



WHEN TRUST MATTERS

# ANNUAL REPORT 2023



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# COMPANY

We are the independent expert in assurance and risk management. Driven by our purpose, to safeguard life, property, and the environment, we empower our customers and their stakeholders with facts and reliable insights so that critical decisions can be made with confidence.

As a trusted voice for many of the world's most successful organizations, we use our knowledge to advance safety and performance, set industry benchmarks, and inspire and invent solutions to tackle global transformations.

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OUR PURPOSE

To safeguard life, property, and the environment.

OUR VISION

A trusted voice to tackle global transformations.

OUR VALUES

We care.  
We dare.  
We share.

DNV IN NUMBERS

Customers

≈ 100,000



Established

1864



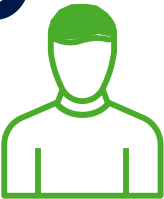
Countries

100+



Employees

≈ 15,000



Nationalities

122



Employees with higher education

89%



# BUILDING RESILIENCE

– to tackle global transformations

Throughout 2023, the world faced geopolitical instability and turbulent economic conditions. Meanwhile, record-high global emissions have made it less likely than ever that humanity will limit global warming to 1.5°C.

The geopolitical landscape witnessed a complex set of tensions and conflicts during the year, with the Israeli-Palestinian conflict escalating into a devastating war in Gaza which is threatening stability in the entire Middle East. This war captured global attention and partly diverted international focus away from Russia's war on Ukraine and civil wars in several other countries. So, on a humanitarian level, 2023 was brutal.

# CEO STATEMENT

**ON THE ECONOMIC SIDE**, high interest rates and strained supply chains gave headwinds to many businesses across the world, including several of DNV’s customers. A positive global development, however, was that the US and China found common ground in their efforts to speed up the energy transition and fight against climate change. Moreover, it was encouraging to see how many regions implemented significant decarbonization policy packages to incentivize and accelerate the transformation of their energy systems and enhance energy security.

**DNV has an overriding strategic ambition to shape the future of assurance and help our customers keep their operations safe, reliable, efficient, sustainable, and compliant.**

**WHILE INSTABILITY AND UNCERTAINTY** continued to weigh on global markets and geopolitical conditions in 2023, resilience and growth were key features of DNV and our people. Building resilience among our almost 15,000 employees was a high priority through-

out the year. We will continue to take care of each other; we will continue to provide opportunities for our employees to grow; and we will continue to ensure that our many new colleagues feel welcomed and valued. Moreover, we are improving our ways of working and enhancing our customers’ access to the full range of our expertise.

DNV has an overriding strategic ambition to shape the future of assurance and help our customers keep their operations safe, reliable, efficient, sustainable, and compliant. We want to take a front seat in the digitalization of assurance and the assurance of digital assets. In 2023, we launched our new Recommended Practice for the safe application of industrial artificial intelligence - a world-first of its kind. We also acquired Finnish cyber security services company Nixu. We can now offer our customers a 500-strong expert team in Europe that will help demanding IT and industrial control-system environments build cyber resilience across multiple industries.

**BEING AT THE HEART OF THE MOST VULNERABLE** aspects of our customers’ operations - whether it be a cyber-physical system such as a ship or windfarm, or a purely digital system such as a digital twin - is not something we take for granted. Winning our customers’ trust, especially in these challenging times, is what earns us a key role in many of the pivotal projects and initiatives that are accelerating the pace of major transformations in the world.

**Although 2023 was a difficult year, I am proud of our achievements and the impact we made as a company. Strong results, however, do not come by themselves - they are enabled by our exceptional and resilient people.**

DNV also grew through acquisitions within the life sciences and energy sectors last year. We acquired Åkerblå Group, gaining over 300 new colleagues specializing in marine biology and fish welfare. This industry is critical for meeting the increasing global need for high-quality, sustainable protein. We also acquired Solcast, Proxima Solutions, ANB Systems, and Enviroguide Consulting to further strengthen DNV’s offerings within the energy sector.

**FROM A SUSTAINABILITY PERSPECTIVE**, DNV has set ambitious goals to ensure that our operations are climate positive. These goals are supported by several initiatives, including reducing our own carbon footprint and providing renewable power to our offices and laboratories around the world. We maintain

our commitment to uphold the 10 principles of the UN Global Compact and the UN Sustainable Development Goals, and are making good progress towards our sustainability goals, including beyond our energy pledges. These initiatives, and our results so far, are duly covered in this annual report.

Although 2023 was a difficult year, I am proud of our achievements and the impact we made as a company. Strong results, however, do not come by themselves - they are enabled by our exceptional and resilient people. Together we will continue to help our customers future-proof their operations and tackle global transformations.



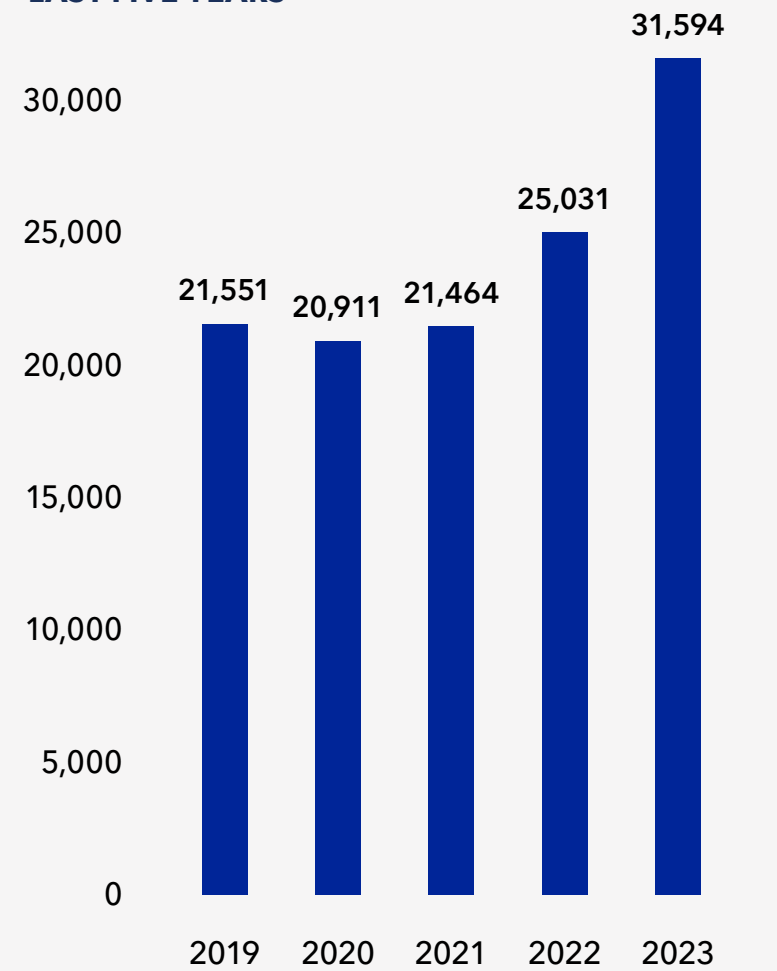
Remi Eriksen, Group President and CEO

# KEY FIGURES

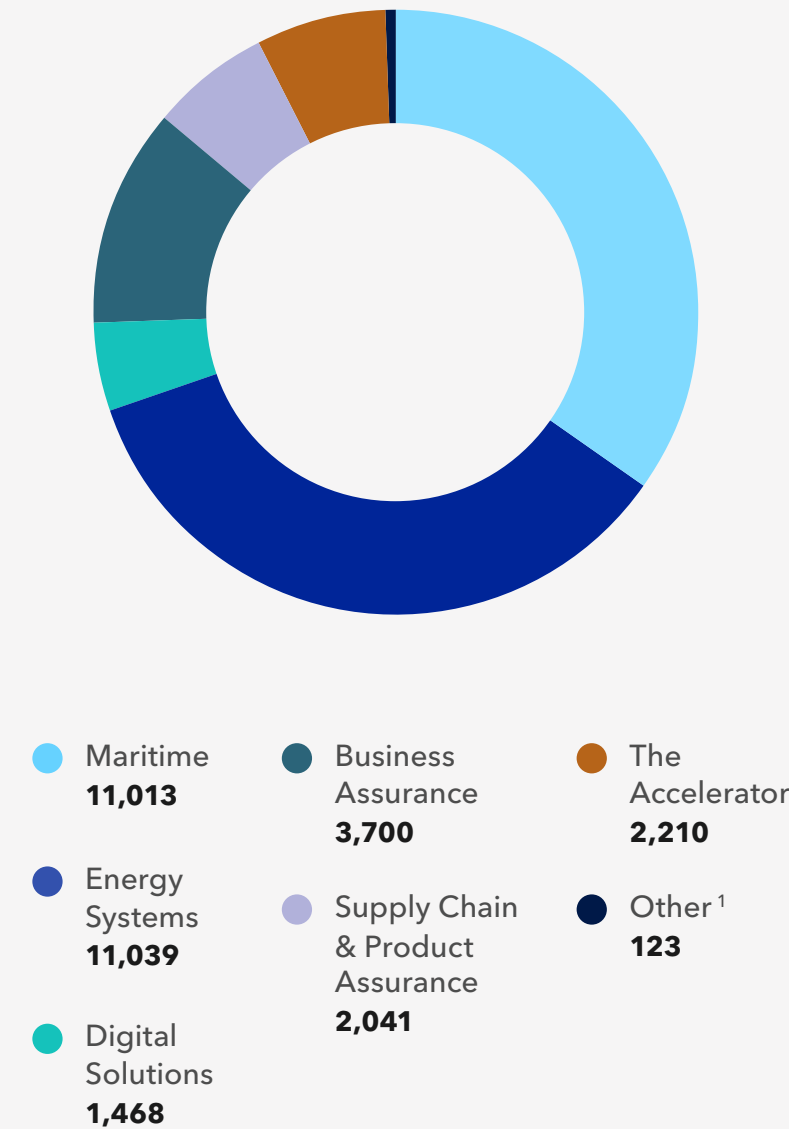
Revenue (NOK million)

# 31,594

LAST FIVE YEARS



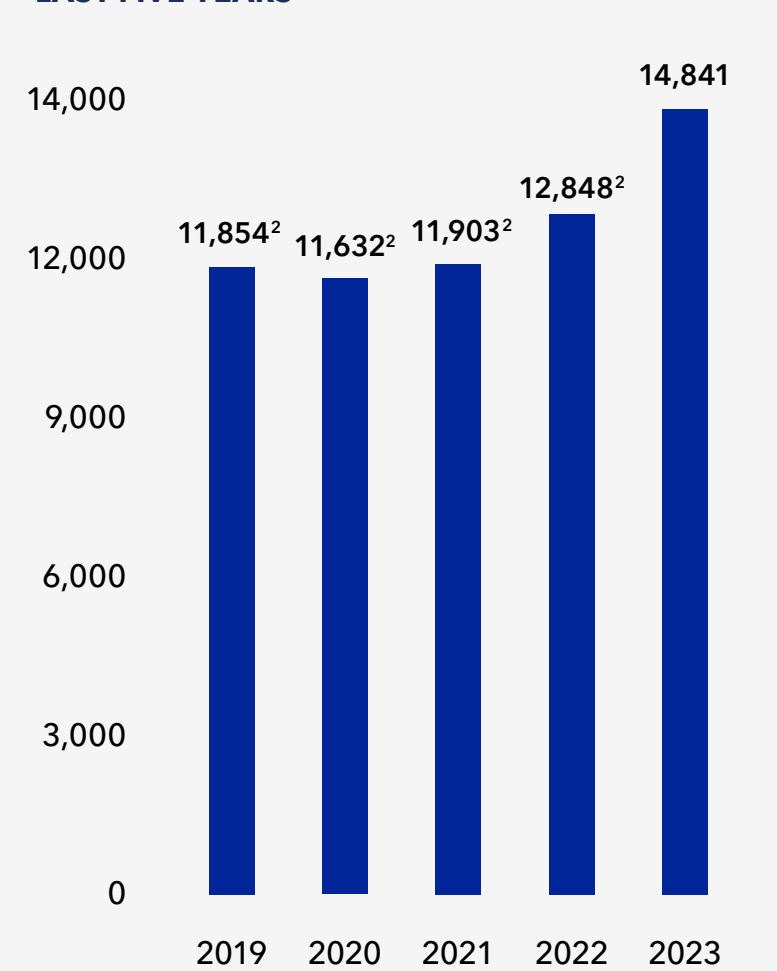
Per business area



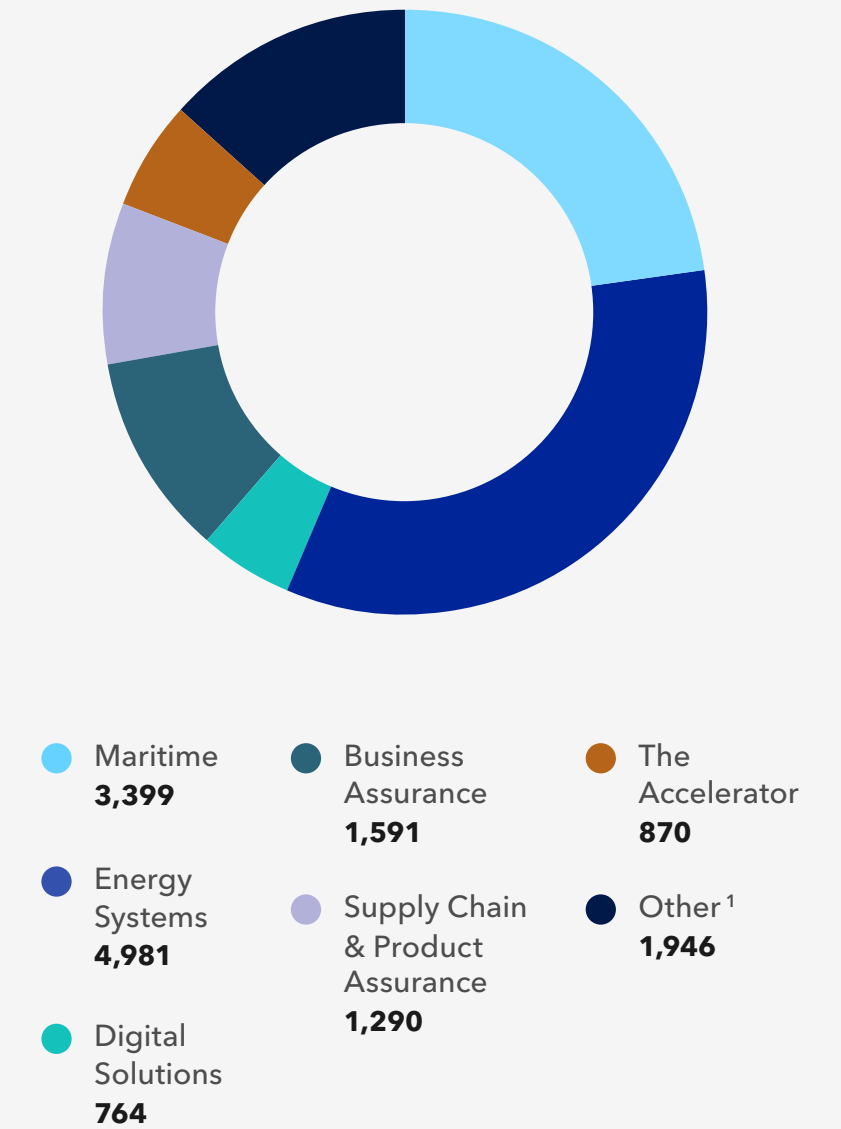
Employees

# 14,841

LAST FIVE YEARS



Per business area



<sup>1</sup> Global Shared Services and Group functions, including Group Research and Development, Real Estate.

<sup>2</sup> The number of employees reported from 2019 to 2022 has been restated to reflect 140 (2022), 108 (2021), 18 (2020) and 22 (2019) employees in acquired companies or companies in which DNV has partial ownership; including DNV Imatis (2021-2022), Applied Risk (2021-2022), and MBI Healthcare Technologies (2022) and DuTrain (2019-2022).

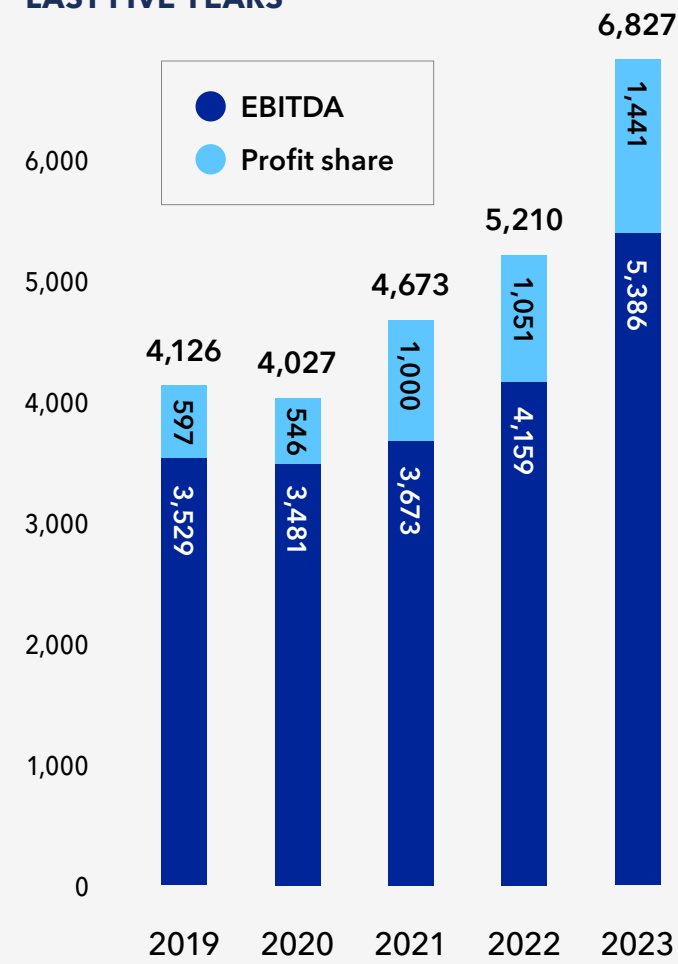
EBITDA (NOK million)

5,386

+ profit share<sup>1</sup>

1,441

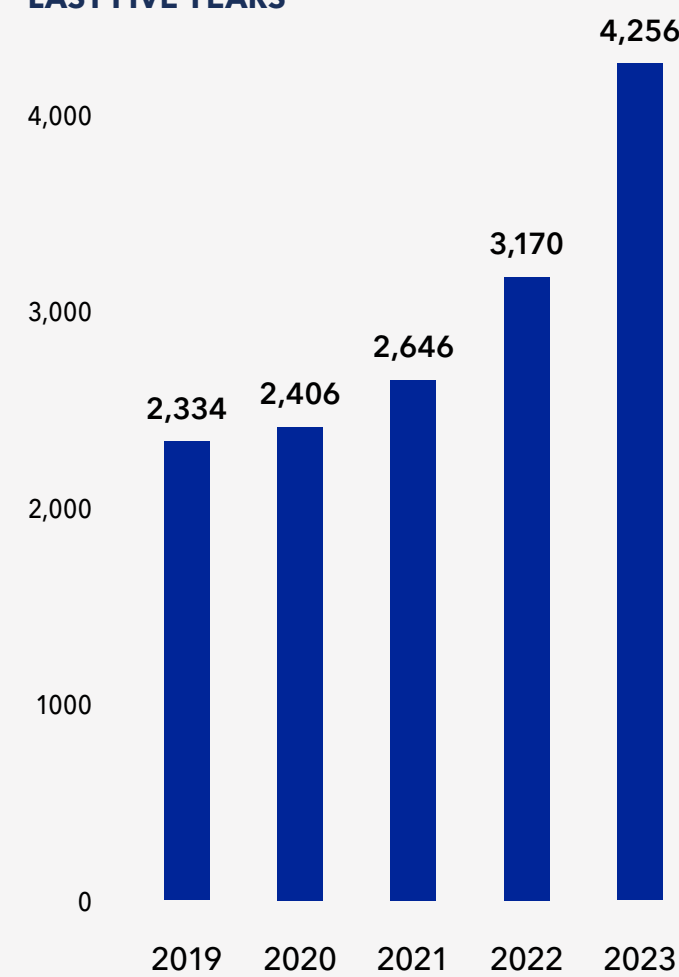
LAST FIVE YEARS



EBIT/operating profit (NOK million)

4,256

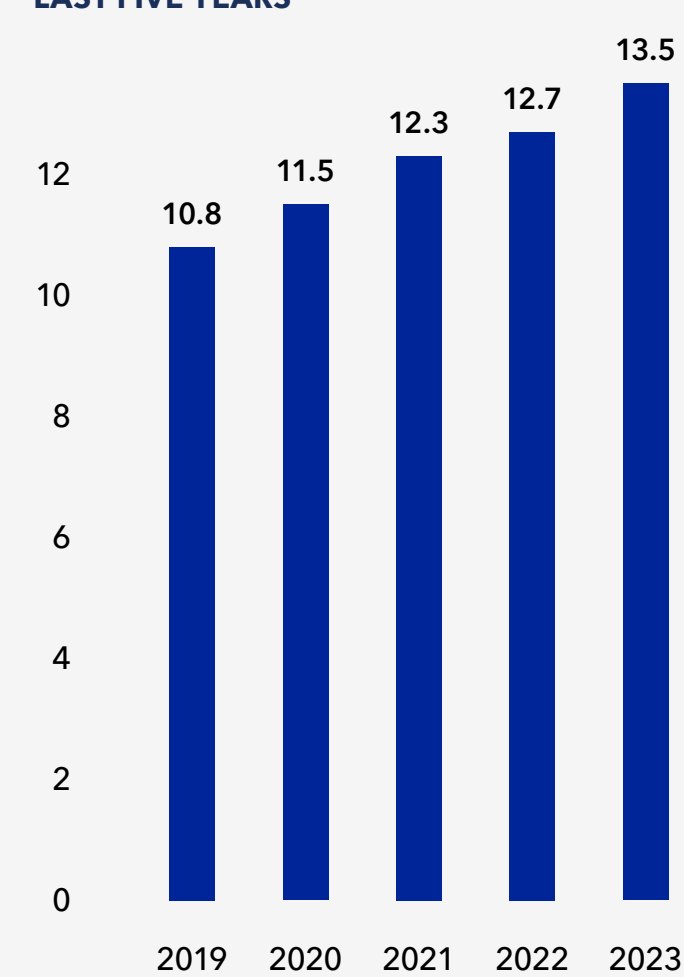
LAST FIVE YEARS



EBIT margin (%)

13.5%

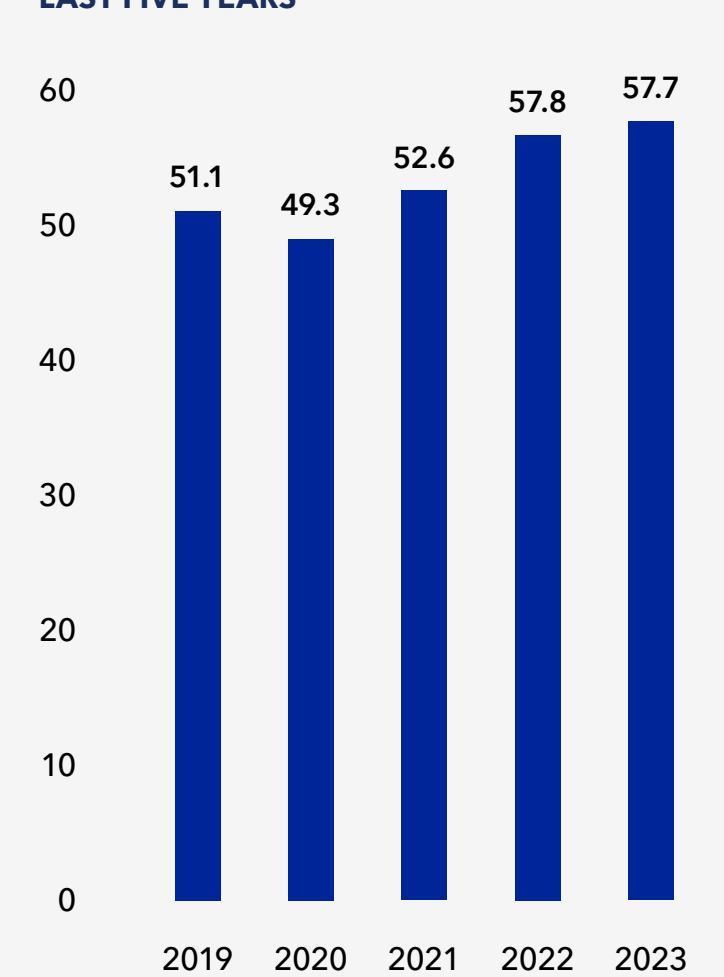
LAST FIVE YEARS



Equity ratio (%)

57.7%

LAST FIVE YEARS



<sup>1</sup> DNV's profit-share scheme shares a percentage of our operating profit with employees. Read more about [DNV's profit-share scheme](#) on page 64.



# HIGHLIGHTS



## Building one of Europe’s fastest-growing cyber security services businesses

To deliver on our purpose of safeguarding life, property, and the environment in an increasingly digitalized world, we must address the cyber security of our customers’ assets and processes.

In 2021, DNV acquired Applied Risk to bring leading industrial cyber security expertise to some of the world’s most complex infrastructure projects and operations. In 2023, we took a major next step in our cyber security growth journey by acquiring Nixu, a market-leading cyber security services company serving

Northern Europe. The EUR 98 million deal created one of Europe’s fastest-growing cyber security services businesses.

With a combined team of more than 500 cyber security experts, DNV, Applied Risk, and Nixu will safeguard demanding IT and industrial control-system environments, and build business resilience across multiple industries – from energy and maritime to telecommunications and financial services.

## A year of growth

In 2023, DNV experienced significant financial growth and welcomed more than 2,000 new employees, many of them through strategic acquisitions. Spanning acquisitions within the fields of cyber security, energy, and aquaculture, these new investments contributed to DNV’s inorganic growth in 2023 while also expanding our service offering, talent base, and digital capabilities.

To broaden our offerings to the energy sector, DNV acquired US-based software-as-a-service company ANB Systems, Ireland-based environmental consultancy Enviroguide Consulting, and solar data specialist Solcast, headquartered in Australia.

Furthermore, DNV acquired Germany-headquartered Proxima Solutions, a digital platform for the remote monitoring and asset management of renewable energy plants.

To expand our aquaculture and offshore renewables services, DNV acquired Norway-headquartered marine health company Åkerblå Group in June 2023. This was to help achieve DNV’s ambition to become a global provider of assurance and risk management services to the growing aquaculture sector.



## Enabling reliable emissions reporting for shipping

Emissions reporting is set to become one of the most impactful changes to the maritime industry. Reliable, verified data based on daily real-time reporting is becoming essential for both operational control and commercial contracts. Under the EU Emissions Trading System, which will come into effect in 2024, the responsible shipping company, either the ship owner or ship manager, will be required to surrender EU Allowances based on a vessel's annual level of emissions.

To ensure these agreements can proceed on a trusted basis, DNV launched Emissions Connect, an emissions-data verification engine and data-management platform designed to help the maritime industry accurately assess and work with emissions data. Emissions data provided by the shipowner is verified by DNV and shared with customers for use

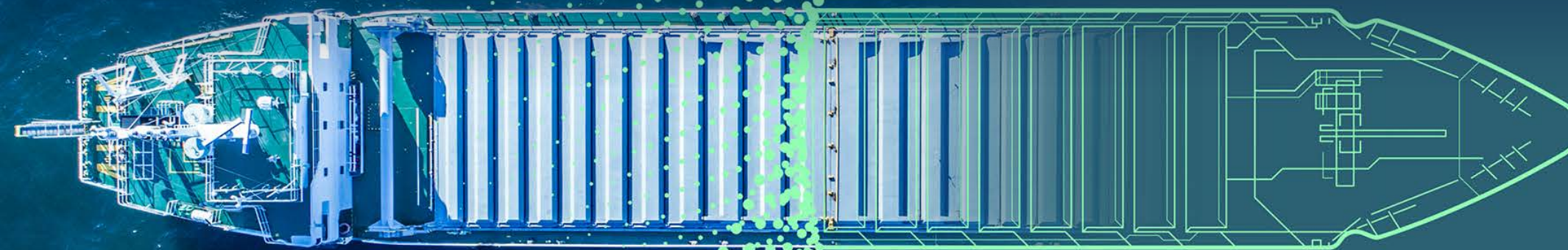
in the settlement of transactions or other purposes. These include compliance reporting, data exporting, and secure sharing with partners and third parties, including banks and insurance companies adhering to the Poseidon Principles.

Emissions Connect enables all parties in the value chain to work on the same trusted, verified, and standardized dataset, eliminating many of the data governance and trust issues arising from traditional methods of data exchange.

Emissions Connect is available through DNV's assurance platform, Veracity, which currently reaches around half the world's fleet of large commercial vessels.

### Veracity in a nutshell:

- world-leading maritime emissions cloud
- turns raw data into trusted data fit for business transactions
- an industry network with thousands of companies and more than 120,000 yearly active users
- a partner network providing customers with turnkey data integration and automation
- a digital marketplace offering more than 170 industry services
- enables secure business-to-business data sharing
- provides the data foundation for industrial artificial intelligence (AI)
- drives automation through industry data standards



## Towards climate positive

As part of our climate-positive strategy, DNV is committed to reduce emissions from our operations and we invest in projects that contribute to carbon removal. DNV's near-term goal is to reduce emissions per employee by 50% by 2025, from our 2019 baseline.

In 2023, we achieved a reduction of emissions per employee by 41%. This included reducing emissions per employee from air travel. Indeed, more DNV employees are now using digital tools to reduce travel where they can. Additionally, more than a third of our company cars are now electric or hybrid. We have also reduced our scope 2 emissions from electricity by reducing office space, moving to green certified offices, acquiring high quality renewable electricity certificates, and installing solar panels at our headquarters in Norway.

Other initiatives implemented across our office spaces include the replacement of radiators with ones suitable for lower water temperatures, transitioning to LED lighting, new variable ventilation and automation, and the installation of new energy meters. We already have solar panels connected to offices and laboratories in Arnhem, Bergen, Hamburg, Shanghai, Singapore, and Trondheim.

Moreover, we have purchased carbon credits in reforestation projects and co-founded an innovation project to capture CO<sub>2</sub> using seaweed as part of our goal of becoming climate positive.



## Building trust in industrial AI

To reap the rewards of AI, AI needs to be trusted. However, although many of DNV's customers are investing significantly in AI and AI readiness, they often struggle to demonstrate the trustworthiness of the emerging solutions to key stakeholders. This is a trust gap that DNV has sought to close with the launch of a suite of recommended practices that enable companies operating critical devices, assets, and infrastructure to safely apply artificial intelligence (AI).

DNV launched the recommended practices ahead of the implementation of the EU Artificial Intelligence Act, which establishes a global standard for safe, acceptable, and non-discriminatory AI.

DNV's recommended practices show how organizations can achieve compliance with the new Act by addressing the quality assurance of all the digital building blocks required for the trustworthy use of AI in an industrial context. The recommended practice on the assurance of AI-enabled systems and other digital solutions were launched as part of a suite of digital trust services from DNV.

# RESEARCH AND INNOVATION

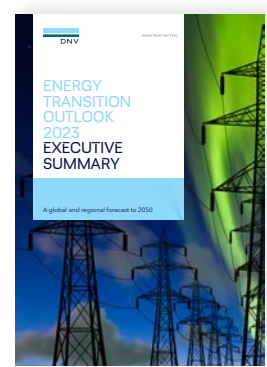


We spend at least 5% of our annual revenue on strategic research, innovation, and technology development. This is directed at solving industry challenges that impact our customers and society at large, and at developing and commercializing solutions and tools to support our future growth.

Our Group Research and Development unit provides science-based insights and foresight. In 2023, this resulted in close to 50 publications: forecasts, reports, white papers, and position papers, as well as articles in scientific journals. Our research generates scientific insights to support the industry in tackling global transformations, with a focus on decarbonization and digitalization across a wide range of sectors, including maritime, energy, healthcare, and food. During the year, we particularly focused on the assurance of AI-enabled systems, the energy transition outlook, the fuel transition in the maritime industry, ship autonomy, and the ocean space.

## Forecasting the energy transition

We published our seventh *Energy Transition Outlook* in 2023. This report provides a detailed global and regional forecast of the energy demand, supply, and mix towards 2050 and their impact on CO<sub>2</sub> emissions. We also published other specialized reports on the energy transition: *Maritime Forecast*, *Transport in Transition*, *Pathway to Net-Zero Emissions*, and special country and regional reports for Norway and North America.



*Energy Transition Outlook* reports were downloaded almost 80,000 times by more than 44,000 people during 2023.

## Facilitating the safe application of industrial artificial intelligence (AI)

As well as providing foresight and a deep and broad understanding of the technology and trends impacting our customers, we put a lot of effort into developing digital products and services that address our customers' immediate needs and pain points.

The adoption of industrial AI requires a new approach to risk. Whereas conventional mechanical or electrical systems degrade over years, AI-enabled systems change within milliseconds. This necessitates a different assurance methodology and a thorough understanding of the intricate interplay between systems and AI, allowing for a proper assessment of failure modes as well as the potential for real-world performance enhancement. We have therefore published a Recommended Practice (DNV-RP-0671) on the Assurance of AI-enabled systems, which, among other things, provides a practical interpretation of the EU AI Act and helps stakeholders achieve and demonstrate compliance with relevant requirements.

DNV-RP-0671 and other digital recommended practices can be accessed on [DNV.com](https://www.dnv.com).

## Co-innovation through Joint Industry Projects

As an independent party with no vested interest in proprietary technologies, DNV is trusted to lead a range of Joint Industry Projects. We bring together business and academia to solve technological challenges shared by the entire industry. This collaborative innovation approach often results in global industry standards and recommended practices, which we publish for open access.

## University relations

At DNV, we are constantly developing our services based on new industry experience and scientific progress. Important knowledge is created and applied at the interface between academia, industry, and DNV.

We collaborate with eight universities across the world through sponsoring professorships and PhD students, lectures by our employees, and supervising students.

- Ruhr West University of Applied Science, Germany
- Technical University of Delft, Netherlands
- Technical University of Eindhoven, Netherlands
- University of Oslo, Norway
- University of Stavanger, Norway
- Norwegian University of Science and Technology, Trondheim, Norway
- Polytechnic University of Catalonia, Spain
- University of Bristol, UK

# OUR HISTORY

## ▼ The first growth phase in the maritime industry



## ▼ Pioneering a science-based approach



## ▼ Entering the oil era



**1864**

Det Norske Veritas (DNV) is established by Norwegian insurance companies as a national alternative to foreign classification societies. Three years later, Germanischer Lloyd (GL) is founded in Hamburg by a group of 600 ship-owners, shipbuilders, and insurers.

**1864-80**

First phase of growth, both in shipping in general and in the DNV-classed fleet. By 1883, Norway has the third-largest fleet in the world measured in registered tonnage.

**1907**

DNV loosens its ties to the insurance clubs and becomes a regular certification and classification society.

**1951**

Georg F. Vedeler is appointed managing director of DNV. Two years later, DNV becomes a pioneer among classification societies by publishing new rules, based on an analytical and theoretical scientific approach to ship building.

**1954**

DNV establishes a dedicated research department.

**1970**

DNV enters both the offshore installation and cargo sectors of the oil business, including pipelines and vessels. This develops into an important new market for DNV.

**1978**

DNV becomes an independent, self-owned foundation.

## ▼ New standards and a shift towards renewables



## ▼ A new era of growth



## ▼ Entering the decade of transformations



**1990**

The ISO standards are introduced and DNV quickly grows its management system certification activities.

**2007-09**

GL acquires Helimax and Windtest and merges with Garrad Hassan, creating the world's largest renewable energy consultancy.

**2008**

DNV is approved to accredit hospitals in the US.

**2010**

DNV opens the Clean Technology Centre in Singapore.

**2011**

DNV acquires KEMA, creating a world-leading consulting and certification company within the cleaner energy, sustainability, power generation, transmission, and distribution sectors.

**2013**

The DNV and GL merger is official, and the company changes its name to DNV GL. DNV GL becomes the world's largest classification society, the leading assurance and technical advisor to the energy market, and a world leading certification provider.

**2017**

Veracity, DNV's data platform for data driven assurance, goes live. In 2017, DNV also publishes its first ever *Energy Transition Outlook* - a forecast of the energy transition globally towards 2050 in 10 world regions.

**2020**

DNV launches its new vision of being a trusted voice to tackle global transformations. Digital services, such as remote audits, drone inspections, and AI-driven support, are rapidly scaled up during the COVID-19 pandemic.

**2021**

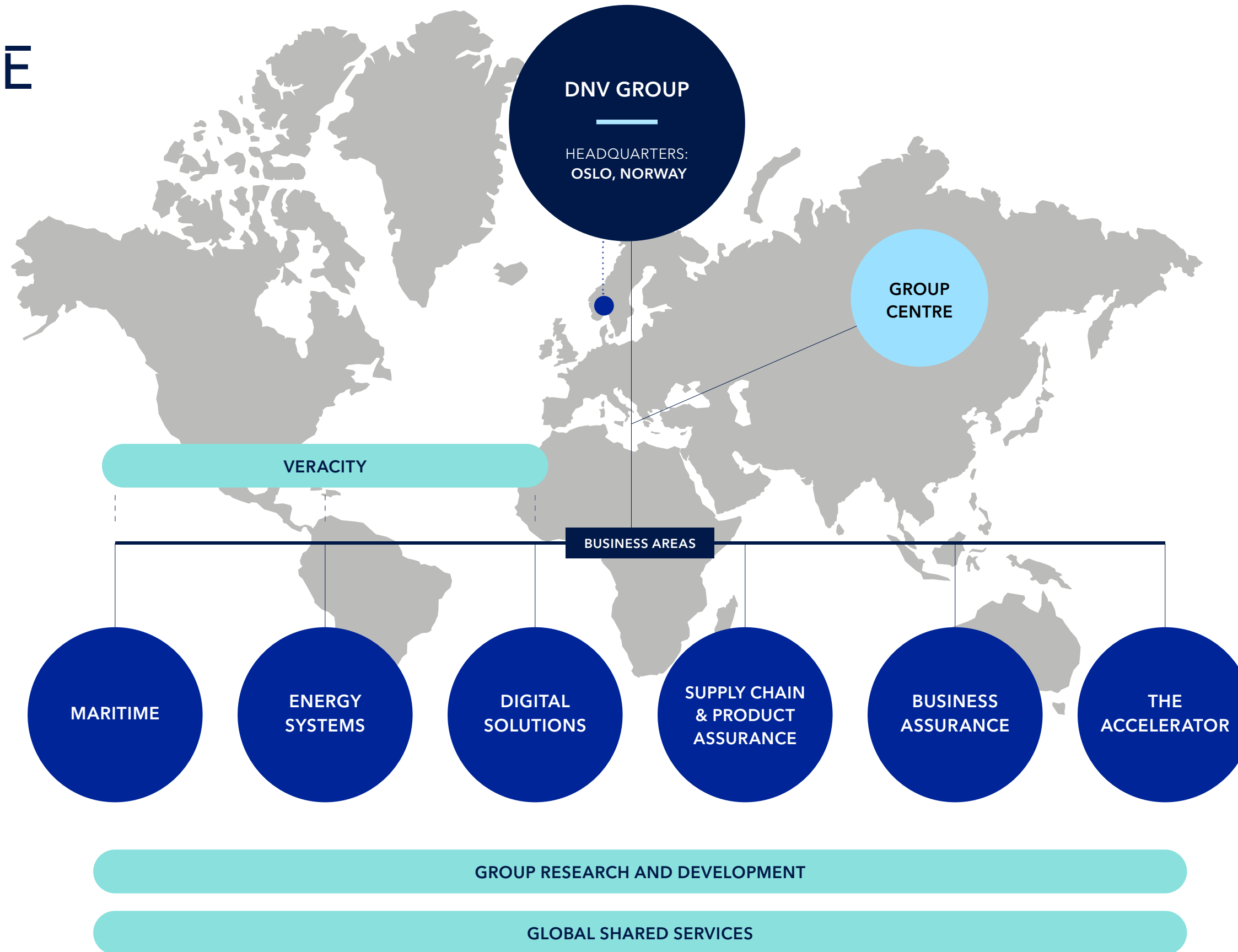
DNV implements its new strategy to shape the future of assurance through to 2025 and changes its name from DNV GL to DNV. The new strategy positions DNV for significant growth, and strategic acquisitions are made within healthcare, cyber security, and renewable energy.

**2024**

DNV marks 160 years of safeguarding life, property, and the environment.

[View film ▶](#)

# GROUP STRUCTURE



DNV is structured into six business areas. These are supported by Veracity as an internal joint venture, as well as a Global Shared Services function, Research and Development unit, and a Group Centre. The corporate headquarters of DNV are in Høvik, just outside Oslo, Norway.

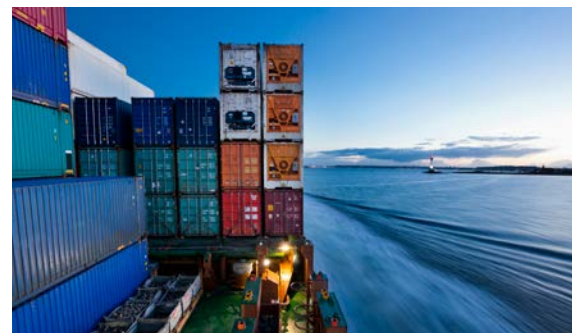
## Ownership

DNV Group is owned by Det Norske Veritas Holding AS, a fully owned subsidiary of Stiftelsen Det Norske Veritas. Stiftelsen Det Norske Veritas is an autonomous, independent foundation and is, through Det Norske Veritas Holding AS, the sole owner of DNV Group.

See more details in the [Corporate Governance report](#) on our website.

# BUSINESS AREAS AT A GLANCE

## MARITIME



We help enhance the safety, efficiency, and sustainability of our customers in the global shipping industry, covering all vessel types and mobile offshore units.

### Services include:

- Classification of ships and mobile offshore units
- Certification of materials and components
- Technical, safety, business risk, and environmental advisory
- Training and competence-related services

## ENERGY SYSTEMS



We help customers navigate the complex transition to a decarbonized and more sustainable energy future. We do this by assuring that energy systems work safely and effectively, using solutions that are increasingly digital.

### Services include:

- Advisory
- Certification
- Digital monitoring
- Verification

## DIGITAL SOLUTIONS



We provide engineering software tools and enterprise solutions for managing risk to improve safety and performance across industries, including the maritime, energy, and healthcare sectors.

### Services include:

- Expert engineering software applications
- Enterprise solutions for risk and asset management
- Asset-specific data analytics solutions
- Digital assurance

## BUSINESS ASSURANCE



We help companies ensure compliance, build high-performing management systems, and meet competence needs within a wide range of industries.

### Services include:

- Management system certification (generic and industry-specific standards)
- Training and competence-related services
- Certification of persons

## SUPPLY CHAIN & PRODUCT ASSURANCE



We substantiate our customers' claims regarding the quality, safety, security, and sustainability performance of their supply chains, operations, and products. We assist them in navigating evolving requirements and expectations.

### Services include:

- Supply chain assurance
- Product assurance
- ESG and sustainable finance
- Healthcare and medical technologies' assurance
- Aquaculture and marine health assurance

## THE ACCELERATOR



We rapidly grow targeted business units that will shape the future of assurance. The Accelerator operates a portfolio of units undergoing significant growth, organically and through acquisitions and partnerships.

### Services include:

- **Inspection:** assuring the quality of assets and supply chains across the lifecycle of industrial projects
- **Cyber security:** safeguarding demanding IT and industrial control system environments and building business resilience
- **Digital health:** empowering healthcare providers to tackle rising costs, staff shortages, and demand for care with solutions that improve patient safety and assure an efficient digital transformation

# THE EXECUTIVE COMMITTEE

The Executive Committee is the Group President and CEO's management team. It deals with issues and decisions related to strategy, markets, customers, target setting, financial development, mergers and acquisitions, pricing strategy, and major management appointments. Geir Fuglerud joined the Executive Committee as CEO of Supply Chain & Product Assurance on 1 March 2023. He took over from Percy Lakdawalla, who had served as interim CEO of Supply Chain & Product Assurance since August 2022.



**Remi Eriksen**  
Group President and CEO



**Kjetil M. Ebbesberg**  
Group Chief Financial Officer



**Gro Gotteberg**  
Chief People Officer



**Klas Bendrik**  
Chief Digital & Development Officer



**Ulrike Haugen**  
Chief Communications, Public Affairs & Sustainability Officer



**Knut Ørbeck-Nilssen**  
CEO Maritime



**Ditlev Engel**  
CEO Energy Systems



**Kenneth Vareide**  
CEO Digital Solutions



**Barbara Frenicia**  
CEO Business Assurance



**Geir Fuglerud**  
CEO Supply Chain & Product Assurance



**Liv A. Hovem**  
CEO The Accelerator



## Remi Eriksen

Group President and CEO

Nationality: Norwegian

### Background

Remi has been the Group President and CEO of DNV Group since 2015. He has extensive management and technical experience from his more than 30 years in DNV within the maritime, oil & gas, and renewable energy sectors in Asia, Europe, and the Americas.

He is also Chair of the Board at Norwegian University of Science and Technology (NTNU) and was a member of the Executive Committee of the World Business Council for Sustainable Development (WBCSD) between 2017 and 2022.

### Education

Remi holds a Master's in Electronics and Computer Science from the Norwegian Institute of Technology (NTNU) and has conducted his executive education at Rice University, IMD, and INSEAD.

## Kjetil M. Ebbesberg

Group Chief Financial Officer

Nationality: Norwegian

### Background

Kjetil joined DNV as Group CFO in 2020. He joined DNV from Norsk Hydro, where he last served as Executive Vice President of Hydro Rolled Products.

He has more than 20 years' experience from many different executive and finance-related positions at Hydro, of which eight years in the Corporate Management Board.

Kjetil has also been CFO of the Norwegian retail group Coop from 2007 to 2009.

### Education

Kjetil holds a master's degree in business economics from the Norwegian School of Economics and Business Administration (NHH) in Bergen, Norway, in combination with the University of Ottawa, Canada.

## Gro Gotteberg

Chief People Officer

Nationality: Norwegian

### Background

Gro has been the Chief People Officer at DNV since 2017. Since she joined in 2008, she has held several roles within DNV: as HR Director, in leadership development, and more recently as HR Manager in Southeast Asia and Australia.

Gro has extensive experience within organizational, competence, and leadership development within a variety of industries such as shipping, management consultancy, and developing aid and rescue relief.

She brings 15 years of international business, cultural, and diversity experience from Africa, the Americas, and Southeast Asia.

### Education

Gro has a Master of Business & Economics from NHH Norwegian School of Economics.

## Klas Bendrik

Chief Digital & Development Officer

Nationality: Swedish

### Background

Klas has been Chief Digital & Development Officer since joining DNV in September 2018.

He has held executive roles in several industries from automotive, medical, and industrial equipment to management consulting with global firms. Klas' field of expertise is within Information Technology, software, digital, and business development.

Prior to joining DNV, his most recent positions were as Senior Vice President for Volvo Cars and, most recently, Vice President and Executive Partner at Gartner.

### Education

Klas holds a bachelor's degree from the University of Gothenburg and a degree from the Royal Swedish Naval Academy, with the rank of Lieutenant Captain.

## Ulrike Haugen

Chief Communications, Public Affairs & Sustainability Officer

Nationality: German

### Background

Ulrike joined DNV as Chief Communications Officer in May 2017. She has responsibility for communications, public affairs, and sustainability.

She has broad communications, marketing, and business development experience from roles within international corporations in Norway, the UK, Germany, and Italy.

Ulrike was previously VP Marketing & Communications for ABB Marine, and has also held marketing and business development positions in international energy companies and law firms.

### Education

Ulrike holds a Master of Business Administration from London South Bank University in the UK and a Law Degree from the University of Bonn in Germany.

**Knut Ørbeck-Nilssen**

CEO Maritime

Nationality: Norwegian

**Background**

Knut has headed our Maritime business area since August 2015.

Prior to that, he was the Chief Operating Officer and President of Maritime and Director of Division Europe, Africa & Americas.

Knut has held senior management positions within DNV's Maritime and Oil & Gas business areas. He joined DNV in 1990.

**Education**

Knut holds a Bachelor of Engineering degree from Heriot-Watt University in Edinburgh, Scotland, where he was awarded a First Class Honours Degree in Civil Engineering in 1990.

**Ditlev Engel**

CEO Energy Systems

Nationality: Danish

**Background**

Ditlev is the CEO of DNV's Energy Systems business area, leading a team of 4,000 energy experts to help customers navigate the complex transition to a more sustainable energy future.

Prior to his role at DNV, Ditlev was the Group President & CEO of global wind turbine manufacturer Vestas Wind Systems A/S between 2005 and 2013. Before this, he spent 20 years at global coatings manufacturer Hempel A/S, where he was Group President and CEO from 2000 to 2005.

Ditlev has been a driving force behind many global green investment initiatives, pushing the energy transition to the next level, and has also been Denmark's Special Envoy for Climate and Energy. He joined DNV in 2016.

**Education**

Ditlev has degrees in business administration, finance & accounting from Copenhagen Business School and has completed INSEAD's General Management Programme.

**Kenneth Vareide**

CEO Digital Solutions

Nationality: Norwegian

**Background**

Kenneth has been CEO of Digital Solutions since June 2019. He leads the business area in developing innovative technology, digitalization and standardization that will enable a safe and efficient energy transition.

Since joining DNV in 1996 he has developed broad technical and management experience from executive leadership positions across the company's business areas and regions.

**Education**

Kenneth holds a master's degree in Naval Architecture from the Norwegian University of Science and Technology (NTNU) and a master's degree in technology management from NTNU and the Norwegian School of Economics and Business Administration (NHH), in cooperation with Massachusetts Institute of Technology (MIT) Sloan School of Management.

**Barbara Frenicia**

CEO Business Assurance

Nationality: Italian

**Background**

Barbara became the CEO of Business Assurance in February 2021.

With a financial background, her experience spans from corporate finance to operations.

Barbara was a HUB manager in Italy before becoming a Regional Business Controller and being appointed Global Finance Director for Business Assurance in 2010. She joined DNV in 1996. In 2023, Barbara was appointed the Deputy Chair of IIOA (Independent International Organisation for Assurance).

**Education**

Barbara holds a master's degree in Business Economics from The University of Genova.

**Geir Fuglerud**

CEO Supply Chain &amp; Product Assurance

Nationality: Norwegian

**Background**

Geir became CEO of Supply Chain & Product Assurance in March 2023.

Geir has 20 years of experience working with international customers, particularly in the maritime and energy industries.

He joined DNV in 2006 and has held leadership roles for DNV in Europe, Southeast Asia, the Middle East, and Africa, as well as working with business development and on the technical side as a consultant.

Most recently, he served as Director of Offshore Classification in DNV's Maritime business area.

**Education**

Geir holds a Master of Science in Naval Architecture and Marine Engineering from the Norwegian University of Science and Technology (NTNU) and University of Glasgow, and a Graduate Diploma in International Business from the University of Auckland.

**Liv A. Hovem**

CEO The Accelerator

Nationality: Norwegian

**Background**

Liv leads The Accelerator, a business area dedicated to building businesses and technologies that shape the future of assurance. She leads a multinational team in identifying initiatives with high growth potential and boosting their impact through organic growth, acquisitions, and partnerships.

Liv has experience leading successful international businesses across multiple industries, including in the maritime and energy sectors. She has a special interest in technology research and innovation, business model innovation, and agile ways of working to nurture rapid business growth. She has served as a board member of several companies, including R&D-related institutions, digital health companies, and listed companies in Norway and Finland. She joined DNV in 1988.

**Education**

Liv has a master's degree in Naval Architecture and Offshore Engineering from UC Berkeley and a master's degree in Civil Engineering from the Norwegian Technical University.

# MARKETS

We assist our customers in identifying, assessing, and managing their most critical risks. We enhance their business performance by assessing and advising on safety, quality, technology, business, and sustainability aspects. We certify or verify compliance and drive new standards, best practices, and digital ecosystems.

This section looks back at performance and highlights in 2023 across our six business areas: Maritime, Energy Systems, Digital Solutions, Business Assurance, Supply Chain & Product Assurance, and The Accelerator.

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## MARITIME

# A DECISIVE DECADE

For shipping, 2023 could be the turning point in a critical decade for setting the industry on the course to net zero. A slew of new emissions-reduction regulations, most notably from the International Maritime Organization and EU, has accelerated the timetable for the industry to meet its ambitious sustainability targets.

Digitalization continued to drive the industry's operational gains. At the same time, however, the rise of cyber security as a growing industry risk was highlighted through high-profile attacks and a new regulatory focus. Throughout the year, DNV focused on providing tailored and practical solutions to these challenges, working together with customers and the industry to make sure this decade is a decisive success for them.

2023 REVIEW >

REVENUE

**11,013** **28.5%**  
up from last year

million NOK

Group total:  
31,594 mill. NOK

2022: **8,570** 2021: **7,464** 2020: **7,557**

EMPLOYEES

**3,399** **5.0%**  
up from last year

Group total: 14,841

2022: **3,236** 2021: **3,145** 2020: **3,226**



Upgrading alternative-fuel information and insight

DNV’s Alternative Fuels Insight platform is an open and expanding platform for the latest information on alternative-fuel vessels, infrastructure, and bunkering. Over the years, it has become a key resource, providing data-visualization tools to evaluate and analyse the uptake of alternative fuels and technologies.

In 2023, DNV enhanced this data platform to accelerate the decarbonization of shipping. The upgrade includes the addition of new fuel types, improved fuel-price monitoring supported by Argus, and a crowdsourcing feature to gain input from users.

The fuel-price module provides added information on alternative-fuel prices weekly and monthly, with regional information and benchmarking for comparisons with conventional fuels. It also offers an overview of selected biofuels, including bio-methanol and green ammonia.

Steel coil app – a key safety differentiator

DNV released its new Steel Load Planner, a self-service application providing instant confirmation of rule compliance for proposed loading plans that help arrange cargo in a ship hold. Steel coils come in various sizes and weights, making it challenging for ship managers and operators to assess whether their vessels are suitable for a proposed shipment.

With the Steel Load Planner, users can tailor a vessel’s loading plan to the proposed shipment of any steel coil dimension. They can also confirm the vessel’s inner hull strength capacity for the shipment according to applicable rules. Users can then easily create, check, and print the loading plan, ensuring the load is transported securely while utilizing the vessel’s maximum cargo capacity.

Every vessel must be provided with an approved cargo-securing manual, but most of these manuals do not contain detailed information regarding the carriage of steel coils. This leaves it up to the loading planner to determine loading limits. The Steel Load Planner has been designed to help cargo planners prepare the stowage of steel coils in general dry-cargo vessels or bulk carriers, where critical cargo-type-specific information is often lacking.

In November 2023, the Steel Load Planner won the IT Solutions Award at the International Bulk Awards in London.





## Maritime Forecast to 2050 – focus beyond fuels

With access to low- and zero-carbon fuels being a potential challenge for the maritime industry, DNV's latest Maritime Forecast to 2050 report highlighted the alternative approaches shipping can take to reduce greenhouse gas emissions and secure future success.

Based on current data, the report predicts that the maritime industry needs to secure 30–40% of the total future annual global supply of carbon-neutral fuels to meet incoming regulations. To overcome this challenge, a range of technologies could be pursued, including air-lubrication systems and wind-assisted propulsion, to boost efficiency and reduce fuel consumption. The report also reviews the status of smart digital systems and their potential to reap operational efficiencies.

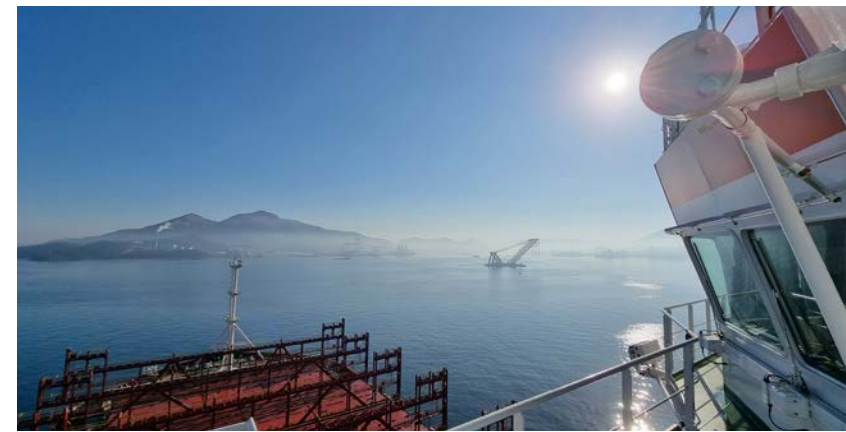
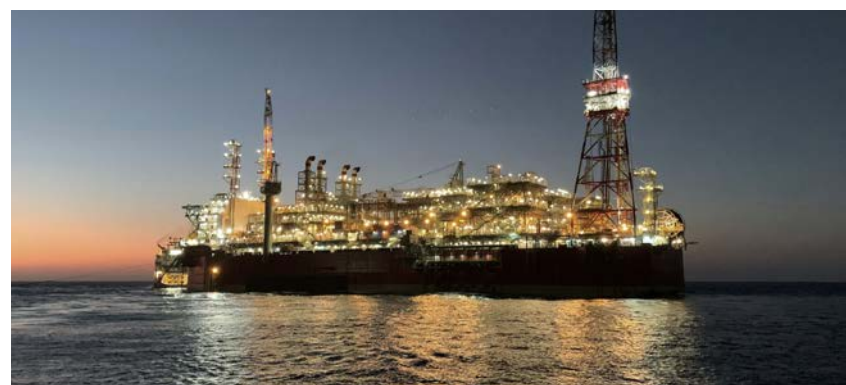
Other technologies, like onboard carbon capture and storage and nuclear propulsion, could also help to reduce competition for green fuels. The report offers a detailed economic analysis of both options to help stakeholders make informed decisions around these technologies.

## Enhancing tanker sustainability

In 2023, DNV became the first class society to introduce class rules for electrical shore connections specifically tailored for tankers. The need for new rules on shore power for tankers emerged following amendments to the California Air Resources Board's Ocean-Going Vessels At-Berth Regulation. This requires tankers to have emission-control strategies in place at specific ports as of January 2025.

Because tankers often carry potentially flammable cargoes, the electrical risks can be greater than for dry-bulk carriers and containerships. This means more attention must be paid to systems safety, both on board and on the quayside.

DNV conducted a comprehensive assessment of the feasibility of meeting the new requirements and found significant gaps in the existing regulatory framework for shore power on tankers. Working with leading energy charterers, tanker terminals, and prominent ship owners, DNV finalized and released the new rules on 1 July 2023.



## OCCS Guidelines for next-generation shipping

DNV has published new guidelines for the safe installation of onboard carbon capture and storage (OCCS) systems on board ships. The guidelines were published amid growing pressure on the shipping industry to develop effective technologies to reduce emissions as part of the ongoing maritime energy transition. They also help fill a void of statutory regulations addressing the possible safety implications of using OCCS systems on board ships.

While the guidelines are based on DNV classification requirements, additional technical or other requirements may be imposed by relevant flag-state administrations. The guidelines also cover alternative carbon capture solutions, including physical absorption and cryogenic methods.

In addition, DNV worked with several partners on a project to investigate the feasibility of installing a carbon capture and storage system on board a 174,000 cubic-metre liquefied natural gas carrier.

## Defining greenhouse gas reporting metrics for offshore wind vessels

Transparent emissions reporting is a crucial part of the expectations players in the shipping industry must meet. However, current calculation methods are not a good fit for the complex work performed by offshore wind vessels.

To address this gap, DNV and partners initiated the Emission Reduction Joint Industry Project to standardize decarbonization reporting and increase transparency within the industry. The project has established a set of emissions metrics that can provide a framework to objectively measure greenhouse gas emissions. This involves the development of parameters and measurements of "work performed" appropriate for different ship types as well as common operational modes associated with the sector, including dynamic positioning operation, standby, transit, and lifting.

Phase two of the project was kicked off in November to test the framework and expand the variety of ship types that can be assessed.



## ENERGY SYSTEMS

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# GROWTH AMID ROBUST GLOBAL DEMAND

In 2023, DNV's business area Energy Systems experienced robust global demand for its independent expertise and services, reinforcing its pivotal role in advancing renewables, grid scalability, and safe, reliable, and decarbonized operations in the oil and gas industry. The year was marked by heightened attention to energy security, triggered by geopolitical shifts leading to disruptions and price shocks.

The wind energy sector grappled with supply chain challenges and increased interest rates, while the solar photovoltaic sector saw remarkable growth. At the same time, progress was made through new policies supporting an accelerated energy transition in several global regions. Amid these dynamics, Energy Systems experienced substantial growth and expanded its positive impact through advisory, assurance, and digital data-monitoring and -analysis solutions.

