

# Green Bond Report 2024



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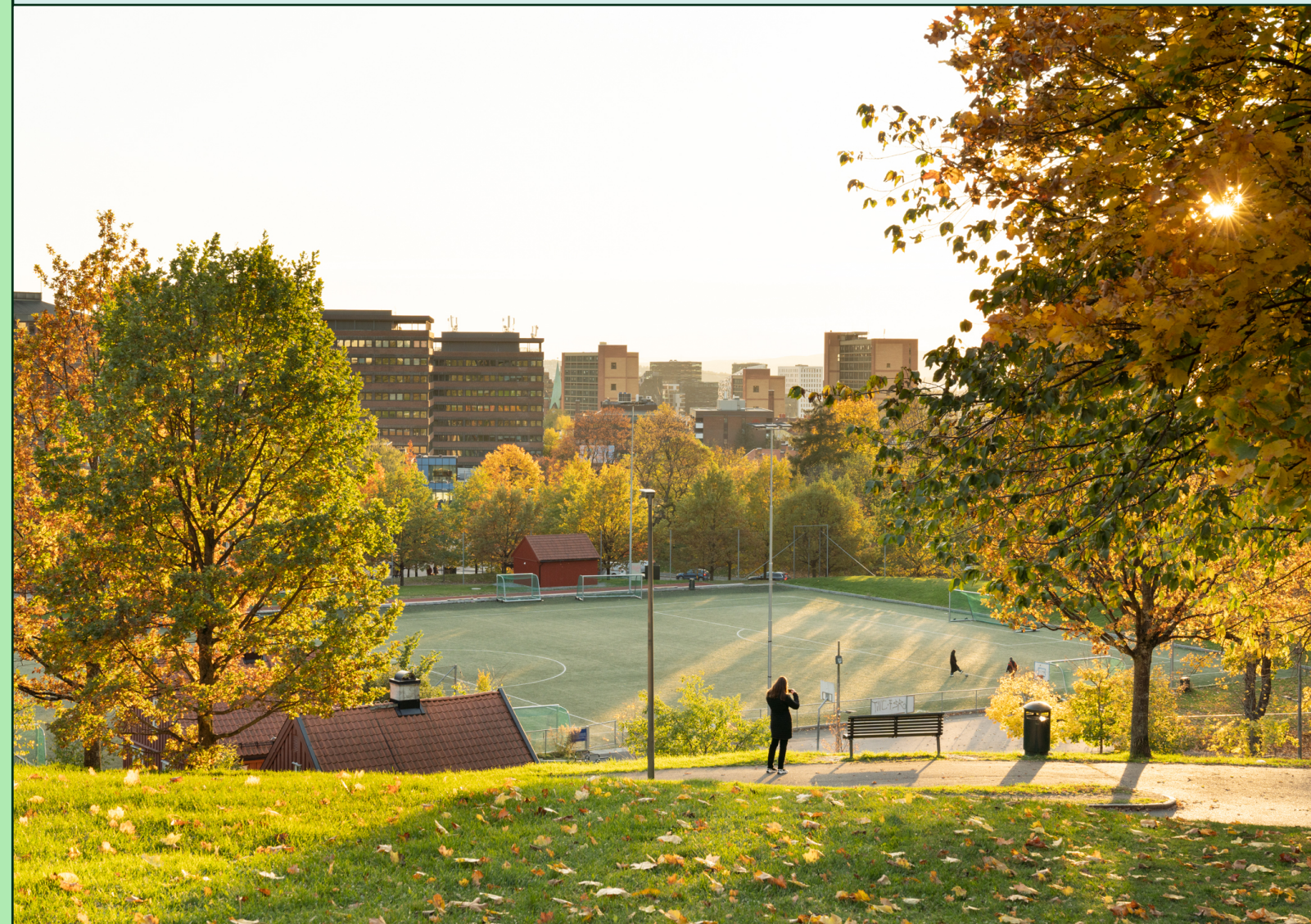
# 1. Introduction

Fjellinjen is a regional toll road company the goal of which is efficient financing of future transportation solutions.

Fjellinjen was founded in 1989, and the first toll station was opened in Oslo in 1990. The company is owned by Oslo Municipality (60%) and by Akershus County (40%). Projects outside of Oslo are conducted in Akershus County, and therefore, Akershus will also be used as a geographic area in this report.

