations	209	272
Unrecognised actuarial losses	20	21
Net pension obligation on the balance sheet	**229**	**293**
Changes in pension retirement obligations:		
Book value net pension obligation 1st of January	293	364
Transferred IB pension liability from merger with VY Gjøvikbanen AS	59	-
Correction opening balance Traffic agreement	-	-161
This years' actuarial deviations	-106	167
This years net return on assets/increase in obligation continued operations	-15	10
Net financial items in the acount from discontinued operations	11	5
Payments to plan	-13	-92
Book value 31st of December	**229**	**293**
Pension expenses included in the accounts, defined benefit pension plan		
Present value of current pension earnings	3	1
Total return on pension plan, incl. in payroll and related expenses – see note 18	3	1
Total financial items in the accounts	**11**	**5**
Total pension expenses defined benefit pension plan	**14**	**6**
Contribution plans		
Calculated contribution plan acc.to Traffic agreement,recorded as pension expense - see note 18	**14**	**13**
Total return on pension plan, incl. in payroll and related expenses – see note 18	**166**	**150**
Total pension expenses	**195**	**169**

Sensitivity analysis with change in central assumptions

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

	Discount rate		**Salary growth rate**		**Increase in G**	
	1%	**-1%**	**1%**	**-1%**	**1%**	**-1%**
Increase (+)/decrease (-) this period's net pension expense in %	-52 %	41 %	7 %	-6 %	18 %	-14 %
Increase (+)/decrease (-) net pension obligation at 31st of December in %	-12 %	14 %	1 %	-1 %	5 %	-4 %

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

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

	2024	2023	2022	2021	2020	2019
INCOME STATEMENT						
Present value of current pension earnings	3	1	40	45	71	90
Curtailments/transfer	-	-	-	-	-46	91
Plan changes during the year	-	-	-	-	-	-
Total cost in the income statement	3	1	40	45	25	181
Total financial items in the accounts	11	5	12	7	12	18
Total pension cost in the accounts	**14**	**6**	**52**	**52**	**37**	**199**
Financial position						
Total obligations	1 158	1 105	1 933	2 198	2 129	2 682
Pension assets	-949	-833	-1 591	-1 562	-1 593	-1 962
Total net pension obligations	209	272	342	636	536	720
Non-recognised actuarial losses	20	21	22	24	23	22
Net pension obligation at the balance sheet date	**229**	**293**	**364**	**660**	**559**	**742**

Financial assumptions (defined benefit plans)	2024	2023	2022	2021	2020	2019
Discount rate	4,55 %	3,95 %	3,85 %	2,20 %	1,50 %	2,05 %
Expected return on plan assets	4,55 %	3,95 %	3,85 %	2,20 %	1,50 %	2,05 %
Average salary growth	4,00 %	3,50 %	3,50 %	2,50 %	1,75 %	2,70 %
G-regulation	3,75 %	3,25 %	3,25 %	2,50 %	1,75 %	2,10 %
Annual reg. of pension increases	3,00 %	2,80 %	2,50 %	1,75 %	1,00 %	1,35 %
Average social security tax	14,10 %	14,10 %	14,10 %	14,10 %	14,10 %	14,10 %

Explanation to selected assumptions 31st of December 2024
The discount rate has been set at 4.55 % (3.95%) and is determined with basis in preferential bonds (OMF). The OMF-market has been assessed to represent a deep and liquid marked with relevance to maturities that qualifies to be used as a reference for interest rate according to IAS 19.

Salary adjustment for Norwegian arrangements are mainly calculated as the sum of expected nominal salary growth of 1.50 % and long term inflation of 2.25 %. In addition a faktor of 0,25% is added to take account of expected higher inflation in the short term. Regulation of pensions during disbursements mainly follows average of inflation growth and salary growth.

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

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

Female 24,2 år
Male 21,0 år

Actuarial deviations in 2024 are mainly due to changes in economic parameters.

Risk evaluation of defined benefit contribution plans
The company is affected through its defined benefit contribution plans by several factors due to uncertainties in assumptions and future development. The most central factors are described as follows:

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

Yield risk
The company is affected by a reduction in actual yield on the pension assets, which will cause an increase to obligations for the company.

