



Report for 1st interim period 2023

Vy Group



Table of contents

1st interim period 2023

Key information	3
Board of Director’s report	4
Group income statement	8
Group balance sheet	9
Group cash flow statement	10
Development in equity	11
Operating segments	12
Notes – reporting information	14
Tax policy	17

The interim report is not subject to financial audit.



Key information

Financial key figures

	Year to date	
	2023	2022
All figures in MNOK		
Group profit		
Operating revenue	6 178	5 479
Operating profit	-140	-237
Profit before income tax	-314	-303
Group cash flow		
Net cash flow from operations	476	530
Group balance sheet		
Net interest bearing debt *	5 752	7 794
Equity		
Return on equity (ROE) (last 12 months)	2,0 %	-28,0 %
Equity ratio	22,1 %	15,7 %

* Net interest-bearing debt includes net pension liabilities

Key performance indicators

	Year to date	
	2023	2022
Vy Group		
Sick leave ratio (last 12 months)	7,8 %	8,5 %
H1 (Lost Time Injury per million work hours)	8,7	7,6
Passenger train		
Number of train journeys - Norway (mill.)	20,1	15,1
Produced seat kilometers - Norway (mill.)	3 135	2 996
Punctuality - passenger train - Norway	85 %	88 %
Bus transport		
Number of bus journeys (mill.)	48,2	26,0
Produced carriage kilometres (mill.)	68,6	67,0
Freight transport		
Number of transported TEU - freight train (1.000)	114	111
Net tonn km. (mill.)	1 077	1 043
Punctuality - freight train	91 %	94 %

Board of director's report

Summary of the first four months of 2023

(Last year's figures in brackets)

The number of travelers using public transport services continues to increase gradually, but is still somewhat lower than the normal year 2019. For commercial bus traffic, growth continues, and the offer is adapted to the growth in demand. For Vy's tourism investment, customers are returning after two years in which this business has been severely affected by the corona pandemic and both of our tourism businesses - Fjord Tours Group and Flåm Utvikling are experiencing a positive travel development.

Demand for the transport of goods by rail is developing positively, but access to railway routes, terminal capacity, winter weather and challenges with an older rolling stock have limited growth.

Increased traffic revenue has a positive effect on the operating result compared to last year, while price increases on input factors have a negative effect. Finance costs have increased, mainly due to unrealized currency loss on leasing obligations in foreign currency.

The development in important management parameters per 1st interim period:

- Increase in the number of journeys by passenger train in Norway by 33 per cent compared to last year. So far this year, travel volumes are 93 per cent of the 2019 level.
- Increase in the number of journeys by commercial bus of 50 per cent compared to last year
- Punctuality for passenger train operations is 85 per cent (88 per cent)
- Punctuality in freight operations is 91 per cent (94 per cent)
- Sickness absence in the period is 8.7 per cent (9.5 per cent)
- H1 is 8.7 (7.6)

Financial development:

- Operating profit is -140 MNOK (-237 MNOK)
- Profit after tax is -256 MNOK (-241 MNOK)
- The return on book equity in the last 12 months is 2 percent (- 28 percent)

Summary of results and trends for the business areas

Passenger Train Operations

Vy tog operates the train traffic in Eastern Norway and the traffic package in the West. In addition, Vy tog operates four train contracts in Sweden. The Norwegian Railways Directorate decided in February to enter direct negotiations with Vy about two traffic packages in Eastern Norway. The start of the new agreements is set for December 2023.

Operating income for the passenger train business per the first interim period of 2023 is NOK 2,685 million (NOK 2,448 million), an increase of 10 per cent from the previous year. The total number of journeys in passenger train operations in Norway is 20 million, an increase of 33 per cent compared to last year. The level is now 93 per cent of the normal year 2019.

The operating result for passenger trains is NOK -39 MNOK (NOK -32 MNOK) per 1st interim period. In the first quarter of 2022, additional remuneration was given by the Norwegian Railway Directorate due to Covid, which positively affected the result last year, while no such remuneration has been given for 2023.