Funding is distributed according to the political priorities of projects in Oslopakke 3, an infrastructure development plan for Oslo and Akershus. The primary goal of Oslopakke 3 is zero growth in passenger car traffic.

Fjellinjen is one of a growing number of green bond issuers in the Norwegian market with a total of 1 000 MNOK in outstanding green bonds as of 31st of December 2024. Green bonds make up 50 % of Fjellinjen's total bond portfolio of 2.0 BNOK.








# 2. Targeted Sustainable Development Goals

With the proceeds from the issued Green Bond, Fjellinjen aims to contribute to the fulfilment of the United Nations Sustainable Development Goals (SDGs). The following SDGs are specifically relevant to the green projects for which proceeds have been allocated. The way each SDG is addressed is described in the Green Project Profiles. The SDGs below are presented with their UN definitions.

	<b>Industry, Innovation and Infrastructure</b> Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation
	<b>Sustainable Cities and Communities</b> Make cities and human settlements inclusive, safe, resilient and sustainable
	<b>Climate Action</b> Take urgent action to combat climate change and its impacts

## Sustainable development and growth

	Fjellinjen is helping to finance safe, accessible and sustainable transportation systems at an affordable price.
	Fjellinjen contributes to better air quality and improved infrastructure in growing cities by funding pedestrian and bicycle lanes.
	By financing the transportation solutions of the future, Fjellinjen will help cut emissions and stop climate change.

## 3. The Framework

Fjellinjen established a Green Bond Framework in September 2021, committing to dedicated efforts towards sustainability and climate issues related to how the road tolls are collected and distributed. The Green Bond Framework has been assessed by the independent third-party Center for International Climate and Environmental Research (CICERO). Cicero's Second Opinion review rated Fjellinjen's green finance framework "Dark Green", which is the highest grade that can be awarded. The governance score is "Fair". Fjellinjen's two Green Bonds in the aggregate amount of 1 000 MNOK have been allocated to finance green projects. The 3 Eligible Project Types within the category Clean Transportation are:

- Railways and public transportation. Construction, reconstruction and upgrading of railways, light rail and supporting infrastructure.
- Roads for low-carbon and public transportation. Construction, reconstruction, maintenance and upgrading of road lanes dedicated to public transportation and low-carbon vehicles, known as "Kollektivfelt" and/or "Sambruksfelt".
- Enabling carbon neutral solutions. Development and maintenance of pedestrian and bicycle lanes and supporting infrastructure such as tunnels, fences etc.

The proceeds from green bonds do not reduce greenhouse gas emissions or the climate footprint in Fjellinjen's operations, but the projects Fjellinjen finances make a positive contribution to a lower climate footprint.

Fjellinjen wants to increase the share of green financing in its portfolio, and aims to be a driving force for the green transition through effective financial management. This involves identifying and qualifying new projects or parts of projects for green financing. Close dialogue with Oslopakke 3 is important for identifying and qualifying activities that fall within Fjellinjen's Green Framework.



**CICERO**  
**Dark Green**



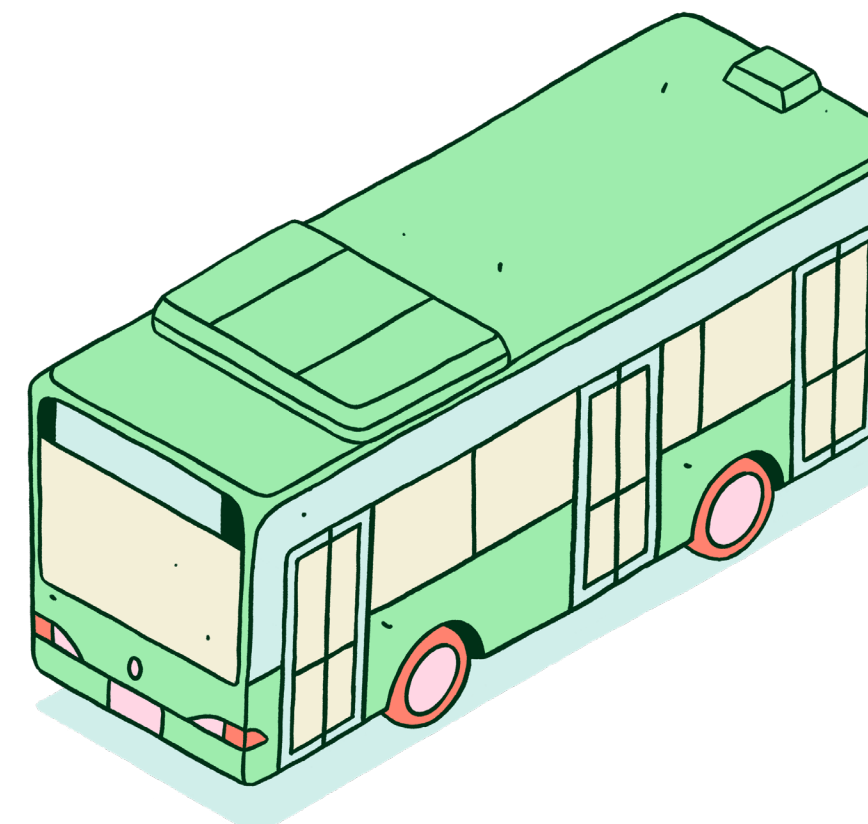
The Green Framework and Second Opinion from CICERO are available on Fjellinjen's website.

