



Green bonds

Impact and Allocation Report 2022
Posten Norge AS



Contents

The CEO's Corner	3
Posten's sustainability strategy	4
Standards and guidelines	6
Evaluation of relevant green investments	7
Impact reporting	9
Green terminals	9
Conclusion.....	13
Auditor	14





The CEO's Corner

The issuance of green bonds in November 2021 was an important milestone in Posten's investment in sustainable finance.

Green bonds ensure the financing of our climate and environmental work on favourable terms and confirm our commitment to reducing emissions in line with the Paris Agreement.

In our work with the Green Framework and the Green Finance Committee, the Group's specialist environments in finance and sustainability have become even more closely linked. The positive experiences from the Green Framework have reinforced our view that sustainability and finance are linked. Going forward, our ambition is for all financing to have a clear link to our climate and environmental targets.

The majority of the funds from the bonds have already been invested. The funds have financed our new BREEAM-certified terminals in Tromsø

and Kristiansand, both of which have been completed and integrated into our network. The new terminals are important when it comes to facilitating a nationwide fossil-free transport network. The funds from the Green Framework have also been used for investments in 849 new vehicles running on fossil-free energy sources.

We are proud of what we have achieved, but we are also aware that there is a lot still to do to achieve the emission targets for 2030 and beyond. With our Green Framework and green bonds, we are confident that the path towards 2030 will be financed in a future-oriented manner.

Posten's sustainability strategy

We need to be conscious of how we use and impact resources. In order to become the best at sustainable value creation, we need to continue to reduce our impact on the climate and environment. Climate and environmental efforts have been an important part of our strategy for some time and will become increasingly important going forward.

Our climate and environmental strategy focuses on:

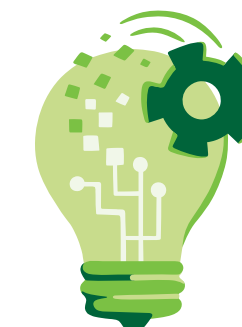
- Reducing Posten's impact on the climate and environment, particularly in relation to transport and construction
- Meeting increased customer demands and stakeholder needs through reduced emissions and customised climate and environmental reports
- Continuing to call for improved environmental performance on the part of suppliers
- Further developing collaborations with stakeholders to influence framework conditions
- Increasing commitment and expertise within our organisation

We make everyday life simpler and the world smaller

We will simplify and increase the value of trade and communication for people and enterprises in the Nordic region



The customer's first choice



At the forefront of technology and innovation



Best at sustainable value creation

Enabled by competent and dedicated employees



Take responsibility



Play for the team



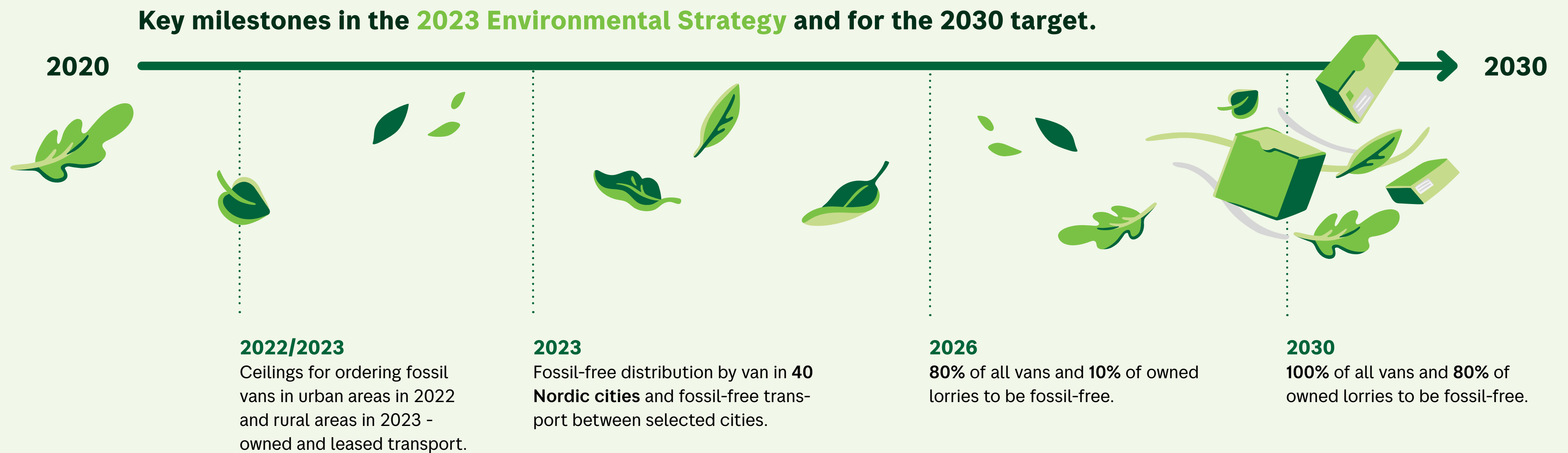
Strive for more

We have established ambitious objectives that will require significant investments funded through our Green Framework.

