



Green bonds

Impact and Allocation Report 2023
Posten Bring AS



Contents

The CEO's Corner	3
We shall be a driving force in the transition to a low-emission society	4
Being a driving force commits us on multiple fronts	4
We increase electrification and move from cities to covering entire municipalities	5
Standards and guidelines.....	6
Issued bonds	7
Allocation of funds.....	8
Allocation Report.....	9
Monitoring of the Green Framework	10
Impact indicators	11
Case study - Electric lorries	12
Conclusion.....	13





The CEO's Corner

Developments in 2023 confirmed our view that green bonds are a highly advantageous method of financing for Posten Bring

Developments in 2023 confirmed our view that green bonds are a highly advantageous method of financing for Posten Bring. In a periodically demanding capital market, we have raised a total of NOK 2 500 million, on favourable terms. With the new green bonds, we are further committed to our ambition to be a driving force in the transition to a low-emission society, while at the same time securing the capital necessary to deliver on our ambition.

In 2023, the funds from our green bonds have fully financed 496 vehicles running on fossil-free energy sources, including 42 electric lorries. If the logistics industry is to reduce emissions in line with the Paris Agreement, the development of electric lorries is crucial.

By investing in and using electric lorries in our network, Posten Bring wants to contribute to the development of low-emission lorries adapted to Nordic conditions. A more detailed description of our commitment to electric lorries can be found in the case study in this report.

In the coming years, we will further intensify our focus on electric lorries. In addition, we will expand our charging infrastructure, where we will continue to facilitate the use of the charging stations by other carriers.

A handwritten signature in black ink, appearing to read 'Anette', written in a cursive style.



We shall be a **driving force** in the transition to a **low-emission society**

Being a driving force commits us on multiple fronts

- Sets ambitious **goals** and achieves results to the latest applicable standards for science-based targets
- Is a **clear outward voice** in the transition towards a low-emission society and drives development across industries
- Pilots, tests and develops **innovative** solutions
- Works to influence **framework conditions** on behalf of everyone in our industry
- Makes use of partnerships and **collaborations** for a faster transition to a low-emission society

We increase electrification and move from cities to covering entire municipalities

In 2026, we will reach over 13.6 million inhabitants in the Nordic region with deliveries by electric vans:



3.8

million inhabitants

Norway

5.7

million inhabitants

Denmark

4.1

million inhabitants

Sweden

Standards and guidelines

Posten's Green Framework was drawn up in accordance with the ICMA Green Bond Principles (GBP) 2021 and the LMA and APLMA Green Loan Principles (GLP) 2021. Future monitoring of and reporting on Posten's green bonds will be in accordance with developments in the EU Taxonomy, the EU's classification of environmentally sustainable financial activities.

Our ambition is to adhere to best practices in line with the further development of market standards. For this reason, there may be updates to future reporting in order to reflect changes in market practices.





Issued bonds

Voucher	ISIN	Value	Remaining amount	Issued	Maturity
3mN + 46 (FRN)	NO0011157299	MNOK 300	0 MNOK	25.11.2021	25.11.2026
2.125% per annum	NO0011157281	MNOK 700	0 MNOK	25.11.2021	25.11.2026
3mN + 78 (FRN)	NO0012841818	MNOK 500	MNOK 283	16.02.2023	16.02.2026
4.22%	NO0012897398	MNOK 1 000	MNOK 1 000	24.04.2023	24.04.2030
5.134%	NO0013019844	MNOK 550	MNOK 550	22.09.2023	22.09.2031
3mN + 100 (FRN)	NO0013019786	MNOK 450	MNOK 450	22.09.2023	22.09.2028

Information	
Creation of the Green Framework	October 2021
Reporting period	FY 2023
Reporting frequency	Annual
External assessment of the framework	Cicero, Medium Green (framework) & Excellent (governance)
Project categories	Green Buildings, Clean Transportation



Allocated capital:
MNOK 1 217

Remaining amount:
MNOK 2 283

Allocation of funds

According to the selection criteria from the Green Framework, NOK 425 million has been allocated to new financing of Clean Transportation (**dark green**).



CLEAN TRANSPORTATION (MNOK 425)

Financing of electric and other low-emission vehicles.

496 new, fossil-free vehicles fully financed across the entire Norwegian network.