In Norway, Vy achieved a punctuality of 85 per cent per April; a decrease of three percentage points compared to the same period last year, and lower than the target of 90 per cent. There have been challenges with the infrastructure that have led to delays and cancellations, and after start-up problems in December and subsequent closure, Follobanen finally opened in March.

Bus Operations

Vy Buss runs routes on tender or contract with county municipalities in Norway and Sweden, as well as commercial routes in Norway and Sweden. The passengers are now on their way back, and there has been a growth in the number of journeys by commercial bus from the corresponding period last year of 50 per cent. The number of journeys with our commercial bus services has in parts of the period exceeded the corresponding period in 2019.

Total operating income per 1st interim period is NOK 2,782 million (NOK 2,379 million). Operating profit for the first quarter is NOK 32 million (-NOK 76 million). The improvement is positively influenced by travel and income growth, as well as a more balanced indexation of cost increases in tender contracts.

Freight Operations

Demand for the transport of goods by rail is developing positively and has contributed to increased volumes. Production challenges due to, among other things, winter conditions, rebuilding at Alnabru and challenges with old rolling stock have limited volume growth in CargoNet. This has also had a negative impact on earnings development. The operating income in the first term is 429 MNOK (377 MNOK), and the operating profit -46 MNOK (-14 MNOK).

The average punctuality for freight trains is 91 per cent (94 per cent) arriving at the terminal within 15 minutes, which is somewhat weaker than the target of 92 per cent.

Customer experience and innovation

Customer experience and innovation develop new solutions for customers, including through Vy's digital customer services.

Vy also invests in tourism through public transport-based round trips with fjord, mountain and cultural experiences for Norwegian customers, tourists and international tour operators. The main part of the investment is made via our part ownership in Fjord Tours Group and Flåm Utvikling. We are working to develop several attractive tourism packages with train, bus and boat together with local tourism companies.

Travel has been severely affected by the

pandemic. We see a significant improvement in demand, and the number of journeys on the Flåm Line per April has increased by 78 per cent compared to last year, and is at 86 per cent of the level for 2019.

Governance and management

The board reviews Vygruppen's strategy annually, and the assessments are based on, among other things, risk analyses, materiality analyses relating 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 goal is growth through more sustainable journeys and rail freight transport, and the highest possible profitability over time within a sustainable framework.

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

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

The strategy is operationalized and incorporated into Vygruppen's action plans, and the board monitors progress and the status of target achievement.

For a detailed account of our work with sustainability, goals and results, we refer to the chapter on sustainability in the [annual and sustainability report for 2022](#).

Financial development

Profit after tax per 1st term for Vygruppen is -256 MNOK (-241 MNOK), a decrease of 15 MNOK compared to last year. Operating profit is -140 MNOK (-237 MNOK), an improvement of 97 MNOK.

The group's net cash flow from operational activities is NOK 476 million (NOK 530 million). Purchase of fixed assets is NOK 75 million.

For the group, the equity for the first quarter is NOK 3,413 million, which gives an equity share

of 22.1 per cent.

The group's return on book equity in the last 12 months is 2 percent (- 28 percent).

The accounts have been prepared under the assumption of continued operation, and the board confirms that the assumption is present.

Outlook

Extensive use of home offices and increased car use continue to challenge Vy on the number of travelers on commuter routes in 2023 in Norway and Sweden. We see a persistent pattern in changed habits after the pandemic, which results in a decrease in business trips compared to before.

Last year, the Directorate of Railways was commissioned by the Ministry of Transport to directly allocate passenger train traffic in Eastern Norway, divided into two agreements; Østlandet 1 and Østlandet 2. The Norwegian Railway Directorate has negotiated with Vy and Flytoget. On 3 March, the Norwegian Railways Directorate announced a decision to allocate both Østlandet 1 and Østlandet 2 to Vy. This is the traffic that our train operations operate today on behalf of the Norwegian Railway Directorate. Final negotiations are now underway on the new agreements, and start-up will be in mid-December 2023.