Inflation- and salary growth risk
The company's pension obligation has risks related to both inflation and salary development, even though the salary development is close related to inflation. Higher inflation and salary development than what is used in the pension calculations, result in increased obligation for the company.

Note 20
Trade and other payables

	2024	2023
Trade payables	283	384
Group internal trade payables	1 501	1 711
Social security and other taxes	38	48
Other current liabilities	1 180	857
Total	**3 001**	**3 000**

Total trade and other payables include liabilities to related parties in 2024: 708 MNOK (443 MNOK).

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

Note 21
Provisions for other liabilities and charges

Provisions for other liabilities 2024	Reorganisation	Other	Total
At 1st of January	87	-0	87
At 1st of January from merged company	-	19	19
Change in provision during the year	3	52	55
Used during the year	-11	-1	-12
Total	**78**	**71**	**149**

Provisions for other liabilities 2023	Reorganisation	Other	Total
At 1st of January	83	12	95
Used during the year	4	-12	-8
Total	**87**	**-0**	**87**

Classification in the statement of financial position	2024	2023
Non-current liabilities	149	87

Legal disputes
Vygruppen AS is involved in legal disputes, where some of them will be tried in court. Provisions are made for disputes where it appears to be a probable and qualified risk of losing.

Restructuring
Vygruppen AS announced a restructuring plan in 2016 and a new plan in 2023 acc.to the new Traffic agreement. The purpose of the restructuring is to adapt to the changes required by the railway reform and the new Traffic agreement. The restructuring provision amounted to 20 (29) MNOK at the end of 2024, and is mainly due to downsizing. The accruals at 31.12.2024 includes in addition a compensation related to changed pension plans. This remaining accruals for this is 58 (58) MNOK at the end of 2024.

Note 22
Depreciation, amortization and impairment

	2024	2023
Depreciation charges (note 6)	812	920
Total	**812**	**920**

Note 23
Other expenses

	2024	2023
Sales- and overhead expenses	960	975
Energy used in operations	275	355
Repair and maintenance, machinery rental, property expenses	952	818
Other operating expenses	1 517	1 515
Total	**3 704**	**3 663**

Auditing fees for total operations (excluding VAT):	2024	2023
Statutory audit fee	1	2
Other services	1	-
Total fee to auditor	**2**	**2**

Note 24
Financial income and expenses

	2024	2023
Interest income	201	144
Group contribution	27	20
Dividend	37	-
Net foreign exchange gains	25	8
Total financial income	**289**	**172**
Interest expense	-433	-111
Other financial expenses	-2	-2
Write-down shares in subsidiaries	-76	-
Net foreign exchange losses	-31	-41
Total financial expenses	**-542**	**-154**
Net financial expenses - pensions	-11	-5
Change in unrealised fair value	34	12
Total financial items	**-230**	**25**

Note 25
Related party transactions

Vygruppen AS has the following related parties:

Owner
As the owner of Vygruppen AS, the Ministry of Transport and Communication is a related party. In addition, other businesses owned by the Ministry of Transport and Communication will also be a related party to Vygruppen AS.

Companies within the same Group
All subsidiaries, associates and joint ventures as noted in notes 2 and 8 as well as other Group companies that are related parties to these companies will be a related party to Vygruppen AS.

Board of Directors and executive management
Executive management or on the Board of Directors are also related party to Vygruppen AS.

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

Sale of goods and services:	**2024**	**2023**
Public purchase of passenger traffic services	2 832	3 060
Sales of other goods and services	365	269
Sales to other companies within the Group	335	409
Total	**3 532**	**3 738**
Purchases from companies in the Group:	433	367
Purchases of goods and services:	2 735	2 927
Total	**3 168**	**3 294**

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

Receivables:	**2024**	**2023**
Group internal trade reveivables	180	435
Associated companies	-	-
Entities owned by the Ministry of Transportation	145	129
Total	**325**	**564**
Debts	**2024**	**2023**
Group internal trade payables	1 501	1 711
Entities owned by the Ministry of Transportation	708	443
Total	**2 209**	**2 154**
Loans to related parties		
Other companies in the Group	**1 299**	**1 288**

There are no borrowings from related parties.

