



TOMRA

Accelerating toward a circular future

Green Bond Report
2022

TABLE OF CONTENTS

1. Introduction	3
2. Sustainability at TOMRA	3
3. Green Bond financing	3
4. Green Bond Framework	4
5. Second opinion of Green Bond Framework	4
6. Selection and evaluation of eligible projects and assets	4
7. Green Bonds	4
8. Use of proceeds	5
8.1 Collection of used beverage containers	5
9. Impact reporting	6
10. External review	6
11. Independent statement	7
Appendix: Project Categories and Eligible Assets	10

1. Introduction

TOMRA was founded in 1972, based on the design, manufacturing, and sale of reverse vending machines (RVMs) for automated collection of used beverage containers. Today TOMRA provides technology-led solutions that enable the circular economy with advanced collection and sorting systems and optimize food processing by employing sensor-based sorting and grading technology. Altogether TOMRA has over 100,000 installations in over 100 markets worldwide and had total revenues of about 12.2 billion NOK in 2022. The geographic footprint covers all continents, and the solutions provided are increasingly relevant for serving sustainable societies. The TOMRA Group employs 5,015 people globally and is publicly listed on the Oslo Stock Exchange.

2. Sustainability at TOMRA

TOMRA started as a technology pioneer and for 50 years has advanced sustainable practices and better use of resources. Sustainability is at the core of what we do. We stand highly relevant in a world that needs technology, innovation, and investment to reach net-zero carbon emissions by mid-century. A key factor in low-carbon growth will be a decoupling from resource use, which sets the pace for a sustainable society. This is where TOMRA can add value, by transforming how we all obtain, use, and reuse the planet's resources to enable a world without waste.

Sustainability is deeply embedded in our vision, mission, and company culture. Our products deliver environmental benefits in terms of better resource utilization and diverting waste from ending up in nature. Our ambition at TOMRA is to be leading the Resource Revolution, while becoming a fully circular business and being safe, fair, and inclusive. By this, we are committing to both increase our "handprint" – by growing the company and the positive sustainability impacts of our business; and to reduce our "footprint" – working hard to minimize any negative impacts across our entire value chain.

To focus our sustainability agenda and direct efforts where they matter most, TOMRA has outlined five strategic focus areas for sustainability action:

- Resource Productivity: we work to transform how we obtain, use, and reuse the planet's resources to enable a world without waste.
- Climate Impact: we work to reduce GHG emissions along our entire value chain – adopting a science-based approach to ensure corporate efforts in line with achieving the global target of well below 2°C warming, pursuing 1.5°C.
- Sustainable Product Design: we work to optimize the environmental impact of our products across their lifecycle and innovate to improve product circularity.
- Employee Value Proposition: we put our people first, keep each other safe and thrive on the diversity of our culture.
- Supply Chain Sustainability: we work with our partners to sustainably transform our supply chain – minimizing environmental impact in a socially and ethically responsible way.

3. Green Bond financing

TOMRA issued its first Green Bonds in October 2022 to finance and re-finance investments in manufacturing, installation, maintenance, and operation of reverse vending machines (RVMs), waste sorting machine manufacturing, post-consumer materials collection and recycling facilities, research and development, software improvements, advocacy to build support for deposit return systems, on-site renewable energy, lower emissions vehicles, and sustainable materials for machine components.



4. Green Bond Framework

TOMRA established a Green Bond Framework (the “Framework”) in October 2022, enabling the Company to finance sustainable growth and the transition to a climate-neutral, resource-efficient economy. TOMRA aims to increase its positive impact going forward, and Green Bonds are a key tool in supporting TOMRA’s strategy and vision of enabling better use of resources and a more sustainable planet for generations to come. The framework is based on the 2021 version of the Green Bond Principles published by the International Capital Markets Association. The Framework is applicable for issuance of Green Bonds and the net proceeds will be applied to finance or refinance, in part or in full, new and/or existing projects and assets with clear environmental benefits, as defined in the Framework. There is a look back period of up-to three years for refinancing purposes. The process for selection and reporting on eligible assets and projects, as well as the organization on management of proceeds, are further outlined below.