## 4. Green Bond Issued

The initial Green Bond was issued on 30 March 2022 with settlement on 6 April. It was issued in the Norwegian market with tenor and the amount of five years and 500 MNOK, respectively. Investors participating in the investor call were predominantly Nordic investors, most of whom are operating under green only mandates. The second Green Bond was issued on 17 September 2024. It was issued in the Norwegian market with tenor of five years and in the amount of 500 MNOK. Fjellinjen sees the green bond market as an

important market in which to finance projects that will support the company in reaching its sustainability goals. Green bonds are attracting a more diversified investor base and are therefore an important source of funding. The size of Fjellinjen's portfolio of eligible green projects indicates that Fjellinjen can issue green bonds whenever it is deemed advantageous, in order to finance sustainable transportation solutions.

Fjellinjen's Green Bonds are issued and listed on Nordic ABM.





# 5. Oslopakke 3

Oslopakke 3 is an overall plan for the development of public transportation, roads and railways in Oslo and Akershus County. The plan is scheduled to be completed in 2036. The goals of Oslopakke 3 are to increase accessibility for all travellers and to reduce greenhouse gas emissions. The increase in private transportation should be within sustainable transportation, whereas car traffic should be flat or decline.

The main goals of the toll system operated by Fjellinjen are:

- Finance public transportation, urban development and road infrastructure projects
- Reduce traffic from private cars
- Increase accessibility for all groups/travellers
- Reduce greenhouse gas emissions
- Improve the urban environment



# 6. Green Bond Reporting

The Green Bond Reporting includes an Allocation of Proceeds Report and an Impact Report. The Report focuses on identifying the recipients of project funds, and the extent and long-term impact of the projects on the environment. Fjellinjen issued one new bond in 2024.

## Allocation of Proceeds

The portfolio of Eligible Assets is the same portfolio reviewed by CICERO Shades of Green in its Second Opinion Report issued in November 2021. There are three main eligible project types:

1. Railways and public transportation;
2. Roads for low-carbon and public transportation and;
3. Enabling carbon neutral solutions.

The first project type comprises six eligible projects of which three received funding in 2024. Four of the six projects are in Akershus and the remaining two are in Oslo. All of the projects are directly related to improving eco-friendly public transportation in Oslo and Akershus.

The second project type consists of two projects, one aimed at improving traffic safety and the other at improving mass transit systems. These projects did not receive funding from the Green Bond. The third project type consists of two projects, namely bicycle and pedestrian lanes in Oslo and Akershus. Of these, bicycle and pedestrian lanes in Oslo received green bond funding in 2024. Funds for the expansion of bicycle and pedestrian lanes make it easier for people to choose zero-emission modes of transportation such as cycling and walking. On 10 September 2024, Fjellinjen announced its second NOK Green Bond Issue. The Bond was a senior unsecured five-year bond of 500 MNOK with a coupon of three months Nibor + 0.60%. Between July and December 2024, all of the funds of the NOK 500,000,000 Bond were allocated to Eligible Projects. This also means that 100% of the funds have been allocated to new financing. Below is a table showing Green Financed Projects. The table lists the four Eligible Projects that have received green bond funding with an overview of funds allocated. The estimated total project size in the period 2024–2029 and the percentage of total projects funded by Fjellinjen proceeds during the period from July to December 2024.

