Driven by our purpose of safeguarding life, property and the environment, we enable organizations to advance the safety and sustainability of their business.

We provide classification, technical assurance, software and independent expert advisory services to the maritime, oil & gas and energy industries. We also provide certification services to customers across a wide range of industries.

Combining leading technical and operational expertise, risk methodology and in-depth industry knowledge, we empower our customers’ decisions and actions with trust and confidence. We continuously invest in research and collaborative innovation to provide customers and society with operational and technological foresight.

With origins stretching back to 1864, our reach today is global. Operating in more than 100 countries, our 16,000 professionals are dedicated to helping customers make the world safer, smarter and greener.
DNV GL is committed to the 10 universal principles in the areas of human and labour rights, environmental standards and anti-corruption. It signed the UN Global Compact in 2003. DNV GL works to continuously demonstrate responsible practice in these areas within its own organization as well as advancing these principles with others through its objective to safeguard life, property and the environment.
HIGHLIGHTS

FIRST FULL YEAR AS A MERGED COMPANY

2014 was the first full year of operation for DNV GL following the closing of the merger between DNV and GL in September 2013.

139 OFFICES MERGED ACROSS THE WORLD

We merged offices in locations where both legacy DNV and legacy GL were present. Although the number of offices was reduced by 139, it still leaves us with one of the industry’s widest and densest global networks, with 381 offices all over the world.

150TH ANNIVERSARY

Our proud history dates back to 1864. We used the 150th anniversary to engage with 8,000 key customers and other important stakeholders, in addition to our employees, about how we can contribute to a safe and sustainable future.

ACQUISITIONS

While concentrating our efforts on merging DNV and GL, we grew our activities with minor acquisitions: a software control testing company, Marine Cybernetics, and a solar panel testing expert, PV Evolution Labs. We also increased our minority shareholding in the weather company StormGeo.

NEW BRAND ROLLED OUT GLOBALLY

The DNV GL brand was introduced in December 2013, but was implemented across all our operations and activities during 2014: from office signage, clothing, stationery and vehicles, to marketing material, websites, documents and software systems.

STRONG COMMITMENT TO INNOVATION

We reconfirmed our commitment to invest 5% of annual revenues in research and innovation, only now from a much larger revenue base. Activities included long-term strategic research and insights for the maritime, oil and gas, power and healthcare sectors, and a range of collaborative innovation projects.

CONSOLIDATED OUR LEADING POSITIONS IN THE FIELD OF LABORATORY TESTING

We tripled the size of our laboratory in Singapore to deliver testing and innovative solutions for the marine and offshore industries. Our Euro 70 million investment in the world’s leading high power laboratory in the Netherlands progressed according to plan and will be finished in 2016. In New York, we opened a battery and energy storage technology testing and commercialization centre.

IMPLEMENTATION OF COMMON IT AND MANAGEMENT SYSTEMS

We implemented common IT and management systems across our global operations and legacy companies to align the way we work and enable seamless collaboration. The end goal is to serve our customers in an efficient, consistent and professional manner.
**KEY FIGURES**

**REVENUE (MILLION NOK)**

<table>
<thead>
<tr>
<th>LAST FIVE YEARS</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>16,000</td>
<td>18,933</td>
<td>21,623</td>
<td>23,882</td>
<td>21,623</td>
</tr>
</tbody>
</table>

**PER BUSINESS AREA**

- **MARITIME**: 8,806
- **OIL & GAS**: 4,264
- **ENERGY**: 3,122
- **BUSINESS ASSURANCE**: 2,492
- **SOFTWARE**: 783
- **OTHER**: 156

2013: DNV Group and GL Group merged with effect from 1 October.

2012: Key figures for 2012 have been restated to reflect the demerger of DNV Petroleum Services and the real estate companies in Norway (effective 1 Jan. 2013).

2009–2011: Key figures for the years 2009–2011 are in line with financial figures as presented in the audited financial accounts of Det Norske Veritas Group AS for these years.

**NUMBER OF EMPLOYEES**

<table>
<thead>
<tr>
<th>LAST FIVE YEARS</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>12,000</td>
<td>14,000</td>
<td>15,712</td>
<td>16,087</td>
<td>15,712</td>
</tr>
</tbody>
</table>

**PER BUSINESS AREA**

- **MARITIME**: 4,936
- **OIL & GAS**: 4,448
- **ENERGY**: 2,479
- **BUSINESS ASSURANCE**: 1,836
- **OTHER**: 1,687
- **SOFTWARE**: 726

**EBITA (MILLION NOK)**

<table>
<thead>
<tr>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>2,000</td>
<td>2,203</td>
<td>2,357</td>
<td>2,031</td>
<td>2,031</td>
</tr>
</tbody>
</table>

**EBITA MARGIN (%)**

<table>
<thead>
<tr>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>10.5</td>
<td>11.6%</td>
<td>10.7%</td>
<td>10.5%</td>
<td>10.5%</td>
</tr>
</tbody>
</table>

**EBIT / OPERATING PROFIT (MILLION NOK)**

<table>
<thead>
<tr>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,600</td>
<td>1,996</td>
<td>1,998</td>
<td>1,932</td>
<td>1,932</td>
</tr>
</tbody>
</table>

**EQUITY RATIO (%)**

<table>
<thead>
<tr>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>55.2%</td>
<td>59.6%</td>
<td>55.2%</td>
<td>55.2%</td>
<td>55.2%</td>
</tr>
</tbody>
</table>

* Group functions, Research & Innovation and shared services
We serve our customers through four business areas and two independent business units.

**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 services
- Training and competence-related services

**OIL & GAS**
From the drawing board to decommissioning, we provide technical advice to enable oil and gas companies to enhance safety, increase reliability and manage costs in projects and operations.

SERVICES INCLUDE:
- Risk management advisory
- Technical advisory
- Noble Denton marine assurance & advisory
- Technical assurance - Certification and verification - Inspection services

**ENERGY**
We support our customers across the electric power value chain in ensuring reliable, efficient and sustainable energy supply.

SERVICES INCLUDE:
- Power testing, inspections and certification
- Renewables advisory services
- Renewables certification
- Electricity transmission and distribution advisory services
- Energy efficiency services

**BUSINESS ASSURANCE**
We help customers in all industry sectors build sustainable business performance and create stakeholder trust.

SERVICES INCLUDE:
- Management system certification
- Product assurance
- Supply chain assessment and assurance
- Sustainability strategy and reporting
- Certification of persons
- Training services
- Food & beverage certification and assessment
- Healthcare accreditation and assessment

**SOFTWARE**
PRODUCTS INCLUDE SOFTWARE FOR:
- Design and engineering
- Process safety, risk and reliability
- QHSE and enterprise risk management
- Simulation and optimization
- Asset integrity and performance
- Maritime and class
- Electric grid reliability and performance

**MARINE CYBERNETICS**
PRODUCTS INCLUDE:
- Hardware-in-the-loop testing of control systems software
- Dynamic capability analysis
- Cybersecurity and network resilience
CEO’S MESSAGE

10 11 ANNUAL REPORT 2014

1 CEO’S MESSAGE
Henrik O. Madsen
President & CEO
DNV GL Group

We reached a double milestone in 2014: our 150th anniversary and first year of operation as DNV GL. I am very proud of our strong legacy and not least the start of a new era following the merger of DNV and GL. Under the theme ‘Year One – 150 Years’, we chose not just to look back at our 150-year history, but also to look forward. We acknowledge and reported on the future of shipping, electrification, transformation technologies, climate change adaptation and the Arctic – displaying industry pathways to a safe and sustainable future.

The integration of two such global companies as DNV and GL has obviously been complex and a lot of hard work. Our ambition for this first full year of operation have been to maintain the high quality of services to customers while aligning our employees, integrating service lines and establishing common systems, tools and processes. Almost 16,000 employees are now able to work on a single platform, giving us the ability to effectively help improve our customers’ business performance.

Our people have physically come together in common office buildings in almost all of our 380 locations around the world, and our new brand has been implemented across thousands of touch points during the year. The integration has been demanding, but has progressed according to plan and I am proud of what we have achieved using our own people and in a short time frame.

The rationale for the merger was to create a global leader that could better enable our customers to advance their business performance in a safe, efficient and sustainable manner; by offering a broader set of services and unrivalled technical expertise and innovation, and by being an impartial partner that adds value along the entire shipping, oil & gas and energy value chains in more than 150 countries. I think we have already come a long way in realizing that goal, as you will see evidence of in this report.

FIRST YEAR AS ONE IN OUR 150TH YEAR

FROM MAKING THINGS WORK TO MAKING THINGS GREAT.
There is still some work to do before we can state that the integration is complete. While we have spent a lot of resources on making things work in the merged organization, we are now ready to make the organization even greater – for our customers and for our employees. We are currently finalizing the harmonization of the ship and offshore classification rules of legacy DNV and legacy GL. These rules represent the backbone of many of our services. Our ambition is not just to take the best from the existing rule sets but also to develop the most modern and forward-looking set of risk- and performance-based classification rules. We are combining almost 300 years of accumulated knowledge to create this new benchmark for the maritime industry. We are producing 30,000 pages of technical documentation covering all ship types and 250 experts are working to finalize the new rule set by early 2016.

CHALLENGING MARKETS.
DNV GL operates in market segments that are cyclical of nature and sensitive to changes in the international economy. Lower freight and charter rates in the maritime industry and a lower oil price create market challenges that we must face by becoming even better at addressing our customers’ short- and long-term challenges. I am confident that we have laid a solid foundation for being the most trusted and preferred technical partner to help our customers improve their safety, quality and operational efficiency. A new service concept in which we provide our maritime customers across the globe with around-the-clock direct access to our technical experts is a recent example of our increased responsiveness.

Global demand for energy will continue to grow, but we are in dire need of an energy transition that makes us less reliant on fossil energy sources. Our role is to enable many manufacturers, utilities, project developers and regulators in the power sector to address the energy triangle: clean, affordable and reliable energy. In the past year, we streamlined our service offering to focus on this challenge and will continue to do so in 2015. With technical expertise spanning renewable energy, power transmission and distribution, I believe we are uniquely positioned to facilitate this energy transition.

Our Business Assurance arm serves all industry sectors and the healthy growth in the certification of management systems and supply chain services has proven quite resilient.

Looking to the future, DNV GL’s ambition is to be a global leader in the provision of trusted independent advice and certification services. DNV GL serves more than 10,000 companies in over 150 countries. We are cornerstones in achieving sustainable development in a safe, smart and green world. I am confident that our continued focus on safety, quality and efficiency will enable our customers to become safer, smarter and greener.

The increase in our portfolio of laboratories and testing facilities means that our emissions and waste generation have also grown. We need to improve both the environmental performance of and reporting from these sites going forward. We continue to support the UN Global Compact principles relating to human rights, labour practices, the environment and anti-corruption. You will find details of our performance and goals in these areas in the ‘How we work’ section of this report.

As a global knowledge company, we rely entirely on our people, so promoting the continued well-being, competence and development of our employees is fundamental to our success. Employee engagement, well-being and staff retention remained high during the integration period.

All in all, I am very proud of all our accomplishments in 2014, including our financial results and the way in which we helped to engage others in supporting our vision of a safe and sustainable future. There is no doubt that some of our main markets are facing tough times ahead. DNV GL will not remain unaffected, but I have strong confidence in our ability to constantly improve and adapt. We are currently developing a new strategy for 2016–2020 and have involved many parts of our organization and a large number of our customers and stakeholders in this process.

I AM CONFIDENT THAT WE HAVE LAID A SOLID FOUNDATION FOR BEING THE MOST TRUSTED AND PREFERRED TECHNICAL PARTNER TO HELP OUR CUSTOMERS IMPROVE THEIR SAFETY, QUALITY AND OPERATIONAL EFFICIENCY.

DNV GL is built on a solid foundation. It rests on our purpose of safeguarding life, property and the environment and our vision of having a global impact for a safe and sustainable future. Our 16,000 employees live our values every day and they share a passion to help our customers become safer, smarter and greener.

Henrik O. Madsen
President & CEO
DNV GL Group
2014 was the first full financial year of DNV GL Group AS (DNV GL) following the merger between DNV and GL in September 2013. The company achieved revenues for 2014 of NOK 21,623 million and consolidated its position as a global leader in classification, certification and technical advisory services.

DNV GL’s vision of having global impact for a safe and sustainable future was a key rationale for the merger. The new company has a broader and better service offering and technical expertise, a denser global network and even stronger research and innovation capabilities to fulfill this vision. This allows DNV GL to better assist customers in improving their business performance in an increasingly complex risk and sustainability-focused business environment. Several new strategy contracts and new standards and innovations can be attributed to this in 2014.

During the past year, the company delivered strong financial results while successfully completing ambitious merger integration goals within a wide range of areas: from communications and IT infrastructure to new office locations and rolling out a common strategy. New business areas were created by combining DNV and GL’s advisory services, ship and offshore and maritime classification. In addition, DNV GL acquired a majority stake in Marine Cybernetics, a provider of control systems to the offshore and maritime industries. The Board sincerely thanks the management and employees for their hard work and commitment displayed throughout 2014.

MARKET
Although seaborne trade grew by over 3% in 2014, the shipping industry still struggled with an oversupply of tonnage and continuing low charter and freight rates in many segments. A total of 147 newbuildings were contracted in 2014, representing 17% of the total fleet in service. Newbuilding classification order intake was strong in the first half of 2014 but lost momentum over the last few months of the year. In total, DNV GL secured 532 newbuilding contracts for the classification of ships and mobile offshore units (MOUs), representing 18 million gross tonnes. In terms of gross tonnage, DNV GL’s market share in the newbuilding business reached more than 20%. The total DNV GL-classed fleet consisted of 15,174 vessels and MOUs at the end of 2014, totaling 265.4 million gross tonnes. This gives DNV GL a 21% share of the classified world fleet in tonnage and maintains the company’s leading position in ship and offshore classification.

Although the market environment was challenging, DNV GL’s maritime services met the internal targets set for 2014 and delivered healthy results. Most notably, the certification of materials and components, verification services, ship in operation and offshore class in operation services delivered a strong performance. However, some competing classification societies have recently offered services at break-even prices, a trend that has affected DNV GL’s newbuilding order book and ships in operation fleet. The maritime advisory services achieved positive results with significant growth in the past year. DNV GL’s maritime experts carried out over 900 projects in 2014, with energy efficiency and hydrodynamic optimization, risk studies for LNG as ship fuel, as well as noise and vibration reduction dominating the order book. 2014 was a year where the oil and gas industry’s inherent volatility was yet again confirmed. Cost concerns have been high on the industry agenda for years, but the dramatic fall in oil prices over the latter half of the year brought the issue into even sharper focus. In reaction to the falling oil price, the industry has reacted by reducing investment. Business delays in projects that have not yet been sanctioned. Even some projects that are in execution are being put on hold. Geo-political issues also started to take effect, as evidenced by the suspension of South Stream, a pipeline project to transport natural gas from the Black Sea to Bulgaria, and through Serbia, Hungary and Slovenia to Austria. This has added to the ongoing trend for merging offshore projects that are proceeding with lower financial margins, and it puts increasing pressure on prices. Operators and contractors alike began issuing requests to their suppliers and service providers to reduce prices in 2014.

While the oil and gas industry’s downturn has affected DNV GL’s order book, it has also created new opportunities for the company to work with customers in developing ‘smarter’ solutions that improve the efficiency of projects and operations. As an example, DNV GL has played a key role in facilitating the ongoing drive for standardization to streamline processes, materials and documentation, which helps the industry adjust to this lower margin environment. This was supported by significant investment in its global network of technical and innovation hubs.

DNV GL also increased its involvement in many mega projects spanning the globe in 2014, which was a major strategic priority. These range from Chevron’s Wheatstone project in Australia, to the classification and verification of ENI’s Jangkrik floating production storage and offloading (FPSO) project through the provision of regulation compliance support for the Statoil Mariner field, to supporting offshore wind and solar development in the UK in more than a decade.

DNV GL’s strength in North America’s growing LNG sector was illustrated by its appointment to provide process safety in design verification for the FEED of the Lake Charles Liquefaction Project. This contract also shows the combined competency and significant experience of DNV GL’s legacy organizations, as teams from DNV’s risk advisory unit in Houston, DNV’s services for offshore development in the UK, and former Advanceda worked together to provide optimal project results.

The shale oil and gas revolution in the US, cheap coal in Europe, geo-political and national uncertainties and the difficult decisions for the FEEDS of the Lake Charles Liquefaction Project were among the major events that DNV GL’s energy customers in the US and Europe had spent extensive time and resources on in 2014. We see the onshore wind and solar industries moving towards commercial maturity in many markets as costs decline and as part of the trend towards a smart decentralized electricity system. As a result, transmission and distribution networks will have to accommodate a growing share of renewable energy into the overall energy mix. Other emerging offshore trends include improving interconnectivity and energy efficiency programmes, and a drive to reduce the costs of offshore power generation.

Although the market environment was challenging, DNV GL’s maritime services met the internal targets set for 2014 and delivered healthy results.

Following the challenging market conditions, DNV GL’s energy arm showed a mixed picture in 2014. Solid performance for its power testing, inspection, certification and sustainable use services, but lower performance for its advisory services tied to market development and the strategy. DNV GL further concluded its business in the onshore wind and solar industries, which was expected to support generation power and invested in world-class testing capabilities for solar power, following the merger of DNV GL’s expertise in the oil, gas and maritime industries, offers new business opportunities for the years to come. The third party certification of two 100 km submarine cables in Qatar was one example of how the joint expertise came into use in 2014. DNV GL was the only provider to offer deep technical knowledge of submarine cables and offshore electrification together with testing capabilities and material certification services.

DNV GL – Business Assurance performed very well in 2014 with higher growth rates than its peers within certification of management systems, which spans all industry sectors.

The growth was particularly strong in the target sectors of food and beverages and healthcare. DNV GL’s risk advisory unit in the oil, gas and energy sector also trusted the company, which is important in its long-term strategic goal of securing a major stake in this market. DNV GL’s risk advisory unit in the oil, gas and energy sector secured a mixed picture in 2014, with a focus on developing new business in the oil, gas and energy sectors.

DNV GL Group AS achieved operating results (EBITDA) of NOK 532 million, a 9% increase over the corresponding period in 2013. The net income was NOK 214 million, an increase of 15% over the corresponding period in 2013.

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growth from previous years. However, prof- itability dropped and the integration of soft-
ness is calculated to be 30%, the same level as in the previous years.
The net profit for 2014 was NOK 1,007 million, compared to NOK 825 million for 2013. The net cash flow for the year was positive by NOK 57 million. The cash flow from operations was NOK 1,658 million in 2014. The cash flow from operations re-
SAYS: STRATEGY

In the autumn of 2013, the Board approved a strategy for 2014 and 2015 that incorporated the main elements from the legacy DNV and legacy GL strategies. During this strategy period the majority of the integration of the legacy companies is to be completed.

DNV GL aims to be world leading in all its targeted market segments and offer unique technical expertise and innovations to drive its targeted industries to become safer, more efficient and less damaging to the environment.

of the first five years of the Strategic Period, the Board approved the strategy for the years 2014-2015. The board approved the strategic period to include the following elements:

- A focus on growing the company’s operations in remote areas, focusing on natural gas and power generation.
- An increased focus on developing new business areas, such as software and risk management.
- A commitment to continuing to lead in the market by offering unique and innovative solutions to customers.

With the strategic direction for the company, DNV GL aims to be world-leading in all of its targeted market segments, offering unique technical expertise and innovations to drive its targeted industries to become safer, more efficient and less damaging to the environment. The strategic goals and objectives for the company are focused on four key areas:

- Technology leadership: DNV GL aims to be world-leading in all of its targeted market segments, offering unique technical expertise and innovations to drive its targeted industries to become safer, more efficient and less damaging to the environment.
- Market growth: DNV GL aims to continue growing and expanding its operations globally, particularly in emerging markets.
- Financial performance: DNV GL aims to maintain strong financial performance, with a focus on improving profitability and cash flow.
- Talent development: DNV GL aims to foster a culture of innovation and continuous improvement, with a focus on developing and retaining top talent.

DNV GL’s strategy is focused on driving growth and innovation in all of its targeted market segments, and the Board has approved the strategy for the years 2014-2015. The strategy is based on the following key elements:

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- A focus on growing the company’s operations in remote areas, focusing on natural gas and power generation.
- An increased focus on developing new business areas, such as software and risk management.
- A commitment to continuing to lead in the market by offering unique and innovative solutions to customers.

Within the strategic direction for the company, DNV GL aims to be world-leading in all of its targeted market segments, offering unique technical expertise and innovations to drive its targeted industries to become safer, more efficient and less damaging to the environment. The strategic goals and objectives for the company are focused on four key areas:

- Technology leadership: DNV GL aims to be world-leading in all of its targeted market segments, offering unique technical expertise and innovations to drive its targeted industries to become safer, more efficient and less damaging to the environment.
- Market growth: DNV GL aims to continue growing and expanding its operations globally, particularly in emerging markets.
- Financial performance: DNV GL aims to maintain strong financial performance, with a focus on improving profitability and cash flow.
- Talent development: DNV GL aims to foster a culture of innovation and continuous improvement, with a focus on developing and retaining top talent.

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- Talent development: DNV GL aims to foster a culture of innovation and continuous improvement, with a focus on developing and retaining top talent.
The company launched a partnership with DNV GL in 2012 to further strengthen its position as a major global player. The first step in this cooperation was the inauguration of the joint Monday Morning Global Institute and its corresponding Lean Management System. This involved a project to produce the world’s first Global Opportunity Report, focusing on identifying the opportunities and challenges that lie ahead towards a safer and more sustainable future. Throughout 2014, it was a priority to deepen the integration of sustainability into businesses and operations. As part of the ambition to continuously improve DNV GL’s performance, several projects were launched to foster a culture of transparency, ethics and sustainability.

CORPORATE SUSTAINABILITY
For DNV GL, sustainability is about delivering long-term value in financial, social, environmental and ethical terms and is deeply embedded in the company’s purpose, values, vision and culture. DNV GL’s commitment goes beyond compliance, and is about how the company contributes, through its research, services and operations, to achieving its vision of a safe and sustainable future.

DNV GL has been a signatory to the United Nations Global Compact since 2003, and remains committed to integrating the ten principles in the areas of human rights, labour standards, environmental performance and anti-corruption into its business strategy, culture, management system and day-to-day operations. The Board emphasizes the importance of good performance within these areas in order to fulfill the company’s vision and purpose, build trust and ensure long-term viability and profitability.

DNV GL launched a series of ambitious projects to clarify its position in the sustainability domain. Recognizing the tremendous challenges facing humanity in the decades to come, DNV GL wanted to better understand the role the organization can play in overcoming challenges and shaping a more sustainable future. Six strategic research projects explored topics that are considered important for the future, and where DNV GL can leverage its history and competence to catalyze the transition. As part of this ambition, the company continued to engage with a wide network of leading international experts, seeking to enable new thinking about solutions and thereby drive the agenda forward.

The company launched a partnership with DNV GL’ s Group Project Office to produce the first Global Opportunity Report, focusing on identifying the opportunities and challenges that lie ahead towards a safer and more sustainable future. Throughout 2014, it was a priority to deepen the integration of sustainability into businesses and operations. As part of the ambition to continuously improve DNV GL’s performance, several projects were launched to foster a culture of transparency, ethics and sustainability. In particular, this included developing new training for employees and assessing impact on the company’s value chain. The issues were selected based on an extensive materiality assessment conducted with internal and external stakeholders in 2012.

In 2014, DNV GL appointed a new Corporate Sustainability Board comprising two representatives from each of the four business areas, of whom one is from the Executive Leadership Team, in addition to representatives of important Group functions. The Corporate Sustainability Board is tasked with overseeing the company’s performance in this area and provides advice to the Group Executive Committee on related risks and opportunities. The Board monitors the overall responsibility for the company’s sustainability performance.

DNV GL reports in accordance with the Global Reporting Initiative (GRI) Framework. To increase trust, an external assurance was conducted on the GRI-Comprehensive (G4) materiality assessment and the sustainability report.

Maintaining the HSE certification is a strategic priority for building a safer, more environmentally assured company. Opening up in a safer, smarter and greener manner will contribute to DNV GL being seen as a leader, not only in advising our customers.

As part of the ambition to continuously improve DNV GL’s performance, several projects were launched to foster a culture of transparency, ethics and sustainability.

Business Ethics and Anti-Corruption
DNV GL does not tolerate corruption or bribery. This principle is clearly outlined in DNV GL’s Code of Conduct. Management at all levels is responsible for preventing and reporting any violations. The Code is communicated to all employees through the line management, Ombudsmen or Group Compliance Officer.

In 2014, the Group Compliance Officer reported new developments and case statistics to the Board’s Audit Committee on a regular basis. More detailed reporting is published on dnvgl.com.

Health, Safety and the Environment (HSE)
The full implementation of the Group-wide HSE Management System was confirmed by passing the re-certification process and receiving a combined certificate according to the BS OHSAS 18001 and ISO 14001 standards. The HSE management system reduces and prevents work-related accidents and injuries and focuses on environmental management and energy efficiency.