In the bus business, we expect that the route offer, and thus also Vy's income, will mainly be maintained in accordance with agreements with the public transport companies. The number of travels has approached the 2019 level, but is still somewhat lower than before the pandemic. At the same time, there have been significant price increases in the public transport sector, including energy and fuel prices. Our clients, the

public transport companies and the counties, depend on funding to ensure the maintenance and development of public transport services. In the event of a lack of funding, there is a risk of production reductions in many of our agreements. For the commercial bus routes, the offer is increased in line with the development in demand.

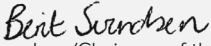
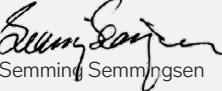
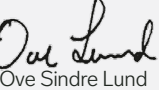
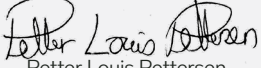
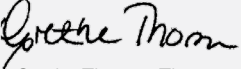
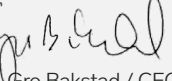
In CargoNet, work continues to establish more robustness in production to meet customers' needs and demand growth. The focus on new customer solutions and improvement measures will continue to improve profitability. Better and predictable framework conditions, including the continuation of the environmental support scheme, are very important for long-term profitability in freight transport by rail.

Within tourism, we have adapted the offer and marketing so that international tourists gradually return. We expect international tourists to be back at the 2019 level in 2024/2025.

Investing in public transport is an important part of positive sustainable development. The more people who travel by public transport instead of by private car or plane, and who transport goods on rails instead of by road, society saves on large greenhouse gas emissions. In addition, public transport has other positive effects, such as reduced noise, less land use, less use of resources through sharing, reduced queues, fewer accidents and reduced particulate matter and microplastics. The work to get more people to choose climate-friendly is essential for Norway to reach its climate goals and for Vy, as a transport and freight operator, to win tenders and gain more customers. Our vision is therefore that Vy should make it easy to choose environmentally friendly.

Oslo, 31st of may 2023

Board of directors of the Vy Group

 Berit Svendsen/Chairman of the board	 Geir Inge Stokke	 Espen Almlid
 Dina Elverum Aune	 Semming Semmingsen	 Ove Sindre Lund
 Petter Louis Pettersen	 Grethe Therese Thorsen	 Gro Bakstad / CEO



Group income statement

Income statement		Year to date		Year	Last 12 months
	Notes	2023	2022	2022	
Operating revenue	1	6 178	5 479	17 631	18 330
Payroll and related expenses		2 653	2 451	7 276	7 478
Depreciation and impairment		770	718	2 282	2 334
Other operating expenses	2	2 880	2 533	7 678	8 025
Total operating expenses		6 303	5 702	17 236	17 837
Share of profit of joint ventures		-16	-14	9	7
Share of profit in associates		-	-	3	3
Operating profit		-140	-237	407	504
Financial items					
Financial income		40	14	65	91
Financial expenses		-224	-64	-278	-438
Net financial expenses - pensions		-8	-8	-24	-24
Unrealised fair value changes		18	-8	-12	14
Net financial items		-174	-66	-249	-357
Profit before income tax		-314	-303	158	147
Income tax expense		59	62	-25	-28
Profit for the year		-256	-241	133	118
Attributable to					
Equity holders		-256	-241	133	118
TOTAL		-256	-241	133	118
OTHER COMPREHENSIVE INCOME					
Profit for the year		-256	-241	133	118
Items that will not be reclassified to profit or loss					
Deviation retirement benefit obligations		-	-	618	618
Tax related to items that will not be reclassified		-	-	-136	-136
Items that can be reclassified in net income in later periods					
Currency translation differences		98	-36	-28	106
Total comprehensive income for the period		-158	-277	587	706
Attributable to					
Equity holders		-158	-277	587	706
Total comprehensive income for the period		-158	-277	587	706