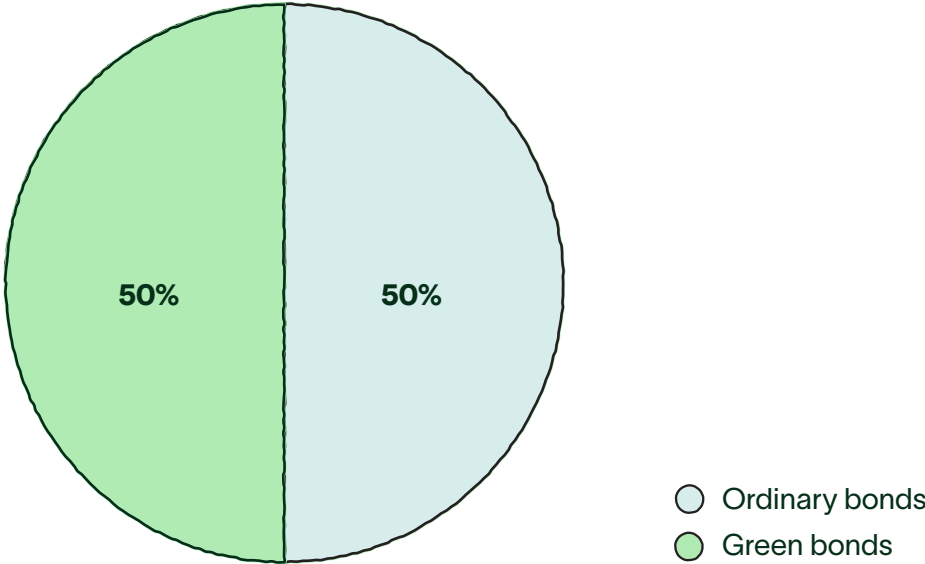
Category	Eligible Project Type	Project	Allocated Proceeds July-December 2024 TNOK	Share of total used	New investment	Share of total investment*	Geography
Clean Transportation	Railways and public transportation	Fornebu line	126,669	25.3%	100%	0.4%	Akershus/ Oslo
Clean Transportation	Railways and public transportation	Signalling system Oslo Metro	34,400	6.9%	100%	2.7%	Akershus
Clean Transportation	Railways and public transportation	Signalling system Oslo Metro	137,600	27.5%	100%	2.7%	Oslo
Clean Transportation	Enabling carbon neutral solutions	Bicycle and pedestrian lanes	201,331	40.3%	100%	31.4%	Oslo
Total			500,000				

\*The share of total investment is an estimate. The estimated total investment has been sourced from policy decision documents in Oslo and Akershus and answers from the administration in the projects. For the Fornebu Line and the signalling system, the total project budget has been used; for bicycle lanes and pedestrian pathways, the latest available budget for 2024 been used.

Sources:

- 1. «Rekvirering av bompenger til Oslopakke 3 for desember 2024»
- 2. "Handlingsprogram 2025-2028"
- 3. Answer to question about budget for Fornebubanen
- 4. Answer from Oslo about budget and kilometres of bicycle and pedestrian lanes built with attachment

Share of green bonds of Fjellinjen’s total bond portfolio as of 31 December, 2024:



Impact of Proceeds

The new signalling system for the Oslo Metro has an estimated cost of 5.95 BNOK, and is scheduled to be completed in 2028. The new system is expected to increase hourly capacity from an average of 30 trains per hour to an average of 38 trains per hour, a capacity increase of 26.7%. A three-car train can accommodate 450 people, 8 trains extra will increase capacity by 3,600 passengers per hour. In 2024, Fjellinjen provided 5.5% of this project’s total funding based on the maximum cost limit, which is equal to an increase of 196 passengers per hour. Based on 230 working days and two hours of peak capacity per day, in 2024, Fjellinjen contributed to an increased future annual peak passenger capacity of 90,160 passengers.

A budget of 642 MNOK was allocated to the construction of bicycle lanes in Oslo in 2024. During 2024, a total of 11,285 metres of bicycle lanes were built or refurbished in Oslo. Fjellinjen provided 31.4% of the funding, equal to 3,539 metres of completed bicycle lanes. The maximum cost limit for the Fornebu Line is 31.2 BNOK. Fjellinjen’s contribution in 2024 was 0.4% of this amount. When completed, the Fornebu Line is estimated to be able to transport 8,000 people per hour.