The Board of Directors has initiated a broad transition. As part of this, DNV GL has decided to follow the GRI ‘Comprehensive’ level for the current year and to have CDP and CDP(H) assurance. The Board ensures that the company’s policies and practices are aligned with the strategies and plans outlined in the Sustainability Report.

Corporate Governance
The Board has decided to issue a separate Corporate Governance Report as part of this ambition to continuously improve DNV GL’s performance. The Report is focused on the principles that apply to listed public limited companies in Norway. The 2014 Report on DNV GL’s corporate governance can be found on dnvgl.com.

DNV GL follows the Company’s Code of Conduct, which was developed in 2013. The main objective of the Code of Conduct is to ensure that DNV GL and its employees conduct their business in accordance with all the applicable laws and international standards that the International Code recognizes and respects from us as a major multi-national organization. All employees are required to follow the Code of Conduct.

As part of the ambition to continuously improve DNV GL’s performance, several projects were launched to foster a culture of transparency, ethics and sustainability.
Of the absence hours due to occupational health issues, 66% were related to physical strain and 34% to psychosocial working environment conditions.

CORPORATE RISK MANAGEMENT

The Board acknowledges that the world has become a more complex risk universe and underlines the importance of continuously having a comprehensive understanding of the risks facing DNV GL that could affect corporate values, reputation and key business objectives. DNV GL has processes in place to proactively identify such risks at an early stage in order to initiate adequate risk mitigating measures and actions, assign roles and responsibilities and evaluate whether the residual risk is acceptable.

Given a certain minimum equity ratio requirement, the risk capacity analysis indicates that the company has a considerable risk capital surplus. The exercise gives the Board a measurable overview of the key quantified risks and DNV GL’s capacity to take on additional risk.

In 2014, a number of key risks were discussed at Board meetings. One of these was the effect of the volatility in the financial markets on DNV GL’s pension commitments. The present low interest rate environment has over several years led to a marked increase in the pension accruals. The extent of defined benefit pension schemes has been limited in order to reduce the exposure to falling interest rates.

A second focus area was the integration process between DNV and GL. This affected all levels of the organization and was monitored closely throughout the year. This work is ongoing and a special integration project is coordinating and supervising the process.

The risk of serious quality issues in DNV GL represents another focus area. Numerous barriers exist to minimize the chance of such events occurring and DNV GL’s quality management system is constantly being scrutinized to ensure that we are managing this risk in a satisfactory manner.

DNV GL’s financial risks are market risk (interest rate and foreign currency risk), credit risk, and operational risk. Interest rate risk: as the company has limited external borrowings the exposure to interest rate risk is primarily related to its defined benefit pension commitments. Lower interest rates over the past few years have led to an increase in the pension commitments. The company’s policy is to limit the number of new entrants to defined benefit pension schemes. In addition, there is limited exposure to the risk of changes in market interest rates to DNV GL’s forward exchange contracts.

Foreign currency risk: DNV GL has revenues and expenses in approximately 70 currencies. Of these, six currencies (NOK, EUR, USD, DNY, KRW and GBP) make up approximately 75% of the total revenue. In many currencies, the company has a natural hedge through a balance between inflows and outflows. This is reflected in the exposure which is limited to local market risk.

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 concentrations of credit risk within the company. With respect to credit risk arising from other financial assets, which comprise cash, cash equivalents and certain derivative instruments, DNV GL’s exposure to credit risk arises from any default of the counterparties, with a maximum exposure equal to the market value of these instruments.

Liquidity risk: DNV GL monitors its liquidity risk on an ongoing basis. The liquidity planning considers the maturity of both the financial investments and financial assets (e.g., accounts receivable, other financial assets) and projected cash flows from operations.

OUTLOOK

DNV GL has a leading position in all its industry segments: maritime, oil and gas, business assurance and energy.

The financial situation in the world improved in 2014, but the growth has been at a slower pace than in 2013. The volume of international trade grew at a slower pace in 2014, but the significant drop in the oil price and hence fuel costs towards the end of the year may reverse this development in 2015. The world is consuming more energy, and globalization is continuing, but the geopolitical situation has a direct effect on a higher level of uncertainty regarding potential signs of national or regional protection measures being introduced.

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Liquidity risk: DNV GL monitors its liquidity risk on an ongoing basis. The liquidity planning considers the maturity of both the financial investments and financial assets (e.g., accounts receivable, other financial assets) and projected cash flows from operations.

Against this backdrop, the Board believes that the challenging market situation for ship-owning will continue during the period ahead. The overcapacity situation has created a surplus of ships to be delivered, and fleet growth continues to be in excess of trade growth. The capacity/demand balance is not expected to be fully re-established until the end of 2016, leading to a slow recovery in newbuilding prices and second-hand ship values, increased scrapping, depressed freight and charter rates and price pressure on all service providers to the industry.

Lower fuel prices due to the drop in oil price may improve the operating cost situation for most trades, but may in itself not be sufficient to spur a new ordering boom. Classification societies must adapt to this challenging market situation, but the Board regards the aggressive price competition by certain competing classification societies as unsustainable and potentially undermining the value of classification.

The oil and gas sector is heavily influenced by the drop in oil prices towards the end of 2014, and oil prices may fluctuate around current levels for some time. Hence, the trend towards increased production from deep and ultra-deep offshore fields may slow down in the growing markets. New discoveries on the Norwegian continental shelf may continue to be assessed in light of the current oil price and may not result in any activity, and the entire oil service industry could be affected by the reduced investment activity. However, the need for energy should keep increasing, and fossil fuels – oil, gas and coal – are likely persist as the main source of energy even though renewable energy will grow faster. Within the energy sector the company focuses on renewable energy, electricity transmission & distribution and sustainable energy use. The investments in the renewable energy sectors may be influenced by the reduced cost of fossil fuel, new trade agreements, political decisions, and subsidies. However, the Board believes that this sector together with power transmission and distribution and sustainable energy use will continue to create many opportunities for DNV GL in the coming years. The company has a strong position within the Testing, Inspection and Certification industry and has an extended service and competence platform.

The demand for sustainable business, global best practices and standards and business innovation will continue to increase, and DNV GL is well positioned in all of these areas.

The Board of Directors believes that the company has maintained the global positions, broad competence and resource base that are required to provide guidance and support in a business environment where the need for technical expertise, trust, governance and risk management is clearly evident.
REBEKA GLASSER HERLOFSEN
Norwegian 1970 POSITION: Managing Director of Mary-land Oil & Gas. Previously Vice President, Norway & Germany, DNV GL. EDUCATION: M.Sc. – metallurgical/corrosion engineer. MEMBER OF THE DNV GL BOARD. Since 2006, elected by the Norwegian employees directorship outside DNV GL.

LEIF-ARNE LANGQVIST
Chairman
Norwegian 1954 POSITION: Managing Director of Mary-land Oil & Gas. Previously Managing Director of Mary-land Energy Europe, Executive Vice President, Norway & Germany, DNV GL. EDUCATION: B.Sc. – naval architecture and marine engi- neering. 15 years as Managing Director of various companies. (15)

CHRISTELLE G. V. MARTIN

JAN HINRICH STAHL
Vice Chairman
German 1958 POSITION: Managing Director of Maryland Oil & Gas. Previously Deputy Chairman of the Study Committee Energy at the International Institute for Management Development IMD. 1985-1992. MEMBER OF THE DNV GL BOARD. Since 2014, elected by the employees in Germany directorship outside DNV GL.

MORTEN ULSTEIN
Norwegian 1952 POSITION: Managing Director of Borgstein AS. EDUCATION: Rolls Royce Business Leadership Program, 2004. Training program at IMD, Lausanne. The University of Trondheim. The Norwegian Institute of Tech- nology. Master of Science in naval architecture and marine engi- neering. 30 years as Managing Director of various companies and chair directorships in private as well as publicly listed companies.

JAN HINRICH FRANKMÖLLE
German 1957 POSITION: Managing Director at McKinsey & Company, Inc. since 1998. Diploma degree in Agricultural Sciences and Economics, Doctorate in Risk Management at University of Bonn MEMBER OF THE DNV GL BOARD. Since February 2016 DIRECTORSHIP(S) OUTSIDE DNV GL: None

HILDE M. TONNE
Norwegian 1965 POSITION: Executive Vice President, Torekle Group. EDUCATION: M.Sc., NTH Trondheim, Norway and RHEI, Auden, Germany. MEMBER OF THE DNV GL BOARD. Since 2008 DIRECTORSHIP(S) OUTSIDE DNV GL: Member of the board of Norvik Bank A/S.

JOHANNES LAFFRITZ
German 1971 POSITION: Managing Director of Maryland Oil & Gas. Previously Director, CPM Chicago (US). MEMBER OF THE DNV GL BOARD. Since 2007, elected by the Norwegian employees directorship outside DNV GL.

C. THOMAS REHDER

DAVID MCKAY
British 1963 POSITION: Principal Engineer (Norway), DNV GL. EDUCATION: B.Sc. Naval Architecture, University of Strath- clyde, 1990. MEMBER OF THE DNV GL BOARD. Permanent Deputy since January 2016, elected by the employees worldwide, excluding Norway, Germany and Europe. Elected deputy member since 2012 and has previously served on the Board in 2006-2007 and 2010-2011 directorship(s) outside DNV GL.

SILJE GRJOTHEIM
Norwegian 1975 POSITION: Head of sector Rules and Stan- dards, Public Administration Norway & Germany. DNV GL. EDUCATION: M.Sc. – mechanical/structural engineer. MEMBER OF THE DNV GL BOARD. Since 2017, elected by the Norwegian employees directorship outside DNV GL.

CLEMENS KEUER
German 1971 POSITION: Chairman of Group Works Council DNV GL Group. EDUCATION: Diploma Engineer, German. MEMBER OF THE DNV GL BOARD. Since 2011, elected by the employees in Germany directorship outside DNV GL.

METTE BANDHOLTZ NIELSEN
Danish 1962 POSITION: Senior Support Specialist Oil & Gas (Denmark). DNV GL. EDUCATION: M.Sc. – political and legal Engineer. MEMBER OF THE DNV GL BOARD. Since 2011, elected by the European employees outside Norway directorship outside DNV GL.

ODD E. SUND
Det Norske Veritas Holding AS, a fully owned subsidiary of Stiftelsen Det Norske Veritas, owns 63.5% of the DNV GL Group. 36.5% is owned by Mayfair Beteiligungsfonds II GmbH & Co KG. See more details about the ownership structure in the Corporate Governance report on dnvgl.com.

DNV GL is structured into four business areas:
- DNV GL – Maritime
- DNV GL – Oil & Gas
- DNV GL – Energy
- DNV GL – Business Assurance

We have two Independent Business Units serving more than one industry:
- DNV GL – Software
- Marine Cybernetics

Serving the entire organization:
- Group Centre
- Global Shared Services

The Executive Committee, which is the Group President & CEO’s management team, consists of 11 people. The Executive Committee deals with issues and decisions related to strategy, budgeting, financial development, investments, mergers and acquisitions, pricing strategy, major management appointments, markets and customers.

THE EXECUTIVE COMMITTEE

1. **THORMOD FJELL**
   - Global Shared Services Officer
   - British
   - Joined DNV GL in 1991

2. **DAVID WALKER**
   - CEO of Energy
   - British
   - Joined DNV GL in 2007

3. **CECILIE B. HEUCH**
   - Group Chief HR Officer
   - Norwegian
   - Joined DNV GL in 2004

4. **LUCA CRISCIOTTI**
   - CEO of Business Assurance
   - Italian
   - Joined DNV GL in 2001

5. **REMI ERIKSEN**
   - Group Executive Vice President & Chief Operating Officer
   - Norwegian
   - Joined DNV GL in 1993

6. **KNUT ØRBECK-NILSEN**
   - Chief Operating Officer of Maritime
   - Norwegian
   - Joined DNV GL in 1990

7. **HENRIK O. MADSEN**
   - President & Group CEO
   - Danish
   - Joined DNV GL in 1982

8. **THOMAS VOGT-ERIKSEN**
   - Group Chief Financial Officer
   - Norwegian
   - Joined DNV GL in 1988

9. **ELISABETH TORSTAD**
   - CEO of Oil & Gas
   - Norwegian
   - Joined DNV GL in 1995

10. **LUTZ WITTENBERG**
    - Group Chief Technology Officer
    - German
    - Joined DNV GL in 1979

11. **TOR E. SVENSEN**
    - CEO of Maritime
    - Norwegian
    - Joined DNV GL in 1993

In the order from left to right
The official merger of DNV and GL in September 2013 represented the first consolidation of its kind. Never before had two classification societies merged. 2014 marked our first full year of operation, in which we came together as one company with an ambition to help businesses and society globally become safer, smarter and greener.

DNV was established in Norway in 1864, just three years before the establishment of GL in Germany in 1867. We used the 150th anniversary as a stepping stone to look at future societal and industrial challenges. We provided insights and pathways to address these challenges and show how the extended capabilities of our newly merged company will make us relevant for the next 150 years.

‘Building Trust: the History of DNV 1864–2014’ describes how we developed from a minor Norwegian classification society into the world’s largest enterprise of its kind with the formation of DNV GL in 2013. It also discusses trust and trust-building mechanisms as preconditions and essential infrastructure for an increasingly globalized society. The history book contributes to an academic understanding of how these mechanisms have emerged, how they have evolved over time, what they have embraced, what authority they have operated with, and what forms of knowledge and relationships have been required for this.

The colours of our new logo represent our working context: sea, land and sky. Through this, we also depict our purpose of safeguarding life, property and the environment. The extended lines represent an expansive, expert approach to business where we seek the broader view, the horizon of the issue, and innovative solutions beyond the traditional boundaries.

The DNV GL brand was created to be differentiating and aspirational while consolidating many legacy brands into one strong brand with long legacy and credibility. The new brand was implemented across thousands of operations, surfaces and activities during 2014. The ‘Year One - 150 Years’ events provided an excellent platform to introduce the new visual profile and brand story to our key relations.

The book is a result of a four-year research project in the department of historical studies at the Norwegian University of Science and Technology (NTNU), which also resulted in ten masters’ theses and two doctorates.
YEAR ONE

UNDER THE THEME ‘YEAR ONE – 150 YEARS’, WE MARKED OUR 150 YEARS OF PROUD PAST AND OUR FIRST YEAR AS A NEW COMPANY.

HØVIK ARENA: A purpose-built venue built on a floating barge moored outside the headquarters at Høvik. This hosted several events, including the main anniversary event on 14 June.

HØVIK ARENA HOSTED A NUMBER OF EVENTS

6,000 EMPLOYEES AND THEIR SPOUSES AND PARTNERS FROM NORWAY AND HAMBURG
1,000 VR GUESTS FROM ALL OVER THE WORLD AT THE MAIN EVENT ON JUNE 14
1,200 PENSIONERS, NEIGHBOURS AND SUSTAINIA100 DELEGATES

YEAR ONE

WE HOSTED FORWARD-LOOKING ‘YEAR ONE – 150 YEARS’ EVENTS AROUND THE WORLD, ENGAGING KEY CUSTOMERS, EXTERNAL RELATIONS AND EMPLOYEES IN OUR VISION TO ACHIEVE A SAFE AND SUSTAINABLE FUTURE.

WORLDWIDE EVENTS

27 February
28 February
29 April
15 June
14 June
24 June
21 August
04 September
09 September
13 September
23 September
25 September
02 October
05 October
13 October
20 October
24 October
27 October
29 October
18 November
20 November

Singapore
Singapore
Bangkok
Oslo
Oslo
Hamburg
Bis de Janeiro
Glyzia
Trondheim
London
Copenhagen
Athens
Amsterdam
Nization
Tokyo
Seoul
Shanghai
Hong Kong
Mumbai
Dubai

12,000 EMPLOYEES
8,000 KEY CUSTOMERS

IN SOME LOCATIONS, WE COMBINED OFFICE INAUGURATIONS AND ‘YEAR ONE – 150 YEARS’ EVENTS

HRH Crown Prince Haakon of Norway opened our new office in Ho Chi Minh City in Vietnam. He is ranked by the Norwegian Minister of Trade and Fisheries, Ms Monica Maeland and CEO & President of DNV GL, Henrik O. Madsen.

Our new Singapore office was officially opened on 28 February by Mr S. Iswaran, Minister in the Prime Minister’s Office, Second Minister for Home Affairs and Second Minister for Trade & Industry Singapore.

On 1 March, our new Singapore laboratory was officially opened by Norway’s Foreign Minister H.E. Børge Brende (right), DNV GL Group Executive Vice President Remi Eriksson (left) and Yuan Wen Guo, Head of Testing, Inspection & Certification (TIC) for Oil & Gas SEA (mobile).

In Kuala Lumpur, Malaysia, we also combined 150th anniversary celebrations with the official opening of a new office. We held presentations and panel discussions with key industry players on the technologies that are transforming Malaysia’s energy landscape.

SIX PROJECTS EXPLORING THE FUTURE

Now that we are approaching 9 billion people on the planet, what can organizations like DNV GL do to contribute to a safe and sustainable future?

To examine this and other questions, we launched six ambitious projects in 2014, exploring themes we believe are critical for the future:

01 A SAFE AND SUSTAINABLE FUTURE
Here we defined what we mean by a safe and sustainable future, the barriers to change and the concrete actions needed to seize opportunities for safer, smarter and greener growth.

02 FROM TECHNOLOGY TO TRANSFORMATION
We investigated how we can accelerate the deployment and commercialization of sustainable technologies while ensuring that they are introduced safely in society.

03 THE FUTURE OF SHIPPING
Analyzing six technology pathways to achieve three ambitions for 2050 - reduce shipping’s fatality rates by 90%, reduce fleet-wide CO2 emissions by 60%, all without increasing costs.

04 ELECTRIFYING THE FUTURE
Floating offshore wind and smart grid technologies were examined to see what contributions they can make to providing low-carbon power to future generations.

05 ARCTIC: THE NEXT FRONTIER
We examined the complex Arctic risk picture and explored its implications for shipping, oil and gas and oil spill response.

06 ADAPTATION TO A CHANGING CLIMATE
The challenges and opportunities described in these reports were presented at ‘Year One – 150 Years’ events throughout the year. Customers, industry organizations, public authorities, opinion formers, journalists, universities and research institutes were engaged via panel debates, talk shows and stands. Read more and download the reports: dnvgl.com/technology/innovation/broader-view/
Germanischer Lloyd (GL) is founded in Hamburg by a group of 600 shipowners, shipbuilders and insurers.

Steamships are introduced in the 1870s, and most of the sail ships are phased out by the 1920s.

1938
As the Netherlands’ electricity infrastructure continues to develop, KEMA grows with it. From 1936, a short-circuit lab is built to carry out tests at high voltages.

1940
During the Second World War, DNV is divided in two; one half in Newcastle, UK, and one half in occupied Norway. This leads to close cooperation with Lloyd’s Register that lasts until 1952.

1945-49
A provisional GL headquarters is established in Hamburg, following the loss of the Berlin HQ.

1949: The decision to return to Hamburg is made and implemented.

1960: The International Maritime Organization (IMO) is created.

1967-68
1967: The golden age for both shipping and DNV. The internationalisation and expansion of the Society take off.

1968: Formation of IACS in Oslo. GL holds the chairmanship for the first two years of the association’s existence.

1973-76
GL begins to provide technical services to the oil and gas industry, including assessing the design and supervising the installation of the ‘Norwegian’ offshore research platform and the first German oil platforms.

1975-79
The Berge Intra (1975) and Berge Vanga (1979) accidents occur.

1982
The Alexander Kielland platform disaster in the North Sea. Regulations for the offshore oil and gas sectors are subsequently improved.

1984
Based on analysis of the increasing power of computers, GL introduces the COAL notation, the first which indicates the collision resistance of a ship.

1990
The ISO standards are introduced and DNV quickly grows its management system certification activities.

1993
KEMA enters the oil business, in both the offshore installations and cargo sectors, including pipelines and vessels. This develops into a new important market.

1996
DNV acquires Cortest and diver, creating the world’s largest renewable energy consultancy. KEMA Consult becomes an independent foundation.

1998
DNV purchases new rules, based on an analytical and theoretical scientific approach.

2000
DNV takes a significant and pioneering step by establishing a dedicated research department.

2003
DNV enters the railway sector.

2010
DNV acquires Behrke, Erdman and Whitter Engineering (BEW) to strengthen its positions within solar, wind, power transmission and grid integration.

2011
DNV submits a report containing the conclusions of its forensic examination of the Deepwater Horizon blowout preventer.

2012
DNV and GL announce the merger agreement.

2013
On 12 September, the DNV and GL merger is official. The 4th-mass merger of two global classification societies. Stiftelsen Det Norske Veritas becomes the majority shareholder with 63.5%, while Mayfair Vermogensverwaltungs SE holds the remaining 36.5%.

2014
The company marks its 150th anniversary and also the first year as DNV GL. It is established as a leading global technical assurance and advisory company within the maritime, oil and gas and power sectors and a world-leading certification body.
WHAT WE DO

We enable our customers to turn risks into rewards by helping them to identify, assess and manage their most critical risks. That includes assisting customers in balancing a wide range of technical, operational, business and societal aspects to optimize performance.

In addition, we verify or certify compliance with standards, rules and regulations in order to safeguard life, property and the environment. As such, we perform a balancing act between business and society.
FOCUS ON MARITIME

TAILOR-MADE SOLUTIONS FOR EFFICIENT SHIPS

The best suits don’t come off the rack and neither do the best ships anymore. Today’s ships are being tailored, both during design and operation, to maximise their efficiency for their individual routes.

ROUTE SPECIFIC CONTAINER STOWAGE
DNV GL’s new Route Specific Container Stowage (RSCS) notation is already helping boxship operators boost efficiency by giving them enhanced flexibility in the loading and stowage of containers. The new class notation for route specific container stowage is based on the use of long-term statistical data on the wave conditions of many different shipping routes.

WEATHER-SPECIFIC ROUTING
In 2014, DNV GL increased its stake in StormGeo with the aim of giving customers even greater access to ship route advisory services and maritime weather and decision-support software. StormGeo in turn acquired Applied Weather Technology (AWT).

BUILD2DESIGN
Build2Design is a service that helps shipyards and shipowners improve the fuel economy of their ships by reducing variations in their building process. In developing the new service, we undertook a sensitivity analysis of over twenty parameters. We considered both the complexity of addressing the parameter and its impact on fuel consumption. The new service was rolled out in the spring of 2014.

EFFICIENCY THROUGH COMPUTING POWER
The basis for many of the efficiency enhancements essential to remain competitive in modern ship operation and ship design lies in running intensive computer simulations. Such simulations underpin many of DNV GL’s services, including the trim optimizer ECO Assistant and ECO Lines. We use one of the shipping industry’s most powerful computing clusters.

- 20,000 TERAFLOPS OF COMPUTING CAPACITY ARE USED TO RUN THESE SIMULATIONS.
- 400 VESSELS HAVE COMPLETED RSCS APPROVALS BY DNV GL AT THE END OF 2014.
- 200 VESSELS WERE READY TO SIGN UP FOR THE NEW CLASS NOTATION.
- 400 VESSELS HAD COMPLETED RSCS APPROVALS BY DNV GL AT THE END OF 2014.
- 200 VESSELS WERE READY TO SIGN UP FOR THE NEW CLASS NOTATION.
With 90% of world trade travelling by sea, shipping is the global economy's lifeline. Nonetheless, pressure remains on the industry to improve its safety record, operational efficiency and environmental footprint.

We enable our customers and the global shipping industry to enhance safety, optimize performance and ensure compliance with regulations and our own class rules. As a leading global classification society, we are committed to drive the industry forward by helping to tackle the challenges of today and find safer, smarter and greener solutions for tackling the challenges of today and into the future. We are a part of a wider maritime society, and as such, we are committed to ensuring compliance with regulations and environmental standards that not only represent the interests of our customers, but also the wider society. In line with our strategic goals, we are the first ofices to offer the new service, which verifies that the vessel complies with the gas-fuelled rules in terms of its overall design for future LNG operators and also that the main engine can be converted to or operates on gas fuel.

NEW GAS READY NOTATION. Facilitating the introduction of cleaner fuel alternatives for shipping has long been a key focus area for DNV GL and liquefied natural gas (LNG) is one of the most promising alternatives to heavy fuel oil. While still in its infancy, 2015 saw a sharp increase in LNG-fuelled ships. We further contributed to this development by introducing a new GAS READY notation. This puts a vessel on the right track to LNG use, speeding up and simplifying a later conversion to LNG. The basic notation verifies that the vessel complies with the gas-fuelled rules in terms of its overall design for future LNG operators and also that the main engine can be converted to or operates on gas fuel.

The owner can also choose to add extra levels under the notation. These include structural reinforcements and the choice of compliant materials to support future LNG tank preparations for future gas fuel systems, the certification and installation of LNG fuel tanks and the installation of gas-fuel-capable or convertible machinery.

DEEPENING OUR SERVICE NETWORK. To meet our customers' needs for fast service and response, we put our technical competence within easy reach of every customer. The merger has given us a deeper pool of expertise to draw on than ever before and a denser global network of offices, ensuring that we are close to wherever our customers are doing business. Overall, we have survey stations in more than 80 countries and 365 Maritime offices worldwide. Approval centres are located in Qingdao, Hamburg, Pusan and Shanghai, with additional Fleet in Service centres in Hong Kong, Piraeus and Singapore.