2023 REVIEW >

REVENUE <sup>1</sup>

**11,039** 18.9%  
million NOK up from last year

Group total:  
31,594 mill. NOK

2022: **9,284** 2021: **7,897** 2020: **7,654**

EMPLOYEES <sup>1</sup>

**4,981** 14.6%  
up from last year

Group total: 14,841

2022: **4,348** 2021: **3,981** 2020: **3,952**



Enhanced research and technology qualification facilities

In 2023, DNV inaugurated its technology centre located at the Zernike campus in Groningen, the Netherlands, strengthening its capabilities within research and the qualification of new technologies in the energy sector, with a strong focus on decarbonization. The centre aims to demonstrate and qualify low-carbon technologies, optimize gas infrastructure, provide innovative metrology for energy systems, lead research on hydrogen and hydrogen-derived fuels, and conduct safety analyses. The facility leverages experience from both the maritime and energy sectors. Moreover, it builds on the success of DNV's former laboratories in Groningen which had become an international reference for hydrogen-related research and development.

DNV also expanded its Singapore laboratory to offer advanced testing for hydrogen transport and storage, further enhancing the global offerings from its nine major facilities worldwide.

Monitoring a cutting-edge solar farm in Argentina

GreenPowerMonitor (GPM), DNV's renewable energy monitoring and data management solutions provider, was entrusted by YPF Luz to monitor and control its first solar asset in Argentina: Zonda I, a pioneering solar farm in Bella Vista, San Juan. The farm utilizes cutting-edge GPM SCADA, a system that helps control industrial processes remotely and monitor real-time data, as well as Power Plant Controller systems to manage real and reactive power, aligning with Argentina's grid code.

With an initial capacity of 100 megawatts, Zonda I powers over 88,000 homes, cutting 110,000 tonnes of annual CO<sub>2</sub> emissions. Positioned for expansion, the farm targets a remarkable 300 megawatt capacity, enhancing San Juan's renewable energy share by 25%. In the coming years, GPM's proven expertise, demonstrated through 20 gigawatts of capacity in Iberia and Latin America, is set to play an even more important role in Argentina's commitment to a sustainable energy future.



Boosting carbon capture and storage implementation in Denmark

Project Greensand, a pioneering achievement in carbon capture and storage (CCS) in Denmark, secured official safety approval from DNV, marking a historic milestone. It is the first project globally to showcase the cross-border transportation and offshore storage of CO<sub>2</sub>.

DNV presented the project's Conformity Statement the First Carbon Storage event in Esbjerg in March 2023 following the inauguration of the CO<sub>2</sub> underground storage facility by HRH Crown Prince - now King - Frederik of Denmark. DNV's verification encompasses the entire project and confirms compliance with the highest safety standards.

Project Greensand aims to store 1.5 million tonnes of CO<sub>2</sub> annually by 2025/2026, with a vision of 8 million tonnes by 2030. The project is aligned with the EU Offshore Safety Directive and prioritizes stringent safety standards to enhance its competitive edge in the evolving CCS market.

<sup>1</sup> The 2020 figures reflect the consolidated revenue and employee numbers of the former business areas Oil & Gas and Energy.





## Supporting Maine's offshore wind industry

On behalf of the State of Maine Governor's Energy Office, DNV concluded reports for the Maine Offshore Wind Initiative. The reports chart a clear path for floating offshore wind development in the Gulf of Maine, while also considering Maine's maritime, tourism, and environmental interests.

With its ample coastline and high wind speeds, Maine offers an ideal setting for offshore wind that can decarbonize the state's energy. However, the Gulf's depth and economic significance make developments more complex.

In 2020, the U.S. Economic Development Administration awarded a USD 2.2 million grant to support the project, including DNV's comprehensive analysis. DNV's findings highlighted substantial offshore-wind-related benefits for the State of Maine, including a potential USD 2 billion in wage earnings and up to 33,000 construction jobs, and 13,000 long-term jobs.

## Preparing the UK for hydrogen

DNV is a key partner for National Gas Transmission (NGT) in pioneering the world's first hydrogen pipeline research facility, FutureGrid. NGT has been awarded a strategic innovation fund (SIF) by Ofgem, Great Britain's independent energy regulator, to assess existing assets for hydrogen transportation in the UK's National Transmission System (NTS).

Collaborating with NGT, DNV initiated the first phase of FutureGrid in 2021 by commissioning a high-pressure hydrogen test facility and demonstrating the safe blending of hydrogen with natural gas. The second phase of the FutureGrid project included setting up a hydrogen testing facility in Cumbria to carry out compression, debinding, and purification. Both projects seek to adapt the NTS to hydrogen transport and support the UK in reaching its net-zero goals by 2050.



## Supporting Southeast Asia's largest energy storage system

DNV played a pivotal role as a technical advisor in the commissioning of Southeast Asia's largest energy storage system (ESS) on Singapore's Jurong Island. The 285 megawatt-hour Sembcorp Energy Storage System, developed under a build-own-operate (BOO) model by Sembcorp Industries, supports Singapore's transition to cleaner energy sources. DNV's testing and evaluation expertise ensured successful mandatory site-execution test activities, a crucial step towards launching the storage system into commercial operation.

The project, commissioned in just six months, surpassed industry norms for similar capacity installations, demonstrating an agile approach by, and close collaboration between, Sembcorp and DNV. The Jurong Island ESS, which exceeds Singapore's 2019 Energy Market Authority target for beyond 2025, enhances grid stability by addressing solar intermittency in the tropical climate and contributes to the country's energy storage ambitions.

## Accelerating the UAE's energy transition

In 2023, DNV partnered with Emirates Water and Electricity Company (EWEC), the sole procurer and supplier of water and electricity in the Emirate of Abu Dhabi, to support the implementation of EWEC's strategic initiatives to accelerate the energy transition in the UAE. The aim was to do so by diversifying Abu Dhabi's energy mix through developing and deploying renewable and clean energy as well as low-carbon-intensive water desalination capacities.

DNV collaborated with EWEC to monitor the development of new energy technologies and evaluate these technologies' readiness for deployment. DNV also acted as technical advisor for large-scale solar photovoltaic projects with a total capacity of around 3 gigawatts.





## DIGITAL SOLUTIONS

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# DIGITALIZE TO DECARBONIZE

Digitalization is the key to decarbonization and a safe, efficient energy transition. DNV's Digital Solutions business area enables digitalization by driving standardization and delivering digital solutions and software to help customers manage risk and optimize the performance of assets, including wind farms, energy grids, pipelines, and plants.

Our work in 2023 was also influenced by advancements in artificial intelligence (AI) and the vital need for customers to operate safely and securely while managing increasing cyber security risks. As well as the energy sector, this benefitted our quality, health, safety, and environment customers across a range of industries.

2023 REVIEW >

REVENUE <sup>1</sup>

**1,468**

million NOK

**▲ 17.5%**  
up from last year

Group total:  
31,594 mill. NOK

2022: **1,250** 2021: **1,121** 2020: **1,097**

EMPLOYEES <sup>2</sup>

**764**

**▲ 4.9%**  
up from last year

Group total: 14,841

2022: **728** 2021: **708** 2020: **863**

<sup>1</sup> In early 2021, DNV made organizational changes following our new strategy. Veracity became an internal joint venture and two business units, Cyber Security and Digital Health, were transferred to The Accelerator. The 2020 financial figures have thus been updated to be comparable with 2021 and 2022 figures.

<sup>2</sup> Due to the reorganization, the 2022 and 2021 figures are not comparable with those of 2020.



AI gets safety reports back on track

AI is proving its ability to bolster worker safety now that DNV has integrated machine learning into its enterprise risk management software, Synergi Life, to improve safety-report management for rail freight customer Green Cargo.

Green Cargo had been using the Synergi Life Connect mobile app to report all accidents, near-misses, and unsafe conditions. While the app made it easier to report issues, considerable work hours were spent on categorizing reports before they could be acted on.

Now, Synergi Life has enabled Green Cargo to improve the accuracy and efficiency of their safety reporting and currently saves up to 140 work hours each month on case investigation. "Synergi Life has freed up more time for us to find the root causes of incidents and increase safety for all employees. We can spend more time doing impactful things," said Jimmy Johansson, Safety and Security Developer at Green Cargo.

Digitizing data for automated assurance systems

A safe and efficient energy transition will be driven by digitalization, with one of the big enablers being automated assurance systems that can greatly reduce the time spent on, and cost of, establishing and assuring physical assets.

These systems rely on large sets of data and standards from physical manuals being digitized so they can be automatically read and processed. DNV has taken steps to prepare data so these systems can easily understand standards and verify the safe development and operation of physical assets vital to the energy transition. These include floating offshore wind farms, offshore platforms, and pipelines.



Digitally transforming offshore wind turbine design

To advance the growth of offshore wind and accelerate the energy transition, DNV has been developing the next generation of Bladed, its wind turbine analysis software.

Bladed is used by wind turbine designers to calculate the loads and performance of turbines and their support structures. The digitally transformed Bladed will support the optimization of larger turbines in modern design processes to ensure safe operation while maximizing output.

DNV has engaged directly with more than 20 customers to ensure Bladed meets their needs and integrates with their design processes. Automated design workflows will be enabled by new application programming interfaces, greatly reducing the time it takes to conduct tests and evaluations to optimize designs and reduce costs.



## Electric grid asset data at the fingertips

End-user consultation in 2023 helped refine DNV's Cascade mobile app, enabling grid electricians and inspectors working in the field to inspect electric grid components, complete planned and unplanned maintenance, and react quickly to issues.

The modern Cascade mobile app has a simplified user interface and works on multiple operating systems. Checks can be completed while it is disconnected from a network and data can be synchronized later from the field to the main Cascade system for further assessment.

Feedback from customers during development ensured app features were easy to use and considered conditions in the field. With faster inspections, data transfer, and response times, the Cascade mobile app helps electric grid managers maintain a safe power supply to homes and businesses.

## Developing hydrogen-enabling risk assessment tools

DNV signed a memorandum of understanding with long-term customer Sinopec Engineering Incorporation (SEI) in 2023 to collaborate on developing new software solutions for risk assessment and management in the hydrogen supply chain.

Advancing digital technology, including computational fluid dynamics software, will enable quantitative risk assessment that can mitigate risks associated with hydrogen and drive forward the energy transition in China and internationally.

The combination of SEI's operations experience and DNV's design and engineering expertise will help ensure thorough research and software that can be integrated into current and future infrastructure.

As well as immediate aims to drive digitalization and risk management in the energy transition, the partnership has ambitions for long-term collaboration and the exploration of Joint Industry Projects.



## Cyber security module creates a one-stop safety shop

The addition of a cyber security module to Synergi Life for energy production and supply company Altera Infrastructure has brought all risk management and safety data to one place.

Altera had used Synergi Life for incident management for many years but, with the need to monitor cyber security risks more important than ever, Altera extended the application of Synergi Life beyond traditional safety management to seamlessly integrate cyber security and audit management. As well as health, safety, and environmental risks, cyber risks can now be registered digitally and any necessary follow-up actions can be tracked.

This expansion empowers the team to effectively address contemporary risks both onshore and offshore, offering a robust solution tailored to the evolving challenges of the industry.

## Ensuring pipeline safety in Trinidad and Tobago

Synergi Pipeline, DNV's software for the integrity and risk management of pipelines and gas networks, was implemented by the National Gas Company (NGC) of Trinidad and Tobago, supporting the safer and more efficient operation of more than 1,000 kilometres of distribution and transmission pipelines, both onshore and offshore.

The Synergi Pipeline software is now one of the key tools used within NGC's asset-integrity framework to manage pipeline risks and maintain the reliability of pipelines, ensuring supply to a population of around 1.4 million.

Its digitalized approach to pipeline-integrity management allows NGC to proactively manage threats that could lead to loss of containment by identifying the threats of concern and prioritizing maintenance activities.





## BUSINESS ASSURANCE

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# SAFE AND SUSTAINABLE RISK MANAGEMENT

Throughout 2023, DNV evolved its certification and training portfolio to help customers build business resilience, innovate, and deliver on sustainability commitments across the environmental, sustainable, and governance (ESG) dimensions.

In a volatile market where customer, stakeholder, and regulatory demands continue to grow, DNV helped numerous companies manage a broader set of risks, while contributing to building trust and transparency in their operations.

2023 REVIEW >

REVENUE <sup>1</sup>

**3,700**

million NOK

**25.1%**  
up from  
last year

Group total:  
31,594 mill. NOK

2022: **2,957** 2021: **2,892** 2020: **3,595**

EMPLOYEES <sup>1</sup>

**1,591**

**6.4%**  
up from  
last year

Group total: 14,841

2022: **1,495** 2021: **1,464** 2020: **1,922**



Contributing to a sustainable footprint

A survey of DNV’s customers conducted in 2023 revealed that sustainability is of high priority. Over half of the respondents placed a high emphasis on sustainability in their business strategy, and 70% were committed to specific UN Sustainability Development Goals (SDGs).

Management system certifications are valuable assets for companies seeking effective means to achieve results and provide trusted proof of performance. Over 80% of the survey respondents fully or somewhat agreed that a management system helps them deliver on ESG or SDG commitments.

Following this logic, the ISO certification market carried on growing in 2023, enabling additional companies to improve their performance in a more structured manner. DNV is continuing to develop services and digital tools to help companies manage a broader set of risks, improve their sustainability footprint, and deliver on ESG and SDG ambitions.

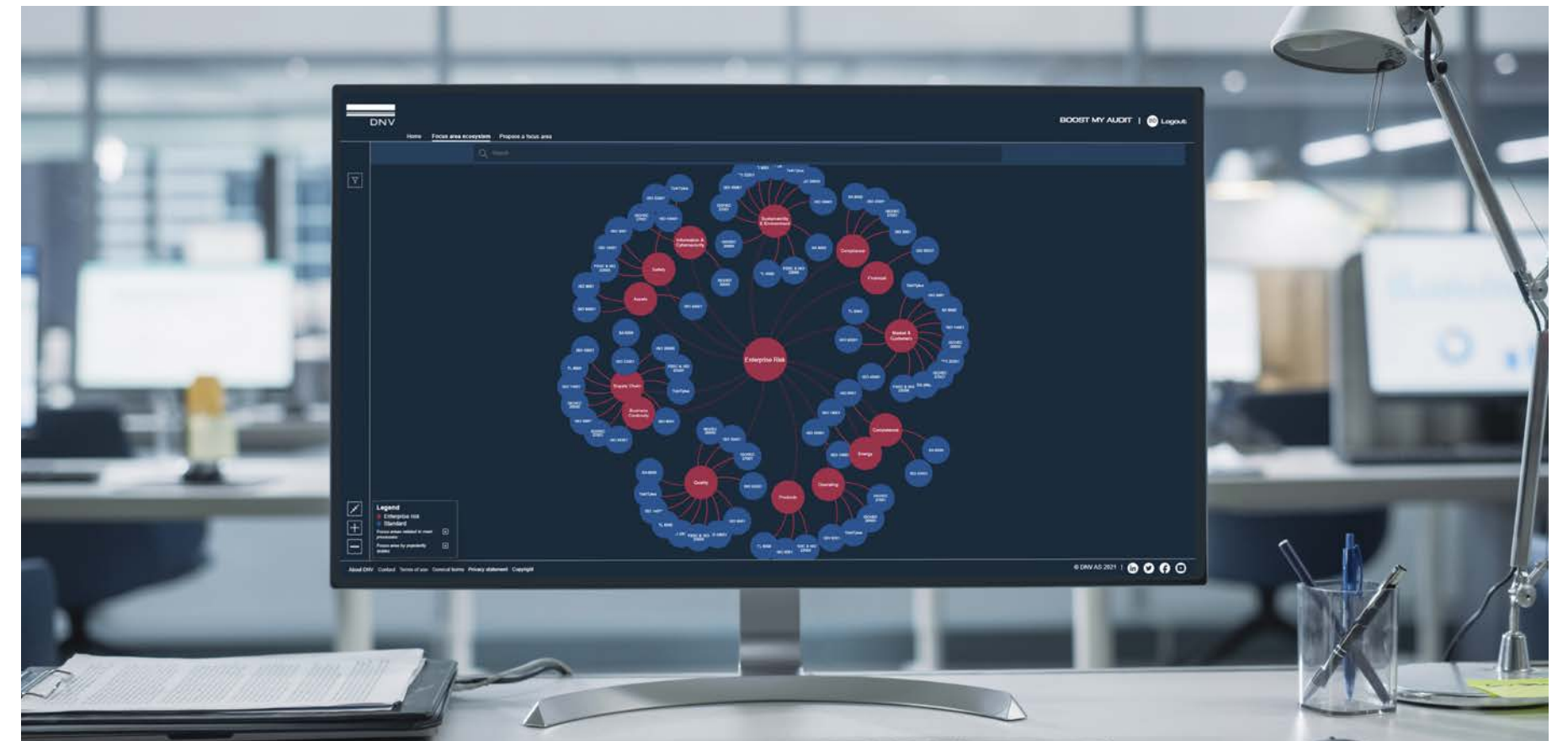
Managing a broader set of risks

Companies continued to be challenged by new and complex issues in 2023, ranging from energy-management and cyber security threats to artificial-intelligence implementation. Many companies increasingly view their management-system certification as not only a ticket-to-trade, but also a trusted way of tackling a broader range of risks.

To meet these rising market expectations, DNV evolved its Risk Based Certification™ audit methodology and a related digital tool, Boost My Audit.

In combination, these tools help customers identify areas that are critical to business success, such as their approach to the UN SDG commitments, and assess how management is supporting these sustainability initiatives.

Improvements include an upgraded version of Boost My Audit which features a broader enterprise-risk focus connected to the UN SDGs. Even more customers started using the tool in 2023 and, upon request, Boost My Audit was released in additional languages, such as Chinese.



<sup>1</sup> In early 2021, Business Assurance was split into two new business areas: Business Assurance and Supply Chain & Product Assurance. Due to the reorganization, the 2021 and 2022 figures are not comparable with those of 2020.



## Saving lives through artificial intelligence

The Norwegian hospital AHUS is developing artificial intelligence (AI) models to detect heart failure and prevent fatal outcomes. Today, half of patients with this condition die within five years, but the number could be greatly reduced if patients at risk were detected at an earlier stage. Predictive AI diagnostics based on EKG data analysis will help identify these patients, but its success depends on vast amounts of data that needs to be reliable. Indeed, one single EKG file contains around 120,000 data points.

To ensure they have best practices in place to enable the safe, reliable, and ethical development, implementation, and use of AI systems, AHUS turned to DNV.

The first step was to conduct a gap analysis of their current data control procedures and processes against related requirements in the new artificial intelligence management system standard, ISO/IEC 42001. This has enabled AHUS to address any gaps in their data control, as well as other gaps related to AI-model and life-cycle controls, and organizational controls.

The gap analysis has resulted in AHUS deciding to implement a fully compliant management system with the objective of being certified to ISO/IEC 42001 in 2024. DNV is continuing to develop AI-certification-related training services and tools to help companies safely capitalize on AI.

## Feeding our planet

Farmed proteins, such as seafood, are essential to help feed our planet - both today and in the future. But managing this industry in a safe and sustainable manner requires significant efforts and a strong commitment to continually improving performance. One of the world's leading seafood producers, the Lerøy Seafood Group, relies in on a wide range of DNV certifications to make its operations more sustainable. These include certification to sustainability standards such as GlobalG.A.P Aquaculture and ASC Farm, as well as adhering to the related Chain of Custody standards that certify traceability from farm to fork.

To ensure food safety at processing sites in Norway and Europe, Lerøy is relying on Global Food Safety Initiative benchmarked standards like BRCGS Food and FSSC 22000. DNV is also assisting Lerøy in the technical assessment of land-based farms, ensuring regulatory compliance and the quality and safety of operations.



## Building a quality and safety culture

Throughout 2023, DNV made significant efforts to improve its training portfolio and support customers' competence development. Among these customers is Swedish technology company SAAB, which relies on DNV for all its certification and training needs.

To deliver on its ambition "to keep people and society safe", SAAB needs management systems that are thoroughly implemented as well as a strong organizational culture. To ensure this, the company has put into effect comprehensive training requirements throughout its organization, spanning from quality, occupational health and safety, and information security to environmental management, including courses to further develop internal audit competencies. The company has published both publicly accessible and in-house trainings in a customized SAAB Workday Dashboard.



## SUPPLY CHAIN & PRODUCT ASSURANCE

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# TRUSTED ASSURANCE SERVICES

In 2023, our Supply Chain & Product Assurance business area focused on growing our assurance services across the hard-to-decarbonize, healthcare, and food and beverage sectors. We experienced increasing demand for our product assurance service portfolio from worldwide customers involved in medical technologies, land transportation, and other industries dependent on product assurance, for example in hazardous areas.

Regulators' intensifying focus on quality, safety, security, and sustainability means companies need to demonstrate that their products, systems, and supply chains meet higher standards than ever before. Third-party assurance is a key component of much evolving legislation around sustainability, cyber security, and artificial intelligence.



2023 REVIEW >

REVENUE <sup>1,2</sup>

**2,041**

million NOK

**40.5%**  
up from  
last year

Group total:  
31,594 mill. NOK

2022: **1,453** 2021: **1,009** 2020: **N/A**

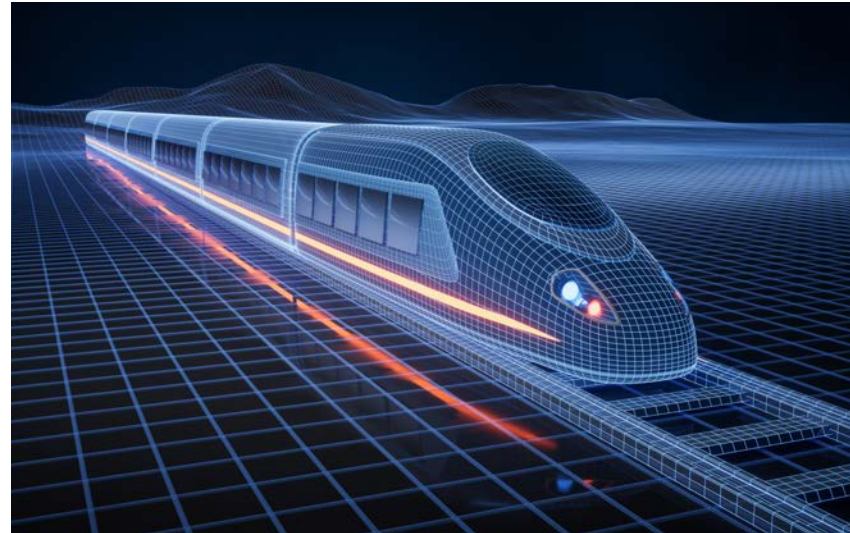
EMPLOYEES <sup>1</sup>

**1,290**

**64.3%**  
up from  
last year

Group total: 14,841

2022: **785** 2021: **557** 2020: **N/A**



Contributing to rail systems' safety and transformation

Increasing automation, digitalization, and cyber security are transformational challenges impacting the several new greenfield and brownfield rail system programmes being launched worldwide. Throughout 2023, we continued to strengthen our offering in these areas. At a regulatory level, a full revision of the Technical Specifications of Interoperability package was implemented in the EU, and digital transformation remains key, with AI already showing innovative applications.

We secured several landmark wins in 2023, including AquaSync in China, an Independent Competent Person contract for Saudi Arabian Railways, and the provision of systems engineering and assurance services for a monorail project in the Dominican Republic.

During 2023, we continued to build our rail service capability across Europe, while also expanding into new territories such as the US, Canada, and Brazil.

Ensuring human rights and product safety in complex global value chains

New legislation on supply chain transparency is driving higher demand for environmental, social, and governance (ESG) and product safety audit and assessment services across the world. DNV's supply chain services portfolio grew by 24% in 2023, with the largest growth seen in Aluminium Stewardship Initiative (ASI) and ResponsibleSteel™ schemes.

Demand is also growing beyond human rights due diligence as customers, particularly in the transportation, medical, and energy sectors, request more bespoke extended services and digital solutions to encompass all their ESG commitments and new regulatory requirements.

Consumer-focused product safety audit and assessment services, for example in the food and retail industries, also continued to be a large market this year, particularly due to regulations such as the U.S. Food and Drug Association's (FDA) Food Safety Modernization Act 204, which came into effect in 2023.



Putting patient safety at the heart of medical technology

Evolving regulations, particularly with the deadline for Medical Device Regulation compliance being extended beyond May 2024, continue to increase demand for certification services from medical device manufacturers worldwide. DNV responded by building capacity across all regional hubs in 2023.

During the year, our service offering was expanded to include certification for cosmetic devices (devices without a medical function), which were previously unregulated. Other pending services include UK Conformity Assessed marking to give manufacturers access to the UK market, In-vitro Diagnostic Device services in response to new regulations, and the Taiwan Technical Cooperation Programme to give EU manufacturers access to the Taiwanese market.

DNV is also developing a tool to better assist the assessment of AI in medical devices, as regulations – and devices – mature in this area.

<sup>1</sup> In early 2021, the Business Assurance business area was split into two new business areas: Business Assurance and Supply Chain & Product Assurance. No historic revenue or employee data is therefore recorded before 2021.

<sup>2</sup> Revenue from the acquired Åkerblå Group is included as of September 2023.



## Building an aquaculture services powerhouse

In August 2023, DNV finalized its acquisition of Norway-headquartered Åkerblå Group. The addition of services related to biodiversity and fish health and welfare creates an end-to-end global industry service portfolio which enables us to expand our offering to all parts of the aquaculture value chain.

With the ever-increasing need for product traceability driven by new regulations from the EU and FDA and in response to market demands, DNV combined its assurance, ESG, and digital expertise to partner with AKVA group, an aquaculture services company, in piloting a digital product passport solution. A first-of-a-kind solution for the aquaculture industry, this streamlines compliance by providing an up-to-date story of a seafood product and its journey from farm to fork.

## Supporting hard-to-decarbonize industries in their sustainability journey

Due to the increasing focus on how hard-to-decarbonize industries are managing the low-carbon transition, we expanded our assurance services to these sectors. In particular, we grew our sustainable steel assurance business, as well as issuing an increasing amount of ResponsibleSteel™ and ASI certifications, thus aiding companies' sustainability efforts.

DNV worked with companies like JERA, Japan's largest power-generation company, on transition finance, and Kawasaki Heavy Industries and IHI Corporation on hydrogen and ammonia fuels, and we continued to work with ArcelorMittal, Thyssenkrupp, Tata Steel, and Norsk Hydro on the verification and validation of their decarbonization projects.

As the EU's Carbon Border Adjustment Mechanism came into force in 2023 for the hard-to-decarbonize sectors, DNV developed a dedicated service offering and is supporting several producers, such as China's Dajin Heavy Metal, with readiness and emissions reporting requirements associated with this new regulation.



## Supporting the automotive and manufacturing sectors in cyber security compliance

Cyber security compliance for the automotive industry is a core strength for DNV, with capacity being built across key markets such as Japan, China, and South Korea, as well as across the Middle East and India.

Our services are continuing to evolve in the automotive sector, from functional safety to cyber security and now into new fields such as Safety Of The Intended Functionality. Our customers include many of Asia's largest multinational automotive brands, as well as component suppliers such as SAPEON. We provided automotive functional safety certification for the latter company's AI processor in 2023, advancing the integration of AI and machine learning in automotive systems.

New legislation, for example the EU's Machinery Regulation, means many new product types, such as industrial equipment, must provide evidence of their digital security, thus increasing demand for cyber security assurance services worldwide.

## Expanding healthcare accreditation services worldwide

With a 96% customer retention rate and 21% increase in revenue from 2022, DNV's hospital accreditation service portfolio grew across the US last year and also expanded into countries such as China, South America, and Iceland.

We introduced several new certifications, including Advanced Certification in Infection Prevention, Advanced Paediatric Spine Certification, and Advanced Cardiac Certification, and gained approval to certify mobile stroke units. We anticipate approval to accredit ambulatory surgery centres in 2024, and a new collaboration with the lab accreditation company COLA expanded our offering into the accreditation space.

New training courses were launched, including Certified Healthcare Infection Prevention Professional. A focus on accreditation for dental facilities and psychiatric services will continue into 2024, along with further international expansion.





## THE ACCELERATOR

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# GROWING RAPIDLY TO SHAPE THE FUTURE OF ASSURANCE

The Accelerator is DNV's business area dedicated to rapidly growing targeted business units that will shape the future of assurance. It acts as a greenhouse for a strategically selected portfolio of businesses, each of which serves different industries and markets. The portfolio benefits from dedicated support to rapidly grow through organic means, as well as through acquisitions and partnerships. In 2023, The Accelerator continued to successfully scale three businesses: Cyber Security, Digital Health, and Inspection.

2023 REVIEW >

REVENUE <sup>1</sup>

2,210

million NOK

58.6%  
up from  
last year

Group total:  
31,594 mill. NOK

2022: 1,393 2021: 977 2020: 861

EMPLOYEES <sup>2</sup>

870

101.4%  
up from  
last year

Group total: 14,841

2022: 432<sup>3</sup> 2021: 284 2020: N/A

<sup>1</sup> In early 2021, DNV made organizational changes following our new strategy. The 2020 financial figures were thus updated to be comparable with the 2021 and 2022 figures. Revenue from the acquired company Nixu is included as of July 2023.

<sup>2</sup> Due to the reorganization, the 2021 and 2022 figures are not comparable with those of 2020.

<sup>3</sup> The number of employees reported in 2022 has been restated from 313 to 432. The new figure includes 119 employees from acquired companies that were not included in our human resources system at the time of publication of our 2022 annual report.

CYBER SECURITY

Preparing the maritime and energy sectors for tighter cyber security regulation

Maritime and energy professionals expect regulation to be the greatest driver of much-needed cyber security investment in the coming years, according to DNV's 2023 Cyber Priority research. In the EU, organizations providing essential services, including many in the energy sector, face tougher regulation in the form of the revised Directive on Security of Network and Information Systems (NIS2), which will come into force in EU countries throughout 2024. In the maritime industry, the International Association of Classification Societies (IACS) has adopted new universal cyber security requirements for new vessels contracted from July 2024.

DNV has advised several companies in the energy and maritime industries on the scope and expected implementation of upcoming regulation in 2023, and helped companies to prepare to comply with future regulation and make the most of this opportunity to strengthen their cyber resilience.



DIGITAL HEALTH

International expansion for DNV's digital health businesses



DNV is growing a portfolio of digital health businesses that empower healthcare providers to tackle rising costs, staff shortages, and demand for care with solutions that improve patient safety while also assuring a secure and efficient digital transformation. DNV Imatis, formed by DNV's acquisition of Imatis in 2021, and MBI Healthcare Technologies, acquired in 2022, both took significant steps to expand internationally beyond their home markets in 2023.

Norway-based DNV Imatis integrates and aggregates data from across healthcare operations, bringing critical information together into a simple overview in real-time. In 2023, the company signed an agreement with GVM Servizi, Italy's second-largest private

healthcare provider, to streamline hospital operations by deploying DNV Imatis' digital solutions for bed management and cleaning services.

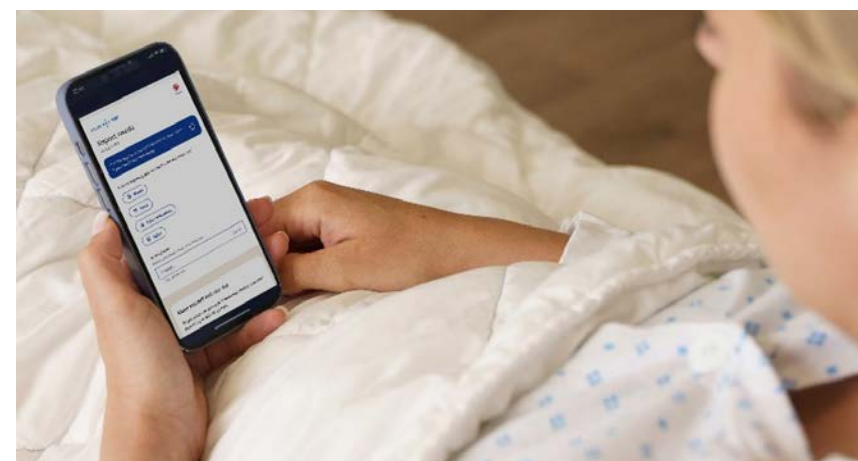
UK-based MBI Healthcare Technologies gives healthcare providers highly specialized advisory support, increased visibility of patients' care pathways, and the ability to correct waiting-list data in electronic health-record systems. In 2023, the company supported New Zealand's Ministry of Health in its recovery plans and advised the ministry on the future strategic direction of planned care across the country. This contract built on the company's extensive experience of supporting the UK National Health Service (NHS).

## DIGITAL HEALTH

## Enhancing inpatient communication in Norwegian healthcare

DNV Imatis has developed an application together with the Western Norway Regional Health Authority to support patient-centric and efficient healthcare operations. The Inpatient Communication portal empowers patients to communicate their needs efficiently to the responsible nurse, improving the patient experience, optimizing time management for healthcare workers, and enhancing hospital efficiency.

Developed in close collaboration with clinicians, the solution addresses a longstanding challenge faced by healthcare professionals: how to anticipate patients' needs in advance. Authenticated access to relevant information via the app adds a layer of safety for patients by helping them to better understand their treatment plan, and it reassures patients by actively involving them in their healthcare journey.



## Addressing patient waiting lists through healthy data

With waiting lists for elective care reaching a record high in the UK, MBI Healthcare Technologies employs teams of expert advisors and data validators as well as AI-enabled technologies to support the NHS in improving patient data and safely addressing treatment backlogs.

Working in partnership with West Hertfordshire Teaching Hospitals, MBI validated the accuracy of more than 40,000 patient pathways and correctly identified 54% of them as genuine data quality errors that could be safely removed from the waiting list. This enabled the Trust to significantly reduce its waiting list, better manage patient pathways, and increase its performance against national standards.

MBI's advisory team has also assessed the implementation of a new electronic health-record system at King's College Hospital NHS Foundation Trust and Guy's & St Thomas' NHS Foundation Trust. This highly complex project was the largest single installation of the Epic system in the world.

## INSPECTION

## Assuring offshore wind and grid projects

The demand for services related to the quality assurance of industrial assets and supply chains continued to grow in 2023. DNV's Inspection business scaled notably in the power and renewables market throughout the year as energy operators sought confidence in the safety and quality of capital projects.

DNV completed a significant fabrication-quality assurance assignment for the Iberdrola Group as part of the Baltic Eagle offshore wind project in 2023. This project will supply renewable energy to 475,000 households in Germany. As our inspection support to the project came to an end, work began with another Iberdrola Group company. Scottish Power Renewables awarded DNV a three-year contract to provide integrated inspection services for the major East Anglia Three offshore wind project in the UK. This is set to be the world's second-largest windfarm when it comes online in 2026.

A key enabler of offshore wind lies in connections to the grid. In 2023, DNV signed an agreement with Dutch operator TenneT to supervise the production of subsea cables to connect offshore wind assets to the grid and an agreement with France's transmission system operator RTE to provide quality-control monitoring services throughout the manufacturing, assembly, and testing of cables and substation systems.

## Novel technologies for oil and gas asset inspection



Innovating within its oil and gas inspection services, DNV deployed a range of innovative technologies to enhance its long-standing project with Brunei Shell Petroleum in 2023, making inspections safer, faster, and cheaper. This included deploying a phased array of ultrasound technology to measure corrosion loss in contact points, several innovative tube-inspection techniques, and robotic devices to inspect risers above and below the water splash zone and tanks while in use. It also involved the use of drones to assess the integrity of offshore structures and carry out inspections in confined and hazardous spaces.

# SUSTAINABILITY

Sustainability is an integral part of our vision to be a trusted voice to tackle global transformations.

In this section, we focus on our key sustainability topics, detailing how our business model creates value for DNV and for our customers and partners through the support and advice we provide. Helping our customers to achieve their sustainability goals and move forward on their sustainability journeys is where DNV can amplify its sustainability impact. By using our expertise to develop and deliver products and services that improve our customers' safety and sustainability performance, we achieve far more than just improving the sustainability of our operations.

We report in accordance with the Global Reporting Initiative (GRI) Universal Standards and our GRI index can be found at the end of this report. We have started to disclose our material impacts, risks, and opportunities in accordance with the European Sustainability Reporting Standards (ESRS), and we have highlighted the disclosure requirements met by this report. KPMG has provided limited assurance of the sustainability content and its assurance statement can be found at the end of this report.

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# HOW WE CREATE VALUE

DNV is a global assurance and risk management expert. Our purpose is to safeguard life, property, and the environment and we aim to live up to this purpose by delivering our vision - to be a trusted voice to help our customers tackle global transformations. These are the core tenets of our business. We activate our purpose and vision through our business strategy to 2025; a strategy that targets business growth supported by a dedicated focus on our customers, our people, and sustainability.

## Contributors to our business model

There are many factors that contribute to our business model and ultimately enable us to succeed as a business. The main ones are dedicated people with deep technical expertise, a strong brand presence in our markets, thought leadership and investment in leading-edge research.

Underpinning these is a strong financial base. We apply these resources to deliver our purpose-led and customer-focused strategy. This strategy targets business growth, but not at the expense of sustainability, profitability, or the quality or integrity of our operations.

The following diagram shows how we create value for our internal and external stakeholders.



## Our business model



### Inputs

#### PEOPLE

- **14,841** employees
- **89%** with a higher education qualification
- **17,109** NOK million employee wages and benefits
- **23** hours of training per employee/year

#### BRAND

- **82%** trust score from global brand survey (2018: 78%)
- **86.5** Group Customer Relationship Strength Score (2025 target: 86)

#### ENVIRONMENT

- **56.4** GWh energy use
- **54%** certified renewable electricity

#### FINANCIAL

- **2,578** NOK million Economic value retained 2022

#### RESEARCH AND DEVELOPMENT

- **>5%** of annual revenue spent on R&D

#### OPERATIONS AND SUPPLIERS

- **100+** countries
- **270+** offices and laboratories
- **9,849** NOK million operating costs<sup>1</sup>
- **1,700** suppliers

### Outputs

#### PEOPLE

- **7.9** employee growth
- **8.1** employee engagement
- **8.2** employee resilience index
- **0.8** injury rate per million hours worked
- **8.3** employee inclusion
- **1,441** NOK million profit share

#### CUSTOMER IMPACT

- **~100 000** customers worldwide
- **31,859** NOK million revenue<sup>2</sup>

#### ENVIRONMENT

- **83,000** tonnes CO<sub>2</sub>e
- **60,000** offsets
- Seaweed Carbon Solutions JIP

#### FINANCIAL

- **5,386** NOK million EBITDA
- **1,239** NOK million corporate income tax

#### RESEARCH AND DEVELOPMENT

- Research in six main areas, including Energy Transition Outlook, Ocean Space research, AI, and assurance

<sup>1</sup> Excluding amortizations and IFRS16    <sup>2</sup> Operating revenue and interest income



## Business model inputs

### People

Our people are at the heart of what we do at DNV – they deliver our services to customers and reflect our purpose and values to the outside world. We are committed to attracting and retaining the best talent, and to supporting them to develop their careers and skillsets within DNV. We seek to create an inclusive culture where diverse identities, backgrounds, experiences, and perspectives are valued.

Our highly educated and international workforce helps us connect with customers and understand their challenges. It also provides the technical expertise that our customers seek in order to improve their own operations. We rely on the skills and expertise of our workforce to strengthen the DNV brand, the breadth of our operations, supplier relationships, and to provide the solutions that will help to tackle global transformations.

### DNV brand

DNV's vision is to be a trusted voice to tackle global transformations. DNV provides assurance and certification services to show that our customers are following rules and meeting standards. In turn, customers

and society demand confidence in our services and business activities. To generate this confidence and maintain trust in DNV, we set high standards of governance and ethical business conduct for ourselves as well as for our business partners and suppliers. Our brand survey shows high levels of trust in the DNV brand. Maintaining this is critical to our success because our brand is one of DNV's most important assets.

### Environment

We take the responsibility to minimize our environmental impact very seriously and protecting the environment is embodied in our purpose. Climate change and the energy transition are a particular focus for us, and we have set targets to significantly cut our carbon emissions as we move towards becoming a net-zero company.

Beyond our own footprint, we use our technical expertise to accelerate the energy transition and help our customers achieve their sustainability goals. Helping our customers and partners to amplify their own positive impact is one of the aims of our sustainability strategy. See the [Market section](#) on page 19 for more details.

### Financial

Without positive financial performance, we cannot make a positive impact within society. With financial success, we create employment opportunities, pay our fair share of taxes where we operate, and enhance the skills of our workforce. We invest in research and innovation to contribute to the solutions we need to tackle global transformations. We share our research with customers, as well as with academic and research partners.

We have a strong corporate governance framework that balances growth with sustainability, profitability, and quality across all our business areas. Our healthy financial position enables us to grow our business organically and through targeted acquisitions.

### Research and development

We invest at least 5% of our revenue in research, development, and innovation every year. Our research focuses on the energy transition, in particular renewables, hydrogen, zero-carbon fuels, and grid integration. Other areas include digital assurance, the assurance of purely digital and cyber-physical assets, and cyber security. Our Group Research and Development team

**We take the responsibility to minimize our environmental impact very seriously and protecting the environment is embodied in our purpose.**

has strengthened our research into the ocean space and healthcare, and added a new focus on food systems and supply chains. Our thought leadership is freely shared with our stakeholders. More information and many of our [research papers and reports](#) are available on [dnv.com](#).

### Operations and suppliers

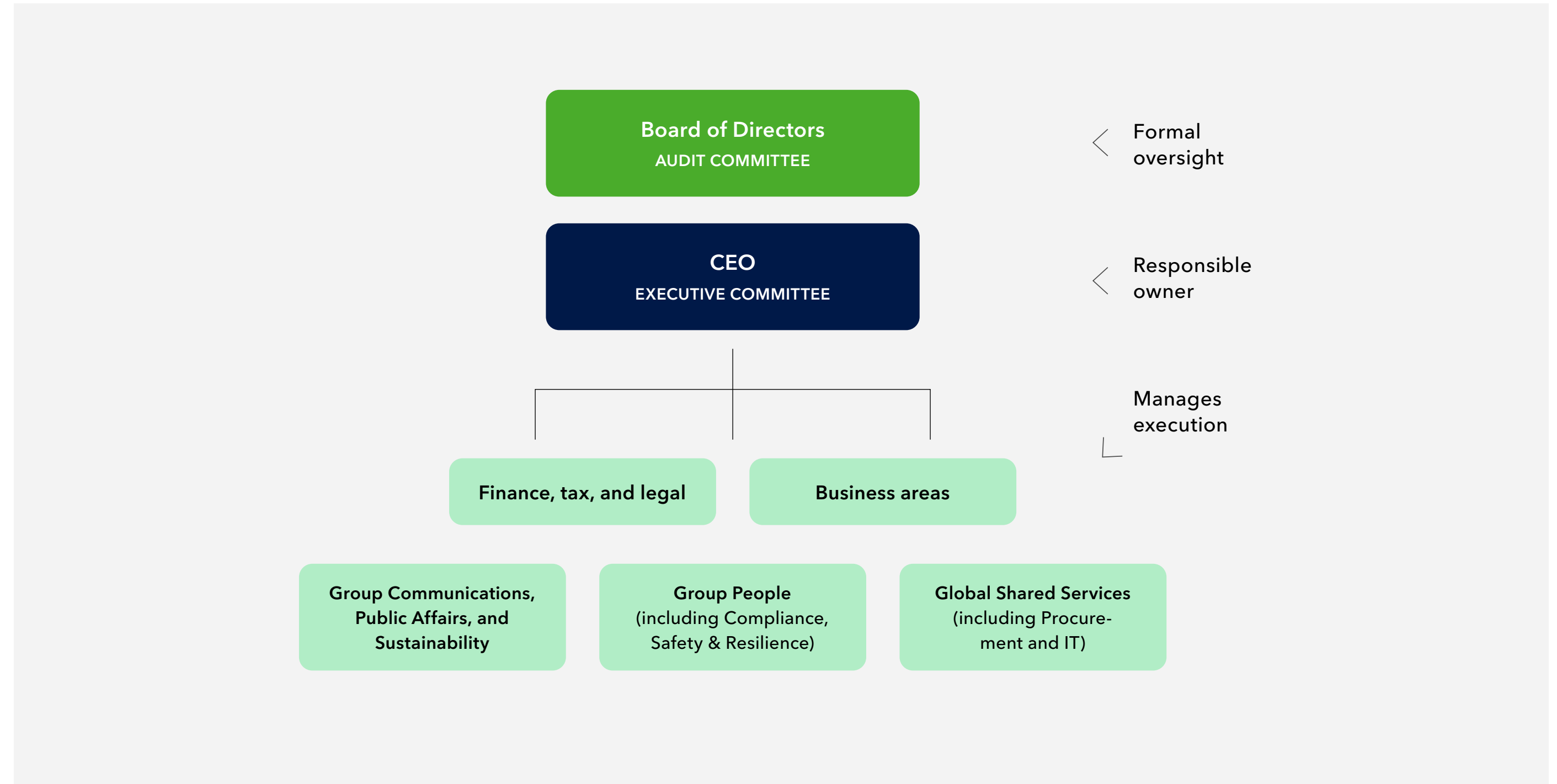
DNV has 270 offices and laboratories around the world. We engage the services of subcontractors and rely on the services of around 2,000 suppliers. Our management system details our approach to managing our supply chain, including sustainability and human rights. See [Sustainable supply chain](#) on page 91 for more information.

# Sustainability governance

Sustainability is integrated into processes and decision making across our organization. Responsibility for DNV's sustainability initiatives and performance lies with DNV's Group CEO and Executive Committee. Our Board of Directors sets the strategic direction for DNV's sustainability programmes, and oversight of reporting integrity and internal control processes lies with the Board's Audit Committee.

Our separate [Corporate Governance Report](#) describes our governance processes in more detail.

Sustainability initiatives relating to our material topics are managed by our Group-level functions, as shown in the diagram.



# Selected impact metrics

Our priorities	Indicator	2023 performance	2022 performance	Baseline data	Our targets and ambitions
<b>Customer satisfaction</b>	Group Customer Relationship Strength Score (CRSS)	<b>86.5</b>	<b>84.8</b>	<b>83.5</b> in 2020	<b>86.0</b> by 2025
<b>Talent attraction, retention, and development</b>	Employee turnover (%)	<b>7.0%</b>	<b>8.7%</b>	<b>n/a</b>	Attract and retain talent
	Pulse survey Growth Score <sup>1</sup>	<b>7.9</b>	<b>7.7</b>	<b>7.7</b> in 2022	Deliver year-on-year improvements in our growth score
	Pulse survey Engagement Score <sup>2</sup>	<b>8.1</b>	<b>8.0</b>	<b>7.5</b> in 2020	Upper quartile of benchmark
<b>Diversity, equity, and inclusion (DEI)</b>	Female-to-male ratio (%)	<b>35:65</b>	<b>35:65</b>	<b>33:67</b> in 2020	Deliver year-on-year improvements in how we achieve our global DEI ambitions
	Pulse survey Inclusion Score <sup>3</sup>	<b>8.3</b>	<b>8.2</b>	<b>n/a</b>	To be revised and launched in 2024
<b>Ethics and human rights</b>	Percentage of employees that completed DNV's mandatory Code of Conduct e-learning	<b>98%</b>	<b>99%</b>	<b>99%</b> in 2020	<b>99%</b>
<b>Employee safety and resilience</b>	Resilience index <sup>4</sup>	<b>8.2</b>	<b>8.1</b>	<b>7.8</b> in 2020	<b>8.0</b> by 2025
	Injury rate (per million hours worked)	<b>0.8</b>	<b>0.5</b>	<b>0.7</b> in 2020	We strive for <b>zero</b> harm
<b>Environment and climate</b>	Greenhouse gas emissions intensity (thousand tonnes CO <sub>2</sub> e per employee)	<b>3.3 tCO<sub>2</sub>e</b>	<b>2.7 tCO<sub>2</sub>e</b> (pandemic effect) <sup>5</sup>	<b>5.6 tCO<sub>2</sub>e</b> in 2019 <sup>5</sup>	<b>50%</b> reduction in CO <sub>2</sub> footprint by 2025
	Renewable electricity	<b>54%</b>	<b>53%</b> (certified) <sup>5</sup>	<b>32%</b> in 2019	<b>100%</b> renewable electricity

<sup>1</sup> Measured by the Pulse survey question: "I feel that I'm growing professionally."

<sup>2</sup> Measured by the Pulse survey question: "How likely is it that you would recommend DNV as a place to work?"

<sup>3</sup> Measured by the Pulse survey question: "In my unit we welcome opinions different from our own."

<sup>4</sup> Components of the index: "I am satisfied with the amount of flexibility I have in my work schedule."

"My manager cares about me as a person." "DNV really cares about my health and wellbeing."

"The demands of my workload are manageable."

<sup>5</sup> Restated information, updated figure compared to those published in our annual report 2022.

# Our materiality assessment

During 2023, we carried out a project to update our most important, or material, sustainability topics. We followed a tried and tested approach that is aligned with double materiality assessment standards. This approach looks at the dual dimensions of DNV's impact and financial value, recognizing that an organization can both affect and be affected by customers, people, the environment, and governance topics.

The work began with a desktop exercise to benchmark material topics among peers, comparable companies, and customers. This provided a refined list of material topics for DNV (see the [definitions](#) on the next page). Using this revised list of material topics, we conducted an online survey and interviews with individual stakeholders.

The interviews provided us with key insights from internal and external voices, while the online survey gave a broader perspective. Together, these inputs allowed us to capture a good understanding of what matters most to our stakeholders.

The topics in the table below were all considered as part of the materiality process. We are now incorporating the findings from this materiality review. Some topics are deemed more material than others and these will be the focus of our sustainability strategy and reporting going forward.

To read more about [our stakeholders](#) on page 48.

## Stakeholder survey



**2,817**

total responses, online survey

**2,457**

internal stakeholders

**360**

external stakeholders

## Stakeholder interviews



**41**

in-depth stakeholder interviews

**19**

internal stakeholders

**12**

customers

**10**

other external stakeholders

# Definitions

## Our customers

### Customer satisfaction

Attracting customers and building strong relationships with them by delivering excellent customer experiences.

### Helping customers improve their social, safety, and environmental impact

Using our expertise and technical know-how to deliver products and services that improve our customers' safety, social, and environmental performance.

### Accelerating the energy transition

We invest in research, innovation, and thought leadership on accelerating the energy transition, producing a forecast of what we believe is the most likely climate change trajectory and delivering services to support decarbonization. We share the knowledge we gain with customers as well as with academic and research partners.

### Data privacy and cyber security

Proactively managing cyber security for our operations as well as our customers, including complying with data protection and privacy laws and protecting employee and customer information, as well as our own intellectual property.

## Our environment

### Climate change

Minimizing our contribution to climate change by reducing GHG emissions associated with our operations and value chain. We are committed to following the 1.5°C pathway established by the Paris Climate Agreement and our overriding goal is to achieve net-zero carbon emissions well before 2050.

### Waste

Safeguarding the environment and reducing our own operational impacts in line with the waste hierarchy (reduce, reuse, recycle, recover, and dispose) and embracing circular economy principles.

### Biodiversity

Our relationship to terrestrial, fresh-water, and marine habitats, ecosystems, and populations of related fauna and flora species.

## Our people

### Talent attraction, retention, and development

Attracting and retaining the best people and developing their skills while they work at DNV so that they can grow and make a difference.

### Diversity, equity, and inclusion

Diversity is the representation of all our varied identities, backgrounds, and experiences, collectively and as individuals. Equity is DNV's commitment to equal opportunity. We strive to achieve equitable outcomes through fair policies, processes, and practices that recognize the differing needs of individuals. Inclusion is about building a culture of belonging by actively inviting colleagues to contribute and participate.

### Human rights

Protecting and advancing human rights across our operations and value chain.

### Employee safety

Conducting work in a safe and healthy way, ensuring that no one who works for or on behalf of DNV experiences a work-related injury or illness.

### Employee wellbeing and resilience

Safeguarding our employees' wellbeing with a focus on mental health and resilience means that our employees can face day-to-day challenges, adjust to change and uncertainty, recover from difficult conditions, and thrive.

### Local and global community engagement

Contributing to our local communities and working together with people and groups in our areas and across the value chain. We contribute because it matters to our employees.

## Our governance

### Sustainability governance

Board-level oversight of and accountability for DNV's material topics and sustainability performance. Compliance with relevant sustainability regulatory standards and voluntary initiatives/partnerships.

### Ethical and responsible business conduct

DNV seeks to manage its business in accordance with well-defined corporate governance principles and appropriate, prudent, and transparent tax behaviour which provide a solid governance framework for excellent performance and sustainable growth.

### Sustainable value chain

We expect suppliers to minimize the negative environmental and social impacts from their operations, products, and activities and to adhere to our Supplier Code of Conduct. Where possible, we procure local products and services.

# Materiality assessment results

- + Value creators
- Value destroyers
- +/- Value creators & destroyers
- ✓ Hygiene factors

**Note:** The proportion of internal and external stakeholders who considered each of the issues to have a 'high' or 'very high' potential impact on DNV and its stakeholders, have been used to produce the materiality scale bar above (use of both survey and interview scores). The scale represents a minimum of 30% respondents and a maximum of 80% respondents.

Material topic	Financial materiality (internal stakeholders)	Impact materiality: stakeholder relationship (external stakeholders)	Value lens analysis
<b>Customer</b>	Customer satisfaction	●●●●○	+/-
	Helping customers improve their social, safety, and environmental impact	●●●●○	+
	Accelerating the energy transition	●●●●○	+
	Cyber security and data privacy	●●●●○	+/-
<b>Environment</b>	Climate Change	●●●●○	+
	Waste	●○○○○	✓
	Biodiversity	●○○○○	✓
<b>People</b>	Talent attraction, retention, and development	●●●●○	+/-
	Diversity, equity, and inclusion	●●○○○	+/-
	Local and global community engagement	●○○○○	✓
	Human Rights	●●○○○	✓
	Employee safety	●●●●○	✓
	Employee wellbeing and resilience	●●●●○	✓
<b>Governance</b>	Sustainability governance	●●●○○	✓
	Ethical and responsible business conduct	●●●●○	-
	Sustainable value chain	●●●○○	+/-

# Understanding our material topics

The materiality results are based on the proportion of internal and external respondents who considered each of the topics to have a 'high' or 'very high' potential impact on DNV and its stakeholders over the next 3-5 years. This informs our materiality threshold. Insight from the interviews and survey data has been added to show whether topics have the potential to maintain, influence, or destroy value based on their associated risk and opportunity.


Topics were categorized as value creators, value creators/destroyers, value destroyers, and hygiene factors. In our reporting, we have chosen to prioritize topics that are highly material or have significant potential for value creation and/or destruction.

The assessment shows that the topics waste, biodiversity and local and global community engagement are at the lower end of our material topics, and our reporting is therefore limited on these topics.

We continue reporting on human rights as this is a requirement under the Global Reporting Initiative and because of our commitment to the UN Global Compact.

**Value creators** Topics which stakeholders considered to have the greatest potential to create value.


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- Climate change
- Helping customers improve their social, safety, and environmental impact
- Accelerating the energy transition

**Value creators & destroyers** Topics which stakeholders considered to have the potential to both create and destroy value.


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- Customer satisfaction
- Cyber security and data privacy
- Sustainable value chain
- Talent attraction, retention, and development
- Diversity, equity, and inclusion

**Value destroyers** Topics which stakeholders considered to have the greatest potential to to disrupt or destroy value.


---



- Ethical and responsible business conduct

**Hygiene factors**

---

 Topics which stakeholders considered a 'must have in order'.

---

- Employee safety
- Employee wellbeing and resilience
- Human rights
- Local and global community engagement
- Sustainability governance
- Waste
- Biodiversity

The results of our materiality assessment confirm that DNV's main sustainability and ESG impacts are through our customers. The results also underscore that there are more opportunities for business growth and development for DNV than risks in addressing these topics. The greatest potential for DNV lies in helping customers improve their social, safety, and environmental impact and in working to accelerate the energy transition.

Our stakeholders also clearly expect us to ensure that we address climate change within our own operations. In addition, customer satisfaction has been identified as an issue of high impact. Satisfaction is influenced by our ability to deliver services of high quality and integrity. These topics will continue to drive growth for DNV and align well with our purpose and our business strategy.

Cyber security and data privacy, and talent attraction, retention, and development are topics that are highly important and can either impact DNV positively or negatively depending on how the issues are managed. Our business model is dependent on our people's skillsets, and this is an area that receives particular attention in our strategy. As a people-centric business, our employees' safety, wellbeing, and resilience score highly in our assessment.

Our commitment to ethical and responsible business conduct is critical to maintaining trust and integrity with our customers. Any potential issues could erode this trust, and this topic has therefore been singled out as a potential value destroyer. We also recognize the importance of human rights but the nature of our operations means that risks in this area are lower and the topic is not as prevalent in our business model.

# Our stakeholders

Our business is based on trust in our brand, our services and our people. This means understanding the opinions of stakeholders on what we do and how we operate are very important to us. We engage widely with a diverse range of stakeholders as part of our day-to-day business as well as for specific projects, such as our materiality study, brand survey, and our research projects.

Our key stakeholder groups include our customers, employees, our owner - Stiftelsen Det Norske Veritas, our suppliers, research institutions, industry associations, government bodies, civil society organizations, and the media.

Stakeholder group	How we engage with them
<b>Employees</b>	Regular Pulse surveys; Employee Resource Groups; Viva engage chat; town hall meetings; employee performance and career development reviews processes
<b>Customers</b>	Customer satisfaction surveys; brand surveys; industry/market surveys; committee meetings; materiality surveys; key account management
<b>Board of Directors/ Council</b>	Regular meetings
<b>Research partners/ academia</b>	DNV Group Research & Development collaborates with universities; peer reviews and stakeholder consultation for main research publications and papers; leading or contributing to several joint industry projects

Stakeholder group	How we engage with them
<b>Government/ regulators</b>	Topic-specific engagement; sharing research; contributing to standards development
<b>NGOs/ trade associations</b>	Membership; active participation in forums and board positions
<b>Worker unions and employee councils</b>	Regular meetings; formalized processes concerning changes in people processes
<b>Suppliers and subcontractors</b>	Supplier management processes and audits
<b>Media</b>	Press contacts; responding to enquiries in a transparent and timely manner; media surveys
<b>Financial institutions</b>	Relationships maintained through the CFO's office



# Engaging with society

As a global company with more than 100,000 customers, we collaborate across sectors, disciplines, and borders to find solutions that help our customers improve their sustainability impact. This reflects our commitment to Sustainable Development Goal (SDG) 17: Partnerships for the goals. We also engage widely with NGOs, research institutions, membership organizations, and [universities](#).

We have been a signatory to the UN Global Compact since 2003 and are dedicated to applying its ten principles on human rights, labour, the environment, and anti-corruption to our business. Our annual report serves as our Communication on Progress, showing our achievements relating to the ten principles and the SDGs.

We have been a member of the World Business Council for Sustainable Development (WBCSD) since 1999, and our CEO was an Executive Council member from 2018 to 2022. We also have a long-standing partnership with the

Norwegian Red Cross, providing sponsorship and expertise to help this organization achieve its strategic goals. More information on some of [our partnerships that support sustainability](#) is available on our website.

Our financial success enables us to contribute to society in all the countries where we carry out business. [DNV pays tax in all the countries where we operate](#), and we view tax as part of our corporate social responsibility.

We monitor policy and regulatory processes that are relevant to our business and customers through our Group Communications, Sustainability, and Public Affairs function, which is managed by our Chief Communications Officer. DNV does not make any financial or in-kind political contributions, and no member of DNV's Executive Committee has held a comparable position in public administration in the last two years. DNV is registered in the EU Transparency Register<sup>1</sup>.

<sup>1</sup> TR ID number 414057515145-62

## Memberships

**Specialist trade associations and membership bodies are important partners for many of our business areas. Their insight and expertise support our business areas and they promote best practices. We often contribute our knowledge and research within these organizations.**

### Maritime

- International Association of Classification Societies (IACS)
- Entity for the Quality Assessment and Certification of Organizations Recognized by the European Union (QACE)
- International Council on Combustion Engines (CIMAC)

### Energy Systems

- Energy Industries Council
- Global Wind Energy Council (GWEC)
- Eurelectric

### Digital Solutions

- Institute of Electrical and Electronics Engineers (IEEE)
- American Gas Association (AGA)
- Norwegian Offshore Wind Cluster

### Business Assurance

- Independent International Organisation for Certification (IIOC)

### Supply Chain and Product Assurance

- International Association of Trusted Blockchain Applications (INATBA)

# Supporting the Sustainable Development Goals (SDGs)

Most of DNV's contribution to the SDGs is achieved through our work with customers and partners. Our strategy identifies four priority SDGs where we can have the most impact. Below are some examples of initiatives where we have made a direct contribution:

- GOAL 3: Good health and well-being
- GOAL 7: Affordable and clean energy
- GOAL 13: Climate action
- GOAL 14: Life below water



### Our approach

In addition to initiatives recognizing World Mental Health Day, we also contribute to the wellbeing of those who need it most through our Red Cross partnership.