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

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

Compensation for members of the Board and executive management
See note 31 in Vy group report.

Note 26
Contingencies

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

Note 27
Events after the reporting date

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

TAX POLICY

Background

In line with expectations from the owner enshrined in Eierskapsmeldingen (Meld.St.8 2019–2020), Vygruppen AS has prepared a policy for the group's tax behaviour. The policy has been communicated to all our subsidiaries.

About Vygruppen and our tax policy

Vy is a transport group with activities in Norway and other Nordic countries. The parent company Vygruppen AS is owned by the state at the Ministry of Transport. The company operates passenger traffic by train in Norway, transport of people and goods in Norway and other Nordic countries, as well as activities that stand in a natural connection with this. Vy make it easy to choose environmentally friendly.

All our activities are carried out with a focus on safety and are based on environmental solutions.

Our tax policy rests on three fundamentals:

1. SUSTAINABILITY

Tax revenues are a prerequisite for sustainable development.

Profitable companies contribute to increased tax revenues, which in turn contributes to the financing of the individual state's development. Through success in our work, we will indirectly contribute to the funding of key institutions such as health, welfare and education, as well as fixed assets and infrastructure.

2. ORIGIN AND TRANSPARENCY

Our companies must pay taxes to the country where the values are created.

Vygruppen operates in Norway and Sweden. Regardless of where the business is located, all our companies shall pay tax to the host country where the values are generated. In addition, all our companies are expected to act transparently towards each host country's tax authorities, including providing timely and correct information to form the basis for taxation of the company. Our companies are expected to follow the tax laws of the countries in which they operate, both in terms of the letter and intent of the law.

Through active follow-up, Vygruppen will ensure that our companies are operated responsibly and professionally. This also means that we will contribute to increased awareness of tax legislation and compliance with the rules that apply to the individual company.

3. INTEGRITY AND FAIRNESS

We are not participating in artificial schemes to reduce taxes.

Vygruppen should not knowingly contribute to harmful tax practices. We will to the best of our ability ensure that our companies do not engage in harmful or potentially harmful tax behavior. At the same time, we consider it appropriate that the companies within the group are taking advantage of the tax incentives that exist for its businesses.

Our companies are further encouraged to:

a) Comply with tax legislation

Companies must comply with all applicable laws and regulations in the countries in which they operate.

b) Do not participate in undermining the country's tax base or encourage to transfer of profits

c) Do not take part in aggressive tax planning

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

Deloitte.

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To the General Meeting of Vygruppen AS

INDEPENDENT AUDITOR'S REPORT

Opinion
We have audited the financial statements of Vygruppen AS, which comprise:

- The financial statements of the parent company Vygruppen AS (the Company), which comprise the balance sheet as at 31 December 2024, statement of profit and loss, 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 a summary of significant accounting policies.
- The consolidated financial statements of Vygruppen AS and its subsidiaries (the Group), which comprise the balance sheet as at 31 December 2024, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion

- the financial statements comply with applicable statutory requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with simplified application of International Accounting Standards according to the Norwegian Accounting Act section 3-9, and
- the consolidated financial statements give a true and fair view of the financial position of the Group 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.

Basis for Opinion
We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company and the Group as required by relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information
The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report and the other information accompanying the financial statements. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report nor the other information accompanying the financial statements.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report and the other information accompanying the financial statements. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the other information accompanying the financial statements and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report and the other information accompanying the financial statements otherwise appear to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report or the other information accompanying the financial statements. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable statutory requirements.

Responsibilities of Management for the Financial Statements
Management is responsible for the preparation of financial statements of the Company that give a true and fair view in accordance with simplified application of International Accounting Standards according to the Norwegian Accounting Act section 3-9, and for the preparation of the consolidated financial statements of the Group that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU. Management is responsible for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.

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Organisasjonsnummer: 980 211 282

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represen the underlying transactions and events in a manner that achieves a true and fair view.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible fo our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Oslo, 13 February 2025
Deloitte AS

Eivind Skaug
State Authorised Public Accountant

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