Developed in 2014, the DATE (Direct Access to Technical Expert Pامل) is the most concrete expression of our global service outreach. DATE means that customers can access a broad service base locally, while knowing that they enjoy a global support service that delivers quality wherever they are and within a 24-hour response time. In 2014, Oslo, Hamburg and Singapore became the first offices to offer the new service, which covers a wide-ranging multi-disciplinary technical base, including: classification, systematics, hulls, machinery, stability, safety and emissions. The Houston and Piraeus offices will roll out DATE in 2015.

IN COMPLIANCE AND PREPARED FOR OPERATIONS. Preparing for the introduction of stricter limitations on sulphur emissions for ships operating in Emission Control Areas in 2015 posed both a regulatory and operational challenge for many owners and operators. We have worked actively and directly with our customers to prepare for the switch and to operate safely and effectively under the new regime. At the same time, our new publication ‘Sulphur Limits 2015 - Guidelines to ensure Compliance’ was released to give a general overview of the regulatory background, potential technical challenges and as an example from 2014, Hanjin, GTT and DNV GL signed an agreement to jointly investigate and develop a common notation for the newbuild concept equipped with membrane fuel tanks. The objective is to develop a concept for vessels that use Big Data to gain valuable insights into a range of different areas. Case relevant data is fed into advanced models and analytics schemes in order to analyse information about voyage management, port and bunker operations and benchmark data from other market players. This enables us to tailor the analysis to each customer’s needs and provide advice on reducing operational costs, voyage management optimization and retrofit solutions.

MANAGING BIG DATA. At the SMM trade fair in Hamburg, DNV GL introduced ECO Insight, a unique performance management portal. Combined with the new Navigator Insight data collection and logging software, ECO Insight gives shipping companies a fast track to an effective performance management system. ECO Insight provides a comprehensive and easily accessible way to manage performance, including voyage, hull & propeller, engine & systems performance. It enriches customers’ own fleet reports with industry data, such as Classification Systems (ASI), weather, or fuel, and provides benchmarking capabilities.

From 1 January 2015, ships navigating in so-called Emission Control Areas face strict limits on how much sulphur can be emitted in the ship’s exhaust. Shipowners can meet the new regulations by using fuel with a lower sulphur content, alternate renewable fuels like LNG, or by fitting an exhaust gas scrubber.

900 maritime advisory projects were carried out in 2014.

MANAGING BIG DATA. At the SMM trade fair in Hamburg, DNV GL introduced ECO Insight, a unique performance management portal. Combined with the new Navigator Insight data collection and logging software, ECO Insight gives shipping companies a fast track to an effective performance management system. ECO Insight provides a comprehensive and easily accessible way to manage performance, including voyage, hull & propeller, engine & systems performance. It enriches customers’ own fleet reports with industry data, such as Classification Systems (ASI), weather, or fuel, and provides benchmarking capabilities. Technical challenges. As an example from 2014, Hanjin, GTT and DNV GL signed an agreement to jointly investigate and develop a common notation for the newbuild concept equipped with membrane fuel tanks. The objective is to develop a concept for vessels that use Big Data to gain valuable insights into a range of different areas. Case relevant data is fed into advanced models and analytics schemes in order to analyse information about voyage management, port and bunker operations and benchmark data from other market players. This enables us to tailor the analysis to each customer’s needs and provide advice on reducing operational costs, voyage management optimization and retrofit solutions.

Performance optimization. One of our most widely used maritime software products is the award winning tming and fuel efficiency tool ECO Assistant. Since it was launched five years ago, 500 vessels of all types have benefitted from improved profitability and sustainability. In this short time, ECO Assistant has saved in excess of USD 150 million in fuel costs, with a resulting reduction in CO2 emissions from 110,000 tons to 47,000 tons. That equals the amount of carbon removed from the atmosphere by over 100,000 acres of forest over the same period.

COLLABORATIVE INNOVATION. DNV GL takes part in more than 100 innovation projects annually, where we combine our expertise with that of industry partners and customers to find solutions to complex technical challenges. As an example from 2014, Hanjin, GTT and DNV GL signed an agreement to jointly investigate and develop a common notation for the newbuild concept equipped with membrane fuel tanks. The objective is to develop a concept for vessels that use Big Data to gain valuable insights into a range of different areas. Case relevant data is fed into advanced models and analytics schemes in order to analyse information about voyage management, port and bunker operations and benchmark data from other market players. This enables us to tailor the analysis to each customer’s needs and provide advice on reducing operational costs, voyage management optimization and retrofit solutions.

OFFSHORE CLASS - JUMP-UP SUCCESSES. We signed agreements for the classification of two newbuilding jack-ups with dynamic positioning - Vahana Aryan and Vahana Arjun. They have been designed for Vahana Offshore (S) Private Limited of Singapore by GustoMSC and will be constructed by Eversendai Offshore RMC, UAE. BW Offshore has chosen DNV GL to provide classification, verification and certification services for the UK North Sea Catcher FPSO. We provide such services to 70% of the UK shelf FPSOs and have been involved in more than 1,000 FPSOs in this capacity. The vessels will have a capacity of 85,000 m³ each and are equipped with the newly developed Abalone class. These combines three cylinders into one, resulting in a 30% increase in cargo carrying capacity. New methanol-fueled vessels

The first three vessels to use DNV GL class rules for low-flashpoint fuels, released in 2013, will be a series of 50,000 deadweight tonne orders placed by the owners Marinvest and Westfal-Larsen. The vessels are also the very first to be fuelled by methanol - a fuel that significantly reduces local air emissions. These product carriers will be built by Hyundai Mipo Dockyards and are scheduled for delivery in 2016.

Lance of the new giants

For the delivery of the new CSL Globe, at the time the world’s largest container ship. Constructed by Hyundai Heavy Industries Co., Ltd (HHI) for China Shipping Container Lines (CSCL), the DNV GL-classed container ship is the first in a series of five 15,100 TEU vessels.
DNV GL maintains a deep focus on initiatives that plot a pathway to a more sustainable energy future. In 2014, the company redoubled its efforts to help the industry achieve safer, smarter and greener operations. In the gas sector, we have enhanced safety, reliability and performance at every stage of the value chain.

**UNLOCKING OPPORTUNITY ACROSS THE GAS VALUE CHAIN**

5% of the world’s gas supply is wasted through flaring and venting. In 2014, DNV GL launched an Extraordinary Innovation Project to investigate solutions to capture gas flared in oil fields. By examining ways to convert, transport and utilize this resource, it is possible to increase energy efficiency and mitigate environmental impact across the entire oil industry.

**CAPTURING LOST POTENTIAL**

35% of the world’s LNG plants have been supported by DNV GL to ensure safe development and operation.

1,624 destructive and non-destructive tests were conducted at DNV GL’s Spadeadam Test Site in 2014.

**SETTING STANDARDS FOR LNG**

The combined competence and synergies of DNV GL legacy organizations is a powerful proposition for the LNG sector. In 2014, this expertise paved the way for a contract with BG Group for process safety in the design verification for the FEED of the Lake Charles Liquefaction project.

The contract was awarded on the back of previous BG Group assignments to legacy GL colleagues in Australia, Trinidad & Tobago and Egypt. Meanwhile, the local legacy DNV team provided LNG expertise.

**FOCUSED ON THE FUTURE**

DNV GL was commissioned by the Energy Technologies Institute in 2014 to lead a project that explores future energy systems in the UK and Europe.

Our project team has begun initial exploratory work into the potential production, utilization and infrastructure requirements of several gas scenarios in the UK in 2050. These include bio-SNG, high-hydrogen gas and alternative natural gas.

Gas releases and explosions can cause significant damage to life, property and the environment. Experts at our full-scale Spadeadam Test Site in Northern England have used large-scale fire and explosion tests to validate oil and gas industry products and methodologies. The tests enable customers to understand practical considerations in high-risk situations. Projects in 2014 included the testing of passive fire protection materials using jet fires and two fracture propagation tests for international companies.

**FULL-SCALE TESTING AT SPADEADAM**

**BILLION KILOWATT HOURS OF ELECTRICITY COULD BE PRODUCED IF THIS GAS WAS HARNESSED FOR POWER.**

**750 BRILLION KILOWATT HOURS OF ELECTRICITY COULD BE PRODUCED IF THE GAS WAS HARNESSED FOR POWER.**
NV GL was appointed as technical advisor and assurance partner to a variety of landmark projects and operations in 2014. These included a multi-million pound third-party Independent Competent Person contract related to compliance with offshore regulations for the Statoil Mariner field, the largest offshore development in the UK in more than a decade.

We also signed a five-year agreement with one of Shell’s oldest joint venture companies, BSP. DNV GL will provide third-party inspection and specialist services to more than 300 on- and offshore facilities in Brunei.

As the digitalization of the oil and gas industry continues, the opportunities and challenges provided by accessing ‘big data’ become more evident. We are honing our competency in the field through our involvement in the four-year Optique joint industry project. This industry-academia initiative will seek to enhance access to large and complex data sets to facilitate more informed decision-making – another key to driving forward future efficiencies.

In the subsea sector, we introduced the Deepwater Technology Centre in Singapore and augmenting our harsh-environment labs and laboratories. This included tripling the size of the Deepwater Technology Centre in Singapore and augmenting our harsh-environment expertise. We also established a new research and development hub in Brazil to focus on offshore safety, subsea systems, deepwater drilling and well control. Activity at our multiphase flow laboratory in Groningen, the Netherlands, also increased in 2014, as epitomized by a six-week test on the Twostar supersour gas separator commissioned by Sameenwerkingsverbond Noord, Netherlands (SNN).

DRIVING EFFICIENCY, REDUCING COSTS. Ongoing rises in operating costs collided with a dramatic fall in oil prices in the second half of 2014. Operators across the industry responded with further cutbacks in their capital expenditure plans and cost cutting across their operations. This enforced our work to enable customers to achieve significant cost efficiencies and develop more sustainable cost base through industry standardization.

In the subsea sector, we introduced the first certification scheme for subsea equipment and components. Advances in, and the industry’s increasing reliance on, IT leads to risks as well as opportunities. Cyber security is one area of concern where we are supporting customers, providing in-depth risk assessment and management solutions. In 2014, we used our expertise to address the issue for Total E&P Norge and its Martin Linge project.

SUPPORTING EVOLVING NEEDS, ON- AND OFFSHORE. 2014 was a game-changing year within the industry, and not just due to the economic environment. The continued growth of the unconventional oil and gas sector in North America led to increased interest in safe and efficient onshore operations in the US.

At DNV GL, we responded by proposing a new strategy project on decision strategy development for water management in shale gas as well as progressing our work in quantifying fracking risk. This project will be further developed and presented in 2015.

The growth of onshore developments in the US has not diminished the focus on safe operations offshore. Oil and gas companies operating in national waters are currently adapting to fresh offshore regulatory requirements. To assist them, DNV GL launched a new roadmap of requirements for floaters, providing a comprehensive overview - the first of its kind - of the necessary steps to comply with US Coast Guard requirements for operating FPOs, FSOs and FPSOs in US waters.

In Mexico, the government’s decision to open up its energy sector to foreign companies in 2014 heralds a new age of opportunity. Bidding for fields begins in mid-2015 and DNV GL is supporting the national operator PEMEX and new entrants to the recently liberalized market. Our Mexico City-based team of 170 employees is currently working on a number of projects, including delivering, with PEMex, a financial risk assessment of deepwater drilling activities in wells in water depths over 550 metres. We are also working alongside the national oil company through a consortium to undertake pipeline integrity work.

GROWING MARINE COMPETENCE. We continued to grow the capability of our Mobile Denton marine assurance and advisory services in 2014. A pioneer of the marine warranty concept, this service area now offers major marine companies a broad range of technical assurance and advisory services, from marine warranty surveying to dynamic positioning.

In 2014, the company helped CNOOC perform the first offshore platform installation in China using advanced dynamic positioning float-over technology. A further assignment was conducted in Larwick, Shetland, where DNV GL acted as marine consultant when a Solan Oil Storage Tank (SOST) was offloaded from a heavy lift vessel and towed to its quayside mooring.

30 new joint industry projects were initiated by our Oil & Gas business area in 2014.

THE POWER OF INNOVATION. Our commitment to innovation continues to drive our ability to adapt to technical challenges in the oil and gas industry. We published a series of papers which focus on emerging trends, including new methodologies to support decision making. These included an enhanced oil recovery concept, combining mature water injection technology with the latest developments in offshore wind power, and the launch of a JP to combat microbiologically influenced corrosion on onshore transmission pipelines.

Highlighting our ability to adapt technical innovation from analogous industries, we also proposed a new hybrid power concept for offshore units, utilizing batteries in combination with traditional power generation equipment. This concept has already benefited the maritime and automotive sectors, but has yet to be adopted in the oil and gas industry.

OTHER ACHIEVEMENTS IN 2014

• Risk management consultancy of the year DNV GL was awarded the title of ‘Risk Management Consultancy of the Year’ at the Global Risk Awards 2014. Organised by the Institute of Risk Management (IRM), the accolade was presented for our exceptional performance and overall contribution to the risk management profession.

• Middle East integrity DNV GL was recognized for protecting customers’ assets in the Middle East in 2014. At its Asset Integrity Workshop, the Society of Petroleum Engineers (SPE) presented DNV GL with an award for the best ‘Company Contribution to Asset Integrity in the Middle East’.

• Recognition for exceptional competence Dr Carl Arne Carlsen, with a career spanning 40 years in DNV GL, was awarded the prestigious Industry Leadership Award at the 2014 Offshore Technology Conference (OTC) for his ‘outstanding, significant and unique achievements’ within the offshore industry.
FOCUS ON ENERGY

THE SHIFTING ENERGY PLAYING FIELD

As renewables become more dominant in the energy mix, security of supply from variable power generators is at stake. At the same time, security of supply becomes an issue touching everyone’s daily life. We have the means to keep energy affordable and energy efficiency is the low-hanging fruit. We help the power industry address the trilemma of clean, reliable and affordable energy.

DEVELOPING ENERGY INFRASTRUCTURE IN AFRICA

Africa’s economy is booming; seven out of the ten fastest growing economies in the world are in sub-Saharan Africa. In Kenya, DNV-GL developed project specifications and provides construction supervision and asset-management training for a 426 km 400 kV transmission line. We also provide general technical expertise and insights.

INTEGRATION OF RENEWABLES

In 2014, the European Commission asked us to conduct a study together with Imperial College London and NERA on the impact of renewables on distribution grids. The study showed that integration of 60% of renewables into the European electricity system will be feasible by 2030. However, it will require extensive expansion of infrastructure, including transmission and distribution networks, as well as conventional backup generation.

SECURING RENEWABLES GENERATION

Offshore wind farm projects are associated with a range of risks due to complex wind and wave loading conditions. Project Certification is a well-proven system for third party review and approval of wind turbines, support structures and substations at a specific location to minimize these risks. Project Certification comprises specific technical reviews ranging from design verification and site-specific environmental conditions to manufacturing and commissioning surveys.

ASSESSING ENERGY SAVINGS IN THE US

We help hundreds of customers each year with energy efficiency projects. In one case, we led a team of four consulting firms to help a US-based customer understand the baseline conditions at each of its sites. We identified and analysed potential energy savings projects, and prepared documentation to support the implementation of selected projects.

OF PV SOLAR POWER CAN BE ABSORBED BY THE DUTCH DISTRIBUTION NETWORKS WITHOUT GETTING OVERLOADED, ACCORDING TO OUR STUDY.

OF WIND ENERGY WILL BE HARVESTED BY 2030 AT ASHEGODA IN ETHIOPIA, ONE OF AFRICA’S LARGEST WIND FARMS.

OF WIND TURBINES WERE COVERED BY THE TRANSFORMER AND SUB-FARM PROJECTS THAT WE CERTIFIED IN 2014.

WEG OF THE EUROPEAN ELECTRICITY SYSTEM CAN POTENTIALLY COME FROM RENEWABLES BY 2030, ACCORDING TO OUR STUDY.

INVESTMENT IN 26 ENERGY-SAVINGS PROJECTS WAS MADE BY ONE OF OUR CUSTOMERS BASED ON OUR ASSESSMENT.

60% OF THE EUROPEAN ELECTRICITY SYSTEM CAN POTENTIALLY COME FROM RENEWABLES BY 2030, ACCORDING TO OUR STUDY.

OF PV-SOLAR POWER CAN BE ABSORBED BY THE DUTCH DISTRIBUTION NETWORKS WITHOUT GETTING OVERLOADED, ACCORDING TO OUR STUDY.

OF WIND ENERGY WILL BE HARVESTED BY 2030 AT ASHEGODA IN ETHIOPIA, ONE OF AFRICA’S LARGEST WIND FARMS.

16 GW

247

1.6

OF THE EUROPEAN ELECTRICITY SYSTEM CAN POTENTIALLY COME FROM RENEWABLES BY 2030, ACCORDING TO OUR STUDY.

MUSD

5.9

INVESTMENT IN 26 ENERGY-SAVINGS PROJECTS WAS MADE BY ONE OF OUR CUSTOMERS BASED ON OUR ASSESSMENT.

60% OF THE EUROPEAN ELECTRICITY SYSTEM CAN POTENTIALLY COME FROM RENEWABLES BY 2030, ACCORDING TO OUR STUDY.
over the past century, electricity has been transformed from a luxury into a commodity. Along this path, demand and dependency on electricity have increased exponentially. At the same time, there is an increasing expectation that energy will be clean, secure and affordable. At DNV GL, we call this the ‘energy dilemma’ and work with all types of stakeholders in the energy industry to help address it.

FROM HYDROCARBONS TO RENEWABLES.

Energy generation is shifting away from conventional hydrocarbon-fuelled power plants to renewable energy sources. Climate change awareness and the desire for clean air stimulate the growth of renewable energy sources globally. In addition to technology shifts, the issue of energy security was paramount throughout 2014, resulting in renewables being considered not only as a method of fighting climate change, but also as a path to energy independence in a changing energy mix.

SOLAR POWER BECOMING COMPETITIVE.
The cost of utility-scale PV power has declined significantly in the past few years, leading to market growth of 35% in 2013, with a total installed capacity of 137 GW and continued sound growth in 2014. Europe remains the world’s leading region in terms of cumulative installed solar capacity. Countries in Asia Pacific have rapidly moved into second place, followed by the Americas. Lower prices and increased competition may impact the quality and performance of solar panels.

In 2014, we acquired PV Lab, a laboratory and an outdoor test site offering performance testing of PV panels. It allows investors and owners to curb risk and build profitable business cases in a market with many new players, intensified price competition and increased quality and performance issues. DNV GL aims to become the world’s leading provider of solar energy testing and advisory services by 2020.

SUPPORTING OFFSHORE WIND.

Offshore wind power is promising, but costs need to be reduced. A unit of wind electricity generated offshore is currently 50% more expensive than if it is generated onshore. However, it is tempting to make use of the sea’s wide open spaces and rich wind resources and the potential is massive. In our project FORCE (FOR Reduced Cost of Energy), our wind turbine engineering support team defined four ways for the wind industry to reduce the cost of electricity generated by offshore wind by at least 10%. In our ‘cost reduction manifest’, we state our aim of teaming up with the industry to achieve further 25% reductions in offshore-generation costs by 2020.

NEXT GENERATION GRIDS.

Adapting the grid is crucial in the energy transition. Power generators and owners of transmission and distribution grids face new technical, environmental, economic and policy challenges. On the transmission grid level, we will see larger, more volatile power flows over longer distances since renewable power is often generated far from where it is to be used. As a member of a world-leading team of energy economists, we helped the European Commission understand the costs of integrating variable renewable energy sources into the grid and the impact on distribution systems. The results gave insights about what could be achieved through the smart integration of large-scale renewables.

In Africa, we supported the Kenya transmission system operator, KETRACO, in developing its new and robust grid comprising 8,000 km of high-voltage transmission infrastructure. We advised on the construction of substations and helped to develop the 426-km overhead transmission line which will connect Africa’s largest wind farm, Lake Turkana, to the Kenyan transmission grid. Once operational, Lake Turkana will represent 17% of Kenya’s installed power generation capacity.

FACILITATING TOMORROW’S SUPERGRIDS.

Direct current technology will be used for subsea interconnectors between markets and will help create a subsea grid for offshore wind developments. Onshore supergrids will also be built to cross international borders and carry bulk electricity through new interconnection corridors. Our ongoing investments in our high-power test laboratory in Ahus, the Netherlands, will create additional capability where manufacturers can test their equipment for these supergrids. We also initiated a joint industry project with ten industry players to develop a methodology for the technology qualification of offshore high voltage direct current (HVDC) technologies. This recommended procedure will facilitate a safer adoption of offshore HVDC grids.

TESTING ENERGY STORAGE SOLUTIONS.

Energy storage will facilitate renewables integration. We anticipate that both building- and grid-scale energy storage, which can store generated electricity until it is needed, will grow substantially in the years to come. In 2014, we opened our New York BEST Testing Centre, in partnership with the State of New York, to test battery technologies.

ADAPTING TO CLIMATE CHANGE.

Climate change is expected to lead to more severe weather events, and may also result in unprecedented impact on the electricity infrastructure, as happened with superstorm Sandy in 2012 in the US. We have developed a probabilistic risk-cost-benefit framework called ADAPT-Power for analysing power system investments to mitigate severe weather and climate change impacts. The components in ADAPT help build scenarios that identify stressors, vulnerabilities and consequences which can be used to determine appropriate resilience options and investments for power system planners and operators.

SMART ENERGY SYSTEMS.

Increased urbanization is leading to an interest in ‘smart green cities’, which enable citizens to live and work in an energy efficient manner. New technology is allowing home renewables generation to combine with smart appliances. Increases in sensor usage and data analysis allow the individual to control the way energy is used at home and work on an hour-by-hour basis. These systems allow for demand response, where customers voluntarily reduce power usage during peak times. We are a partner of, and driving force behind, the Universal Smart Energy Framework (USEF), an industry initiative with the aim to design an open framework to accelerate the development of smart energy, products, services and solutions for the large-scale implementation of smart grids. By defining a minimal set of specifications for smart energy systems, USEF ensures that products and services for smart grids become ‘interoperable’, or more easily adopted by communities.

ENERGY EFFICIENCY.

We help manage or achieve on a number of energy efficiency projects. As an example, we helped the New York State Energy Research and Development Authority manage its two-year heating, ventilation and air conditioning business partner programme. In 2014 alone, more than 4,200 Quality Maintenance projects were completed, beating the programme goals by 350%.

COMBINING EXPERTISE UNDER ONE BRAND. In 2014, we merged the rich heritage of our legacy brands DNV, KEMA, Gerrad Hassan and Grid Reliability into a new DNV GL brand. An independent survey revealed that, after one year, 75% of our energy customers are aware of the DNV GL brand and know that we have a wide global network of offices, provide unique technical expertise and stick in close partnership with our customers and partners.

OTHER ACHIEVEMENTS IN 2014

Accurate prediction of wind speed.

DNV GL secured the highest score in a wind flow-modeling blind test organized by E.ON, a leading power and gas company. The blind test challenged six parties in the global wind industry to accurately predict the wind regime at eight complex wind farm sites.

Testing and certification of smart meters.

We own the leading centre for testing and certifying smart meters in Spain. This centre provides technical consultation, service testing, interoperability and functionality. Spanish companies will roll out 27 million smart meters to residential customers by 2018.

Low Carbon Technologies (LCT) transfer and deployment in Asia and the Pacific is supported by the Asian Development Bank for the sustainable development of the region. We were selected as the technical expert providing initial technical screening, assessment and due diligence consultancy services in the form of advice and recommendation on the feasibility and viability of LCT options and projects.

Substation automation standard gaining momentum. As our Arnhem laboratory is the first level ‘A’ accredited Utilisera Kommunikationsutveckling (UK) test laboratory, we have performed IEC 61850 -10 conformance tests over the past few years, resulting in 156 certificates issued by UKA. Our testing and advisory services to utilities, manufacturers, and system integrators help improve the interoperability of assets.

The world’s largest offshore wind turbine in series production is the Siemens SWT-6.4-154 DNV GL certified the turbine’s design, manufacturing, installation and commissioning processes and related documentation.
FOCUS ON BUSINESS ASSURANCE

SUSTAINABLE SUPPLY CHAINS

Every product is the result of a supply chain. But the notion of supply chains may be far too simplistic for today’s globally connected economy. Often they constitute vast networks or ‘webs’ created amongst different companies producing, packaging, handling, storing, distributing and retailing specific products. Sustainable supply chain practices ensure resilience, efficiency and agility whilst addressing quality, safety, ethics and responsible sourcing.

SUPPLY CHAIN RISK MANAGEMENT

The potential for things to go wrong throughout such complex networks is arguably proportionate to the number of organizations involved, but many other factors come into play. Increasing complexity means increasing risk.

Supply Chain Risk Management identifies and measures vulnerability within the supply chain to allow active management to avoid failure and ensure business continuity.