5. Second opinion of Green Bond Framework

TOMRA has engaged Cicero Shades of Green to provide a Second Party Opinion of the Green Bond Framework, to ensure alignment with national and international guidelines. TOMRA obtained a “Dark Green” shading and governance score of “Good.” The Second Party Opinion document is available for download at www.tomra.com.

6. Selection and evaluation of eligible projects and assets

To ensure compliance with the criteria set out in the use of proceeds section below, TOMRA has established a Green Bond Committee (GBC) which oversees the selection of eligible projects and assets. The Committee consists of representatives from the sustainability and financial teams, some of whom have environmental expertise. The Committee meets at least annually or when needed, and decisions are taken in consensus. The Green Bond Committee follows the below process when selecting and evaluating Eligible Projects and Assets:

- Relevant business units propose the potential projects and assets to be financed or refinanced in accordance with the established criteria.
- The GBC assesses the eligibility of the proposals according to the criteria in the use of proceeds section and removes projects that do not meet these. The committee submits its final approval after selecting which projects and/or assets should be financed. The GBC also oversees any future updates to this framework, including any potential expansion of the eligible categories, and manages its implementation.

To monitor the Eligible Projects and Assets, as well as the allocation of net proceeds from Green Bonds issued under the Green Bond Framework, TOMRA has established a Green Bond Register. Net proceeds are managed on a portfolio basis. TOMRA will over the duration of the outstanding Green Bonds build up and maintain an aggregate amount of Assets and Projects in the Green Bond Register that is at least equal to the aggregate net proceeds of all outstanding Green Bonds. In periods when the total outstanding net proceeds of Green Bonds exceed the value of the Eligible Assets and Projects in the Green Bond Register, the excess portion will be placed on an ordinary bank account or in the short-term money market.

7. Green Bonds

At the end of 2022, TOMRA had the following Green Bonds outstanding:

ISIN	Issue Date	Maturity Date	Coupon Rate	Amount (NOK)
NO0012739509	04.11.2022	04.11.2027	1,67 % p.a.	500 million
NO0012739491	04.11.2022	04.11.2025	1,42 % p.a.	500 million

8. Use of proceeds

The net proceeds of the Green Bonds issued by TOMRA will be used to finance or re-finance in whole or in part, Eligible Projects and Assets that have been evaluated and selected by TOMRA in accordance with the Green Bond Framework.

Selected Eligible Projects and Assets fall under the category “Pollution prevention and control” and consist of capital expenditures related to the collection of used beverage containers for recycling. The relevant geographies include Australia, Latvia, Lithuania, USA, and Canada. Refinancing of Eligible Projects and Assets has a look-back period of no more than 3 years from the time of the bond issuance (fiscal years 2020 to 2022).

A total of NOK 535.8 million has been allocated to Eligible Projects and Assets, while NOK 464.2 million is unallocated as of 31 December 2022.

Project description	Amount	Impact
Collection of used beverage containers	535,787,399	Number of collected containers in markets within the scope of the use of proceeds

8.1. Collection of used beverage containers

TOMRA Collection’s business consists of the design, development, production, and servicing of reverse vending equipment for automating the collection of beverage containers included in a deposit return scheme. In some markets, the equipment provider acts as an operator that invests and maintains the ownership in the machine park and receives a fee for the volume collected through the installed infrastructure. Deposit system are an efficient circular solution for the collection of beverage containers made from plastic, aluminium, steel, glass, or cardboard. This is due to the high collection rates, on one hand, and on the other hand, the high material quality as a result of it being kept in a clean loop. In addition to the recycling aspects, deposit systems prevent packaging waste from ending in nature, being incinerated, or landfilled, and thus negatively impacting biodiversity and ecosystems.

The selected Eligible Projects and Assets within collection of beverage containers include the capital investments made in the following markets for the period 2020-2022: Australia, Lithuania, Latvia, USA, and Canada.