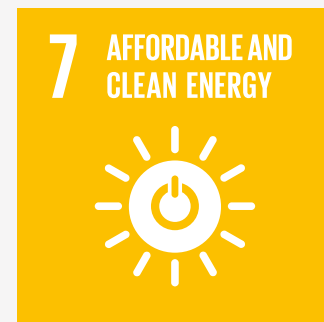
### Examples

#### Support for humanitarian efforts in Palestine and Israel

In 2023, DNV donated NOK 2 million to SOS Children's Villages to support their work to alleviate suffering caused by the conflict in Gaza. The funds support activities on the ground, including accommodating and caring for children who become separated from parental care during the conflict.

#### Donation campaign for people in Türkiye and Syria

DNV Germany, UK, and Ireland in partnership with the Red Cross, ran an employee donation campaign to contribute to the emergency relief efforts for people affected by the February earthquakes. More than EUR 12,000 was raised. In addition, Stiftelsen Det Norske Veritas donated NOK 2 million. The funds were used to provide vital humanitarian aid to the people in affected areas.



### Our approach

As part of our strategy to become climate positive, we are entering a new era in sustainable energy at DNV.

### Examples

#### Improved energy efficiency at DNV headquarters

With an investment of NOK 35 million, we are transforming how energy is generated, distributed, and managed on DNV's property.

We removed two existing oil boilers, which marks the transition to 100% renewable energy at our headquarters in Høvik, Norway. We have installed 38 new modular propane heat pumps that draw heat from the sea, providing a robust, flexible, and renewable heating solution.



### Our approach

Climate change and the energy transition are two of our most material topics.

### Examples

#### Energy Transition Outlook

DNV's annual ETO report presents the results from our independent model of the world's energy system and covers the period through to 2050.

#### Tree planting Energy Systems

Energy Systems celebrated the addition of their 5,000th colleague with the adoption of 50,000 trees in an agreement with Rainforest Foundation Norway. These trees are estimated to store some 49,000 tonnes of CO<sub>2</sub> in the ground.



### Our approach

DNV's origin is in the maritime industry, and we have several initiatives contributing to the conservation and sustainability of the oceans.

### Examples

#### Pacific oyster joint effort at Høvik

In September 2023, DNV joined No17, Bærum Municipality and others to clear oysters from the local beach and sea. Non-native Pacific oysters reduce biodiversity by displacing other species and form sharp reefs that can injure swimmers.

#### Seafood forecast report

DNV's Ocean Space research programme launched a report at COP28 that provides an objective view of the seafood industry's development to 2050. The forecast is the fourth publication in the Ocean's Future to 2050 series.

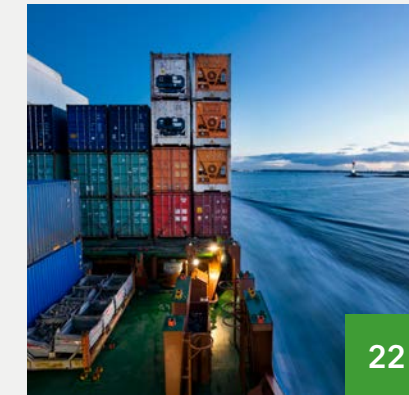
# IMPACT THROUGH OUR CUSTOMERS

Helping our customers and partners achieve their sustainability and safety goals and delivering services to support them in being at the forefront of the energy transition are the areas where we can have the biggest impact. And in doing so, we further our own commitments and deliver on our purpose.

The following projects are selected examples of how we help our customers make an impact.

## Accelerating the energy transition

We invest in research, innovation, and thought leadership on accelerating the energy transition, forecasting what we believe is the most likely climate change trajectory and delivering services to support decarbonization and help achieve a net-zero energy system by 2050.



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### Maritime

Enabling reliable emissions reporting



24

### Energy Systems

Boosting carbon capture and storage implementation in Denmark



27

### Digital Solutions

Digitally transforming offshore wind turbine design

## Helping customers improve their social, safety, and environmental impact

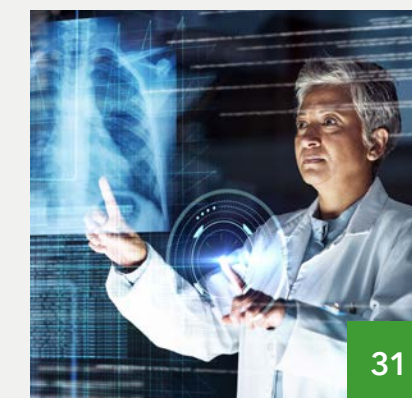
We achieve most of our impact by using our expertise and technical know-how to deliver products and services that improve our customers' safety, social, and environmental performance.



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### Digital Solutions

Ensuring pipeline safety in Trinidad and Tobago



31

### Business Assurance

Saving lives through artificial intelligence



37

### The Accelerator

Addressing patient waiting lists through healthy data

# CUSTOMER SATISFACTION

DNV's success hinges on our ability to attract customers and cultivate strong, enduring relationships with them. Our customers tell us that they value our deep technical expertise and that our trusted voice differentiates us from our competitors. We achieve this through our strong and widely recognized brand and by delivering exceptional customer experiences. Customer focus is integral to our business strategy, essential for establishing a competitive edge, and ultimately achieving our growth objectives.



## Our targets and performance

We measure customer satisfaction across the whole of DNV using our Group Customer Relationship Strength Score (CRSS). CRSS is a leading indicator for the Group’s business performance and our key measure for monitoring and improving customer satisfaction.

# 86.5

Group Customer Relationship Strength Score

Target: Group CRSS of 86 by 2025 (baseline 2020: 83.5; 2022 score: 84.8)

## Progress in 2023

**69%** of customers believe that DNV’s customer satisfaction score will have a high or very high impact on DNV’s organization over the next 3-5 years.

**77%** of internal respondents believe that DNV’s customer satisfaction level will have a high or very high impact on DNV’s financial success over the next 3-5 years.

*Source: DNV’s materiality assessment 2023*

### Focusing on customer relationships and satisfaction

According to our customers, “Speed, reliability, and quality of service delivery are a priority”. The majority of our customers (69%) tell us customer satisfaction will have a high impact on DNV during the next 3-5 years, and the topic is of high importance to us.

Our customer relationship management (CRM) system enables us to understand better our customers’ challenges and to help them tackle their transformations.

During 2023, we continued our focus on delivering excellent customer experiences and enhancing our customers’ journey with DNV, whether in person or digitally. We expanded the use of our customer relationship management (CRM) system across DNV, enabling colleagues to collaborate effectively across our business areas. We made improvements in the following areas:

- Stakeholder dialogue is important to us, and our new ‘voice-of-the-customer’ solution for collecting and analysing customers’ experiences across our digital interactions enables us to learn, act, and improve based on customer feedback
- We now measure our CRSS using a standardized approach across business areas
- We launched new advisory, certification, and sales verification processes.

**“Speed, reliability, and quality of service delivery are a priority.”**

*Customer interviewed as part of our materiality process*

During 2024, we will continue to develop our relationships with our customers in line with the DNV 2025 strategy and our ongoing goal of enabling our customers’ aspirations through superior customer experiences and key account management. This will include:

- Onboarding new business units to our CRM system
- Improving customer and employee experiences by aligning core processes across business areas
- Focusing on user-adoption of our CRM system by enhancing training and communication.

### Developing the digital customer journey

We see digital customer journeys as a source of competitive advantage, and this is a growing area of business development for us. Our digital presence is the main way potential customers discover and learn about DNV and we are working to enhance this across the business.

One of our ongoing strategic initiatives focuses on optimizing customers’ digital journey from awareness of DNV to loyalty. On this journey, we aim to secure growth and customer satisfaction. We’ll do this by gathering systematic insights that improve our understanding of customers’ needs and help us enhance our processes, products, and services. Examples include feedback on how we conduct projects, and how we ensure good onboarding processes for our products and services.

Throughout 2024, we will continue optimizing our digital customer journeys to ensure our processes are fit for a new generation of business-to-business stakeholders and decision makers within customer organizations.

We will also continue to strengthen how our technological platforms, operating processes, and business models support our current and potential customers. Focus areas include listening to our customers using survey tools at different points through their customer journey. We apply these insights into how we can improve our processes and service delivery, as well as responding to our customers' feedback.

**"DNV has so much in-depth knowledge of companies and an understanding of the challenges they are facing - they can use this to support customers."**

*Customer interviewed as part of our materiality process*



## Approach and management

A customer-centred approach to business is part of our strategy. Our goal is to deliver an optimal customer journey that meets customers' needs and helps them solve problems and make the most of their opportunities. We work to continually serve our customers in a proactive and responsive way, which includes utilizing digital solutions and channels to improve their experience and our cost competitiveness.

For DNV this means:

- We will deliver an engaging customer experience, informed by a 360° view of our customers' needs
- Our customers recognize us for superior value creation, ease of doing business, quality, and integrity – as one DNV.

Ultimately, our success is linked to the success of our customers. Our business areas and Group functions are tasked with strengthening customer relationships, improving customer experiences, and increasing customer satisfaction. It is important for us to continue developing a customer-centred working culture;

**We maintain customer satisfaction through quality, integrity, and flexibility.**

one in which our commitment to customers drives our people's curiosity about, and desire to anticipate, customer needs.

We measure the success of our customer-centred approach by the value we create for the customer through projects and cross-business-area sales. It is also measured by customer satisfaction, relationship strength and our share of specific market segments.

Our customer management practices are integral to the DNV management system. They are guided by our comprehensive customer management policy, which includes prioritization strategies for customers and our approach to key account management.

## Metrics and data

We monitor three core measures of customer satisfaction across the whole of DNV. These are:

- Overall customer satisfaction
- Customers' preference for DNV over other suppliers
- Customers' willingness to recommend us.

By averaging the scores for these measures for each business area, weighted by target revenue at the beginning of the year, we create a Group Customer Relationship Strength Score (CRSS) for the DNV Group. The Group CRSS is a leading indicator of our business performance. Its purpose is to monitor and improve overall customer satisfaction across DNV.

In 2023, our Group CRSS was 86.5, which is above our 2023 target of 84.6, and also above our target for 2025. Scores between 75 and 85 are considered good according to industry standards. We track CRSS results quarterly, but for year-end reporting purposes we use weighted Q4 scores.

**TABLE 01** | CUSTOMER RELATIONSHIP STRENGTH SCORES ACROSS DNV

Group / Business area <sup>1</sup>	CRSS 2023	CRSS 2022	CRSS 2021
DNV Group	86.5	84.8	84.2
Maritime	84.2	81.1	79.9
Energy Systems	91.3	91.1	90.1
Oil & Gas	n/a <sup>1</sup>	n/a <sup>1</sup>	89.9
Renewables	n/a <sup>1</sup>	n/a <sup>1</sup>	90.9
Business Assurance	79.6	79.6	79.0
Supply Chain & Product Assurance	83.0	75.8	n/a <sup>1</sup>
Digital Solutions	87.6	86.2	86.5

**TABLE 02** | CUSTOMER RELATIONSHIP STRENGTH SCORES BY COMPONENT

Scores for component dimensions of the CRSS	2023	2022 <sup>2</sup>	2021 <sup>3</sup>
Customer satisfaction	88.0	85.5	87.0
Preferred partner	83.3	83.2	82.9
Willingness to recommend	88.2	85.8	85.8

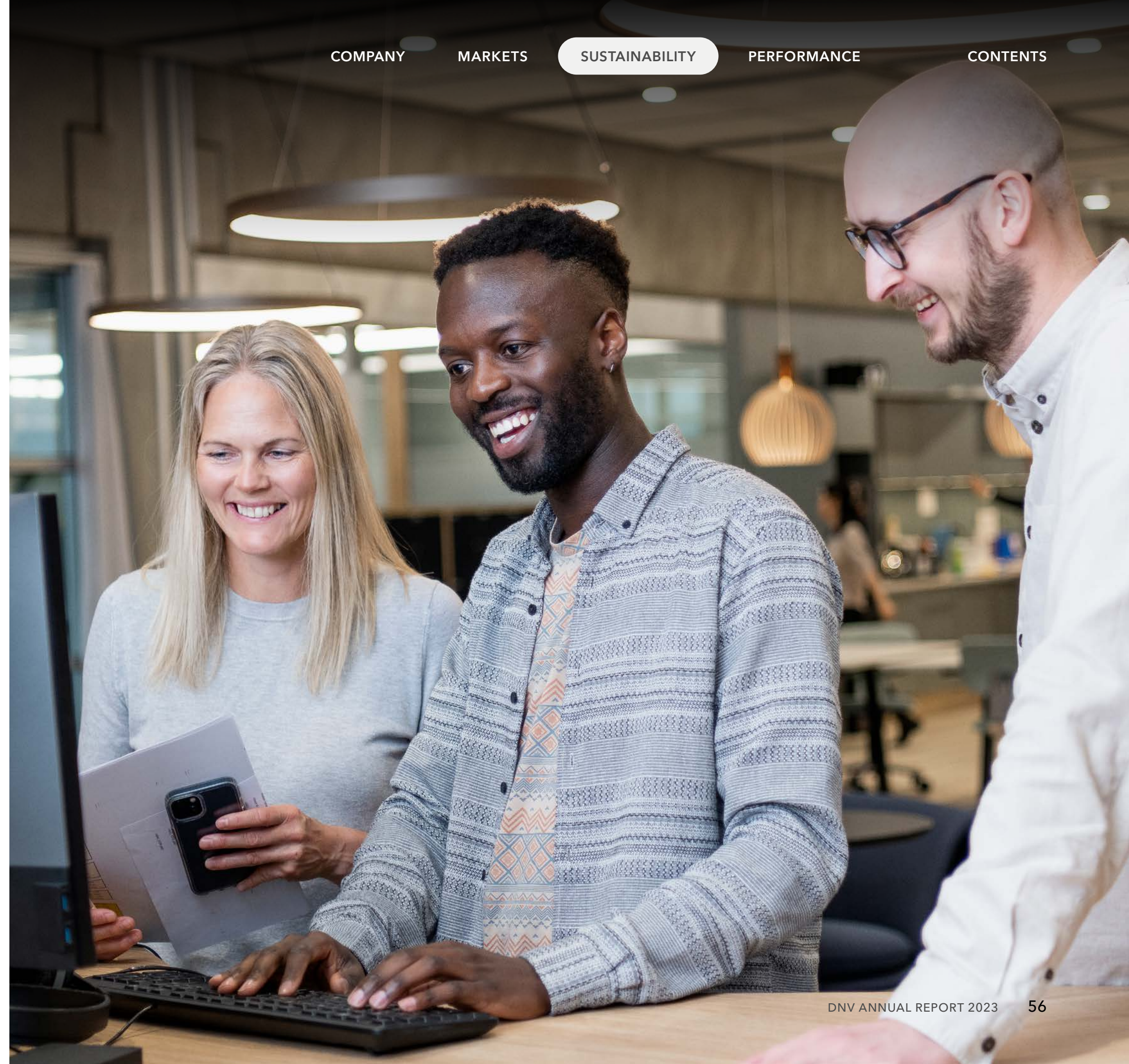
<sup>1</sup> Our previous Oil & Gas and Renewables business areas were incorporated into the Energy Systems business area in 2022. Supply Chain and Product Assurance was established in 2022.

<sup>2</sup> 2022 is the first year that we used weighted scores (by business area revenue) for the three components of the CRSS. Previously, we only used weighting for the combined CRSS.

<sup>3</sup> Un-weighted scores. For 2020-2021 the weighting was done on CRSS-level only.

# CYBER SECURITY AND DATA PRIVACY

Cyber security can affect DNV's reputation and business performance both positively and negatively. The risk to commercial and personal data is evolving as hackers become more professional and creative. DNV experienced a cyber attack, which was effectively managed to limit the impact on us and our customers. It was also a valuable learning experience. At the same time, DNV's cyber security services are growing as we look to support our customers to protect their assets and operations. Our focus on cyber security is therefore as strong as our focus on the opportunities presented by digital technology.





## Our targets and performance

We use a range of measures to monitor data privacy and cyber security:

- We monitor our IT systems to detect cyber attacks. At the turn of the year to 2023, we experienced a ransomware cyber attack that was reported to the authorities
- We measure employee awareness of cyber security risks by conducting quarterly phishing tests and monitoring changes in the results
- We upgraded our Group-wide certification to the ISO 27001:2022 information security management system standard during 2023, including new threat intelligence and privacy controls.

# 98%

of permanent employees completed the mandatory cyber security and data training during 2023. This consists of 11 training modules.

## Progress in 2023

### Responding to cyber incidents

A ransomware attack on DNV's ShipManager software affected around 1,000 ships around the world at the very end of 2022. ShipManager is a software tool that helps manage various aspects of vessel operations. The ShipManager servers are isolated from the rest of DNV's IT infrastructure and we shut down the relevant servers immediately in response to the attack. All ships could still use ShipManager's offline functions and no other onboard systems were affected. The attack forced DNV to rebuild its ShipManager environment, causing disruption and inconvenience to customers.

As with most other companies, DNV has experienced phishing attacks targeting employees, and cyber attacks have affected some of our suppliers. Information gained in these attacks is limited, but has been used to create fake invoices or other fraudulent activities. These incidents show that employees need to be aware, and we must ensure that our suppliers also take these threats seriously.

The majority of our business areas have completed exercises on how to deal with a cyber attack and in 2024 we are planning a DNV-wide response exercise.

### Awareness prevents cyber threats

Digital security forms a large part of the security culture within DNV and we work hard to maintain awareness of online and cyber threats. We run a multi-year cyber-threat and data-awareness programme to improve employees' understanding of cyber security and personal data protection.

#### Focus on phishing

One of the main risks to digital security is phishing emails. This is when cyber attackers send fraudulent emails posing as reputable companies with the aim of getting individuals to reveal sensitive information, such as passwords, bank details, or credit card numbers.

This year, we kept up our focus on helping employees to identify phishing emails and understand the importance of not revealing log-in details or other information. We also focused on awareness of multi-factor authentication challenges, for example not disclosing one-time passwords.

As in 2022, we ran quarterly phishing tests on all employees who use our IT system. Although only a small percentage of employees provided their details, it only takes one successful attempt to allow attackers to access parts of our IT system. The benefit of quarterly phishing tests is that, in follow-up tests, a very small percentage of employees fail for a second time, showing that the exercise is effective in raising awareness among our people.

"We currently have cyber security defined as risk number one, so it's a top risk, strongly connected to our licence to operate."

*DNV customer in telecoms industry*

#### Raising awareness internally

We use a variety of channels to promote cyber security awareness. During International Security Month in October, we hosted several cyber security sessions for all DNV employees. These included global live events with internal and external speakers, cyber quizzes and games, and a new cyber-risk training exercise for IT asset owners.

#### Strategic focus on cyber security services

Cyber security services are an area of strategic focus for DNV. Our aim is to help safeguard customers in the digital era and our business areas are stepping up services in response to growing risks. See [The Accelerator](#) on page 35 for more detail.

For our customers and other external stakeholders, the [Cyber Security pages on dnv.com](#) provide details of our cyber security services and recommended practices, as well as our cyber insights, which offer opinions, advice, and research results.

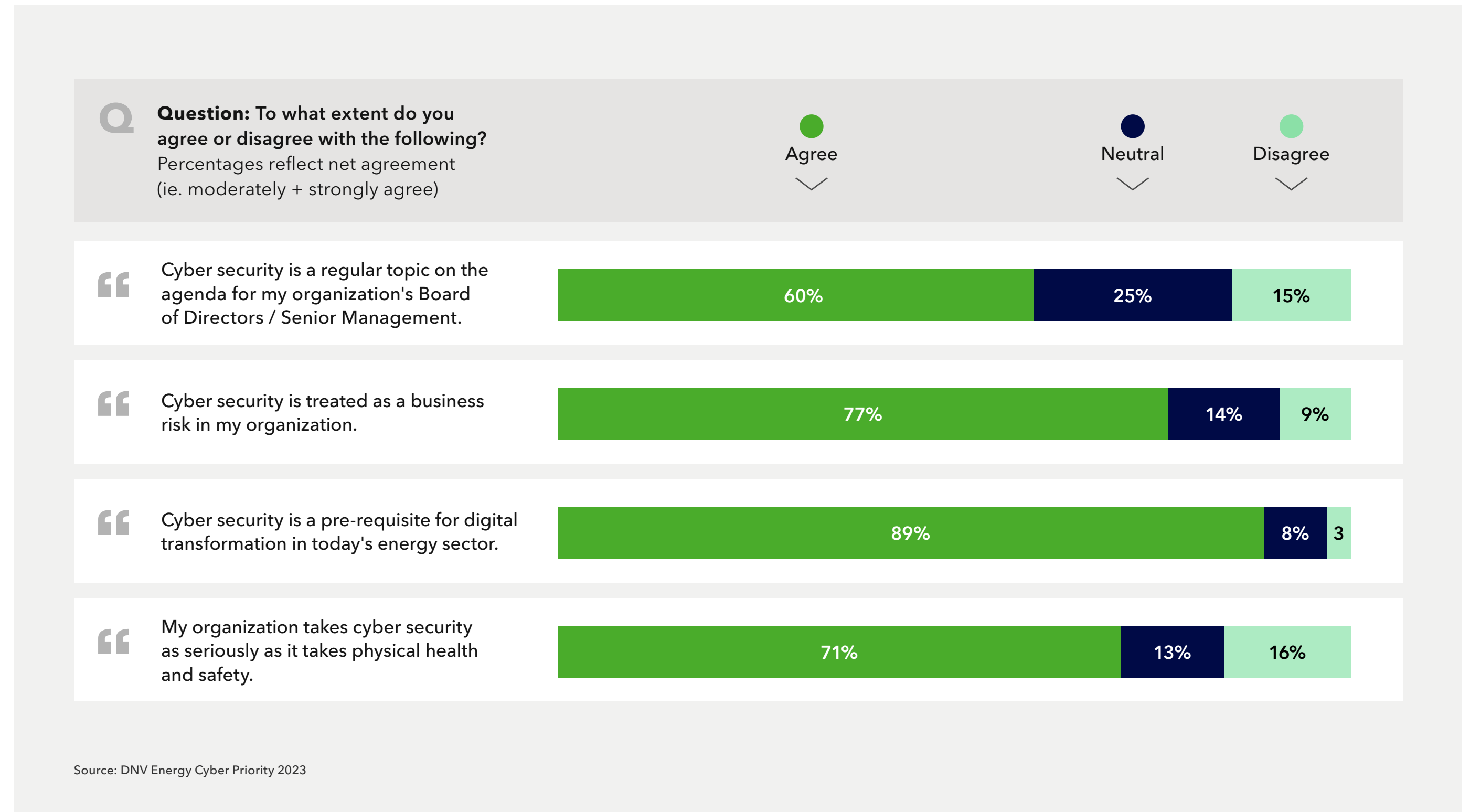
### Cyber Priority research programme

At the heart of our cyber insights is our Cyber Priority research programme, which explores the changing attitudes and approaches to cyber security in key industrial sectors. Our associated Cyber Priority reports provide analysis from DNV experts, customers, and industry leaders of the key challenges and opportunities relating to cyber security across organizations and industries.

In June 2023, we issued two Cyber Priority reports on the state of cyber security in the energy and maritime sectors respectively, and these give insight into how our customers view these issues. Both reports show that cyber security is considered a key risk, but more so in the energy industry.

- Maritime Cyber Priority: Staying secure in an era of connectivity finds that greater investment in cyber security is needed in the industry as cyber risks grow in the era of connectivity. Although cyber security is becoming a higher priority, many maritime professionals say the security of their organization’s operational technology - which manages, monitors, controls, and automates physical assets and vessels - is not as strong as their organization’s IT security.
- Energy Cyber Priority: Closing the gap between awareness and action finds that, in the face of heightened geopolitical tensions, emerging compliance requirements, and the accelerating adoption of digitally connected infrastructure, the energy industry is more aware of cyber-security threats and is increasing investment to address them.

**FIGURE 01** CUSTOMER SURVEY: CYBER SECURITY IN THE ENERGY SECTOR  
A TOP BUSINESS AND STRATEGIC RISK



Source: DNV Energy Cyber Priority 2023

## Data privacy

In 2023, the data protection network met four times to review and enhance our data protection practices. Key review areas include maintaining and raising DNV's maturity level for data privacy, results of and actions from our privacy risk assessments, and compliance with new and upcoming national privacy frameworks. We updated our data protection impact assessment process to set out new responsibilities for data protection managers, and streamlined our data retention and deletion processes across global systems.

### Complying with new privacy laws

Our data privacy guidelines cover requirements stipulated by all European Union member states as well as several other data privacy frameworks globally. We regularly update these global guidelines to ensure compliance with new and upcoming national privacy laws, including new regulations in China, Mexico, South Africa, and Brazil. Our project to ensure compliance with the new Chinese privacy law will be finalized in 2024.

### Building the maturity of our data privacy approach

During the year, we improved our records of processing activities, enhanced governing documents and guidelines for managing privacy risks, and intensified training and awareness programmes for our data protection managers and the mergers and acquisitions team. We also launched a new software application/platform which provides a structured overview of key processes and related tools and applications handling personal data.

## Approach and management

### IT and data security

DNV employees are contractually obliged to maintain strict customer confidentiality. In accordance with local laws and regulations, they undergo background checks before being hired.

Our Global Shared Services (GSS) IT function invests significant resources in continuously monitoring and preventing new and emerging cyber threats and potential vulnerabilities in our IT systems in line with best practices. We work on the cyber-security principle of 'assume a breach'; which considers that competent and resourceful attackers will be able to break into our systems. We therefore invest in our ability to detect and mitigate such security breaches.

In partnership with our main IT vendors, IBM and Microsoft, we use machine learning to develop smarter algorithms that can identify the most significant threats and detect and prevent cyber attacks. Most attempted attacks on DNV are phishing or payload/malware attacks received by email. As a result, we believe it is essential to invest in employees' cyber security awareness and competence.

To ensure that DNV adheres to the highest level of data protection, we have upgraded our certification across the Group to the latest version of the ISO 27001:2022 information security management system standard, which is a more comprehensive standard than ISO 27001:2013 and covers all areas of information security management. We have a detailed information classification system to segment and secure sensitive information within our IT system, and use regular audits to identify opportunities for improvements.

DNV's Board of Directors receives quarterly updates on DNV's top cyber-security risks. Read more about the information-security risk in the [Board of Directors' report](#) on page 109.

DNV activates its Computer Security Emergency Response Team during more complex and advanced cyber security situations.

### Personal data protection

Data privacy is essential to ensure legal compliance. We keep up to date with the data protection landscape through DNV's data protection network, obtaining legal advice, and monitoring cases raised by data protection authorities in the locations where we operate.

Data protection is part of our Group-wide compliance management system, set up according to ISO 37301:2021 on compliance management systems (see [Ethical and responsible business conduct](#) on page 95). Responsibility lies with the Group Compliance Officer and Global Data Protection Officer.

Data protection managers for each business area, GSS, and selected Group units are responsible for identifying, managing, and mitigating data privacy risks.

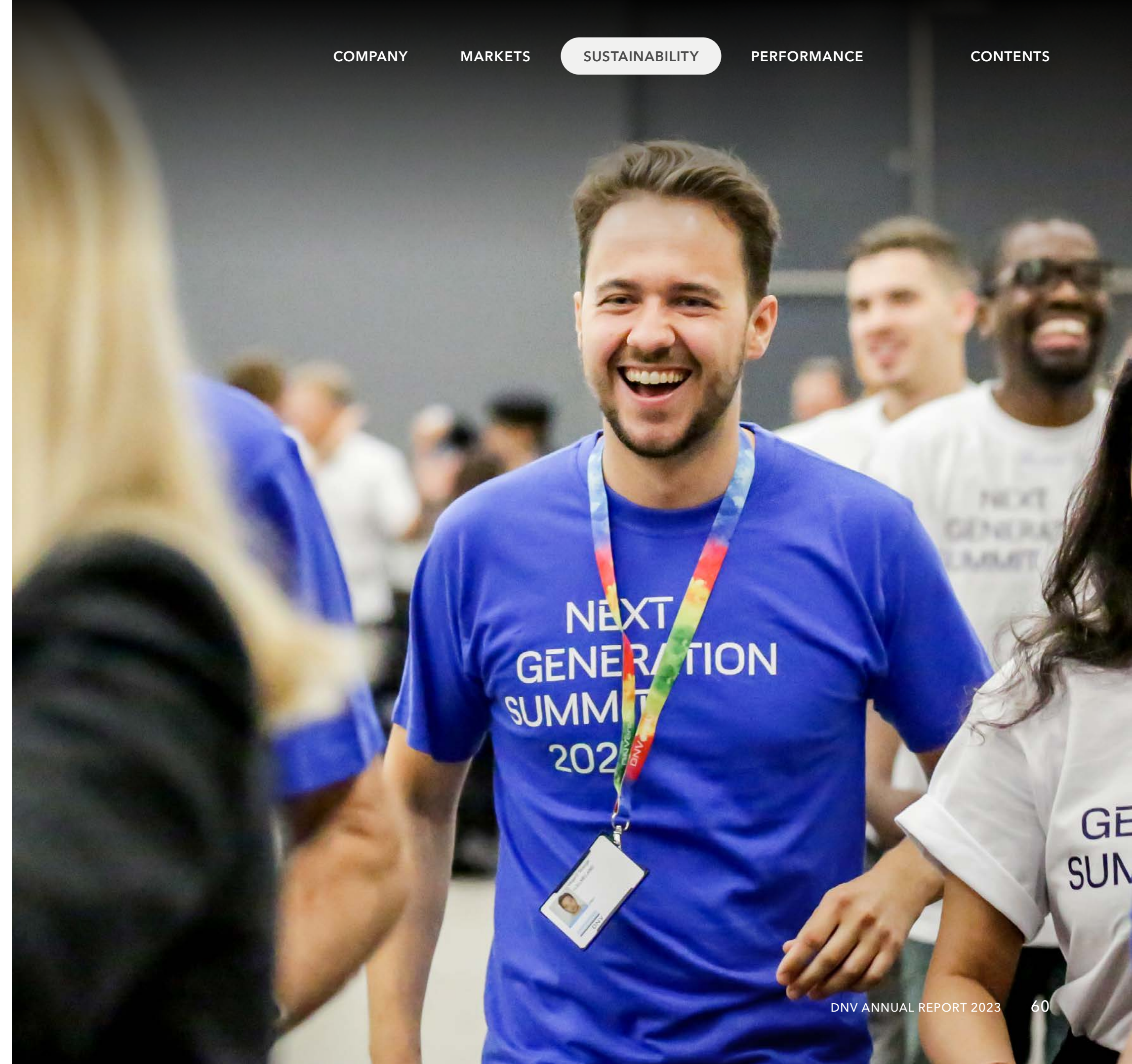
Our data privacy standards are set out in a comprehensive set of policies, guidelines, and instructions which ensure we protect the personal data of employees, customers, and suppliers. DNV's Code of Conduct covers data privacy and the expectations for everyone involved in DNV's business. All of our documentation and processes are aligned with, and fulfil, General Data Protection Regulation (GDPR) requirements.

Employee training is an essential enabler for data protection, and this especially applies to employees dealing with personal data in their daily work. Customer data is handled in accordance with the confidentiality terms and conditions of our customer contracts. We are also a Binding Corporate Rules approved company, so that personal data can be transferred within the DNV Group to countries outside the EU and European Economic Area.

**We continued our strong commitment to personal data protection for employees, customers, and other stakeholders.**

# TALENT ATTRACTION, RETENTION, AND DEVELOPMENT

DNV is a people business that relies on the skills and expertise of our employees. Attracting, developing, and retaining motivated people is critical to our success and central to our 2025 strategy. One of our strategic goals is to be THE place for our people to grow and make a difference. In practice, this means supporting our employees to develop their careers, build their skillsets, and share in DNV's success. In addition to our values, WE CARE, WE DARE, WE SHARE, these are the fundamentals that underpin our behaviour and performance as an organization and define what is expected from our people.



## Our targets and performance

Through its people, DNV provides the expert skills and knowledge that our customers expect from us. Using our highly educated workforce, we meet our customers' needs and provide solutions to tackle global transformations. To carry on delivering the best services and maintain our customers' trust, we need to continue attracting and retaining the best people. A key part of this involves allowing employees to develop their skills while working at DNV so that they can grow and make a difference.

We measure our performance through frequent Pulse surveys on employee engagement and growth:

**7.9**

Employee growth:  
 "I feel that I'm growing professionally."  
 Above the target of 7.8 for 2023.

**8.1**

Employee engagement:  
 "How likely is it that you would recommend DNV as a place to work?" (2022: 8.0).  
 Target to be in the top quartile in the professional services sector by 2025.

We also monitor key metrics on employee turnover, and education level:

**7.0%**

Employee turnover  
 (2022: 8.7%)

**89.1%**

of employees have a higher education qualification at bachelor's degree, master's degree, or PhD level.  
 (2022: 88.6%)

## Progress in 2023

### Investing in a growing workforce

DNV's strategy is targeting growth to meet its objectives. This requires us to invest heavily in the growth and development of our people – both to reach our targets and to ensure we continue to deliver high-quality services.

Competition for talent remains intense, especially in the fields of technology, healthcare, renewables, and environmental, social, and governance (ESG) issues. DNV's highly skilled and well-educated employees are attractive in the external labour market. This influences employee turnover, and turnover rates vary by business area and geography. See [Metrics and data](#) on page 65 for more detail on our turnover rate.

To support the growth ambitions of our 2025 strategy, we have improved how we recruit, onboard, and retain employees. This has involved a review of our approaches, systems, and processes across the human resources function, including how we want to be perceived as an employer in the sectors and geographies where we operate.

We recruited 2,596 permanent employees in 2023, including through acquisitions. Our total workforce now stands at 14,841 employees, a 15.5% increase year-on-year (2022: 12,848<sup>1</sup>).

<sup>1</sup> Restatement of 2022 employee number from 12,708.

## Enhancing our employer brand

One of the main reasons our people give for leaving DNV is a perception of better opportunities for individual growth and development elsewhere. This shows we need to continually focus on employees' career development within DNV. We are responding by strengthening our employer brand.

### New careers website

We launched the new DNV global careers site in mid-October 2023. Designed to best-practice W3 web standards, the new site provides a premium, modern, and user-friendly experience for job candidates around the world. Candidates can view open positions in a rich content environment that uses video and images and follows clean design principles. The site represents our new employer brand, which was launched in February 2023.

### Testing a new approach to pre-boarding

We know that delivering a positive experience for new employees is fundamentally important to their success at DNV and we have been working to make improvements in this area. This not only includes employees' experience from day one of work, but also the time between accepting a job offer and starting their role - otherwise known as 'pre-boarding'.

Working with an award-winning specialist in pre- and on-boarding, we are piloting a new invitation-only website in our Energy Systems business area that delivers engaging content to new employees in the lead up to their first day at DNV.

Through the website, we can help new employees feel confident and comfortable about joining us. It lets hiring managers communicate securely with their new joiners, assign them a buddy, and prepare them for their first day in a guided and structured way. The pilot has allowed us to better understand what works for our business and learn more about what new joiners really value in the pre-boarding period.

## Working at DNV

### Fostering recognition

At DNV, a culture of appreciation and recognition is integral to our values and organizational identity. Recognition plays a crucial role in shaping our sense of belonging, strengthening confidence, and creating meaningful relationships at work.

"Recognition is a crucial part of our culture. It's how we show that we care for each other, and that we appreciate the diverse talents and perspectives that make us stronger as a team. Recognition is not something that can be driven by one person, one project team, or even one section. It's something we all contribute to - making the change we want to see and strengthen our DNV culture."

Gro Gotteberg, Chief People Officer

Our employee Pulse survey results and internal analysis have highlighted the need to enhance our approach to recognition. These insights revealed that we can demonstrate DNV values even more consistently and in a diverse way.

To address this, a project team conducted multiple focus groups across our business areas, involving over 100 participants from more than 30 nationalities. A series of key learnings were identified, including:

- Strengthening the culture of sharing and psychological safety is seen as a priority by our employees
- A range of tools for recognizing each other plays an important role. There is no 'one size fits all' when it comes to recognition
- It is important that we equip our employees with the mindset and tools necessary to recognize each other's efforts.

As an outcome of this project, leaders will be empowered with the skills and resources to show appreciation towards colleagues. But the most important outcome is enabling recognition, with a focus on peer-to-peer acknowledgment. By providing all employees with interactive and simple tools, such as digital 'Thank You' cards, we want to make it both easier and more impactful to recognize each other's achievements.

Our ultimate vision is to create an environment where every individual feels seen, valued, and motivated to contribute their best efforts to the collective success of DNV.

### Developing competence

In our current 2025 strategy, we clearly state our ambition to shape the future of assurance. In collaboration with the renowned business school INSEAD, we are delivering the 'Leading the Future of Assurance Programme'. This consists of lectures and group work to explore global developments in enabling technologies and how we can create business opportunities out of these. Several DNV employees from around the world joined the programme in 2023.

The Next Generation Summit is an extraordinary event that allows DNV colleagues from across the globe to come together and work 'start-up style' on real business cases. Designed as an innovation boot camp, the intense event encourages DNV participants to come up with business ideas. In 2023, 60 delegates from 21 countries met for two days at DNV headquarters to finalize their ideas and pitch them to the Executive Committee and Digital Directors. The winning teams received funding and the opportunity to develop their idea further.

## Approach and management

### Strategy and management system

Our DNV strategy and the DNV management system, including our People policy, govern how we attract and develop employees and build our company culture. They also underpin our value-based leadership approach. Our people processes are designed to create a common culture and employee experience within a flexible work environment and provide career and development opportunities for all.

### Governance

The Group CEO approves policies relating to our people, leadership, roles, and responsibilities. The Group People function, under the direction of the Chief People Officer, establishes these policies and sets the direction for people management.

By working closely with human resources (HR) teams in our business areas and the Global Shared Services function, the Group People function ensures a common approach across the company. People management is a line responsibility and line managers are supported by HR managers and a range of HR tools.



We have broad geographic employee representation on DNV's Board of Directors. Our management works constructively with employee organizations through the Global Employee Forum and regional and local works councils and unions.

### Freedom of association and collective agreements

Our employees' right to freedom of association and collective bargaining is documented in DNV's Code of Conduct, our management system, and our commitment to the UN Global Compact. Around 44% of our employees are covered by collective bargaining agreements.

### Employee training and development

Our approach to employee development and competence is detailed in internal governing documents. We follow the 70:20:10 learning model; with 70% learned from on-the-job experience, 20% from interaction with others, and 10% from e-learning and classroom training. Training provided by individual business areas ensures the right competencies are in place to deliver our different services.

In addition to a range of Group-wide mandatory training, cross-DNV programmes develop leadership skills and technical stewardship. Mentoring is a key part of how we work, and we enable learning from colleagues around the globe through various mentoring programmes.

Our global career model is designed to develop our employees' competence. Competence development planning includes an individual development plan, which is a key part of our performance management process.

**Our employees' right to freedom of association and collective bargaining is documented in DNV's Code of Conduct, our management system, and our commitment to the UN Global Compact.**

All employees are assessed annually through a structured performance management process that reviews their results and behaviour. The assessment, development, and selection of managers is based on DNV's four leadership focus areas, which encourage behaviours that put our customers first, engage our teams, deliver performance, and shape the future.

### Pay and benefits

As a knowledge-based company whose main resource is our employees, we depend on cooperation, teamwork, and knowledge sharing. DNV's remuneration systems are set up to support this. Our annual salary review and remuneration processes are outlined in the DNV management system. These are the same for all employees, including management. Our collective bargaining agreements with employee groups do not include voting on remuneration policies.

External remuneration consultants are used to benchmark remuneration in our markets. For the largest countries in which we operate, this benchmarking uses country-specific salary and benefit databases covering thousands of people. There is no relationship between our management and the remuneration consultants.

For the Executive Committee, the review procedure differs slightly. The Board's Compensation Committee conducts a review and makes recommendations before the procedure is concluded.

The final decision on the remuneration of the Group President and CEO is taken by the Board of Directors, using input from the Compensation Committee.

DNV's overall compensation and benefits principles state that base salary, leave, and insurance and retirement benefits will be prioritized. As for other benefits, such as parental leave entitlement, these vary around the world based on legislation and common practices in the local labour market. We comply with local legislation as a minimum wherever we operate and seek

to be at this level or better in all relevant employment markets. Employment benefits are provided to full-time and part-time employees on a prorated basis. All DNV field workers worldwide are entitled to regular health checks paid for by DNV.

Life and accidental death and dismemberment insurances are provided to permanent full-time and part-time employees as well as to time-limited workers on DNV's payroll. The level of cover provided is typically at or above the local market level.



## Profit sharing

A common profit-share scheme provides the most appropriate variable pay structure to support our values.

Our profit-share scheme shares a percentage of DNV's operating profit with employees if the net profit reaches the threshold for activation of the scheme. All eligible employees then receive a percentage of their base salary as a bonus based on the DNV Group's and their business area's results and the employee's grade. Our career model consists of 15 grades. For employees in the highest grades (grades 10-15), the annual individual profit share is also influenced by their individual performance assessment rating.

Sales schemes apply in some business areas, and employees that are part of these schemes are not part of the global profit-share scheme. No employee can be a member of more than one scheme.

## How headcount reductions are managed

Transition-assistance programmes are implemented locally to comply with local legislation and requirements. In the case of significant headcount reductions, local assistance programmes are set up.

**As a knowledge-based company whose main resource is our employees, we depend on cooperation, teamwork, and knowledge sharing.**

At all times, we seek to retain the employees in the organization through the following initiatives:

- The majority of positions below Executive Committee level are advertised internally
- External recruitment restrictions are used to facilitate internal transfers.

All employees should have a development plan which focuses on DNV's future capability needs and the employee's own career ambitions. The DNV management system stipulates that mitigating actions are to be sought before staffing reductions are considered or executed.



## Metrics and data

**TABLE 03** EMPLOYEES BY EMPLOYMENT CONTRACT AND GENDER

Employment contract	Female		Male		Other	Total
Permanent employees	5 038	35%	9 194	65%	1	14 233
Full-time	4 587	91%	8 886	97%	1	13 474
Part-time	451	9%	308	3%		759
Time-limited employees	132	38%	215	62%		347
Total	5 170	35%	9 409	65%	1	14 580
<b>Subcontractor and temporary personnel</b>						
External business support	259	29%	619	71%		878
Service provider	36	17%	178	83%		214
Subcontractor	1 446	16%	7 319	83%	3	8 768
Temporary staff	302	14%	1 826	86%	1	2 129
Total	2 043	17%	9 942	83%	4	11 989

- Permanent employee: on the DNV payroll without contracted time limitation
- Time-limited employee: on the DNV payroll with contracted time limitation
- Temporary staff: e.g. summer temps and interns
- External business support: hired from other companies to do work for DNV under these companies' own management systems
- Service provider: external service or product supplier. Registered in order to be granted certain access rights
- Subcontractor: hired from other companies to do work on behalf of DNV under DNV's management system

At DNV, we have a broad definition of diversity and acknowledge and support that some of our employees will have non-binary gender identities. We are currently only able to show male/female employee data, but we are investigating applicable legislation and limitations in our data systems so that we can address this in the future.

**TABLE 04** EMPLOYEES PER GLOBAL SHARED SERVICE REGION

	Permanent employees		Time-limited employees		Total
Central Europe	1 259	99%	8	1%	1 267
Great Britain	1 211	99%	7	1%	1 218
IMEA (India, Middle East, and Africa)	1 288	98%	33	2%	1 321
Nordics	3 325	100%	12	0%	3 337
North America	1 982	100%	1	0%	1 983
North Asia	1 316	89%	163	11%	1 479
South America	317	98%	5	2%	322
South Asia	675	93%	47	7%	722
WSEE (Western, Southern, and Eastern Europe)	2 860	98%	71	2%	2 931
Total	14 233	98%	347	2%	14 580 <sup>1</sup>

- <sup>1</sup> This data is based on employees registered in HR system, Partner. In addition, DNV has 261 employees from recently acquired companies.

**TABLE 05** EMPLOYEE TURNOVER AND NEW EMPLOYEE HIRES<sup>1</sup>  
BY AGE, GENDER, AND REGION

**AGE**

Employee turnover <31 31-40 41-50 51-60 >60 DNV Total

Total number	164	357	214	103	41	879
Rate	13%	11%	6%	3%	4%	7%
Opening count 2023	1 222	3 365	3 760	3 073	1 051	12 471

**New employee hires**

Total number	922	916	479	235	44	2 596
Hires	36%	35%	18%	9%	2%	100%
Opening count 2023	1 222	3 365	3 760	3 073	1 051	12 471

<sup>1</sup> Turnover: only permanent employees are included, as the other employment categories on contracts are intended to join/leave. Turnover is based on the number of employees leaving the company in the year divided by the opening count (1 January).

**GENDER**

Employee turnover Female Male Other Total Americas Asia/Oceania Europe/Africa/Middle East DNV total

Total number	296	583		879	181	174	524	879
Rate	7%	7%		7%	9%	7%	7%	7%
Opening count 2023	4 351	8 113	7	12 471	2 121	2 458	7 892	12 471

**New employee hires**

Total number	932	1 663	1	2 596	352	565	1 679	2 596
Hires	36%	64%		100%	14%	22%	65%	100%
Opening count 2023	4 351	8 113	7	12 471	2 121	2 458	7 892	12 471

**REGIONS**

Employee turnover Nordics Central Europe WSEE Great Britain IMEA North America South America North Asia South Asia DNV total

Total number	125	60	241	74	102	159	22	46	50	879
Rate	5%	5%	9%	7%	11%	9%	8%	4%	8%	7%
Opening count 2023	2 572	1 233	2 634	1 058	950	1 831	290	1 278	625	12 471

**New employee hires**

Total number	903	100	437	201	421	307	45	85	97	2 596
Hires	35%	4%	17%	8%	16%	12%	2%	3%	4%	100%
Opening count 2023	2 572	1 233	2 634	1 058	950	1 831	290	1 278	625	12 471

**TABLE 06** | AVERAGE HOURS OF TRAINING<sup>1</sup> PER EMPLOYEE BY EMPLOYEE GRADE AND GENDER

Employee grade	HOURS / EMPLOYEE		Employee grade	HOURS / EMPLOYEE		Employee grade	HOURS / EMPLOYEE	
	Female	Male		Female	Male		Female	Male
1		12.1	6	19.8	36.9	11	21.8	20.3
2	11.0	0.7	7	19.7	31.0	12	18.4	19.7
3	4.5	13.1	8	23.0	31.7	13	17.3	16.6
4	8.1	11.8	9	22.6	24.4	14	12.0	14.8
5	14.1	20.1	10	26.1	24.3	15	10.6	13.0
						Total	20.2	25.8

<sup>1</sup> Basis of reporting employee training: Only internal training for permanent and time-limited employees is included. External training is not consistently tracked and therefore not included. Subcontractors and temporary staff are excluded as their inclusion is not relevant for internal competence development activities.

**TABLE 07** | PERCENTAGE OF EMPLOYEES RECEIVING REGULAR PERFORMANCE AND CAREER DEVELOPMENT REVIEWS BY GENDER AND EMPLOYEE CATEGORY

		Rated performance	Unrated performance
		Female	Permanent employees
	Time-limited employees	100.00%	0.00%
Male	Permanent employees	99.93%	0.07%
	Time-limited employees	100.00%	0.00%
Total		99.95%	0.05%

**TABLE 08** | EMPLOYEE EDUCATION LEVEL<sup>2</sup> IN OUR TEN BIGGEST COUNTRIES AND GLOBALLY PERMANENT EMPLOYEES

Country	Basic education level	Professional/technical 0-3 years	2-year college level	Bachelor level	Master level	Doctorate level
Norway	4%	2%	2%	19%	63%	10%
United States	8%	2%	4%	44%	36%	7%
Germany	4%	14%	1%	11%	63%	7%
United Kingdom	5%	3%	4%	31%	42%	15%
Poland	5%	1%	0%	17%	75%	1%
India	1%	3%	0%	48%	47%	1%
China	1%	1%	5%	55%	36%	3%
Netherlands	5%	6%	2%	39%	42%	6%
Spain	5%	6%	2%	26%	59%	3%
Italy	18%	2%	5%	30%	41%	4%
Global workforce	622	430	284	4 246	5 952	749
Global workforce %	5%	4%	2%	35%	48%	6%

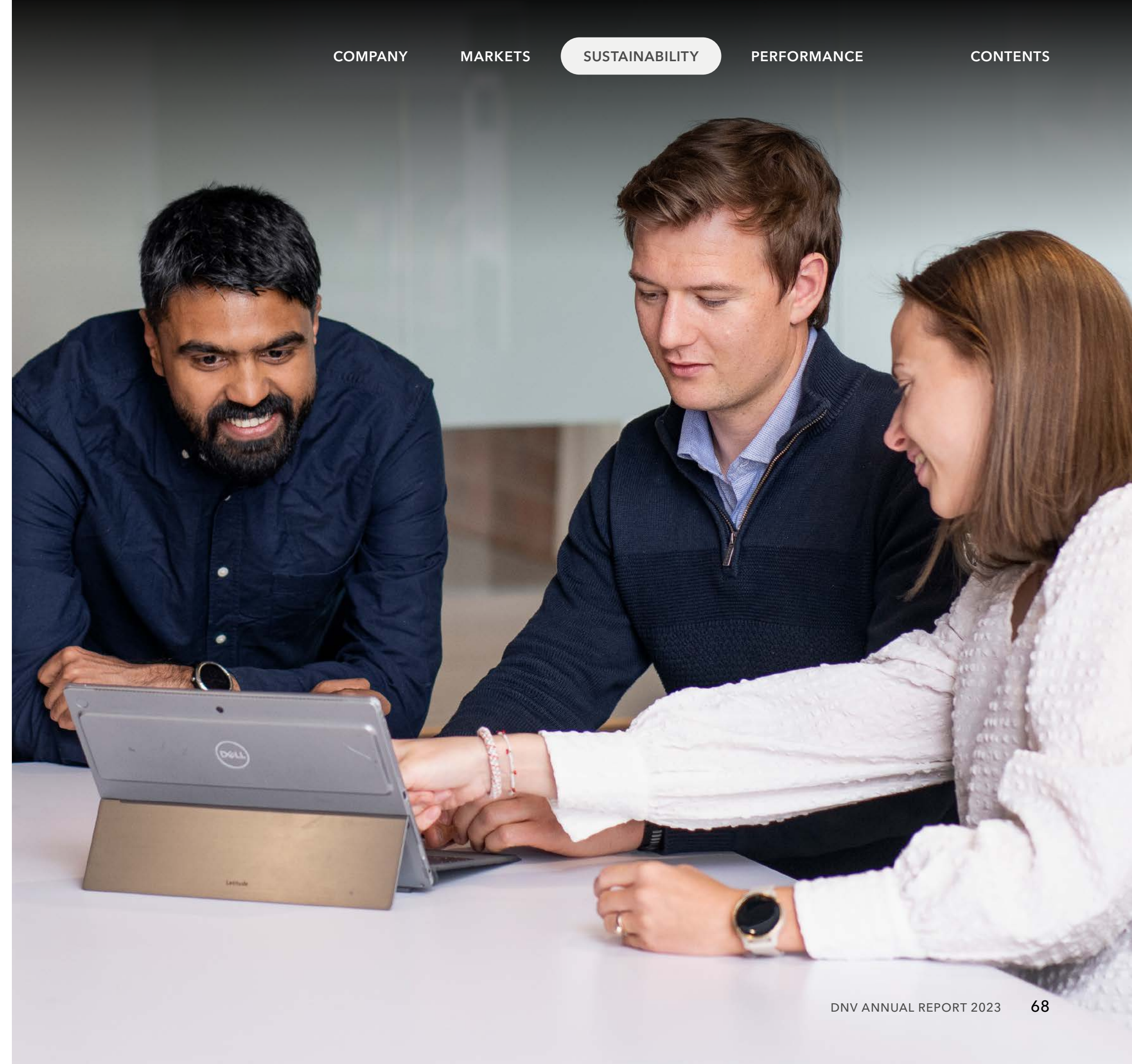
**TABLE 09** | CEO COMPENSATION – BASE SALARY

	2023	Annual increase 2023
CEO total compensation (NOK)	11 215 000	NA
CEO base salary (NOK)	6 720 900	4.2%
Median employee total compensation – Norway (NOK)	1 185 895	NA
Median employee base salary – Norway (NOK)	952 829	5.5%
CEO multiple vs. median Norway – total compensation	9.46	NA
CEO multiple vs. median Norway – base salary	7.05	NA

<sup>2</sup> We do not have education level recorded in our central database for 1 950 employees.

# DIVERSITY, EQUITY, AND INCLUSION

At DNV, our commitment to diversity, equity, and inclusion (DEI) is both an ethical choice and a business decision. We believe DEI in the workplace strengthens our ability to deliver on our purpose, vision, and values. It helps create a sense of belonging and is a source of strength and resilience for our people. For our business, DEI enables us to respond to an ever-changing world, helping us to identify and respond to risks and opportunities and provide the best service to our customers through better collaboration, innovation, and problem solving.



## Our targets and performance

Our Executive Committee sets the tone from the top, promoting DEI in meetings and focusing on achievable actions that DNV can deliver. Our new DEI policy was approved by our CEO in early 2023. In line with this, the Committee has agreed a revised set of DEI goals that reaffirm DNV's commitment, as shown on the following page. It has also amplified investment in DEI, defined accountability at the top level of DNV, and ensured DEI is part of our business review and planning processes.

# 8.3

Employee score for feeling valued and belonging within DNV in our employee Pulse surveys. (2022: 8.2)

# 36%

of new hires are women (2022: 40%)

# 35:65

Female-to-Male ratio 2023 (2022: 35:65)

DEI is a journey and, while our pace of progress differs across business areas and geographical locations, we continue to make positive progress with our Group-wide DEI metrics.

Responses to DEI questions in our employee Pulse survey continued to improve in 2023. In line with our priority to foster inclusion and psychological safety, it is encouraging to see more colleagues responding positively to these questions and the average scores steadily increasing.

Our current performance measure for inclusion is derived from the Pulse question: "In my unit we welcome opinions different from our own." New questions will be introduced in 2024 and an adjusted baseline will be set in March 2024. Our goal to increase the Net Promoter Score by five points (see next page) may be subject to review following the new baseline values.

## What DEI means to DNV

### Diversity

Diversity is the representation of all our varied identities, backgrounds, and experiences, collectively and as individuals.

### Equity

Equity is DNV's commitment to equal opportunity. We strive to achieve equitable outcomes through fair policies, processes, and practices that recognize the differing needs of individuals.

### Inclusion

Inclusion is about building a culture of belonging by actively inviting colleagues to contribute and participate. We believe every person's voice adds value.

Our DEI ambitions

Our main actions

How we will measure our progress

## Inclusion

We foster an inclusive culture where employees can grow, feel valued, and have a sense of belonging

Foster inclusion by:

- developing our DEI capabilities; all employees are required to complete our mandatory introductory DEI training and all leaders need to complete an Inclusive Leadership Programme
- embedding DEI into employee engagement to enable leaders to follow up on the feeling of inclusion in their teams

We aim for more than 97% of employees and leaders to have enrolled in or completed DEI training by year-end 2024

Five-point increase in the Employee Net Promoter Score (NPS)<sup>1</sup> of identified DEI questions by year-end 2025

## Diversity

We embrace diverse identities, backgrounds, experiences, and perspectives

Leverage diversity at DNV by: implementing diversity goals in each business area

All business areas to establish diversity goals by year-end 2024

## Equity

We work to ensure that equity is embedded in our policies, processes, and practices, and we strive to provide fair access to continuous growth and development for all employees

Ensure equal opportunities for growth and development: in recruitment, development, succession, and promotion, seek to ensure a diverse pool of qualified candidates

We monitor demographic changes in our workforce, but we do not set global targets for specific demographic groups

<sup>1</sup> The Employee Net Promoter Score is a metric used to measure employee engagement. It is calculated by subtracting the percentage of detractors (employees who respond with a score 0 to 6) from the percentage of promoters (employees who respond with a score of 9 to 10).

## Progress in 2023

### Understanding our strengths and weaknesses

During 2023, we conducted two assessments to help us better understand our strengths and weaknesses regarding DEI. The insights from these studies have reaffirmed our existing priorities and helped us to refine our current initiatives and goals.

#### Gap analysis against ISO 30415

The first assessment was a gap analysis of DNV Group functions and our Maritime and Energy Systems business areas against the ISO 30415 standard on diversity and inclusion. The results showed our strengths lie in our company culture and the main area for improvement is to create a more systematic approach. This includes improving the structure of and accountabilities for our DEI work and continuing to embed DEI into our policies and processes.

#### People survey on inclusion as part of our DEI approach

The second assessment was a wide-ranging employee survey investigating barriers to inclusion within DNV. We invited around half of DNV's workforce to complete the in-depth survey conducted by an external provider in early 2023. The response rate of 64% offered highly valuable insights into our people's experiences of working at DNV.

The survey results show that behavioural aspects, such as an inclusive mindset, skills, and relationships are generally stronger within DNV than in external benchmarks. Our people also have a solid understanding of our 'speak up' culture and processes, which are designed to promote psychological safety within our workforce. Identified areas for improvement include organizational aspects, such as our policies and processes. The survey data also shows that all employees have different experiences and some minority groups<sup>1</sup> have a less favourable experience compared to the majority.

In addition to the employee survey, we ran focus groups to identify what we can do to make DNV a more accessible workplace for colleagues living with a disability. Looking ahead, we will continue to use

focus groups to build our understanding of the barriers faced by certain groups, including identifying causes and removing them.

#### Responding to areas for improvement

Based on these two assessments, we identified and acted on several opportunities for improvement: a revised set of DEI goals was approved by our Executive Committee and accountability for DEI was placed at this level. We are also working on improving our understanding of how DEI impacts business results and how diversity contributes to better business outcomes.

In other areas, we have worked to embed DEI into our processes, practices, and tools. This includes continuing the work started last year to bring DEI

Inclusion is about building a culture of belonging by actively inviting colleagues to contribute and participate.

best practices into our talent acquisition process, in particular focusing on women and underrepresented groups in leadership positions. We have built DEI into our new employer value proposition (see [Talent attraction, retention, and development](#) on page 60), and into training materials that ensure our job postings are inclusive.

DEI is also now part of our onboarding framework for new employees and our newly launched recognition concept. Finally, our new careers site has been designed in accordance with best practice accessibility principles defined by the World Wide Web Consortium.



<sup>1</sup> The term 'minority groups' is used to refer to employee cohorts such as women, non-binary colleagues, those who answered 'yes' to being from an underrepresented group, those from non-white ethnic origins, those with a disability, neurodiverse colleagues, those from below-average socio-economic backgrounds, and those who identify as having as LGBTQ+ sexual orientation.

## Working towards our global DEI ambitions across regions

### Group Research & Development (Norway)

To pursue the positive effects DEI can have on innovation, Group Research & Development (GRD) focused strongly on DEI in 2023, both internally and externally. GRD sponsored the 'womENCourage' conference in September in Trondheim, Norway, which celebrates women in computing.

Three GRD representatives – two researchers and DNV's Group Research & Development Director – contributed to the event with a presentation and participation in a panel discussion on careers in AI for women. DNV also had a career stand at the event. In March, GRD dedicated a day to Diversity in Science.

### Middle East & Africa and Asia regions

Our operations in South Africa, Ghana, Nigeria, and Angola focused on aligning their activities with respective national skills development plans, which target citizens' skills development to promote the employment of local people. We also reviewed local guidelines in several countries to reduce barriers to entering the workplace.

In Singapore, we equalized annual leave entitlements for Singapore employees regardless of experience and tenure. Paternity leave has also been extended ahead of upcoming government directives. In August 2023, our Singapore office held its first town hall meeting dedicated to DEI, and also celebrated several religious holidays throughout the year.

### Americas

In Brazil, our dedicated DEI committee hosted an event entitled Women in the Workplace: achievements and ambitions. In June, International Pride Day was celebrated with an external speaker who spoke about the challenges faced by transgender people. In September, the National Day of Struggle for People with Disabilities was recognized.

In North America, a two-part DEI learning programme was successfully piloted with more than 100 employees and will be made available to all North America employees in 2024. This facilitated, virtual programme provides interactive learning focused on understanding yourself and others through a DEI lens.

Six active Employee Resource Groups in North America continue to support our employees and our business. These groups are: Asian American & Pacific Islander, Black Employee Network, Hispanic/Latinx, LGBTQ+ (Pride), Veterans, and Women+.

Several DEI awareness events were held in North America, including 'Preventing an Unjust Energy Transition' during Black History Month, 'Moving Past Visibility' for Transgender Day of Visibility, and 'Advancing Leaders through Opportunity' for Asian American & Pacific Islander Heritage Month.



We strive for diversity and inclusion at all levels of the organization and firmly commit ourselves to providing equal opportunity in all aspects of employment.

## Building our DEI capabilities

After a successful pilot, we launched our Inclusive Leadership Programme for all DNV leaders in 2023 and it will continue throughout 2024. We have also incorporated DEI into several courses within the DNV Leadership Journey.

More widely, introductory DEI training is offered to all colleagues and DEI training will become mandatory in 2024. We also offer facilitated sessions on psychological safety, and have published an eLearning available to all colleagues.