Group balance sheet

Overview financial position	Notes	30.04.2023	31.12.2022	30.04.2022
ASSETS				
Intangible assets		1 120	1 037	1 037
Deferred tax assets		279	245	445
Property, plant and equipment		8 324	8 577	10 282
Investments in associates		19	18	16
Financial fixed assets		98	95	114
Plan assets		210	210	-
Total non-current assets		10 051	10 182	11 894
Investment in joint ventures		160	176	119
Inventories		461	481	515
Trade and other receivables		2 382	1 838	2 212
Financial assets		1 883	1 757	1 741
Derivative financial assets		13	4	-
Cash and bank deposits		523	905	803
Total current assets		5 423	5 161	5 390
TOTAL ASSETS		15 474	15 343	17 284
EQUITY AND LIABILITIES				
Share capital		3 387	3 387	3 685
Retained earnings		27	185	-971
Total equity		3 413	3 572	2 714
Debt		5 630	5 566	7 123
Deferred income tax liabilities		103	117	103
Retirement benefit obligations		800	808	1 373
Provisions for other liabilities and charges		225	213	495
Total long term liabilities		6 757	6 704	9 093
Trade and other payables		3 569	3 089	3 642
Tax payable		18	22	5
Debt		1 717	1 956	1 830
Total short term liabilities		5 304	5 067	5 477
TOTAL EQUITY AND LIABILITIES		15 474	15 343	17 284

Oslo, 31st of may 2023

Board of directors of the Vy Group



Berit Svendsen/Chairman of the board



Geir Inge Stokke



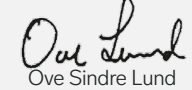
Espen Almlid



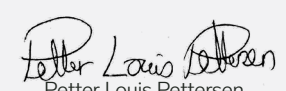
Dina Elverum Aune



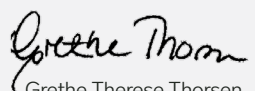
Semming Semmingsen



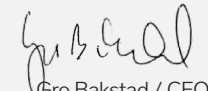
Ove Sindre Lund



Petter Louis Pettersen



Grethe Therese Thorsen



Gro Bakstad / CEO

Group cashflow statement

Cashflow statement for the group	Notes	Year to date		Year
		2023	2022	2022
Profit before income tax		-314	-303	158
Depreciation and impairment		770	718	2 282
Gain on sale of property, plant and equipment (PPE)		-1	-12	-42
Difference between exp. and paym. made/receiv. for pensions		-8	-13	-170
Changes in provisions for other liabilities and charges		-16	-61	-540
Change in unrealised fair value		-18	8	10
Interest and other financial items		77	-4	2
Shares of profit from associated and joint ventures		16	14	-12
Changes in working capital		-26	189	268
Taxes paid		-4	-6	-4
Net cash flow from operating activities		476	530	1 952
Changes in financial non-current assets		-103	134	100
Purchase of property, plant and equipment		-75	-30	-169
Proceeds from sale of assets		3	18	37
Net cash flow from investment activities		-175	122	-32
Repayment of debt		-2	-7	-8
Repayment on leases debt	3	-682	-625	-1 794
Net cash flow used in financial activities		-684	-632	-1 802
Net change in cash and bank deposits for the period		-383	20	118
Cash and bank deposits as at the beginning of the period		905	783	783
Foreign exchange gain/loss on cash and bank deposits		1	-	4
Cash and bank deposits as at the end of the period		523	803	905

Development in equity

Development in equity	Share capital	Retained earnings		TOTAL
		Acc. currency translation	Retained earnings	
1st interim period 2023				
Equity 1 st of January 2023	3 387	3	182	3 572
Profit for the interim period	-	-	-256	-256
From other comprehensive income	-	98	-	98
Equity 30th of April 2023	3 387	101	-75	3 413