TOMRA is fully committed to delivering on the UN Sustainable Development Goals (SDGs). As “leaders of the Resource Revolution,” sustainable development is at the core of our business model and strategy. TOMRA is a solutions provider in the necessary transition to a resource-efficient, low-carbon economy. With increasing demand for sustainable products and solutions there are opportunities for us to deliver significant positive impacts across several of the SDGs. An assessment of our activities shows that our contribution delivers the most impact towards SDG 12 – Responsible Consumption and Production, with relevant impact on targets 12.2, 12.5, 12.6, and 12.8. Our investments related to collection of used beverage containers for recycling also deliver impact towards SDG 11 – Sustainable Cities and Communities (targets 11.3, 11.6), SDG 9 – Industry, Innovation, and Infrastructure (target 9.4), SDG 14 – Life Below Water (target 14.1), SDG 13 – Climate Action (target 13.3), and SDG 17 Partnerships for the Goals (targets 17.16, and 17.17).



9. Impact reporting

TOMRA reports on the environmental impact of the investments financed by our Green Bonds. If/when actual impact for some reason is not observable, or unreasonably difficult to source, estimated impact is reported. The impact indicators may vary with investment category, as defined in the framework.

Impact reporting:

Impact measure	2020-2022	Yearly average
Number of collected containers in markets within the scope of the use of proceeds containers	4,8 billion used beverage containers	1,6 billion used beverage containers

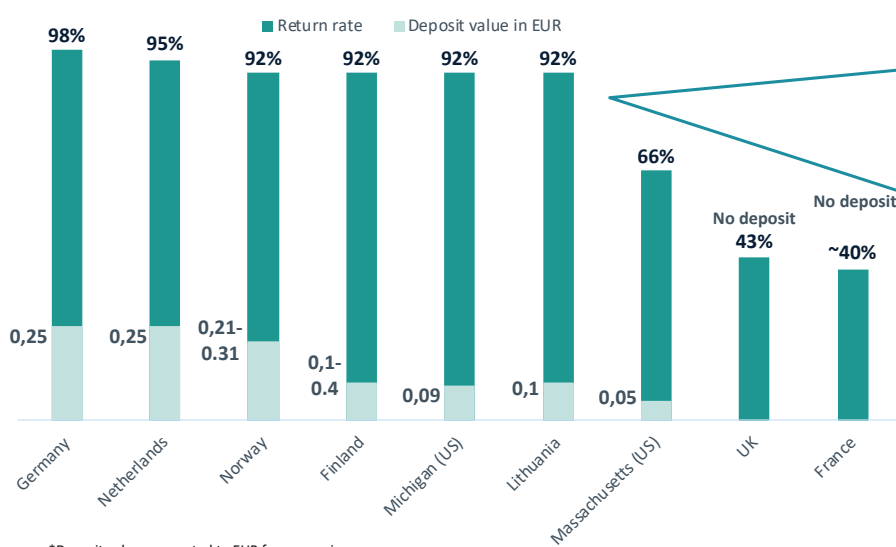
Impact reporting is based on data for actual throughput volume for period 2020-2022 for Lithuania, Latvia, Australia, USA and Canada, for RVMs installed in the period 2020-2022.

10. External review

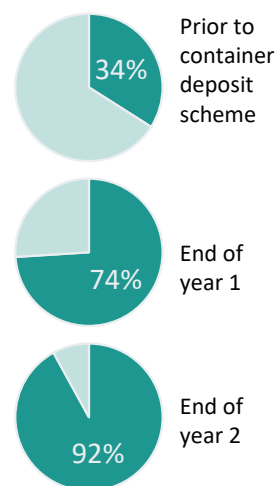
An independent auditor appointed by TOMRA provided a limited assurance report confirming that an amount equal to NOK 535.8 million from issued Green bonds has been allocated to Eligible Projects and Assets.

The Deposit Return Scheme is a proven solution

- Return rate and deposit value* for various container deposit schemes



Return rates in Lithuania



Source: Reloop, The Guardian, LeParisien, USAID

11. Independent statement



To the Green Bond Committee of Tomra Systems ASA

Independent statement regarding Tomra Systems ASA's Green Bond Report

We have been engaged by Tomra Systems ASA (the "Company") to undertake a limited assurance engagement on selected information about the allocations of proceeds in the Company's Green Bond Report 2022 (Subject Matter Information). The scope of our work was limited to assurance over:

- allocating proceeds from the Green Bond to such investments and expenditures, as described in the Green Bond Report 2022 section "8. Use of proceeds" on page 5 for the bond issued 04.11.2022 (NOK 500M) (Bond 1), and section "8. Use of proceeds" on page 5 for the bond issued 04.11.2022 (NOK 500M) (Bond 2).