Our new DEI goal is to ensure that more than 97% of employees and leaders have enrolled in or completed DEI training by the end of 2024.

We run local and technical mentoring programmes, including reverse mentoring of senior leaders by next-generation colleagues. These programmes boost the personal development of participants through coaching, mentoring, and access to DNV networks. Our senior leaders benefit from tapping into the perspectives and expectations of younger generations.

### Raising awareness

Raising awareness on DEI topics remained an important focus throughout the year. In March, we celebrated International Women's Day company-wide. In June, women in North America were invited to attend a Women in Leadership symposium and, in August, colleagues across the Middle East, Africa, and Asia were invited to participate in a panel focusing on women in STEM (science, technology, engineering, and maths).

We celebrated Pride globally in collaboration with The Inclusion Imperative and a DNV customer to highlight the value of difference. Supporting events were held in various DNV locations, including Brazil and North America.

DNV collaborated with a group of Nordic companies on an event to raise awareness, learn, and share good practices on how we can better include and support colleagues with disabilities. Our North America region also hosted an event to address disability inclusion in the workplace, including sharing the experiences of some DNV colleagues living with disabilities.

## Approach and management

We value and seek diverse identities, backgrounds, experiences, and perspectives at all levels of our company. Diversity, equity, and inclusion are a source of strength for DNV. They provide the best basis for delivering excellence to our customers and the widest access to global talent in the more than 100 countries where we operate.

To achieve our DEI ambitions over the long term, it is important to remain consistent in our approach. In 2023, we revised our DEI goals and reaffirmed our commitment at the highest level of the business.

Our global DEI ambitions and associated goals are anchored in our purpose, vision, and values. We are guided by our [DEI policy](#), which was launched in early 2023, as well as by our Code of Conduct and Human Rights Statement. We believe that a combined global and local approach will help lift diversity, equity, and inclusion across DNV. It will also support local action, commitment, and accountability around DNV. Read more about [DEI in DNV](#) on dnv.com.

Our aim is to incorporate DEI into everything we do, every day. Our approach is based on the ISO 30415 standard on diversity and inclusion, which provides a structured approach alongside best practice guidance.

DNV has published a [Gender Equality Statement](#) for our operations in Norway, as required by Norwegian equality and anti-discrimination legislation.



## Metrics and data

For metrics on the percentage of female new hires, see [Talent attraction, retention, and development](#) on page 60.

This table is based on the number of employees registered in Partner, and does not include the 261 not yet registered in Partner.

We do not have the age for two registered employees recorded in our central database.

**TABLE 10** GENDER AND AGE PROFILE OF EMPLOYEES  
BY EMPLOYEE GRADE

Grade	GENDER			AGE GROUPS					Total
	Female	Male	% female	< 31	31-40	41-50	51-60	> 60	
01	0	1	0%	1					1
02	4	6	40%	6	1		1	2	10
03	15	13	54%	9	4	6	7	2	28
04	152	83	65%	65	75	46	41	8	235
05	506	249	67%	314	204	139	72	25	754
06	985	773	56%	800	495	264	163	37	1 759
07	903	956	49%	425	863	340	171	60	1 859
08	803	1 318	38%	112	1 069	569	301	69	2 120
09	619	1 543	29%	7	733	815	477	130	2 162
10	425	1 699	20%	3	324	977	640	180	2 124
11	245	1 158	17%		48	540	622	193	1 403
12	116	602	16%		7	182	390	139	718
13	52	234	18%	1	2	41	165	77	286
14	15	89	14%			11	54	39	104
15	9	46	16%			2	28	25	55
Total with grades	4 849	8 770	36%	1 743	3 825	3 932	3 132	986	13 618
Total DNV	5 170	9 409	35%	2 105	4 115	4 116	3 230	1 012	14 580

**TABLE 11** | EMPLOYEES (TOP 15 COUNTRIES)

	Female	Female %	Male	Other	Total
Norway	918	37%	1 558	-	2 476
United States	663	40%	1 006	-	1 669
Germany	395	31%	871	-	1 266
United Kingdom	333	28%	843	-	1 176
China	283	29%	679	-	962
Poland	516	57%	382	-	898
India	243	28%	615	-	858
Netherlands	187	30%	439	-	626
Spain	150	32%	316	-	466
Italy	240	53%	217	-	457
Finland	105	28%	265	-	370
Korea, Republic of	101	28%	260	-	361
Denmark	99	33%	205	-	304
Singapore	93	31%	209	-	302
Brazil	115	41%	163	-	278
Total global workforce	5 170	35%	9 409	1	14 580

This table is based on the number of employees registered in Partner, and does not include the 261 not yet registered in Partner.

**TABLE 12** | EMPLOYEES BY NATIONALITY (TOP 15)

	Total
Norwegian	1 710
American	1 399
German	1 155
British	1 096
Indian	1 062
Chinese	998
Polish	937
Dutch	530
Italian	512
Spanish	433
South Korean	381
Brazilian	327
Danish	242
Singaporean	178
French	177

Nationality unknown for 929 employees (mainly related to newly acquired companies) (Mergers & acquisitions).

**TABLE 13** | AVERAGE BASE SALARY DIFFERENCE BY GENDER (TOP 15 COUNTRIES)

	Female/male pay ratio
Norway	98.5%
United States	97.6%
Germany	98.1%
United Kingdom	98.0%
China	93.3%
Poland	90.4%
India	100.1%
Netherlands	97.4%
Spain	102.4%
Italy	99.7%
Finland	N/A <sup>1</sup>
Korea, Republic of	99.9%
Denmark	93.9%
Singapore	93.0%
Brazil	85.5%
Top 15 countries	97.0%

<sup>1</sup> Finland is excluded as there are no grades with minimum five employees from each gender.

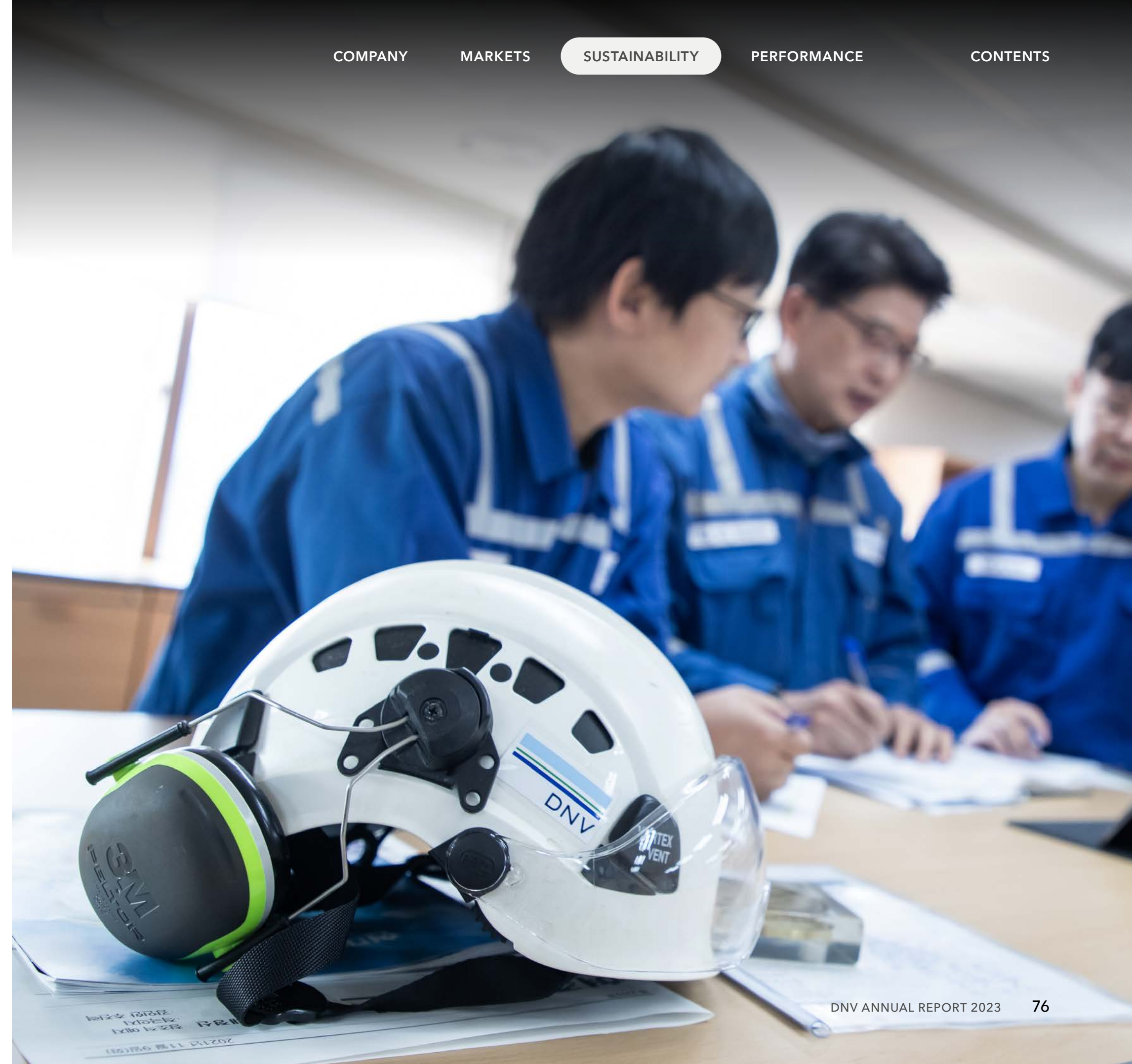
Employees at a similar level in the organization are provided with the same grade, allowing peer comparison of salaries.

Comparison of salary differences by gender within a grade is achieved by reviewing the weighted average base salary of employees per grade and gender in each country (grades with minimum five employees from each of the genders are included).

This provides country averages, as shown in the base salary comparison by gender for our top 15 countries.

# HUMAN RIGHTS

Respect for human rights is embedded in DNV's values and corporate approach. DNV promotes the values and principles enshrined in international human rights frameworks within our sphere of influence; especially in relation to employees, suppliers, and our business partners. We have been a signatory to the UN Global Compact for over two decades, and we remain committed to respecting all internationally recognized human rights.



## Our targets and performance



**No identified negative impacts on human rights and decent working conditions.**



**Salient risks identified and shared in our new Human Rights Report.**

## Progress in 2023

### Complying with growing human rights legislation

We shared our first Human Rights Report in line with the Norwegian Transparency Act (NTA) on 30 June 2023. Our second report was published in March 2024. The report describes DNV's approach to identifying and managing human rights risks in our operations and supply chain. It also outlines our human rights due diligence process, which reviews how we identify, assess, manage, and mitigate human rights risks.

We have established a Human Rights Forum (see [graphic on page 79](#)), which includes members from our Group functions, procurement function, and business areas. This enables us to align initiatives across DNV, harmonize our approach, and reinforce responsibility for managing human rights risks within DNV.

The Forum met three times in 2023. Topics covered included aligning roles and responsibilities for ensuring compliance with the NTA, agreement on our due diligence process, risk assessments in business areas, fair recruitment, and proposed metrics.

### New DNV human rights guidelines

New human rights guidelines were introduced during the year for the the whole of DNV.

The guidelines will ensure effective and targeted annual human rights reporting by establishing clear roles and responsibilities across DNV. They also provide the main principles, tools, and documentation for how to perform a human rights due diligence within the DNV Group.

We also created a human rights risk register based on the OECD guidelines for Multinational Enterprises to support our human rights due diligence process, and this will be updated annually.

Other areas where we have improved our approach to managing human rights risks include: contract templates and policies to include human rights considerations have been updated; adding a human rights perspective to how we identify focus countries (see [Ethical and responsible business conduct on page 95](#) for more details); and working with our central procurement function to further enhance our supply chain human rights focus (see [Sustainable supply chain on page 91](#) for more details).

## Our human rights due diligence process

During 2023, we completed our human rights due diligence process following the OECD Guidelines for Multinational Enterprises. The due diligence assessed potential risks to human rights and decent working conditions and any actual negative impacts within our operations and value chain.

The process included a gap assessment and a risk assessment survey followed by interviews with relevant employees from our business areas and procurement function.

Topics covered included: the number and location of suppliers; the operational footprint related to diversity, equity, and inclusion; compliance with labour law requirements; health, safety, and environment; and human rights training.

The due diligence showed no actual negative impacts on human rights and decent working conditions. Several salient risks were identified and are published in our [Human Rights Report on dnv.com](#).

### Ethical recruitment

We also developed an ethical recruitment guideline. This describes the basic principles of how DNV ensures fair recruitment that is in line with the International Labour Organization (ILO) principles of ethical and fair recruitment. It also sets out the requirement for an ethical recruitment due diligence when using hiring agencies.

Looking ahead, we will continue to implement measures within DNV that relate to human rights, focusing on the following topics:

- Improving supply chain management within Group procurement
- Ensuring decent working conditions when using hiring agencies
- Increasing awareness through a new mandatory training for all employees that will cover several human rights topics.

**DNV is committed to respecting and upholding international human rights principles.**

## Approach and management

### Our principles

Respecting and upholding human rights are embedded in DNV's values and corporate approach. We are committed to respecting all internationally recognized human rights. We are signatories to the United Nations Global Compact and are committed to adhering to its principles in the areas of human rights, labour standards, environmental protection, and anti-corruption. We adhere to the International Labour Organization's Declaration on Fundamental Principles and Rights at Work and the UN Guiding Principles on Business and Human Rights.

Our [Human Rights Statement](#) defines our principles and approach to respecting human rights and ensuring decent working conditions. Within DNV, human rights are managed through our [Code of Conduct](#), [Supplier Code of Conduct](#), and people policies.

Our Code of Conduct establishes our commitment to fair employment, non-discrimination, equal opportunity, and the right of employees to join labour unions. All employees are introduced to the company's policies during the onboarding process. Human and labour rights are part of this mandatory introduction.



DNV's management system establishes internal processes for identifying and managing human rights risks and complying with human rights laws and standards. These include both policies and guidelines on, for example, internal risk management; health and safety; people; diversity, equity, and inclusion; procurement; managing and verifying subcontractors and intermediaries; and compliance.

The expectation that customers will conduct business in a fair, ethical, and lawful manner, including with respect for human rights, are stated in our general terms and conditions and emphasized on our website.

### Grievance mechanism

Our [misconduct reporting process](#) provides a grievance mechanism that can be used to anonymously report adverse human rights impacts or concerns related to DNV's activities or operations. Read more in [Ethical and responsible business conduct](#) on page 95.

### Governance of human rights management

Our formal responsibilities and organizational structure for managing human rights within DNV have been acknowledged by DNV's Board of Directors.

The Group President and CEO has assigned responsibility for the global human rights management system to the Group Compliance Officer.

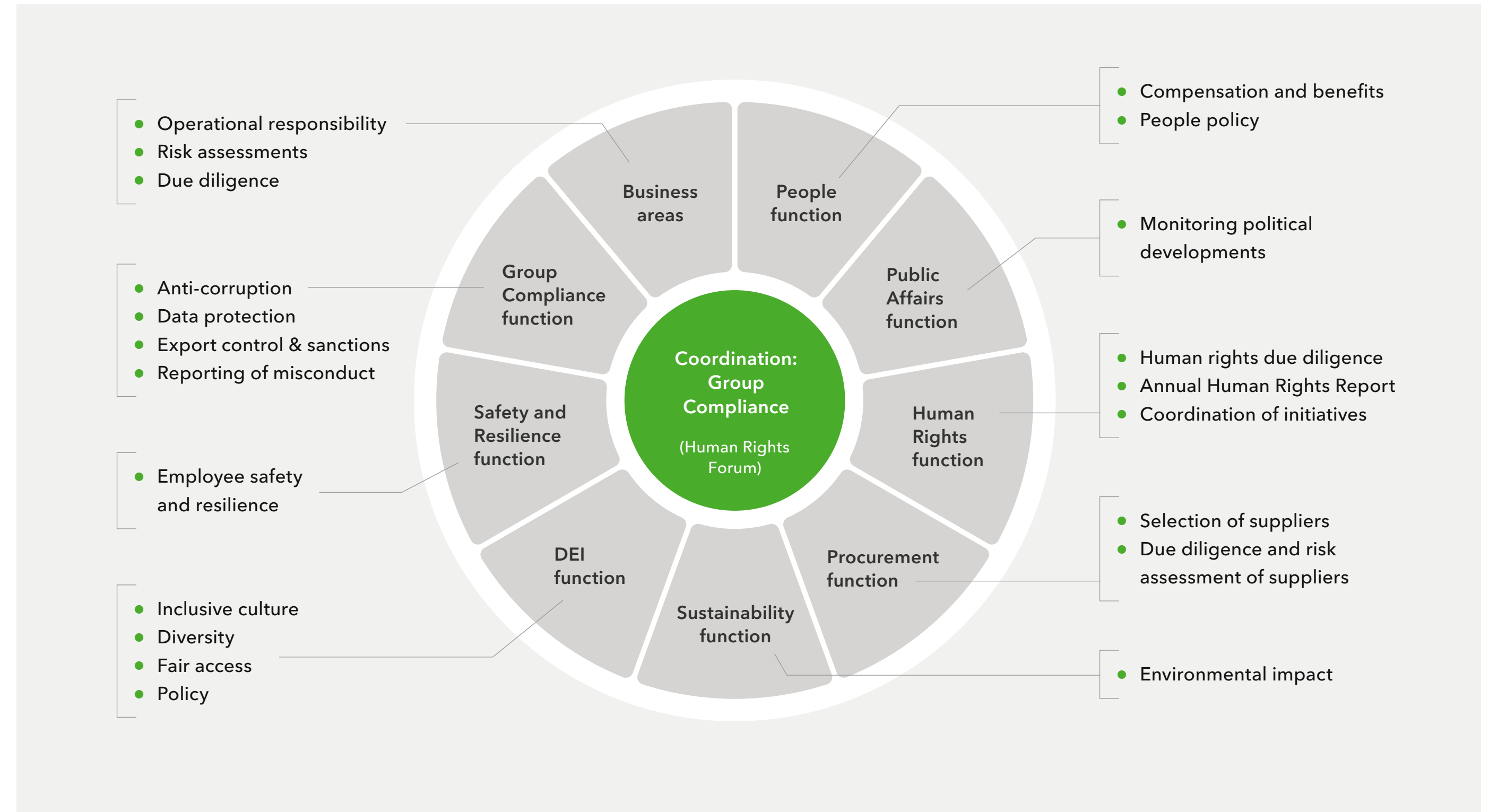
At the operational level, the Group Compliance Officer chairs a Human Rights Forum consisting of relevant stakeholders from around DNV's Group functions and business areas. The Forum meets two to three times a year to review relevant human rights risks identified by our business areas and functions.

Our process for identifying and assessing DNV's actual and potential human rights impacts takes into consideration all aspects of our business; from the internal structures for managing employee-related matters, compliance, and our business outputs, to our external influence and potential impacts linked to our relationships with suppliers. Our human rights due diligence guidelines establish a common process for identifying and assessing human rights risks across the whole of DNV.

### Modern Slavery statement

We are committed to ensuring that no modern slavery or human trafficking takes place in any part of our business or supply chains. DNV's [Statement on Modern Slavery and Human Trafficking](#) has been issued further to section 54 (1) of the UK's Modern Slavery Act 2015 and constitutes the DNV UK slavery and human trafficking statement for the financial year ending 31 December 2023. We are currently updating our approach to also cover the Australian Modern Slavery Act 2018.

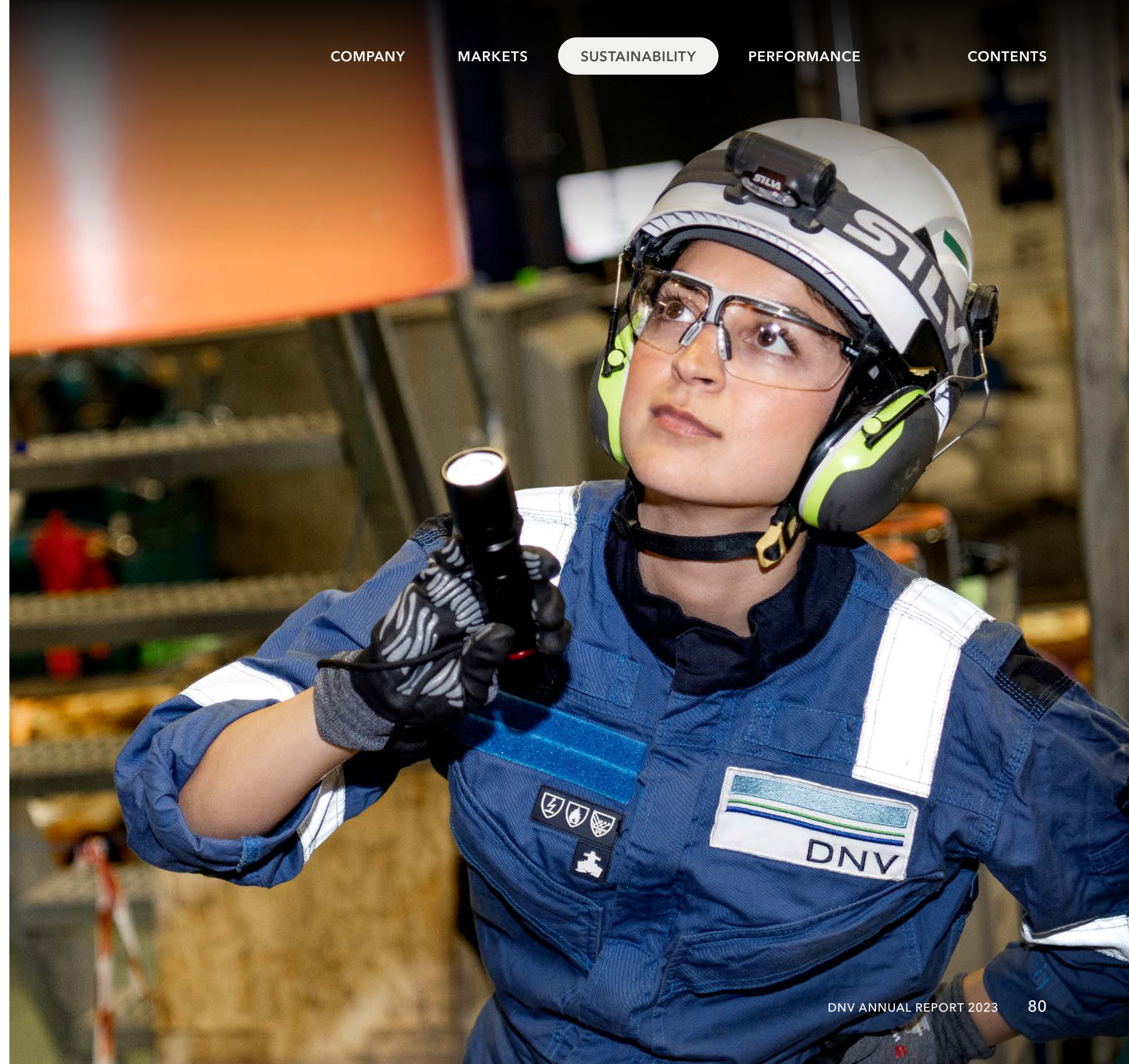
**FIGURE 02** | DNV'S HUMAN RIGHTS FORUM





# EMPLOYEE SAFETY, WELLBEING, AND RESILIENCE

For us, no work is so urgent or important that it cannot be conducted in a safe and healthy way. At DNV, the safeguarding of our people is as much about maintaining a healthy and resilient workforce as it is about preventing work-related injury or illness to anyone working for or on behalf of DNV. In working to keep our people safe and healthy, we align with the objectives of UN Sustainable Development Goal 3 on Good Health and Well-being.





## Our targets and performance

Our occupational safety and health performance and our employees' resilience continue to show positive trends. This is commendable considering the uncertainty that we are all facing in an increasingly volatile world. Within DNV, we talk about employee resilience as being the ability of our people to face day-to-day challenges, adjust to change and uncertainty, recover from difficult situations, and thrive.

# 0.8

Lost-time injury rate<sup>1</sup>  
increased (2022: 0.5)

# 8.2

Resilience index score based on four questions in our employee Pulse surveys, above our global target of 8.0 out of 10 by 2025.

# 2.5%

Absence rate decreased slightly  
(2022: 2.6%)

<sup>1</sup> Number of injuries resulting in lost days per million worked hours

## Progress in 2023

### Psychological safety as a pre-requisite for safety and resilience

In times of uncertainty, our first priority is to show 'Care' as a way to help improve employee resilience in DNV. Showing 'Care' implies that we offer a work environment that is psychologically safe so that employees 'Dare' to raise concerns about their physical safety and 'Share' challenges to their mental health.

Psychological safety is "a shared belief that one will not be punished or humiliated for speaking up with ideas, questions, concerns or mistakes"<sup>2</sup>. We consider psychological safety to be a prerequisite for people to speak up, ask for support where needed, and feel empowered to contribute as we continue to build our safety and resilience culture. Our focus on psychological safety recognises how our people's diversity in thought, experiences, and backgrounds will help to improve how we work and how we keep our people safe, healthy, and resilient.

A psychologically safe work environment is key to supporting our people's safety and resilience. It reduces barriers for people to discuss what they

need to further develop their wellbeing, motivation, and performance. Transparent communication in a psychologically safe work environment also helps to reduce the stigma around mental health. Our panel discussion on World Mental Health Day in 2023, featuring six thought leaders in DNV, exemplified belief in the benefit of wellbeing.

Our first global webinars on psychological safety provided positive impressions of the status of psychological safety in DNV. Participants generally agreed that they could raise concerns in their teams without fearing negative consequences. Perspectives were more diverse on whether they felt comfortable proposing an innovative approach to a problem, and whether they felt they might be rejected for being different.

The answers to our Resilience Index questions all indicate ongoing improvement. The overall score is positively influenced by employees' feelings about amount of flexibility they have in their work schedule. The 3+2 model for hybrid working (with at least three days in the office) that was introduced globally in January 2023 balances the need to be together in the office with the flexibility of working from home. The index score is negatively influenced by how manageable workload demands are. Although, this year's deep dive into the resilience data highlights how people appreciate the measures taken to mitigate high workloads, such as facilitating task distribution and bringing in additional resources.

<sup>2</sup> Edmondson AC. The fearless organization: Creating psychological safety in the workplace for learning, innovation, and growth. Hoboken, New Jersey: John Wiley & Sons; 2019.

The score for how employees feel their manager cares about them has been increasing, but the scores for employees' perception of how DNV's cares for their health and wellbeing are low in comparison. This may indicate a discrepancy between how 'Care' is perceived at an individual versus an organizational level.

We also depend on a psychologically safe work environment to continue maturing a learning safety culture that is characterized by a high levels of trust and openness. In DNV, we trust our employees and expect them to raise concerns about safety and



working conditions because we depend on their competence and experience to identify areas for improvement.

Examples of single initiatives that were introduced in 2023 to improve safety and resilience include:

- A lifesaver video on noise hazards (Maritime)
- Safety culture ladder certification for technology centres (Energy Systems)
- An extended pilot with MyWorkout to improve employee physical and mental health (Digital Solutions, Maritime China, and Inspection)
- Regular CPR courses for all employees based in the Houston office (United States)
- New and improved training for line managers on their HSE responsibilities (Germany)
- A leader's toolkit video with concrete tips on how to boost team wellbeing (Global Shared Services).

Interviews with our HSE networks indicated that work needs to continue in areas concerning safety competence, managing conflicting goals, and organizational learning. This is why we are promoting a more balanced discussion around safety, where communication is as much about positive contributions to creating safety as about create safety as about eliminating harm. Examples of what encourages people to speak up are town hall meetings and videos featuring a good story about what we are doing right to create safety.

In 2024, we will be to continue to developing psychological safety, mature our mechanisms for supporting individual resilience, and explore ways to improve our approach to safety. This will enable us to build a stronger culture of trust and openness, and enhance organizational learning.

### Managing crises: supporting travelling employees and employees living in countries at war

The pandemic tested our crisis management and paused our emergency preparedness. Recognizing the changing picture of global risk and our growing organization, reignited our emergency preparedness processes during the year, so that we can respond quickly and adequately with the right resources in the right positions at the right time. We set out to improve clarity around roles and responsibilities, creating clearer connections between risk and emergency preparedness teams. We have introduced better alignment and fluency between the various dimensions across which we manage crises – the Group dimension, the country dimension, the business area dimension, and the cyber security dimension.

We continue to monitor the situation in Ukraine through daily contact between our employees in Odesa and their line manager and head of the crisis team. Similarly, we continue to monitor the situation in Israel and are providing our employees in Haifa with emergency preparedness support. We implemented a 'No Go' travel restriction for Israel as a precaution following the attacks on 7 October.

Considering how international travel has been picking up again since the pandemic, we are reiterating the importance of International SOS in helping us to prepare for and mitigate safety and health risks while travelling. Our focus in 2023 was on streamlining communication so that we can quickly reach our colleagues with relevant travel-related information to help them prepare for their trip and/or provide support if they require assistance while abroad.

During the year, we looked into how we can empower the organization to better handle crises involving individual employees at a local level. One initiative was to revamp the Next of Kin network with representatives from our 16 largest countries. The network functions as an extension of our country crisis teams by supporting next of kin in the aftermath of an acute crisis that affects the immediate health and/or safety of our employees. We held two experience exchange and training sessions in 2023 and will hold similar sessions in 2024.

We also tested our ability to reach our employees in crisis situations where our usual lines of communication are down such as in the event of cyber attack. This was the second test conducted across DNV globally and our results showed a significant improvement in our ability to reach employees in a scenario where our IT systems are not operational.

# Approach and management

## Safety and resilience management

Safety and resilience are fully embedded in our purpose, vision, and values, and our commitment to safeguarding people extends to everyone who is linked to our business. The right to say 'no' if you encounter inappropriate behaviour or unacceptable conditions that can pose a risk to your safety, health, or resilience while at work for DNV is embedded in our [safety and resilience policy](#).

We invest in a safe, healthy, and future-fit working environment, focusing on employee wellbeing (physical, mental, and social health) and motivation (autonomy, mastery, and purpose) to contribute to employee resilience. Our safety and resilience policy and management system apply to all DNV employees and those working on behalf of DNV.

Our management system is certified to the ISO 45001:2018 [occupational health and safety standard](#). DNV strives to follow all HSE legal requirements in all countries where we operate. We identify national legal requirements in a legal register and describe the measures we have in place to ensure compliance both from an operational risk and a common risk perspective. Processes are tested during internal and external audits and are reviewed by the business areas and GSS HSE annually.

Compliance or actions to ensure compliance are documented and signed off by respective Country Chairs.

## Governance

Within DNV, safety, occupational health, and resilience are structured across two lines of responsibility – by geography and by business area. At the highest level, the Group CEO and Executive Committee are responsible for all matters concerning safety, occupational health, and resilience.

Line managers are responsible for promoting open communication and a learning culture. These help ensure safe and healthy working conditions that protect our employees and all those working on behalf of DNV and support them in developing resilience. Quarterly safety and resilience reports are available to all employees on the intranet.

The principles of worker participation, consultation, and communication about safety, occupational health, and resilience are embedded in our roles and responsibilities and embodied through various forums such as the workers' councils. Our annual management system review is a bottom-up process and ensures the continual improvement of our safety, occupational health, and resilience performance.

## Risk assessment

DNV has clearly defined principles, processes, and key responsibilities for hazard identification and risk assessment relating to office working, travelling, driving, fieldwork, and operations at laboratories

and test sites. Occupational health and safety risks are periodically identified, assessed, and reviewed by business areas or through the global risk register. A record of common risks (office-related work, travel, and driving) across DNV is maintained at the Group and regional levels. Business areas identify and manage the significant risks associated with fieldwork, laboratory, and test-site activities and events.

## Work-related hazards

We determine our hazards and risks through operational risk assessments, audit findings, and incident analyses. Our risk register provides: a description of the risk, including causes and contributory factors; the risk control measures and monitoring of the risk; a risk evaluation based on the likelihood and severity of the risk; and actions to reduce residual risks to acceptable levels.

The main hazards associated with DNV activities that increase the risk of a high-consequence injury include:

- Driving and travelling
- Line-of-fire hazards, in particular objects dropped or falling from height, high-pressure/tension releases, and contact with moving vehicles, moving parts of machinery, and work equipment
- Falls from height, including transfers at sea
- Working in confined spaces
- Working in hot-work environments and high-temperature environments.

## Incident reporting

We manage and report incidents and hazards, including near-misses, using our software platform Synergi Life. Our approach complies with Norwegian regulations and is aligned with the ILO code of practice on the recording and notification of occupational accidents and diseases.

Employees who are involved in or observe a work-related incident or health- or safety-related risk are required to report it through Synergi Life. Incidents and hazards can also be reported anonymously.

All reported cases with the potential for high-consequence injury are investigated and corrective actions implemented. All such cases are reviewed in a subsequent risk assessment covering safety and occupational health.

## Learning from incidents

Learnings from incidents and hazards are shared regularly through presentations of incidents with the potential for medium or high consequences at several levels of the organization, including senior management. We also maintain an open-access incident and hazard database.

## Involving employees

We share information and consult with elected representatives of employee works councils and unions in accordance with our collective agreements and local legislation.

## Metrics and data

### Lost-time injury rate

Our lost-time injury rate increased slightly in 2023 to 0.8 injuries resulting in lost days per million hours worked (2022: 0.5).

### Occupational ill health resulting in lost time

In 2023, 18 cases of work-related ill health resulting in lost time were reported (2022: 33). The main causes for lost time due to ill health include work-related stress and incorrect ergonomics. All employees are expected to make a full recovery.

### Absence rate

Our absence rate due to sickness continues to be relatively low at 2.5% (2022: 2.6%). Our reporting system does not currently capture absence by region.

### Incident and hazard reporting

A total number of 1,305 incidents and hazards, including near misses, related to occupational health, safety and the environment were reported in Synergi Life. (2022: 1,288). Of these 352 cases were registered as near misses, and of these 1% (3 cases) were reported as potential risk above high (2022: 1.8%).

**TABLE 14** HEALTH AND SAFETY PERFORMANCE

	2023	2022	2021	2020
Work-related fatal accidents	0	0	0	0
High-consequence injuries, employees	0	0	0	0
High-consequence injuries, other workers	0	0	0	1
High-consequence injury rate, employees	0	0	0	0
High-consequence injury rate, other workers	0	0	0	0.3
Recordable injuries, employees	33	20	21	22
Recordable injuries, other workers	6	4	7	3
Recordable injury rate, employees	1.4	0.9	1	1.1
Recordable injury rate, other workers	1.6	1.4	2.14	1.0
Lost-time injuries, employees	18	12	10	14
Lost-time injuries, other workers	3	1	3	1
Lost-time injury rate, employees	0.8	0.5	0.5	0.7
Lost-time injury rate, other workers	0.8	0.3	0.92	0.3
Occupational ill health resulting in lost time, employees	18	33	20	18
Occupational ill health resulting in lost time, other workers	1	0	1	0
Near-misses with the potential for high consequences	3	6	9	19
Absence rate (%)	2.5%	2.6%	2.3%	2.0%

### DEFINITIONS

**Absence rate (%):** Total hours of absence due to sickness / worked hours x 100.

**Hazard:** Unsafe act or unsafe condition with the potential to cause an incident.

**Lost-time injury rate:** Number of injuries resulting in lost days per million hours worked.

**Lost-time injuries:** Any work-related injury which prevents the employee or other worker from doing any work on any day (or shift) after the day (or shift) on which the injury occurred, including weekends and holidays.

**High-consequence injuries:** Injuries that result in a fatality or from which the worker cannot, does not, or is not expected to recover fully to pre-injury health status within six months.

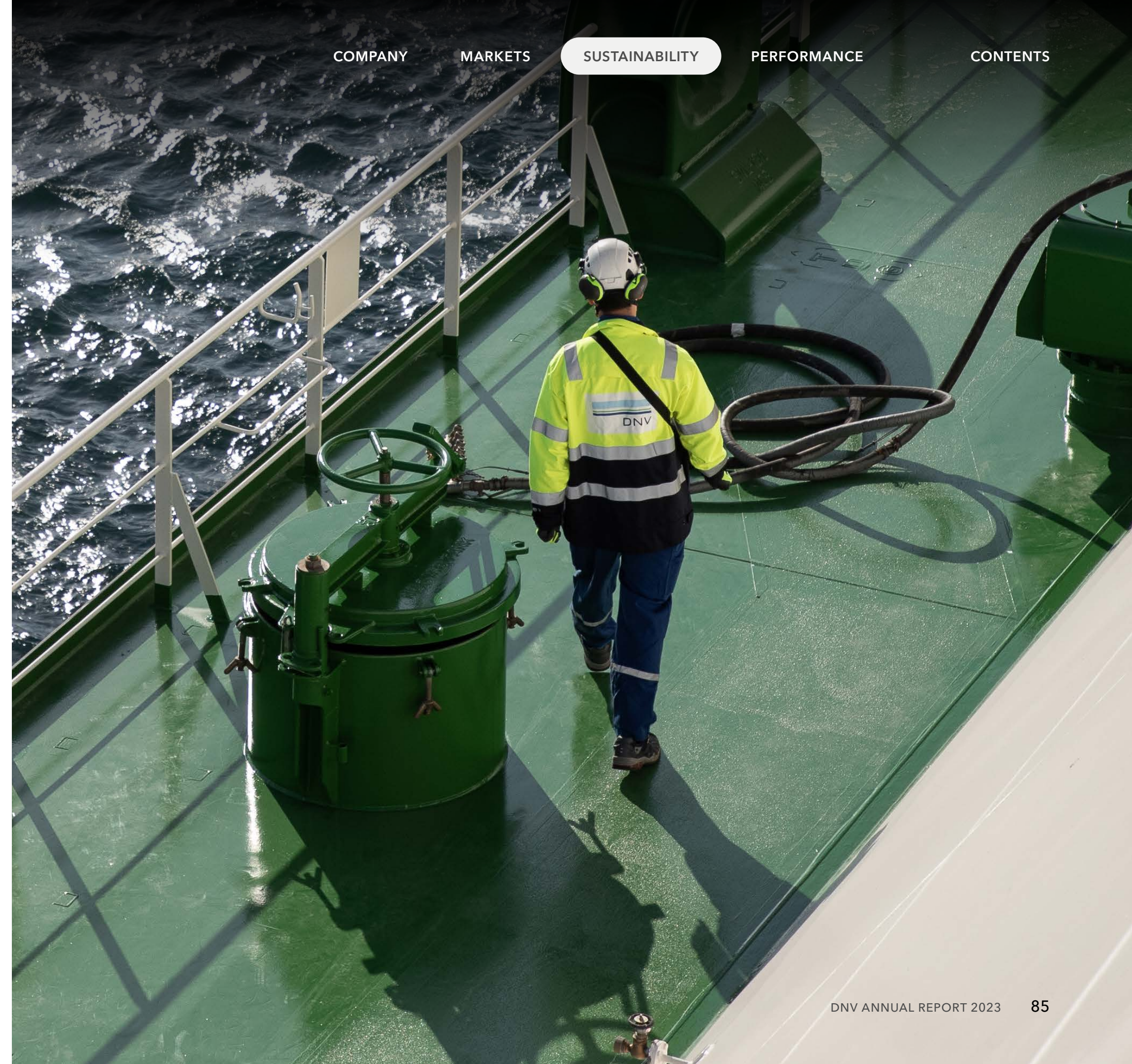
**Near-misses:** An event or exposure(s) which did not result in injury, ill health, or environmental impact, but which easily could have, given a slight shift in time or position.

**Occupational ill health resulting in lost time:** A harmful effect on a person caused by prolonged or repeated exposure(s) resulting in lost time (not back to work the next day).

**Recordable injuries:** Work-related injury or ill health that results in any of the following: death; days away from work; restricted work or transfer to another job; medical treatment beyond first aid; loss of consciousness; or significant injury or ill health diagnosed by a physician or other licensed healthcare professional, even if it does not result in death, days away from work, restricted work or job transfer, medical treatment beyond first aid, or loss of consciousness.

# ENVIRONMENT AND CLIMATE

Addressing the pressing issues of climate change and a swift energy transition is paramount to our customers and the core industries we serve. In guiding our customers through these crucial areas, we firmly believe in leading by example. Our strategy to 2025 sets the ambition for DNV to become climate positive. This is an ambition backed up by specific near-term targets, including a 50% reduction in our carbon footprint between 2019 and 2025. Our long-term goal is to reach net zero well before 2050.



## Our targets and performance

Our sustainability strategy has established a number of environmental targets with a clear focus on minimizing our contribution to climate change, and we are well on the way to achieving these:

### OTHER TARGETS:

#### Continue mapping our Scope 3 categories

- Additional data added to our emissions data

#### Become climate positive

- Investment in Seaweed Carbon Solutions Joint Industry Project and two reforestation projects

### CARBON FOOTPRINT

41%



reduction in emissions per employee since 2019 (2022: 52%<sup>1</sup>)

**Target:** reduce our carbon footprint by 50% by 2025 against our 2019 baseline.

### SCOPE 1 EMISSIONS

34%



fully electric and hybrid cars globally (2022: 24%<sup>2</sup>)

**Target:** reduce Scope 1 emissions by switching our car fleet to electric and hybrid vehicles as leases expire.

### SCOPE 2 EMISSIONS

54%



certified renewable electricity (2022: 53%<sup>1</sup>)

**Target:** reduce Scope 2 emissions by using 100% certified renewable electricity by 2025.

### SCOPE 3 EMISSIONS

29%



reduction in carbon emissions per employee from air travel.<sup>3</sup>

**Target:** reduce Scope 3 emissions by reducing carbon emissions from our air travel by 35% in 2023 from a 2019 baseline.

Emission type according to the GHG protocol

Thousand tonnes of CO<sub>2</sub> equivalent (thousand tCO<sub>2</sub>e) in 2023

5.9

Scope 1

10.5

Scope 2

66.6

Scope 3

## Progress in 2023

### Moving towards our targets

#### 50% carbon emissions reduction from 2019

Our interim carbon reduction target is to halve our carbon emissions intensity by 2025 from our 2019 baseline. The goal covers emissions per employee and includes our scope 1 and scope 2 emissions, as well as our scope 3 emissions from business travel.<sup>4</sup>

To achieve this goal, we are focusing on moving to 100% certified renewable electricity, cutting emissions from our largest CO<sub>2</sub> emitters - business air and car travel, and lastly on reducing office space. At the end of 2023, our carbon footprint per employee had been reduced by 41% compared to 2019 (2022: 52%<sup>1</sup>).

Our ambitious environmental targets have a clear focus on climate change.

<sup>1</sup> Restated information: updated figure compared to that published in our Annual Report 2022.  
<sup>2</sup> The 24% figure reported in 2022 only relates to our car fleet in Europe.  
<sup>3</sup> Our air travel goal was impacted by changes in global emission factors. See more details in the chapter.  
<sup>4</sup> The 50% reduction in Scope 1, 2, and 3 emissions is on a like-for-like basis compared to 2019. Since setting the target in 2020, we have added a wide range of new Scope 3 emission sources in our value chain to our carbon emission inventory as part of our goal to achieve net zero well before 2050.

### Reducing business air travel

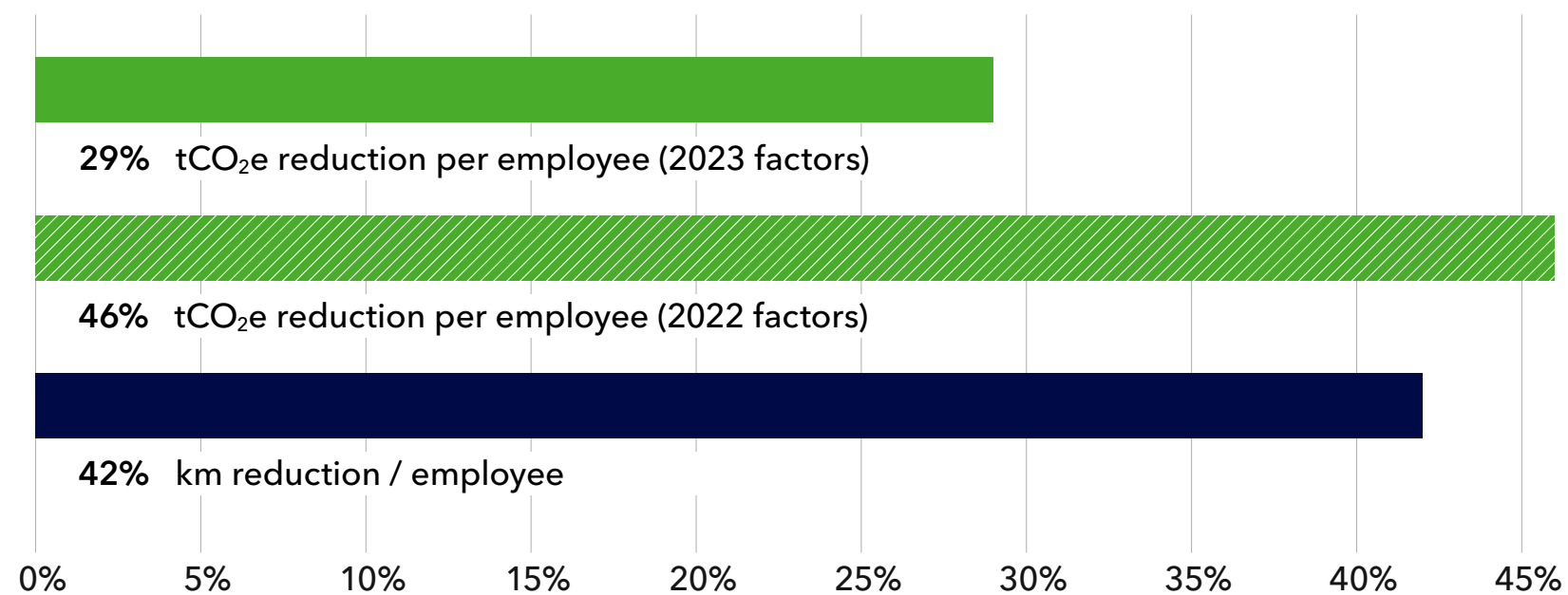
DNV is a global consulting and advisory company. While we have widely adopted online and virtual tools for meetings with customers and between team members, business travel is still a significant part of our business. This means air travel makes up a significant part of our carbon footprint, contributing 36% of our total emissions. It is therefore a priority area for action to meet our targets.

For 2023, our goal was to reduce emissions from air travel per employee by 35% against our 2019 baseline. Changes to emission factors for air travel published by Defra in 2023, which now reflect lower passenger loads on international flights, mean the reduction in flights taken by DNV employees in 2023 do not

directly translate into lower emissions. We therefore achieved a 29% reduction from our 2019 baseline. Despite not meeting our 2023 target for air travel emissions, our data shows that our employees have travelled 42% fewer kilometres by airplane compared to 2019 showing that our emphasis on reducing business travel is having an effect.

Our aim is to create long-term change in our travel patterns, and we are confident of achieving our 2025 goals. We have implemented many actions to change travel behaviour within our workforce. These include a new travel policy, a dashboard for monitoring travel, and setting annual targets to reduce travel emissions per business area from 2022 onwards.

**FIGURE 03** SCOPE 3; BUSINESS TRAVEL (CATEGORY 6)  
(AIR, TRAIN, HOTEL)



Our goal for 2024 is to reduce business air travel per employee by 35%. We continue to champion digital meetings and tools across DNV to support our target.

### Switching to renewable electricity

Our 2025 strategy is also targeting that 100% of the electricity used in our 270 offices switches to renewable sources. Our offices range from large (1,000+ employees) to small (below 50 employees) and this influences our approach to switching to renewable electricity.

1.2% of DNV's electricity consumption comes from on-site renewable energy sources at seven of our offices. This now includes our headquarters at Høvik, Norway, where we have installed more than 1,400 solar panels.

Solar electricity generation is expected to grow once the newly installed solar panels are fully operational during 2024. We are also replacing oil-fired boilers with advanced heat pumps that draw energy from the fjord outside our office. Our real estate arm, DNV Eiendom, is also implementing energy efficiency measures as office refurbishments are carried out.

For all our other offices, we are either working to transfer to renewable electricity contracts or purchasing Energy Attribute Certificates that match our electricity consumption and support investment in renewable electricity. To complement these efforts, we are also working to lower our energy consumption by reducing our office space and moving to green-certified offices where possible (see page 94).

### Shifting to electric cars

Emissions from our car fleet make up 7% of our baseline 2019 carbon footprint. Our company car policy stipulates that we replace fossil-fuelled cars with plug-in hybrid and fully electric vehicles (EVs) as current leases expire. Our procurement team is working with our leasing partners to ensure a selection of cars that meet our criteria are available. The availability of EVs and the development of local charging infrastructure are significant constraints that we are working to resolve. Several of our offices offer electric charging facilities, not only for our company cars, but also for personal cars.

At the end of 2023, 34% of our global car fleet was EV or hybrid, out of a total of about 1,500 cars. EV infrastructure in other parts of the world is not quite as advanced as in Europe, but our aim is to switch company cars when possible.

### Mapping our full Scope 3 emissions

This year, we further expanded our Scope 3 emissions reporting to include spend-based emissions from our purchased goods and services. We have reviewed the materiality of all 15 categories of Scope 3 emissions, and our emissions reporting now includes our known CO<sub>2</sub> emissions on topics that are material to DNV. This means our total reported emissions have increased.

## Becoming climate positive

Even with our efforts to reduce energy use and buy or generate renewable electricity, DNV will still have a carbon footprint. To address this, we have set a strategic goal that our operations must be climate positive. This means that our contribution to absorbing and storing carbon dioxide from the atmosphere will be greater than the amount we emit.

Our Pathway to Net Zero Emissions research points to several carbon removal solutions as being key to achieving net zero by 2050 and limiting global warming to 1.5°C, including protecting forests and developing natural carbon sinks. See more on [Pathway to Net Zero](#) on page 102.



DNV has purchased carbon credits to offset our reported emissions from 2018 onwards. In 2023, we supported three reforestation projects involving sustainably managed timber plantations in Paraguay (Miller plantations), Sierra Leone, and Ghana (Miro plantations). These projects aim to protect and restore forests that store carbon, while providing an income to local people and their families.

Since 2022, we have expanded our emissions reporting. Our purchased offsets relate to emission categories we have been reporting since 2021, and not newly added categories. Moving forward, we aim to intensify efforts to invest and contribute with our expertise to carbon removal projects.

As a first foray into investing in innovation, DNV is a founding partner in a Joint Industry Project called Seaweed Carbon Solutions, where DNV is contributing both technical expertise and financial aid. The project progressed during 2023, when a seaweed farm was installed off the western coast of Norway. The offshore facility will now test how large-scale kelp cultivation can become a cost-effective, sustainable, and ocean-based option for carbon removal from the atmosphere.

DNV's role in the project is to create a new methodology for seaweed carbon capture and storage. This will consider both the CO<sub>2</sub> removal potential of kelp cultivation and the potential environmental impacts of the process. Read more in our position paper '[From sea to soil: seaweed biochar for carbon dioxide removal](#)'.

Looking ahead, DNV aims to get involved in more carbon removal projects in order to progress towards our climate positive ambition in line with our Pathway to Net Zero Emissions research. We will use our expertise and financing to support the development of emerging carbon removal and carbon capture and storage technologies. The prioritization and selection of these projects is based on a set of criteria, including high-quality projects that are well-managed and have a significant positive environmental impact.

The ability of a project to store CO<sub>2</sub>, and reduce greenhouse gases in the atmosphere, is also a crucial factor. Additionally, the project's innovation, scalability, potential for social impact, and alignment with the Sustainable Development Goals are all criteria on which we base our assessment of potential carbon storage and removal projects.



## Approach and management

Protecting the environment is core to our purpose. We strive to minimize the environmental footprint of our own activities and help our customers to do the same. We use our skills to support the UN Sustainable Development Goals and our targets and initiatives are aligned with the 1.5°C target of the Paris Climate Agreement.

Our Code of Conduct obliges us to reduce the environmental impact of our operations, procurements, investments, and property management. Our Environmental Sustainability & Climate policy guides us and helps incorporate environmental and social factors into our operations and decision-making processes.

### Climate and environmental governance

Our approach, processes, and systems for managing environmental risks and performance are Group-level responsibilities. Our CEO is responsible for sustainability performance within DNV. The CEO receives regular reports on environmental matters and performance, and monitors the implementation of our strategy to ensure we meet our ambitious targets. Our Board of Directors sets the strategic

direction and maintains oversight of performance, reporting integrity, and internal controls. For more details, see our [Corporate Governance Report](#).

### Environmental management system

DNV Group AS has been independently certified to the ISO 14001 environmental management system standard since 2008. Periodic audits take place to maintain our certification and are key to identifying and reducing our environmental impacts on an ongoing basis.

We measure and monitor our key environmental aspects, environmental incidents, and emissions using DNV's Synergi Life software.



### Our greenhouse gas methodology

We report greenhouse gas emissions in line with the GHG Protocol. For more details about our greenhouse gas inventory, see our [methodology](#) on dnv.com.

We use the financial and operational control approach, with the operational control criteria defining the boundary for consolidating the greenhouse gas emissions. Location-based and market-based emissions from energy consumption are reported globally.

We use the latest Defra CO<sub>2</sub> emission factors with a radiative forcing index factor for calculating air travel.

Indirect emissions from electricity and district heating (Scope 2) are calculated using both a location-based and market-based approach. Indirect emissions from our value chain (Scope 3) are calculated using the GHG Protocol methods. Our emissions from our purchased goods and services are calculated using a hybrid method involving supplier-based and spend-based calculations.

We report emissions from N<sub>2</sub>O and CH<sub>4</sub> as CO<sub>2</sub> equivalents on fuel consumption, we also report emissions from SF<sub>6</sub> when used in our labs. We do not report on HFCs, PFCs, NF<sub>3</sub>, SO<sub>x</sub> and NO<sub>x</sub> as no sources within the operational control of the company have been identified to date.

We report our absolute emissions and our carbon intensity per employee.

Protecting the environment is core to our purpose.

### Sourcing renewable electricity

Our approach to sourcing renewable energy certificates involves choosing robust and transparent registries that issue, trade, and retire renewable energy certificates. This ensures that energy certificates are tracked from creation to retirement and double counting is avoided. A specific ID number is issued for every megawatt hour (MWh) of energy produced and reported via a registry, and is tracked all the way to retirement, when it appears on the retirement certificate. We preferentially select Energy Attribute Certificates that are specific to the country they are generated in and support newer wind and solar developments.

### Green supply chains

As part of our approach to creating a sustainable supply chain, all suppliers are required to adhere to our Supplier Code of Conduct, including our environmental policies and standards (see the [Sustainable supply chain](#) section on page 91).

# Metrics and data

**TABLE 15** GREENHOUSE GAS (GHG) EMISSIONS (THOUSAND tCO<sub>2</sub>e)

		2023	2022	2021	2019
<b>SCOPE 1</b>	<b>Direct GHG emissions from operations</b>	5.9	6.1	4.9	30.5
Company facilities	Natural gas used on-site	1.7	1.9	1.6	2.4
	Oil used on-site	0.2	0.1	0.03	-
	SF6 (used for safety tests)	-	-	-	23.2
Company vehicles	Car fleet	4.1	4.1	3.3	4.9 <sup>5</sup>
<b>SCOPE 2</b>	<b>Indirect GHG emissions from purchased electricity and heat</b>	10.5	10.4 <sup>5</sup>	7.7 <sup>5</sup>	23.0
Purchased electricity, steam, heating, and cooling	Electricity, market-based emissions	9.6	9.4 <sup>5</sup>	6.6 <sup>5</sup>	21.9 <sup>5</sup>
	Electricity, location-based emissions <sup>1</sup>	8.4	9.2 <sup>5</sup>	8.9 <sup>5</sup>	20.1 <sup>5</sup>
	District heating	0.9	1.0	1.1	1.1
<b>SCOPE 3</b>	<b>Indirect GHG emissions (material categories for DNV)</b>	66.6	28.0	15.3	35.6
<b>Category 1</b> Purchased goods and services (PG&S)	IT <sup>2</sup>	2.1	1.9	2.0	Not previously reported
	Cloud usage <sup>3</sup>	0.01	0.01	0.01	Not previously reported
	Smartphones	0.2	0.3 <sup>5</sup>	0.2 <sup>5</sup>	Not previously reported
	Rest of PG&S	17.5	Not previously reported		
<b>Category 3</b> Fuel and energy related activities not included in Scope 1 or Scope 2	Fuel Well-to-Tank emissions (WTT)	0.3	Not previously reported		
<b>Category 5</b> Waste generated in operations	Waste (Norway)	0.01	0.01	0.01	0.01
	Waste (rest of world)	0.03	0.02 <sup>5</sup>	0.04 <sup>5</sup>	0.02 <sup>5</sup>
<b>Category 6</b> Business travel	Air travel	30.0	16.0	5.8	33.8
	Air travel WTT	3.7	Not previously reported		
	Car travel	2.2	1.7 <sup>5</sup>	1.8 <sup>5</sup>	1.8 <sup>5</sup>
	Car travel WTT <sup>4</sup>	1.7	Not previously reported		
	Rail travel	0.05	0.04	0.01	Not previously reported
	Rail travel WTT	0.01	Not previously reported		
	Hotel stays	1.5	1.0	0.2	Not previously reported
<b>Category 7</b> Employee commuting	Commuting	7.4	7.1	5.2	Not previously reported

**TABLE 16** GHG EMISSIONS INTENSITY

	2023	2022	2021	2019
Number of employees	14 841	12 708	11 795	11 832
Total emissions (excl. recently added data sources)	59.8	44.6	27.9	89.1
Total emissions (incl. additional reporting in 2023)	83.0			
Emissions per employee (tCO <sub>2</sub> e)	4.0	3.5	2.4	7.5
Total emissions towards 50% reduction goal <sup>5,6</sup>	48.6	34.3	20.2	65.9
tCO <sub>2</sub> e per employee towards 50% reduction goal <sup>5,6</sup>	3.3	2.7	1.7	5.6

**TABLE 17** ENERGY CONSUMPTION (GWh)

	2023	2022	2021	2019
Energy consumption (GWh)	56.4	60.3 <sup>5</sup>	59.8	94.8

This year we have further expanded our Scope 3 emissions reporting by adding our Purchased Goods and Services (PG&S) emissions and Well-To-Tank (WTT) emissions from the extraction and transportation of fuel sources. This additional reporting is reflected in the increase in our total emissions in 2023 and in restatements of emissions for previous years.

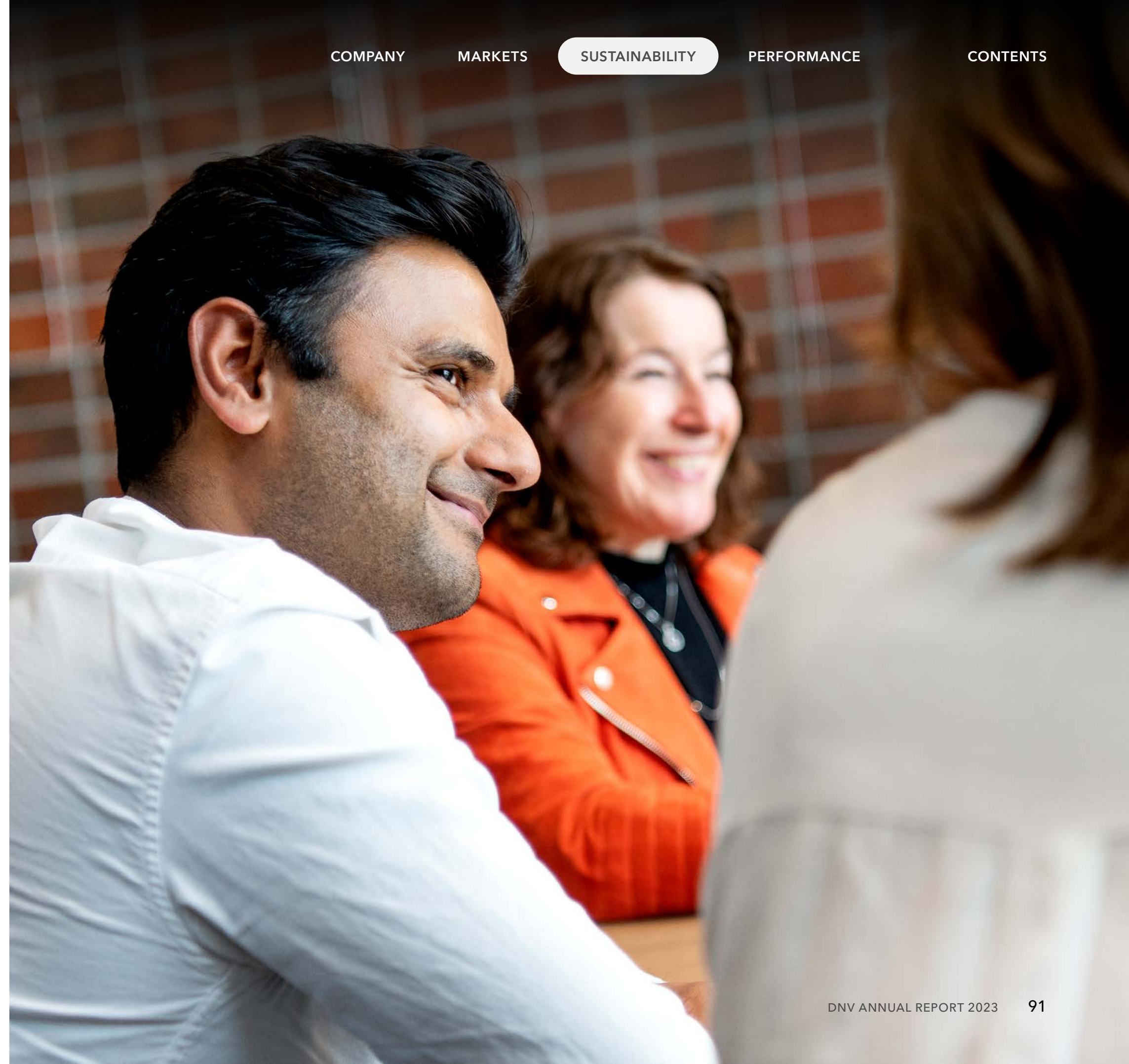
We have also recalculated our Scope 2 emissions for 2023 and all prior years, using both the market-based and location-based approaches, as per the Greenhouse Gas Protocol. In the market-based method, we have used residual emissions factors for each country. While for the location-based approach, we have used emissions factors from the International Energy Agency for each country. Both approaches are reflected in our inventory.