We were engaged by a number of the most globally recognized brands in 2014 to assess the compatibility of their suppliers.

RESPONSIBLE SOURCING

Traceability of the source of raw materials is driving consumer demand. The food & beverage industry looks to assure that commodities such as tea, coffee and soy are responsibly sourced. In the electronics sector, responsible sourcing from suppliers that manufacture components is vital to protect reputations and meet consumer expectations.

We have worked to meet increased requirements in social and ethical auditing schemes such as the SEDEX Members Ethical Trade Audit and EICC (Electronic Industry Citizenship Coalition). The frequency of requests for ‘Labour and Human Rights’ and ‘Code of Conduct’ compliance audits grew significantly in 2014.

SUPPLY CHAIN ASSURANCE

Supply Chain Assurance is the means by which organizations demonstrate to themselves and their customers that all vulnerabilities in the supply chain are understood and managed: from identification of the criteria suppliers need to adhere to, collection of up-to-date information, external audits, statutory reporting and public domain information, to published verification and audit reports and supplier approval and procurement processes.

We have further developed our assurance services to be increasingly supply chain centric in order to help organizations understand their supply chain risks when designing or selecting a bespoke protocol or standard and assurance programme. In 2014, we helped companies across the world build the assessment criteria required to assure a robust and appropriate supply chain.

RESOURCE FOOTPRINTING

Usage of water and energy and carbon emissions continue to concern companies across all industry sectors. Assessing the water and carbon footprint of an organization and carrying out energy efficiency assessments in response to new initiatives (such as the EU Energy Efficiency Directive) is increasingly becoming part of our service to customers.

In 2014, we strengthened our assessment services for water management and carbon mitigation.
Companies and organizations face a growing demand from their stakeholders to demonstrate sustainable business performance. Their ability to understand and manage these expectations may mean the difference between success and failure. Identifying and managing the most relevant risks to reach long-term business goals is complex. By certifying companies’ management systems, we enable companies to address this challenge.

The objective is that customers should experience an easier transition to ISO’s 2015 version of the management system standards. Coupled with this, we continued to automate data collection for core services to improve service quality and enable analysis of the data collected. This will allow us to provide accurate benchmarks to our customers.

Certification to ISO management system standards continued to increase worldwide. Revenues from our management system certification services grew by 6% last year. In order to support further global growth and reach new markets, we expanded our e-learning offer in 2014. This forms part of our training services related to management system certification.

PRODUCT ASSURANCE. The expansion of product compliance into product sustainability has long been a fact. A more recent trend is the integration of management systems to support product sustainability. Although management system certification accounts for the vast majority of revenues generated by Business Assurance, it is a strategic priority to grow our product assurance services. Revenues from our product certification portfolio grew by 6.9% last year.

TARGETING THE FOOD AND BEVERAGE INDUSTRY. Food safety and responsible sourcing are still at the top of the agenda for the food and beverage sector. However, consumers are demanding increased transparency and trust in the supply chain in addition to focusing on the way the industry contributes to tackling global risks. The sector is taking more action to improve its sustainable business performance, and has started to address issues like water and food waste management.

The increased complexity and globalization lead to a transformation from ‘food chains’ to ‘food webs’. Coupled with this complexity are industry players’ decisions to shift production to different locations. The result is increased demand for assurance in the logistics segment. This trend is reflected in an growing number of certifications against specific segment protocols.

DNV GL continues to be a main player in the food and beverage sector and grew this business by 18% in 2014, in line with the previous year’s strong growth figures. Going forward, we plan to continue to expand into new geographical markets and to broaden our service portfolio with the objective of helping our customers to raise the bar in safety and sustainability internally and with their suppliers.

We also continue to engage with NGOs and other stakeholders to help achieve a world with safe and sustainable food.

In 2014, we conducted a survey among 2,061 professionals from companies across different industries worldwide. We asked them to rate what they see as the main characteristics of a sustainable supply chain:

- 55.6% low environmental impact
- 50.6% health & safety at work
- 42.8% strong financial management
- 28.6% ethics

Feedback from hospitals we have worked with reveals that our approach is rigorous and robust while still allowing the flexibility needed to develop appropriate local solutions.

In 2014, our Managing Infection Risk Programme resulted in the first two hospitals being awarded ‘Centres of Excellence’ certificates, with many more in the process of obtaining the same. The programme uses a risk-based safety management approach to address infection control and brings a fresh approach to address one of the most pressing and persistent challenges that threatens patient safety across the world.

LOOKING AHEAD. We continue to see a robust demand for independent certification, verification, assessment and training services. Our certification market is expected to continue to grow due to the increase in global trade, stringent regulations and new products covering the broad sustainability area. We also plan to expand into new geographies, notably Africa. Increased stakeholder demands for transparency and sustainable operations fuel this need.

We remain committed to being a thought leader in the certification industry through innovative approaches that incorporate the sustainability concept and partnerships with customers and other stakeholders to help business and society operate more sustainably. We plan to grow our product assurance business and supply chain management offering, through both organic and non-organic means.
BUILDING TRUST WITH INTEGRATED SOFTWARE AND TESTING

Our software solutions help our customers in the maritime, oil and gas, energy and healthcare sectors to ensure compliance and enable more efficient and safer operations. Testing of control software was added as a new capability through the acquisition of Marine Cybernetics.

18% growth in revenue in 2014 from our software solutions.

SOFTWARE

Our wide range of software solutions enables our customers to manage risk, demonstrate compliance with regulatory requirements, improve their return on assets and achieve operational efficiency and business optimization. All in a safe and sustainable way.

SUCCESSFUL INTEGRATION OF PRODUCTS.

The merger of DNV and GL brought together two leading software houses and combined their technical know-how and domain expertise. Our vision is to be the global leader in enterprise software used for managing operational risk and performance. Both legacy DNV and legacy GL had numerous software solutions, some of which were complementary.

While much integration work remains, several software solutions were integrated or discontinued in 2014. One such example was the integration of GL’s Galiom product with DNV’s ShipManager software on board 250 vessels.

18% REVENUE GROWTH. Despite operating in challenging markets, DNV GL’s software achieved 18% revenue growth in 2014. External customers accounted for 84% of the revenue, while sales to other DNV GL entities accounted for the remaining 16%.

DNV GL’s software solutions are important tools for delivering other DNV GL services, including classification and advisory services for the maritime and offshore industries.

One of the successes in the maritime sector in 2014 was when Maersk Line – the world’s largest container shipping company – made a decision to replace multiple in-house applications with DNV GL’s ShipManager software on board 250 vessels.

MARINE CYBERNETICS

Marine Cybernetics ensures the proper testing of control systems by verifying correct functionality and robustness according to rules and regulations, functional descriptions, user manuals and intended use. As an independent test provider, one of our key roles is to facilitate dialogue, cooperation and problem solving between all parties involved as well as integration testing across a number of vendors.

STATE-OF-THE-ART TESTING TECHNOLOGY.

In May 2014, Marine Cybernetics sign its first contract for delivery of Hardware-in-the-Loop (HIL) testing to a total of six mobile drilling unit newbuilds to be hired by Petrobras in Brazil. Marine Cybernetics has for many years actively worked to enter this market, and this marks an important milestone.

Petrobras has now introduced a requirement for independent testing of software and control systems on all newly-built drilling rigs to be operated in Brazil.
We thrive when our customers expect us to provide them with safer, greener and smarter operations. We feel a special responsibility to develop broad and deep insights into the technical and operational challenges facing our current and future customers and their industries. We do this through an unwavering and passionate commitment to research and innovation.

Almost all the industries we serve are caught in the vice-like grip of lower revenues due to slower economic growth on the one hand, and rising costs and technological complexity in their operations on the other. Consequently, some of our customers have reduced their R&D and technical support budgets recently, despite the urgent need for innovation. We will, however, continue to invest more than 5% of the annual revenue of our much larger post-merger revenue in research and innovation, including at least one per cent in long-term strategic research. This investment is split across our strong hubs of expertise in Arnhem, Athens, Columbus, Hamburg, Houston, London, Milan, Oslo and Singapore - with each centre focused on globally-relevant issues and collaborative practices to drive industry transformation.

Over and above our ongoing investment in research and innovation, we have an ambitious programme of capital investment in our network of high-tech laboratories dedicated to testing, inspection and certification. In March 2014, we opened a new world-class front-end testing and failure investigation laboratory in Singapore. Civil construction work on the EUR 70 million upgrade to our already world-leading High Power Laboratory in Arnhem began in December 2013 and delivery of the various new electrical components started in mid-2014.

We believe our global approach, high research and innovation intensity and investment in our laboratories are crucial to prepare both ourselves and our customers for an increasingly complex and uncertain future.

Challenges related to a changing climate and energy mix will affect all of us, irrespective of business location. The same is true of technology-related changes, which are taking place at an accelerating pace and are influenced by rapid advances in sensor technologies and data analytics.

How will the Internet at sea impact shipping and classification?

How can we apply sensor technology and new materials performance to ensure safe and efficient operations?

On the theme of climate change, our overarching research question concerns how to promote a transformation to a low-carbon future, build resilience and support adaptation to a changing climate.

We believe that a safe and sustainable future is technically possible, in both the short- and long-term. Whether or not we achieve it depends not just on the technologies themselves, but also on how effectively we are able to introduce them at scale, manage the risks they pose and catalyse trust, in a way that generates economic, social and environmental value.

Our research programmes that have been active throughout 2014 include: Maritime Transportation; Information Technology; Oil & Gas; Materials; Healthcare; Power & Electrification; Climate Change (including Low Carbon Future) and Forensics. The Arctic programme, which has long been part of our strategic research portfolio, was moved to the Oil & Gas business area at the end of 2014 – an excellent example of how research and innovation knowledge is built up and then integrated into our operations.

TECHNOLOGY LEADERSHIP. As a knowledge -driven company, we actively nurture and develop the competence of our people and formally encourage curiosity and the sharing of knowledge across disciplines.

We have two main programmes to achieve these goals. The first is an educational programme we run with UC Berkeley called ‘Top Tech’, which sees 36 of our key technical employees attend the university’s courses on cutting-edge aspects of technology and the business environment each year. Altogether, we have had over 250 ‘Top Tech’ graduates’ in DNV GL over the last seven years.

The other formal programme, dubbed ‘Technology Leadership’, sponsors a series of in-house networks of the most talented and knowledgeable experts in our company who collaborate to ensure that we stay at the forefront in selected core disciplines. In 2014, in addition to the existing seven programmes, three technology leadership networks were added: Gas Value Chain, Future Management Systems and Future Transmission & Distribution System Integration.

We had more than 100 ongoing joint industry project initiatives in 2014, in which we drove innovation in collaboration with other industry players.

Strategic partnerships

Each year, our CEO initiates Extraordinary Innovation Programmes that allow international project teams to sketch out new ideas for commercialization within a two-year horizon. The 2014 programmes introduced ideas for: clean and economic re-use of associated gas currently flared in oil production fields; a futuristic FLNG, the ‘Solitude’, power frequency optimization for offshore wind farms; and a win-win business case for powering offshore oil installations with offshore wind.

Findings from our research programmes. New position papers were published by our Strategic Research & Innovation unit. Next generation energy management; Beyond condition monitoring in the maritime industry; Additive manufactur- ing solutions; Integrated multiscale models of materials; Creating value from subsea processing; Reliability of future power grids; and Mixed methods: improving the assessment of safety culture in hospitals.

MILLION NOK

The approximate amount we invested in long-term strategic research in 2014.

200
The main way in which we try to achieve our vision of making a global impact for a safe and sustainable future is through the services we offer. In addition, we have a responsibility to ensure that we adopt best practices in the way we run our business; from the way we manage our key stakeholders to the actions we take to reduce our impact on the environment.
OPENING UP A WORLD OF OPPORTUNITIES

Persistently remaining at the forefront of knowledge and innovation enables us to take a leading role in the markets we are in, remain flexible and adapt to changing circumstances to see new opportunities – not only to strengthen our own business, but also to improve our impact on society and the environment. As an organization spending every day providing advice to others, we aim to practice the highest possible standards in our own operations.

Our progress is reported under the following areas:
- Business ethics and anti-corruption
- People
- Health and safety
- Environment

Whereas our greatest impact on sustainability is through the services we provide to customers, we work constantly to improve our own performance to ensure that we operate ethically, responsibly and sustainably, from the way we advance a culture of integrity and ethics in our business relations to the way in which we safeguard the health and well-being of our employees, the actions we take to reduce our impact on the environment and the way we partner with organizations to advance broader sustainable development objectives. Through all our actions, we seek to provide long-term value in financial, ethical, social and environmental terms.

STRATEGY AND GOVERNANCE. DNV GL’s Corporate Strategy outlines our commitment to corporate sustainability, and this is translated into concrete and measurable projects and activities to be implemented across the company in the Tactical Plan on Corporate Sustainability. While the responsibility for our sustainability performance lies with the Board of Directors and the Executive Committee, responsibility for our sustainability performance across the company in the Tactical Plan on Corporate Sustainability is translated into concrete and measurable objectives. Through all our actions, we seek to ensure that we operate ethically, responsibly and sustainably; from the way we provide advice to others, we aim to practice the highest possible standards in our own operations.

The DNV GL Corporate Sustainability Board reports to the CEO, oversees sustainability performance across the business and monitors progress towards our objectives. In 2014, the Board was reconfigured to ensure top management representation from the four Business Areas in addition to key Group functions and one employee representative. The Board met twice in 2014.

For more information on how we govern our sustainability performance:
- dnvgl.com/about/sustainability/how-we-govern/index.html

MANAGING KEY IMPACTS. To better understand where we have the greatest impact on sustainability and where we may be exposed to risk, we conducted an extensive materiality assessment of legacy DNV in 2013, and updated the information based on similar yet minor assessment of legacy GL in 2014. The assessment involved more than 50 internal and external stakeholders through in-depth interviews, surveys and workshops. The results from the assessments were combined into the DNV GL Sustainability Materiality Matrix (shown here). The highest priority, for both what we do and what we report on, has been placed on the issues identified as being of high importance to both internal and external stakeholders.

For more details on the materiality assessment process and how we engage our stakeholders:
- dnvgl.com/about/sustainability/how-we-report/index.html
FOCUS ON CORPORATE SUSTAINABILITY

PROJECT HIGHLIGHTS

SIX PROJECTS EXPLORING THE FUTURE. The world around us is changing dramatically. The natural environment is deteriorating, economies are stagnating and societies are in turmoil.

We looked at six areas where we believe we can make a difference globally by delineating our vision for a more sustainable future.

Six reports were presented at a number of events throughout 2014.

GLOBAL OPPORTUNITY NETWORK AND REPORT. Launched in 2014, the Global Opportunity Network is a joint collaboration between DNV GL, the United Nations Global Compact and the Scandinavian think-tank Monday Morning. The aim is to facilitate a new mindset.

More than 200 experts on five continents attended eight Opportunity Panels to discuss the opportunities that emerge from the five greatest sustainability risks the world is currently facing. Their insights were tested against the opinions of 5,000 private and public sector leaders through an online survey. The output was presented in a Global Opportunity Report, launched in January 2015. Visit globalopportunitynetwork.org for more information.

ENGAGING EXPERTS ABOUT SUSTAINABILITY CHALLENGES. For the second year in a row, DNV GL convened a high-level roundtable with leading international sustainability experts from business, government, civil society and academia. The two-day event entitled ‘The Road Less Traveled: Pathways to Transformation’ aimed at developing a concrete strategy for change towards a more sustainable regenerative economy.

BUILDING A CULTURE OF SUSTAINABILITY AND ETHICS. A project was launched to update our ethics training programme focused on creating a common understanding of what sustainability is for DNV GL, along with raising important dilemmas that employees might face in their daily work.

STEPPE UP OUR REPORTING. In order to build trust among our stakeholders, DNV GL’s Executive Committee decided that we shall become a best in class sustainability reporter in accordance with the Global Reporting Initiative (GRI) ‘Comprehensive’ level. A major effort has taken place throughout 2014 to prepare the organization for the additional reporting requirements. Visit the Corporate Sustainability section of our website at dnvgl.com/sustainability for more information.

SIX-WORD CHALLENGE

people though about what our vision is safe and sustainable future’ means for them as we challenged them to formulate their own version in just six words. They were collected at events and on social media.

GROUP PERFORMANCE

SAFETY

30% decrease in lost time accidents compared to 2013, down to 1.4 per million hours worked.

DIVERSITY

22% of managers in DNV GL are female, while the proportion of female employees was 31% at year end.

CODE OF CONDUCT TRAINING

1,200 people completed training in anti-corruption in 2014, representing 67% of new employees.

OIL & GAS

The oil and gas industry has the opportunity to play an important role in a sustainable energy portfolio. We engage with the industry to define short term concrete measures of energy efficiency, use of renewables and reduced emissions from, for example, gas flaring.

In addition to developing standards and best practices, we provide foresight in long-term technology and policy developments, needed to enhance the sector’s environmental performance.

We also reinforce our commitment to responsible industry practice by ensuring a transparent and non-discriminatory approach to recruitment. All vacant positions are clearly defined within a common recruitment tool securing that our adherence to UN principles is implemented consistently across the world.

We also keep business compliance in sharp focus. During 2014, a number of cases with potential grey zones and areas of difficulty as to corruption were discussed, reviewed and concluded on senior management level. An online training module on this topic will be launched to all employees in 2015.

SUSTAINABILITY REPORTING FROM BUSINESS AREAS

MARITIME

The Maritime business area has focused on ‘Environment’ and the principles 8 and 9 of the UN Global Compact. In 2014, we have continued to develop and promote services related to fuel efficiency for ships.

The services span from fuel-efficient design of hull and machinery to operational measures like trim optimization, weather routing, optimal speed and optimization of the fuel consumption of machinery.

We have also continued to promote LNG as fuel for ships as an intermediate solution before more climate-friendly energy sources are made available. We have provided both foresight and insight reports on energy sources like use of electric power from batteries as well as biofuels to customers as well other stakeholders like authorities in different countries.

We promote environmental-friendly behaviour in our employees base by supporting use of public transport, for example the use of trains where possible instead of flying. We have environment-related targets and accounting systems, especially for energy usage in offices and control and reduction of all kinds of waste.

OIL & GAS

Shale gas in the US, cheap coal in Europe, geo-political and national uncertainties put pressure on the global investment in renewable energy sources in 2014 jeopardizing a fast transition towards a low carbon economy.

Through its expertise and services in wind, solar, energy storage, power grids and energy efficiency, DNV GL actively contributes to a cleaner, affordable and reliable energy system, fit for future generations.

To further drive sustainability internally, HSE audits and awareness activities for health and safety were conducted, contributing to increased HSE consciousness among management and employees.

Preparations started for new Energy headquarters in a BREEAM certified building to be opened in 2015. We increased external promotion of sustainability practices through David Walker’s participation in the Energy Board of the WBCSD.

Community engagement has been put on the agenda through an agreement with the Netherlands Red Cross.

BUSINESS ASSURANCE

Building on a platform of “Sustainability in Everything We Do,” we work every day to build and offer a service portfolio of certification, verification, assessment and training services that help companies build sustainable business performance.

In 2014, we implemented the evolution of Risk Based Certification™, our propriety audit methodology for management system certifi-
cation. Next Generation Risk Based Certification helps companies use their management systems to operate more sustainably by taking stakeholder expectations into account and expanding their scope of risk to include external influences.

Recent assurance service developments address water and supply chain management. We also actively engage in standards development, partnerships to drive improvement and share knowledge around how businesses can work to build sustainable business performance. We have an obligation and strong commitment to build knowledge and contribute to solutions that can help companies operate more sustainably.

ANNUAL REPORT 2014 53

ANNUAL REPORT 2014 52
BUILDING A CULTURE OF INTEGRITY

“We never compromise on quality or integrity” is one of our values and our leading principle for fostering a common culture of integrity across all operations. For this reason, DNV GL has a zero-tolerance policy for corruption and unethical behaviour for all employees, subcontractors and agents.

HIGHLIGHTS

- LAUNCH OF NEW COMPLIANCE PROGRAMME. Our new compliance programme is based on the criteria of the new ISO standard 19600 for the establishment of an effective and responsive compliance management system. The programme is based on the action areas prevention, detection and reaction.
- ESTABLISHMENT OF E-LEARNING MODULES. Two e-learning modules were developed and launched in 2014. One training module was based on the new Code of Conduct to enable our employees to carry out their duties in an ethical and responsible manner. This training will help them recognize the importance of the topics addressed in the Code of Conduct and acknowledge their personal responsibility to follow it. The employees are trained to make the right decisions in ethical and compliance matters. They also have to confirm that they have read and understood the Code of Conduct. The second training module provides insight into the definition of corruption and anti-trust, so that our employees are aware of possible risks, how to identify critical situations and how to deal with them. Both modules include sections on the process of reporting misconduct.
- FINALIZATION OF KEY GOVERNING DOCUMENTS. In 2014, we finalized all key governing documents related to compliance. In addition to the compliance policy, they included instructions on anti-corruption, the acceptance or granting of gifts, entertainments, travel or other benefits; anti-trust; and reporting of misconduct.

10 risks related to fraud and corruption were identified as part of our regular risk management process.

67% of new employees completed the anti-corruption and anti-trust training.

32 compliance cases were reported in 2014.

3  FOCUS ON BUSINESS ETHICS AND ANTI-CORRUPTION

1  OUR AMBITIONS

We want to ensure that our value ‘We never compromise on quality or integrity’ is adhered to wherever we do business.

2  WHAT WE SAID

We improve the job description for investigators and clarify who to report to in cases of fraud and corruption.

We develop and implement a deployment plan to improve new and existing employees’ understanding of fraud and corruption risks.

We incorporate compliance, fraud and corruption factors in business reviews.

We develop a fraud and corruption case register.

We review external corporate governance requirements.

We review ‘most corrupt countries’.

We evaluate access to information.

We develop fraud and corruption training for controllers.

3  WHERE WE ARE TODAY

New compliance programme set up.

All key instructions are in place.

Extensive communication to reach everyone in DNV GL.

 Rolled out training modules 1 and 2 on Code of Conduct, Anti-Corruption and Anti-Trust.

A review of fraud and corruption risks has been included in the regular risk process through adding a separate risk category for bribery and fraud in our company risk tool.

4  WHAT WE PLAN TO DO NEXT

Prepare regional instructions and guidelines.

Improve the risk management process related to fraud and corruption risks.

Strengthen the compliance network and increase communication measures.

Introduce express learning modules on specific topics, such as reporting of misconduct.

Initiate an annual management review of the compliance programme in order to evaluate the effectiveness of the management approach.

Develop audit questions on compliance with the Internal Audit.

Communicate on integrity to business partners.

WHY IS THIS IMPORTANT?

GLOBAL REPORTING INITIATIVE – MATERIAL ASPECTS COVERED

- Anti-corruption
- Anti-competitive behaviour
- Customer privacy

Our policy is to be compliant with all applicable laws, including anti-corruption and privacy legislation at all times in order to: 1) mitigate identified business risks 2) improve business performance 3) build trust amongst our employees, customers and other key stakeholders.

We have defined compliance as impeccable legal and ethical conduct by all employees in their daily work. We do not tolerate any violation of applicable laws, our Code of Conduct or internal regulations.

To help our managers to meet this responsibility, a compliance programme has been set up, focusing on integrity in business dealings, anti-corruption, commitment to fair competition, upholding of trade laws and privacy law.
Governing documents: in addition to developing key global instructions, we started to develop additional measures at local and regional level in 2014. The Code of Conduct was also translated for those countries where legal requirements make it necessary. A first local guideline on the handling of gifts in Greater China was implemented and further regional guidelines will be developed in 2015.

The existing global instructions on pursuasion and subcontracting were reviewed, taking the specific needs of the operation into account. The revised versions will be published in early 2015. Communication measures relating to business partners will then be initiated.

Training: Since employees in legacy DNV and legacy GL had received extensive training through mandatory e-learning modules on the Code of Conduct and anti-corruption, the new training modules on the Code of Conduct and anti-corruption/ anti-trust were made mandatory for new employees only. The training has to be completed within the first six months after joining DNV GL.

The statistics in the table also include those employees who joined the company in the second half of 2014 and were therefore not obliged to finalize the training until the end of the year. It is also mandatory for new employees to attend the classroom training ‘We in DNV GL as part of their onboarding programme. This course includes an introduction to the compliance programme. The new e-learning modules will become mandatory for all employees in DNV GL in 2015.

Several additional training sessions relating to the compliance programme and anti-corruption were held for line management teams across business areas in Dubai, Singapore, Kuala Lumpur and Shanghai. The line managers were instructed to cascade the information to their staff. In 2014, the compliance programme was on the agenda at some Country Chair meetings where all business areas were represented. This will continue in 2015. A separate workshop took place with the Global Shared Services team focusing on areas related to HR, IT and Finance.

RISK ASSESSMENT TO IDENTIFY FRAUD AND CORRUPTION: The identification and assessment of fraud and corruption risks was facilitated within the regular risk management process. Our risk management tool included 10 identified risks related to fraud and corruption. Business Assurance identified two risks, Oil & Gas three, Energy two, Global Shared Services one, and Maritime two risks in relation to fraud and corruption.