Through the Science Based Targets initiative (SBTi), the Group has committed to cutting emissions in line with the Paris Agreement. In order to achieve these targets, we need to continue to transform our fleet of vehicles.



Best at sustainable value creation



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.

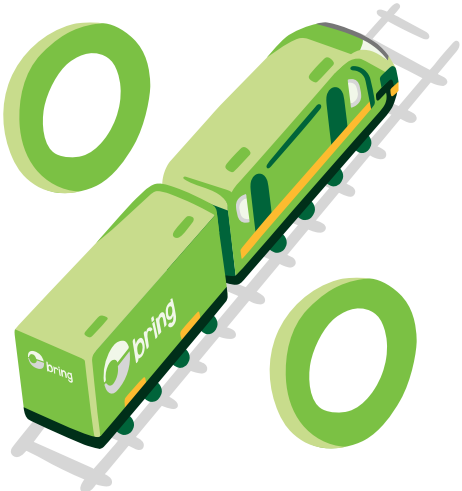




Issued bonds

Voucher	ISIN	Value	Remaining amount	Issued	Maturity
3mN + 46 (FRN)	NO0011157299	MNOK 300	MNOK 60	25/11/2021	25/11/2026
2.125% per annum	NO0011157281	MNOK 700	MNOK 148	25/11/2021	25/11/2026

Information	
Creation of the Green Framework	October 2021
Reporting period	FY 2022
Reporting frequency	Annual
External assessment of the framework	Cicero, Medium Green (framework) & Excellent (governance)
Project categories	Green Buildings, Clean Transportation



Allocated capital:
MNOK 792

Remaining amount
MNOK 208

Allocation of funds

In accordance with the selection criteria from the Green Framework, MNOK 792 has been allocated across **Clean Transportation (dark green)** and **Green Buildings (medium green)**. The remaining amount (MNOK 208) will be invested in Clean Transportation in 2023.



CLEAN TRANSPORTATION (MNOK 394)

Financing of electric and other low-emission vehicles.

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



GREEN BUILDINGS (MNOK 398)

Financing of new logistics terminals with BREEAM-NOR “very good” and energy class A.

Fully financed construction of logistics terminals in Tromsø and Kristiansand, both now fully operational.



Allocation Report

Green Buildings (MNOK)			
Terminal	BREAAM-NOR	Energy Performance Certificate (EPC)	Sum
Tromsø	Very Good	A	251
Kristiansand	Very Good	A	147
Sum, Property			398

AMOUNT INVESTED

Clean Transportation (MNOK)				
Vehicles in use				
	Sum	2022	2021	
Replacing fossil	317	214	103	
Replacing fossil-free	77	32	45	
Sum	394	246	148	

Allocation of new vehicles		Replacing fossil		Replacing fossil-free	
Home region	Sum	2022	2021	2022	2021
Eastern Norway	280	174	50	23	33
Central Norway	44	22	10	5	7
Northern Norway	12	5	5	2	1
South-Western Norway	57	13	39	1	4
Total	394	214	103	32	45

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 frame-

work 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 2023, the Committee will closely monitor the work on the EU Taxonomy 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, EY.





Impact indicators

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

Green Buildings

Logistics Terminal, Tromsø: BREEAM “Very Good” and Energy Performance Certificate (EPC) “A”.

Logistics Terminal, Kristiansand: BREEAM “Very Good” and Energy Performance Certificate (EPC) “A”.

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

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 energy¹⁾
- Average fuel consumption for replaced vehicles
- CO₂e WTW per litre

WTW					
Vehicles in use					
	Sum	2022	% reduction	2021	% reduction
Reduction, CO ₂ e tonnes	2,607	1,751	2.7%	856	1.1%
Number of vehicles replaced	637	378		259	

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

1) Emission reduction calculated based on the month in which the vehicle was put into service.

Case Study

Logistics Terminal, Kristiansand

The terminal in Kristiansand officially launched on 30 August 2022 and is the newest Posten and Bring terminal. The terminal handles letters, parcels and freight for the whole of Agder, with an output of around 20,000 parcels per day.

Since the launch of the solar plant in autumn 2022, the terminal has produced around 50,000 kWh. The terminal's location on site means that we can produce electricity from when the sun rises in the east until it sets in the west. The solar plant currently has the capacity to produce 460,000 kWh per year and helps us remain self-sufficient for electricity in certain periods. Arrangements have been made in the event that we need to further expand the solar plant. The terminal also uses energy-efficient solutions such as ground source pumps to heat and cool the building.

District Manager Øistein Bergstøl has already identified several positive impacts from the new terminal:

“The construction of the new terminal and

the decision to invest in infrastructure for electric vehicles has definitely contributed to a faster transition to fossil-free vehicles. We have two transformers of 1600 kVa that provide energy both to the property and to charge all vehicles associated with the terminal. We have also made arrangements to allow for any further expansions if necessary in future.