- 1 Location-based emissions from electricity are not included to the total emissions accounting. We include the market-based emissions.
- 2 228 tCO<sub>2</sub> saved from recycling our IT equipment in Norway.
- 3 The emissions from cloud usage are 9.57 tCO<sub>2</sub> and the emissions from microsoft 360 are 1.58 tCO<sub>2</sub>. For cloud usage we have restated the data for previous years using 2023's data, due to poor data quality issue which has been resolved for 2023 data.

- 4 Including WTT from corporate cars covered in Scope 1 emissions.
- 5 Restated information: updated figure compared to those published in our 2022 annual report.
- 6 Our goal is to reduce emissions from our 2019 baseline. As we had less data available in 2019, our goal relates to a subsection of our emissions inventory.

# SUSTAINABLE SUPPLY CHAIN

As a worldwide organization, DNV boasts an extensive global network of suppliers. Cultivating a sustainable supply chain is pivotal to our commitment to robust business ethics and environmental responsibility. Our objective is to inspire our suppliers to work to the same standards and objectives that DNV adheres to. We expect all our suppliers to abide by our Supplier Code of Conduct and to harmonize their approach with DNV's sustainability objectives.



## Our targets and performance

# 36%

green-certified offices  
(2022: 35%)<sup>1</sup>

# 11

suppliers audited for compliance with our Supplier Code of Conduct. Our target is to audit a minimum of 11 suppliers a year.



## Progress in 2023

### Enhancing our supplier management

Our Group Real Estate Management and Procurement (REMPROC) team manages around 1,700 suppliers that provide goods and services to our offices and laboratories. These goods and services include office and facility management, IT, financial services, insurance, and office supplies. Individual business areas manage local direct suppliers that contribute to the services they deliver to customers, such as marketing, promotion, and communications.

We have introduced category managers, who will help to ensure that our suppliers deliver our requirements within the categories of travel, personal protective equipment, IT and telecoms, insurance, professional services, and real estate management. They will play a strategic role in managing their category and contribute to sustainable practices throughout the entire lifecycle management of the category.

### Enhancing our supplier management

Starting in 2022, our global suppliers have been managed using the third-party management module in our Synergi Life QHSE software. All supplier contracts for indirect procurement have been registered in Synergi Life, giving a complete overview of the suppliers being managed by Group procurement.

This improves how we monitor compliance and acceptance of our Supplier Code of Conduct.

### Roll out of purchase-to-pay software completed

In 2022, we began implementing the Basware cloud-based purchase-to-pay tool across DNV's global operations. The roll out was completed in 2023 and the online tool helps to ensure procurement efficiency and compliance. The system provides a real-time dashboard and data analysis that improve procurement transparency and governance.

### Auditing our suppliers

All DNV supplier contracts include our Supplier Code of Conduct and we continued our programme of auditing selected suppliers against the Code in 2023. DNV procurement experts carried out 11 supplier audits during the year and no significant infringements were found. Our focus for the 2023 audit round was on suppliers of labour-intensive services, such as office cleaning, as this type of service has been identified as a salient human rights risk. We plan to conduct 11 supplier audits in 2024.

**We expect our suppliers to align their activities with DNV's sustainability objectives.**

<sup>1</sup> Restatement of 2022 sqm information as one office lease was double-counted in 2022.



## Supporting our climate change targets through procurement

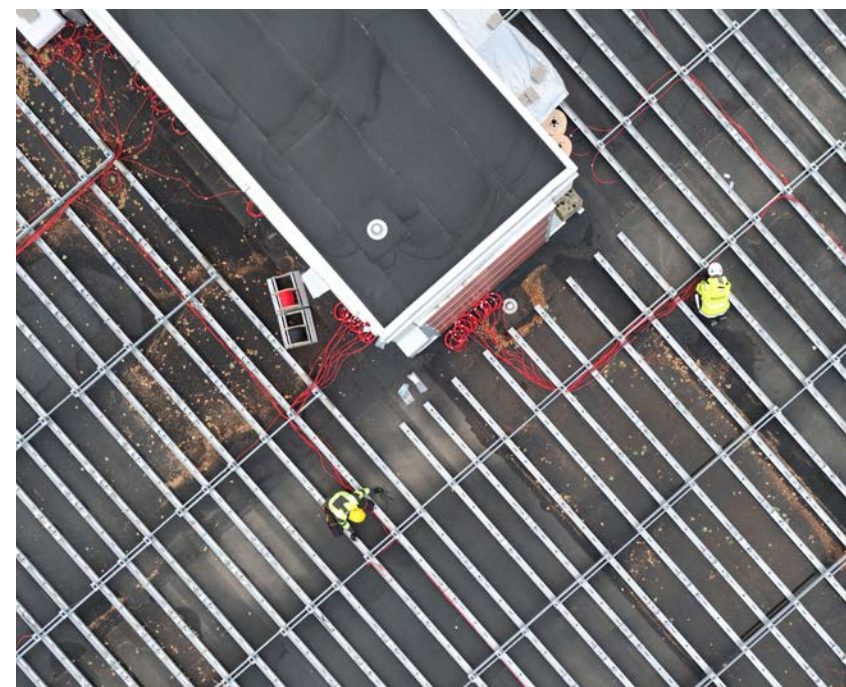
Our main climate change target is to achieve net zero carbon emissions well before 2050. Our interim target on this journey is halving our carbon emissions per employee by 2025 from a 2019 baseline. How we approach indirect Scope 3 emissions linked to our supply chain is a key tool in achieving our climate targets. From a procurement perspective, our main focus is on reducing the climate impact of our offices, energy purchases, and company cars.

### Office space

DNV has more than 260 offices worldwide, ranging from large offices housing hundreds or thousands of employees, to smaller offices with a few employees.

For the past few years, our strategy to reduce the environmental impact of our offices has been two-fold; to cut office space where possible and to select offices in more efficient buildings, ideally with independent sustainability or green building certifications. Green-certified buildings ensure that environmental impacts, including energy use and carbon emissions, are reduced throughout the building's lifecycle, from design and construction to operation. We are steadily increasing the number of green-certified offices.

We continue to focus on the more efficient use of our office space to reduce our environmental impact. We have successfully reduced the floor space per employee from an average of 25 square metres in 2017 to approximately 17 square metres at the end of 2023. This helps to cut energy consumption and related CO<sub>2</sub> emissions.



## Local initiatives at major offices

### Gdynia, Poland

Sustainability has been high on the agenda in our daily operations in Gdynia, Poland. Initiatives implemented locally include donating used furniture to local universities and public institutions, giving away used laptops and electronic devices to public organizations, increasing waste sorting and recycling, and minimizing the use of single-use plastics. Roof repairs reused more than 50% of the existing roofing materials to reduce the volume of new materials used. In addition, there has been a focus on raising employee awareness through sustainability campaigns and webinars, including an Eco Challenge campaign in July.

### North America

Several upgrades have been implemented in our offices, including lighting upgrades with LED bulbs and occupancy sensors, using eco-friendly fabrics when choosing finishes and furniture products, encouraging local teams to repurpose existing products when they can to minimize waste and extra cost, and recycling or repurposing furniture, files, paper, and electronics during the decommissioning of offices. When purchasing office supplies, employees are offered green alternatives.



DNV Hamburg office

### Hamburg, Germany

One of DNV's largest offices is located in Hamburg, Germany. A three-year refurbishment project was completed in 2023. The office space was reduced from 29,500 square metres to 15,300 square metres and desk sharing was implemented. The changes have been met with positive feedback from employees. Our Hamburg office has DNBG certification, issued by the German Sustainable Building Council. LED lights were installed during the refurbishment to improve energy efficiency and 40 EV charging stations will be installed in 2024.

## Approach and management

Working towards a sustainable supply chain is a key focus for our REMPROC. They also works closely with our sustainability team on projects to cut carbon emissions from our business travel and company car fleet.

### Setting high standards

Our expectations for suppliers are outlined in our Supplier Code of Conduct. All suppliers shall either sign their acceptance of the Code or accept it as a mandatory attachment to their contract. The Code is aligned with the DNV Code of Conduct and the UN Global Compact’s ten principles on human rights, labour standards, environmental performance, and anti-corruption.

### Global governance, local purchasing

Although we procure most of our products and services locally, our procurement strategy, policy, and processes are managed centrally by REMPROC and governed by Group Legal.

Our suppliers are divided into two groups:

**1) Direct suppliers** that contribute to our service to customers, for example subcontractors providing technical expertise or working on customer projects. Our business areas are responsible for direct procurement.

**2) Indirect suppliers** providing goods and services that support our overall business activities but are unrelated to our service to customers. Examples include: office and facility management; travel; ICT hardware and software; financial services; insurance; and office supplies. Indirect procurement is managed by REMPROC teams across DNV operations. Our large supplier categories include subcontractors, office and real estate expenses, ICT, travel, and car fleet.

### Risk management

To manage risk and deliver cost savings and transparency, we are working to consolidate our suppliers globally; selecting trustworthy suppliers whose values and service quality meet our requirements. The third-party management module in our Synergi Life software helps us to manage supplier contracts, compliance, and audits.

## Metrics and data



**262**

leased offices

**8**

owned office buildings

**9**

laboratories



**256,000**

square metres offices space

**91,000**

square metres in green-certified buildings

**23,000**

square metres reduced space



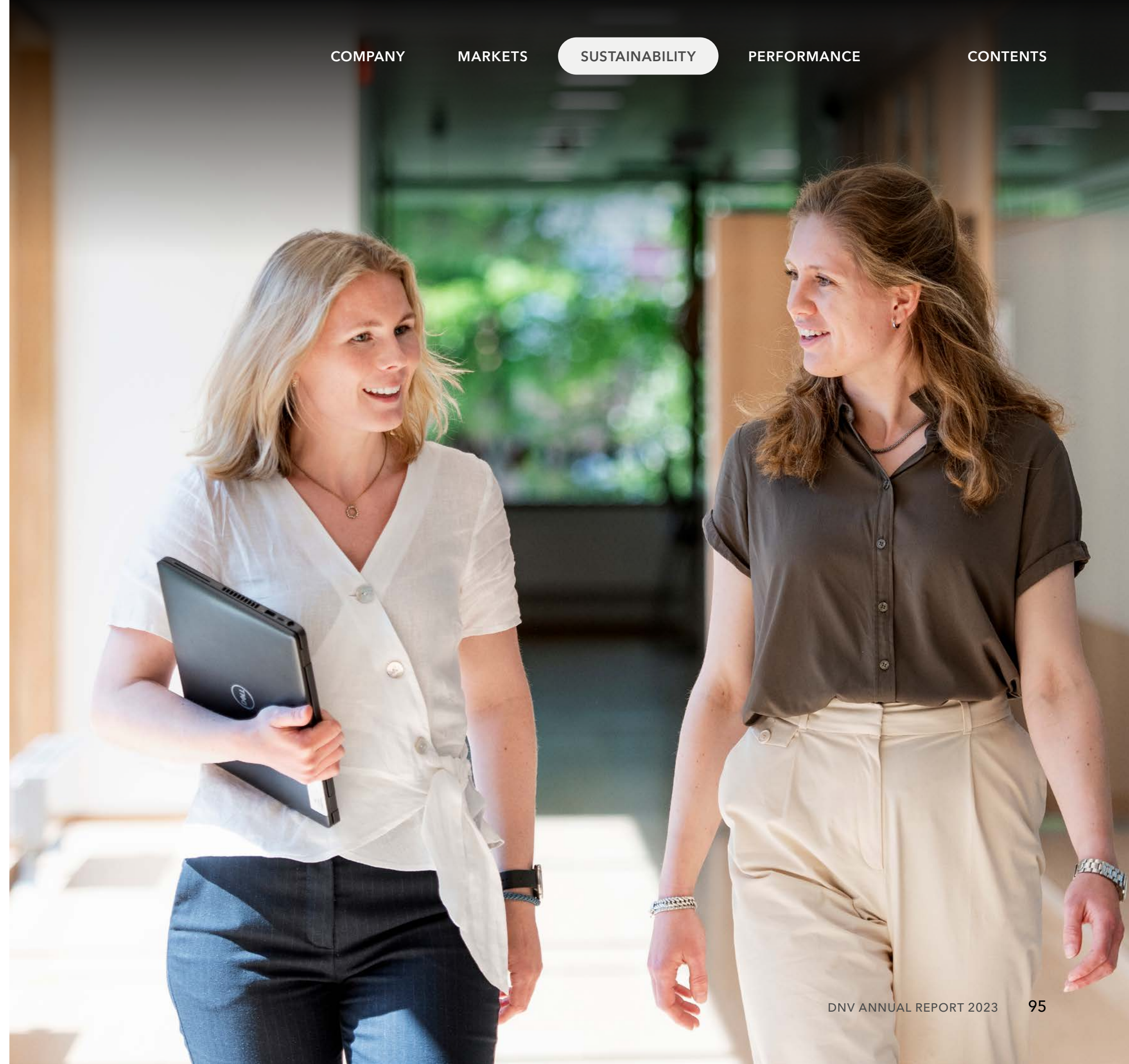
**36%**

green-certified offices

Further information on the associated carbon emissions can be found in the [Environment and climate](#) chapter on page 85.

# ETHICAL AND RESPONSIBLE BUSINESS CONDUCT

Being a trusted partner is critically important to DNV. This is the foundation of our success and is clearly reflected in our vision to be a trusted voice to tackle global transformations. For DNV, the ingredients for building trust are the highest standards of ethical conduct, legal compliance, business and personal integrity, and respect for both people and the environment. Our Code of Conduct sits at the heart of our approach. It defines the ethical, responsible, and sustainable behaviour expected from every individual within DNV and anyone involved with our business, including suppliers and business partners.



## Our targets and performance

# 98%

of employees completed our new mandatory Code of Conduct: Conflict of interest e-learning in 2023 (2022: 99%<sup>1</sup>)

# 116

compliance-related cases handled in 2023 (2022: 82)

<sup>1</sup> 2022 figures relate to our previous Code of Conduct training, which is still available. The conflict of interest training is a new course that was launched in the first quarter of 2023

## Progress in 2023

### Focus countries

DNV provides services to customers in more than 100 countries around the world. To ensure that we maintain our high standards of ethical conduct, we have processes in place to identify areas of potential risk.

We have strengthened our process for defining focus countries – countries we operate in that require special measures linked to higher risks relating to fraud and corruption. We now consider the risk landscape for human rights alongside fraud and corruption risks.

To assess the human rights risk, we have added the World Justice Project Rule of Law Index and International Trade Union Confederation's Global Rights Index to our existing assessment, which uses Transparency International's Corruption Perception Index alongside revenue and the size of DNV's operations within a country.

Using this method, we have established a revised list of 10 focus countries for the period 2024-2026.

### Compliance reviews

Group Internal Audit completed compliance reviews in business areas that have operations in six of the focus countries nominated for the period 2021-2023. The results showed an adequate general awareness of compliance risks and processes. Notable improvement areas include increasing awareness of local compliance risks and of how to report misconduct using DNV's compliance channels and resources (see [Reporting of misconduct](#) on page 99). For the period 2024-2026, Group Internal Audit will conduct compliance reviews for all newly nominated focus countries.

### Ethical journey in focus countries programme

We continued to develop and test our ethical journey in focus countries during 2023. The ethical journey programme is designed to raise and maintain awareness of our Code of Conduct requirements in our operations in focus countries. The ethical journey will be rolled out to all new focus countries in the 2024-2026 period.

Part of the ethical journey programme is a series of interactive training sessions covering key topics from our Code of Conduct. Two of these courses, covering anti-bribery and corruption and anti-fraud, were piloted in India in 2023. A third course on antitrust will be piloted in early 2024. Each course includes reference to our reporting of misconduct processes to strengthen awareness. Following the pilot, the training courses will become mandatory in all focus countries and start to be delivered in 2024.

Following a first compliance awareness survey in 2022, we will conduct a second survey in India in 2024 to determine the effectiveness of the training. The survey was designed to monitor changes in awareness of compliance topics, and to focus on topics where more attention is needed. We will extend the compliance survey to all focus countries as the ethical journey programme is rolled out.

The ethical journey programme includes a train-the-trainer approach to empower line managers to train their team members. Our first train-the-trainer sessions will focus on anti-bribery and corruption, anti-fraud, and antitrust and will be rolled out in 2024.





## Maintaining high standards through training and awareness

To reinforce our culture of ethics and integrity, we train employees from the moment they join us until they leave DNV.

### Code of Conduct awareness

Our Code of Conduct guides our actions and is the foundation of the expectations we have for our employees. Maintaining a high level of employee awareness of the Code of Conduct is an important part of ensuring that we all understand our responsibilities and are committed to upholding our values. To support this, we have developed a series of mandatory e-learning modules covering the different aspects of our Code of Conduct.

Adding to the Compliance: Code of Conduct training delivered in 2022, we introduced a new course on conflict of interest in early 2023. This educates our employees on various types of conflict of interest, how to avoid them, and how to report misconduct. The training concludes with a mandatory personal declaration stating that the employee will avoid conflicts of interest. By the end of 2023, 98% of our employees had completed the e-learning.

Looking ahead, in 2024 we will run a third mandatory Code of Conduct training course on human rights. We will also launch a new awareness initiative focusing on our reporting of misconduct process.

Our Code of Conduct guides our actions and is the foundation of the expectations we have for our employees.

### Supplier compliance training

To help deliver our supplier compliance e-learning to the widest number of suppliers, we have added the course to our Synergi Life QHSE management software. Supplier compliance training covers all topics within our Code of Conduct. All our business areas will run the supplier compliance training as a mandatory course for all suppliers.

### Export controls and sanction compliance

We strengthened our export control processes relating to technology and technology transfer in light of new European and Norwegian requirements. Relevant DNV operations have been informed of existing and upcoming requirements. We also continued to enhance our export control and sanctions compliance programme in selected countries, for example Poland and Singapore. We installed a new software tool for screening sanctions and restricted parties in our Customer Relationship Management system and will continue with further implementation steps in 2024.

## Approach and management

As a global company operating in over 100 countries across multiple sectors, we work within a wide range of legislative, business, and cultural environments. This results in a diverse landscape of compliance and ethical risks. Based on our Code of Conduct, our global compliance programme protects us against these risks. Our approach is not only to impose a set of rules, but also to raise DNV's collective awareness of ethical behaviour and compliance through communication and training.

### Legal action

In 2023, DNV has not been involved in any anti-competitive behaviour or violations of anti-trust and monopoly legislation. There have been no significant instances of non-compliance with laws and regulations or fines paid, and no legal actions pending or completed regarding anti-competitive behaviour or violations of anti-trust and monopoly legislation. DNV has not received any substantiated complaints concerning breach of customer privacy or loss of customer data.

## Code of Conduct

The DNV Code of Conduct is a significant policy document within the DNV management system. It is approved at Board level and outlines our ethical conduct requirements and expectations as a business and with regard to every individual working for, or on behalf of, DNV. Separate instructions and guidelines for employees are in place for all issues covered by the Code of Conduct. We will initiate a review of our Code of Conduct in 2024. It was last updated in 2021.

### Zero tolerance

We do not tolerate any violation of applicable laws, including those on anti-corruption, privacy, and export control, or of our Code of Conduct or internal instructions. Violations will result in disciplinary procedures, including termination of employment or contract, as well as potential legal proceedings.

### Compliance programme

Our compliance programme is based on the Code of Conduct, which is owned by the Board of Directors. All focus areas – anti-corruption, antitrust, export-control law and sanctions, human rights<sup>1</sup>, and personal data protection – are based on the ISO 37301:2021 standard for compliance management systems. This creates an integrated and tailor-made approach to compliance.

<sup>1</sup> Human rights are covered in a separate section within this report on page 76.

Lessons learned are used to build competence and resilience, enabling our employees to understand the structure and requirements of the compliance management system and meet customer requirements.

### Training

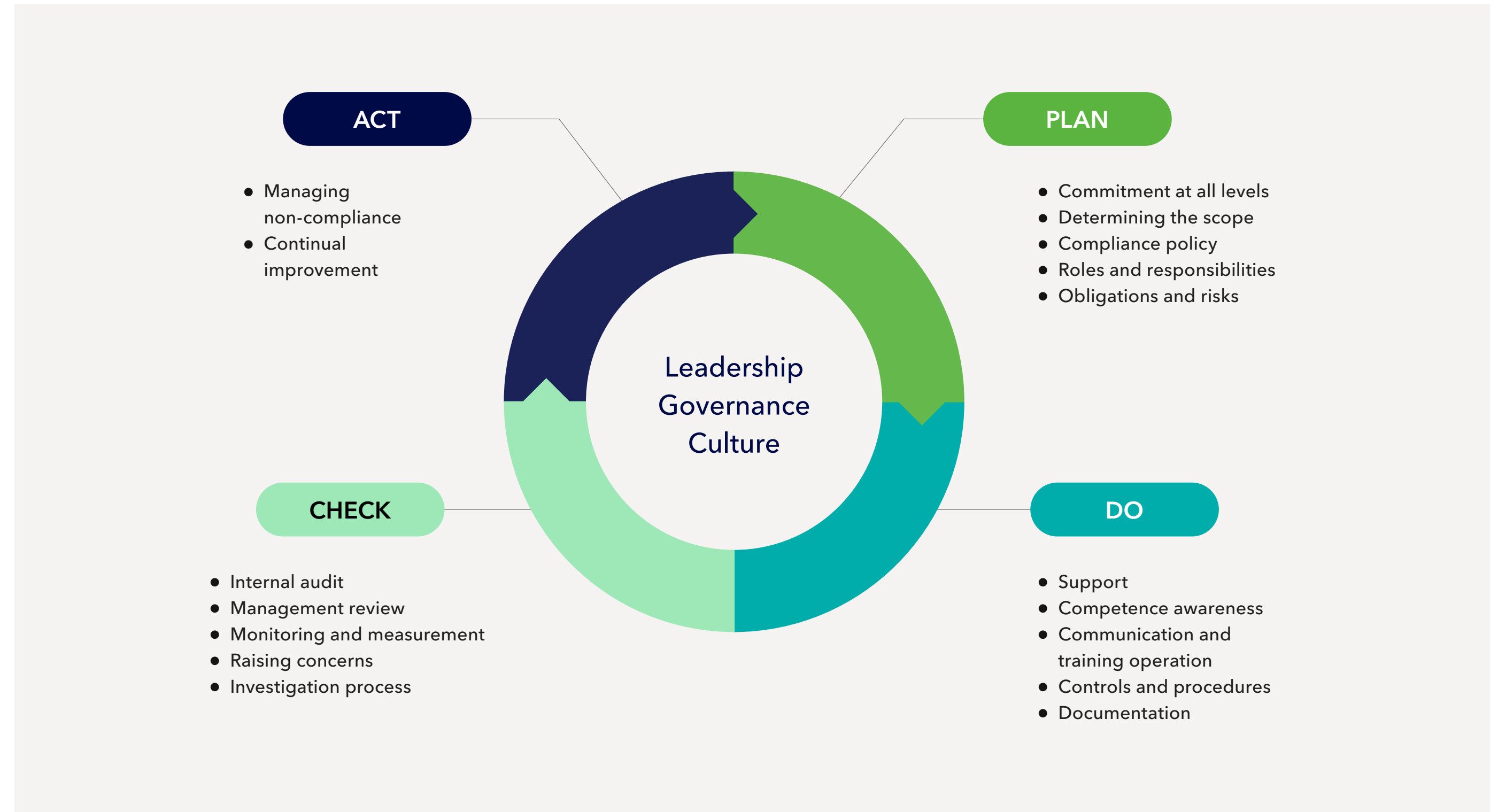
Training and awareness raising are at the core of our approach. Awareness is key to reducing compliance risks and we continually invest in new and updated training on a number of compliance topics (see [Progress in 2023](#) on page 96).

### Governance

Effective compliance is based on the global governance of our compliance programme and clear reporting lines. The Group Compliance Officer reports directly to the Board Audit Committee and the Group CEO, with both receiving quarterly updates on compliance cases and the latest initiatives. The Board of Directors of DNV Group AS and Control Committee of Stiftelsen Det Norske Veritas receive annual updates. See our [Corporate Governance Report](#) for more information.

The compliance programme is governed and managed at Group level. It involves close cooperation through a global compliance network incorporating our Group Compliance function, all business areas, and Global Shared Services. The global compliance network communicates on the compliance programme and raises awareness of compliance issues in the countries where we operate.

**FIGURE 04** | COMPLIANCE PROGRAMME ACCORDING TO ISO 37301



## Anti-corruption

We manage corruption and fraud risks through our Group risk management process and the Group Compliance Officer is a member of DNV's Group Risk Forum, which evaluates and discusses risks and actions to mitigate them. All business areas use the DNV risk management tool to conduct an annual risk assessment which includes identified and active fraud and corruption risks. In addition, we review risks reported by focus countries through a separate risk reporting process.

For employees, anti-corruption is part of our mandatory training programme and leadership essentials training. We provide anti-corruption webinars for targeted groups.

## Antitrust

Our commercial policy and pricing are set independently and never agreed with competitors or other non-related parties. Competing vigorously and fairly, in full compliance with all applicable antitrust and competition laws, is a fundamental corporate principle of DNV Group AS and its subsidiaries. Any obstruction of free and open competition is strictly prohibited.

For employees, antitrust is part of our mandatory training programme and our antitrust instructions are supplemented by a guideline on the 'dos and don'ts for competition law'.

## Supply chain

We expect our suppliers and subcontractors to uphold the same standard of business ethics as we do, and we have a [Supplier Code of Conduct](#) outlining our requirements. Our supplier compliance training is mandatory for all newly hired contingent workers and emphasizes the ethical, sustainability, and human rights standards that we expect.

We continue to advise on and monitor implementation of our Group-wide instruction on subcontractors and intermediaries as well as the risk-based due diligence checks in all business areas. [Sustainable Supply Chain](#) on page 91 provides more details on how we work with suppliers.

## Reporting of misconduct

Our employees, customers, and suppliers are encouraged to report actual or suspected misconduct via our [Integrity Hotline](#). This and other channels to contact DNV are set out in our instruction on the reporting of misconduct, in our Code of Conduct, and on our intranet, and website. Reports can include concerns related to bribery, fraud, labour grievances, discrimination, human rights, or other ethical issues, or breaches of our Code of Conduct concerning colleagues, suppliers, subcontractors, or agents working on behalf of DNV. All new employees are required to complete an e-learning on reporting misconduct.

## Metrics and data

We measure the success of our approach to ethics, compliance, and human rights through the breadth of our training to raise awareness across DNV. We also monitor the number of compliance-related cases raised through our Integrity Hotline and other misconduct-reporting channels. The overall

number of cases increased again in 2023, which we consider is mainly a result of raised awareness and our new Integrity Hotline.

We believe that several factors have led to an increase in the number of cases related to personal data protection and ethical concerns in particular, such as actions to increase the maturity of our data protection programme and the further implementation of the DEI programme.

**TABLE 18** | REPORTED NEW POTENTIAL COMPLIANCE CASES

Case type		2023	2022	2021
Allegation	Suspicion of financial misconduct	5	7	8
Data protection	Suspicion of breach of data protection laws	59	29	24
Ethical issues	Suspicion of unfair treatment	43	24	14
Labour <sup>1</sup>	Suspicion of harassment, discrimination, or breach of other labour-related instructions	4	11	6
Other	All other suspicions of breach of law or internal instructions	5	11	14
Total		116	82	66

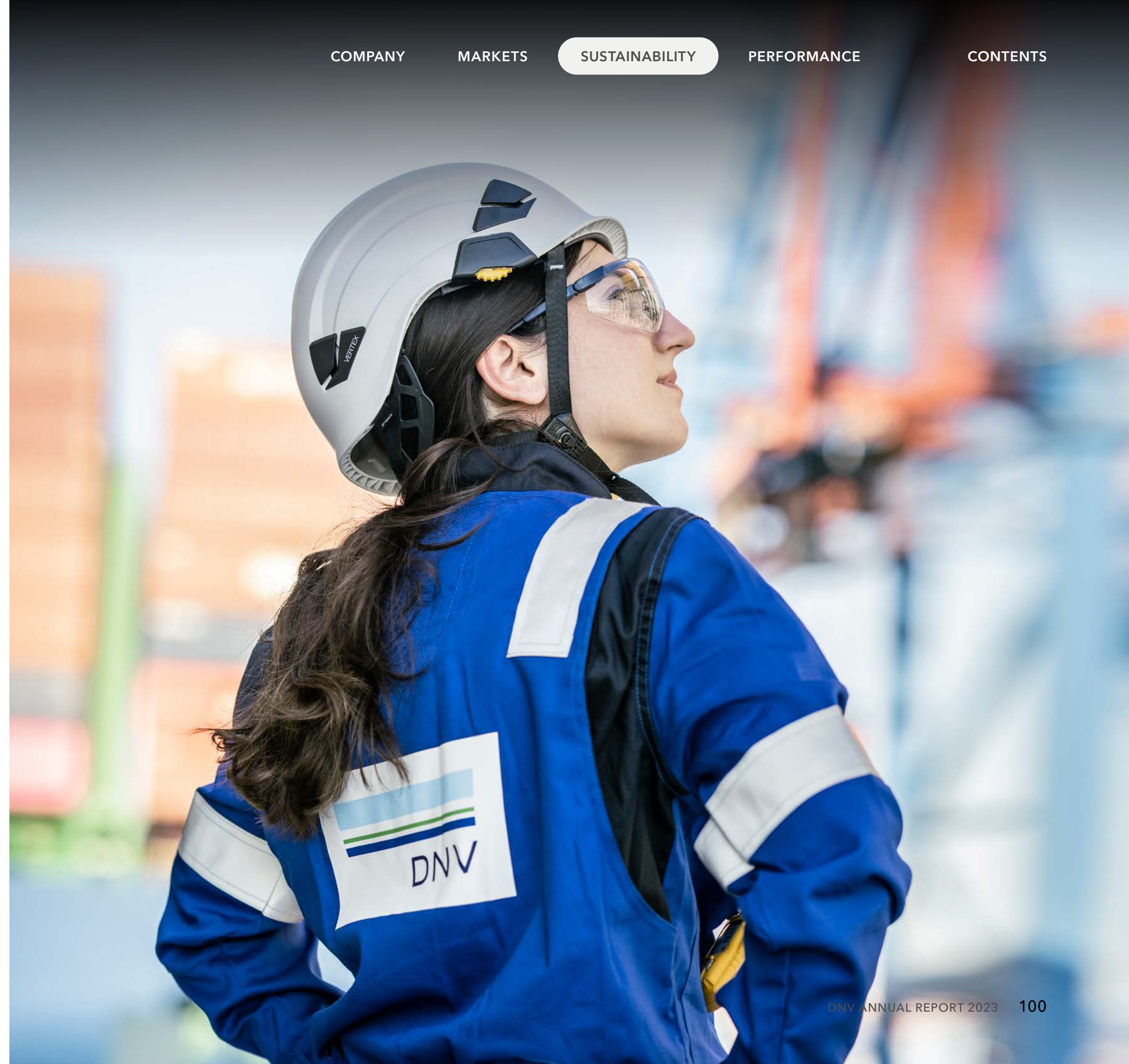
<sup>1</sup> Further concerns related to harassment and discrimination were reported and handled in accordance with local legal requirements within the people function in business areas

# WHAT DOES THE ENERGY TRANSITION MEAN FOR DNV?

## DNV's TCFD disclosure

Science tells us that we must achieve a net-zero energy system by 2050 to limit global warming to 1.5°C. Climate change is being felt around the world already, driven by cumulative emissions. Despite the rapidly unfolding energy transition that is currently under way, DNV's *Energy Transition Outlook 2023* finds that the world is most likely headed towards 2.2°C global warming by 2100. DNV recognizes that climate change poses a threat to society and our business.

However, as we seek to help our stakeholders fully understand and address the needed energy transition and support customers in decarbonizing, we see there are many opportunities arising from the shift to more sustainable energy production and use.



In this chapter, we share our climate-related risks and decarbonization opportunities according to the recommendations of the Taskforce on Climate-related Financial Disclosure (TCFD).

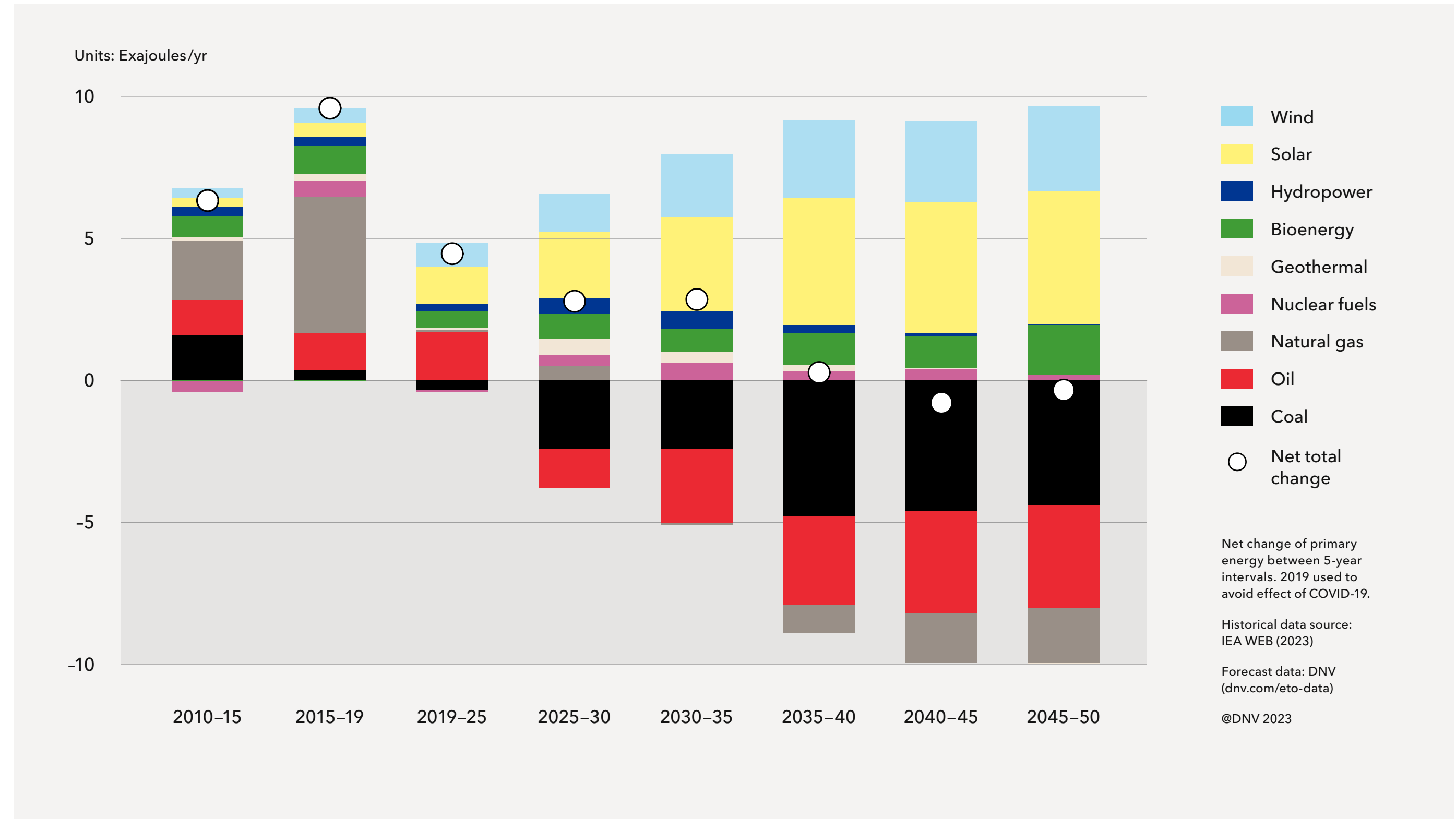
## DNV's assumptions that underpin our strategy

In setting DNV's strategy and goals to 2025, we considered a mix of contributing factors. Firstly, long-term trends, including political changes, pressure on planetary boundaries, demographics (such as ageing and urbanization), technological advances, economic considerations (including the growing global middle class), and greater regulatory complexity.

Shorter-term trends were also considered, including growing geopolitical tension and instability, a heightened focus on energy security, supply chain disruptions, and price shocks. Our mid-strategy review emphasized the increasing impact of climate change and, in 2023, this was unfortunately confirmed with record heat that intensified extreme weather and accelerated rising sea levels.

For the past seven years, DNV has modelled the pace and characteristics of the energy transition to 2050, adjusting for changes in policies and technologies, and how these affect sectors and regions around the world.

**FIGURE 05** | NET CHANGE IN PRIMARY ENERGY SUPPLY BY SOURCE



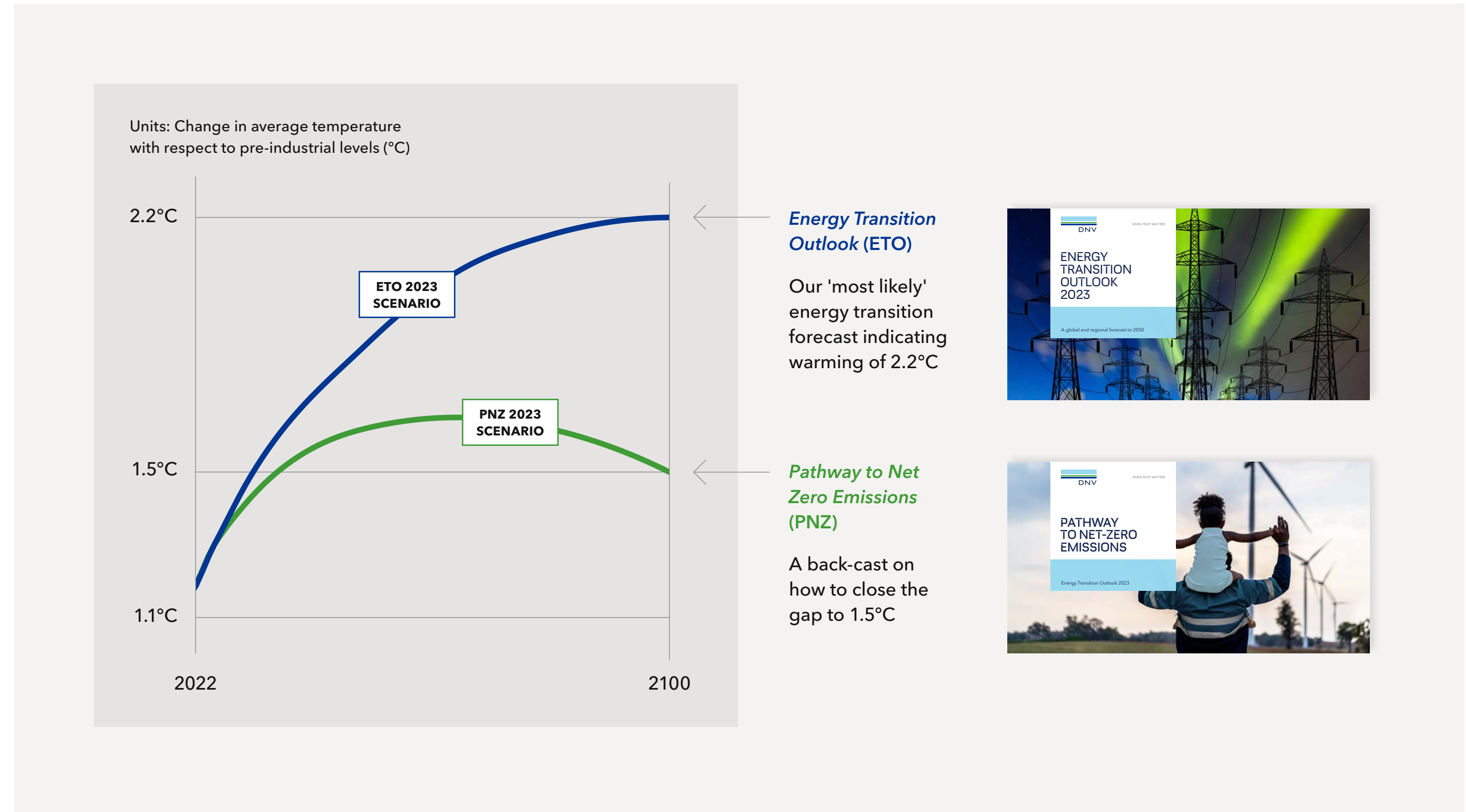
The energy transition will impact most of our customers and therefore also our business.

In our *Energy Transition Outlook (ETO)*, we share a forecast of what we believe is the most likely energy future. The projections show a transition from fossil fuels to renewable energy sources, a transition that will impact the majority of our customers and therefore also our business.

The very large changes we forecast in our most likely energy future are nonetheless insufficient to bring the world in line with the goals set by the Paris Climate Agreement. In its contribution to the IPCC's Sixth Assessment Report (AR6) on climate change (IPCC, 2022), Working Group III describes no less than 230 pathways that align with a 1.5°C future. The question is whether any of these is feasible from a socio-economic and technological standpoint.

In DNV's view, there is a pathway which is feasible, albeit exceptionally challenging, and this is outlined by us as a 'back-cast' in our *Pathway to Net Zero Emissions (PNZ)* by 2050. The PNZ trajectory will require not only strong contributions from technology and finance, but also an extraordinary step-up in energy, climate, industrial, and economic policies along with behavioural changes.

**FIGURE 06** THE CLIMATE SCENARIOS IN OUR ENERGY TRANSITION OUTLOOK AND PATHWAY TO NET ZERO MODELS



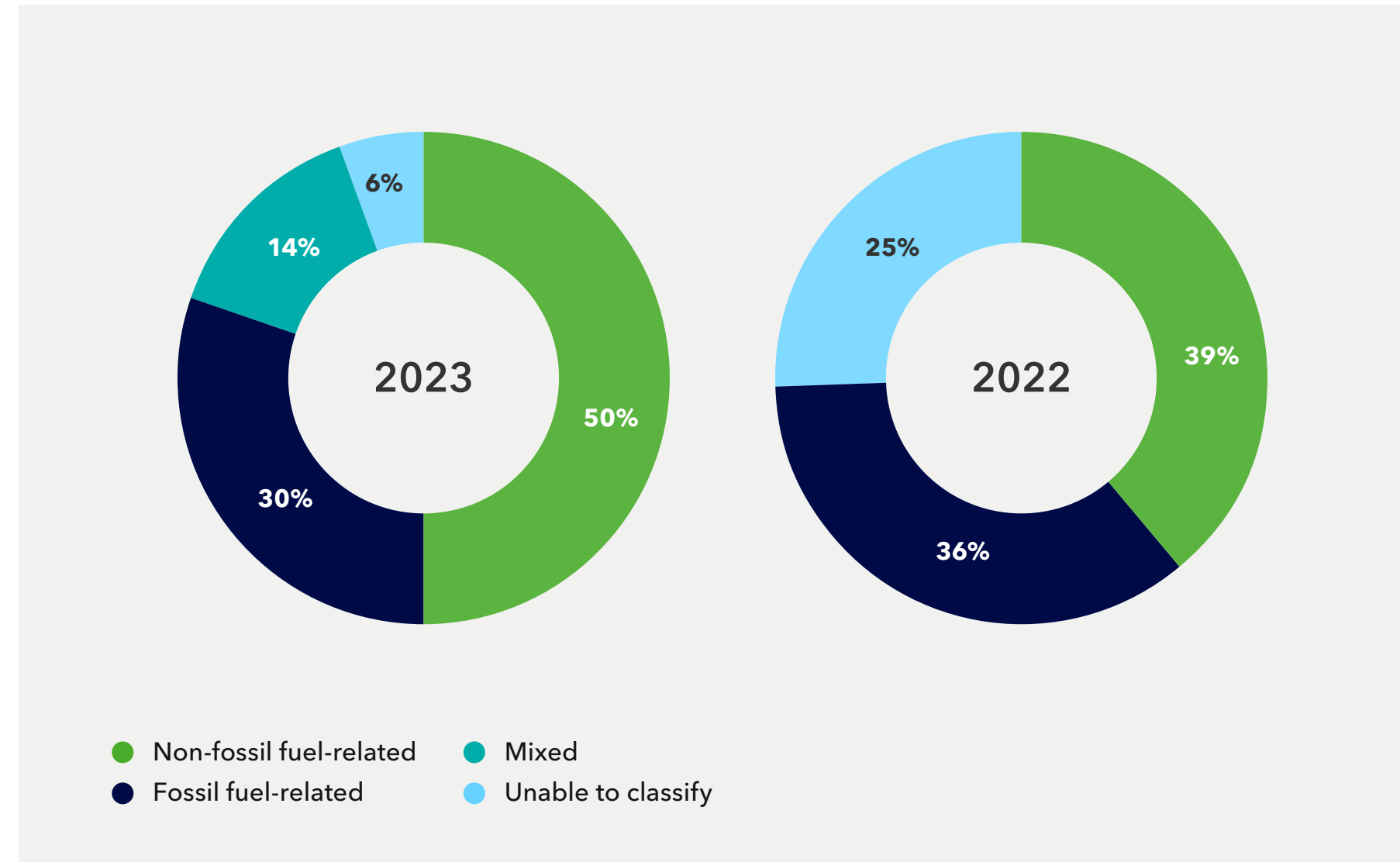
## Where is DNV today?

DNV is mainly exposed to climate risks through the services it provides to fossil-based industries, which account for 30% of DNV's revenue. With an accelerated energy transition, revenue from fossil-based businesses is expected to fall, representing a potential downside for DNV. However, the opportunities are considered to be much greater, as one of DNV's key value propositions is to help manage its customers' transition risks in the shift to a lower-carbon economy. This applies to our core industries, such as the maritime, energy, and food sectors.

Risks include: increasing and more stringent regulation; enhanced carbon pricing; the stranding of fossil-linked assets; safety issues related to the use and transport of both low-carbon energy sources (such as hydrogen and its derivatives) and captured CO<sub>2</sub>; access to finance; and the electrification of society.

To manage these risks, DNV offers services using our knowledge, technical expertise, and research to help customers navigate the energy transition. To evaluate how our business areas will be affected by the energy transition and measure the impact of our services on sustainability, we have turned to the EU taxonomy for sustainable activities as a framework for assessment and classification.

**FIGURE 07** | DNV REVENUE (UNDERSTANDING OUR EU TAXONOMY ALIGNMENT)



As a professional services company, we assist our customers in delivering their products and services, and our alignment with the EU taxonomy activities is therefore largely indirect. As a first step, we have analysed all our services and associated revenue to determine how much is fossil and non-fossil related. This analysis was improved during 2023 as shown above.

**“The transition is still in the starting blocks.”**  
*Energy Transition Outlook 2023*

## Transition risks and opportunities

Energy transition risks are a category of climate risk that businesses face due to the uncertainty created by the global shift towards a more sustainable, net-zero economy. These risks are difficult to quantify and can be caused by regulatory, geopolitical, and social pressures. The four main drivers of transition risk according to the Task Force on Climate-Related Financial Disclosures (TCFD) are policy and legal changes, technology, market changes, and shifts that may affect reputation.

The table on the next page shows the transition changes most likely to affect the core sectors that DNV serves. These are taken from the two transition scenarios presented in our *Energy Transition Outlook* and *Pathway to Net Zero Emissions*.

The transition, whether as ‘fast’ as we expect in our ETO forecast, or the even faster pace required by the scenario that would meet the Paris Agreement, will lead to risks and opportunities for DNV's future performance and for our customers. Our analysis shows that on balance we foresee greater opportunities than risks and that our strategy positions us to take advantage of these.

Transition risks

Energy Transition Outlook – most likely future:

**2.2°C by 2100** (1.5°C surpassed by 2029)

Pathway to Net Zero Emissions

**1.5°C by 2100** (Technically and politically possible, but currently unlikely)

Risks and opportunities for DNV

**1 Policy and legal**

- Decarbonization policy packages rolled out during the past year are supercharging the transition in the US (Inflation Reduction Act) and Europe (Green Deal).
- Maritime set for a faster transition after inclusion in the EU’s Emission Trading System and IMO’s revised GHG strategy.
- Scaling of clean tech in advanced economies only partly benefits medium- and low-income regions.

- Policy is the main lever for a faster transition, and all regions and sectors must accelerate net zero ambitions by 10 years.
- A just transition is predicated on the UNFCCC’s principle of common but differentiated responsibilities for net-zero emissions.
- Mandates and bans are unavoidable, especially to achieve a drastic cut in fossil fuel consumption. No new coal, oil, or gas is needed.
- Behavioural shifts are needed for net-zero emissions, and some shifts must be mandated.
- Carbon prices must increase faster, differentiated by region.

- +** ESG legislation, Green Deal, RePower EU, etc. in the EU, the Inflation Reduction Act in the US, and other regional net-zero targets are driving developments, including a rising demand for compliance services.  
Maritime decarbonization increases the market for DNV’s digital reporting solutions and emission verification services.  
Expanding opportunities in the newbuild market for low- and zero-emission vessels.
- The transition away from fossil fuels leaves some current services and revenue targeted at fossil-based energy business at risk in the longer term.

**2 Technology**

- Short-term transmission and distribution grid constraints are creating bottlenecks for renewable electricity expansion. In the longer term, the global grid is set to double.
- Clean tech race in hydrogen and CCS, but mainly in US and Europe where it is supported by policy and finance.
- Natural gas is losing its status as a bridging fuel for the transition.

- Essential to scale net negative emissions technology.
- In the next decade, solar and wind capacity must together increase five-fold, while storage capacity must grow four-fold.
- Rapid grid extensions needed.
- Combustion of fossil fuels must fall by 78% to 2050, enabled by energy efficiency and the fast replacement of oil, gas, and coal by renewable electricity, hydrogen, and biofuels.

- +** Financial incentives to stimulate clean tech development, particularly in the US, increases the market for DNV’s clean technology qualification, assurance, monitoring, and advisory services.  
Growth in DNV’s assurance and advisory services related to hydrogen, solar, storage, CCS, and AI, although acceleration is mainly in the 2030s and 2040s.
- Lagging grid capacity is slowing the expansion of renewables, leading to a slower growth in related services.



Transition risks

Energy Transition Outlook – most likely future:

**2.2°C by 2100** (1.5°C surpassed by 2029)

Pathway to Net Zero Emissions

**1.5°C by 2100** (Technically and politically possible, but currently unlikely)

Risks and opportunities for DNV

**3 Market**

- Short-term surge in new oil and gas projects, but longer-term shift from fossil fuels to renewables (52% non-fossil share in the 2050 energy mix).
- All new capacity added from 2025 onwards will be solar and wind.
- Increasing costs of renewables in the short term, particularly wind. This will ease by 2030.
- Energy security concerns result in a preference for locally-sourced energy.

- For global net-zero emissions in 2050, all regions must achieve their net-zero targets earlier than stated ambitions: OECD countries in early/mid 2040s, China before 2050, and the rest of the world before 2060.
- Primary energy supply shifts to 80% renewables in 2050.

- +** Increase in data-driven services, digital class, digital solar assurance and advisory services as examples.  
Growth in decarbonization, renewables, and in particular, emissions reduction services, such as EmissionsConnect for the shipping industry and carbon footprint accounting.  
Sustainability, ESG, and social responsibility among the major areas of investment for our customers.  
Circular economy trends to increase.
- Long-term: decline in current portfolio of fossil fuel-related services.  
Near-term: geo-political tension and energy crisis.  
Near-term: financial tightening for renewables projects.

**4 Reputation**

- Growing regulatory and industry requirements to account for GHG emissions in value chains.
- Public and financial pressure on companies to decarbonize.

- Net-zero commitments and relentless effort needed.
- A focus on replacing fossil fuels.

- +** Thought leadership on the Energy Transition is a major opportunity and strength, as highlighted by our stakeholders in our materiality assessment.

# How we are responding to the TCFD recommendations

The table below outlines how we are responding to each of the recommendations established by the TCFD, including links to further sources of information.

## Governance

Disclose the organization's governance around climate-related risks and opportunities

TCFD pillar and recommended disclosures	DNV's approach	More information
<p><b>Describe the Board's oversight of climate-related risks and opportunities</b></p>	<p>DNV's Board has oversight of our business strategy, annual plan, and annual report, including the sustainability report. The Board Audit Committee's remit is to review financial and sustainability reporting, internal controls, internal audits, compliance, risk management, and statutory audits. See our Board of Directors' report and Corporate Governance Report for details.</p>	<p><a href="#">Corporate Governance report</a></p> <p><a href="#">Board of Directors' report</a></p>
<p><b>Describe management's role in assessing and managing climate-related risks and opportunities</b></p>	<p>Responsibility for risk and performance lies with our Group CEO and Executive Committee. DNV's review of its corporate risk management system is conducted by management and overseen by the Board Audit Committee.</p>	

## Strategy

Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material.

TCFD pillar and recommended disclosures	DNV's approach	More information
<p><b>Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term</b></p>	<p>The energy transition and its implications deeply affect our core business. DNV's Global Technology and Research Group models the energy transition and publishes its findings annually in our Energy Transition Outlook. This outlines our forecast and the basis for what we believe is the most likely climate change scenario by 2100, which is global warming of 2.2°C. This exceeds the target set by the Paris Climate Agreement.</p> <p>We have also created a model of a Pathway to Net-Zero Emissions detailing the political and policy developments, technology roll-out, and timing needed to stay within the 1.5°C limit set by the Paris Climate Agreement.</p>	<p><a href="#">Energy Transition Outlook</a></p> <p><a href="#">How we create value</a></p> <p><a href="#">Environment and climate</a></p>
<p><b>Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning</b></p>	<p>This energy transition forecast and our net-zero scenario, combined with IPCC research (AR6), form the basis of our analysis of risks and opportunities. They inform our business strategy, which includes but is not limited to helping our maritime customers decarbonize their operations, and working with leading energy companies to assist them in transitioning faster.</p> <p>We are in the process of classifying our products and services against the EU taxonomy for <a href="#">sustainable activities</a> (page 103). Through this analysis, we are able to assess the proportion of our revenue from products and services that support sustainable outcomes, including climate change mitigation. It also gives us a view of the business opportunities relating to activities that support sustainability.</p>	<p><a href="#">What does the energy transition mean for DNV?</a></p>
<p><b>Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario</b></p>		

## Risk management

Disclose how the organization identifies, assesses, and manages climate-related risks

TCFD pillar and recommended disclosures	DNV's approach	More information
<p>Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management</p>	<p>DNV has added climate risk to our existing risk process, which is detailed in our management system. All sources of risk, including climate-related risk, are assessed at business-area level and consolidated at Group level. All identified risks are categorized as part of our risk management process.</p>	<p>Enterprise risk management</p>
<p>Describe the organization's processes for identifying and assessing climate-related risks</p>		
<p>Describe the organization's processes for managing climate-related risks</p>	<p>When any identified risk is assessed as high, or red, it is flagged to the CEO and mitigation measures are developed. The top five risks identified by our Risk Forum are presented to, and discussed with, our Board.</p>	

## Metrics and targets

Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material

TCFD pillar and recommended disclosures	DNV's approach	More information
<p>Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process</p>	<p>Our risk management process includes a risk matrix with associated risk ratings.</p>	
<p>Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks</p>	<p>DNV reports Scope 1 and 2 emissions and emissions from material Scope 3 categories in the annual report. We have set targets to reduce our carbon footprint.</p>	<p>Environment and climate</p>
<p>Describe the targets used by the organization to manage climate-related risks and opportunities</p>	<p>DNV's strategy to 2025 and subsequent review in 2022 are based on our research into the energy transition where we quantify in detail the energy transition globally and in 10 world regions. Our analysis reviews key energy demand sectors, including those that we serve actively (e.g. maritime, energy generation, storage, transmission, and distribution), with detailed forecast numbers (which in some cases, like the power markets, are modelled at an hourly level) available internally in DNV. Annual data through to 2050 are published externally, with free access via DNV's industry data platform, Veracity.</p>	<p>Environment and climate</p> <p>How we create value</p>

# PERFORMANCE

The Board of Directors' report provides a comprehensive review of DNV's strategy and performance for the year as well as the Board's outlook for the future.

The financial statements are prepared in accordance with the Norwegian Accounting Act and regulations on simplified IFRS.

The sustainability reporting is according to the Global Reporting Initiative Universal Standards. KPMG has audited the financial reporting and provided limited assurance on the sustainability reporting.

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# BOARD OF DIRECTORS' REPORT

Guided by its purpose of safeguarding life, property, and the environment, and its vision to be a trusted voice to tackle global transformations, DNV has performed strongly in a year characterized by geopolitical and economic uncertainty – posting record-high financial results, people engagement scores, and emission reductions, executing well on its strategy, and providing good service and support to its customers as they tackle global transformations.

## GROWTH IN A YEAR OF GLOBAL UNCERTAINTY

Geopolitical instability, turbulent conditions in an inflationary economy, and record-high global emissions have been key features of 2023. Thanks to a robust strategy, effective management, organizational agility, and dedicated employees, DNV has successfully navigated the uncertainty and continued to support its customers to keep their operations safe, efficient, and sustainable.

In 2023, DNV delivered operating revenues of NOK 31,594 million – representing growth of 26.2% compared to 2022 (17.7% adjusted for currency fluctuations). Alongside significant organic growth, acquisitions in the strategic focus areas of cyber security, aquaculture, and energy contributed 2.8 percentage points of the growth in 2023.

Geopolitical developments have kept energy security at the top of the agenda for many countries, while significant decarbonization policy packages in some regions have incentivized an accelerated energy transition. In this context, DNV has further established itself as a trusted voice on the energy transition in 2023, contributing to the transition's acceleration through its advisory and certification services, as well as its deep technical expertise, research and development

work, and thought leadership. The Board reaffirms its expectation that DNV continues to make a positive impact in line with the goals of the Paris Agreement and the UN Sustainable Development Goals.

In 2023, DNV significantly strengthened its position as a trusted voice to help its customers manage the risks and opportunities that come with accelerated digitalization. Cyber security continued to rise on the agenda of both business and policy makers during the year as digital transformations accelerated and deepened. Attention also increased on artificial intelligence and the risks and opportunities the technology brings. Both cyber security and artificial intelligence were identified as reinforcement areas in the 2022 strategy review, and DNV made significant progress in 2023 on initiatives in these areas as part of its ambition to shape the future of assurance.

The Board thanks DNV's management and employees for their hard work, commitment, and dedication in a year of global uncertainty - their collective efforts have ensured that DNV enters 2024 in a strong position to achieve its strategic goals and deliver value for its customers.

## Financial performance

The DNV Group recorded operating revenues of NOK 31,594 million in 2023, compared to NOK 25,031 million in 2022, representing growth of 26.2%. Adjusted for exchange rate fluctuations following from weakening of the NOK, the growth was 17.7%. The solid performance was driven by active sales-promoting activities, supported by positive market developments in most of our businesses.

- **Maritime** recorded revenues of NOK 11,013 million in 2023, corresponding to growth of 28.5% compared to 2022. The classification business model has continued to be resilient to geopolitical events, wars, and other global shocks and adverse developments throughout the year.
- **Energy Systems** reported revenues of NOK 11,039 million in 2023, representing growth of 18.9% compared to 2022, supported by external renewable market developments, a strong focus on growth together with global key customers, as well as the acquisition of Houston-based Software as a Service company ANB Systems and Dublin-based environmental and sustainability consultancy company Enviroguide Consulting.
- **Digital Solutions** realized growth of 17.5% compared to 2022 and delivered revenues of NOK 1,468 million in 2023.

- **Business Assurance** reported revenues of NOK 3,700 million in 2023, which represents growth of 25.1% compared to 2022, driven by strong growth of the certification business.
- **Supply Chain & Product Assurance** delivered revenue of NOK 2,041 million in 2023, which shows growth of 40.5% compared to 2022, supported by the acquisition of Norway-headquartered marine health company Åkerblå Group as well as strong operational performance from most geographies.
- **The Accelerator** recorded revenues of NOK 2,210 million in 2023, achieving 58.6% growth compared to 2022, driven by the acquisition of the largest Nordic cyber security company, Nixu, which has brought additional business volume into the portfolio, in addition to strong year-on-year growth of the Inspection business.