The existing risk management process was modified to achieve a higher level of transparency. In addition, we started to identify countries with a high risk of fraud and corruption. The countries were ranked by revenue and their score in Transparency International’s corruption perception index. This process will be finalized in the first half of 2015. In the light of the above, we reviewed the recruitment process as to the need for background checks of candidates using a sanctions-check tool for high-risk countries.

FOCUS ON COMMUNICATION: We believe that communication is key to establishing a successful compliance programme which is endorsed by everyone in DNV GL. This communication must be channelled through the top management and line management in order to show their commitment to our programmes. The Compliance Officer presented the compliance programme to, and discussed the programme with,

all governing body members, which are the Board of Directors, the Board Audit Committee and the Executive Committee. The Executive Leadership Teams in all business areas, the global top 100+ managers and the Country Chairs (representing all countries DNV GL operates in) have also all received training.

We established worldwide compliance networks, consisting of all Country Chairs and business-nominated employees. Their role is to actively raise awareness of compliance issues in their respective countries and to help communicate the compliance programmes. All Country Chairs were introduced to the programme.

REPORTING ON INCIDENTS: We adjusted the instructions on the reporting of misconduct in regard to the new compliance programme and the new organizational set-up. This was done to clearly show which cases have to be reported through the designated channels. The cases are filed in a case register and reported to the Board of Directors (Audit Committee) and the Group CEO. In order to ensure the anonymous reporting of incidents or concerns, we set up a helpline and appointed internal and external Ombudsmen.

Furthermore, we implemented a process to handle investigations and the roles and responsibilities of internal and external resources. We also introduced a case report template for use by line managers to ensure the proper handling and filing of cases. There were no confirmed incidents of corruption in 2014.

Table 01: COMPLETION RATES OF MODULE 1 AND MODULE 2 FOR BUSINESS AREA OF ALL NEW EMPLOYEES IN DNV GL 2014

<table>
<thead>
<tr>
<th>Code of Conduct course</th>
<th>Anti-corruption &amp; anti-trust training</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business Assurance</td>
<td>46%</td>
</tr>
<tr>
<td>Energy</td>
<td>72%</td>
</tr>
<tr>
<td>Maritime</td>
<td>83%</td>
</tr>
<tr>
<td>Oil &amp; Gas</td>
<td>70%</td>
</tr>
<tr>
<td>Software</td>
<td>73%</td>
</tr>
<tr>
<td>Global Shared Services</td>
<td>57%</td>
</tr>
</tbody>
</table>

Total 70% 67%

Table 02: COMPLIANCE CASES

<table>
<thead>
<tr>
<th>Case type</th>
<th>New cases in 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Labour related*</td>
<td>6</td>
</tr>
<tr>
<td>Allegations</td>
<td>18</td>
</tr>
<tr>
<td>Data Protection</td>
<td>1</td>
</tr>
</tbody>
</table>

For more info on our code of conduct and ethics policy:
www.dnvgl.com/about/sustainability/ anti-corruption/index.html

WHAT ARE THE BENEFITS OF A NEW COMPLIANCE PROGRAMME FOR DNV GL? It combines the best of both legacy organizations. It reflects the latest developments in how a compliance programme has to be set-up. The discussion we have had in workshops and classroom training about a common integrity level will help us obtain a common understanding of ethical behaviour within our organization.

HENDRIK O. MADSEN
PRESIDENT & CEO

How do we best get our people to care about ethical behaviour and compliance? Experience shows that the background and benefit of a compliance programme is manifold. It is very effective to have a direct dialogue in workshops and classroom training and to use dramatic training and realistic cases and scenarios.

But we must also live our values, and that starts by recruiting the right people with the right mindset. And then we need to keep up our communication efforts. We can never communicate this enough.

WHAT ARE THE CHALLENGES? Establishing a common integrity culture while addressing the different aspects of our different cultures is, of course, a challenge. The culture, values and ways to behave differ from country to country, but all this needs to be at a level that we are comfortable with. The cultural aspects are very important to me and alignment with local needs is both fascinating and challenging. I very much appreciate the discussions I have with employees on these aspects.
As a knowledge company, we aim to develop the competence of our employees, safeguard their well-being and create a workplace that is attractive and challenging and where people are motivated to fulfill our Purpose and Vision and live our Values. With the closing of the merger in September 2013, the continued integration of employees in DNV GL remained a priority in 2014. Employees were brought together through common systems, training, processes and offices to work towards achieving common business objectives.

HIGHLIGHTS

**IMPROVING PERFORMANCE.** Good progress was made in terms of implementing the managing individual performance (MIP) process, the career model, and harmonized compensation and benefits across the DNV GL Group. The MIP process was completed for 87% of employees in 2014, exceeding the target of 80%. Integration of employees was also supported through internal communication, common onboarding training for new hires and common leadership training for managers.

**STABLE EMPLOYEE NUMBERS.** There is no indication that employee turnover has increased or that exit reasons have changed significantly as a consequence of the merger and integration process. Overall voluntary turnover for the year was 7%. At the year-end, the total number of permanent employees was 15,159. The largest countries in terms of number of permanent employees are Norway (2,756), Germany (1,906), the US (1,839), the UK (1,441) and China (1,048).

**OFFICE Mergers.** The merging of legacy DNV and legacy GL offices is progressing according to plan and was 83% complete by the year-end. The total number of offices has been reduced by 139. A further 28 office mergers will take place in 2015.

**A number of exchange programmes were conducted to facilitate competence development and knowledge sharing in the organization. Two-year-long and short-term exchanges for Maritime technical employees were established between Hamburg and Havik. The ‘Knowledge Booster’ programme received extra funding to increase and stimulate knowledge development and sharing across units and geographies within Oil & Gas and Maritime. We also established a buddy programme to connect colleagues based on common areas of interest.**

**FACILITATING KNOWLEDGE EXCHANGE.** A number of exchange programmes were conducted to facilitate competence development and knowledge sharing in the organization. Two-year-long and short-term exchanges for Maritime technical employees were established between Hamburg and Havik. The ‘Knowledge Booster’ programme received extra funding to increase and stimulate knowledge development and sharing across units and geographies within Oil & Gas and Maritime. We also established a buddy programme to connect colleagues based on common areas of interest.

**WHEN THE PROCESS IS COMPLETE, DNV GL will have the industry’s densest global network, with 353 offices in 90 countries.**

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**93% of employees say: ‘DNV GL’s Purpose, Vision and Values are important to me’.

**119 nationalities are represented among our employees, the largest nationality being Norwegians (14%).

**17.2 was the average number of hours of formal classroom training per employee in 2014.**

WHY IS THIS IMPORTANT?

**1**

OUR AMBITIONS

- Our strategic People goal is ‘to develop highly competent, high performing and engaged people who are committed to our Purpose, Vision and Values’.
- A career in DNV GL should not be hindered by age, nationality or gender if the employee has the competence, attitude and values needed for the role.
- DNV GL strives to achieve a consistent, transparent and market-relevant compensation and benefits framework that supports the organization’s need for flexibility with respect to tasks, work location and career opportunities.

**2**

WHAT WE SAID WE WOULD DO

- Harmonize compensation and benefits according to group-wide principles to ensure that the composition of compensation and benefits is aligned across DNV GL.
- Implement the global career model to facilitate employees’ competence development, as well as transfers between business areas, units, roles, services and geographies.
- Implement the Managing Individual Performance (MIP) process and tool across the organization.
- Drive aligned leadership based on the Expectations to Leaders.

**3**

WHERE WE ARE TODAY (RESULTS)

- All countries, with the exception of the Netherlands (scheduled for 1 April 2015) and Germany (in progress), implemented harmonized compensation and benefits frameworks on 1 January 2015.
- The MIP process was completed for 87% of employees in 2014, exceeding the Group KPI of 80%.
- 448 managers participated in one of the four ‘Journey’ Leadership Development programmes, almost twice as many as in 2013.

**4**

WHAT WE PLAN TO DO NEXT (GOALS, PLANS, TARGETS FOR 2015)

- Strengthen the safety culture in DNV GL through the 2015 Safety Culture initiative.
- Improve the quality of the performance management process and dialogues. The Group-wide HR Key Performance Indicator is to improve the quality of key performance management aspects by 3%.
- Continue to implement common HR processes: define and align the succession management process; roll out the common salary adjustment and promotion process; and support the implementation of workforce planning and flexibility.

GLOBAL REPORTING INITIATIVE

- Employment
- Labour/management relations
- Training & education
- Diversity & equal opportunity
- Equal remuneration for women & men
- Non-discrimination
- Labour practices grievance mechanisms

Our role as a supplier of services and source of expertise relies upon the knowledge, skills and attitudes of our people. Therefore, our policies and processes must support the careers and development of highly competent, high performing and engaged people who are committed to our Purpose, Vision and Values.
The past year was exciting and challenging for many of our employees. We celebrated the 150th anniversary of our company with customers, stakeholders and employees around the world. This was an excellent opportunity to reflect on our proud history, as well as to look ahead in terms of our role in making our customers and industries safer, smarter and greener. We also achieved the milestone of the first year of joint operations in DNV GL. The integration process continued to demand a high workload for many parts of the organization. Nevertheless, employee engagement remains high.

**Employee Engagement and enablement.** In 2014, our people were brought together through common systems, processes and offices to work towards achieving common business objectives. In addition, we established a customized ‘buddy’ programme to connect employees from different legacy organizations based on their interests. More than 3,500 user profiles have been created in the programme.

**DNV GL continues to use the People Engagement Process to measure employee engagement and enablement and identify aspects of the work environment that should be addressed by management at all levels.** In 2014, the People Engagement Process was implemented for all employees in the DNV GL Group. The annual survey was conducted in September and 92.3% of employees gave their opinions on working in the company. Approximately 1,900 reports were distributed to individual units and management teams as a tool for identifying issues in the work environment that should be addressed.

Compared to survey company Hays Group’s reference group of high-performing companies, DNV GL’s overall results are above average. The topics scoring most above other high-performing companies relate to development opportunities. The two individual questions with the most favourable responses were: ‘DNV GL’s Purpose, Vision and Values are important to me’ (93% favourable); and the merger-related question, ‘I am committed to working towards the future success of the DNV GL Group’ (91% favourable).

**Areas to improve.** The survey highlighted some areas to improve, including ensuring that employees understand the relationship between their individual goals, unit goals and the overall DNV GL strategy, and that they receive regular feedback from their managers. To address this, there will be a Group-wide HR KPI in 2015 on improving key performance management expectations by 3%.

More work will also be carried out to ensure that all DNV GL staff have a clear line-of-sight between their personal goals and the Group strategy, starting with the sharing of the new Group Strategy 2016–2020 with all employees once it is finalized in the summer of 2015. In addition, local managers are expected to take action on local issues highlighted in the local survey results.

The ‘temperature check’ surveys that were initiated with the announcement of the merger were continued and followed up during the first two-thirds of 2014 to assess employee perceptions of the merger and merger-related communication. In general, the results were quite positive, reflecting a strong commitment to make the merger a success.

**Diversity sought after.** DNV GL strives for the diversity of the workforce to be reflected at all management levels. The proportion of female employees was 31% at the year-end, and the proportion of female managers is now 22%. We will continue to conduct mentoring programmes and have senior managers located outside of headquarters to gain better knowledge of local communities and employees. The make-up of the total manager pool must show year-on-year improvement towards reflecting the composition of the DNV GL workforce.

**Implementation.** All countries, with the exception of the Netherlands (scheduled for 1 April 2015) and Germany (in progress), implemented the new compensation and benefits frameworks on 1 January 2015. The group-wide principles are applied consistently in all countries, though the structure of allowances and benefits differs based on local legislation and labour markets.

**Global principles – local implementation.** Harmonization of compensation and benefits around the world.

A natural and important step in establishing DNV GL is to implement common HR principles and processes. By implementing a common framework aligned with Group-wide principles in each country, we ensure that the compensation and benefits are aligned across DNV GL.

- It is a key enabler for legal entities to merge.
- It is a key element in building a common DNV GL culture.

**Development of local harmonization plans.** Global principles, based on our company Values and People Policy, were established for aligning compensation and benefits. These were the basis for the harmonization in each country. Subsequently, all compensation and benefits data were collected and analysed to find differences between the legacy companies’ terms and conditions in each country. In parallel, all legacy GL employees were assigned a grade and track in the DNV GL Career Model. Based on this analysis, harmonization scenarios were developed to identify and document various equalization strategies. All plans and data were assessed by local teams and approved before the preparation of new individual total compensation statements for those employees affected by the harmonization.

**Supporting integration.** The harmonization of the compensation and benefits framework is closely connected to other HR processes and is a vital part of the integration process for a number of reasons:

- It removes barriers for employees to take on new career opportunities within DNV GL.
- It increases transparency and simplicity related to compensation and benefits.
- It significantly reduces the future administrative burden of handling different compensation and benefits systems.

DNV GL designed a framework that is closely connected to other HR processes and supports the integration of the compensation and benefits processes. The framework is closely connected to other HR processes and is a vital part of the integration process for a number of reasons:

- It removes barriers for employees to take on new career opportunities within DNV GL.
- It increases transparency and simplicity related to compensation and benefits.
- It significantly reduces the future administrative burden of handling different compensation and benefits systems.

**For more info on our people policies:**

dnvgl.com/about/sustainability/people/index.html

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**AVERAGE HOURS OF TRAINING PER YEAR PER EMPLOYED BY GENDER**

<table>
<thead>
<tr>
<th></th>
<th>Number of trained employees</th>
<th>Total hours</th>
<th>Average hours</th>
</tr>
</thead>
<tbody>
<tr>
<td>Female</td>
<td>1,951</td>
<td>36,400</td>
<td>18.86</td>
</tr>
<tr>
<td>External</td>
<td>333</td>
<td>5,162</td>
<td>15.50</td>
</tr>
<tr>
<td>Internal</td>
<td>1,618</td>
<td>31,238</td>
<td>19.31</td>
</tr>
<tr>
<td>Male</td>
<td>8,390</td>
<td>147,897</td>
<td>17.64</td>
</tr>
<tr>
<td>External</td>
<td>820</td>
<td>12,094</td>
<td>14.75</td>
</tr>
<tr>
<td>Internal</td>
<td>7,570</td>
<td>135,805</td>
<td>17.94</td>
</tr>
</tbody>
</table>

**EMPLOYEES, LEVEL OF EDUCATION**

- Master: 42%
- Bachelor: 39%
- Basic education: 9%
- Doctorate: 3%
- 2-year college: 3%
- Technical/professional: 1%
- Sum: Bachelor, Master: 87%

Education levels are largely captured through an employees self-service system.

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**IM VERY PLEASED TO SEE THE ANNUAL ENGAGEMENT SURVEY’S POSITIVE RESULTS AND HIGH RESPONSE RATES THROUGHOUT THE ORGANIZATION. THIS IS ESPECIALLY IMPRESSIVE CONSIDERING THE AMOUNT OF INTEGRATION ACTIVITIES AND TOUGHER MARKET CONDITIONS WE HAVE FACED DURING THE PAST YEAR.**

Cecilie B. Heuch
Group Chief HR Officer
MANAGING OUR
HEALTH AND SAFETY
PERFORMANCE

Taking care of the health and safety of our people is a responsibility we take seriously. It is embedded in our values and in our purpose of safeguarding life, property and the environment. In 2014, our greatest effort was to create common management systems, processes and training to support this goal.

HIGHLIGHTS

- RECERTIFIED TO THE OHSAS 18001 STANDARD. Introducing a common occupational health and safety standard for the newly merged DNV GL group was a key priority. Our main initiative in 2014 was to establish a common occupational health and safety management system. DNV GL was recertified to the OHSAS 18001 standard by an external certification body.
- APPLYING OUR OWN SOFTWARE. For reporting and managing incidents and hazards, we rolled out the software solution Synergilife, developed by DNV GL - Software. This includes the use of a mobile app for immediate reporting following an occurrence.
- HSE TRAINING. Safety training for all new employees and three HSE culture-building courses for managers and HSE professionals were conducted in 2014.
- POSITIVE ATTITUDE. The results of our annual survey among employees reveal a positive attitude towards safety, and 90% stated they had received adequate safety training and equipment.
- CRISIS MANAGEMENT TRAINING. 10 crisis management exercises were conducted at group level, involving all levels of the organization.

1.4
lost time accidents per million hours worked. This is a decline of 30% compared to 2013.

2.0%
was the total sickness absence rate in 2014, down from 2.1% in 2013. This level is considered acceptable.

0.15
incidents and hazards were reported per employee. This is an increase of 36% from 2013.

1.4
2.0%
0.15

WHY IS THIS IMPORTANT?

Our employees are DNV GL’s most valuable asset, and health and safety performance is an essential measure of our duty of care. We are committed to managing and continually improving our occupational health and safety performance with the overall goals of preventing injury and occupational disease. With one-third of all our employees performing work at shipyards and vessels, factories, offshore rigs, wind turbines and other installations, we are exposed to health and safety risks across our operations worldwide. Stress is also a risk we encounter. DNV GL has as its core business to enable its customers to improve safety. We must apply best practices in our own organization.
Occupational health and safety are high on DNV GL’s agenda. In 2014, we established a common management and reporting system. With many different reporting practices and systems from the legacy companies, this was in itself a major achievement.

**INCIDENTS AND HAZARDS, 2013**

- 3,213 work-related incidents and hazards were reported in 2013. This represents 0.15 reports per employee and is an increase of 36% from 2012. Of the reported incidents and hazards, 35% were assessed as having medium and high loss potential. There is still a need for increased awareness of the most important reported incidents and hazards are for improving occupational health and safety performance. Figure G5 shows how incidents and hazards are distributed by work processes.

- 157 occupational health issues were reported in 2014. The most common causes were ‘overstrain, exertion or repetitive strain’ (57%), and ‘exposure to too high or low temperatures, or inadequate lighting or air quality’ (15%).

**LOST TIME ACCIDENTS**

- Lost time accidents per million worked hours decreased by 20% in 2014 compared to 2013. Of the reported incidents and hazards involving people and work absence resulting in illness to people, 23% were lost time injuries were ‘fractured bones, sprains and strains’ (38%), and ‘bruises, contusions and cuts’ (34%).

**OCCUPATIONAL HEALTH ISSUES**

- The number of occupational health issues leading to absences was 1.0 per million worked hours in 2014, the same as in 2013. There have been 384 days absences due to occupational health issues. The number of days absence due to occupational health issues per million worked hours has increased from 0.3 to 0.4 from 2012 to 2013. The majority of the absence hours due to occupational health issues were related to office work (31%), surveys and inspections (21%), and travelling (17%).

**TOTAL SICKNESS ABSENCE RATES (%)**

- The total sickness absence rate was 3.8% in 2014, compared to 3.7% in 2013. The majority of the absence hours due to occupational health issues were related to office work (31%), surveys and inspections (21%), and travelling (17%).

**PARENTHESES**

- 66% of the absence hours due to occupational health issues were related to physical work environment conditions and 34% to psychosocial work environment conditions.

**INVOlVING EMPLOYEES**

- To ensure that employees’ opinions are heard, local occupational health and safety evaluations are held annually throughout the organization. The objective of these events is to improve occupational health and safety awareness through involving employees in identifying occupational health and safety improvements. About 82% of employees participated in local health and safety evaluations in 2014.

- In addition, formal occupational health and safety evaluations are established in 16 countries, either as a consequence of local legal requirements or because the usefulness of such committees has been identified internally. At year end 2014, 54% of the workforce were represented in formal joint management-worker health and safety committees.

**A FATAL ACCIDENT AT DNV GL’S HEAD OFFICE, HØVKn.**

On 11 August 2014, a fatal accident occurred at DNV GL’s head office. The injured person was an employee of an external company, and the accident occurred when two employees from the company DNVE had a break-out gate. The external company was contracted in by Coor Service Management, a subcontractor under DNVE Eiendom, which is responsible for all maintenance of the buildings at the Høvik headquarters. The formal investigation of the accident showed that all the direct causes of the accident were related to the external company’s HSE management system. DNV GL has however investigated indirect causes of the accident and how internal procedures could have reduced or eliminated the risk of the accident occurring. Important learnings are captured and will be implemented in our contractor safety programme.

**IMPROVE TRAINING.**

The focus on HSE competence and awareness training continued in 2014. All new employees are required to complete HSE induction training within the first two weeks of working. In addition, the business areas develop and maintain training to ensure implementation of their safety instructions through adequate knowledge of safe behaviour among field workers. This safety training includes both theoretical and practical modules as relevant. Three HSE culture building courses for managers and HSE professionals were conducted in 2014.

**IMPROVED CRISIS PREPAREDNESS.**

Following the review of the DNV GL crisis management protocol and plan components in 2013, the members of the group crisis management team participated in altogether 11 crisis exercises in 2014. DNV GL’s own Emergency Response Service unit planned and conducted these exercises and ensured that interfaces with country level crisis teams were integrated in the exercise. Teams from Chile, Singapore, Korea, Brazil and Germany participated in scenarios that included hurricanes, helicopter crashes, tsunamis and fire on an oil rig.

The backbones of DNV GL’s occupational health and safety management system is that all employees are fully aware of their right to say ‘no’ when they do not consider the situation to be safe.

**CASE**

Our employees feel confident and empowered to stop work and to intervene when they encounter inappropriate behaviour or unacceptable working conditions.

Every year there are several cases where DNV GL surveyors have to refuse to perform work until a satisfactory safety standard is established. Here are some examples from 2014:

- A surveyor was requested to attend a survey at an offshore anchorage. The owner was advised that the survey could not be performed as the location was not suitable for transfer from the launch boat to the vessel. The case was escalated through management, who continued to support the decision of the local DNV GL office not to perform the survey as requested. Eventually, a solution was reached.

- The surveyor to attend when the vessel entered the inner anchorage. When the surveyor performed the survey at anchor, the master told him that a vessel who did board at the outer anchorage broke his leg as the conditions were challenging during the transfer.

- During an inclination test on a vessel, inspection of all tanks and spaces was required to ensure they were empty. The vessel's crew opened all the manholes and within five minutes the DNV GL surveyors were called to inspect inside the tanks. No gas meter readings were taken, and no ventilation was put in place. Checklist for Safe Entry into Confined Spaces was used and entry was refused by the surveyor.

- A DNV GL engineer was asked to inspect 31 machines at a wind farm, and found unsafe access up to the nacelle in the wind turbines. The inspection was suspended, followed by a meeting with the customer’s management. After the inadequate safety condition was explained, actions were taken by the customer, the safety standard brought to an acceptable level and the inspection continued.
A fundamental part of our purpose and vision is to have a positive impact on the environment through the services we provide. We also continuously work to manage and reduce the environmental footprint of our own operations and the personal footprint of our employees. Implementing a common environmental management system was an important achievement in 2014.

**HIGHLIGHTS**

- **IMPLEMENTING A COMMON ENVIRONMENTAL STANDARD.** A main activity in 2014 was to establish a common environmental management system for the merged DNV GL group.
- **RECERTIFIED TO THE ISO 14001 STANDARD.** It was an important milestone to obtain recertification of our environmental management system to the ISO 14001 standard by an external certification body.
- **MOVING INTO ENVIRONMENTALLY FRIENDLY BUILDINGS.** DNV GL moved into LEED-certified buildings in Russia and Italy and a building with green marked platinum standard in Singapore.

**WHY IS THIS IMPORTANT?**

As a global organization, we are committed to do our part to tackle some of the world’s greatest environmental challenges and reduce the environmental impact of our operations. Safeguarding the environment is part of our purpose and a key aspect of our service offering is to help our customers improve their environmental impact.
employees need to be involved in improving our environmental performance. That is why DNV GL complies with the ISO 14001 standard for environmental management systems and is certified by TÜV Rheinland Cert. GmbH. This ensures that we have a common approach, processes and systems for managing our environmental performance throughout the company. Our annual environmental reporting is mandatory for all locations with 40 or more employees and for all laboratories and test sites. A few locations have either reported only energy consumption or generated waste. Figures for 2012 and 2013 only include DNV legacy locations, since data collection.

Energy consumption. A total of 77 locations, representing 76% of employees, reported their energy consumption in 2014. Five locations with more than 40 employees were not included in the energy consumption statistics due to problems encountered with the EEM’s.

The total reported energy consumption for 2014 was 87.5 GWh (figure 16). Of that, 23.4 GWh was consumed by locations that did not participate in the environmental reporting for 2013. Locations that reported energy consumption in 2014 showed 36% in 2013, accounting for 0.3 GWh. In sum, the locations that reported for both years experienced an increase in the reported energy consumption of approximately 4.8% compared to 2013. There is an increase in district heating from external suppliers of 422% compared to 2013. This is mainly due to reporting from locations that did not report last year.

The renewable energy on-site has decreased to 2.9 GWh, down 29% compared to 2013. This is due to changes of the use of the heat pump at Havok, which was earlier used both for heating and cooling, but which is now only used for heating. Water for cooling is now pumped directly from the sea.

The specific energy consumption decreased to about 7.4 MWh per person in 2014 – down 10% from 8.2 MWh per person in 2013. This decrease follows an improved energy measuring process for one large location that reported too high figures in 2013, energy efficiency initiatives at several locations and underreporting by some of the locations that are reporting for the first time.