# 7. Examples of Projects Funded by Green Bonds

## The Fornebu Line

Road tolls collected by Fjellinjen finances a share of the Fornebu Line, which is planned to be completed in 2029.

The Fornebu Line is one of the transportation projects which is being partially funded by road tolls. The Fornebu Line has a budget of around 26 BNOK with a maximum limit of 31.2 BNOK. 9.5 BNOK of this is to be funded by road tolls from Fjellinjen.

The construction process is underway and is planned to be completed in 2029. The journey time from Majorstuen to Fornebu will be reduced by 50%, from 24 minutes today to 12 minutes. The new metro extension will be able to transport more than 8,000 passengers per hour.

The Fornebu Line is important for future growth in the Oslo region and will provide a more efficient public transportation system for the entire region. Fornebu is located in Bærum municipality in Akershus. It is planned that thousands of new jobs and homes will be created at Fornebu.

### Facts about the project:

- The new line is around 7.7 km long
- The entire line runs in a tunnel
- Six new metro stations will be built between Majorstuen and Fornebu
- The State is financing up to 50% of the Fornebu Line, in addition to funds from Fjellinjen, landowner contributions and the Urban Environment Agreement between the State, Oslo municipality and Akershus County Council.

## New signalling system on the Oslo Metro

Road tolls will fund a state-of-the-art signalling system for the Oslo Metro. The new signalling system will be completed in 2028 and will result in eight additional departures per hour.

The total cost for the new signalling system is estimated to be 5.95 BNOK. This will be partially funded by road tolls from drivers of vehicles passing through Fjellinjen's toll stations.

Much of the current signalling system for the Oslo Metro is based on technology from the 1960s, a system which is time consuming and expensive to maintain. There is therefore a pressing need to replace it with a new signalling system.

The new signalling system, delivered by Siemens, is based on a signalling technology called Communication Based Train Control (CBTC). This will enable trains to operate at shorter intervals, run more smoothly and be more punctual.

According to Sporveien, CBTC technology is based on wireless communication between trains and infrastructure. In other cities with similar signalling systems, separate wireless networks are usually built for this type of communication. Sporveien will be the first operator in the world to use this system over the public mobile network.

### Facts about the project:

- Oslo's metro network is 85 kilometres long. Currently, a maximum of 32 trains per hour can pass through the city centre tunnel between Majorstuen and Tøyen
- With the new signalling system, this will increase to a minimum of 36 trains and a maximum of 40 trains per hour, or additional eight trains per hour
- With the new signalling system, the trains will run more smoothly at a higher average speed, and several multiple units can run simultaneously
- The agreement between Sporveien and Siemens was signed in 2021, and the new signalling system will be introduced in stages until 2028



# Independent Auditor’s Report



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To the Management of Fjellinjen AS

INDEPENDENT AUDITOR’S LIMITED ASSURANCE REPORT ON FJELLINJENS GREEN BOND REPORT 2024

We have performed a limited assurance engagement for the Management of Fjellinjen AS on selected information in section Green Bond Reporting (the “Selected Information”) within the Fjellinjen AS Green Bond 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

Fjellinjen 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 2024 is as follows:

Selected Information	Applicable Criteria
Table “Green Financed Projects.”, limited to column Allocated Proceeds July-December 2024 NOK ‘000	Whether the proceeds have been allocated to the Eligible Projects as communicated in the table Green Financed Projects as of 31.12.2024.
Table “Green Financed Projects.”, limited to column Project	Whether the eligible assets comply with the criteria in Fjellinjen AS Green Financing 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.

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[Saksforhold]  
Fjellinjen AS

Management’ responsibilities

The Management are responsible for:

- ensuring that the Use of Proceeds follows the Fjellinjen AS Green Financing 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 Fjellinjen AS Green Financing 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.
- 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 Management.

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



Uavhengig attestasjonsuttalelse om  
[Saksforhold]  
Fjellinjen AS

- 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, 17.03.2025  
Deloitte AS

**Eivind Skaug**  
State Authorised Public Accountant  
(electronically signed)

INDEPENDENT AUDITORS LIM...GREEN BOND REPORT 2024

Name	Date
Skaug, Eivind	2025-03-28

Identification

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