Earnings before interest, taxes, depreciation, and amortization (EBITDA) grew by NOK 1,227 million from NOK 4,159 million in 2022 to NOK 5,386 million in 2023. The operating profit (EBIT) for 2023 ended at NOK 4,256 million, an increase of NOK 1,086 million compared to NOK 3,170 million recorded in 2022. Organic growth was the main contributor to the improved results. The accrual for profit share (DNV's employee incentive scheme) is NOK 1,441 million.

The net financial expenses were NOK 61 million in 2023, compared to net financial expenses of NOK 199 million in 2022. The improvement is mainly related to reduced currency losses compared to

The DNV Group recorded operating revenues of NOK 31,594 million in 2023, compared to NOK 25,031 million in 2022, representing growth of 26.2%.

2022 following the weakening of the NOK in 2023, while external interest expenses showed an increase due to higher interest rates.

The 2023 tax expense of NOK 1,242 million represents an average tax cost of 30%, down from 33% in 2022. The net profit for the year was NOK 2,953 million, compared to last year's net profit of NOK 1,999 million.

The DNV Group had a strong balance sheet, with an equity ratio of 57.7% and liquidity of NOK 7,744 million at year-end 2023. As of 31 December 2023, DNV Group had total assets of NOK 42,722 million and total equity of NOK 24,655 million. A net actuarial gain of NOK 97 million from defined benefit pension plans, positive exchange differences from net investments in foreign subsidiaries of NOK 802 million, and NOK 300 million dividend accrual were recognized in equity at the year-end.

The cash flow from operations came to NOK 3,926 million in 2023, compared with NOK 2,514 million in 2022, impacted by strong EBITDA performance and increase in working capital. The cash flow from

investments was NOK -2,935 million in 2023. This includes acquisitions of in total NOK 2,057 million (described in the 'Markets' section). The investments of NOK 379 million in intangible assets mainly relate to the development of commercial software by Digital Solutions, further in-house Oracle enterprise resource planning roll-outs, which are now completed on a worldwide basis, the implementation of the Sales-force customer relationship management system, and system integration efforts in the business areas.

Financing activities produced a negative cash flow of NOK 572 million. Following from IFRS 16, a change in lease liabilities caused a negative impact of NOK 456 million on the cash flow from financing activities, with a corresponding positive effect on the cash flow from operations. The total net positive cash flow for the year was NOK 419 million. Included in net repayment of external loans, NOK 186 million debt in acquired companies has been repaid and replaced by group internal loans.

The financial statements of DNV Group AS, the parent company of the DNV Group, show a net profit for the year of NOK 1,220 million, mainly generated from dividend from subsidiaries. As of 31 December 2023, DNV Group AS had total assets of NOK 25,052 million and total equity of NOK 13,482 after NOK 300 million accrual for dividend. The Board proposes to transfer the profit for the year, in excess of the NOK 300 million dividend, to other equity.

DNV Group AS maintained the A/Stable rating assigned from Scope Ratings GmbH.

The Board confirms that the going concern assumption applies and that the financial statements have been prepared on this basis. The Board considers DNV Group's financial performance and status as strong and liquidity as very good. The parameters contribute to a robust platform for achieving strategic targets and maintaining DNV's independence as a financially strong and autonomous company. The Board also confirms that, to the best of its knowledge, the information presented in the financial statements gives a true and fair view of the assets, liabilities, financial position, and results of the DNV Group for the period. To the best of the Board's knowledge there are no material events after the balance sheet date affecting the 2023 financial statements.

## Strategy

2023 has been a year for further implementation and execution of DNV's 2021-2025 strategy. The strategic direction during 2023 has proven to stand strong through geopolitical tensions, stronger protective regulations, and growing economic uncertainty with high inflation. The growth of the company has continued to exceed targets, with increased attention to resilience and building new positions through significant acquisitions in cyber security and aquaculture. This is positioning DNV to take critical assurance positions in areas of increased importance for its customers and society at large.



During 2023, we have seen growth opportunities related to artificial intelligence, stronger protective regulations, increased focus on critical infrastructure, as well as nature becoming an important factor in the energy trilemma.

DNV has continued its efforts to meet its customers' business needs and expectations across the world. Customers are, however, paying more attention to how and where their data are stored, protected, and used. In parallel, new national and regional regulations related to data storage, data flows, data privacy, and the responsible use of AI are being developed. Against this background, DNV has adjusted its processes and its IT and production systems to meet customer expectations and regulatory compliance in all the geographies in which DNV operates.

## Markets

### MARITIME

Economies around the world cooled off as inflation and interest rates rose, but the maritime industry again showed remarkable resilience.

Adapting to new trading routes, regulations, and expectations from stakeholders, seaborne trade grew some 3% in 2023. Industry earnings were also good and well above the average for the past decade, leaving owners generally well positioned in terms of capital.

Once again container vessels were a strong segment, along with LNG and LPG carriers, and with orders in tank and bulk growing. Another highlight was ordering in the cruise sector, with 10 vessels ordered. Despite the increased ordering in the bulk and tank sector - especially for larger vessels - the world order-book remains very low. And the limited yard slots available may be a challenge for the needed fleet renewal. By the end of the year, overall ordering stood at 76.9 million gross tonnes, a rise of 5% from the previous year.

The regulatory environment related to decarbonization was also at a turning point, with the strengthening of the International Maritime Organization's Greenhouse Gas Strategy, the inclusion of shipping in the EU's Emissions Trading System, and the entry

into force of the EEXI (Energy Efficiency eXisting ship Index) and CII (Carbon Intensity Indicator) requirements.

This brought to light that accurate tracking and reporting of emissions data will be essential to the industry in the coming years. DNV has over many years been investing in digital systems and partner-ecosystems that customers can use to substantiate claims, as well as providing a reliable platform for data management and sharing. To provide its customers the tools they need to thrive under the pressure of additional emissions requirements, DNV released Emissions Connect, a digital service that makes real-time verified data sets available that can be analysed, exported, and shared with stakeholders.

The newbuilding ordering reflected a clear shift towards alternative fuels - with a growing percentage opting for dual fuel or alternative fuel propulsion - however, primarily in the container and car carrier segments. 2023 also saw a marked rise in vessels with methanol as an option and, in a significant breakthrough, the first confirmed orders for ammonia fuelled vessels.

**With 18% of the total world fleet measured by gross tonnage, DNV retained its position as the world's largest classification society.**

In a newbuilding market transitioning gradually away from container vessels towards the tanker and bulker segments, DNV experienced downward pressure on its market share, winning some 18% of all orders (measured in gross tonnes). This is short of the target, and down from 23% in 2022. DNV continued to enjoy solid market shares in the car carrier and cruise segments. There was strong performance in Maritime Advisory services, with order intake rising across the board, but particularly in services related to decarbonization and technical advisory.

A highlight is the Offshore Class segment, that includes FPSOs, FSOs, WTIVs (wind turbine installation vessels), floating infrastructure, and aquaculture projects. DNV's newbuilding orderbook climbed to over NOK 150 million during 2023, winning some 60% of the total contracts awarded (by number) globally, including over 70% of all WTIVs. The Offshore Class fleet topped 340 units in operation, the highest level in many years, and over 10 units transferred into DNV class.

At the end of 2023, the DNV-classed fleet stood at 10,106 vessels and mobile offshore units, totalling 294 million gross tonnes - an increase of almost 4% in gross tonnes. With 18% of the total world fleet measured by gross tonnage, DNV retained its position as the world's largest classification society.

The year came to an end with a flurry of awards for DNV. The company was named Classification Society of the Year by the maritime newspaper Lloyd's List for the eighth time, as well as at the TMS Awards in Dubai, and the Marine Fuels 360 Awards in Singapore.

## ENERGY SYSTEMS

In 2023, geopolitical developments did not ease from the year 2022's heightened attention to energy security. The global wind energy sector faced significant supply chain challenges alongside heightened interest rates, causing uncertainty and delays in investments, while the solar PV sector witnessed extraordinary growth. DNV, with its independent expertise and assurance services, remained in high demand globally.

The implementation of major new policies worldwide, such as the US Inflation Reduction Act and REPowerEU, further stimulated the energy transition, increasing the demand for DNV's comprehensive service portfolio to the energy sector. Emerging technologies - including floating offshore wind, hydrogen production and utilization, and carbon capture and storage - continued to gain traction. Energy Systems experienced strong growth in the hydrogen sector, supported by major advancements in DNV's Technology Centres in Spadeadam in the UK and Groningen in the Netherlands.

Energy Systems remains committed to its digital roadmap launched in 2022, designed to better serve its customers through data acquisition and analytics offerings. During 2023, DNV acquired Solcast, a specialist in solar data, Proxima Solutions, a provider of artificial intelligence-enabled renewable energy asset management software, and ANB Systems, a prominent Software as a Service (SaaS) company offering energy programme services. Furthermore,

the acquisition of Enviroguide Consulting expanded DNV's environmental and sustainability services portfolio.

Energy Systems achieved substantial growth in 2023, with an expanding network of energy experts and increasingly relevant services. Order intake increased by 13.9%, with over 50% of total order intake originating from contracts with key customers in advisory, certification, and monitoring. To meet the rising demand for its expertise, Energy Systems expanded its workforce in 2023 and dedicated recruitment initiatives will continue to facilitate further growth in 2024.

## DIGITAL SOLUTIONS

Digital Solutions' year was shaped by the need to advance digitalization in the energy and maritime industries and managing associated risks. Digitalization will revolutionize these industries, be a driving force of a safe and efficient energy transition, and change the way people work.

Digital Solutions worked to enable the energy sector to digitalize and transform by developing common standards and digital tools that help energy producers as well as grid and pipeline operators manage and decode the increasing complexity in the energy mix.

Digital Solutions is continuing to transform its software products from on-premises solutions to cloud-enabled SaaS offerings. New products went online in the cloud in 2023, and SaaS subscriptions contributed to the growth of the business area's annual



recurring revenue. DNV's SaaS offerings delivered a 33% increase in revenue in 2023 compared to 2022.

A ransomware cyber attack on maritime industry product ShipManager in January affected Digital Solutions performance somewhat. DNV dedicated significant resources to manage the attack effectively and was able to limit its impact on customers and the business.

DNV's digital sales platform, Veracity Marketplace, continued to grow rapidly, with a 136% increase in sales in 2023 driven by sales to the energy and maritime industries and aided by continued efforts to improve customer experience and efficiency with self-service purchase and automation.



## BUSINESS ASSURANCE

Business Assurance delivered strong results across all geographies in 2023. The volatile business environment from the year before continued, which both challenged operations and created new opportunities. 2023 was the second year of the three-year certification cycle for the majority of DNV's customers. This tends to mean a lower baseline of recurring revenue compared to the first and third years which involve more intensive certification and recertification audit processes. Through a combination of strong commercial performance and improved operations, Business Assurance achieved sound profitable growth. Future growth may be constrained primarily due to limited availability of experienced and competent auditors.

Global supply chain issues also influenced the certification market. The new regional onshoring trend and growing interest in untapped geographies boosted service demand. Furthermore, growing stakeholder expectations to companies to manage cyber security and ESG-related topics boosted the need for management system certification and training.

Demand for DNV's information and cyber security certification services was strong in industries with complex supply chains, such as automotive, energy, and logistics. Consolidation in the automotive and food & beverage industries due to large acquisitions also drove demand for DNV's services as global customers seek partners with a global presence and strong project management capabilities.

DNV leveraged its strong key customer management approach and a suite of digital tools to support its customers to manage complexity and improve efficiency.

The acquisition of Auvaro in 2022 and Nixu in 2023 brought competence and capacity to deliver new certification services and boost growth in the information and cyber security space. In addition, consolidating TISAX® services to extend into vehicle cyber security led to good growth in the automotive sector and enabled positioning in more geographies as well as with top brands in the industry.

## SUPPLY CHAIN & PRODUCT ASSURANCE

Despite supply chain disruptions, high inflation, and high interest rates, Supply Chain & Product Assurance continued the high-growth path that it has pursued since becoming a separate business area in 2021. Revenue grew 41% in 2023 over 2022, reflecting 103% growth since 2021.

The business area defined and anchored new strategic ambitions in 2023, covering its relatively wide service portfolio. DNV's customers are facing increasing challenges to demonstrate that they have their house in order with respect to quality, safety, security, and sustainability. Such challenges are related to the performance and compliance of supply chains, systems, and products and are driven by regulatory changes, as well as by increased consumer and stakeholder expectations.



Supply Chain & Product Assurance continued to substantiate customers' statements of claim related to their supply chains, systems, and products. The business area worked to secure long-term customer relationships, driving regulatory and standard-driven recurring business. In 2023, Supply Chain & Product Assurance focused its efforts on the medical and healthcare sector, the land transportation sector, the aquaculture sector, and hard-to-decarbonize sectors.

In 2023, DNV acquired the Norway-headquartered marine health company Åkerblå Group. The acquisition significantly strengthens DNV's offering in the aquaculture sector and within marine ecological analysis and surveys.

## THE ACCELERATOR

The Accelerator is DNV's business area dedicated to developing businesses in the fields of cyber security, digital health, and industrial inspection. The business area continued to scale within all three markets in 2023, delivering 59% growth in external revenue (including revenue generated by Nixu in Q3 and Q4 2023).

**CYBER SECURITY.** Cyber security is at the heart of DNV's growth strategy. As critical infrastructure becomes more digitally connected and vulnerable, DNV's customers face emerging risks to business resilience and the need to comply with tightening regulatory requirements. Despite a contraction in the market over the second half of the year, DNV's cyber security businesses achieved 16% organic growth in external revenue in 2023. Focus was placed on enabling customers in the energy and maritime sectors to enhance their security postures.

DNV also successfully completed a public tender offer to acquire cyber security services leader Nixu in June 2023, resulting in the Finland-headquartered company's delisting from the Nasdaq Helsinki Stock Exchange in December. The acquisition will enable DNV to offer a broader portfolio of advisory, managed services, and certification services to a larger base of industries across Europe. It builds upon DNV's acquisition of Netherlands-headquartered industrial cyber security company Applied Risk in 2021. DNV, Applied Risk, and Nixu will integrate in 2024.

**DIGITAL HEALTH.** DNV continued to scale a portfolio of companies that empowers healthcare providers to tackle rising costs, staff shortages, and demand for care. DNV's digital health portfolio provides solutions that improve patient safety and assure a secure and efficient digital transformation.

Norway-headquartered DNV Imatis continued its growth journey at home and abroad in 2023. The company began a significant deployment of its solutions to hospitals across Norway's South-Eastern Regional Health Authority and has won a contract to introduce its technologies with one of the largest private hospital chains in Italy.

Acquired by DNV in December 2022, UK-based MBI Healthcare Technologies expanded its healthcare data assurance technologies and services to new customers and markets in 2023.

The inclusion of MBI Healthcare Technologies in DNV's portfolio, coupled with the continued growth of DNV Imatis, enabled DNV's revenue in digital health to grow by nearly two-thirds in 2023.

**INSPECTION.** Having refined its strategy and operating model over recent years, DNV's Inspection unit delivered external revenue growth of 34% in 2023, while securing a robust orderbook for delivery into 2024.

Strengthening market conditions in the oil and gas industry have supported the unit in securing several significant contract extensions and large capital expenditure projects, with notable successes seen in DNV's stronghold markets of the Middle East and Norway.

Diversification into the renewables industry continues to yield results, with notable success in the UK, Continental Europe, and US offshore wind markets.

## Corporate governance

DNV considers sound corporate governance to be fundamental for ensuring trust in the company, and the foundation for achieving sustainable value creation in the best interests of DNV's customers, employees, owner – Stiftelsen Det Norske Veritas – and other stakeholders.

DNV issues an annual Corporate Governance Report to verify corporate governance in accordance with the most recent Norwegian Code of Practice for Corporate Governance (Code of Practice) to the extent relevant for the DNV Group as a private limited company. DNV's Corporate Governance Report deals with each of the 15 topics covered by the Code of Practice and describes DNV's adherence to this code. The Corporate Governance Report also describes the legal basis and principles for DNV's corporate governance structure. The management company of the DNV companies is DNV Group AS, registered in Norway and governed by the Norwegian Private Limited Companies Act. DNV Group AS is wholly owned by Det Norske Veritas Holding AS (DNV Holding) and ultimately fully owned by Stiftelsen Det Norske Veritas. Stiftelsen Det Norske Veritas issues a separate annual corporate governance report available on [detnorskeveritas.com](https://detnorskeveritas.com).

The Board of Directors of DNV Group AS consists of 11 members. Seven of these are elected by the owner, while four are elected by and from among DNV employees worldwide. The Board comprises seven men and four women from five nationalities, with an average age of 54.8 years. The tenure of the Board members ranges from eight months to six-and-a-half years, with an average of 4.2 years. The Board's combined expertise represents a range of stakeholders, markets, and competences.

All owner-elected Board members are up for re-election on an annual basis. In 2023, there were no changes to the owner-elected board members and all seven were re-elected for one more year. The composition of the owner-elected Board members after the election continued with the following Board Members:

- Jon Fredrik Baksaas, re-elected as Chair of the Board
- Lasse Kristoffersen, re-elected as Vice-Chair of the Board
- Ingvild Sæther, re-elected as Board Member
- Christian Venderby, re-elected as Board Member
- Birgit Aagaard-Svendsen, re-elected as Board Member
- Silvija Seres, re-elected as Board Member
- Andreas Ringman Ugglå, re-elected as Board Member

During the election by and from among the employees, two new members were elected with effect from 1 August 2023. The composition of the employee-elected Board members is as follows:

- Nina Ivarsen, Board Member in the constituency 'Norway'
- Jon Eivind Thrane, Board Member in the constituency 'Norway'
- Jianxin Chen, elected as new Board Member in the constituency 'Worldwide (except Europe)'
- Adam Niklewski, elected as new Board Member in the constituency 'Europe (except Norway)'

Detailed information about the individual Board members can be found in the [Board of Directors' Profiles section](#) of the DNV Annual Report.

The Board held six ordinary meetings and three extraordinary meetings in 2023. The Board Audit Committee held five meetings in 2023 and the Board Compensation Committee held three ordinary meetings and two extraordinary meetings in 2023.



The Board of Directors in 2023 decided to enhance the existing committee structure. A new working committee of the Board, named the Committee for Innovation and Strategic Development, was established. This committee provides focused oversight on matters of strategic importance and innovation and responds to growing complexity and evolving strategic areas where it is deemed valuable to have further alignment between management and the Board. The Committee for Innovation and Strategic Development met twice in 2023. The attendance at Board and Committee meetings was close to 100%.

All directors and officers in the DNV Group, including DNV Group AS (with subsidiaries and affiliates), are covered by a comprehensive global directors' and officers' liability insurance. The Board of Directors considers the limits of the coverage to be sufficient to meet any relevant and foreseeable risks related to the governance of the DNV Group.

Further information related to DNV's corporate governance can be found in the company's [Corporate Governance Report for 2023](#) published on DNV's website.

**DNV considers sound corporate governance to be fundamental for ensuring trust in the company.**

## Enterprise risk management

The Board underlines the importance of continuously having a comprehensive understanding of the risks facing DNV that could affect the Group's financial performance, reputation, and key business objectives. DNV has processes in place to proactively identify such risks at an early stage and initiate adequate mitigating measures and actions. DNV's risk management policy is part of the management system and shall ensure that the risk management processes are integrated into everything the company does. The policy is aligned with the ISO 31000 framework.

The Board formally reviews the risk management status and outlook, both risks and opportunities, at least twice a year as part of the strategy revision and annual planning processes. DNV calculates its risk-adjusted equity on an annual basis, considering the most important risk factors. Based on value-at-risk methodology, the analysis includes potential losses from operations, foreign-exchange exposure, and pension plan assets and liabilities. This exercise gives the Board a measurable overview of the key quantified risks and DNV's capacity to take on new risks.

Severe quality, safety, cyber security, and integrity risks in the company represent another focus area. Numerous protective barriers have been put in place to minimize the likelihood of such risks materializing. DNV's management system is constantly scrutinized to ensure that the company is managing these risks

satisfactorily. To limit the potential financial consequences of such risks, DNV has put in place global insurance policies with a level of insurance cover suited to DNV's operations and risk profile.

DNV's main financial risks include market risk (interest rate and foreign currency risk), credit risk, liquidity risk, pension plan risk, and political risk related to trade sanctions.

**INTEREST RATE RISK:** The company has limited borrowings and has positive Net Interest Bearing Debt (NIBD). All existing loans are denominated in NOK and the risk is therefore linked to the Norwegian interest rate level. As the company has liquidity reserves in excess of its borrowings, the net interest rate risk is limited.

**FOREIGN CURRENCY RISK:** DNV has revenues and expenses in approximately 60 currencies. Of these, six (NOK, EUR, USD, CNY, KRW, and GBP) make up 78% of the total revenue. In most currencies, the company has a natural hedge through a balance of revenues and expenses. However, a significant portion of DNV's net income is based on the USD or currencies closely correlated to the USD. DNV's management has a mandate to hedge up to 75% of forecasted USD or USD-correlated net cash flow exposure 18 months forward. At year-end 2023, DNV has hedged USD 126 million of its future cash flow through forward contracts, which represents about 40% of the hedging mandate. DNV is materially exposed to the re-evaluation of balance sheet items, including net investments in foreign subsidiaries.

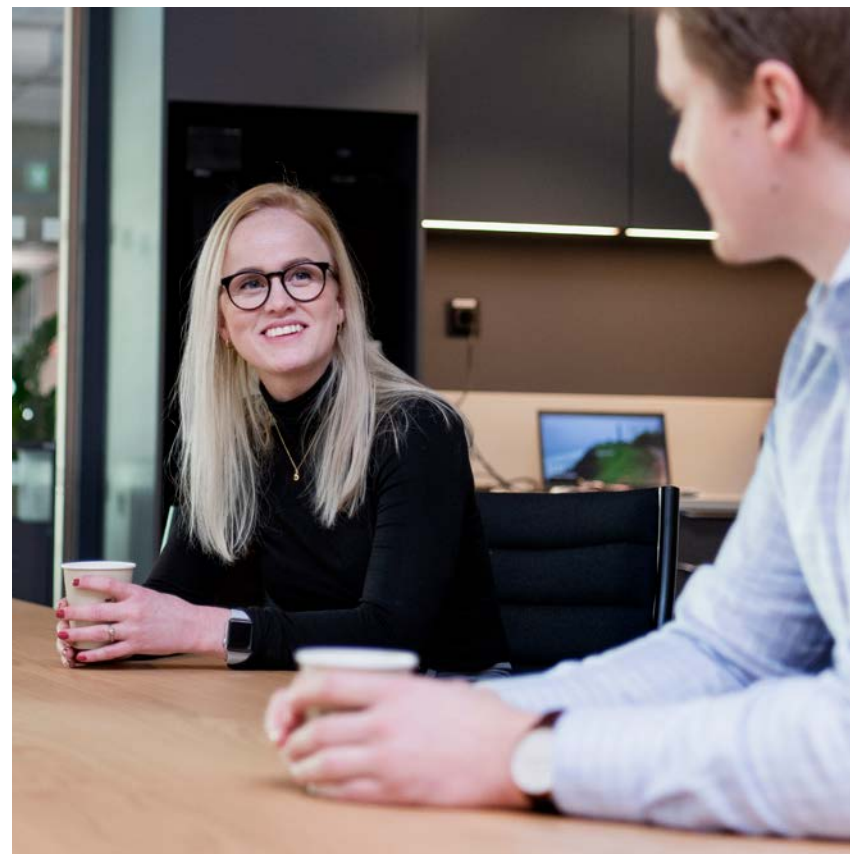


**CREDIT RISK:** Receivable balances are monitored on an ongoing basis, with the result that the company's exposure to bad debts is limited. There are no significant credit risk concentrations within the company. With respect to the credit risk resulting from the other financial assets, which comprise cash, cash equivalents, liquidity funds, and certain derivative instruments, DNV's exposure arises from any default of the counterparty, with the maximum exposure equal to the market value of these instruments.

**LIQUIDITY RISK:** DNV maintains a liquidity reserve where the targeted amount shall correspond to 15% of the Group's annual revenue plus a certain amount in an acquisition and investment reserve. DNV monitors its liquidity risk on a continuous basis. The liquidity planning considers the maturity of the financial assets (e.g., accounts receivable, other financial assets) and projected cash flows from operations. DNV's term loan of NOK 2,998 million falls due in December 2024, but the company has sufficient credit lines and available liquidity to repay the loan in full without taking on new debt.

**PENSION PLAN RISK:** The company has closed all existing defined benefit pension schemes to new entrants. However, DNV is exposed to volatility in the financial markets affecting the value of the pension plan assets. The Group is also exposed to interest rate volatility affecting the pension commitments. The major increase in interest rates in 2022 and 2023 has led to substantially lower pension liabilities.

**POLITICAL RISK:** The diverse locations of DNV's operations around the world expose DNV to a wide range of political developments, instabilities, changes to the regulatory environment, and consequent changes to DNV's economic and operating environment (including for example the war in Ukraine, war and conflict



in the Middle East, growing US-China tensions, and new and existing trade sanctions). These risks require close and continuous monitoring and are being closely followed up both locally and at Group level.

**INFORMATION AND CYBER SECURITY RISK:** The number of attempted cyber attacks on DNV has increased significantly in recent years. The ongoing digitalization of services and the transfer of information and data from on-premises to cloud solutions comes with an increased risk related to securing technical, business, and customer-critical information. This risk is considered high, and a single breach could be critical. It is therefore a high priority to continuously monitor and mitigate information and cyber security risks across DNV.

DNV's ShipManager product was targeted by a cyber attack that prompted DNV to further strengthen cyber security. In conjunction with the ShipManager attack, DNV initiated extended security reviews and fixed identified issues in related systems. New security scan tools were also deployed to constantly improve the security score of DNV. Many vulnerabilities were resolved and important security controls were further improved such as multifactor authentication, monitoring, patching, and penetration testing. Future attacks are unavoidable and DNV needs to be prepared and able to continue business operations. DNV achieved recertification in 2023 to the ISO 27001:2022 information security standard, confirming DNV has a robust management system for information security. The Board continues to review DNV's cyber security risk regularly.

**CLIMATE RISK:** DNV is mainly exposed to climate risks through its services towards fossil-based industries, which account for 30% of DNV's revenue. Non-fossil related activities account for 50% of revenue, 14% is a mix of fossil and non-fossil, and 6% was unable to be specified. With an accelerated energy transition, revenues from fossil-based businesses are expected to drop, representing a potential downside for DNV. However, the upside is considered to more than outweigh this, as one of DNV's key value propositions is to help manage its customers' transition risks in the

One of DNV's key value propositions is to help manage its customers' transition risks in the shift to a lower-carbon economy.

shift to a lower-carbon economy. That applies to the maritime, energy, manufacturing, and food sectors, among others. The transition risks include increasing and more stringent regulations, enhanced carbon pricing, the stranding of fossil-linked assets, safety issues related to the use and transport of both low carbon energy carriers (such as hydrogen and its derivatives) and captured CO<sub>2</sub>, access to finance linked to the shift from fossil fuels to renewables, and the electrification of society. These energy transition risks present DNV with considerable opportunities as DNV continues to help customers navigate the energy transition.

## Sustainability and climate

DNV, a dedicated member of the World Business Council for Sustainable Development and the UN Global Compact, places great responsibility on itself. The company's core commitment to sustainability runs deep, aligning with its longstanding purpose of safeguarding life, property, and the environment. This commitment is integral to DNV's strategy and is evident in the services it offers to customers.

To act as a trusted voice in tackling global transformations, particularly in accelerating the energy transition and supporting the achievement of the UN Sustainable Development Goals, DNV has set high ambitions for the sustainability of its own operations. Sustainability, in DNV's view, extends broadly, encompassing employee welfare, competence development, safety, resilience, and diversity, equity, and inclusion. The company is resolute in safeguarding human rights, both within its organization and along its supply chains, while maintaining rigorous ethical and governance standards. Cyber security is also a key focus.

DNV firmly upholds the UN's guiding principles, recognizing their critical role in achieving long-term value. The UN Sustainable Development Goals are important to the company, with Goal 3 (Good health), Goal 7 (Affordable and clean energy), Goal 13 (Climate action), and Goal 14 (Life under water) identified as areas where DNV can make a particularly positive impact, both through its work for customers and through strategic partnerships.



To realize a sustainable future, DNV is working on a roadmap for the implementation of long-term plans and targets to decarbonize its own operations. There is an urgent need for action in the short term, prompting DNV to establish aggressive targets aimed at reducing its carbon footprint by 2025 and supporting projects that contribute to its goal to be climate positive. The Board maintains oversight to ensure these ambitious targets are met and to minimize the environmental impact of DNV's operations.

In 2023, DNV had zero cases of non-compliance with environmental regulations and zero fines related to environmental aspects. The Board Audit Committee conducted a comprehensive review of DNV's sustainability reporting, incorporating recommendations from KPMG, which provided limited assurance for the report. A detailed account of DNV's sustainability approach and performance is found in the [sustainability section](#) of the annual report.

## Organization and people

DNV has employees in 74 countries and corporate headquarters located at Høvik, outside Oslo, Norway. The total number of employees at the year-end 2023 was 14,841, of whom 98% are permanent employees. In addition, 11,989 subcontractors and expert consultants were engaged.

Attracting and retaining talent is critical to realizing DNV's strategic goals. In 2023, employee turnover was 7%, with voluntary turnover at 6%. DNV strives for diversity, equity, and inclusion at all levels of the organization and is firmly committed to providing equal opportunity in all aspects of employment. DNV selects people based on competence, attitude, and values needed for the role. A career in DNV should not be hindered by any type of discrimination.

**DNV strives for diversity, equity, and inclusion at all levels of the organization and is firmly committed to providing equal opportunity in all aspects of employment.**

The Board considers the company's purpose, vision, and values to be instrumental in attracting and retaining the diverse workforce necessary in global markets. The Board also emphasizes the importance of sound management of human and labour rights. DNV's statement pursuant to the UK Modern Slavery Act has been signed by the Board and is published on the company website.

The employees represent 122 nationalities and DNV has operations involving 100 or more employees in 23 countries. DNV's largest operations are in Norway, the US, Germany, the UK, China, and Poland. Of the permanent employees, 89% have a higher education. The proportion of female employees and female managers is 35% and 31% respectively. As of 31 December 2023, the Executive Committee consisted of four women and seven men.

## Business ethics and anti-corruption

DNV's business model and success are based upon trust. Building trust is enshrined in the company's vision and values. The Board strongly emphasizes the necessity of reflecting DNV's values and demonstrating ethical leadership in society.

The DNV Group has a zero-tolerance policy for corruption and unethical behaviour, which applies to all those working in DNV, including employees, subcontractors, agents, and suppliers.

DNV is committed to maintaining and continuously improving a compliance management system in accordance with ISO 37301, focusing on anti-corruption, anti-trust, data protection, export control, sanctions, and human rights. Compliance risks are regularly assessed as part of the corporate risk management process and appropriate measures are taken accordingly.

The Group Compliance Officer reports on performance to the Board and Executive Committee annually and to the Board Audit Committee quarterly.

Information on how to report occurrences or suspected misconduct is published on the company website and the intranet. DNV also offers an ethical helpline and an anonymous reporting channel to ensure and encourage reporting.

In 2023, DNV continued actions for the implementation of requirements under the Norwegian supply chain law, the 'Transparency Act'.

A Human Rights Forum with internal stakeholders was set up and acknowledged by the Board of Directors to align initiatives, harmonize the approach, and emphasize responsibilities for managing human rights within DNV.

To assess how risks to human rights and decent working conditions are managed, a risk assessment survey and interviews were conducted in the business areas and DNV's Procurement function, identifying several

salient risks but no actual negative impacts on human rights and decent working conditions. The findings and mitigating measures implemented throughout the year are addressed in DNV's [Human Rights Report 2023](#). Human rights is also covered in the [sustainability section](#) of the annual report.

In light of human rights initiatives, DNV's procedure for defining focus countries for specific measures related to fraud and corruption was adjusted. For the next three-year period (2024 to 2026), a new list of 10 focus countries was identified using this adjusted procedure. To reinforce a culture of ethics and integrity, DNV trains employees from the moment they join the company until they leave DNV. A new series of highly interactive awareness sessions was piloted in India, including knowledge surveys, e-learning modules on selected compliance topics, workshops, and 'train the trainer' sessions. The sessions will be rolled out in focus countries in 2024.

A new mandatory e-learning course on conflict of interest was introduced in 2023, which was completed by 98% of permanent and time-limited employees.

In 2023, 116 potential compliance cases were reported and handled (versus 82 in 2022). DNV was not a participant in any legal action regarding anti-competitive behaviour or violations of anti-trust or monopoly legislation during the reporting period. DNV was not subjected to any significant fines or non-monetary sanctions and no non-compliances with laws and/or regulations in the environmental, social, or economic areas were identified.

Further measures were also implemented in 2023 to sustain a high level of integrity, including training, communication, and updates to governing documents following statutory amendments. More than 1,500 employees received individual training on compliance-related topics.

## Safety and resilience

At DNV, no work is so urgent or important that it cannot be done in a safe and healthy way. DNV remains committed to managing occupational health and safety in its work environment and supporting employees in maintaining and developing their resilience.

DNV's strategic focus on employee resilience has laid the groundwork for DNV's approach to supporting its employees in coping with challenges in a world that is becoming increasingly uncertain. Global and local resilience initiatives encourage employees to proactively take care of their and each other's physical and mental well-being and offer support to those in need. DNV also recognizes that employees need to feel comfortable expressing their concerns and reaching out for help without fearing negative consequences. That is why DNV has been communicating the importance of psychological safety throughout the organization.

As the war in Ukraine persists, a crisis team continues to be in daily contact with colleagues in the DNV Odesa office. A second crisis team was established

to monitor the situation in the Middle East and keep in regular contact with colleagues in DNV's Haifa office after the terror attacks in Israel on 7 October 2023 and subsequent conflict in the region. Considering the instability of the situation, employees around the world are encouraged to take the necessary safety and security precautions while travelling and to foster empathy, care, and compassion amongst colleagues. At the same time, focus was directed to empowering the organization more to handle crises locally. A dedicated Next of Kin resource pool is one example of an initiative that was taken to offer Country Chairs better access to support and materials when helping line managers handle a crisis at the individual employee level.

DNV recognizes how essential psychological safety is to enabling candid discussions about what keeps employees safe and resilient. The focus in 2023 was on introducing the organization to the concept of



**DNV recognizes how essential psychological safety is to enabling candid discussions about what keeps employees safe and resilient.**

psychological safety through webinars, presentations, and facilitated discussions. This is considered the first step towards understanding how teams can work better together to find ways to improve safety in their work environment and to signpost resources to improve physical and mental health and resilience. The next step will be to facilitate more targeted sessions to enable leaders to advocate for psychological safety in their teams.

A review of 2023 safety and resilience data indicates that employees appreciate the amount of flexibility they have in their work schedule. This flexibility is one of the main drivers for the global implementation of a 3+2 working model in January 2023, under which office-based employees may work partly remotely and are expected to be in the office at least three days per week on average. Although too high workload continues to be a focus point, the data also showed that employees are seeing change through the measures that are being put in place to reduce workload.

## Outlook

The global economy entered 2023 with rising inflation and slowing growth, and rising geopolitical instability added more pressure on top of the lingering effects of the COVID-19 pandemic and associated supply chain disruptions. Despite the significant challenges, many of the world's largest economies have shown more resilience than anticipated and the outlook for the economy is more balanced going into 2024. Tighter monetary policies are beginning to help moderate inflation and are impacting growth forecasts. The depreciation of the Norwegian Krone in 2023 had a positive financial impact on DNV, and factors including inflation, interest rates, and energy prices may continue to impact the exchange rate in 2024.



Amid global economic uncertainty, DNV's business continued to grow in 2023. DNV is progressing strongly towards the company's strategic targets as it enters the fourth year of its five-year strategy period (2021-2025), and this demonstrates DNV's ability to weather turbulent conditions with organizational resilience, adaptability, and management. Although continued growth is expected, DNV has applied reasonable caution in plans for 2024, with mitigating strategies in place so it can continue to effectively respond to the uncertainty in its core markets.

### NEAR-TERM MARKET OUTLOOK

An accelerating energy transition, growing environmental, social, and governance regulatory pressures on companies, and increasing digitalization mean DNV's expertise and services to manage risk and establish trust are more relevant and more in demand than ever. At the same time, economies are cooling around the world with interest rates anticipated to remain elevated for a prolonged period. This means the investment environment for many of DNV's customers in 2024 may be tougher due to limited access to capital and a high cost of servicing debts.

The shipping market is expected to continue its pivot in 2024, with more tank and bulk capacity ordered, while high costs, limited slot availability, and uncertain economic conditions will contribute to dampening new-build activity. Current GDP projections indicate that seaborne trade is expected to grow moderately by 2.1% in 2024. Container carriers and gas contracting

will likely see a downward correction in the number of contracts. The car carrier market is experiencing a surge in demand due to a significant increase in the production of electric vehicles in China, which fuels more newbuilding contracts. Initiatives to showcase DNV's commitment to excellence will continue to be implemented to secure its market position. Increasingly strict environmental regulations are expected to sustain healthy demand for decarbonization and advisory services, and DNV is well-placed to leverage its deep domain expertise to meet this demand as the transition to low- and zero-carbon fuels accelerates.

We foresee continued strong demand for DNV's services in the renewable and clean energy sectors as significant policy packages in several countries and regions continue to incentivize an acceleration of the energy transition. However, there are some headwinds for the renewables industry, with high interest rates, supply chain challenges, and slow permitting processes affecting renewables projects and energy security concerns favouring an increase in fossil-based energy in some regions. While demand is still expected to grow, these headwinds could moderate the growth for DNV's renewables services.

DNV's portfolio of software products and digital solutions will be highly relevant as the energy transition, underpinned by digitalization, accelerates further in 2024. Efforts will continue to position DNV to meet growing demand for these services and ensure DNV's digital products and services remain relevant and competitive.

Demand for DNV's management system certification services is expected to remain strong in 2024, driven by the food and beverage, automotive and aerospace, and information and communications technology sectors. Regulatory pressures are also expected to facilitate growth in demand for training services.

Demand for DNV's services in supply chain and product assurance is expected to continue growing rapidly in 2024 and DNV will continue to scale its capacity to meet the demand, with the aquaculture and healthcare industries having significantly increased attention from DNV.

While awareness of cyber security threats continues to grow among industrial companies and operators of critical infrastructure, investment in cyber security services cooled in some parts of the cyber security market in 2023 as companies looked to cut costs. The downturn in spending is expected to continue into 2024. However, longer term, IT and operational



technology (OT) security budgets are expected to grow as organizations increasingly consider cyber security both as a central business risk and an enabler to better take advantage of digitalization. Greater interconnectivity from digital transformations, rising geopolitical tensions, and a tightening regulatory landscape are all set to fuel demand for cyber security services and technologies in the coming years.

DNV's Cyber Priority research suggests that incoming regulation will be the greatest driver of cyber security in 2024. The impending implementation of the NIS2 Directive in the EU and the International Association of Classification Societies' new unified requirements for cyber security are set to drive many companies in DNV's stronghold markets to introduce enhanced cyber security processes, technologies, and competences to their organizations. With greater cyber security maturity, industrial companies are shifting their focus from protecting assets and infrastructure to building cyber resilience, ensuring resources are available to support detection, response, and recovery on top of protection efforts.

The healthcare sector will seek to progress its digital transformation in 2024 as care providers attempt to increase productivity and efficiency and reduce the cost burden on strained healthcare systems. However, healthcare providers will need to tightly prioritize where budgets are allocated, balancing investment in technologies that will increase productivity sometime in the future with challenges in funding immediate healthcare delivery. Geographical variations are

expected as digital health spending by providers is largely influenced by political decisions and national IT programmes. In markets where funding is focused on digital transformation, the sector is expected to concentrate efforts on improving productivity from healthcare providers' existing technology infrastructure. Data flowing through healthcare systems will consequently need to be better connected, secure, and of an acceptable level of quality. This trend will support demand for solutions from DNV's portfolio of digital health companies.

### LONGER-TERM STRATEGIC OUTLOOK

The exponential decade is living up to its name, with the 2020s marked by large-scale, accelerating global transformations. This decade is setting the pace for the energy transition, and we are likely to see fundamental changes in global energy, food, health, and transport systems. The 2020s are seeing the digital technologies underpinning the fourth industrial revolution, not least AI, mature and emerge from the lab to be deployed at scale. Critically, this will be the decade in which the world succeeds, or fails, in achieving the Sustainable Development Goals. Geopolitical challenges will continue to arise, and these challenges must, therefore, be both closely monitored and managed through mitigating plans that address potential implications for DNV.

DNV's services and capabilities are highly relevant in an increasingly uncertain global business environment where the need for trust and independent science-

With its strong balance sheet, firm strategic direction, and dedicated and highly competent employees, DNV is well-equipped to continue its growth and thrive in the years ahead.

based technical expertise and risk management continues to grow. Focused innovation and continuous development of DNV's competence and resource base will continue, ensuring the company is best placed to provide trusted guidance and support to its customers as they tackle global transformations.

DNV's growth depends on attracting and retaining talented people in tight labour markets, and initiatives to achieve this will continue to be top of agenda for the years ahead. DNV will also continue to cultivate inorganic growth by identifying acquisition opportunities to strengthen its position in existing markets and accelerate growth in new targeted areas.

The Board believes that DNV's performance in 2023 demonstrates that its business models are robust and resilient in the short to medium term, despite geopolitical and economic uncertainty. With its strong balance sheet, firm strategic direction, and dedicated and highly competent employees, DNV is well-equipped to continue its growth and thrive in the years ahead.

21 MARCH 2024

JON FREDRIK BAKSAAS  
CHAIR

LASSE KRISTOFFERSEN  
VICE-CHAIR

ANDREAS RINGMAN UGGLA

NINA IVARSEN

JON EIVIND THRANE

BIRGIT AAGAARD-SVENDSEN

SILVIJA SERES

INGVILD SÆTHER

CHRISTIAN VENDERBY

ADAM NIKLEWSKI

JIANXIN CHEN

REMI ERIKSEN  
GROUP PRESIDENT & CEO



# BOARD OF DIRECTORS' PROFILES



Jon Fredrik Baksaas  
(Chair)



Lasse Kristoffersen  
(Vice-Chair)



Jon Eivind Thrane



Silvija Seres



Birgit Aagaard-Svendsen



Nina Ivarsen



Christian Venderby



Ingvild Sæther



Andreas Ringman Ugglå



Jianxin Chen



Adam Niklewski

**Jon Fredrik Baksaas**

Chair

**Nationality:** Norwegian **Born:** 1954**Member of the board:** Since 2019**Position**

Board pluralist. Formerly president and CEO of Telenor ASA (2002–2015)

**Education**

Norwegian School of Economics and Business Administration, 1979, and IMD PED, 1991

**Directorships outside DNV**

Stiftelsen Det Norske Veritas; Det Norske Veritas Holding AS; Ericsson AB; Handelsbanken AB

**Lasse Kristoffersen**

Vice-Chair

**Nationality:** Norwegian **Born:** 1972**Member of the board:** Since 2017**Position**

President and CEO Wallenius Wilhelmsen AS

**Education**

Executive Manager Programme, INSEAD, Paris, 2004. Senior Manager Programme, IMD, Lausanne, 2002–2003. MSc Naval Architecture and Marine Engineering, NTH, Norway, 1995

**Directorships outside DNV**

Stiftelsen Det Norske Veritas; Det Norske Veritas Holding AS; Board member and Vice President of ICS; Chair of SAYFR AS; Chair of Election Committee, Norwegian War Risk Insurance Association

**Jon Eivind Thrane****Nationality:** Norwegian **Born:** 1961**Member of the board:** Since 2018**Position**

Director Group Digital Excellence, DNV

**Education**

MSc Applied Physics, NTNU

**Directorships outside DNV**

Stiftelsen Det Norske Veritas; Det Norske Veritas Holding AS

**Silvija Seres****Nationality:** Norwegian **Born:** 1970**Member of the board:** Since 2017**Position**

Independent Investor and Board Member

**Education**

Top Leadership Course at the Norwegian Defence College, Oslo, 2015. MBA Programme, INSEAD, Paris, 2013. PhD and MA in Mathematical Sciences, Oxford University, UK, 2001. MSc and BSc in Computer Science, University of Oslo, 1996

**Directorships outside DNV**

Stiftelsen Det Norske Veritas; Det Norske Veritas Holding AS; Ruter AS; Pexip Holding AS; Pexip AS; Defendable AS; Trescal; Nomination Committee member for Wilh. Wilhelmsen Holding ASA

**Birgit Aagaard-Svendsen****Nationality:** Danish **Born:** 1956**Member of the board:** Since 2017**Position**

Independent board professional

**Education**

Constructional Engineering, Technical University of Denmark, 1980. Graduate Diploma in Business Administration, Copenhagen Business School, 1985. Misc. executive programmes at IESE, Barcelona. IMD, Lausanne. INSEAD, Paris

**Directorships outside DNV**

Audit Committee Chair in Prosafe SE, Aker Solutions AS Kommune Kredit (Denmark); Board member of Copenhagen Malmö Port AB; Otto Mønsted A/S; Stiftelsen Det Norske Veritas; Det Norske Veritas Holding AS

**Nina Ivarsen****Nationality:** Norwegian **Born:** 1962**Member of the board:** Since 2016**Position**

Chair of VEFF and Head of Global Employee Forum, DNV

**Education**

Master of Management, Stavanger University; a number of courses at other universities, incl. University of Denver, and a PhD programme in psychology at the University of Oslo. Digital Leadership course at INSEAD

**Directorships outside DNV**

Stiftelsen Det Norske Veritas; Det Norske Veritas Holding AS

## Christian Venderby

**Nationality:** Danish **Born:** 1969

**Member of the board:** Since 2020

### Position

EVP Head of Service, Vestas Wind Systems A/S

### Education

B.S. HD-Finance, Copenhagen Business School, Denmark, 1994. FLS General Leadership Programme, Center for Creative Leadership, Greensboro, NC, 1999. General Management Programme, INSEAD, Paris, 2005–2006. Vestas Executive Leadership Programme, IMD, Lausanne, 2008

### Directorships outside DNV

Chair of Utopus Insight, USA; Stiftelsen Det Norske Veritas; Det Norske Veritas Holding AS

## Ingvild Sæther

**Nationality:** Norwegian **Born:** 1968

**Member of the board:** Since 2020

### Position

President and CEO, Altera Infrastructure

### Education

Shipping Management, Agder University, Norway, 1990. General Course at London School of Economics and Political Science, 1993. Executive Master Shipping Management, NHO, NTNU, University of Oslo (final thesis not complete), Norway, 1998. Advanced Management Programme, Wharton School of the University of Pennsylvania, 2006

### Directorships outside DNV

Stiftelsen Det Norske Veritas; Det Norske Veritas Holding AS; Altera Infrastructure L.P.; Gard AS

## Andreas Ringman Ugglå

**Nationality:** Swedish **Born:** 1980

**Member of the board:** Since 2022

### Position

Deputy CEO, Doktor24 Group

### Education

M.D Karolinska Institutet Medical School, Master of Science in Medicine, Stockholm Sweden (2008), Ph.D. Karolinska Institutet, Dept. of Woman's & Children's Health, Stockholm Sweden

### Directorships outside DNV

Stiftelsen Det Norske Veritas; Det Norske Veritas Holding AS; Advicium AB; Medtanken Holding AB; Medtanken Group AB

## Jianxin Chen

**Nationality:** Chinese **Born:** 1978

**Member of the board:** Since 2023

### Position

BDM Certification Greater China, DNV

### Education

Bachelor of Engineering, Shanghai Maritime University (2000), DNV and Futureboards' ESG for Boards competence program (2023)

### Directorships outside DNV

Stiftelsen Det Norske Veritas; Det Norske Veritas Holding AS

## Adam Niklewski

**Nationality:** Polish **Born:** 1980

**Member of the board:** Since 2023

### Position

Head of Section Fleet in Service West Poland and Baltic States, DNVDcarbonization Expert for North Europe, DNV

### Education

Master of Engineering, Naval Architecture, Gdansk University of Technology (2004), Total Quality Management, Gdansk University of Technology (2005), International Executive MBA, Rotterdam School of Management (2016), DNV and Futureboards' ESG for Boards competence program (2023)

### Directorships outside DNV

Stiftelsen Det Norske Veritas; Det Norske Veritas Holding AS; Polish LNG and bioLNG Platform (employers society)

# KEY FINANCIAL FIGURES

AMOUNTS IN NOK MILLION

	2023	2022	2021	2020	2019
<b>INCOME STATEMENT</b>					
Operating revenue	31 594	25 031	21 464	20 911	21 551
EBITDA	5 386	4 159	3 673	3 481	3 529
Depreciation	687	585	613	641	765
EBITA	4 699	3 574	3 061	2 840	2 764
Amortization	442	404	387	420	420
Impairment of other intangible assets	2	0	28	15	9
EBIT / Operating profit	4 256	3 170	2 646	2 406	2 334
Net financial income (expenses)	(61)	(199)	512	(233)	(349)
Profit before taxes	4 195	2 971	3 158	2 173	1 985
Profit for the year	2 953	1 999	2 420	1 502	1 375
<b>BALANCE SHEET</b>					
Non-current assets	24 876	20 636	19 528	18 313	18 350
Current assets	17 846	15 904 <sup>1</sup>	14 405	12 444	11 821
Total assets	42 722	36 540 <sup>1</sup>	33 932	30 758	30 171
Equity	24 655	21 116	17 861	15 165	15 419
Non-current liabilities	5 358	7 564	8 080	6 409	7 167
Current liabilities	12 709	7 859 <sup>1</sup>	7 992	9 184	7 585

## DEFINITION OF RATIOS

### Profitability

**EBITDA:**  
Earnings before financial items, tax, depreciation, amortization and impairment

**EBITDA margin:**  
EBITDA x 100 /  
Operating revenue

**EBITA:**  
Earnings before financial items, tax, amortization and impairment

**EBITA margin:**  
EBITA x 100 /  
Operating revenue

**Operating margin:**  
Operating profit x 100 /  
Operating revenue

**Pre-tax profit margin:**  
Profit before tax x 100 /  
Operating revenue

**Net profit margin:**  
Profit (loss) for the year  
x 100 / Operating revenue

### Cash flow

**Net cash flow:**  
Net change in liquidity  
from cash flow statement

**Liquidity:**  
Cash and bank deposits

### Leverage

**NIBD:**  
Interest bearing debt –  
Cash and bank deposits

**Equity ratio:**  
Equity x 100 / Total assets

	2023	2022	2021	2020	2019
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<b>CASH FLOW ITEMS</b>					
Net cash flow from operations	3 926	2 514	2 761	4 081	2 679
Net cash flow from investments	(2 935)	(1 473)	(460)	(305)	733
Net cash flow from financing activities	(572)	(653)	(797)	(2 235)	(2 234)
Net cash flow	419	389	1 504	1 541	1 178
Liquidity	7 744	7 324	6 936	5 365	3 809
<b>FINANCIAL RATIOS</b>					
<b>PROFITABILITY</b>					
EBITDA margin	17.0%	16.6%	17.1%	16.6%	16.4%
EBITA margin	14.9%	14.3%	14.3%	13.6%	12.8%
EBIT / Operating margin	13.5%	12.7%	12.3%	11.5%	10.8%
Pre-tax profit margin	13.3%	11.9%	14.7%	10.4%	9.2%
Net profit margin	9.3%	8.0%	11.3%	7.2%	6.4%
<b>LEVERAGE</b>					
NIBD	(4 617)	(4 268)	(3 880)	(5 259)	(3 601)
NIBD / EBITDA	(0.86)	(1.03)	(1.06)	(1.51)	(1.02)
Equity ratio	57.7%	57.8% <sup>1</sup>	52.6%	49.3%	51.1%
<b>NUMBER OF EMPLOYEES<sup>2</sup></b>					
	14 841	12 848	11 903	11 632	11 854

<sup>1</sup> Certain figures in current assets and current liabilities have been restated to properly reflect comparable figures to the current year.

<sup>2</sup> The number of employees reported from 2019 to 2022 has been restated to reflect 140 (2022), 108 (2021), 18 (2020) and 22 (2019) employees in acquired companies or companies in which DNV has partial ownership; including DNV Imatis (2021-2022), Applied Risk (2021-2022), MBI Healthcare Technologies (2022) and DuTrain (2019-2022).

# FINANCIAL STATEMENTS

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[Income statement](#)

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[Statement of financial position](#)

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[Statement of cash flow](#)

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[Statement of changes in equity](#)

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[Notes to the financial statements](#)

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# Income statement

DNV GROUP AS		AMOUNTS IN NOK MILLION	NOTE	DNV GROUP AS CONSOLIDATED	
2023	2022			2023	2022
40.2	37.2	<b>OPERATING REVENUE</b>	2	31 594.1	25 031.3
		<b>OPERATING EXPENSES</b>			
0.0	0.0	Payroll expenses	3, 4	17 108.9	13 568.2
48.3	41.1	Other operating expenses	5	9 099.2	7 304.3
(8.1)	(3.8)	<b>EBITDA</b>		5 386.0	4 158.8
0.0	0.0	Depreciation and amortization	9, 11	1 128.4	989.3
0.0	0.0	Impairment	9	2.0	0.0
(8.1)	(3.8)	<b>Operating profit</b>		4 255.6	3 169.5

DNV GROUP AS		AMOUNTS IN NOK MILLION	NOTE	DNV GROUP AS CONSOLIDATED	
2023	2022			2023	2022
		<b>FINANCIAL INCOME AND EXPENSES</b>			
1 603.5	2 031.7	Financial income	6	285.5	110.3
(312.8)	(351.9)	Financial expenses	6	(346.4)	(309.4)
1 290.7	1 679.8	Net financial income (expenses)		(60.9)	(199.1)
1 282.6	1 676.0	<b>Profit before tax</b>		4 194.8	2 970.4
(62.6)	(12.3)	Tax expense	7	(1 242.1)	(971.3)
1 220.0	1 663.6	<b>Profit for the year</b>		2 952.6	1 999.1
		<b>Profit for the period attributable to:</b>			
		Non-controlling interest		20.6	17.4
		Equity holders of the parent		2 932.0	1 981.7
		<b>Total</b>		2 952.6	1 999.1

# Statement of comprehensive income

DNV GROUP AS		AMOUNTS IN NOK MILLION	NOTE	DNV GROUP AS CONSOLIDATED	
2023	2022			2023	2022
1 220.0	1 663.6	<b>Profit for the year</b>		2 952.6	1 999.1
		<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i>			
		Actuarial gains/(losses) on defined benefit pension plans	14	96.9	350.0
		<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>			
		Translation differences on net investments in foreign operations		801.9	913.4
0.0	5.6	Change in fair value of interest rate swap		0.0	5.6
0.0	5.6	<b>Other comprehensive income for the period, net of tax</b>		898.8	1 269.0
1 220.0	1 669.3	<b>Total comprehensive income for the period</b>		3 851.4	3 268.1

DNV GROUP AS		AMOUNTS IN NOK MILLION	NOTE	DNV GROUP AS CONSOLIDATED	
2023	2022			2023	2022
		<b>Total comprehensive income attributable to:</b>			
		Non-controlling interest		20.6	17.4
		Equity holders of the parent		3 830.8	3 250.7
		<b>Total</b>		3 851.4	3 268.1

# Statement of financial position Assets

DNV GROUP AS			DNV GROUP AS CONSOLIDATED		
2023	2022	AMOUNTS IN NOK MILLION	NOTE	2023	2022
		<b>NON-CURRENT ASSETS</b>			
		<b>INTANGIBLE ASSETS</b>			
0.0	0.0	Deferred tax assets	7	1 046.3	881.6
0.0	0.0	Goodwill	9, 10	13 277.5	10 611.1
0.0	0.0	Other intangible assets	9, 10	2 911.3	2 440.3
0.0	0.0	<b>Total intangible assets</b>		17 235.1	13 932.9
		<b>TANGIBLE FIXED ASSETS</b>			
0.0	0.0	Land, buildings and other property	11	1 691.3	1 656.1
0.0	0.0	Office equipment, fixtures and fittings	11	626.4	463.6
0.0	0.0	Right-of-use assets	11	1 578.1	1 536.0
0.0	0.0	<b>Total tangible fixed assets</b>		3 895.8	3 655.7
		<b>NON-CURRENT FINANCIAL ASSETS</b>			
16 498.5	11 848.5	Investments in subsidiaries	12	0.0	0.0
8.1	4.7	Long-term shareholding	13	261.5	172.1
411.0	411.0	Other investments	14	0.0	0.0
0.0	0.0	Net pension asset	14	3 044.1	2 477.2
1 667.6	2 629.4	Loan to subsidiaries	15	0.0	0.0
8.2	12.3	Other non-current receivables	16	439.8	397.6
18 593.4	14 905.9	<b>Total non-current financial assets</b>		3 745.5	3 046.9
18 593.4	14 905.9	<b>Total non-current assets</b>		24 876.3	20 635.5

DNV GROUP AS			DNV GROUP AS CONSOLIDATED		
2023	2022	AMOUNTS IN NOK MILLION	NOTE	2023	2022
		<b>CURRENT ASSETS</b>			
0.0	0.0	Trade receivables	17	5 025.7	4 170.1
0.0	0.0	Contract assets	17	3 741.7	3 405.3
352.2	400.8	Other receivables group companies	15	4.1	4.2
392.3	68.7	Other receivables and prepayments	18	1 330.5	1 000.0
5 714.7	5 446.6	Cash and bank deposits	19	7 743.9	7 324.5
6 459.1	5 916.1	<b>Total current assets</b>		17 845.9	15 904.1
25 052.5	20 822.0	<b>TOTAL ASSETS</b>		42 722.2	36 539.6



# Statement of financial position Equity and liabilities

DNV GROUP AS			DNV GROUP AS CONSOLIDATED		
2023	2022	AMOUNTS IN NOK MILLION	NOTE	2023	2022
		<b>EQUITY</b>			
		<b>PAID-IN CAPITAL</b>			
100.0	100.0	Share capital	20	100.0	100.0
9 158.3	9 158.3	Share premium		9 158.3	9 158.3
9 258.3	9 258.3	<b>Total paid-in capital</b>		9 258.3	9 258.3
		<b>RETAINED EARNINGS</b>			
4 223.7	3 303.6	Other equity		15 319.6	11 792.2
0.0	0.0	Non-controlling interest		77.3	65.7
13 482.0	12 561.9	<b>Total equity</b>		24 655.3	21 116.2
		<b>LIABILITIES</b>			
		<b>NON-CURRENT LIABILITIES</b>			
0.0	2 998.0	Interest bearing loans and borrowings	21	66.9	2 998.0
0.0	0.0	Pension liabilities	14	2 572.5	2 195.3
79.6	18.7	Deferred tax liabilities	7	742.5	506.1
1 985.0	1 473.1	Loan from group companies	15	0.0	0.0
0.0	0.0	Lease liabilities	22	1 325.3	1 288.3
0.0	0.0	Non-current provisions	23	56.9	63.8
0.0	0.0	Other non-current liabilities	24	593.7	512.6
2 064.6	4 489.8	<b>Total non-current liabilities</b>		5 357.9	7 564.0

DNV GROUP AS			DNV GROUP AS CONSOLIDATED		
2023	2022	AMOUNTS IN NOK MILLION	NOTE	2023	2022
		<b>CURRENT LIABILITIES</b>			
0.0	0.0	Overdrafts	19	10.6	13.1
2 998.0	0.0	Interest bearing loans and borrowings	21	2 998.0	0.0
0.1	0.8	Trade creditors		742.8	620.0
1.7	0.4	Tax payable	7	704.8	421.6
0.0	0.0	Public duties payable		665.9	499.9
6 481.2	3 763.8	Current liabilities group companies	15	350.9	45.2
0.0	0.0	Lease liabilities	22	405.6	402.8
0.0	0.0	Current provisions	23	67.2	67.8
0.0	0.0	Contract liabilities	17	2 693.7	2 470.9
24.9	5.2	Other current liabilities	25	4 069.6	3 318.0
9 505.9	3 770.2	<b>Total current liabilities</b>		12 709.0	7 859.4
11 570.5	8 260.1	<b>Total liabilities</b>		18 066.9	15 423.4
25 052.5	20 822.0	<b>TOTAL EQUITY AND LIABILITIES</b>		42 722.2	36 539.6

21 MARCH 2024

JON FREDRIK  
BAKSAAS  
CHAIR

LASSE  
KRISTOFFERSEN  
VICE-CHAIR

ANDREAS  
RINGMAN  
UGGLA

NINA  
IVARSEN

JON EIVIND  
THRANE

BIRGIT AAGAARD-  
SVENDSEN

SILVIJA SERES

INGVILD SÆTHER

CHRISTIAN  
VENDERBY

ADAM NIKLEWSKI

JIANXIN CHEN

REMI ERIKSEN  
GROUP PRESIDENT  
& CEO

# Statement of cash flow

DNV GROUP AS		DNV GROUP AS CONSOLIDATED			
2023	2022	AMOUNTS IN NOK MILLION	NOTE	2023	2022
		<b>CASH FLOW FROM OPERATIONS</b>			
1 282.6	1 676.0	Profit before tax		4 194.8	2 970.4
0.0	0.0	Loss (gain) on disposal of tangible fixed assets	11	(0.2)	9.5
0.0	0.0	Loss (gain) on sale of long-term shareholdings	13	34.8	(1.0)
(274.3)	(285.0)	Group contributions recorded as financial income		0.0	0.0
0.0	0.0	Depreciation, amortization, and impairment	9, 11	1 130.4	989.3
(0.4)	(18.8)	Income tax paid	7	(1 206.4)	(729.5)
0.0	0.0	Change in contract assets, contract liabilities, trade receivables and trade creditors		(595.0)	(805.8)
(135.3)	(57.2)	Change in accruals, provisions and other		367.9	81.1
872.6	1 315.0	<b>Net cash flow from operations</b>		3 926.2	2 514.1
		<b>CASH FLOW FROM INVESTMENTS</b>			
0.0	0.0	Acquisitions of subsidiaries	8	(2 057.0)	(912.6)
(4 650.0)	0.0	Capital injections in subsidiaries		0.0	0.0
0.0	0.0	Investments in tangible fixed assets	11	(381.8)	(226.5)
0.0	0.0	Investments in intangible assets	9	(379.2)	(283.3)
0.0	0.0	Sale of tangible fixed assets (cash received)		11.8	14.3
(3.4)	(3.9)	Change in other investments		(128.6)	(64.7)
(4 653.4)	(3.9)	<b>Net cash flow from investments</b>		(2 934.7)	(1 472.8)

DNV GROUP AS		DNV GROUP AS CONSOLIDATED			
2023	2022	AMOUNTS IN NOK MILLION	NOTE	2023	2022
		<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
1 369.8	552.5	Change in loan from subsidiaries		0.0	0.0
0.0	0.0	Net payments of external loans		(118.9)	0.0
0.0	0.0	Change in overdraft		(2.6)	(2.3)
		Change in net position towards participants in the cash pool system		5.7	2.5
2 394.0	(1 478.8)	Payment of lease liabilities	22	(456.3)	(407.3)
0.0	0.0	Group contribution (paid) /received		0.0	(245.5)
4 048.8	(1 037.8)	<b>Net cash flow from financing activities</b>		(572.1)	(652.6)
		<b>Net change in cash and cash equivalents</b>		419.4	388.6
5 446.6	5 173.3	Cash and cash equivalents as of 1 January		7 324.5	6 935.9
5 714.7	5 446.6	Cash and cash equivalents as of 31 December	19	7 743.9	7 324.5

# Statement of changes in equity

## CHANGES IN EQUITY IN DNV GROUP AS

AMOUNTS IN NOK MILLION

	SHARE CAPITAL	SHARE PREMIUM	OTHER EQUITY	TOTAL
Equity at 1 January 2022	100.0	9 158.3	1 634.4	10 892.7
Profit for the period			1 663.6	1 663.6
Change in fair value of interest rate swap			5.6	5.6
Equity at 31 December 2022	100.0	9 158.3	3 303.7	12 561.9
Profit for the period			1 220.0	1 220.0
Dividend accrued			(300.0)	(300.0)
Equity at 31 December 2023	100.0	9 158.3	4 223.7	13 482.0

## CHANGES IN EQUITY IN DNV GROUP AS CONSOLIDATED

AMOUNTS IN NOK MILLION

	SHARE CAPITAL	SHARE PREMIUM	OTHER EQUITY	CURRENCY TRANSLATION DIFFERENCES	ACTUARIAL GAINS/ (LOSSES)	NON-CON- TROLLING INTEREST	TOTAL
Equity at 1 January 2022	100.0	9 158.3	3 441.8	4 065.9	1 035.6	59.2	17 860.8
Profit for the period			1 981.7			17.4	1 999.1
Exchange differences				907.2		6.2	913.4
Actuarial gains/(losses) on defined benefit pension plans					350.0		350.0
Acquired Non-controlling interest (Note 8)			4.2			(41.4)	(37.2)
Non-controlling interest from acquisition (Note 8)						31.3	31.3
Change in fair value of interest rate swap			5.6				5.6
Dividend paid to non-controlling interest						(6.7)	(6.7)
Equity at 31 December 2022	100.0	9 158.3	5 433.3	4 973.1	1 385.6	65.8	21 116.2
Profit for the period			2 932.0			20.6	2 952.6
Exchange differences				798.5		3.4	801.9
Actuarial gains/(losses) on defined benefit pension plans					96.9		96.9
Dividend accrued			(300.0)				(300.0)
Dividend paid to non-controlling interest						(12.4)	(12.4)
Equity at 31 December 2023	100.0	9 158.3	8 065.4	5 771.6	1 482.6	77.3	24 655.3

# NOTES

01 Company information, basis of presentation and significant accounting policies	15 Intercompany balances
02 Operating revenue	16 Other non-current receivables
03 Payroll expenses	17 Trade receivables, contract assets and contract liabilities
04 Remuneration to Group CEO, Executive Committee, Board of Directors, etc.	18 Other receivables and prepayments
05 Other operating expenses	19 Cash and bank deposits
06 Financial income and expenses	20 Share capital and owners
07 Income taxes	21 Interest bearing loans and borrowings
08 Business combinations	22 Lease liabilities
09 Goodwill and other intangible assets	23 Provisions
10 Impairment testing of goodwill and other intangible assets	24 Other non-current liabilities
11 Fixed assets	25 Other current liabilities
12 Investments in subsidiaries	26 Related party transactions
13 Long-term shareholdings	27 Guarantees
14 Pension costs, plan assets and defined benefit pension liabilities	28 Financial market risk
	29 Financial assets and financial liabilities
	30 Subsidiaries

## 01

### COMPANY INFORMATION, BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

#### COMPANY INFORMATION

DNV Group is a global independent expert company in assurance and risk management. Driven by its purpose, to safeguard life, property and the environment, DNV Group is a trusted voice for many of the world's most successful organizations, using its knowledge to advance safety and performance, set industry benchmarks, and inspire and invent solutions to tackle global transformations.