Emissions to air from operations at DNV GL’s Locations. The emissions of CO2 equivalents at the reporting locations in 2014 were 26,336 tonnes, of which about 6,196 tonnes were from locations that reported for the first time. Locations reporting both in 2013 and 2014 showed an increase in CO2 emissions of about 5% compared with 2013.

This is a result of an increase in reported energy consumption in countries with relatively high emissions from electricity production, emissions from the use of 202 kg of sulphur hexafluoride (SF6) gas corresponding to 4,484 tonnes of CO2 equivalents and emissions from the direct release of natural gas equal to 74% of CO2 equivalents.

The SF6 gas is used at our test sites to test customers’ objects and in auxiliary breakers. Emissions result from both failures of the customer’s objects and the handling of the SF6 gas. The emission of this substance is 0.56% of the total usage of SF6 gas at our premises.

The specific CO2 emissions of all the reporting locations increased to 2.2 tonnes of CO2 per person in 2014, up 22% compared to 2013. The CO2 emission per person in 2014 from energy consumption at the reporting locations was 1.8 tonnes, the same as for 2013. Estimated emissions of NOx, increased by 13% compared to 2013 due to increased gas consumption.

CO2 emissions from air travel. DNV GL has implemented a common global tool accounting for mileage and CO2 emissions related to business flights. Air travel is an integral part of our work, so the intention is not to stop travelling, but rather to increase employees’ awareness of their travel footprint. The reported CO2 emissions from business air travel decreased to 0.92 tonnes per employee in 2014, down from 1.15 tonnes in 2013. This decrease is assumed mainly to reflect underreporting due to delays in implementing the reporting system in the merged organization.

Waste. 68 locations comprising 11,140 employees reported generated waste in 2014. The amount of waste generated at the reporting locations in 2014 was 2,433 tonnes – an increase of 53%. Most of this significant increase is related to metal waste from the power testing laboratories in Chalfont St. Giles (the United Kingdom) where the process for reporting waste has been improved. This metal waste is from customers’ equipment that has been burnt up or exploded during testing.

The specific waste generation at all the reporting locations increased to 218 kg per person in 2014, up 54% from 2013. This is partly due to the increase in reported metal waste, waste intensive testing and laboratory activities at several of the locations and the removal of 165 m3 of contaminated soil calculated to weigh 287.9 tonnes.

Hazardous waste increased to 326.7 tonnes in 2014 from 22.2 tonnes in 2013. This significant increase is mainly due to the contaminated soil resulting from the uncontrolled release of oil at Groningen. Between 500 and 1,000 litres of oil were released onto a non-impermeable surface. An impervious concrete surface is to be installed over the decontaminated area and technical and procedural measures will be taken to prevent recurrence. The spill was reported to the local authorities, who were satisfied regarding the action taken and took no enforcement action. Hazardous waste is disposed of by authorized handlers. For 99.3% of the waste, the disposal method determination is based on information provided by the waste disposal contractors.

Moving into LEED-certified buildings in Russia and Italy. Leadership in Energy & Environmental Design (LEED) is a green building certification program that recognizes best-in-class building strategies and practices. In June, DNV GL’s staff in St. Petersburg moved into the first LEED-certified commercial office building in Russia. In October, employees in Milan moved into new offices in the Vimercate Energy Park.

The Energy Park obtained the first Green Building Council PLATINUM-Level LEED certification in Italy. Optimization of water resources, use of wood from certified sources, enhanced flexibility in the management of the thermal control system and optimization of natural light are just some design characteristics implemented in the offices in order to guarantee employees a comfortable and environmentally friendly working environment.

LIVING THE VALUES IN OUR VALUE CHAIN

At DNV GL, we extend our commitment to sustainable business practices to our value chain. As part of our corporate sustainability strategy, we are stepping up our efforts to communicate expectations, monitor performance and improve the social, environmental and economic impact of our business partners globally. We do this not only to reduce risks, but also because we believe sustainable value chain management can be a strong driver of value and success – for business and for society.

WHY IS THIS IMPORTANT?

The DNV GL Sustainability Materiality Matrix (see page 51) identifies sustainable supply chain management as being of high importance to our internal and external stakeholders. In living up to our vision of global impact for a safe and sustainable future, we have to ensure a positive impact on both our customers and suppliers. Our obvious impact is on our customers through the services we deliver, but we recognize that we also impact sustainability through the goods and services we buy.

The corporate sustainability principles to which DNV GL is committed also extend to our relationships with suppliers, subcontractors, contractors and agents. DNV GL communicates its sustainability expectations to suppliers, and evaluates and monitors suppliers’ corporate sustainability behaviour and performance. Our Supplier Code of Conduct outlines our expectations as to suppliers, and is aligned with recognised international standards for supply chain management, including the 10 UN Global Compact principles in the areas of human rights, labour standards, environmental performance and anti-corruption.

SUSTAINABLE PROCUREMENT

In 2014, a major effort was launched to centralize procurement in DNV GL. Global procurement functions have been established, and a project was created to establish a more systematic approach to the management of sustainability risks and opportunities in the DNV GL supply chain. The work is the result of co-operation between various function groups, including Global Procurement, Group Sustainability, Compliance and HSE.

Throughout 2014, the focus was on mapping current procurement practices in DNV GL against best practice for sustainable procurement. Based on this exercise, we have identified key strengths, improvement areas and recommended actions. The recommendations were approved by the Corporate Sustainability Board in November 2014.

RECORDED INCIDENTS

Currently, we do not have a good system in place to record our suppliers’ statistics. However, we experienced a fatal accident involving one of our suppliers at our corporate head office in Norway. See page 64 for more details.

HIGHLIGHTS OF ACTIVITIES

In 2014, a project group was established to start assessing DNV GL’s downstream value chain responsibility and to consider to what extent the company faces unacceptable sustainability-related risks associated with any customer groups.

The project group reviewed international standards and policies, including the UN Global Compact guidelines on the tobacco industry and the Norwegian Government Pension Fund Global. It also reviewed our current contracts with the industry and found some contracts of a limited nature in DNV GL – Business Assurance. A total of 68 certificates were issued to tobacco companies in 2014.

Because of requirements from accreditation bodies not to discriminate sectors that are legal, it is difficult to exclude tobacco companies from DNV GL’s customer portfolio. The issue was raised during the Corporate Sustainability Board meeting in November 2014, and the Board concluded that DNV GL is to continue working with companies from this sector. We will review dilemmas from business units related to potentially unsuitable customers on an ongoing basis.

ASSESSING CUSTOMER RISK – ‘ARE ALL CUSTOMERS GOOD CUSTOMERS?’

In 2014, a project group was established to start assessing DNV GL’s downstream value chain responsibility and to consider to what extent the company faces unacceptable sustainability-related risks associated with any customer groups.

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WHAT WE SAID WE WOULD DO

Our ambition is to positively influence the sustainability performance of our partners in our value chain, and thereby to h practices around the world.

To this end, we aim to develop a global procurement system which enables us to effectively communicate our expectations to our suppliers worldwide.

Implement a system in DNV GL for systematically assessing, monitoring and mitigating sustainability risks in our supply chain.

Establish a project to review the extent to which DNV GL faces unacceptable sustainability risks associated with our customers.

WHERE WE ARE TODAY (RESULTS)

The assessment of current procurement practices has been completed and recommendations have been presented to the Sustainability Board and CEO.

A plan on how to incorporate recommendations to strengthen sustainable procurement has been established, to be executed in 2015.

Because the new procurement system is not yet in place, we were not able to monitor and report in a centralised way on how many suppliers were screened in 2014 according to the criteria in the Supplier Code of Conduct. Consequently, we are not able to report the impact of our supply chain for 2014.

WHAT WE PLAN TO DO NEXT (GOALS, PLANS, TARGETS FOR 2015)

Update key governance documents and embed new procedures in the management system.

Implement the roll-out of the plan for new policies and procedures, including screening of suppliers’ performance based on the criteria set out in the Supplier Code of Conduct.

The system for monitoring and following up on these issues in our supply chain will be incorporated in our new financial/procurement system, to be launched in 2015.

FOCUS ON VALUE CHAIN RESPONSIBILITY

[Graph and details on sustainable procurement initiatives and metrics]

GLOBAL REPORTING INITIATIVE – MATERIAL ASPECTS COVERED

- Supplier Environmental Assessment
- Supplier Assessment of Labour Practices
- Supplier Human Rights Assessment
- Supplier Assessment of Impact on Society

In 2014, a project group was established to start assessing DNV GL’s downstream value chain responsibility and to consider to what extent the company faces unacceptable sustainability-related risks associated with any customer groups.

The project comprised representatives of several functions, including Finance & Legal, Group Sustainability, Research & Innovation as well as representatives from business areas.

The project was established specifically because of a concern raised by the World Health Organisation (WHO) regarding DNV GL’s commercial relations with companies in the tobacco industry. WHO has a policy of avoiding relationships with enterprises whose activities are incompatible with its work, (WHC), such as tobacco and arms industries,(WHO Guidelines on Working with the Private Sector). This policy may have consequences for DNV GL’s healthcare business.

We will review dilemmas from business units related to potentially unsuitable customers on an ongoing basis.
Collaboration is a robust way to overcome challenges in any field. Through actively partnering with other organizations we identify complex sustainability challenges and co-create innovative solutions. This section outlines how we have engaged with selected partners in the sustainability sphere.

**UNIFIED PARTNERSHIPS**

We are a signatory to the United Nations Global Compact since 2003 and work to integrate the Global Compact principles on human rights, labour standards, environmental management and anti-corruption into our business strategy, management system, culture and day-to-day operations. We actively engage in activities like the Global Compact Caring for Climate, and in networks like the Global Compact Nordic Network – a forum for exchanging best practices on the advancement of Global Compact principles in the Nordic region.

### PROJECTS SUPPORTED

- **China**: Supported water and sanitation projects in Lao Cai province with 250,000 NOK. 56 households and one school benefited.
- **Vietnam**: Donated 200,000 NOK towards a project to rebuild 800 homes with latrines on the island of Samar in the Philippines, after Typhoon Hayan destroyed the area.
- **Philippines**: Donated 200,000 NOK toward a project to rebuild 800 homes with latrines on the island of Samar in the Philippines, after Typhoon Hayan destroyed the area.

### PEOPLE INVOLVEMENT

- **Norway**: Our people are involved in volunteering to provide literacy help and ensure equal opportunities and in fundraising.
- **Vietnam**: Employees support Red Cross initiatives with personal funds and time to help improve agriculture, hygiene, education.

### EXTRAORDINARY DONATIONS

- **Donation campaigns by employees towards WWF**: We have also asked WWF to provide advice as a ‘critical friend’ in internal discussions on some projects like the Aqua Recovery project and the Global Opportunity Network.

### SOCIAL MEDIA CAMPAIGN

- **WE RECEIVED 40 NOMINATIONS** from around the globe pointing in the direction of new and upcoming voices. After carrying out additional research in the field, Kajsa Li Paludan was named our Future Sustainability Leader for 2014 for her work co-founding and driving Cultura21 Nordic & Cultura21 International as well as her general public commitment to the agenda. The announcement took place at DNV GL’s 150th Jubilee in Hevik, 14 June 2014.
- **EARLIER WINNERS**: Alex Loorz and Grace Muthoni Mwaura who have gone on to make a mark in their chosen sustainability fields. Our total monetary contribution to voluntary initiatives in 2014: 17 MNOK.

### KEY ACTIVITIES

- **SUSTAINIA**: Sustainia 100 Solutions. We hosted the launch of Sustainia’s annual guide on 100 available solutions with positive impacts and the potential to scale called Sustainia100 on 16 June 2014. The 100 solutions were identified among 900+ submissions from more than 144 countries.
- **CO-CREATING FOR A SUSTAINABLE AND HEALTHY FUTURE**: DNV GL and Sustainia explored the link between sustainability and health with the Guide to Co-Creating Health and Paris-Centred Care. Thus laid the grounds for an ongoing series of workshops in eight countries.

### KEY ACTIVITIES

- **INNOVATION THROUGH COLLABORATION**

**World Wildlife Fund**

- We collaborate with the WWF in four specific areas:
  - sustainable shipping
  - a low-carbon society
  - assurance
  - sustainability standards and the Arctic

**DNV GL IS ONE OF THE FOLLOWING FOUNDERS OF SUSTAINIA**, a sustainability initiative working to develop the deployment of innovative solutions. Together, we have co-created publications and projects that have identified 2,000+ solutions, technologies and innovations from 150 countries and provided solid proof of the positive environmental, economic and social impact of implementing sustainability in both the public and private sectors.

**KEY ACTIVITIES**

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  - assurance
  - sustainability standards and the Arctic

**DNV GL IS ONE OF THE FOLLOWING FOUNDERS OF SUSTAINIA**, a sustainability initiative working to develop the deployment of innovative solutions. Together, we have co-created publications and projects that have identified 2,000+ solutions, technologies and innovations from 150 countries and provided solid proof of the positive environmental, economic and social impact of implementing sustainability in both the public and private sectors.

**KEY ACTIVITIES**

- **SUSTAINIA 100 SOLUTIONS**: We hosted the launch of Sustainia’s annual guide on 100 available solutions with positive impacts and the potential to scale called Sustainia100 on 16 June 2014. The 100 solutions were identified among 900+ submissions from more than 144 countries.
- **CO-CREATING FOR A SUSTAINABLE AND HEALTHY FUTURE**: DNV GL and Sustainia explored the link between sustainability and health with the Guide to Co-Creating Health and Paris-Centred Care. Thus laid the grounds for an ongoing series of workshops in eight countries.

### KEY ACTIVITIES

- **INNOVATION THROUGH COLLABORATION**

**World Wildlife Fund**

- We collaborate with the WWF in four specific areas:
  - sustainable shipping
  - a low-carbon society
  - assurance
  - sustainability standards and the Arctic

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HOW WE PERFORM

The financial statements for DNV GL Group AS include consolidated income statement, statement of comprehensive income, balance sheet, statement of cash flow, statement of changes in equity and notes for DNV GL Group AS and all companies in which DNV GL Group AS directly or indirectly has actual control.
### INCOME STATEMENT

<table>
<thead>
<tr>
<th>Year</th>
<th>Operating revenue</th>
<th>EBITDA</th>
<th>Depreciation</th>
<th>EBITA</th>
<th>Amortization</th>
<th>EBIT / Operating profit</th>
<th>Net financial income (expenses)</th>
<th>Profit before tax</th>
<th>Profit for the year</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>21,623</td>
<td>2,551</td>
<td>348</td>
<td>2,203</td>
<td>592</td>
<td>1,612</td>
<td>70</td>
<td>1,681</td>
<td>1,007</td>
</tr>
<tr>
<td>2013</td>
<td>15,234</td>
<td>1,807</td>
<td>271</td>
<td>1,535</td>
<td>203</td>
<td>1,332</td>
<td>(14)</td>
<td>1,318</td>
<td>825</td>
</tr>
<tr>
<td>2012</td>
<td>12,532</td>
<td>1,238</td>
<td>201</td>
<td>1,037</td>
<td>179</td>
<td>858</td>
<td>38</td>
<td>896</td>
<td>579</td>
</tr>
<tr>
<td>2011</td>
<td>10,156</td>
<td>1,271</td>
<td>150</td>
<td>1,122</td>
<td>64</td>
<td>1,058</td>
<td>32</td>
<td>1,091</td>
<td>763</td>
</tr>
<tr>
<td>2010</td>
<td>9,792</td>
<td>1,010</td>
<td>155</td>
<td>855</td>
<td>44</td>
<td>810</td>
<td>19</td>
<td>829</td>
<td>552</td>
</tr>
</tbody>
</table>

### BALANCE SHEET

<table>
<thead>
<tr>
<th>Year</th>
<th>Non-current assets</th>
<th>Current assets</th>
<th>Total assets</th>
<th>Equity</th>
<th>Non-current liabilities</th>
<th>Current liabilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>15,447</td>
<td>12,930</td>
<td>28,377</td>
<td>16,496</td>
<td>4,939</td>
<td>6,942</td>
</tr>
<tr>
<td>2013</td>
<td>14,135</td>
<td>11,395</td>
<td>25,530</td>
<td>15,561</td>
<td>4,232</td>
<td>5,736</td>
</tr>
<tr>
<td>2012</td>
<td>3,462</td>
<td>6,160</td>
<td>9,622</td>
<td>4,937</td>
<td>1,331</td>
<td>3,352</td>
</tr>
<tr>
<td>2011</td>
<td>2,438</td>
<td>6,347</td>
<td>8,785</td>
<td>4,992</td>
<td>1,212</td>
<td>2,651</td>
</tr>
<tr>
<td>2010</td>
<td>2,327</td>
<td>5,310</td>
<td>7,637</td>
<td>5,058</td>
<td>338</td>
<td>2,241</td>
</tr>
</tbody>
</table>

### CASH FLOW ITEMS, WORKING CAPITAL AND INVESTMENTS

<table>
<thead>
<tr>
<th>Year</th>
<th>Purchase of tangible fixed assets</th>
<th>Working capital</th>
<th>Cash flow</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>583</td>
<td>5,988</td>
<td>57</td>
</tr>
<tr>
<td>2013</td>
<td>450</td>
<td>5,659</td>
<td>(570)</td>
</tr>
<tr>
<td>2012</td>
<td>234</td>
<td>2,808</td>
<td>(927)</td>
</tr>
<tr>
<td>2011</td>
<td>132</td>
<td>3,696</td>
<td>781</td>
</tr>
<tr>
<td>2010</td>
<td>169</td>
<td>3,069</td>
<td>396</td>
</tr>
</tbody>
</table>

### NUMBER OF EMPLOYEES

<table>
<thead>
<tr>
<th>Year</th>
<th>2014</th>
<th>2013</th>
<th>2012</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-current employees</td>
<td>15,712</td>
<td>16,107</td>
<td>10,294</td>
<td>8,453</td>
<td>8,440</td>
</tr>
</tbody>
</table>

### FINANCIAL RATIOS

#### Profitability

<table>
<thead>
<tr>
<th>Year</th>
<th>EBITDA margin</th>
<th>EBITA margin</th>
<th>EBIT / Operating margin</th>
<th>Pre-tax profit margin</th>
<th>Net profit margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>11.8%</td>
<td>10.2%</td>
<td>7.5%</td>
<td>7.8%</td>
<td>4.7%</td>
</tr>
<tr>
<td>2013</td>
<td>11.9%</td>
<td>10.1%</td>
<td>8.7%</td>
<td>8.7%</td>
<td>5.4%</td>
</tr>
<tr>
<td>2012</td>
<td>9.9%</td>
<td>8.7%</td>
<td>6.8%</td>
<td>8.7%</td>
<td>4.6%</td>
</tr>
<tr>
<td>2011</td>
<td>12.5%</td>
<td>11.0%</td>
<td>10.4%</td>
<td>10.7%</td>
<td>7.5%</td>
</tr>
<tr>
<td>2010</td>
<td>10.3%</td>
<td>8.7%</td>
<td>8.3%</td>
<td>8.5%</td>
<td>5.6%</td>
</tr>
</tbody>
</table>

#### Liquidity

<table>
<thead>
<tr>
<th>Year</th>
<th>Liquidity reserves</th>
<th>Equity ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>3,978</td>
<td>58.1%</td>
</tr>
<tr>
<td>2013</td>
<td>3,875</td>
<td>61.0%</td>
</tr>
<tr>
<td>2012</td>
<td>3,177</td>
<td>51.3%</td>
</tr>
<tr>
<td>2011</td>
<td>2,874</td>
<td>56.0%</td>
</tr>
<tr>
<td>2010</td>
<td>2,092</td>
<td>66.2%</td>
</tr>
</tbody>
</table>

### DEFINITION OF RATIOS

#### Profitability

- **EBITDA**: Earnings before interest, tax, depreciation and amortization
- **EBITA**: Earnings before interest, tax and amortization
- **Operating margin**: Operating profit / Operating revenue
- **Pre-tax profit margin**: Profit before tax / Operating revenue
- **Net profit margin**: Profit for the year / Operating revenue

#### Liquidity

- **Liquidity reserves**: Cash and bank deposits
- **Equity ratio**: Equity x 100 / Total assets

#### Leverage

- **Equity ratio**: Equity x 100 / Total assets
### CONSOLIDATED INCOME STATEMENT

<table>
<thead>
<tr>
<th>DNV GL GROUP AS</th>
<th>AMOUNTS IN NOK MILLION</th>
<th>DNV GL GROUP AS – GROUP</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2014</td>
<td>2013</td>
</tr>
<tr>
<td><strong>OPERATING REVENUE</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>13.3</td>
<td>0.0</td>
<td>Sales revenue</td>
</tr>
<tr>
<td>13.3</td>
<td>0.0</td>
<td>Total operating revenue</td>
</tr>
<tr>
<td><strong>OPERATING EXPENSES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>0.0</td>
<td>0.0</td>
<td>Payroll expenses</td>
</tr>
<tr>
<td>0.0</td>
<td>0.0</td>
<td>Depreciation</td>
</tr>
<tr>
<td>0.0</td>
<td>0.0</td>
<td>Amortization and impairment</td>
</tr>
<tr>
<td>15.1</td>
<td>100.1</td>
<td>Other operating expenses</td>
</tr>
<tr>
<td>(1.8)</td>
<td>(100.1)</td>
<td>Operating profit (loss)</td>
</tr>
<tr>
<td><strong>FINANCIAL INCOME AND EXPENSES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>0.0</td>
<td>0.0</td>
<td>Income / (loss) from associates</td>
</tr>
<tr>
<td>182.0</td>
<td>18.6</td>
<td>Other financial income</td>
</tr>
<tr>
<td>(209.8)</td>
<td>(10.3)</td>
<td>Financial expenses</td>
</tr>
<tr>
<td>(27.8)</td>
<td>8.3</td>
<td>Net financial income (expenses)</td>
</tr>
<tr>
<td>(29.7)</td>
<td>(91.8)</td>
<td>Profit (loss) before tax</td>
</tr>
<tr>
<td>8.4</td>
<td>(0.4)</td>
<td>Tax expense</td>
</tr>
<tr>
<td>(21.2)</td>
<td>(92.2)</td>
<td>Profit (loss) for the year</td>
</tr>
<tr>
<td><strong>PROFIT FOR THE PERIOD ATTRIBUTABLE TO:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Non-controlling interest</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Equity holders of the parent</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total</td>
</tr>
</tbody>
</table>

### CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

<table>
<thead>
<tr>
<th>DNV GL GROUP AS</th>
<th>AMOUNTS IN NOK MILLION</th>
<th>DNV GL GROUP AS – GROUP</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2014</td>
<td>2013</td>
</tr>
<tr>
<td>(21.2)</td>
<td>(92.2)</td>
<td>Profit (loss) for the year</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Actuarial gains/(losses) on defined benefit pension plans</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Currency translation differences / Translation differences foreign operations</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Gain/loss on hedge of net investments in foreign operations</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Share of other comprehensive income from associates</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Other comprehensive income for the period, net of tax</td>
</tr>
<tr>
<td>(21.2)</td>
<td>(92.2)</td>
<td>Total comprehensive income for the period</td>
</tr>
<tr>
<td></td>
<td></td>
<td>TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Non-controlling interest</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Equity holders of the parent</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Other comprehensive income for the period, net of tax</td>
</tr>
<tr>
<td>(21.2)</td>
<td>(92.2)</td>
<td>Total comprehensive income for the period</td>
</tr>
</tbody>
</table>

**NOTE:**

1) GL SE Group figures included for the period 1 October - 31 December 2013.
## CONSOLIDATED BALANCE SHEET

### ASSETS

#### NON-CURRENT ASSETS

<table>
<thead>
<tr>
<th>INTANGIBLE ASSETS</th>
<th>31 DEC. 2014</th>
<th>31 DEC. 2013</th>
<th>1 JAN. 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deferred tax assets</td>
<td>12</td>
<td>1,192.6</td>
<td>856.2</td>
</tr>
<tr>
<td>Goodwill</td>
<td>13</td>
<td>8,068.3</td>
<td>7,189.4</td>
</tr>
<tr>
<td>Other intangible assets</td>
<td>13</td>
<td>3,402.7</td>
<td>3,459.1</td>
</tr>
<tr>
<td>Total intangible assets</td>
<td>12</td>
<td>12,681.6</td>
<td>11,504.8</td>
</tr>
</tbody>
</table>

#### TANGIBLE FIXED ASSETS

| Land, buildings and other property | 1 | 1,011.5 | 941.2 | 717.3 |
| Office equipment, fixtures and fittings | 1 | 1,199.6 | 906.0 | 518.3 |
| Total tangible fixed assets | 15 | 2,211.1 | 1,847.2 | 1,235.6 |