Allocation Report

AMOUNT INVESTED

Clean Transportation (MNOK)			
Vehicles in use			
	Sum	2023	2022
Replacing fossil	230	201	28
Replacing fossil-free/new vehicles	196	178	17
Total	425	380	45

Allocation of new vehicles		Replacing fossil		Replacing fossil-free	
Home region	Total	2023	2022	2023	2022
Eastern Norway	350	168	25	143	14
Central Norway	17	5	1	11	1
Northern Norway	13	9	1	3	0
South-Western Norway	45	21	2	21	2
Total	425	201	28	178	17

Monitoring of the Green Framework

In order to ensure that Posten's Green Framework achieves the desired impact, we have established a Green Finance Committee that is responsible for monitoring and reporting on earmarked funds. The monitoring structure is described in further detail in the Green Framework, available [here](#).

The Green Finance Committee is chaired by the CFO and consists of managers from Sustainability, Communication, Economics and Finance. The Committee is responsible for all allocations and the sustainability representative has the right of veto to ensure that all allocations are made in accordance with the desired sustainability impacts.

The Green Finance Committee is also responsible for ensuring that the framework is up-to-date to ensure correct reporting. The aim of this year's work within the Committee has been to establish the processes and structures to ensure that reporting and allocation are carried out in accordance with the applicable framework. In 2024, the Committee will closely monitor the work on the EU Green Bond Standard to ensure that the framework remains in line with best practices.

In order to ensure consistency with Posten's integrated report, impact has been measured using the same principles as in the carbon accounts. The Green Finance Report has also been certified by Posten's auditor, Deloitte.





Impact indicators

Sustainability impacts from allocated funds are estimated in accordance with the proposed indicators in the Green Framework.

Reduction in CO2e illustrates emissions avoided by fossil-free replacement

GBP Categories	Examples of impact indicators
Clean Transportation	Annual absolute (gross) GHG reductions in percentage

Clean Transportation

The estimated reductions

in emissions are based on:

- The number of financed lorries and vans running on renewable energy that have replaced vehicles running on non-renewable energy
- Average fuel consumption for replaced vehicles
- CO2e WTW per litre

	WTW				
	Vehicles in use				
	Total	2023	% reduction	2022	% reduction
Reduction, CO2e tonnes	2 355	2,257	4.1%	98	0.2%
Number of vehicles replaced	260	232		28	

% reduction measured in relation to WTW CEO2e fuel from owned vehicles/trucks.

Case Study

– Electric lorries

In order for Posten Bring to reduce greenhouse gas emissions in line with the Paris Agreement, we are completely dependent on the successful adoption of heavy goods vehicles running on fossil-free energy sources, a transition that is already well underway. Over the past year, 82 lorries, running on electricity and on bio-gas, have been financed by the funds from the group's green bonds, and in total Posten Bring had 156 lorries running on electricity and biogas as of 31.12.2023.

When focusing on lorries running on renewable energy sources, it is crucial that the rollout takes place on the proper scale, so that we reduce our emissions while maintaining the quality and efficiency of operations. Posten Bring has therefore adopted new lorries at different locations in our network to ensure the most efficient operation possible. At the same time, we are also expanding our charging infrastructure with the establishment of charging points throughout the network, which will facilitate the electrification of both our own and suppliers' distribution and regular services.

Being early adopters of new vehicle technology is educational and exciting, but also resource-intensive

and challenging. In Hamar, where six lorries have been put into service in the region (4 electric and 2 gas), the experience so far is that as long as the lorries are in operation, they work in a satisfactory manner, but some electric lorries have so far been too often out of service, especially in winter.

Furthermore, it is critical to have high technical competence and good dialogue with suppliers of chargers. We often see that it is in the interaction between car and charger that unexpected challenges arise.

In Hamar, identified faults are continuously documented and reported to our suppliers, which should help both in reducing downtime on our own vehicles, and provide experience for suppliers that can benefit the entire transport industry. In addition, it gives us valuable insight into the characteristics of the various low-emission lorries, which we will take with us in our future work.

We are optimistic about the further development of heavy transport running on fossil-free energy sources and look forward to adopting the next generation of



The funds from our green bonds are essential if we are to continue to invest in and implement low-emission technology for heavy goods vehicles.



electric lorries. We are already seeing positive effects of the transition that is happening, and we are gearing up for further development through, among other things, the expansion of our charging network. With the help of our green bonds, our ambition is to continue to be a driving force in the transition to a low-emission society in the Nordic market, also for electric lorries.