DNV Group is the world's leading classification society and a recognized advisor for the maritime industry. DNV Group delivers world-renowned testing, certification, and technical advisory services to the energy value chain including renewables, oil and gas, and energy management. Moreover, DNV Group is one of the world's leading certification bodies, helping businesses assure the performance of their organizations, processes, products, people, facilities, data, IT and operational systems, and supply chains.

DNV Group is also a world-leading provider of digital solutions for managing risk and improving safety and asset performance for ships, pipelines, processing plants, offshore structures, electric grids, smart cities, and more. The open industry assurance platform Veracity, cyber security, and software solutions support business-critical activities across many industries, including maritime, energy, and healthcare.

The Consolidated financial statements of DNV Group for the full year 2023 were approved for issuance by the board of directors on 21 March 2024 and was approved by the annual general meeting later the same day.

#### BASIS OF PRESENTATION AND CONSOLIDATION PRINCIPLES

The financial statements are prepared in accordance with the Norwegian Accounting Act § 3-9 and Regulations on Simplified IFRS as enacted by the Ministry of Finance 7 February 2022. In material aspects, Norwegian Simplified IFRS requires that the IFRS recognition and measurement criteria (as adopted by the European Union) are complied with, but disclosure and presentation requirements follow the Norwegian Accounting Act and Norwegian Generally Accepted Accounting Standards.

The financial statements are presented in Norwegian Kroner (NOK) and all values are in million NOK with one decimal, except when otherwise indicated.

The consolidated financial statements and the financial statements for the parent company have been prepared on the basis of going concern.

The consolidated financial statements include the parent company DNV Group AS and all companies in which the parent company directly or indirectly has controlling interest. Subsidiaries are fully consolidated from the date on which control is transferred to the group and deconsolidated from the date that control ceases. In the consolidated financial statements, the term 'group companies' include the parent company Det Norske Veritas Holding AS and the ultimate parent company, Stiftelsen Det Norske Veritas which are not part of the DNV Group AS consolidated financial statements but are participants in the DNV Group's cash pool.

## 01

## COMPANY INFORMATION, BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

The non-controlling interest in the consolidated financial statements, represent the non-controlling interest's share of the carrying amount of the equity in subsidiaries with minority shareholders.

Dividends and group contributions declared to shareholders are recognized as a liability at the end of the reporting period according to the Norwegian Regulation of simplified IFRS § 3-1.

Certain figures in current assets and current liabilities in the statement of financial position in 2022 have been restated to properly reflect comparable figures to the current year.

**ACCOUNTING POLICIES****FOREIGN CURRENCY TRANSLATION**

The consolidated financial statements are presented in NOK, which is DNV Group's functional currency. DNV Group has foreign entities with functional currency other than NOK. At the reporting date, the assets and liabilities of foreign entities with functional currencies other than NOK are translated into NOK at the rate of exchange at the reporting date. The income statements are translated at the average exchange rates for the year (average of the daily spot rates applicable the reporting period) except significant transactions that are translated using the daily exchange rate. The translation differences arising from the translation are recognised in other comprehensive income (OCI) on disposal of the net investment, at which time they are recognised in the income statement.

Forward exchange contracts are included at market value at the reporting date.

**KEY JUDGEMENTS AND ESTIMATES**

The preparation of consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosures of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require an adjustment to the carrying amount of the asset or liability affected within the next financial year. Key areas subject to management's judgements, estimates and assumptions in DNV Group are; Purchase Price Allocations (PPAs) related to business combinations (ref. note 8), Impairment testing of goodwill (ref. note 10), Actuarial calculations of the Defined Benefit Pension plans (ref. note 14), provisions for expected credit losses (ref. note 17) and other provisions (mainly related to legal claims, termination benefits, onerous contracts and lease contract dilapidations) (ref. note 23)

**STATEMENT OF CASH FLOW**

The cash flow statement is presented using the indirect method. Cash and cash equivalents include cash, bank deposits and other short-term money market deposits with maturities of three months or less.

## 02

## OPERATING REVENUE

**ACCOUNTING POLICIES**

Revenue is recognized when control of DNV Group services or DNV Group software products are transferred to the customer. For sale of services, the revenue is recognized over time by applying percentage of completion method. Stage of completion is measured by reference to actual costs incurred to date as a percentage of total estimated costs for each contract.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognized as an expense immediately.

Revenue from sale of DNV Group software licenses are recognized at a point in time. For software maintenance services delivered in the maintenance period, revenue is recognized over time based on the stage of completion of the contract. Revenue from SaaS contracts (Software as a Service) is recognized over time.

## DNV GROUP AS CONSOLIDATED

**GEOGRAPHICAL AREA**

AMOUNTS IN NOK MILLION

	2023	2022
Norway	6 994.3	5 547.7
Nordic countries	1 711.1	1 076.7
Europe	8 036.9	6 200.4
Asia Pacific	8 130.7	6 304.3
North and South America	6 566.9	5 776.6
Africa	154.2	125.6
<b>Total operating revenue</b>	<b>31 594.1</b>	<b>25 031.3</b>

## 02

## OPERATING REVENUE

DNV GROUP AS CONSOLIDATED

## BUSINESS AREA

AMOUNTS IN NOK MILLION

2023 2022

BUSINESS AREA	2023	2022
Maritime	11 013.2	8 570.4
Energy Systems	11 039.0	9 284.0
Business Assurance	3 700.0	2 957.0
Supply Chain & Product Assurance	2 041.4	1 453.2
Digital Solutions	1 467.9	1 249.6
The Accelerator	2 209.8	1 392.9
Real Estate	14.6	12.0
Other	108.1	112.2
<b>Total operating revenue</b>	<b>31 594.1</b>	<b>25 031.3</b>

For management purposes, the DNV Group is organized into business areas based on the industries in which the group operates. DNV Group is structured into six business areas; Maritime, Energy Systems, Business Assurance, Supply Chain & Product Assurance, Digital Solutions and The Accelerator, and one independent business unit, Real Estate.

Operating revenue in DNV Group AS of NOK 40.2 million (NOK 37.2 million 2022) mainly consist of global liability insurance expenses charged to subsidiaries.

## 03

## PAYROLL EXPENSES

DNV GROUP AS CONSOLIDATED

AMOUNTS IN NOK MILLION

2023 2022

	2023	2022
Salaries	12 353.1	9 845.0
Bonus expenses	1 441.0	1 051.0
Payroll tax	1 483.1	1 091.3
Pension costs	963.1	867.8
Other contributions	868.6	713.1
<b>Total payroll expenses</b>	<b>17 108.9</b>	<b>13 568.2</b>
Full time equivalent	14 637	12 661

## 04

## REMUNERATION TO GROUP CEO, EXECUTIVE COMMITTEE, BOARD OF DIRECTORS, ETC.

## REMUNERATION GUIDELINES FOR THE GROUP CEO, EXECUTIVE COMMITTEE, BOARD OF DIRECTORS, ETC.

As described in the "Policy on remuneration to the executive management" in DNV Group AS (DNV) (the Policy is available as a download on [www.dnv.com](http://www.dnv.com) / Corporate governance at DNV), the remuneration guidelines for the DNV President & Group CEO (the "Group CEO") and the members of the DNV Group Executive Committee (the "EC") support DNV's Vision and Values. The main compensation elements are a market-based salary, a bonus/profit-share scheme, and employment benefits in line with the relevant national markets.

The Group CEO and EC members participate in the pension and insurance schemes applicable in the country where they are formally employed.

DNV has a bonus/profit-share scheme in place for its employees. The scheme includes the Executive Committee, while the scheme for the Group CEO is a discretionary scheme, described further in the section on Group CEO compensation below. The funding of the profit-share scheme is based on the DNV financial performance at Group level. The distribution is differentiated based on achievement of financial targets (Operating profit [EBIT]) at Group level (60%); and achievement of financial targets (Operating profit/ [EBIT]) at Business Area level (40%). The scheme is further differentiated by Grade and function (e.g. for EC level) and has a pay-out factor influenced by the individual annual rating at certain Grade and function levels. There is a Board of Director approved maximum pay-out at 50% of base salary.

Ahead of the annual salary review process, which takes effect as of 1 April every year, the senior executive compensation is compared to external benchmarks at a home country and pan-European level. Benchmarking data were primarily collected by Korn Ferry ahead of the review in 2023 and supplemented with data collected and analysed by Aon. Information publicly accessible from other comparable companies is also reviewed during this process.

The Group CEO has a discretionary bonus determined annually by the Board of Directors. The bonus calculation is reviewed against the principles for the other EC members, as well as specific individual goals for the Group CEO. The bonus maximum is 50% of the annual base salary. The bonus is a gross amount subject to individual taxation and eligible for vacation accrual, which is withheld and paid in June the following year aligned with the principles in the Profit Share scheme.

The compensation package for Group CEO Remi Eriksen consists of: Annual base salary of NOK 6 721 thousand and a car allowance of NOK 250 thousand. Eriksen has a right to retire at the age of 65. If terminated from DNV while in the position as Group CEO, Eriksen is entitled to 12 months of base salary beyond notice period.

## REMUNERATIONS TO THE EXECUTIVE COMMITTEE FOR 2023

AMOUNTS IN NOK THOUSAND

	YEAR	SALARY <sup>1</sup>	OTHER BENEFITS	BONUS	PENSION COST
Remi Eriksen,	2023	7 034	585	2 679	444
Group President & CEO	2022	6 773	471 <sup>5</sup>	2 679	488
	2021	6 612	406 <sup>5</sup>	2 500	451
Kjetil Monssen Ebbesberg,	2023	3 881	232	1 504	122
Chief Financial Officer	2022	3 476	214	1 458	117
	2021	3 225	173	820	110
Gro Gotteberg,	2023	2 424	221	954	122
Chief People Officer	2022	2 213	182	893	117
	2021	2 005	173	613	110
Kenneth Vareide,	2023	2 752	188	863	223
CEO Digital Solutions	2022	2 456	214	1 027	262
	2021	2 463	172	369	233
Ditlev Engel (Danish payroll),	2023	5 931	310	2 790	719
CEO Energy Systems	2022	4 999	224	2 353	597
	2021	4 542	260	1 530	554
Knut Ørbeck-Nilssen,	2023	4 142	311 <sup>2</sup>	1 437	348
CEO Maritime	2022	3 686	547 <sup>2</sup>	1 411	371
	2021	3 310	880 <sup>2</sup>	1 057	343

## 04

## REMUNERATION TO GROUP CEO, EXECUTIVE COMMITTEE, BOARD OF DIRECTORS, ETC.

## REMUNERATIONS TO THE EXECUTIVE COMMITTEE FOR 2023

AMOUNTS IN NOK THOUSAND

	YEAR	SALARY <sup>1</sup>	OTHER BENEFITS	BONUS	PENSION COST
Liv A. Hovem,	2023	3 242	238	1 225	310
CEO Accelerator	2022	2 860	232	1 210	344
	2021	2 903	179	361	317
Klas M. Bendrik,	2023	3 553	1 026 <sup>3</sup>	1 333	122
Chief Digital & Development Officer	2022	3 128	1 035 <sup>3</sup>	1 295	117
	2021	3 044	942 <sup>3</sup>	1 111	110
Barbara Frenica (Italian payroll),	2023	2 938	158	1 314	1 214
CEO Business Assurance	2022	2 324	117	967	893 <sup>4</sup>
	2021	2 201	45	285	682 <sup>4</sup>
Ulrike Haugen,	2023	2 514	260	946	122
Chief Communications Officer	2022	2 159	210	875	117
	2021	1 997	174	606	110
Geir Fuglerud <sup>6</sup> ,	2023	1 670	233	499	101
CEO Supply Chain & Product Assurance					

1 Contains vacation accrual payouts from previous year for members on Norwegian payroll

2 Including a time limited allowance

3 Including a time limited allowance and housing

4 Statutory payments to the Italian social security institute INPS

5 Other Benefits for 2022 and 2021 has been restated to reflect adjusted tax declaration of the Global Medical insurance benefit for these years

6 Member of the Executive Committee from 1 March 2023, remuneration disclosed for March to December 2023

## REMUNERATIONS TO THE BOARD OF DIRECTORS PAID OUT IN 2023

AMOUNTS IN NOK THOUSAND

	BOARD REMUNERATION	REMUNERATION BOARD AUDIT COMMITTEE	REMUNERATION BOARD COMPENSATION COMMITTEE	REMUNERATION DNV COMMITTEE FOR INNOVATION AND STRATEGIC DEVELOPMENT
Jon Fredrik Baksaas	525		41	28
Jianxin Chen <sup>2</sup>	150			
Nina Ivarsen	351		9	
Lasse Kristoffersen	413			18
David McKay <sup>1</sup>	201			
Adam Niklewski <sup>2</sup>	150			
Thomas Reimer <sup>1</sup>	201			
Silvija Seres	351		17	
Birgit Aagaard-Svendsen	351	96		
Ingvild Sæther	351	79	26	
Jon Eivind Thrane	351			18
Andreas Ringman Ugglå	351	17		
Christian Venderby	351	63		18

1 Member of the Board of Directors until 31 July 2023

2 Member of the Board of Directors from 1 August 2023



## 04

## REMUNERATION TO GROUP CEO, EXECUTIVE COMMITTEE, BOARD OF DIRECTORS, ETC.

## FEES TO THE AUDITORS FOR 2023

AMOUNTS IN NOK MILLION

	DNV GROUP AS	DNV GROUP AUDITOR OTHER NORWEGIAN ENTITIES	DNV GROUP AUDITOR NON-NORWEGIAN ENTITIES	OTHER AUDITORS	TOTAL
Statutory audit	5 613	4 186	36 001	2 630	48 430
Tax consulting services			482	141	623
Other audit related services		543	868		1 411
Non-audit services		86	420	35	542

## 05

## OTHER OPERATING EXPENSES

DNV GROUP AS CONSOLIDATED

AMOUNTS IN NOK MILLION

	2023	2022
Travel expenses	1 315.1	836.4
External hired assistance	2 327.6	2 053.4
IT and communication expenses	843.3	730.7
Losses on accounts receivables	45.2	34.2
Other expenses	4 568.1	3 649.5
<b>Total other operating expenses</b>	<b>9 099.2</b>	<b>7 304.3</b>

## 06

## FINANCIAL INCOME AND FINANCIAL EXPENSES

## ACCOUNTING POLICIES

Transactions in foreign currencies are initially recognized in the functional currency of the transacting entity by applying the exchange rate at of the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Differences arising on settlement or translation of monetary items are recognized in financial income and expenses. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

Borrowing costs are recognized in the Income statement as a financial expense in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

DNV GROUP AS			DNV GROUP AS CONSOLIDATED	
2023	2022	AMOUNTS IN NOK MILLION	2023	2022
1 000.0	1 620.0	Dividend from subsidiaries	0.0	0.0
274.3	285.0	Group contribution received	0.0	0.0
203.9	65.4	Return on fixed income funds and equity funds	203.9	65.4
0.0	0.0	Gain (loss) from sale of long-term shareholding (Note 13)	(35.0)	1.0
0.0	0.0	Net interest on the net defined benefit liability (asset) (Note 14)	2.7	25.7
(146.6)	(80.7)	Interest expense and commitment fee external loan	(148.9)	(80.7)
3.7	14.3	Other net interest income	10.6	40.7
(98.5)	(4.8)	Net interest income (expense) group companies	1.5	(0.9)
0.0	0.0	Interest expense lease liabilities	(59.6)	(57.4)
74.9	(207.8)	Currency gains (losses)	12.8	(151.6)
(10.1)	(5.7)	Guarantee expenses	(11.7)	(9.5)
(10.9)	(5.9)	Other financial items	(37.1)	(31.9)
1 290.7	1 679.8	<b>Net financial income (expenses)</b>	<b>(60.9)</b>	<b>(199.1)</b>

## 07

## INCOME TAXES

## ACCOUNTING POLICIES

Income tax comprises current and deferred tax. Income tax is recognized in the income statement except when related to items recognised in equity or other comprehensive income.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The current and deferred income tax is calculated based on tax rates (and tax laws) that have been enacted or substantively enacted, in the countries where DNV Group operates and generates taxable income at the end of the reporting period. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax is recognized on temporary differences between the carrying amount of assets and liabilities and the corresponding tax bases as well as on tax losses carried forward at the reporting date. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets for temporary differences and tax loss carry forwards are recognized to the extent that it is probable that future taxable income will be available at the level of the relevant tax authority for utilization. Tax increasing and tax reducing temporary differences expected to reverse in the same period are offset and calculated on a net basis as far as this relate to the same taxable entity and the same taxation authority.

DNV GROUP AS			DNV GROUP AS CONSOLIDATED	
2023	2022	AMOUNTS IN NOK MILLION	2023	2022
		<b>Tax expense consists of:</b>		
1.7	0.4	Norwegian income tax	134.3	90.1
0.0	0.0	Income tax outside Norway	1 104.8	903.3
1.7	0.4	<b>Total tax payable</b>	1 239.1	993.4
60.8	11.9	Change in deferred tax in Norway	92.2	31.1
0.0	0.0	Change in deferred tax outside Norway	(89.1)	(53.2)
60.8	11.9	<b>Total change in deferred tax</b>	3.1	(22.1)
62.6	12.3	<b>Tax expense</b>	1 242.1	971.3
282.2	368.7	Tax on profit at 22%	922.8	653.5
		<b>Tax effect of:</b>		
0.0	0.0	Non-refundable foreign withholding taxes on dividends	104.5	84.8
(220.0)	(356.4)	Dividend from subsidiaries	0.0	0.0
0.4	0.0	Other permanent differences	95.3	77.5
0.0	0.0	Changes of previous years taxes	1.6	67.0
0.0	0.0	Tax assets not recognized current year	10.4	13.4
0.0	0.0	Differences between tax rates in Norway and abroad	107.3	75.1
62.6	12.3	<b>Tax expense</b>	1 242.1	971.3
5%	1%	<b>Effective tax rate</b>	30%	33%

## 07

## INCOME TAXES

DNV GROUP AS			DNV GROUP AS CONSOLIDATED		
2023	2022	AMOUNTS IN NOK MILLION	2023	2022	
			<b>Net tax-reducing / tax-increasing temporary differences:</b>		
79.6	5.4	Non-current assets	3 090.6	2 343.9	
320.6	79.8	Current assets	137.2	(107.3)	
(38.5)	0.0	Liabilities	(3 349.7)	(2 740.0)	
0.0	0.0	Tax loss to be carried forward	(673.9)	(750.4)	
361.8	85.2	<b>Basis for (deferred tax asset) / liability</b>	795.9	(1 253.8)	
22%	22%	Tax rates applied	15-42%	17-42%	
0.0	0.0	<b>Deferred tax asset</b>	1 046.3	881.6	
(79.6)	(18.7)	<b>Deferred tax liability</b>	(742.5)	(506.1)	

In addition to the tax loss to be carried forward of NOK 674 million shown above, which has a related deferred tax asset recognized in the balance sheet, the Group has accumulated tax-loss to be carried forward amounting to NOK 810 million (NOK 685 million 2022). As the future utilization of these tax losses cannot be demonstrated, the related deferred tax asset of NOK 152 million (NOK 126 million 2022) has not been recognized in the balance sheet.

About 95% of the tax losses with a deferred tax asset on balance, and about 60% of the losses off balance, have an indefinite utilization period. The remaining losses have a varying and uncertain utilization period.

NOK 5 million in 2023 (NOK 179 million in 2022) deferred tax expense related to net actuarial gains on defined benefit pension plans and exchange differences, has been reflected in other comprehensive income / other equity, together with the related net actuarial gain and exchange differences.

Pillar Two legislation has been enacted or substantively enacted in certain jurisdictions where DNV Group operates. The legislation will be effective for the financial year beginning 1 January 2024. The ultimate owner of DNV Group AS, Stiftelsen Det Norske Veritas is in scope of the enacted legislation and has performed an assessment of the potential exposure to Pillar Two income taxes.

The assessment of the potential exposure to Pillar Two income taxes is based on country-by-country reporting to the tax authorities and financial reporting for the entities in Stiftelsen Det Norske Veritas Group. Based on the assessment, the Pillar Two effective tax rates in most of the jurisdictions in which Stiftelsen Det Norske Veritas Group operates are above 15 percent. However, there is a limited number of jurisdictions where the transitional safe harbor relief does not apply, and the Pillar Two effective tax rate is close to 15 percent. The ultimate owner of DNV Group AS, Stiftelsen Det Norske Veritas does not expect any material exposure to Pillar Two income taxes in those jurisdictions.

## 08

## BUSINESS COMBINATIONS

## ACCOUNTING POLICIES

Business combinations are accounted for using the acquisition method. The acquisition cost includes total consideration paid to acquire entity's assets and liabilities as well as contingent consideration at fair value. The acquired identifiable assets, liabilities and contingent liabilities are measured and recognized at fair value at the date of the acquisition. Acquisition-related costs are expensed in Income statement as other operating expenses as incurred.

Goodwill is recognized as the residual value between fair value of the consideration transferred and the fair value of the identifiable net assets.

The allocation of costs in a business combination is changed if new information on the fair value becomes available and is applicable on the date when control is assumed. The allocation may be altered within one year from acquisition date.

## ACQUISITIONS 2023

1 January 2023, DNV Group acquired 100% of the shares in Proxima Solutions GmbH ('Proxima'), an artificial intelligence enabled wind software-as-a-service provider. The acquisition strengthens Business Area Energy Systems' green power monitoring portfolio. Proxima Solutions provides a digital platform for remote monitoring and asset management of renewable energy plants.

3 January 2023, DNV Group acquired 100% of the shares in the Sydney based solar data specialist Solar and Storage Modelling Pty Ltd ('Solcast'). Solcast is a global solar irradiance data and forecasting provider. The acquisition contributes to further expand Business Area Energy System's offering to solar energy customers with digital and data-driven services that help maximize the value of solar power plants globally.

10 July 2023, DNV Group acquired 100% of the shares in Synergy Environmental Limited ('Enviroguide Consulting'), an environmental and sustainability consultancy company based in Dublin. The acquisition strengthens DNV Group's foothold in the UK and Ireland region and expands DNV Group's portfolio of environmental and sustainability solutions and services.

10 August 2023, DNV Group acquired 100% of the shares in Åkerblå Group AS ('Åkerblå Group'), a marine health company with headquarter in Norway. Åkerblå Group provides clients with knowledge-based advice and verification through interdisciplinary expertise in fish health, biodiversity and technical services, to use for sustainable practices and operations in the ocean.

The acquisition will strengthen DNV Group's existing aquaculture and offshore renewables services portfolio in Europe.

31 August 2023, DNV Group acquired 100% of the shares in ANB Systems, a Houston-based software as a service (SaaS) company providing energy programme services to utility and regulatory body customers. The acquisition will support Business Area Energy System's ongoing commitment to support customers in leading and accelerating the energy transition.

In February 2023, DNV Group announced a bid to acquire Nixu Corporation Oyj ('Nixu Group'), the largest company specializing in cyber security services on the Nordic market. As Nixu was a publicly listed company, the acquisition was subject to a public tender offer process that invited Nixu shareholders to sell their shares to DNV within a specified timeframe. The final results of the public tender offer were released 8 June 2023, confirming that the acquisition would go ahead, with DNV Group acquiring 93.4% of Nixu shares. DNV's acquisition of Nixu was announced externally 20 June 2023. DNV representatives joined Nixu's Board of Directors in June 2023.

DNV initiated the process to acquire the remaining Nixu shares and applied to delist Nixu from the Nasdaq Helsinki Stock Exchange, this process was finalized late December 2023. DNV AS became the majority shareholder of Nixu from 12 June 2023, however Nixu continued to operate as an independent, stock-listed company until the delisting in December 2023.

Headquartered near Helsinki, Finland, Nixu employs around 400 cyber security specialists in Finland, Sweden, Denmark, the Netherlands, and Romania. The company enables customers from a broad range of industries - from telecoms to energy - to identify cyber security vulnerabilities, protect their systems from threats, and detect and respond to attacks. Nixu also operates a certification business for information security. The acquisition of Nixu will together with DNV Group's cyber security units and Applied Risk, the Netherland-based company specializing in industrial cyber security (acquired by DNV Group in 2021), create a cyber security community within Business Area The Accelerator.

## 08

## BUSINESS COMBINATIONS

COMPANY/ACTIVITIES	TRANSACTION DATE	OWNER-SHIP	PURCHASE CURRENCY	ACQUISITION COST LOCAL CURRENCY MILL	TRANSACTION COSTS EXPENSED MILL NOK	EXTERNAL REVENUE INCL. IN 2023 ACCT. MILL NOK	PROFORMA EXTERNAL REVENUE MILL NOK
Proxima <sup>1,2</sup>	01 Jan 23	100%	EUR	3.7	3.9	8.0	10.6
Solcast <sup>2</sup>	03 Jan 23	100%	AUD	30.4	2.3	29.3	29.3
Synergy Environmental Limited	10 Jul 23	100%	EUR	9.0	2.2	22.7	45.3
Åkerblå Group	10 Aug 23	100%	NOK	528.5	6.4	196.9	590.6
ANB Systems	31 Aug 23	100%	USD	39.4	7.7	36.8	110.5
Nixu Group	12 Jun 23	100%	EUR	97.5	48.6	340.5	705.2

1 Merged with Germanischer Lloyd Industrial Services GmbH in September 2023

2 Acquisition paid 2022, formally acquired in 2023/ control transferred 2023, ref note 18

PURCHASE PRICE ALLOCATION (PPA)	ACQUISITION COST	OF WHICH:						
		CUSTOMER RELATIONS	CUSTOMER CONTRACTS	TECHNOLOGY	TRADE-MARKS	DEFERRED TAX	NET ASSETS	GOODWILL
Proxima	41.5	5.5	1.6	16.4		(7.0)	(18.0)	43.1
Solcast	210.0	14.9	2.2	30.3		(14.2)	3.8	173.0
Synergy Environmental Limited	101.2	14.9	2.0			(2.2)	16.8	69.8
Åkerblå Group	528.5	16.4	91.2			(23.7)	(46.4)	490.9
ANB Systems	399.5	12.1	24.2	19.4		(15.1)	37.1	321.7
Nixu Group	1 093.4	26.7	118.3		41.1	(29.0)	(20.2)	956.4

AMOUNTS IN NOK MILLION

## CASH FLOW FROM ACQUISITIONS

AMOUNTS IN NOK MILLION

Net cash acquired with the subsidiaries	112.9
Consideration paid in cash	(2 124.3)
Contingent consideration for previous year's acquisition paid 2023	(45.6)
Net cash flow from acquisitions	(2 057.0)

## ACQUISITIONS 2022

6 January 2022, DNV Group acquired 100% of the shares in the leading German based notified body MEDCERT GmbH, to enhance Business Area Supply Chain & Product Assurance' medical devices assurance capabilities and offerings. Headquartered in Hamburg, MEDCERT is one of the largest notified bodies in Germany and is among the leading notified bodies under the EU regulations for medical devices. The acquisition increases DNV's capacity to deliver additional notification services of medical devices globally. It will also increase DNV Group's market share in the medical devices sector by adding a separate Medical Device Regulation (MDR) notification.

30 June 2022, DNV Group acquired 100% of the shares in The Registrar Company (TRC), a family-owned certification body providing certification and training services in the US and Canada. The acquisition expands and strengthens DNV Business Assurance's offer and presence in North America.

16 December 2022, DNV Group acquired 60% of the shares in MBI Healthcare Technologies, a leading healthcare data assurance company based in the UK. The company will form part of the Accelerator business area's growing portfolio of digital health companies. With this investment DNV Group will further enhance its strength in providing trust and assurance to the healthcare sector.

## 08

## BUSINESS COMBINATIONS

In addition, DNV Group acquired several smaller entities in 2022; Clean Technology Partners, Australia (Energy Systems, purchase price AUD 4.8 million), Control Solutions Business Assurance BV, The Netherlands (Business Assurance, purchase price EUR 1.7 million) and Power System Dynamics, South Africa (Energy Systems, purchase price EUR 1.4 million). The purchase price in excess of net book value of the equity/net assets for these entities, has been allocated to goodwill.

DNV Group acquired the remaining 5% shares of the subsidiary company, Germanischer Lloyd Offshore and Industrial Services (B) Sdn Bhd in October 2022. As Germanischer Lloyd Offshore and Industrial Services (B) Sdn Bhd has been fully consolidated with a 5% non-controlling interest, the acquisition cost for the shares, NOK 37 million, has consequently been reflected through equity.

COMPANY/ACTIVITIES	TRANSACTION DATE	OWNERSHIP	PURCHASE CURRENCY	ACQUISITION COST LOCAL CURRENCY MILL	EXTERNAL REVENUE INCL. IN 2023 ACCT. MILL NOK	PROFORMA EXTERNAL REVENUE MILL NOK	PROFORMA EXTERNAL REVENUE MILL NOK
MEDCERT	6 Jan 22	100%	EUR	40.8	2.8	92.5	92.5
The Registrar Company	30 Jun 22	100%	CAD	9.2	3.0	11.9	23.6
MBI Healthcare Technology	16 Dec 22	60%	GBP	18.4	7.8	-	87.7

PURCHASE PRICE ALLOCATION (PPA)	ACQUISITION COST	OF WHICH:					GOODWILL
		CUSTOMER RELATIONS	CUSTOMER CONTRACTS	DEFERRED TAX	NET ASSETS	NON-CONTR. ASSETS	
AMOUNTS IN NOK MILLION							
MEDCERT	429.8	64.1	15.7	(23.9)	12.2		361.7
The Registrar Company	66.8	5.8	11.9	(4.4)	3.4		50.1
MBI Healthcare Technology	219.0	52.0	3.7	(10.6)	33.1	(31.3)	172.1

The difference between EUR 40.8 / NOK 429.8 million acquisition cost of MEDCERT and EUR 32.8 / NOK 328.4

million consideration paid is contingent consideration expected to be paid out over 3 years.

## CASH FLOW FROM ACQUISITIONS

AMOUNTS IN NOK MILLION

Net cash acquired with the subsidiaries	12.6
Consideration paid in cash	(708.4)
Contingent consideration for previous year's acquisition paid 2022	(22.9)
Acquisitions paid in 2022, formally acquired in 2023 (Note 19 and Note 31)	(193.8)
Net cash flow from acquisitions	(912.6)

## 09

## GOODWILL AND OTHER INTANGIBLE ASSETS

## ACCOUNTING POLICIES

## GOODWILL

Goodwill arises from business combinations as the residual value between fair value of the consideration transferred and the fair value of the identifiable net assets. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is not amortized, but tested for impairment annually (ref. note 10).

## INTANGIBLE ASSETS

Intangible assets acquired separately are measured on initial recognition at cost. Intangible assets acquired in a business combination are recognized at fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The useful lives and amortization periods are reviewed at least annually.

## RESEARCH AND DEVELOPMENT

Research costs are expensed as incurred. Development expenditures are capitalized as intangible assets when the recognition criteria are met; including probable future economic benefits and ability to measure expenditures reliably.

Following initial recognition, the intangible asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. The asset is amortized over the period of expected future benefit. During the period of development, the asset is tested for impairment annually.

AMOUNTS IN NOK MILLION

	GOODWILL	CUSTOMER CONTRACTS AND RELATIONS	ACQUIRED SOFTWARE AND TECHNOLOGY	TRADEMARKS	CAPITALIZED SOFTWARE DEVELOPMENT	TOTAL
<b>Acquisition cost</b>						
1 January 2022	9 834.4	2 806.5	132.5	433.1	3 381.0	16 587.5
Additions	0.0	0.0	0.0	0.0	283.3	283.3
Additions from acquisitions	647.0	153.1	0.0	0.0	0.0	800.1
Currency translation differences	490.6	151.3	0.0	21.6	72.2	735.7
<b>Total acquisition cost 31 December 2022</b>	<b>10 972.0</b>	<b>3 111.0</b>	<b>132.5</b>	<b>454.7</b>	<b>3 736.4</b>	<b>18 406.6</b>
Additions	0.0	0.0	0.0	0.0	379.2	379.2
Additions from acquisitions	2 030.0	330.0	66.1	41.1	29.1	2 496.3
Currency translation differences	638.2	193.7	0.0	26.5	87.7	946.1
<b>Total acquisition cost 31 December 2023</b>	<b>13 640.2</b>	<b>3 634.7</b>	<b>198.5</b>	<b>522.3</b>	<b>4 232.5</b>	<b>22 228.2</b>



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## GOODWILL AND OTHER INTANGIBLE ASSETS

AMOUNTS IN NOK MILLION

	GOODWILL	CUSTOMER CONTRACTS AND RELATIONS	ACQUIRED SOFTWARE AND TECHNOLOGY	TRADEMARKS	CAPITALIZED SOFTWARE DEVELOPMENT	TOTAL
<b>Accumulated amortization and impairment</b>						
1 January 2022	(360.0)	(2 247.3)	(63.9)	0.0	(2 083.4)	(4 754.6)
Amortization	0.0	(155.0)	(13.5)	0.0	(235.6)	(404.1)
Currency translation differences	(0.9)	(128.8)	0.0	0.0	(66.6)	(196.4)
<b>Total accumulated amortization and impairment 31 December 2022</b>	<b>(360.9)</b>	<b>(2 531.1)</b>	<b>(77.4)</b>	<b>0.0</b>	<b>(2 385.6)</b>	<b>(5 355.1)</b>
Amortization	0.0	(166.2)	(20.8)	0.0	(254.9)	(441.9)
Impairment	0.0	0.0	0.0	0.0	(2.0)	(2.0)
Currency translation differences	(1.8)	(158.1)	0.2	0.0	(80.8)	(240.4)
<b>Total accumulated amortization and impairment 31 December 2023</b>	<b>(362.7)</b>	<b>(2 855.4)</b>	<b>(98.1)</b>	<b>0.0</b>	<b>(2 723.3)</b>	<b>(6 039.4)</b>
<b>Net book value</b>						
<b>31 December 2023</b>	<b>13 277.5</b>	<b>779.3</b>	<b>100.5</b>	<b>522.3</b>	<b>1 509.2</b>	<b>16 188.8</b>
<b>31 December 2022</b>	<b>10 611.1</b>	<b>579.9</b>	<b>55.0</b>	<b>454.7</b>	<b>1 350.8</b>	<b>13 051.4</b>
Useful life	Indef.	1-10 years	1-10 years	Indef.	5-10 years	

## 10

## IMPAIRMENT TESTING OF GOODWILL AND OTHER INTANGIBLE ASSETS

## ACCOUNTING POLICIES

Goodwill and other intangible assets with indefinite useful life are assessed for impairment annually or when impairment indicators are identified.

Goodwill obtained through acquisitions is allocated to the applicable cash generating units (CGU) in the DNV Group that are expected to benefit from the acquisition. The CGUs reflect and correspond to the lowest level the DNV Group management prepare plans, monitors and follow up its business activities.

Except for The Accelerator, the CGUs correspond to DNV Group's business areas; Maritime, Energy Systems, Business Assurance, Supply Chain & Product Assurance and Digital Solutions. The Accelerator is organized into the individual business units; Inspection, Digital Health and Cyber Security, which are considered as separate CGU's.

The CGU tested for impairment consist of goodwill, other intangible assets, tangible fixed assets and working capital. The group bases its impairment calculations on, budgets and long-term financial plans, which are prepared separately for each of the DNV Group's CGUs to which the individual assets are allocated. Goodwill is tested for impairment annually as part of the DNV Group's annual plan process (approved by Board of Directors in December) and when circumstances indicate that the carrying value may be impaired. An impairment loss is recognized if the estimated recoverable amount is lower than the carrying amount of the CGU. Intangible assets with indefinite useful lives are tested for impairment annually at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

## 10

## IMPAIRMENT TESTING OF GOODWILL AND OTHER INTANGIBLE ASSETS

Goodwill and trademarks (not amortized) are allocated to the business areas/cash generating units as follows:

	TRADEMARKS		GOODWILL	
	2023	2022	2023	2022
AMOUNTS IN NOK MILLION				
Maritime	259.4	244.8	3 524.8	3 326.1
Energy Systems	185.1	175.1	5 902.5	4 969.9
Business Assurance	5.1	5.1	304.9	219.8
Supply Chain & Product Assurance	0.0	0.0	910.8	396.6
The Accelerator - Inspection	31.6	29.7	763.0	717.3
The Accelerator - Digital Health	0.0	0.0	595.0	605.8
The Accelerator - Cyber Security	41.1	0.0	1 228.7	327.7
Digital Solutions	0.0	0.0	47.9	47.9
<b>Total goodwill</b>	<b>522.3</b>	<b>454.7</b>	<b>13 277.5</b>	<b>10 611.2</b>

KEY ASSUMPTIONS PER CASH-GENERATING UNIT	2023		2022	
	COST OF CAPITAL (WACC) – POST TAX	LONG-TERM NOMINAL GROWTH RATE	COST OF CAPITAL (WACC) – POST TAX	LONG-TERM NOMINAL GROWTH RATE
Maritime	7.9%	1.5%	7.7%	1.5%
Energy Systems	8.4%	1.5%	8.0%	1.5%
Business Assurance	7.7%	1.5%	7.3%	1.5%
Supply Chain & Product Assurance	8.7%	1.5%	8.4%	1.5%
Digital Solutions	9.2%	1.5%	8.9%	1.5%
The Accelerator - Inspection	9.9%	1.5%	8.0%	1.5%
The Accelerator - Digital Health	9.1%	1.5%	8.8%	1.5%
The Accelerator - Cyber Security	8.5%	1.5%	8.1%	1.5%

The DNV Group has used value in use to determine recoverable amounts for the CGUs. Value in use is determined by using the discounted cash flow method based on the weighted average cost of capital (WACC) rate. The WACC reflects current market assessments of the time value of money and the risk specific to the CGU. The expected cash flows are based on the business areas' (individual business units for Accelerator) budgets and long-term plans, which are approved by the Board of Directors and executive management. Budgets and long-term plans cover maximum a five year period. The growth rates used to project cash flows beyond the explicit 5 year plan period are based on management's past experience and market development expectations. When relevant, risk has been reflected in the cash flow estimates through probability weighted scenarios.

Except CGU Digital Health, none of the CGU's will be in an impairment situation unless there are material changes in the key assumptions, and these changes are considered to be outside the probable outcome.

CGU Digital Health is one of newest and smallest CGUs in the DNV Group with a net carrying value of NOK 582 million, which is close to the estimated recoverable amount. As the CGU is close to an impairment, it will be followed up closely against financial and business plans. A 1% decrease in EBITDA-margin will lead to NOK 9 million impairment, a 0.5 % point increase in WACC will lead to an impairment of NOK 43 million

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## FIXED ASSETS

## ACCOUNTING POLICIES

## PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses. Depreciation is calculated on a straight-line basis over the expected useful life of the assets. The estimated useful life, residual values and depreciation method are reviewed annually. Improvement and upgrading are assigned to the carrying amount and depreciated along with the asset. Other repair and maintenance costs are recognized in the income statement as incurred.

## RIGHT-OF-USE ASSETS

All leases where DNV Group is the lessee (with the exception of short-term and low-value leases) are recognized in the statement of financial position. A lease liability is recognised based on the present value of the future lease

payments and a corresponding right-of-use (ROU) asset is recognized. ROU assets are subsequently measured at cost, less accumulated depreciation and impairments, and adjusted for any remeasurement of lease liabilities. The ROU asset includes estimated costs for dismantling and removing the underlying leased asset, restoring the site on which it is located or restoring the underlying leased asset to the condition required by the terms and conditions of the lease. The ROU asset is depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. The ROU assets in DNV Group relates to leases of office buildings.

AMOUNTS IN NOK MILLION

	LAND, BUILDINGS AND OTHER PROPERTY	OFFICE EQUIPMENT, FIXTURES AND FITTINGS	RIGHT- OF-USE ASSETS	TOTAL
<b>Acquisition cost</b>				
1 January 2022	3 120.3	3 302.3	2 844.7	9 267.3
Additions	36.5	190.0	202.1	428.6
Additions from business combinations	14.9	1.7	0.9	17.6
Disposals	(16.9)	(89.7)	0.0	(106.6)
Currency translation differences	58.7	98.2	103.9	260.9
<b>Total acquisition cost 31 December 2022</b>	<b>3 213.6</b>	<b>3 502.6</b>	<b>3 151.6</b>	<b>9 867.8</b>
Additions	80.6	301.2	415.9	797.7
Additions from business combinations	0.4	51.9	57.9	110.3
Disposals	(2.4)	(168.2)	(107.6)	(278.2)
Currency translation differences	58.9	84.9	85.6	229.5
<b>Total acquisition cost 31 December 2023</b>	<b>3 351.1</b>	<b>3 772.4</b>	<b>3 603.4</b>	<b>10 727.0</b>

## 11

## FIXED ASSETS

AMOUNTS IN NOK MILLION

	LAND, BUILDINGS AND OTHER PROPERTY	OFFICE EQUIPMENT, FIXTURES AND FITTINGS	RIGHT- OF-USE ASSETS	TOTAL
<b>Accumulated depreciation</b>				
1 January 2022	(1 452.6)	(2 898.2)	(1 241.4)	(5 592.2)
Depreciation	(71.0)	(140.0)	(374.2)	(585.2)
Disposals	2.2	80.6	0.0	82.8
Currency translation differences	(36.1)	(81.4)	0.0	(117.5)
<b>Total accumulated depreciation 31 December 2022</b>	<b>(1 557.4)</b>	<b>(3 039.1)</b>	<b>(1 615.6)</b>	<b>(6 212.1)</b>
Depreciation	(79.5)	(197.4)	(409.7)	(686.6)
Disposals	1.4	157.6	0.0	159.0
Currency translation differences	(24.2)	(67.3)	0.0	(91.6)
<b>Total accumulated depreciation 31 December 2023</b>	<b>(1 659.8)</b>	<b>(3 146.1)</b>	<b>(2 025.4)</b>	<b>(6 831.2)</b>
<b>Net book value</b>				
<b>31 December 2023</b>	<b>1 691.3</b>	<b>626.4</b>	<b>1 578.1</b>	<b>3 895.8</b>
<b>31 December 2022</b>	<b>1 656.1</b>	<b>463.6</b>	<b>1 536.0</b>	<b>3 655.7</b>
Useful life	15-67 years indefinite (land)	3-15 years	1-15 years	
Depreciation plan	Linear	Linear	Linear	

## 12

## INVESTMENTS IN SUBSIDIARIES

## ACCOUNTING POLICIES

Investments in subsidiaries are recognized at cost in the accounts of the parent company. Investments carried at cost are measured at the lower of cost and recoverable amount. Impairment evaluation is performed at the end of each accounting period. If there are indicators of impairment, impairment test is performed. If estimated

recoverable amount is less than the carrying amount, the investments are impaired in the statement of financial position and the corresponding cost is recognized in the income statement. Impairment losses recognized in prior periods are reversed if the basis for the impaired value no longer exists or have decreased.

## THE FOLLOWING INVESTMENTS IN SUBSIDIARIES ARE DIRECTLY OWNED BY DNV GROUP AS:

AMOUNTS IN NOK MILLION

	BUSINESS OFFICE		SHARE CAPITAL IN 1000 LOCAL CURRENCY <sup>1</sup>	OWNERSHIP	BOOK VALUE
DNV AS	Bærum, Norway	NOK	15 241 280	100%	15 639.3
DNV Business Assurance Group AS	Bærum, Norway	NOK	851 033	100%	851.1
Det Norske Veritas Eiendom AS	Bærum, Norway	NOK	8 129	100%	8.1
<b>Total investment in subsidiaries</b>					<b>16 498.5</b>

<sup>1</sup> incl. share premium

For a full overview over all the subsidiaries in DNV Group AS, see note 30.

## 13

## LONG-TERM SHAREHOLDINGS

## ACCOUNTING POLICIES

Long-term shareholdings where DNV Group does not exercise significant influence are measured at fair value through profit & loss.

## COMPANY

AMOUNTS IN NOK MILLION

	OWNERSHIP	BOOK VALUE 31.12.2023	BOOK VALUE 31.12.2022
Umotif Limited <sup>1</sup>		0.0	34.9
Scout Drone Inspection AS	14.6%	19.0	9.0
Kezzler AS	13.7%	102.5	30.0
VeChain Technology (HK) Company Limited	3.0%	15.6	15.6
Valoritalia S.r.l.	7.0%	11.1	11.1
Provision Analytics Inc.	7.0%	9.1	9.1
Raptor Maps Inc.	2.5%	15.9	15.9
Energy Impact Fund SCSp	2.4%	24.2	19.5
HST Solar Farms Inc.	2.9%	14.6	14.6
Nixu Oyj. <sup>2</sup>		0.0	4.5
Leapfrog Power Inc.	3.8%	32.6	0.0
Smartwatt AS	13.2%	7.0	0.0
Other		10.1	8.0
<b>Total</b>		<b>261.5</b>	<b>172.1</b>

<sup>1</sup> Owned 9.6% in 2022. Sold in July 2023 with a loss reflected as a financial expense in the Income Statement, ref note 6

<sup>2</sup> Owned 1 % in 2022. Subsidiary from June 2023, ref note 8

## 14

## PENSION COSTS, PLAN ASSETS AND DEFINED BENEFIT PENSION LIABILITIES

## ACCOUNTING POLICIES

DNV Group operates various post-employment schemes, including both defined benefit and defined contribution pension plans.

A defined contribution plan is a pension plan under which DNV Group pays fixed contribution into a separate entity (a fund/ insurance company) and will have no legal or constructive obligation to pay further contributions. The pension cost related to the defined contribution plans is equal to the contributions to the employee's pension savings in the accounting period. Multi-employer plans are accounted for as defined contribution plans if sufficient information is not available to apply defined benefit accounting.

A defined benefit plan is a pension plan that is not a defined contribution plan. In the defined benefit plans, DNV Group's obligation is to provide the agreed benefit to current and former employees, actuarial risk and investment risk fall in substance on DNV Group. DNV Group's defined benefit plans are both funded and unfunded. Actuarial assumptions are made to measure the pension obligation and the pension expense.

Actuarial assumptions are mutually compatible and reflect the economic relationship between factors such as inflation, rate of salary increase and discount rate. The actuarial assumptions comprise: demographic assumptions such as mortality and employee turnover and financial assumptions such as discount rate, rate of salary- and pension benefit increase. The pension obligations are measured on a discounted basis. Pension plan assets are valued at their fair value. The fair value of plan assets is deducted from the present value of the defined benefit obligation when determining the net defined benefit liability or assets. Actuarial gains and losses are recognized through OCI and are not reclassified to profit or loss in subsequent periods.

Gains or losses linked to changes or terminations of pension plans are recognized in the income statement when they arise. Net interest on the net defined benefit/ assets is presented as part of financial items. Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements are presented as part of payroll expenses.

## 14

## PENSION COSTS, PLAN ASSETS AND DEFINED BENEFIT PENSION LIABILITIES

## PENSION PLANS IN DNV GROUP

DNV Group has both defined contribution pension plans and defined benefit pension plans. 13 606 employees are covered by the defined contribution pension plans while 3 819 persons (employees and pensioners) are covered by defined benefit pension plans. All defined benefit pension plans are closed for new entrants, however active members still build up their pension rights under these plans.

The structure of the defined benefit pension plans depends on the legal, tax and economic conditions in the respective country, and is usually based on length of service and remuneration of the employee. The defined benefit pension plans are covered through separate pension funds, through arrangements with independent insurance companies or through unfunded plans.

The defined benefit pension plans in Norway are financed mainly through a separate pension fund 'DNV Pensjonskasse'. For defined benefit pension plans in Germany, the major plans are unfunded with the gross liability reflected as a pension liability, however there are also pension plans in Germany financed through independent insurance companies. Of the other defined benefit pension plans, the major UK plans (closed in 2017) are financed through a separate pension fund, while the other plans are mainly financed through independent administrative funds/ insurance companies. The pension cost and the pension liabilities as included in the accounts and in this note, are based on the presented actuarial assumptions, together with remuneration of the employee and length of service.

Contribution to the DNV Group's pension plans are made in accordance with common actuarial methods and statutory regulations in the country where the pension plan is administered. Total pension costs for 2023 are NOK 963.1 million of which NOK 148.5 million are related to the defined benefit pension plans and NOK 814.6 million are related to the defined contribution pension plans and end of service benefit plans.

The DNV Group participates in pension schemes in Netherlands, Sweden and Spain classified as multi-employer plans. These multi-employer plans are classified as defined benefit plans, but as sufficient information on each participant's proportionate share of specific obligation and fair value of related assets is not available, they are accounted for as defined contribution plans.

The Norwegian companies in the DNV Group are subject to the Norwegian Pension Act. The companies' pension plans fulfil the requirements of the law. Norwegian employees are covered either by the Norwegian defined contribution pension plan (mainly employees employed after 1 January 2005), or the defined benefit pension plan organized in one Norwegian pension fund (employees employed before 1 January 2005) and in one unfunded pension plan (employees employed before 1 January 2005).

The pension assets in the Norwegian pension fund 'DNV Pensjonskasse' are invested as follows:

## MARKET VALUE OF PLAN ASSETS IN NORWAY

AMOUNTS IN NOK MILLION

	31 DEC. 23	31 DEC. 22
Buildings and property	140.0	150.0
Mutual equity funds and hedge funds	5 574.0	4 931.4
Norwegian bonds and bond funds	2 726.4	2 430.3
Non-Norwegian bonds and bond funds	505.8	465.4
Bank accounts, other assets and liabilities	62.4	65.1
<b>Total market value of plan assets Norway (DNV Pension fund)</b>	<b>9 008.6</b>	<b>8 042.2</b>
Effect of asset ceiling	(168.0)	0.0
<b>Total value of plan assets Norway after asset ceiling (DNV Pension fund)</b>	<b>8 840.6</b>	<b>8 042.2</b>
<b>Actual return on plan assets</b>	<b>1 049.7</b>	<b>(574.1)</b>

Capital contributed from DNV Group AS to the Norwegian Pension Fund, NOK 411 million, is reflected as other investments in the balance sheet for DNV Group AS.

## 14

## PENSION COSTS, PLAN ASSETS AND DEFINED BENEFIT PENSION LIABILITIES

PENSION COST  
– DEFINED BENEFIT PENSION PLANS

	FUNDED NORWEGIAN DEFINED BENEFIT PENSION PLANS		GERMAN DEFINED BENEFIT PENSION PLANS		OTHER DEFINED BENEFIT PENSION PLANS	
	2023	2022	2023	2022	2023	2022
AMOUNTS IN NOK MILLION						
Current service cost	103.6	124.2	25.0	34.4	5.3	4.9
Payroll tax	14.6	17.5	0.0	0.0	0.0	0.0
<b>Total current service cost including payroll tax</b>	<b>118.2</b>	<b>141.7</b>	<b>25.0</b>	<b>34.4</b>	<b>5.3</b>	<b>4.9</b>
Net interest on the net defined benefit liability (asset)	(83.6)	(51.0)	94.4	34.1	(1.7)	(1.7)
Payroll tax	(11.8)	(7.2)	0.0	0.0	0.0	0.0
<b>Net interest on the net defined benefit liability (asset) including payroll tax</b>	<b>(95.4)</b>	<b>(58.1)</b>	<b>94.4</b>	<b>34.1</b>	<b>(1.7)</b>	<b>(1.7)</b>

NET PENSION ASSET (LIABILITIES)  
– DEFINED BENEFIT PENSION PLANS

	FUNDED NORWEGIAN DEFINED BENEFIT PENSION PLANS		GERMAN DEFINED BENEFIT PENSION PLANS		OTHER DEFINED BENEFIT PENSION PLANS	
	31 DEC. 23	31 DEC. 22	31 DEC. 23	31 DEC. 22	31 DEC. 23	31 DEC. 22
AMOUNTS IN NOK MILLION						
Market value of plan assets <sup>2</sup>	8 840.6	8 042.2	111.4	99.9	1 763.6	1 570.9
Actuarial present value of pension liabilities	(5 835.6)	(5 535.3)	(2 628.2)	(2 255.7)	(1 691.5)	(1 553.1)
Payroll tax <sup>1</sup>	(88.7)	(85.3)	0.0	0.0	0.0	0.0
<b>Net pension asset (liabilities)</b>	<b>2 916.3</b>	<b>2 421.6</b>	<b>(2 516.8)</b>	<b>(2 155.8)</b>	<b>72.1</b>	<b>17.8</b>

Hereof recorded in the balance sheet as:

Net pension asset <sup>2</sup>	2 916.3	2 421.6	0.0	0.0	127.8	57.3
Pension liabilities	0.0	0.0	(2 516.8)	(2 155.8)	(55.7)	(39.5)

<sup>1</sup> Payroll tax is calculated on the unfunded pension liabilities

<sup>2</sup> Market value of plan assets Norwegian defined benefit pension plans 31 Dec. 2023 after NOK 168 million capping, following from asset ceiling test 31 Dec. 2023. Market value of plan assets Norwegian defined benefit pension plans 31 Dec. 2022 was justified through asset ceiling test in 31 Dec. 2022.

The assumptions for calculation of the pension liabilities in Norway have been changed from 31.12.2022 to 31.12.2023; discount rate, covered bonds has been increased from 3.2% to 3.3%, the growth in pension benefits has been increased from 2.00% to 2.25% and inflation has increased from 2.00% to 2.25%. The changed assumptions led to increased pension liabilities of NOK 75 million in 2023.

The assumptions for calculation of the pension liabilities in Germany have been changed from 31.12.2022 to 31.12.2023; discount rate has been reduced from 4.2% to 3.5%. The changed assumptions led to increased pension liabilities of NOK 232 million in 2023.

NOK 96.9 million net actuarial gain on defined benefit pension plans have been reflected in other comprehensive income / other equity in 2023, following mainly from positive actual return on the plan assets in Norway.

## 14

## PENSION COSTS, PLAN ASSETS AND DEFINED BENEFIT PENSION LIABILITIES

THE CALCULATIONS OF THE PENSION LIABILITIES ARE BASED ON THE FOLLOWING ACTUARIAL ASSUMPTIONS:

	NORWEGIAN PLANS <sup>2</sup>		GERMAN PLANS		OTHER PLANS	
	31 DEC. 23	31 DEC. 22	31 DEC. 23	31 DEC. 22	31 DEC. 23	31 DEC. 22
Discount rate <sup>1</sup>	3.30%	3.20%	3.5%	4.2%	3.14-4.5%	3.4-4.9%
Projected annual salary adjustment	3.50%	3.50%	2.7%	2.7%	2.3-5%	3.0-4.3%
Projected annual increase in pension benefit	2.25%	2.00%	2.2%	2.2%	1.9-2.9%	2.0-3.3%
Projected annual increase of Norwegian government basis pension	3.25%	3.25%				
Expected annual return on plan assets	3.30%	3.20%	3.5%	4.2%	3.14-4.5%	3.4-4.9%

<sup>1</sup> Covered bond rate for Norwegian plans

<sup>2</sup> The pension liability calculations for the Norwegian plans are based on K2013BE (standard best estimate mortality table).

The retirement age in DNV Group differs from country to country. In the most significant pension plans the ordinary retirement age is 67 years (Norway) and 65-67 years (Germany). To align with German regulations, the major German pension

plans are gradually shifting from 65 to 67 years based on the year of birth of the plan members. Some managers and employees are entitled to early retirement before 67, with full pension rights earned.