#### NON-CURRENT FINANCIAL ASSETS

| Investments in subsidiaries | 3 | 0.0 | 0.0 | 0.0 |
| Investments in associates | 16 | 147.4 | 8.5 | 14.1 |
| Available for sale investments | 2 | 42.6 | 42.4 | 16.8 |
| Net pension assets | 7 | 4.9 | 283.0 | 52.0 |
| Loan to subsidiaries | 0 | 0.0 | 0.0 | 0.0 |
| Other long-term receivables | 19 | 359.5 | 449.3 | 370.9 |
| Total non-current financial assets | 15 | 2,961.3 | 2,286.7 | 1,102.0 |

| Trade debtors | 18 | 5,141.7 | 4,268.2 | 2,578.3 |
| Work in progress | 2 | 2,881.5 | 2,501.1 | 1,351.1 |
| Other receivables group companies | 30 | 39.9 | 44.8 | 0.0 |
| Trade debtors | 18 | 5,141.7 | 4,268.2 | 2,578.3 |
| Work in progress | 2 | 2,881.5 | 2,501.1 | 1,351.1 |
| Other receivables group companies | 30 | 39.9 | 44.8 | 0.0 |
| Total current assets | 12 | 12,929.8 | 11,394.9 | 6,159.9 |

| Cash and bank deposits | 21 | 3,978.2 | 3,874.7 | 1,773.9 |
| Total current assets | 12 | 12,929.8 | 11,394.9 | 6,159.9 |

### EQUITY AND LIABILITIES

#### EQUITY

| PAID-IN CAPITAL | 24 | 100.0 | 100.0 | 9.0 |
| Share capital | 9,323.5 | 9,323.5 | 0.0 |
| Share premium | 7,037.3 | 6,120.2 | 5,037.2 |
| Other equity | 35.5 | 17.5 | 4.5 |
| Non-controlling interest | 9,840.9 | 10,701.1 | 2,773.0 |
| Total equity | 16,496.4 | 15,561.2 | 5,050.8 |

#### LIABILITIES

| Non-current liabilities | 4,938.7 | 4,232.5 | 1,321.1 |
| Total non-current liabilities | 4,938.7 | 4,232.5 | 1,321.1 |
| Overdrafts | 4.5 | 0.0 | 0.0 |
| Trade creditors | 12 | 699.1 | 429.3 | 230.6 |
| Total current liabilities | 6,941.8 | 5,736.3 | 3,351.9 |
| Short-term liabilities group companies | 27.2 | 22.7 | 0.9 |
| Dividend declared to shareholders | 503.5 | 0.0 | 0.0 |
| Current provisions | 20 | 164.4 | 161.7 | 50.5 |
| Other current liabilities | 17 | 4,584.0 | 4,163.3 | 2,342.4 |
| Total current liabilities | 6,941.8 | 5,736.3 | 3,351.9 |
| Total liabilities | 11,880.6 | 9,968.8 | 4,673.0 |
| Total equity and liabilities | 28,376.9 | 25,530.0 | 9,723.7 |
## ANNUAL REPORT 2014

### CONSOLIDATED STATEMENT OF CASH FLOW

**DNV GL GROUP AS**

<table>
<thead>
<tr>
<th></th>
<th>AMOUNTS IN NOK MILLION</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2014</td>
<td>2013</td>
<td>2014</td>
<td>2013</td>
</tr>
<tr>
<td><strong>CASH FLOW FROM OPERATIONS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(29.7)</td>
<td>7.4</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>0.0</td>
<td>0.0</td>
<td>Profit before tax</td>
<td>1,681.5</td>
<td>1,318.3</td>
</tr>
<tr>
<td>0.0</td>
<td>0.0</td>
<td>Gain/loss on disposal of tangible fixed assets</td>
<td>(2.3)</td>
<td>(0.1)</td>
</tr>
<tr>
<td>0.0</td>
<td>0.0</td>
<td>Gain on divestments</td>
<td>(18.7)</td>
<td>(12.0)</td>
</tr>
<tr>
<td>0.0</td>
<td>0.0</td>
<td>Gain on conversion of loan to associated companies</td>
<td>(26.3)</td>
<td>0.0</td>
</tr>
<tr>
<td>0.0</td>
<td>0.0</td>
<td>Gain from change of defined benefit pension plans</td>
<td>(175.0)</td>
<td>0.0</td>
</tr>
<tr>
<td>(175.4)</td>
<td>(4.3)</td>
<td>Group contribution recorded as financial income</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>0.0</td>
<td>0.0</td>
<td>Depreciation, amortization and impairment</td>
<td>940.0</td>
<td>474.4</td>
</tr>
<tr>
<td>0.0</td>
<td>0.0</td>
<td>Tax payable</td>
<td>(702.9)</td>
<td>(570.0)</td>
</tr>
<tr>
<td>0.0</td>
<td>0.0</td>
<td>Change in work in progress, trade debtors</td>
<td>(701.1)</td>
<td>(731.0)</td>
</tr>
<tr>
<td>1,445.7</td>
<td>719.5</td>
<td>Change in accruals, provisions and other</td>
<td>663.0</td>
<td>98.6</td>
</tr>
<tr>
<td>1,340.6</td>
<td>722.6</td>
<td>Net cash flow from operations</td>
<td>1,658.2</td>
<td>578.2</td>
</tr>
<tr>
<td><strong>CASH FLOW FROM INVESTMENTS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>0.0</td>
<td>0.0</td>
<td>Acquisitions (business combinations)</td>
<td>(288.8)</td>
<td>(50.2)</td>
</tr>
<tr>
<td>(670.0)</td>
<td>0.0</td>
<td>Settlement minority share owners N.V. KEMA</td>
<td>(670.0)</td>
<td>0.0</td>
</tr>
<tr>
<td>0.0</td>
<td>0.0</td>
<td>Divestments of subsidiaries</td>
<td>12.0</td>
<td>35.1</td>
</tr>
<tr>
<td>0.0</td>
<td>0.0</td>
<td>Investments in tangible fixed assets</td>
<td>(582.7)</td>
<td>(449.7)</td>
</tr>
<tr>
<td>0.0</td>
<td>0.0</td>
<td>Investments in intangible assets</td>
<td>(175.0)</td>
<td>(48.6)</td>
</tr>
<tr>
<td>0.0</td>
<td>0.0</td>
<td>Sale of tangible fixed assets (sales value)</td>
<td>32.9</td>
<td>26.9</td>
</tr>
<tr>
<td>0.0</td>
<td>8.8</td>
<td>Change in other investments</td>
<td>(98.6)</td>
<td>0.0</td>
</tr>
<tr>
<td>(670.0)</td>
<td>8.8</td>
<td>Net cash flow from investments</td>
<td>(1,770.2)</td>
<td>(486.5)</td>
</tr>
<tr>
<td><strong>CASH FLOW FROM FINANCING ACTIVITIES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(500.0)</td>
<td>250.2</td>
<td>Change in loan from subsidiaries</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>0.0</td>
<td>0.0</td>
<td>Change in overdraft</td>
<td>4.9</td>
<td>0.0</td>
</tr>
<tr>
<td>500.0</td>
<td>0.0</td>
<td>Borrowings</td>
<td>500.0</td>
<td>0.0</td>
</tr>
<tr>
<td>(335.5)</td>
<td>(617.1)</td>
<td>Dividend paid</td>
<td>(335.5)</td>
<td>(617.1)</td>
</tr>
<tr>
<td>4.3</td>
<td>(11.8)</td>
<td>Group contribution paid/received</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>(331.2)</td>
<td>(423.3)</td>
<td>Net cash flow from financing activities</td>
<td>169.0</td>
<td>(617.1)</td>
</tr>
<tr>
<td>239.4</td>
<td>308.1</td>
<td>Net increase/(decrease) in cash and bank deposits</td>
<td>57.0</td>
<td>(570.0)</td>
</tr>
<tr>
<td>353.1</td>
<td>518.1</td>
<td>Liquidity at beginning of period</td>
<td>3,874.7</td>
<td>1,946.1</td>
</tr>
<tr>
<td>0.0</td>
<td>(473.1)</td>
<td>Demerger 1 January 2013 cash transferred</td>
<td>0.0</td>
<td>(172.2)</td>
</tr>
<tr>
<td>0.0</td>
<td>0.0</td>
<td>Cash in acquired companies</td>
<td>46.5</td>
<td>2,670.8</td>
</tr>
<tr>
<td>592.5</td>
<td>353.1</td>
<td>Liquidity at end of period</td>
<td>3,978.2</td>
<td>3,874.7</td>
</tr>
</tbody>
</table>

### CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

**DNV GL GROUP AS – GROUP**

<table>
<thead>
<tr>
<th></th>
<th>AMOUNTS IN NOK MILLION</th>
<th></th>
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</tr>
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<tbody>
<tr>
<td></td>
<td>2014</td>
<td>2013</td>
<td>2014</td>
<td>2013</td>
</tr>
<tr>
<td><strong>Equity at 31 December 2012 – NGAAP</strong></td>
<td>10.4</td>
<td>10.4</td>
<td>877.0</td>
<td>877.0</td>
</tr>
<tr>
<td>Effect of transition to IFRS</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Equity at 1 January 2013 – IFRS</strong></td>
<td>10.1</td>
<td>2,762.9</td>
<td>2,773.0</td>
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<tr>
<td><strong>Demerger 1 January 2013</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>demerger difference</td>
<td>(1.0)</td>
<td>(677.0)</td>
<td>(678.0)</td>
<td></td>
</tr>
<tr>
<td>Extraordinary dividend paid to Det Norske Veritas Holding AS 2013</td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contribution in kind GL SE Group</td>
<td>36.5</td>
<td>9,323.5</td>
<td>9,360.0</td>
<td></td>
</tr>
<tr>
<td>Share capital fund issue</td>
<td>54.5</td>
<td>(54.5)</td>
<td>0.0</td>
<td></td>
</tr>
<tr>
<td>Profit for the period</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dividend paid</td>
<td>(335.5)</td>
<td>(335.5)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dividend accrued</td>
<td>(503.5)</td>
<td>(503.5)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Equity at 31 December 2013</strong></td>
<td>100.0</td>
<td>9,323.5</td>
<td>1,277.6</td>
<td>0.0</td>
</tr>
<tr>
<td><strong>Profit for the period</strong></td>
<td>(21.2)</td>
<td>(21.2)</td>
<td>10,701.1</td>
<td></td>
</tr>
<tr>
<td><strong>Dividend paid</strong></td>
<td>(335.5)</td>
<td>(335.5)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Dividend accrued</strong></td>
<td>(503.5)</td>
<td>(503.5)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Equity at 31 December 2014</strong></td>
<td>100.0</td>
<td>9,323.5</td>
<td>417.3</td>
<td>0.0</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>9,840.8</td>
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</table>

**DNV GL GROUP AS – GROUP**

<table>
<thead>
<tr>
<th></th>
<th>AMOUNTS IN NOK MILLION</th>
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<tbody>
<tr>
<td></td>
<td>2014</td>
<td>2013</td>
<td>2014</td>
<td>2013</td>
</tr>
<tr>
<td><strong>Equity at 31 December 2012 – NGAAP</strong></td>
<td>9.0</td>
<td>4,923.7</td>
<td>4.5</td>
<td>4,937.2</td>
</tr>
<tr>
<td>Effect of transition to IFRS</td>
<td></td>
<td></td>
<td>113.6</td>
<td>113.6</td>
</tr>
<tr>
<td><strong>Equity at 1 January 2013 – IFRS</strong></td>
<td>9.0</td>
<td>5,037.3</td>
<td>4.5</td>
<td>5,050.8</td>
</tr>
<tr>
<td><strong>Profit for the period</strong></td>
<td>822.8</td>
<td>2.6</td>
<td>825.3</td>
<td></td>
</tr>
<tr>
<td><strong>Dividend paid</strong></td>
<td>(661.7)</td>
<td>(661.7)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contribution in kind GL SE Group</td>
<td>36.5</td>
<td>9,323.5</td>
<td>9,360.0</td>
<td></td>
</tr>
<tr>
<td><strong>Share capital fund issue</strong></td>
<td>54.5</td>
<td>(54.5)</td>
<td>0.0</td>
<td></td>
</tr>
<tr>
<td>Actuarial gains/(losses) on defined benefit pension plans</td>
<td>99.4</td>
<td>99.4</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Exchange differences</td>
<td>877.0</td>
<td>877.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Other equity changes</strong></td>
<td>10.4</td>
<td>10.4</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Equity at 31 December 2013</strong></td>
<td>100.0</td>
<td>9,323.5</td>
<td>5,243.3</td>
<td>17.5</td>
</tr>
<tr>
<td><strong>Profit for the period</strong></td>
<td>998.9</td>
<td>8.2</td>
<td>1,007.1</td>
<td></td>
</tr>
<tr>
<td><strong>Dividend paid</strong></td>
<td>(335.5)</td>
<td>(335.5)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Dividend accrued</strong></td>
<td>(503.5)</td>
<td>(503.5)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Actuarial gains/(losses) on defined benefit pension plans</td>
<td>(920.2)</td>
<td>(920.2)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Exchange differences</td>
<td>1,707.0</td>
<td>1,707.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Share of other comprehensive income from associates</td>
<td>(29.4)</td>
<td>(29.4)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Other equity changes</strong></td>
<td>9.8</td>
<td>9.8</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Equity at 31 December 2014</strong></td>
<td>100.0</td>
<td>9,323.5</td>
<td>4,453.4</td>
<td>258.0</td>
</tr>
</tbody>
</table>
The financial statements are prepared in accordance with the Norwegian Accounting Act §5-9 and Regulations on Simplified IFRS as enacted by the Ministry of Finance 3 November 2011. In all material aspects, Norwegian Simplified IFRS requires that the IFRS interpretation standards (as adopted by the European Union) are complied with, but disclosure and presentation requirements (the notes) follow the Norwegian Accounting Act and Norwegian Generally Accepted Accounting Standards.

The financial statements are presented in Norwegian Krone (NOK) and all values are rounded to the nearest million (NOK million), except when otherwise indicated.

SIGNIFICANT ACCOUNTING POLICIES

BASIS FOR PREPARATION. The financial statements are prepared in accordance with the Norwegian Accounting Act §5-9 and Regulations on Simplified IFRS as enacted by the Ministry of Finance 3 November 2011. In all material aspects, Norwegian Simplified IFRS requires that the IFRS interpretation standards (as adopted by the European Union) are complied with, but disclosure and presentation requirements (the notes) follow the Norwegian Accounting Act and Norwegian Generally Accepted Accounting Standards.

The financial statements are presented in Norwegian Krone (NOK) and all values are rounded to the nearest million (NOK million), except when otherwise indicated.

CONSOLIDATION PRINCIPLES. The consolidated statements include the parent company DNV GL Group AS and all companies in which the parent company directly or indirectly has controlling interest. The group controls an entity when the group is exposed, or has rights, to variable return from its involvement with the entity and has the ability to affect the amount of the return through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group and deconsolidated from the date that control ceases. The group accounts show the Group’s consolidated income statement, Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity and Statement of Cash Flow as a single economic entity. Subsidiaries follow the same accounting principles as the parent company. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between Group entities are eliminated on consolidation.

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

BUSINESS COMBINATIONS AND GOODWILL. Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at the acquisition date at fair value. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities assumed are recognized at their fair value at the acquisition date. Goodwill is recognized 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. For the purpose of impairment testing, goodwill is attributed to the lowest level of assets and liabilities which are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquire are assigned to those units. The allocation of costs in a business combination is changed if new information becomes available. Results of operations are initially accounted for on the date when control is assumed. The allocation may be altered within one year from acquisition date.

SUBSIDIARIES. Investments in subsidiaries are recognized at cost in the accounts of the parent company. Investments carried at cost are measured at the lower of their carrying amount and fair value less costs to sell. Fair value is normally measured on a current basis or using a combination of both the current and historical basis for the impaired value no longer exists or have decreased.

In the accounts of the parent company, dividends, group contributions and other distributions are recognized in the same year as they are recognized in the financial statements of the subsidiary according to the Norwegian Regulation of simplified IFRS §3-1. If dividends / group contributions exceed the IFRS 10 profit or losses after acquisition, the amount represents repayment of invested capital, and the distribution will be deducted from the recorded value of the acquisition in the Balance sheet statement for the parent company.

DIVIDENDS TO EQUITY HOLDERS OF THE PARENT COMPANY. Dividends 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.

INVESTMENTS IN ASSOCIATES AND JOINT VENTURES. An associate is an entity in which the Group has a significant influence but does not control the management of its financial and operating policies decisions (usually when the Group owns 20-50% of the company). A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which assists when decisions about the relevant activities require unanimous consent of the parties sharing control.

The consolidations made in determining significant influence or joint control, are similar to those necessary to determine control over subsidiaries. Investments in associated companies and joint ventures are accounted for using the equity method.

Under the equity method, the investment in an associate or a joint venture is initially recognized at cost. The carrying amount of the investment is adjusted to recognize changes in the Group’s share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment individually. The income statement reflects the Group’s share of profits after tax of the associate or joint venture. Any change in OCI of those investees is presented as part of the Group’s OCI. In addition, when there has been a change recognized directly in equity of the associate or joint venture, the Group recognizes its share of any changes, when applicable, in the income statement or OCI. When the Group’s share of losses results from transactions between the Group and the associate or joint venture, the Group does not recognize the losses in OCI. Only when the Group’s share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the group does not recognize further losses, unless the incurred legal or constructive obligations or made payments on behalf of the associate. When the aggregate of the Group’s share of profits (or losses) of an associate or joint venture is shown in the income statement as financial items. The financial statement of the associate or joint venture is prepared for the same reporting period as the Group.

The recognized value of the associate or joint venture in the Statement of financial position is measured at historic cost. Non-current assets are amortized annually or more frequently when deemed necessary. Certain non-current assets are subject to impairment tests on their carrying amounts, if the carrying amount exceeds the fair value. The impairment losses are measured as the difference between the carrying amount and the recoverable amount, which is the higher of fair value less costs to sell and value in use.

Non-controlling interest. The non-controlling interest in the consolidated financial statements, represent the minority’s share of the carrying amount of the equity in entities with minority shareholders.

CLASSIFICATION AND VALUATION OF ASSETS AND LIABILITIES.

The Group presents assets and liabilities in statement of financial position based on current/non-current classification. An asset is current when it is:

a. Expected to be realized or intended to be sold or consumed in normal operating cycle
b. Held primarily for the purpose of trading
c. Expected to be realized within twelve months after the reporting period, or
d. Carried at an equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current. Current and non-current liabilities are classified correspondingly. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Current assets are valued at the lower of cost and net realizable value. Short-term debt is recognized at face value and subsequently measured at amortized cost. Transaction cost on short-term borrowings are usually minor, and the value of short-term debt at amortized cost is therefore normally identical with face value.

Deferred assets are stated at cost. However, if a decline in value is expected not to be temporary, fixed assets are impaired to the recoverable amount. Fixed assets with a limited useful economic life are depreciated in accordance with a linear depreciation plan.

REVENUE RECOGNITION. Revenue is recognized when it is probable that future economic benefits will flow to the Group and the revenue can be measured reliably, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration. The Group determines contractually defined terms of payment and excluding taxes or duties.

Revenue from services is recognized by reference to the stage of completion of the contract (percentage of completion method). Stage of completion is measured by reference to hours incurred / contract costs incurred in a period as a percentage of total estimated hours / total estimated contract costs for each contract. When the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the contract is considered reasonably certain to be realized.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognized as an expense immediately. When the selling price of a software product includes an identifiable amount for subsequent servicing (e.g. after sales support and product enhancements), the amount is separated on the sales statement of the product, that amount is deferred and recognized as revenue over the period during which it is expected to be realized. The amount deferred cannot exceed the expected costs of the services under the agreement together with a reasonable profit on those services.

DEBTORS. Trade receivables and other current receivables are recorded at the carrying amounts of those receivables less any provision for impairment. Impairment losses are recognized in the income statement as an expense immediately. Impairment of trade receivables are recognized in the income statement if objective indicators suggest that the due amounts cannot be covered in full.

TAXES. Income tax expense comprises both current tax and deferred tax. Current tax is recognized in income statement, except to the extent that they relate to items recognized in equity or other comprehensive income, of which the tax is recognized as an expense or income in income statement.

Current income tax assets and liabilities are measured at the amount expected to be recovered or paid to the taxation authorities.

The current and deferred tax item is calculated based on tax rates (tax laws) that have been enacted or substantively enacted, in the countries where 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 future taxable income will be available at the level of the relevant tax authority for utilization. Tax increasing and tax reducing temporary differences expected in the period are offset and calculated on a net basis as far as this relate to the same taxable entity and the same taxation authorities.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

FOREIGN CURRENCIES. The Group’s consolidated financial statements are presented in Norwegian Krone (NOK), which is also the parent company’s functional currency. The functional currency of an entity is the currency of the economic environment in which the company primarily generates and applies economic resources. Transactions in foreign currencies are translated into the functional currency of the Group at the exchange rate prevailing at the reporting date. Financial assets and liabilities denominated in foreign currencies are translated into the functional currency spot rates of exchange at the reporting date. Differences arising on translation of the Group’s entities at their respective functional currency spot rates at the date of the transaction first qualify for recognition. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency spot rates of exchange at the reporting date. Differences arising on translation of the Group’s entities are recognized in the Income statement. Non-monetary items that are measured in terms of historical cost in foreign currency are translated using the exchange rates at the dates of the initial transactions. Forward exchange contracts are included at market value at the reporting date.

On consolidation, the assets and liabilities of foreign operations, including goodwill and other accumulated translation and cumulative impairment losses. Depreciation is calculated on a straight-line basis over the useful life of the assets. The estimated useful life, residual values and depreciation methods are reviewed at each reporting date and, if appropriate, at the end of each reporting period. Provisions for restructuring costs are capitalized and depreciation is not recorded. Other repair and maintenance costs are recognized in the Income statement as incurred. Improvements and upgrades are assigned to the purchase price/carrying amount and depreciated on a straight-line basis over the useful life of the asset.
An item of property, plant and equipment is derecognized upon loss from sale or disposal. The Group assesses, at each reporting date, whether the carrying amount of an asset is impaired and is recognized in profit or loss.

**Leases**

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessee are classified as operating leases. Operating lease payments are recognized as an operating expense in the income statement on a straight-line basis over the period of lease.

**Borrowing Costs**

Borrowing costs are recognized in the Income statement in the period in which they are incurred. Borrowing costs consist of interest costs that an entity incurs in connection with the borrowing of funds.

**Intangible Assets**

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Except for capitalized development costs, all other internally generated intangibles are reflected in the Income statement in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite. 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. The amortization period for an intangible asset with a finite useful life is reviewed at least at the end of each reporting period.

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 life of an intangible asset is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

**Research and Development Costs**

Research and development costs are expensed as incurred. Development expenditures on an individual project are recognized as an intangible asset when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale;
- The intention to complete and use or sell the asset;
- How the asset will generate future economic benefits;
- The availability of resources to complete the asset;
- The ability to measure reliably the expenditure during development.

Following initial recognition of the development expenditure as an asset, the asset is tested at each reporting date for impairment as 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.

**Impairment of Non-Financial Assets**

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication arises, or when annual impairment testing for an asset is required, the Group estimates the asset’s recoverable amount.

An asset’s recoverable amount is the higher of the asset’s fair value less costs of disposal and its value in use. The recoverable amount of an asset or CGU is not considered impaired unless the recoverable amount of the asset, or asset group, is less than its carrying amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions and transactions that would have taken place between informed parties can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations that are prepared separately for each of the Group’s CDUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. Where assets not classified as an IFRS defined benefit or defined contribution plan, an impairment test is made at each reporting date to determine whether there is an indication that previously recognized impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset’s or CDU’s recoverable amount.

A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset’s recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the Income statement.

Goodwill is tested for impairment annually as part of the Group’s annual plan process and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU to which the goodwill relates. When the recoverable amount of the CGU, or the asset group, is less than its carrying amount, an impairment loss is recognized. Impairment losses relating to goodwill cannot be reversed in future periods.

Intangible assets with finite useful lives are tested for impairment annually at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

**Cash and Bank Deposits**

Cash and bank deposits in the Balance sheet comprise petty cash assets at bank and cash balances in bank accounts with a maturity of three months or less, which are subject to an insignificant risk of changes in value. Cash and bank deposits are initially and subsequently measured at fair value.

**Provisions**

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event. It is probable that the Group will pay further contributions if the fund is not accumulated. A provision is stated for amounts sufficient to meet the expected future cash outflows associated with the obligation.

The expected future cash outflows associated with the obligation are discounted to present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the liability. When discounting is used, the increase in the present value of the obligation not due to the passage of time is recognized as a financial expense. When discounting is not used, the increase in the obligation relating to the passage of time is recognized as a financial expense.

**Defined Benefit Plans**

The group operates various post-employment benefit plans, which comprise pensions, long-term care and disability benefits. The main rules of these plans are determined by collective agreements, the Norwegian Accounting Act and the Group’s internal regulations. For defined benefit plans, the Group recognizes the obligation to provide the agreed benefit in the financial statements and adjusts the carrying amount of assets or liabilities in the period to the present value of those obligations.

Defined Benefit plans are recognized at the present value of the obligation, less any amount expected to be refunded by the Group within the next 12 months.