The gate solution at the terminal uses high-speed doors and articulated gates help reduce heat loss within the terminal itself. The lighting and heating controls at the terminal also help reduce unnecessary energy consumption.

Operating a new, state-of-the-art terminal creates proud, satisfied employees. The new terminal has had positive impacts on working conditions, such as the quiet sorting machine that allows for proper ergonomics and the terminal floor that generates limited dust.

The terminal has become a landmark build-

ing and inspiration for businesses in the region and both companies and customers frequently visit the terminal. Media attention has also been positive. With the new terminal, we are leading the way and will hopefully inspire other logistics players in the region to develop more climate and environmentally friendly terminals.

In short, the new terminal leads to happier employees and a quicker transition to fossil-free transport. We are also creating a potential competitive advantage in Agder, as the terminal proves to customers that Posten and Bring are working purposefully to improve their impact on the climate and environment.”



District Manager Øistein Bergstøl during the launch of the terminal in Kristiansand.



Conclusion

We are extremely happy that the majority of the funds from our bonds have already been invested in the work to reduce our emissions in line with the Paris Agreement. The process of preparing our first Green Finance Report has been both educational and challenging. With standards and principles still in development, it becomes difficult to meet all requirements and expectations. At the same time, we believe that the report clearly shows that the funds from our bonds clearly contribute to reducing Posten's impact on the climate and en-

vironment, particularly from transportation and buildings.

The positive response to our Green Framework, both internally and externally, confirms our ambition for all funding at Posten to be clearly linked to climate and environmental targets. We will continue to pay close attention to financing trends with clear climate and environmental profiles in 2023 and we look forward to presenting our next Green Finance Report.



Statsautoriserte revisorer
Ernst & Young AS

Dronning Eufemias gate 6a, 0191 Oslo
Postboks 1156 Sentrum, 0107 Oslo

Foretaksregisteret: NO 976 389 387 MVA
Tlf: +47 24 00 24 00

www.ey.no
Medlemmer av Den norske Revisorforening

INDEPENDENT ACCOUNTANT'S ASSURANCE REPORT

Til styret i Posten Norge AS

Scope

We have been engaged by Posten Norge AS to perform a limited assurance engagement, as defined by International Standards on Assurance Engagements, here after referred to as the engagement, to report on Posten Norge AS' selection process for the financing of Eligible Projects, allocation of net proceeds and impact indicators as defined in Posten Norge AS' Green Bond reporting (the "Subject Matter") as of 31 December 2022 and for the period from 1 January to 31 December 2022.

Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the Green Financing Investor Report, and accordingly, we do not express a conclusion on this information.

Criteria applied by Posten Norge AS

In preparing the Subject Matter, Posten Norge AS applied the relevant criteria from Posten Norge AS' Green Finance Framework as of October 2021 (the "Criteria"). The Criteria can be accessed at Posten Norge AS' webpage.

Posten Norge AS' responsibilities

The Group Chief Executive Officer (management) are responsible for selecting the Criteria, and for presenting the Subject Matter in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the Subject Matter, such that it is free from material misstatement, whether due to fraud or error.

EY's responsibilities

Our responsibility is to express a conclusion on the presentation of the Subject Matter based on the evidence we have obtained.

We conducted our engagement in accordance with the International Standard for Assurance Engagements *Other Than Audits or Reviews of Historical Financial Information ('ISAE 3000')*.

This standard requires that we plan and perform our engagement to obtain limited assurance about whether, in all material respects, the Subject Matter is presented in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.

Our Independence and Quality Control

We are independent of the company in accordance with the requirements of the 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. Our firm applies *International Standard on Quality Control 1, Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements*, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Description of procedures performed

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 if a reasonable assurance engagement had been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the Subject Matter and related information and applying analytical and other appropriate procedures.

Our procedures included:

- Conducted interviews with key personnel to understand the business and the reporting process
- Conducted interviews with key personnel to understand the process for collecting, collating and reporting the Subject Matter during the reporting period
- Checked on a sample basis the allocation of net proceeds to Eligible Assets against the Criteria
- Checked on a sample basis the allocated amounts to Eligible Assets against source data and other information prepared by Posten Norge AS
- Identified and tested the assumptions supporting the calculations for the impact indicators
- Tested, on a sample basis, the impact indicators against underlying source information
- Checked the presentation requirements outlined in the Criteria

We believe that our procedures provide us with an adequate basis for our conclusion. We also performed such other procedures as we considered necessary in the circumstances.

Conclusion

Based on our procedures and the evidence obtained, we are not aware of any material modifications that should be made to the Subject Matter as of 31 December 2022 and for the period from 1 January 2022 to 31 December 2022 in order for it to be in accordance with the Criteria.

Oslo, 30 March 2023
ERNST & YOUNG AS

(This translation from Norwegian has been made for information purposes only.)

Petter Frode Larsen
State Authorised Public Accountant