## SENSITIVITY ANALYSIS OF PENSION CALCULATIONS

The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while

keeping all other assumptions unchanged. Sensitivities decrease (increase) defined benefit obligation year-end.

ASSUMPTIONS, SENSITIVITY LEVEL	DISCOUNT RATE		FUTURE SALARY INCREASES	
	0.5% INCREASE	0.5% DECREASE	0.5% INCREASE	0.5% DECREASE
AMOUNTS IN NOK MILLION				
Impact on defined benefit obligation Norwegian plans	408.6	(458.7)	(163.1)	165.5
Impact on defined benefit obligation German plans	148.7	(151.6)	(11.3)	11.2



## 15

## INTERCOMPANY BALANCES

DNV GROUP AS			DNV GROUP AS CONSOLIDATED	
2023	2022	AMOUNTS IN NOK MILLION	2023	2022
		<b>Long-term receivables:</b>		
1 667.6	2 629.4	Group internal loans receivable	0.0	0.0
		<b>Short-term receivables:</b>		
77.9	115.8	Other receivables group companies	4.1	4.2
274.3	285.0	Group contribution	0.0	0.0
352.2	400.8	<b>Total short-term receivables</b>	4.1	4.2
2 019.8	3 030.1	<b>Total receivables group companies</b>	4.1	4.2
		<b>Non-current liabilities</b>		
1 985.0	1 473.1	Group internal loans from subsidiaries	0.0	0.0
1 985.0	1 473.1	<b>Total loan from group companies</b>	0.0	0.0
		<b>Current liabilities:</b>		
96.6	73.2	Other current liabilities group companies	0.0	0.0
6 084.7	3 690.7	Debt to cash-pool participants	50.9	45.2
300.0	0.0	Dividend accrued	300.0	0.0
6 481.2	3 763.8	<b>Total current liabilities group companies</b>	350.9	45.2
8 466.3	5 236.9	<b>Total liabilities group companies</b>	350.9	45.2

The term group companies includes the parent company Det Norske Veritas Holding AS and the ultimate parent company, Stiftelsen Det Norske Veritas, which are not part of DNV Group AS consolidated financial statements.

## 16

## OTHER NON-CURRENT RECEIVABLES

DNV GROUP AS CONSOLIDATED		
AMOUNTS IN NOK MILLION	2023	2022
Loans to employees	15.2	12.2
Arrangement fee external loan	8.2	12.3
Other pension related assets	288.0	234.9
Other non-current receivables	128.5	138.2
<b>Total other non-current receivables</b>	<b>439.8</b>	<b>397.6</b>

## 17

## TRADE RECEIVABLES, CONTRACT ASSETS AND CONTRACT LIABILITIES

## ACCOUNTING POLICIES

Trade receivables and other current receivables are recognized in the statement of financial position initially at transaction price if the trade receivables do not contain a significant financing component. The group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets. DNV Group use a provision matrix as a practical expedient to calculate the expected credit losses on trade receivables. The provision matrix represent DNV Group's expected credit risk. Impairment of trade receivables are recognized in the income statement in other operating expenses, ref. note 5.

Contract assets represent DNV Group's right to consideration in exchange for services transferred to the customer; work performed on customer contracts, not yet invoiced. Expected credit losses on contract assets are considered to be immaterial.

Contract liabilities represent DNV Group's obligation to transfer services to customers, for which consideration is received; invoice issued according to customer contracts, performance obligation not yet transferred.

## DNV GROUP AS CONSOLIDATED

AMOUNTS IN NOK MILLION

	2023	2022
Gross trade receivables	5 158.9	4 318.6
Expected credit losses	(133.2)	(148.5)
<b>Net trade receivables</b>	<b>5 025.7</b>	<b>4 170.1</b>

## DNV GROUP AS CONSOLIDATED

## PROVISION MATRIX:

AMOUNTS IN NOK MILLION

	GROSS TRADE REC.	ECL PROVISION
<b>Contract assets</b>	3 741.7	-
Trade receivables not due	2 856.6	-
Trade receivables < 180 days overdue	2 072.9	-
Trade receivables 180-360 days overdue (33% ECL provision)	129.2	43.1
Trade receivables exceeding 360 days overdue (90% ECL provision)	100.1	90.1
<b>Total gross trade receivables / ECL provision</b>	<b>5 158.9</b>	<b>133.2</b>

Contract liabilities of NOK 2 693.7 million (NOK 2 470.9 million 2022) is recognized as current liabilities in the statement of financial position.

## 18

## OTHER RECEIVABLES AND PREPAYMENTS

DNV GROUP AS CONSOLIDATED

AMOUNTS IN NOK MILLION

	2023	2022
Prepaid VAT, withholding tax, and corporate income tax	337.0	291.6
Prepayments to suppliers	405.4	270.5
Payments for acquisitions	0.0	193.8
(paid 2022, formally acquired in 2023 / control transferred 2023)		
Unrealized gain derivative financial instruments	330.7	72.5
Other current receivables	257.4	171.5
<b>Total other receivables and prepayments</b>	<b>1 330.5</b>	<b>1 000.0</b>

## 19

## CASH AND BANK DEPOSITS

DNV Group AS has the following cash pool systems:

BANK	OVERDRAFT FACILITY (MILL)	PARTICIPATING ENTITY	DRAWN (MILL) 31 DEC. 2023
Danske Bank	NOK 500	Most subsidiaries in Norway, Denmark, Sweden, Finland, UK, Ireland and the Baltics	1343.8
Deutsche Bank	EUR 20	Several subsidiaries in Europe	91.7
Bank of America		Most of the subsidiaries in US	132.0
Bank of America		Most of the subsidiaries in Canada	35.5
DNB ASA		DNV AS and DNV Group AS	30.7
Citibank - AED	USD 10	Some subsidiaries in Middle East	32.6
Citibank - AUD	AUD 2	Some subsidiaries in Australia	33.5
Citibank - USD	USD 13	Some subsidiaries in Middle East and South East Asia	73.2
Citibank - SGD	USD 13	Some subsidiaries in South East Asia	17.6
Citibank - JPY	JPY 500	Some subsidiaries in Japan	16.8
Citibank - CNY	CNY 50	DNV China Company Limited	0.2
Citibank - EUR	USD 28.4	Some subsidiaries in the Euro-countries	15.4
Total cash-pool systems			1 823.0
Fixed Income funds			3 514.4
Equity funds			357.8
Local bank accounts			19.5
<b>Total cash and bank deposits DNV Group AS Consolidated</b>			<b>7 743.9</b>
<b>Total cash and bank deposits DNV Group AS</b>			<b>5 714.7</b>

DNV Group AS reflect balances from participants in the cash pooling system as 'Current liabilities Group companies' (Note 15).

## 19

## CASH AND BANK DEPOSITS

The following DNV Group AS' wholly owned subsidiaries have local credit facilities guaranteed by DNV Group AS or DNV AS through parent company guarantees:

BANK	OVERDRAFT FACILITY (MILL)	PARTICIPATING ENTITY	DRAWN (MILL) 31 DEC. 2023
Citibank India	INR 160	DNV MES India Private Limited	Undrawn

Other facilities:

BANK	OVERDRAFT FACILITY (MILL)	PARTICIPATING ENTITY	DRAWN (MILL) 31 DEC. 2023
Citibank	CNY 50	DNV China Company Limited	Undrawn
Citibank	INR 40	DNV Business Assurance India Private Limited	Undrawn
Citibank	INR 30	DNV Business Assurance India Private Limited	Undrawn
Citibank	INR 370	DNV Shared Services India Private Limited	INR 60
Citibank	BRL 15	DNV Classificacao, Certificacao e Consultoria Brasil Ltda	Undrawn
Citibank	BRL 10	DNV Business Assurance Avaliaco es e Certificacoes Brasil Ltda	BRL 1.6
Citibank	KRW 17 000	DNV Korea Ltd	Undrawn
Citibank	EUR 1	DNV Hellas - Classification and Certification Single Member SA	Undrawn
Banco de Chile	CLP 900	DNV Chile SpA	Undrawn

Cash and bank deposits in the balance sheet comprise cash at banks and on hand and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value.

## 20

## SHARE CAPITAL AND OWNERS

The share capital of DNV Group AS consist of 1 000 000 shares, with par value of NOK 100 each. The company is

owned 100% by Det Norske Veritas Holding AS, with business office in Bærum, Norway.

## 21

## INTEREST BEARING LOANS AND BORROWINGS

DNV Group AS has an agreement for a NOK 2 998 million term loan with a bank syndicate consisting of Danske Bank, Norwegian Branch, Handelsbanken Norwegian branch of Svenska Handelsbanken AB and Nordea Bank Abp, filial i Norge. The loan expires in December 2024 and is presented as a current liability in the statement of financial position. The credit agreement supporting this loan has certain covenants. DNV Group AS was well within all covenants at year-end 2023. The facilities are secured with a NOK 10 billion pledge in properties, with a book value of NOK 1 175.7 million, belonging to Det Norske Veritas Eiendom AS. The interest on the loan consist of a floating interest element of NIBOR plus a margin. Hence, DNV Group AS will have risk related to fluctuations in NIBOR.

DNV Group AS has an agreement for a NOK 3 000 million multi-currency revolving credit facility with a bank syndicate consisting of Handelsbanken Norwegian branch of Svenska Handelsbanken AB, Danske Bank, Norwegian Branch and Nordea Bank Abp, filial i Norge. The facility expires in December 2028 and was undrawn per year-end 2023.

The credit agreement supporting this facility has certain covenants, including a negative pledge clause (except for the pledge in properties belonging to Det Norske Veritas Eiendom AS for the NOK 2 998 million term loan as described above), and also restrict DNV Group AS' ability to freely dispose of material assets. The credit agreement requires that DNV Group AS' net interest bearing debt on a consolidated basis does not exceed a set level relative to EBITDA. DNV Group AS was well within all covenants at year-end.

DNV MES India Private Limited has an agreement for a INR 550 million term loan with Citibank. The loan expires in June 2028. The credit agreement supporting this loan has negative pledge and certain disposal restrictions on the Borrower. DNV Group AS has given a parent company guarantee in favor of Citibank. The interest on the loan consist of a floating interest element of 3 month t-bill plus a margin. Hence, DNV MES India Private Limited AS will have risk related to fluctuations in the 3 month t-bill. The loan is included in the Statements of financial position as Interest bearing loans and borrowings (Non-current liabilities).

## 22

## LEASE LIABILITIES

## ACCOUNTING POLICIES

All leases where the Group is the lessee (with the exception of short-term and low-value leases) are recognised in the statement of financial position. The lease liability is initially measured at the present value of the lease payments for the right to use the underlying asset during the lease term that are not paid at the commencement date. The lease term represents the non-cancellable period of the lease, together with periods covered by an option to extend the lease when the DNV Group is reasonably certain to exercise this option, and periods covered by

an option to terminate the lease if the Group is reasonably certain not to exercise that option. The lease liability and ROU assets in DNV Group relates to leases of office buildings.

The incremental borrowing rate generally used to determine the net present value is based on the respective country's risk-free rate for the term corresponding to the lease term, adjusted for own credit risk.

LEASE LIABILITIES MATURITY PROFILE	UNDISCOUNTED VALUES		DISCOUNTED VALUES	
	2023	2022	2023	2022
AMOUNTS IN NOK MILLION				
Within one year	421.6	418.2	405.6	402.8
After one year but not more than five years	1 030.6	988.3	947.4	918.1
More than five years	517.2	485.9	377.9	370.2
<b>Total lease liabilities</b>	<b>1 969.4</b>	<b>1 892.4</b>	<b>1 730.9</b>	<b>1 691.1</b>

## SUMMARY OF THE LEASE LIABILITIES IN THE FINANCIAL STATEMENTS

AMOUNTS IN NOK MILLION	2023	2022
Total lease liabilities at 1 January	1 691.1	1 753.0
New lease liabilities recognised in the year	405.4	184.2
New leases due to acquisitions	57.8	0.0
Cash payments for the principal portion of the lease liability	(456.3)	(407.4)
Derecognition	(112.3)	0.0
Interest expense on lease liabilities	59.6	57.4
Currency exchange differences	85.6	103.9
<b>Total lease liabilities at 31 December</b>	<b>1 730.9</b>	<b>1 691.1</b>
Non-current lease liabilities	1 325.3	1 288.3
Current lease liabilities	405.6	402.8

## 23

## PROVISIONS

## ACCOUNTING POLICIES

Provisions are recognized when DNV Group has a present obligation (legal or constructive) as a result of a past event, it is probable (more likely than not) that DNV Group will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a financial expense.

Restructuring provisions are recognized only when the DNV Group had a constructive obligation, which is when a detailed formal plan identifies the business or part

of the business concerned, the location and number of employees affected, a detailed estimate of the associated costs, and an appropriate timeline, and the employees affected have been notified of the plan's main features. Provisions for restructuring in DNV Group are primarily termination benefits/ severance costs.

Provisions for claims and contingencies reflect claims more likely to materialize than not. The exposure for other claims classified as contingent liabilities, less likely than not to materialize is considered not to be material. Included in other provisions are provisions for onerous contracts and lease contract dilapidations.

DNV GROUP AS CONSOLIDATED

AMOUNTS IN NOK MILLION

	CLAIMS AND CONTINGENCIES	RESTRUCTURING	OTHER PROVISIONS	TOTAL
<b>Balance at 1 January 2022</b>	33.8	95.8	97.9	227.5
Currency translation differences	0.0	1.7	2.9	4.6
Additions	0.0	7.4	21.6	29.0
Utilization	(7.9)	(59.4)	(25.8)	(93.1)
Reversal	(17.4)	(12.2)	(10.4)	(40.1)
<b>Balance at 31 December 2022</b>	8.4	33.3	86.2	128.0
Current	8.4	33.3	26.1	67.8
Non-current	0.0	0.0	63.8	63.8
<b>Balance at 1 January 2023</b>	8.4	33.3	86.2	127.9
Currency translation differences	0.0	1.2	3.9	5.1
Additions	0.0	27.5	1.0	28.4
Utilization	(0.4)	(18.3)	(8.3)	(27.1)
Reversal	0.0	(4.5)	(5.8)	(10.2)
<b>Balance at 31 December 2023</b>	7.9	39.2	77.0	124.1
Current	7.9	39.2	20.1	67.2
Non-current	0.0	0.0	56.9	56.9

## 24 OTHER NON-CURRENT LIABILITIES

DNV GROUP AS CONSOLIDATED

AMOUNTS IN NOK MILLION

	2023	2022
End of service benefit schemes liabilities <sup>1</sup>	311.5	266.3
Contingent considerations (Deferred acquisition costs) - non-current part	81.4	83.9
Other non-current liabilities	200.9	162.4
<b>Total other non-current liabilities</b>	<b>593.7</b>	<b>512.6</b>

<sup>1</sup> End of service benefit plans (mainly in Middle East and Asian countries with statutory defined benefit plan requirements), required by law and fully settled at retirement/resignation.

## 25 OTHER CURRENT LIABILITIES

DNV GROUP AS CONSOLIDATED

AMOUNTS IN NOK MILLION

	2023	2022
Accrued bonus to employees	1 441.0	1 051.0
Accrued holiday allowances	542.3	456.4
Contingent considerations (Deferred acquisition costs) - current part	174.0	89.8
Accrued expenses and other current liabilities	1 912.3	1 720.7
<b>Total other current liabilities</b>	<b>4 069.6</b>	<b>3 318.0</b>

## 26 RELATED PARTY TRANSACTIONS

DNV AS has a lease agreement for the office building in Stavanger, Norway with the related party DNV Pension fund, the rent expensed in 2023 amounts to NOK 7.1 million.

DNV AS has a management services agreement for the delivery of general management and administrative services with the related party Det Norske Veritas Holding AS (100 % shareholder) and Stiftelsen Det Norske Veritas (ultimate parent company). The total amount invoiced

for services rendered in 2023 is NOK 0.2 million to Det Norske Veritas Holding AS and NOK 1.7 million to Stiftelsen Det Norske Veritas.

DNV AS has a service agreement with the related party DNV Pension fund for management and administrative services. The revenue recognized for these services in 2023 is NOK 0.4 million.

## 27 GUARANTEES

DNV GROUP AS

DNV GROUP AS CONSOLIDATED

2023		2022		AMOUNTS IN NOK MILLION	
0.0	0.0	Guarantee commitments not included in the accounts	588.3	518.2	

These guarantees are not secured by mortgage.

Guarantee commitments are mainly bank guarantees related to customer contracts entered into by DNV Group AS subsidiary companies.

DNV Group AS has an agreement for a NOK 2 998 million term loan with a bank syndicate consisting of Danske Bank,

Norwegian Branch, Handelsbanken Norwegian branch of Svenska Handelsbanken AB and Nordea Bank Abp, filial i Norge. The facilities are secured with a pledge in properties, with a book value of NOK 1 175.7 million, belonging to Det Norske Veritas Eiendom AS, ref note 21.

## 28

## FINANCIAL MARKET RISK

DNV Group's main financial market risks are liquidity risk, foreign currency risk, credit risk, interest rate risk and pension plan risk.

**LIQUIDITY RISK.** DNV Group monitors its liquidity risk on an ongoing basis. The liquidity forecasting considers planned investments in non-current assets, financing activities, working capital needs, as well as projected cash flows from operations.

**FOREIGN CURRENCY RISK.** DNV Group has revenues and expenses in approximately 60 currencies. Of these, six currencies (NOK, EUR, USD, CNY, GBP and KRW) make up for 78% of the total revenue. In most currencies the group has a natural hedge through a balance of revenue and expenses. However, a significant portion of DNV's net income is based on the USD or currencies closely correlated to the USD. DNV's management has a mandate to hedge up to 75% of forecasted USD or USD-correlated net cash flow exposure 18 months forward. At year-end 2023, DNV Group hedged USD 126 million of its future cash flow through forward contracts. For currency hedging, the DNV Group does not apply hedge accounting and realized and unrealized gains and losses are recognized in the income statement. Unrealized gain at year-end is NOK 331 million. DNV is also materially exposed to the re-evaluation of balance sheet items, including net investments in foreign subsidiaries.

DNV Group has currency exposures through investments in net assets in 213 subsidiaries with assets and liabilities in approximately 60 different functional currencies as well as through goodwill and intangible assets from acquisitions. Exchange differences from these currency exposures are reflected through OCI/ equity. In most subsidiaries, DNV Group has no material local currency exposure against the functional currency. For DNV AS, the main operating company in Norway and DNV Group AS, the Norwegian parent company in the DNV Group, there are material currency exposures against NOK as functional currency, mainly related to external accounts receivables, contract assets, contract liabilities, loans from group companies and balances in the cash pool systems. Exchange differences from these exposures are reflected through the income statement (currency gains and losses in net financial income/expenses). A 1% strengthening/ weakening of NOK against non-functional currencies will lead to a change in net financial income/expenses of +/- NOK 55 million.

**CREDIT RISK.** Receivable balances (NOK 5 159 million) are monitored on an ongoing basis with the result that the DNV Group's exposure to bad debts is limited. There are no significant concentrations of credit risk within the DNV Group. DNV Group's expected credit risk from contract assets is considered to be limited. With respect to credit risk arising from the other financial assets of the DNV Group,

which comprises cash and cash equivalents (NOK 3 872 million) and fixed income funds (NOK 3 514 million) and certain derivative instruments (NOK 331 million), the DNV Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the market value of these instruments.

**INTEREST RATE RISK.** The DNV Group's exposure to the risk of changes in market interest rates relates primarily to the outstanding term loan and investments in fixed income funds. Interest on the term loan is fixed every three months based on NIBOR plus a margin. A change in the interest rate of +/- 1 percentage point will lead to a change in net financial items of +/- NOK 30 million on annual basis. The fixed income funds have an average duration of 1.15 year and a change in the interest rate of +/- 1 percentage point will lead to a change in net financial income and expenses of +/- NOK 40 million annually. All bank deposits in the DNV Group have floating interest with a duration close to zero, consequently the interest rate risk related to bank deposits is immaterial.

**EQUITY RISK.** The DNV Group's exposure to the risk of changes in equity markets relates to investments in equity funds (NOK 358 million). Volatility in the financial markets will affect the value of the funds.

**PENSION PLAN RISK.** The DNV Group is exposed to volatility in the financial market affecting the value of the pension plan assets. The DNV Group is also exposed to interest rate volatility affecting the pension liabilities. In addition, inflation and real wages development will have impact on the pension liabilities.



## 29

## FINANCIAL ASSETS AND FINANCIAL LIABILITIES

DNV GROUP AS		DNV GROUP AS CONSOLIDATED		
FINANCIAL INSTRUMENTS AT FAIR CALUE THROUGH P&L	AMORTIZED COSTS	31 DECEMBER 2023	FINANCIAL INSTRUMENTS AT FAIR CALUE THROUGH P&L	AMORTIZED COSTS
		<b>Assets - non-current assets</b>		
8.1		Long-term shareholdings	261.5	
		Loans to employees		15.2
411.0		Other investments		
8.2		Other non-current receivables	128.5	
		<b>Assets - current assets</b>		
	5 714.7	Cash and bank deposits		7 743.9
		Trade receivables		5 025.7
		Other receivables		261.5
330.7		Forward contracts	330.7	
		<b>Financial liabilities - non-current</b>		
		Interest bearing loans and borrowings		66.9
		Other non-current liabilities	593.7	
		<b>Financial liabilities - current</b>		
	0.1	Trade creditors		742.8
		Overdrafts		10.6
	2 998.0	Interest bearing loans and borrowings		2 998.0
		Other current liabilities		174.0

DNV GROUP AS		DNV GROUP AS CONSOLIDATED		
FINANCIAL INSTRUMENTS AT FAIR CALUE THROUGH P&L	AMORTIZED COSTS	31 DECEMBER 2022	FINANCIAL INSTRUMENTS AT FAIR CALUE THROUGH P&L	AMORTIZED COSTS
		<b>Assets - non-current assets</b>		
4.7		Long-term shareholdings	172.1	
		Loans to employees		12.2
411.0		Other investments		
12.3		Other non-current receivables	138.2	
		<b>Assets - current assets</b>		
	5 446.6	Cash and bank deposits		7 324.5
		Trade receivables		4 170.1
		Other receivables		175.8
72.5		Forward contracts	72.5	
		<b>Financial liabilities - non-current</b>		
	2 998.0	Interest bearing loans and borrowings		2 998.0
		Other non-current liabilities	512.6	
		<b>Financial liabilities - current</b>		
	0.8	Trade creditors		620.0
		Overdrafts		13.1
		Other current liabilities		89.8

## 30

## SUBSIDIARIES

COMPANY NAME	COUNTRY	OWNERSHIP
DNV AS	Norway	100%
Det Norske Veritas Eiendom AS	Norway	100%
DNV Business Assurance Group AS	Norway	100%
DNV Business Assurance Norway AS	Norway	100%
DNV Product Assurance AS	Norway	100%
DNV Inspection Group AS	Norway	100%
DNV Imatis AS	Norway	80%
DNV Inspection AS	Norway	100%
Åkerblå Group AS	Norway	100%
Åkerblå AS	Norway	100%
Rådgivende Biologer AS	Norway	100%
Skandinavisk Naturovervåking AS	Norway	100%
Kystplan AS	Norway	100%
Åkerblå Eiendom AS	Norway	100%
Fiske- Liv AS	Norway	100%
Nixu Norge AS	Norway	100%
EURL DNV GL Algeria	Algeria	100%
DNV Angola Limitada	Angola	100%
DNV Argentina S.A.	Argentina	100%
DNV Inspection Australia PTY LIMITED	Australia	100%
DNV Australia Pty. Limited	Australia	100%
DNV Business Assurance Australia Pty Limited	Australia	100%
DNV Imatis Pty Ltd.	Australia	80%
Solar and Storage Modelling Pty Ltd	Australia	100%
DNV Business Assurance GmbH	Austria	100%
Noble Denton Consultants Limited	Azerbaijan	100%

COMPANY NAME	COUNTRY	OWNERSHIP
DNV BANGLADESH LIMITED	Bangladesh	100%
DNV Belgium N.V.	Belgium	100%
DNV Classificação, Certificação e Consultoria Brasil Ltda	Brazil	100%
DNV BUSINESS ASSURANCE AVALIAÇÕES E CERTIFICAÇÕES BRASIL LTDA	Brazil	100%
Det Norske Veritas (B) Sdn Bhd	Brunei Darussalam	100%
Germanischer Lloyd Offshore and Industrial Services (B) Sdn Bhd	Brunei Darussalam	95%
DNV Bulgaria EOOD	Bulgaria	100%
DNV Business Assurance Canada Inc.	Canada	100%
DNV Canada Ltd.	Canada	100%
DNV Noble Denton Canada Ltd	Canada	100%
DNV Chile SpA	Chile	100%
DNV Management Consulting Shanghai Limited	China	100%
DNV China Company Limited	China	100%
DNV Business Assurance China Co. Ltd.	China	100%
DNV Enterprise Management Service (Shanghai) Company Limited	China	85%
Germanischer Lloyd Industrial Services (Shanghai) Co., Ltd.	China	100%
Germanischer Lloyd (China) Co., Ltd.	China	100%
DNV Adriatica d.o.o.	Croatia	100%
DNV Curacao N.V.	Curaçao	100%
DNV Cyprus Ltd	Cyprus	100%
DNV Czech Republic s.r.o.	Czech Republic	100%
DNV Business Assurance Czech Republic s.r.o.	Czech Republic	100%
DNV Denmark A/S	Denmark	100%

COMPANY NAME	COUNTRY	OWNERSHIP
Presafe Denmark A/S	Denmark	100%
DNV Business Assurance Denmark A/S	Denmark	100%
Nixu A/S	Denmark	100%
DNV Inspection Services Egypt LLC	Egypt	100%
DNV Egypt Limited	Egypt	100%
DNV Estonia OÜ	Estonia	100%
DNV Finland Oy Ab	Finland	100%
DNV Business Assurance Finland Oy Ab	Finland	100%
Nixu Corporation Oyj	Finland	100%
Nixu Certification Oy	Finland	100%
Nixu Finland Oy	Finland	100%
DNV France SARL	France	100%
DNV Business Assurance France SARL	France	100%
Germanischer Lloyd Gabon SARL	Gabon	100%
DNV MEDCERT GmbH	Germany	100%
DNV SE	Germany	100%
DNV Business Assurance Zertifizierung GmbH	Germany	100%
DNV Business Assurance Germany GmbH	Germany	100%
DUtrain GmbH	Germany	60%
DNV Renewables Certification GmbH	Germany	100%
DNV Maritime Software GmbH	Germany	100%
Germanischer Lloyd Industrial Services GmbH	Germany	100%
DNV Energy systems Germany GmbH	Germany	100%
ELBE Holding GmbH	Germany	100%
DNV Ghana Limited	Ghana	100%
DNV BmS Ghana JV Limited	Ghana	80%

## 30

## SUBSIDIARIES

COMPANY NAME	COUNTRY	OWNERSHIP
DNV HELLAS – CLASSIFICATION AND CERTIFICATION SERVICES SINGLE MEMBER SOCIETE ANONYME	Greece	100%
DNV Business Assurance Limited	Hong Kong	100%
DNV Business Assurance Magyarország Kft.	Hungary	100%
DNV Inspection India Private Limited	India	100%
DNV Shared Services India Private Limited	India	100%
DNV Business Assurance India Private Limited	India	100%
DNV GL Power Tic India Private Ltd	India	100%
DNV Energy India Private Limited	India	100%
DNV MES India Private Limited	India	100%
Noble Denton India Private Limited	India	100%
ANB Systems Private Limited	India	100%
PT DENVEGRAHA	Indonesia	100%
P.T. Noble Denton Utama	Indonesia	100%
P.T. Germanischer Lloyd Indonesia	Indonesia	100%
P.T. Germanischer Lloyd Nusantara	Indonesia	100%
Blár Akur ehf	Ireland	100%
Synergy Environmental Limited	Ireland	100%
DNV Israel Ltd	Israel	100%
DNV Maritime Italy S.r.l.	Italy	100%
DNV Business Assurance Italy S.r.l.	Italy	100%
Germanischer Lloyd Industrial Services Italia S.R.L.	Italy	100%
DNV Italy S.r.l.	Italy	100%
DNV Transportation Services S.r.l.	Italy	100%
DNV Business Assurance Japan K.K.	Japan	100%
Noble Denton Middle East Limited	Jersey	100%
Offshore Dynamics Limited (Jersey)	Jersey	100%

COMPANY NAME	COUNTRY	OWNERSHIP
DNV GL Kazakhstan LLP	Kazakhstan	100%
Germanischer Lloyd Industrial Services Kazakhstan Limited Liability Partnership	Kazakhstan	100%
DNV Kenya Limited	Kenya	100%
DNV Latvia SIA	Latvia	100%
Germanischer Lloyd - Lebanon S.A.R.L.	Lebanon	100%
DNV Lithuania UAB	Lithuania	100%
UAB Åkerblå LT	Lithuania	100%
MEDCERT (M) SDN BHD	Malaysia	100%
DNV Malaysia Sdn. Bhd.	Malaysia	100%
DNV International Sdn. Bhd.	Malaysia	100%
Germanischer Lloyd GLM Sdn.Bhd.	Malaysia	100%
Germanischer Lloyd Industrial Services Asia Sdn. Bhd.	Malaysia	100%
Noble Denton Malaysia SDN BHD	Malaysia	100%
Germanischer Lloyd (Malaysia) SDN BHD	Malaysia	100%
DNV Malta Ltd	Malta	100%
Germanischer Lloyd Universal Industrial Services Ltd.	Malta	100%
DNV México S.A. de C.V.	Mexico	100%
DNV Energy Systems Mexico S. de R.L. de C.V.	Mexico	100%
DNV Morocco SARL	Morocco	100%
DNV Mozambique Limitada	Mozambique	100%
DNV GL Myanmar Limited	Myanmar	100%
DNV Netherlands B.V.	Netherlands	100%
DNV Business Assurance B.V.	Netherlands	100%
Applied Risk Holding B.V.	Netherlands	100%
Applied Risk B.V.	Netherlands	100%
Nixu B.V.	Netherlands	100%

COMPANY NAME	COUNTRY	OWNERSHIP
DNV New Zealand Ltd.	New Zealand	100%
DNV Nigeria Limited	Nigeria	100%
Germanischer Lloyd Nigeria Limited	Nigeria	100%
DNV Muscat LLC	Oman	100%
Germanischer Lloyd Muscat LLC	Oman	100%
DNV Panama, Inc.	Panama	100%
Germanischer Lloyd Philippines, Inc.	Philippines	100%
DNV Poland Sp. z o.o.	Poland	100%
DNV Business Assurance Poland Sp. z o.o.	Poland	100%
DNV Portugal, Sociedade Unipessoal, Lda.	Portugal	100%
DNV Doha LLC	Qatar	100%
GL Noble Denton LLC	Qatar	100%
DNV Inspection Korea Ltd	Republic of Korea	100%
DNV Korea Ltd.	Republic of Korea	100%
DNV Business Assurance Korea Ltd.	Republic of Korea	100%
DNV Romania S.R.L.	Romania	100%
DNV Business Assurance Romania S.R.L.	Romania	100%
Nixu Cybersecurity SRL	Romania	100%
OOO DNV	Russia	100%
Germanischer Lloyd Industrial Services Saudi Arabia Co. Ltd	Saudi Arabia	100%
DNV For Energy Ltd.	Saudi Arabia	100%
DNV Middle East and North Africa Regional Headquarter	Saudi Arabia	100%
DNV Inspection Singapore PTE. LTD.	Singapore	100%
DNV Singapore Pte. Ltd.	Singapore	100%
DNV Business Assurance Singapore Pte. Ltd.	Singapore	100%

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## SUBSIDIARIES

COMPANY NAME	COUNTRY	OWNERSHIP
DNV Business Assurance Slovakia s.r.o.	Slovakia	100%
DNV South Africa (Pty) Ltd.	South Africa	100%
DNV Business Assurance South Africa (Pty) Ltd	South Africa	100%
Germanischer Lloyd South Africa (proprietary) Limited	South Africa	100%
DNV Maritime and Energy, S.L.U.	Spain	100%
DNV Business Assurance Spain, S.L.U.	Spain	100%
GL Garrad Hassan Iberica, S.L.U.	Spain	100%
DNV GreenPowerMonitor Sistemas de Monitorizacion, S.L.U.	Spain	100%
DNV Inspection Spain, S.L.U	Spain	100%
DNV Business Assurance Lanka (Private) Limited	Sri Lanka	100%
DNV COLOMBO (PRIVATE) LIMITED	Sri Lanka	100%
DNV Imatis AB	Sweden	80%
DNV Sweden AB	Sweden	100%
DNV Business Assurance Sweden AB	Sweden	100%
Nixu AB	Sweden	100%
DNV Switzerland SA	Switzerland	100%
DNV Business Assurance Co., Ltd	Taiwan	100%
DNV Inspection (Thailand) Co., Ltd.	Thailand	100%
DNV (Thailand) Co., Ltd.	Thailand	100%
DNV Trinidad and Tobago Limited	Trinidad and Tobago	100%
Germanischer Lloyd Nobel Denton Tunisie	Tunisia	100%
DNV Gemi Sınıflandırma Enerji Mühendislik Hizmetleri Limited Şirketi	Turkey	100%
DNV Imatis UK Limited	UK	80%
MBI Group Holdings Limited	UK	60%
MBI Holdings Limited	UK	60%

COMPANY NAME	COUNTRY	OWNERSHIP
MBI Healthcare Technologies Limited	UK	60%
DNV UK Limited	UK	100%
DNV Business Assurance UK Limited	UK	100%
DNV Business Assurance Services UK Limited	UK	100%
DNV Services UK Limited	UK	100%
Germanischer Lloyd Industrial Services Holdings (UK) Limited	UK	100%
GL Industrial Services UK Ltd.	UK	100%
Advantica Intellectual Property Limited	UK	100%
Noble Denton Group Limited	UK	100%
Noble Denton Holdings Limited	UK	100%
Garrad Hassan Group Limited	UK	100%
Applied Risk U.K. Ltd.	UK	100%
DNV Inspection UK Limited	UK	100%
Ecospan Environmental Limited	UK	51%
Ocean Ecology Limited	UK	51%
Tritonia Scientific Ltd.	UK	100%
LIMITED LIABILITY COMPANY "DNV UKRAINE"	Ukraine	100%
S.C. Germanischer Lloyd Ukraine	Ukraine	100%
MEDCERT-USA Holdings Corp.	USA	100%
MEDCERT-USA, LLC	USA	100%
DNV Inspection USA Inc.	USA	100%
DNV Holding USA Inc.	USA	100%
DNV Business Assurance USA Inc.	USA	100%
DNV Healthcare USA Inc.	USA	100%
DNV GL USA, Inc.	USA	100%
DNV Energy USA Inc.	USA	100%

COMPANY NAME	COUNTRY	OWNERSHIP
DNV Energy Services USA Inc.	USA	100%
DNV Energy Insights USA Inc.	USA	100%
DNV GL Noble Denton USA, LLC	USA	100%
DNV GreenPowerMonitor USA Inc.	USA	100%
DNV Renewables Certification USA LLC.	USA	100%
DNV Imatis US Inc.	USA	80%
ANB Systems LLC	USA	100%
DNV Vietnam Company Limited	Vietnam	100%
DNV Business Assurance Vietnam Co., Ltd	Vietnam	100%
Germanischer Lloyd Industrial Services Vietnam Co. Ltd.	Vietnam	100%

# Independent Auditor's Report

## TO THE GENERAL MEETING OF DNV GROUP AS

### Opinion

We have audited the financial statements of DNV Group AS, which comprise:

- the financial statements of the parent company DNV Group AS (the Company), which comprise the statement of financial position as at 31 December 2023, the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- the consolidated financial statements of DNV Group AS and its subsidiaries (the Group), which comprise the statement of financial position as at 31 December 2023, the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion

- the financial statements comply with applicable statutory requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with simplified application of international accounting standards according to section 3-9 of the Norwegian Accounting Act, and
- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with simplified application of international accounting standards according to section 3-9 of the Norwegian Accounting Act.

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company and the Group as required by 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Other Information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report and the other information accompanying the financial statements. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report nor the other information accompanying the financial statements.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report and the other information accompanying the financial statements. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the other information accompanying the financial statements and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report and the other information accompanying the financial statements otherwise appear to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report or the other information accompanying the financial statements. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable statutory requirements.

### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with simplified application of international accounting standards according to the Norwegian Accounting Act section 3-9, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Oslo, 21 March 2024  
KPMG AS

Mona Irene Larsen  
State Authorised Public Accountant  
(This document is signed electronically)

# Independent Limited Assurance Report on DNV's Sustainability Reporting

## TO THE MANAGEMENT OF DNV GROUP AS (DNV)

### Conclusion

We have performed a limited assurance engagement on whether DNV's ("The entity") Sustainability Report included in The Annual Report ("the Report") for the year ended 31 December 2023 has been prepared in all material respect in accordance with the Global Reporting Initiative (GRI) Universal Standards 2021 ('GRI Standards').

Based on the procedures performed and the evidence obtained nothing has come to our attention that causes us to believe that the Report is not prepared, in all material respects, in accordance with the GRI Standards as described on pages 167-171 of the Report.

### Basis for conclusion

We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance Engagements Other Than Audits or Reviews of Historical Financial Information, issued by the International Auditing and Assurance Standards Board (IAASB). Our responsibilities under this standard are further described in the "Our responsibilities" section of our report.

We are independent of the Company as required by 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 Management (ISQM) 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, issued by the IAASB. This standard requires the firm to design, implement and operate a system

of quality management, including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

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

### Management's responsibility

The Board of Directors and the Managing Director ("management") are responsible for the preparation of the Report, and the information and assertions contained within it, in accordance with the GRI Standards as described on pages 167-171 of the Report.

Management is also responsible for such internal control as management determines is necessary to enable the preparation of a Report that are free from material misstatement, whether due to fraud or error, and for preventing and detecting fraud and for identifying and ensuring that the entity complies with laws and regulations applicable to its activities.

### Inherent limitations

Due to the inherent limitations of any internal control, it is possible that errors or misstatements in the information presented in the Report may occur and not be detected. Our engagement is not designed to detect all weaknesses in the internal controls over the preparation of the Report, as the engagement has not been performed continuously throughout the period and the procedures performed were undertaken on a test basis.

### Our Responsibility

Our responsibility is to perform a limited assurance engagement and to express a conclusion based on the work performed.

We are responsible for:

- planning and performing the engagement to obtain limited assurance about whether the Report is free from material misstatement, whether due to fraud or error

- forming an independent conclusion, based on the procedures we have performed and the evidence we have obtained; and
- reporting our conclusion to the Board of Directors of DNV.

The scope of our limited assurance engagement excludes future events or the achievability of the objectives, targets and expectations of the entity. The scope also excludes information contained in webpages referred to in the Report unless specified in this limited assurance report.

### Procedures performed

We exercised professional judgment and maintained professional skepticism throughout the engagement. We designed and performed our procedures to obtain evidence about the Sustainability Report included in The Annual Report that is sufficient and appropriate to provide a basis for our conclusion. A limited assurance engagement consists of making inquiries, primarily of persons responsible for the preparation of information presented in the Report, and applying analytical and other evidence gathering procedures, as appropriate. Our procedures selected depend on our understanding of the Report and other engagement circumstances, and our considerations of areas where material misstatements are likely to arise. We performed the following procedures:

- Comparing the information presented in the report to the relevant criteria imposed by GRI.
- A risk analysis, including a media search, to identify relevant sustainability issues for the entity in the reporting period.
- Inquiries of management to gain an understanding of the entity's processes for determining the material issues for the entity's key stakeholder groups.
- Interviews with senior management and relevant staff at group level and selected business unit level concerning sustainability strategy and policies for material issues, and the implementation of these across the business.

- Interviews with relevant staff at the corporate and business unit level responsible for providing the information in the Report.
- Reviewing relevant internal and external documentation, on a limited test basis, in order to determine the reliability of the Report, including but not limited to; On a test basis reconciled CO<sub>2</sub> emissions in spreadsheet prepared by DNV to underlying documentation. We refer to table 15 on page 90 of DNV's Annual Report for the GHG emissions.
- Comparing the information presented in the Report to corresponding information in the relevant underlying sources to determine whether all the relevant information contained in such underlying sources has been included in the Report.
- Reading the information presented in the Report to determine whether it is in line with our overall knowledge of, and experience with, the sustainability performance of the entity.
- Comparing the information presented in the Report to the GRI Standards and the applied reporting criteria as described on pages 167-171 of the Report.
- Reviewed the information in the GRI Index presented in the Report as on pages 167-171 of the Report.

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, 21.03.2024  
KPMG AS

Mona Irene Larsen  
State Authorized Public Accountant

# GRI and ESRS index

The DNV 2023 annual report has been prepared in accordance with the Global Reporting Initiative (GRI) Universal Standards. The report is independently assured by KPMG and their [independent auditors assurance report](#) can be found on page 166. This report also constitutes our Communication on Progress to the UN Global Compact.

In this year's report we have started to present compliance towards ESRS requirements, based on the [GRI-ESRS interoperability index](#).

## Note on restated information (GRI 2-4)

Our emissions inventory reporting includes more information than in previous years. Additional emissions have been added to historical data as well in order to ensure that the baseline is comparable to the 2023 data. These additional sources of emissions have affected our carbon footprint per employee calculations. In addition, we have updated the number of employees in 2022 to include acquired companies, and we corrected the sqm of our offices to remove an office space that was double-counted in 2022. That affected the percentage of green certified office space in 2022.

● External links

● Links in this document

## GRI DISCLOSURE

## ESRS DISCLOSURE

## WHERE REPORTED 2023

### GENERAL STANDARD DISCLOSURES

2-1	Organizational details		Group structure <a href="#">page 14</a> <a href="#">Corporate Governance Report</a> - section 0
2-2	Entities included in the organization's sustainability reporting	<a href="#">ESRS 1</a> 5.1; <a href="#">ESRS 2</a> BP-1 §5 (a) and (b) i	Group structure <a href="#">page 14</a>
2-3	Reporting period, frequency and contact point	<a href="#">ESRS 1</a> §73	2023, Annual, Ellen Skarsgård
2-4	Restatements of information	<a href="#">ESRS 2</a> BP-2 §13, §14 (a) to (b)	CO <sub>2</sub> /employee (2022 and 2019) <a href="#">page 43</a> Workforce (2022) <a href="#">page 61</a> Carbon footprint/employee (2022) <a href="#">page 86</a> GHG Emissions (Footnote 5) <a href="#">page 90</a> Green certified offices (2022) <a href="#">page 92</a>
2-5	External assurance		KPMG Assurance Report <a href="#">page 166</a>
2-6	Activities, value chain and other business relationships	<a href="#">ESRS 2</a> SBM-1 §40 (a) i to (a) ii, (b) to (c), §42 (c)	Business areas at a glance <a href="#">page 15</a> Markets <a href="#">pages 19-37</a> How we add value - Contributors to our business model <a href="#">pages 39-41</a>
2-7	Employees	<a href="#">ESRS 2</a> SBM-1 §40 (a) iii; <a href="#">ESRS S1</a> S1-6 §50 (a) to (b) and (d) to (e), §51 to §52	Key figures on <a href="#">page 6</a> Talent attraction, retention, and development - Metrics and data (table 03) <a href="#">page 65</a>
2-8	Workers who are not employees	<a href="#">ESRS S1</a> S1-7 §55 to §56 <sup>1</sup>	Talent attraction, retention, and development - Metrics and data (table 03) <a href="#">page 65</a>
2-9	Governance structure and composition	<a href="#">ESRS 2</a> GOV-1 §21, §22 (a), §23; <a href="#">ESRS G1</a> §5 (b)	<a href="#">Corporate Governance Report</a> - section 9 Board of Directors' profiles <a href="#">page 121</a>
2-10	Nomination and selection of the highest governance body		<a href="#">Corporate Governance Report</a> - section 7

GRI DISCLOSURE	ESRS DISCLOSURE	WHERE REPORTED 2023
<b>2-11</b>	Chair of the highest governance body	Board of Directors' profiles <a href="#">page 121</a> Board of Directors' report <a href="#">page 109</a>
<b>2-12</b>	Role of the highest governance body in overseeing the management of impacts	<a href="#">Corporate Governance Report</a> - section 9
<b>2-13</b>	Delegation of responsibility for managing impacts	How we create value - Sustainability governance <a href="#">page 42</a>
<b>2-14</b>	Role of the highest governance body in sustainability reporting	
<b>2-15</b>	Conflicts of interest	<a href="#">Corporate Governance Report</a> - section 9 <a href="#">Public impartiality statement</a>
<b>2-16</b>	Communication of critical concerns	Ethical and responsible business conduct - Governance <a href="#">page 98</a> - Reporting of misconduct <a href="#">page 99</a> <a href="#">Corporate Governance Report</a> - section 10
<b>2-17</b>	Collective knowledge of the highest governance body	<a href="#">Corporate Governance Report</a> - section 8
<b>2-18</b>	Evaluation of the performance of the highest governance body	<a href="#">Corporate Governance Report</a> - section 9
<b>2-19</b>	Remuneration policies	Talent attraction, retention, and development - Approach and management <a href="#">page 63</a>
<b>2-20</b>	Process to determine remuneration	Financial statements - Note 4 <a href="#">page 135</a>
<b>2-21</b>	Annual total compensation ratio	Talent attraction, retention, and development - Metrics and data (table 09) <a href="#">page 67</a> - Pay and benefits and Profit sharing sections <a href="#">pages 63-64</a>  Financial performance - Note 4 <a href="#">page 135</a>

GRI DISCLOSURE	ESRS DISCLOSURE	WHERE REPORTED 2023
<b>2-22</b>	Statement on sustainable development strategy	<a href="#">dnv.com/about/sustainability/policies</a>
<b>2-23</b>	Policy commitments	Ethical and responsible business conduct - Approach and management <a href="#">page 97</a>  Human rights <a href="#">page 77-79</a>  <a href="#">Human rights statement</a>
<b>2-24</b>	Embedding policy commitments	<a href="#">Policies</a>
<b>2-25</b>	Processes to remediate negative impacts	Ethical and responsible business conduct - Reporting misconduct <a href="#">page 99</a>  Human rights - Approach and management <a href="#">page 78</a>
<b>2-26</b>	Mechanisms for seeking advice and raising concerns	<a href="#">dnv.com/about/sustainability/misconduct</a>
<b>2-27</b>	Compliance with laws and regulations	Ethical and responsible business conduct - Approach and management <a href="#">page 97</a> - Legal action <a href="#">page 97</a> Board of Directors' report - Business ethics and anti-corruption <a href="#">page 117</a>
<b>2-28</b>	Membership associations	How we create value - Engaging with society <a href="#">page 49</a>
<b>2-29</b>	Approach to stakeholder engagement	How we create value - Our stakeholders <a href="#">page 48</a> - Engaging with society <a href="#">page 49</a>
<b>2-30</b>	Collective bargaining agreements	Talent attraction, retention, and development - Approach and management Freedom of association and collective agreements <a href="#">page 63</a>



GRI DISCLOSURE		ESRS DISCLOSURE	WHERE REPORTED 2023
<b>MATERIAL TOPICS</b>			
<b>3-1</b>	Process to determine material topics	<b>ESRS 2</b> BP-1 §AR 1 (a); IRO-1 §53 (b) ii to (b) iv	Our materiality assessment <a href="#">pages 46-47</a>
<b>3-2</b>	List of material topics	<b>ESRS 2</b> SBM-3 §48 (a) and (g)	
<b>ANTI-CORRUPTION</b>			
<b>3-3</b>	Management of material topics	<b>ESRS G1</b> G1-1 §7; G1-3 §16 and §18 (a) and §24 (b)	Ethical and responsible business conduct <a href="#">page 95</a>
<b>205-1</b>	Operations assessed for risks related to corruption	<b>ESRS G1</b> G1-3 §AR 5 <sup>3</sup>	Ethical and responsible business conduct - Code of conduct awareness <a href="#">page 97</a> - Anti-corruption <a href="#">page 99</a>
<b>205-2</b>	Communication and training about anti-corruption policies and procedures	<b>ESRS G1</b> G1-3 §20, §21 (b) and (c) and §AR 7 and 8 <sup>3</sup>	
<b>205-3</b>	Confirmed incidents of corruption and actions taken	<b>ESRS G1</b> G1-4 §25	Ethical and responsible business conduct - Approach and management <a href="#">page 97</a> - Metrics and data (table 18) <a href="#">page 99</a>
<b>ANTI-COMPETITIVE BEHAVIOR</b>			
<b>3-3</b>	Management of material topics		Ethical and responsible business conduct <a href="#">page 95</a>
<b>206-1</b>	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices		Ethical and responsible business conduct - Approach and management <a href="#">page 97</a> - Metrics and data (table 18) <a href="#">page 99</a> Board of Directors' report - Business ethics and anti-corruption <a href="#">page 118</a>
<b>EMISSIONS</b>			
<b>3-3</b>	Management of material topics	<b>ESRS E1</b> E1-2 §22; E1-3 §26; E1-4 §33 and §34 (b); E1-7 §56 (b) and §61 (c)	Environment and climate <a href="#">page 85</a>
<b>305-1</b>	Direct (Scope 1) GHG emissions	<b>ESRS E1</b> E1-4 §34 (c); E1-6 §44 (a); §46; §50; §AR 25 (b) and (c); §AR 39 (a) to (d); §AR 40; AR §43 (c) to (d)	Environment and climate - Metrics and data (table 15) <a href="#">page 90</a>

GRI DISCLOSURE		ESRS DISCLOSURE	WHERE REPORTED 2023
<b>305-2</b>	Energy indirect (Scope 2) GHG emissions		Environment and climate - Metrics and data (table 15) <a href="#">page 90</a>
<b>305-3</b>	Other indirect (Scope 3) GHG emissions	<b>ESRS E1</b> E1-4 §34 (c); E1-6 §44 (c); §51; §AR 25 (b) and (c); §AR 39 (a) to (d); §AR 46 (a) (i) to (k)	
<b>305-4</b>	GHG emissions intensity	<b>ESRS E1</b> E1-6 §53; §54; §AR 39 (c); §AR 53 (a) <sup>2</sup>	Environment and climate - Metrics and data (table 16) <a href="#">page 90</a>
<b>305-5</b>	Reduction of GHG emissions	<b>ESRS E1</b> E1-3 §29 (b); E1-4 §34 (c); §AR 25 (b) and (c); E1-7 §56	
<b>305-7</b>	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions		Not applicable
<b>SUPPLIER ENVIRONMENTAL ASSESSMENT</b>			
<b>3-3</b>	Management of material topics	<b>ESRS G1</b> G1-2 §12 and §15 (a)	Sustainable supply chain <a href="#">page 91</a>
<b>308-1</b>	New suppliers that were screened using environmental criteria	<b>ESRS G1</b> G1-2 §15 (b) <sup>3</sup>	Sustainable supply chain - Progress in 2023 <a href="#">page 92</a>
<b>308-2</b>	Negative environmental impacts in the supply chain and actions taken	<b>ESRS 2</b> SBM-3 §48 (c) i and iv	Sustainable supply chain - Progress in 2023 <a href="#">page 92</a>
<b>EMPLOYMENT</b>			
<b>3-3</b>	Management of material topics	<b>ESRS S1</b> S1-1 §17; §20 (c); S1-2 §27; S1-4 §38; §39; §AR 40 (a); S1-5 §44; §47 (b) and (c); <b>ESRS S2</b> §11 (c); S2-1 §14; §17 (c); S2-2 §22; S2-4 §32; §33 (a) and (b); §36; §AR 33; §AR 36 (a); S2-5 §39, §42 (b) and (c)	Talent attraction, retention, and development <a href="#">page 60</a>
<b>401-1</b>	New employee hires and employee turnover	<b>ESRS S1</b> S1-6 §50 (c) <sup>2</sup>	Talent attraction, retention, and development (table 05) <a href="#">page 66</a>
<b>401-2</b>	Benefits provided to full-time employees that are not provided to temporary or part-time employees	<b>ESRS S1</b> S1-11 §74; §75; §AR 75	Talent attraction, retention, and development - Pay and benefits <a href="#">page 63-64</a>
<b>401-3</b>	Parental leave	<b>ESRS S1</b> S1-15 §93 <sup>2</sup>	

GRI DISCLOSURE	ESRS DISCLOSURE	WHERE REPORTED 2023
<b>OCCUPATIONAL HEALTH AND SAFETY</b>		
<b>3-3</b>	Management of material topics <b>ESRS S1</b> S1-1 §17; §20 (c); S1-2 §27; S1-4 §38; §39; §AR 40 (a); S1-5 §44; §47 (b) and (c); <b>ESRS S2</b> §11 (c); S2-1 §14; §17 (c); S2- 2 §22; S2-4 §32; §33 (a) and (b); §36; §AR 33; §AR 36 (a); S2-5 §39, §42 (b) and (c)	Employee safety, wellbeing, and resilience <a href="#">page 80</a>
<b>403-1</b>	Occupational health and safety management system <b>ESRS S1</b> S1-1 §23	Employee safety, wellbeing, and resilience - Approach and management <a href="#">page 83</a>
<b>403-2</b>	Hazard identification, risk assessment, and incident investigation <b>ESRS S1</b> S1-3 §32 (b) and §33	
<b>403-3</b>	Occupational health services	Employee safety, wellbeing, and resilience - Progress in 2023 <a href="#">page 81</a> - Psychological safety as a pre-requisite for safety and resilience <a href="#">page 81</a>
<b>403-4</b>	Worker participation, consultation, and communication on occupational health and safety	Employee safety, wellbeing, and resilience - Approach and management <a href="#">page 83</a> - Involving employees <a href="#">page 83</a>
<b>403-5</b>	Worker training on occupational health and safety	Employee safety, wellbeing, and resilience - Progress in 2023 <a href="#">page 81</a>
<b>403-6</b>	Promotion of worker health	
<b>403-7</b>	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships <b>ESRS S2</b> S2-4 §32 (a)	Employee safety, wellbeing, and resilience - Approach and management <a href="#">page 83</a>
<b>403-8</b>	Workers covered by an occupational health and safety management system <b>ESRS S1</b> S1-14 §88 (a); §90 <sup>5</sup>	Employee safety, wellbeing, and resilience - Approach and management <a href="#">page 83</a>
<b>403-9</b>	Work-related injuries <b>ESRS S1</b> S1-4, §38 (a); S1-14 §88 (b) and (c); §AR 82 <sup>2/5</sup>	Employee safety, wellbeing, and resilience - Approach and management <a href="#">page 83</a> - Metrics and data <a href="#">page 84</a>
<b>403-10</b>	Work-related ill health <b>ESRS S1</b> S1-4, §38 (a); S1-14 §88 (b) and (d); §89; §AR 82 <sup>2/5</sup>	

GRI DISCLOSURE	ESRS DISCLOSURE	WHERE REPORTED 2023
<b>TRAINING AND EDUCATION</b>		
<b>3-3</b>	Management of material topics <b>ESRS S1</b> S1-1 §17; §20 (c); S1-2 §27; S1-4 §38; §39; §AR 40 (a); S1-5 §44; §47 (b) and (c); <b>ESRS S2</b> §11 (c); S2-1 §14; §17 (c); S2- 2 §22; S2-4 §32; §33 (a) and (b); §36; §AR 33; §AR 36 (a); S2-5 §39, §42 (b) and (c)	Talent attraction, retention, and development <a href="#">page 60</a>
<b>404-1</b>	Average hours of training per year per employee <b>ESRS S1</b> S1-13 §83 (b) and §84	Talent attraction, retention, and development - Metrics and data (table 06) <a href="#">page 67</a>
<b>404-2</b>	Programmes for upgrading employee skills and transition assistance programmes <b>ESRS S1</b> S1-1 §AR 17 (h)	Talent attraction, retention, and development - Developing competence <a href="#">page 62</a> - Employee training and development <a href="#">page 63</a> - How headcount reductions are managed <a href="#">page 64</a>
<b>404-3</b>	Percentage of employees receiving regular performance and career development reviews <b>ESRS S1</b> S1-13 §83 (a) and §84	Talent attraction, retention, and development - Approach and management <a href="#">page 62</a> - Metrics and data (table 07) <a href="#">page 67</a>
<b>DIVERSITY AND EQUAL OPPORTUNITY</b>		
<b>3-3</b>	Management of material topics <b>ESRS S1</b> S1-1 §17; §20 (c); S1-2 §27; S1-4 §38; §39; §AR 40 (a); S1-5 §44; §47 (b) and (c); <b>ESRS S2</b> §11 (c); S2-1 §14; §17 (c); S2- 2 §22; S2-4 §32; §33 (a) and (b); §36; §AR 33; §AR 36 (a); S2-5 §39, §42 (b) and (c) <b>ESRS S1</b> §24 (a)	Diversity, equity, and inclusion <a href="#">page 68</a>
<b>405-1</b>	Diversity of governance bodies and employees <b>ESRS 2 GOV-1</b> §21 (d); <b>ESRS S1</b> S1-6 §50 (a); S1-9 §66 (a) to (b); S1-12 §79 <sup>2</sup>	Talent attraction, development, and retention - Metrics and data <a href="#">page 66</a> Diversity, equity and inclusion - Metrics and data <a href="#">page 75</a> Executive Committee <a href="#">page 16</a> Board of Directors' profiles <a href="#">page 121</a> Board of Directors' report - Governance <a href="#">page 114</a> <a href="#">Corporate Governance Report</a> - section 8
<b>405-2</b>	Ratio of basic salary and remuneration of women to men <b>ESRS S1</b> S1-16 §97 and §98	Diversity, equity, and inclusion - Metrics and data (table 13) <a href="#">page 75</a>

## GRI DISCLOSURE

## ESRS DISCLOSURE

## WHERE REPORTED 2023

NON-DISCRIMINATION			
3-3	Management of material topics	ESRS S1 S1-1 §17; §20 (c); §24 (a) and (d); S1-2 §27; S1-4 §38; §39; §AR 40 (a); S1-5 §44; §47 (b) and (c); ESRS S2 §11 (c); S2- 1 §14; §17 (c); S2-2 §22; S2-4 §32; §33 (a) and (b); §36; §AR 33; §AR 36 (a); S2-5 §39, §42 (b) and (c);	Diversity, equity, and inclusion <a href="#">page 68</a> Human rights <a href="#">page 76</a>
406-1	Incidents of discrimination and corrective actions taken	ESRS S1 S1-17 §97, §103 (a), §AR 103	Ethical and responsible business conduct - Table 18 <a href="#">page 99</a>

## FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING

3-3	Management of material topics	ESRS S1 S1-1 §17; §20 (c); S1-2 §27; S1-4 §38; §39; §AR 40 (a); S1-5 §44; §47 (b) and (c); ESRS S2 §11 (c); S2-1 §14; §17 (c); S2- 2 §22; S2-4 §32; §33 (a) and (b); §36; §AR 33; §AR 36 (a); S2-5 §39, §42 (b) and (c)	Talent attraction, retention, and development - Approach and management <a href="#">page 63</a> - Freedom of association and collective agreements <a href="#">page 63</a>
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## SUPPLIER SOCIAL ASSESSMENT

3-3	Management of material topics	ESRS G1 G1-2 §12 and §15 (a)	Sustainable supply chain <a href="#">page 91</a>
414-1	New suppliers that were screened using social criteria	ESRS G1 G1-2 §15 (b) <sup>3</sup>	Sustainable supply chain - Progress 2023 <a href="#">page 96</a> - Approach and management <a href="#">page 97</a>
414-2	Negative social impacts in the supply chain and actions taken	ESRS 2 SBM-3 §48 (c) i and iv	Human rights - Approach and management <a href="#">page 78</a> Ethical and responsible business conduct <a href="#">page 95</a> Sustainable supply chain <a href="#">page 91</a> <a href="#">Our approach to human rights</a>

## CUSTOMER PRIVACY

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- 1 Difference in definition of non-employees: GRI 2-8 covers workers who are not employees and whose work is controlled by the organization. ESRS S1-7 covers non-employee workers (people with contracts with the undertaking to supply labour ("self-employed people") or people provided by undertakings primarily engaged in "employment activities" (NACE Code N78)).
- 2 Difference in granularity. GRI 305-4 requires reporting the intensity ratio for Scope 3 GHG emissions separately from Scope 1 and Scope 2. ESRS requires reporting the intensity ratio for the total GHG emissions.
- 3 Difference in data type. GRI 308-1 requires quantitative data on the extent of new suppliers screened based on environmental criteria. ESRS G1-2 requires a narrative disclosure.

- 4 Differences in scope: GRI and ESRS disclosures have the same disclosure objective but differ in how data points are formulated.
- 5 Differences in scope: GRI 403 covers employees and workers who are not employees but whose work and/or workplace is controlled by the organization. ESRS S1-14 covers employees and non-employee workers (people with contracts with the undertaking to supply labour ("self-employed people") or people provided by undertakings primarily engaged in "employment activities" (NACE Code N78)). For fatalities, ESRS S1-14 covers workers working on the undertaking's sites.

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