Development in equity	Share capital	Retained earnings		TOTAL
		Acc. currency translation	Retained earnings	
1st interim period 2022				
Equity 1 st of January 2022	3 686	31	-725	2 992
Profit for the interim period	-	-	-241	-241
From other comprehensive income	-	-36	-	-36
Equity 30th of April 2022	3 686	-6	-966	2 714

Development in equity	Share capital	Retained earnings		TOTAL
		Acc. currency translation	Retained earnings	
2022				
Equity 1 st of January 2022	3 686	31	-725	2 992
Profit for the interim period	-	-	133	133
From other comprehensive income	-	-28	482	454
Reduction of capital to cover losses	-290	-	290	-
Reduction of share capital	-7	-	-	-7
Equity 31st of December 2022	3 387	3	182	3 572

Operating segments

Segment information

As of 30 April 2023, 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) Customer experience and Innovation
- (5) Other: Other entities and Group functions (see also accounting principles)

According to changes in the management reporting structure some group functions have been transferred from Customer experience and Innovation segment to Other segment from 1 January 2023. Comparative figures for 2022 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.

Year to date 2023	Passenger train	Bus	Freight	Customer experience and Innovation	Other/elim	Group
Sales revenue	1 280	2 756	420	-	250	4 706
Public purchases	1 299	-	-	-	-	1 299
Other revenue	106	26	9	27	6	173
Operating revenue	2 685	2 782	429	27	256	6 178
Operating expenses	2 351	2 433	417	35	296	5 533
Depreciation, impairment	373	318	58	-	21	770
Total operating cost	2 724	2 751	475	35	317	6 303
Share of profit/loss in joint ventures and associated companies	-	1	-	-16	-0	-16
Operating profit	-39	32	-46	-24	-63	-140
Segment assets	3 684	7 449	1 493	207	2 126	14 960
Investments	62	79	210	-	49	399

Year to date 2022	Passenger train	Bus	Freight	Customer experience and Innovation	Other/elim	Group
Sales revenue	1 092	2 347	366	-	212	4 017
Public purchases	1 223	-	-	-	-	1 223
Other revenue	133	32	11	24	39	239
Operating revenue	2 448	2 379	377	24	251	5 479
Operating expenses	2 145	2 139	346	50	304	4 984
Depreciation, impairment	335	316	45	1	21	718
Total operating cost	2 480	2 455	391	51	325	5 702
Share of profit/loss in joint ventures and associated companies	-	-	-	-14	-	-14
Operating profit	-32	-76	-14	-41	-74	-237
Segment assets	5 383	7 536	1 083	199	2 627	16 828
Investments	36	47	28	-	40	151

2022	Passenger train	Bus	Freight	Customer experience and Innovation	Other/elim	Group
Sales revenue	3 748	7 528	1 207	1	665	13 149
Public purchases	3 629	-	-	-	-	3 629
Other revenue	570	93	40	86	64	853
Operating revenue	7 947	7 621	1 247	87	729	17 631
Operating expenses	6 339	6 563	1 086	133	833	14 954
Depreciation, impairment	1 032	1 036	142	4	68	2 282
Total operating cost	7 371	7 599	1 228	137	901	17 236
Share of profit/loss in joint ventures and associated companies	-	3	-	9	-	12
Operating profit	576	25	19	-41	-172	407
Segment assets	3 871	7 192	1 257	230	2 308	14 858
Investments	270	261	284	-	62	877



Notes – reporting information

Framework and accounting principles

The Vy Group’s financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations from the IFRS interpretations committee (IFRIC) as determined by EU.

The consolidated financial statements for the Group have been prepared on a historical cost basis except for derivative financial instruments, certain financial assets and liabilities which are carried at fair value.

The interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting. The interim financial statements should be viewed in conjunction with the last published annual report containing a full description of the Group’s accounting principles.

Accounting principles applied in 2023 are consistent with the accounting principles that were used for the financial statements in 2022.

The consolidated financial statements have been prepared on a going concern basis.