Conclusion

The experience with green bonds from 2023, with attractive margins and maturities in a volatile market, confirms that a solid green framework provides Posten Bring with financial security. The ability to raise capital, even in turbulent times, is crucial to realising our sustainability strategy.

In this year's report, we wanted to highlight how the capital from our green bonds enables investments in heavy goods vehicles using renewable energy sources. The development of this type of vehicle is critical for the Group to reach its emission targets, and in order to succeed in this, we are completely dependent on good access to capital.

With the issues made this year, the Group confirms its ambition of a clear sustainability link in all our long-term financing. This year's raising of capital has put the Group in a financial position to continue to be a driving force in the transition to low-emissions in the logistics industry.

We will continue to pay close attention to financing trends with clear climate and environmental profiles in 2024 and we look forward to presenting our next Green Finance Report.



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To the Board of Directors of Posten Bring AS

INDEPENDENT AUDITOR’S LIMITED ASSURANCE REPORT ON POSTEN BRING AS GREEN BONDS REPORT FOR 2023

We have performed a limited assurance engagement for the Board of Directors of Posten Bring AS on selected information in section “allocation Report” (the “Selected Information”) within the Posten Bring AS Impact and Allocation Report 2023 for the reporting period ended 31 December 2023.

Our limited assurance conclusion

Based on our procedures described in this report, and evidence we have obtained, nothing has come to our attention that causes us to believe that the Selected Information for the year ended 31 December 2023, as described below, has not been prepared, in all material respects, in accordance with the Applicable Criteria.

Scope of our work

Posten Bring AS has engaged us to provide independent Limited assurance in accordance with International Standard on Assurance Engagements 3000 (Revised) *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* (“ISAE 3000 (Revised)”, issued by the International Auditing and Assurance Standards Board (“IAASB”) and our agreed terms of engagement.

The Selected Information in scope of our engagement for the year ended 31 December 2023 is as follows:

Selected Information	Applicable Criteria
Section Allocation Report, limited to Sum amount invested.	Whether the proceeds have been allocated to the Eligible Projects as communicated in the section Allocation Report as of 31.12.2023.
Section Allocation Report, limited to Total allocation of new vehicles, as of 31.12.2023.	Whether the eligible assets comply with the criteria in Posten Bring AS Green Finance Framework section “Use of Proceeds”

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

Inherent limitations of the Selected Information

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

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

Board of Directors’ responsibilities

The Board of Directors are responsible for:

- ensuring that the Use of Proceeds follows the Posten Bring AS Green Finance Framework
- ensuring that the project evaluation and selection, management of proceeds and reporting described in the Impact and Allocation Report are in accordance with the purpose defined within the Posten Bring AS Green Finance Framework,
- 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.

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- Communicating matters that may be relevant to the Selected Information to the appropriate party including identified or suspected non-compliance with laws and regulations, fraud or suspected fraud, and bias in the preparation of the Selected Information.
- Reporting our conclusion in the form of an independent limited Assurance Report to the Board of Directors.

Our independence and quality management

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

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

Key procedures

We are required to plan and perform our work to address the areas where we have identified that a material misstatement of the description of activities undertaken in respect of the Selected Information is likely to arise. The procedures we performed

were based on our professional judgment and included, among others, an assessment of the appropriateness of the Applicable Criteria. In carrying out our Limited assurance engagement on the description of activities undertaken in respect of the Selected Information, we performed the following procedures:

- Through inquiries of relevant personnel, we have obtained an understanding of the Company, its environment, processes and information systems relevant to the preparation of the Selected Information sufficient to identify areas where material misstatement in the Selected Information is likely to arise, providing a basis for designing and performing procedures to respond to address these areas and to obtain limited assurance to support a conclusion.
- Through inquiries of relevant personnel, we have obtained an understanding of the internal processes relevant to the Selected Information and data used in preparing the Selected Information, the methodology for gathering qualitative information, and the process for preparing and reporting the Selected Information.
- Performed procedures on a sample basis to assess whether the Selected Information has been collected and reported in accordance with the Applicable Criteria, including comparing to source documentation.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement.

Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Oslo, 21 March 2024

Deloitte AS

Guro Magnetun Heimvik

State Authorised Public Accountant

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