The Green Bond Report 2022 is prepared using the criteria described in the "8. Use of Proceeds" and "Projects Categories and Eligible Assets" section in the Green Bond Framework per October 2022. The "Projects Categories and Eligible Assets" section is attached to the Green Bond Report 2022.

Our assurance does not extend to any other information in the Green Bond Report 2022 than the sections "8. Use of proceeds" for Bond 1 and Bond 2. We have not reviewed and do not provide any assurance over any information reported in the "9. Impact Reporting" sections on page 6.

The Green Bond Committee's Responsibility

The Green Bond Committee is responsible for ensuring that the Company has implemented appropriate guidelines for green bond management and internal control.

The Green Bond Committee is responsible for evaluating and selecting eligible green projects, for the use and management of bond proceeds, and for preparing a "Green Bond Report" that is free of material misstatements, whether due to fraud or error, in accordance with the Company's "Green Bond Framework".

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We apply International Standard on Quality Management 1 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.



Our Responsibilities

Our responsibility is to express a limited assurance conclusion on the Subject Matter Information based on the procedures we have performed and the evidence we have obtained. We conducted our work in accordance with International Standard on Assurance Engagements (ISAE) 3000 revised – «Assurance Engagements other than Audits or Reviews of Historical Information», issued by the International Auditing and Assurance Standards Board. This standard requires us to plan and perform procedures to obtain limited assurance about whether the Subject Matter Information is free from material misstatement. A limited assurance engagement in accordance with ISAE 3000 involves assessing the suitability in the circumstances of management's use of the Criteria as the basis for the preparation of the Subject Matter Information, assessing the risks of material misstatement of the Subject Matter Information whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the Subject Matter Information. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

The procedures we performed were based on our professional judgment and, among others, included an assessment of whether the criteria used are appropriate. Our procedures also included making inquiries primarily of persons responsible for the management of bond proceeds and the process for selection of eligible green projects and meetings with representatives from the Company who are responsible for the allocation reporting; obtaining and reviewing relevant information that supports the preparation of the allocation reporting; assessment of completeness and accuracy of the allocation reporting; performing substantive testing on a selective basis through inspection of documents; and testing (or reviewing) various supporting 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 we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about whether the Subject Matter Information has been prepared, in all material respects, in accordance with the Criteria.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Conclusion

Based on the limited assurance procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the sections "8. Use of proceeds" disclosed in the Green Bond Report 2022 has not been prepared, in all material respects, in accordance with the relevant criteria.



26.04.2023

PricewaterhouseCoopers AS

Eivind Nilsen
State Authorized Public Accountant

This letter is signed electronically.

Appendix:

Project Categories and Eligible Assets

Pollution prevention and control

Expenditures in connection with the collection, sorting and processing of beverage containers:

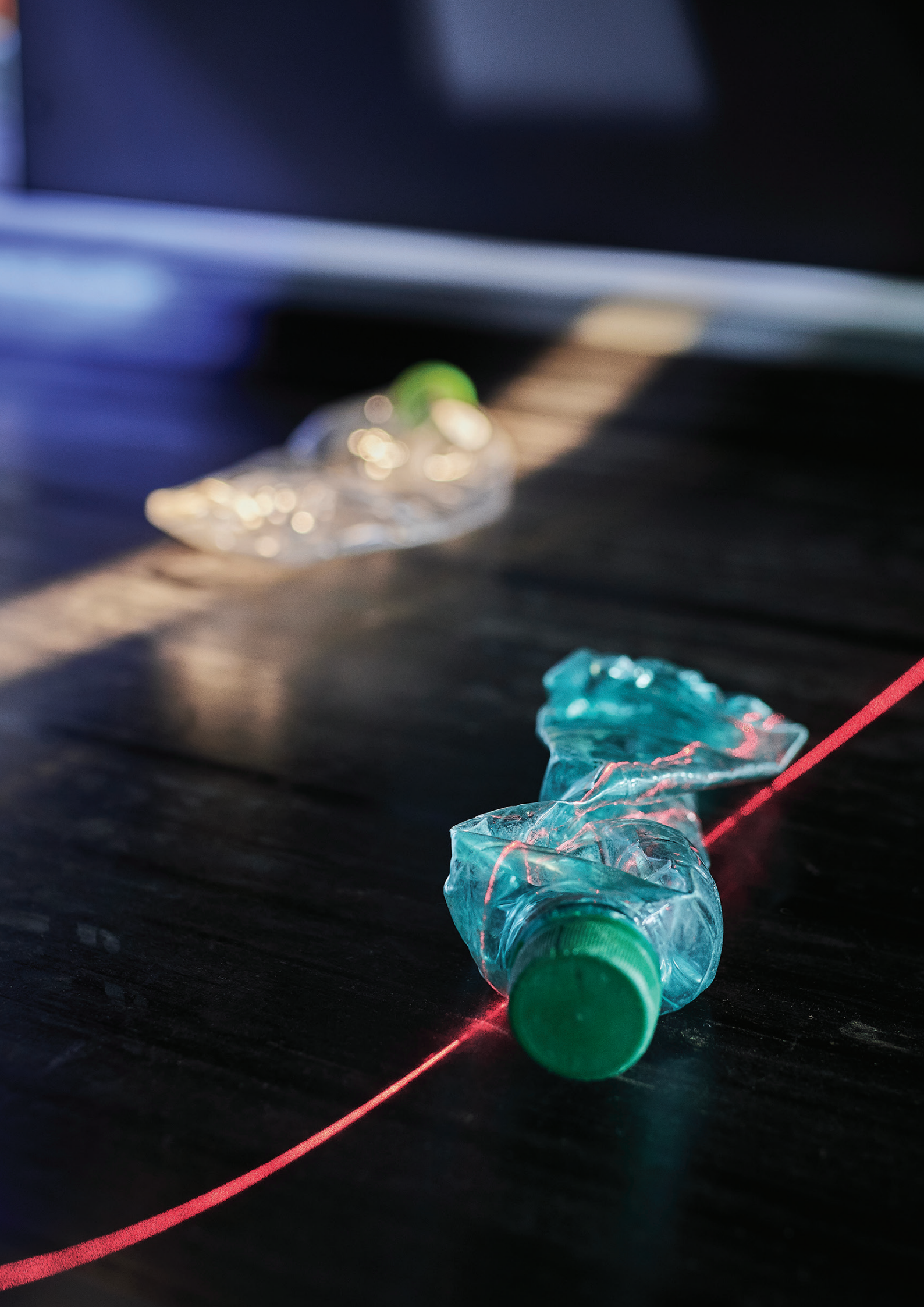
- Manufacturing, installation, maintenance, and operation of reverse vending machines owned by TOMRA and related infrastructure
- Production of high-tech sensors for reverse vending machines
- Facilities for sorting and processing of plastic-, glass- and aluminium- containers and related infrastructure
- Research and development expenditures related to the development and design of reverse vending machines
- Development and maintenance of operating software for reverse vending machines
- Development of and expenditures related to collection systems for reusable packaging or other systems enabling the reduction of plastic waste
- Outreach to raise awareness regarding circularity and build regulatory support for establishing Deposit Return Schemes

Expenditures in connection with the recovery and upgrading of valuable materials from waste streams for recycling purposes:

- Development and maintenance of operating software for waste sorting machines
- Assembly-lines for the manufacturing of sorting machines
- Research and development expenditures which aim to improve sorting accuracy and efficiency, flexibility, or enable sorting of new types of waste materials (e.g., textiles)
- Investments in the sorting and processing of post-consumer materials with the purpose of using such materials in a recycling process.

Expenditures in connection with minimizing the carbon footprint of operations:

- Procurement and installation of equipment to produce renewable energy (e.g., rooftop or wall-mounted solar-PV panels and related equipment)
- Clean transportation investments (e.g., battery electric vehicles, vehicles which run on green hydrogen, charging infrastructure for electric vehicles, etc.)
- Investment in R&D to increase the use of sustainable materials – including recycled, certified fossil-free, and bio-based materials and reused, refurbished, or remanufactured machine components – in TOMRA products.





Accelerating toward a circular future

Green Bond Report
2022



TOMRA Systems ASA
Drengsrudhagen 2
1385 Asker
NORWAY
Tel: +47 66 79 91 00
info@tomra.com
www.tomra.com