Segment Reporting

The Group reports its operating segments according to how Group management, which is the chief operating decision-maker, adopts, follow-ups and evaluates decisions which is in line with the internal reporting which is regularly evaluated by the management and which is the basis for allocation of resources and achievement of objectives.

The Group has the following operating segments:

Passenger train: passenger train operations
 Bus: passenger bus operations
 Freight: freight train operations
 Customer experience and Innovation

The Other segment consists of other activities in the Group such as cleaning of trains, a captive, Team Verksted and Group functions.

1. Revenues

Analysis of Operating income by category	Year to date	Year to date	Year
	2023	2022	2022
Transport revenue	5 812	5 029	16 107
Other revenue	366	450	1 524
Total	6 178	5 479	17 631

Analysis of Operating income by country	Year to date	Year to date	Year
	2023	2022	2022
Norway	5 215	4 662	14 872
Sweden	962	817	2 759
Total	6 178	5 479	17 631

Information of important customers

The Group has one customer that constitutes more than 10 % of operating income. The Government’s public purchase from the Vy Group is 1 205 MNOK (1 171 MNOK) as of 30th of April 2023.

In connection with the Covid-19 pandemic, the Government adopted a support scheme by allowing the Norwegian Railway Directorate to enter into temporary additional agreements regarding the state purchase of passenger train services. Income from this support scheme is included in the government’s purchase of services from the Vy Group in 2022. No such support has been received in 2023.

Type	Segment	IFRS 15 accounting treatment
Personnel transport	Passenger train and bus	Revenue recognition at transport date
Food and on board services	Passenger train and bus	Revenue recognition at the date of sale
Agreements with counties and municipalities	Bus	Revenue recognition at transport date
Workshop services	Bus	Revenue recognition when the service is delivered
Agreements with counties and municipalities	Passenger train and bus	Revenue recognition at transport date
Traffic agreement with the state of Norway and public purchaser abroad	Passenger train and bus	Revenue recognition at transport date
Fees	Passenger train and bus	Revenue recognition at date of issuance
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

2. Other expenses

Other expenses	Year to date	Year to date	Year
	2023	2022	2022
Sales- and overhead expenses	544	479	1 446
Energy used in operations	718	634	2 047
Property expenses, repair and maintenance	904	805	2 373
Other operating expenses	713	615	1 812
Total	2 880	2 533	7 678

3. Leases

Specification of the changes in right of use assets	Year to date	Year to date	Year
	2023	2022	2022
Opening balance right of use assets	7 074	9 111	9 111
Depreciations	-643	-587	-1 839
Addition and changes in agreements	327	120	-170
Other	91	-46	-28
Total closing balance	6 849	8 598	7 074

Specification of the changes in liabilities	Year to date	Year to date	Year
	2023	2022	2022
Opening balance leasing obligation	7 506	9 490	9 490
Lease payments	-681	-623	-1 797
Addition and changes in agreements	327	127	-185
Other/currency effects	181	-58	-2
Total closing balance	7 333	8 936	7 506

Further, there is a future lease liability of approximately NOK 735 million (nominal) for lease of passenger trains and buses, which are ordered, but not delivered. Lease liabilities and right of use assets will be recognized when the trains and buses are delivered and made available for use by the Group.

Liabilities	Year to date	Year to date	Year
	2023	2022	2022
Short-term liabilities	1 717	1 830	1 955
Long-term liabilities	5 616	7 106	5 551
Total	7 333	8 936	7 506

Finance costs	Year to date	Year to date	Year
	2023	2022	2022
Finance costs leasing liabilities	105	69	236

Cash-Flow	Year to date	Year to date	Year
	2023	2022	2022
Total cash-flow lease payments	786	692	2 033

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

Vygruppen is a transport and tourism group owned by the Norwegian state via the Ministry of Transport. We will ensure customers the best journey by providing environmentally friendly, smart, cost-effective and safe transport. In addition, the Group provides freight of goods on track.

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**
Companies must not adopt artificial schemes, such as the use of internal pricing to move taxable profits from where they have their business.
- 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.