**Use of Estimates**

The preparation of the Group’s consolidated financial statements in accordance with simplified IFRS requires management to make judgements, estimates and assumptions about the carrying amount of assets and liabilities at the end of the reporting period that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experiences and other factors that in the Group’s view are relevant to be believed to be reliable. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Update of accounting estimates are recognized in the period of which the estimate is updated, if the update affects only that period, or in the period of the update if the update affects both current and future periods.

**Contingent Liabilities and Assets**

Contingent liabilities are not recognized in the annual accounts. Significant contingent liabilities are disclosed, with the exception of contingent liabilities that are unlikely to be incurred. Contingent assets (unless virtually certain) are not recognized in the annual accounts but are disclosed if the inflow of economic benefits is probable.

**Events After the Reporting Period**

New information on the company’s financial position on the end of the reporting period becomes known after the reporting period is recorded in the annual accounts. Events after the reporting period that do not affect the company’s financial position on the end of the reporting period but which will affect the company’s financial position in the future are disclosed in a significant.

**Cash Flow Statement**

The cash flow statement is presented using the indirect method. Cash and cash equivalents includes cash, bank deposits and other highly liquid financial assets with maturities of three months or less. The paragraph following this section is not applicable.

With effect from 2014, including comparable figures from 2013, DNV GL Group has transitioned to International Financial Reporting Standards (IFRS). The financial statements are prepared in accordance with the Norwegian Accounting Act, AAS 210 and IFRS, as they are applicable to the Group as of 1 January 2013. Based on this, development costs are only recognized as an intangible asset subsequent to the transition to IFRS.

The main effects of transition to IFRS 1 January 2013 for the Group are:

- **Acquisition-related costs incurred in the acquisition of NVE, KEMA and DNV GL Group in 2014:**

  - Goodwill recognized in acquisition of NVE and KEMA has been included as part of the acquisition cost, these have costs in line with IFRS and has been capitalized. No impairment has been recognized as part of the acquisition cost, these have costs in line with IFRS and has been capitalized. No impairment has been recognized in the period the costs were incurred.

- **Goodwill related to the acquisition of NVE, KEMA and DNV GL Group:**

  - Goodwill related to the acquisition of NVE, KEMA and DNV GL Group has under NGAAP been built up as provisions for expected maintenance cost. In the transition to IFRS, the periodic maintenance/ overhaul have been recognized when the costs are incurred and amortized over its useful life. A related deferred tax effect has been recognized to reflect the temporary difference between the IFRS adjustment for periodic maintenance/overhaul and related tax values.

- **Periodic maintenance/overhaul related to the laboratories in BA, NL and Germany (excluding NGAAP based buildups as provisions for expected maintenance cost.**

  - In the transition to IFRS, the periodic maintenance/overhaul have been recognized when the costs are incurred and amortized over its useful life. A related deferred tax effect has been recognized to reflect the temporary difference between the IFRS adjustment for periodic maintenance/overhaul and related tax values.

- **Other:**

  - **Defined benefit pension plans:**

    - Defined benefit pension plans have been adjusted for the transition to IFRS. The Group’s defined benefit plans have been funded and unfunded.

  - **Defined contribution pension plans:**

    - Defined contribution pension plans have been adjusted for the transition to IFRS. The Group’s defined contribution pension plans have been adjusted for the transition to IFRS.

- **Employee share options:**

  - Employee share options have been adjusted for the transition to IFRS. The Group’s employee share options have been adjusted for the transition to IFRS.

- **State aid:**

  - State aid has been adjusted for the transition to IFRS. The Group’s state aid has been adjusted for the transition to IFRS.

- **Organizational measures:**

  - Organizational measures have been adjusted for the transition to IFRS. The Group’s organizational measures have been adjusted for the transition to IFRS.
There are no effects of transition to IFRS 1 January 2013 for the parent company DNV GL Group AS. IFRS effects included after 1 January 2013:

### Acquisitions-related costs incurred in the Business Combination with GL have under NGAAP been considered part of the acquisition cost, these costs have in line with IFRS been expensed in the period the costs were incurred.

### Income Statement

<table>
<thead>
<tr>
<th>AMOUNTS IN NOK MILLION</th>
<th>IFRS</th>
<th>NGAAP</th>
<th>EFFECT OF TRANSITION TO IFRS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating revenue</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>Other operating expenses</td>
<td>A</td>
<td>0.9</td>
<td>99.2</td>
</tr>
<tr>
<td>Operating profit</td>
<td>(0.9)</td>
<td>(99.2)</td>
<td>(100.1)</td>
</tr>
<tr>
<td>Net financial income</td>
<td>8.3</td>
<td>8.3</td>
<td></td>
</tr>
<tr>
<td>Tax expense</td>
<td>(0.4)</td>
<td>(0.4)</td>
<td></td>
</tr>
<tr>
<td>Profit for the period</td>
<td>7.0</td>
<td>(99.2)</td>
<td>(92.2)</td>
</tr>
</tbody>
</table>

### Balance Sheet

<table>
<thead>
<tr>
<th>AMOUNTS IN NOK MILLION</th>
<th>IFRS</th>
<th>NGAAP</th>
<th>EFFECT OF TRANSITION TO IFRS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intangible and tangible fixed assets</td>
<td>0.2</td>
<td>0.2</td>
<td></td>
</tr>
<tr>
<td>Non-current financial assets</td>
<td>A</td>
<td>11 558.7</td>
<td>(99.2)</td>
</tr>
<tr>
<td>Current assets</td>
<td>357.5</td>
<td>357.5</td>
<td></td>
</tr>
<tr>
<td>Total assets</td>
<td>11 916.4</td>
<td>(99.2)</td>
<td>11 817.2</td>
</tr>
<tr>
<td>Equity</td>
<td>10 800.3</td>
<td>(99.2)</td>
<td>10 701.1</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>1 116.1</td>
<td>1 116.1</td>
<td></td>
</tr>
<tr>
<td>Total equity and liabilities</td>
<td>11 916.4</td>
<td>(99.2)</td>
<td>11 817.2</td>
</tr>
</tbody>
</table>

### Reconciliation of transitional effects

<table>
<thead>
<tr>
<th>AMOUNTS IN NOK MILLION</th>
<th>IFRS</th>
<th>NGAAP</th>
<th>EFFECT OF TRANSITION TO IFRS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intangible and tangible fixed assets</td>
<td>0.2</td>
<td>0.2</td>
<td></td>
</tr>
<tr>
<td>Non-current financial assets</td>
<td>A</td>
<td>11 558.7</td>
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<tr>
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<td>1 116.1</td>
<td></td>
</tr>
<tr>
<td>Total equity and liabilities</td>
<td>11 916.4</td>
<td>(99.2)</td>
<td>11 817.2</td>
</tr>
</tbody>
</table>

---

**GROUP INFORMATION**

<table>
<thead>
<tr>
<th>BUSINESS OFFICE</th>
<th>SHARE CAPITAL IN 1000 LOCAL CURR.</th>
<th>OWNERSHIP</th>
<th>BOOK VALUE</th>
</tr>
</thead>
<tbody>
<tr>
<td>DNV GL AS</td>
<td>Barum, Norway</td>
<td>NOK 5 000</td>
<td>100%</td>
</tr>
<tr>
<td>Det Norske Veritas Business Assurance Group AS</td>
<td>Barum, Norway</td>
<td>NOK 1 033</td>
<td>100%</td>
</tr>
<tr>
<td>N.V. KEMA</td>
<td>Arnhem, Netherlands</td>
<td>EUR 9 015</td>
<td>100%</td>
</tr>
<tr>
<td>DNV KEMA AS (dormant)</td>
<td>Barum, Norway</td>
<td>NOK 100</td>
<td>100%</td>
</tr>
<tr>
<td><strong>Total investment in subsidiaries</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
CHANGES IN GROUP STRUCTURE 2013

On 20 December 2012, Stiftelsen Det Norske Veritas and Mayfair Vermogensverwaltungs SE ('Mayfair') signed an agreement to merge the GL group of companies into Det Norske Veritas Group AS to form the DNV GL Group. The closing took place 11 September 2013. Stiftelsen Det Norske Veritas AS owns 63.5% through Det Norske Veritas Holding AS and Mayfair owns 36.5%.

Effective 1 January 2013, the shares in Det Norske Veritas Petroleum Services AS and in the real estate companies Det Norske Veritas Eiendom AS and Roaenagata 101 AS were transferred to Det Norske Veritas Holding AS through a demerger of Det Norske Veritas Group AS (renamed DNV GL Group AS).

ACQUISITIONS 2013

<table>
<thead>
<tr>
<th>COMPANY / ACTIVITIES</th>
<th>TRANSACTION DATE</th>
<th>OWNERSHIP</th>
<th>PURCHASE PRICE IN MILLION NOK</th>
<th>ACQUISITION COST OF WHICH:</th>
<th>PROPERTIES</th>
<th>CUSTOM. RELATIONS</th>
<th>CONTRACTS</th>
<th>TECHNOLOGY</th>
<th>LIABILITIES</th>
<th>DEP TAG</th>
<th>INT ASSETS</th>
<th>GOODWILL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business combination GL SE Group</td>
<td>11 Sept. 2013</td>
<td>100%</td>
<td>EUR 1 200.0</td>
<td>NOK 1 575.0</td>
<td>0.0</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Business acquired from DNV Group AS</td>
<td>31 Oct. 2013</td>
<td>100%</td>
<td>DKK 54.0</td>
<td>10.0</td>
<td>0.0</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The acquisition cost in excess of net book value of the equity has been allocated to goodwill and other intangible assets.

CHANGES IN BUSINESS COMBINATIONS 2014

6 May 2014, DNV GL AS acquired 70% of the shares in Marine Cybernetics AS. In addition, DNV GL AS has entered into an agreement with the owners of the remaining 30% of the shares, where DNV GL AS has an obligation to acquire the remaining shares after three years at an agreed price. 100% of Marine Cybernetics AS has been included in the DNV GL Group AS consolidated accounts from 1 May 2014 with no minority interest. The expected payment for the remaining shares has been reflected as a liability under other non-current liabilities.

Marine Cybernetics is a leading provider of third-party testing and verification of control system software for the maritime and offshore industries. With increasing importance of software-dependent systems in ensuring safe, reliable and efficient operations, the Marine Cybernetics acquisition is a strategic investment in total system quality assurance to further broaden DNV GL’s service portfolio.

9 May 2014, DNV GL Group AS acquired the remaining 25.7% of the shares in N.V. KEMA Group. As part of the acquisition agreement from December 2011, DNV GL Group AS had an agreement with the minority share owners where DNV GL Group AS had a call option on acquiring the remaining shares after two years. The option structure was such that it was highly unlikely at time of acquisition that an acquisition of the remaining 25.7% of the shares would not take place after two years. 100% of N.V. KEMA has been included in the DNV GL Group AS consolidated accounts from 1 March 2012 with no minority interest and the net present value of the expected payment for the remaining shares has been reflected as a liability under other non-current liabilities. This liability was settled 9 May 2014.

In January 2014, NOK 47 million convertible loan to StormGeo Holding AS, including interest, was converted to equity. In addition, a capital contribution/share issue of NOK 99 million has been made. After these transactions, DNV GL Group ownership (through DNV GL AS) in StormGeo Holding AS is at 27%. The investment is recognized in accordance with the equity method in the accounts of DNV GL Group AS.

12 March 2014, KEMA USA Inc. acquired 100% of the shares in PV Evolution Labs LLC (PVEL). The purchase price was NOK 34 million which resulted in a goodwill of NOK 29.7 million. PVEL tests, assesses, and predicts the performance of solar panels and also other PV system components. The acquisition fits well with DNV GL’s solar business and vision.

In line with IFRS 3 ‘Business Combinations’, adjustments to the preliminary purchase price allocation for the acquisition of GL SE Group have been reflected as a result of new information about facts and circumstances existing at the date of the acquisition. The adjustments led to a reduction of Technology with NOK 10.4 million, increased liabilities of NOK 45.0 million and increased goodwill of NOK 55.4 million. The adjustments have been reflected in 2014.

The acquisition cost in excess of net book value of the equity has been allocated to goodwill and other intangible assets.

ACQUISITIONS 2014

<table>
<thead>
<tr>
<th>COMPANY / ACTIVITIES</th>
<th>TRANSACTION DATE</th>
<th>OWNERSHIP</th>
<th>PURCHASE PRICE IN MILLION NOK</th>
<th>ACQUISITION COST OF WHICH:</th>
<th>PROPERTIES</th>
<th>CUSTOM. RELATIONS</th>
<th>CONTRACTS</th>
<th>TECHNOLOGY</th>
<th>LIABILITIES</th>
<th>DEP TAG</th>
<th>INT ASSETS</th>
<th>GOODWILL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Marine Cybernetics AS</td>
<td>6 May 2014</td>
<td>70%</td>
<td>EUR 324.1</td>
<td>NOK 72.0</td>
<td>0.0</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The acquisition cost in excess of net book value of the equity has been allocated to goodwill and other intangible assets.

CHANGES IN GEOGRAPHICAL AREA

<table>
<thead>
<tr>
<th>GEOGRAPHICAL AREA</th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nordic countries</td>
<td>4 542.5</td>
<td>4 199.6</td>
</tr>
<tr>
<td>Europe and Africa</td>
<td>7 387.2</td>
<td>4 377.5</td>
</tr>
<tr>
<td>Asia Pacific</td>
<td>5 800.6</td>
<td>3 631.0</td>
</tr>
<tr>
<td>North and South America</td>
<td>3 892.9</td>
<td>3 106.0</td>
</tr>
<tr>
<td>Total operating revenue</td>
<td>21 622.8</td>
<td>15 234.1</td>
</tr>
</tbody>
</table>

For management purposes, the Group is organized into business areas based on the industries in which the Group operates. DNV GL is structured into four business areas; Maritime, Oil & Gas, Energy and Business Assurance, and two independent business units; Software and Marine Cybernetics.

EXTERNAL OPERATING REVENUE

<table>
<thead>
<tr>
<th>BUSINESS AREAS AND BUSINESS UNITS</th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>DNV GL - Maritime</td>
<td>8 805.8</td>
<td>5 700.3</td>
</tr>
<tr>
<td>DNV GL - Oil &amp; Gas</td>
<td>6 264.2</td>
<td>4 218.7</td>
</tr>
<tr>
<td>DNV GL - Energy</td>
<td>3 122.1</td>
<td>2 612.3</td>
</tr>
<tr>
<td>DNV GL - Business Assurance</td>
<td>2 491.7</td>
<td>2 217.2</td>
</tr>
<tr>
<td>DNV GL - Software</td>
<td>783.3</td>
<td>445.0</td>
</tr>
<tr>
<td>Marine Cybernetics</td>
<td>72.0</td>
<td>0.0</td>
</tr>
<tr>
<td>Other</td>
<td>83.7</td>
<td>40.6</td>
</tr>
<tr>
<td>Total operating revenue</td>
<td>21 622.8</td>
<td>15 234.1</td>
</tr>
</tbody>
</table>
The Group recognized expenses of NOK 727.4 million in relation to operating leases in 2014. Operating lease relates mainly to office rent, in line with the local markets.

In addition, one former member of the Executive Committee has received total compensation of NOK 7 919.6 thousand including severance pay.

In 2014, harmonization plans were prepared and approved in order for legacy DNV and legacy GL to have a common compensation system from January 1, 2015. Group CEO Henrik O. Madsen has a pensionable annual base salary of NOK 4 423.9 thousand and a functional allowance including free housing of NOK 1 102 thousand.

Madsen has a right to retire at 62 years with a yearly pension equal to 65% of his pensionable annual base salary at date of retirement. In case of resignation before the age of 62, Group CEO is entitled to, given certain circumstances, a severance pay of maximum two years of base salary. The Board of Directors may award a discretionary bonus to the Group CEO, who is not eligible for the bonus bank scheme.

### Remunerations to the Executive Committee for 2014

#### Amounts in NOK thousand

<table>
<thead>
<tr>
<th>Name</th>
<th>Salary &amp; Long-Term Allowance</th>
<th>Other Benefits</th>
<th>Bonus</th>
<th>Pension Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Henrik O. Madsen</td>
<td>5 462.6</td>
<td>563.7</td>
<td>2 000.0</td>
<td>3 487.8</td>
</tr>
<tr>
<td>Tor E. Svensen</td>
<td>2 217.1</td>
<td>64.3</td>
<td>467.6</td>
<td>1 178.8</td>
</tr>
<tr>
<td>Reme Eriksen</td>
<td>2 777.4</td>
<td>123.0</td>
<td>406.5</td>
<td>609.0</td>
</tr>
<tr>
<td>Thomas Vogth-Eriksen</td>
<td>2 522.7</td>
<td>64.3</td>
<td>356.6</td>
<td>633.7</td>
</tr>
<tr>
<td>Cecile B. Heuch</td>
<td>2 215.0</td>
<td>33.1</td>
<td>320.4</td>
<td>85.5</td>
</tr>
<tr>
<td>Luca Croisott</td>
<td>2 066.3</td>
<td>73.9</td>
<td>213.5</td>
<td>630.5</td>
</tr>
<tr>
<td>David Walker</td>
<td>2 670.4</td>
<td>298.6</td>
<td>316.3</td>
<td>15.9</td>
</tr>
<tr>
<td>Elisabeth Terstad</td>
<td>1 726.4</td>
<td>299.7</td>
<td>94.4</td>
<td>276.6</td>
</tr>
<tr>
<td>Knut Ørbæk-Nilsen</td>
<td>1 124.4</td>
<td>11.2</td>
<td>529.3</td>
<td>365.2</td>
</tr>
<tr>
<td>Luta Wittenberg</td>
<td>1 464.1</td>
<td>57.3</td>
<td>1 849.8</td>
<td>465.8</td>
</tr>
</tbody>
</table>

### Remunerations to the Board of Directors paid out in 2014

#### Amounts in NOK thousand

<table>
<thead>
<tr>
<th>Name</th>
<th>Loan Amount</th>
<th>Interest Rate</th>
<th>Repayment Period</th>
<th>Security</th>
</tr>
</thead>
<tbody>
<tr>
<td>Henrik O. Madsen</td>
<td>1 257.6</td>
<td>1.13%</td>
<td>May 2018</td>
<td>Mortgage</td>
</tr>
<tr>
<td>Tor E. Svensen</td>
<td>433.4</td>
<td>1.13%</td>
<td>May 2019</td>
<td>Mortgage</td>
</tr>
<tr>
<td>Thomas Vogth-Eriksen</td>
<td>1 692.4</td>
<td>1.13%</td>
<td>Apr. 2024</td>
<td>Mortgage</td>
</tr>
<tr>
<td>Elisabeth Terstad</td>
<td>997.8</td>
<td>1.13%</td>
<td>May 2035</td>
<td>Mortgage</td>
</tr>
</tbody>
</table>

### Remunerations to the Executive Committee

#### Amounts in NOK thousand

<table>
<thead>
<tr>
<th>Name</th>
<th>Nomination Board of Directors</th>
<th>Nomination Board of Supervisors</th>
<th>Nomination Compensation Committee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leif-Arne Langøy</td>
<td>204.0</td>
<td>50.0</td>
<td></td>
</tr>
<tr>
<td>Gartner H.W. Heiz</td>
<td>160.0</td>
<td>32.5</td>
<td></td>
</tr>
<tr>
<td>Morten Ulstein</td>
<td>136.0</td>
<td>32.5</td>
<td></td>
</tr>
<tr>
<td>C. Thomas Rehder</td>
<td>136.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hilde M. Torne</td>
<td>136.0</td>
<td>60.0</td>
<td></td>
</tr>
<tr>
<td>Christine G.V. Martin</td>
<td>136.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rebekka Glasser Harlofken</td>
<td>136.0</td>
<td>60.0</td>
<td></td>
</tr>
</tbody>
</table>

### Remuneration of the Board of Directors

#### Amounts in NOK thousand

<table>
<thead>
<tr>
<th>Name</th>
<th>Remuneration</th>
<th>Nomination Board of Directors</th>
<th>Nomination Board of Supervisors</th>
<th>Nomination Compensation Committee</th>
</tr>
</thead>
<tbody>
<tr>
<td>J. Heinrich Stahl</td>
<td>136.0</td>
<td>75.0</td>
<td>32.5</td>
<td></td>
</tr>
<tr>
<td>Johannes Lahnste</td>
<td>136.0</td>
<td>136.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Odd E. Sund</td>
<td>136.0</td>
<td>136.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Silje Grotheim</td>
<td>136.0</td>
<td>136.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mette Bandholte Nielsen</td>
<td>136.0</td>
<td>136.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>David McKay</td>
<td>136.0</td>
<td>136.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Clemens Keuer</td>
<td>136.0</td>
<td>136.0</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Remuneration of the Executive Committee

#### Amounts in NOK thousand

<table>
<thead>
<tr>
<th>Name</th>
<th>Nomination Board of Directors</th>
<th>Nomination Board of Supervisors</th>
<th>Nomination Compensation Committee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Henrik O. Madsen</td>
<td>1 464.1</td>
<td>57.3</td>
<td>1 849.8</td>
</tr>
</tbody>
</table>

### Remuneration of the Group CEO, Executive Committee, Board of Directors Etc.

#### Amounts in NOK thousand

<table>
<thead>
<tr>
<th>Name</th>
<th>Nomination Board of Directors</th>
<th>Nomination Board of Supervisors</th>
<th>Nomination Compensation Committee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Henrik O. Madsen</td>
<td>4 423.9</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tor E. Svensen</td>
<td>2 217.1</td>
<td>64.3</td>
<td>467.6</td>
</tr>
<tr>
<td>Reme Eriksen</td>
<td>2 777.4</td>
<td>123.0</td>
<td>406.5</td>
</tr>
<tr>
<td>Thomas Vogth-Eriksen</td>
<td>2 522.7</td>
<td>64.3</td>
<td>356.6</td>
</tr>
<tr>
<td>Cecile B. Heuch</td>
<td>2 215.0</td>
<td>33.1</td>
<td>320.4</td>
</tr>
<tr>
<td>Luca Croisott</td>
<td>2 066.3</td>
<td>73.9</td>
<td>213.5</td>
</tr>
<tr>
<td>David Walker</td>
<td>2 670.4</td>
<td>298.6</td>
<td>316.3</td>
</tr>
<tr>
<td>Elisabeth Terstad</td>
<td>1 726.4</td>
<td>299.7</td>
<td>94.4</td>
</tr>
<tr>
<td>Knut Ørbæk-Nilsen</td>
<td>1 124.4</td>
<td>11.2</td>
<td>529.3</td>
</tr>
<tr>
<td>Luta Wittenberg</td>
<td>1 464.1</td>
<td>57.3</td>
<td>1 849.8</td>
</tr>
</tbody>
</table>

### Remuneration of the Group CEO, Executive Committee, Board of Directors Etc.

#### Amounts in NOK thousand

<table>
<thead>
<tr>
<th>Name</th>
<th>Nomination Board of Directors</th>
<th>Nomination Board of Supervisors</th>
<th>Nomination Compensation Committee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Henrik O. Madsen</td>
<td>5 462.6</td>
<td>563.7</td>
<td>2 000.0</td>
</tr>
<tr>
<td>Tor E. Svensen</td>
<td>2 217.1</td>
<td>64.3</td>
<td>467.6</td>
</tr>
<tr>
<td>Reme Eriksen</td>
<td>2 777.4</td>
<td>123.0</td>
<td>406.5</td>
</tr>
<tr>
<td>Thomas Vogth-Eriksen</td>
<td>2 522.7</td>
<td>64.3</td>
<td>356.6</td>
</tr>
<tr>
<td>Cecile B. Heuch</td>
<td>2 215.0</td>
<td>33.1</td>
<td>320.4</td>
</tr>
<tr>
<td>Luca Croisott</td>
<td>2 066.3</td>
<td>73.9</td>
<td>213.5</td>
</tr>
<tr>
<td>David Walker</td>
<td>2 670.4</td>
<td>298.6</td>
<td>316.3</td>
</tr>
<tr>
<td>Elisabeth Terstad</td>
<td>1 726.4</td>
<td>299.7</td>
<td>94.4</td>
</tr>
<tr>
<td>Knut Ørbæk-Nilsen</td>
<td>1 124.4</td>
<td>11.2</td>
<td>529.3</td>
</tr>
<tr>
<td>Luta Wittenberg</td>
<td>1 464.1</td>
<td>57.3</td>
<td>1 849.8</td>
</tr>
</tbody>
</table>
PENSION COSTS, PLAN ASSETS AND DEFINED BENEFIT PENSION LIABILITIES

The basis for calculating the pension cost and the pension liabilities as included in the accounts and in this note, is based on the presented actuarial assumptions, together with remuneration of the employee and length of service.

Contribution to the Group’s pension plans are made in accordance with common actuarial methods in the country where the pension plan is administered. Total pension costs for 2014 are NOK 645.3 million, of which NOK 472.0 million are related to the defined benefit pension plans and NOK 173.3 million are related to the contribution pension plans.

The 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) or in one unfunded pension plan (employees employed before 1 January 2005). The pension assets in the Norwegian pension fund are invested as follows:

<table>
<thead>
<tr>
<th>Asset Category</th>
<th>Amount 2014</th>
<th>Amount 2013</th>
<th>Amount 2012</th>
<th>Amount 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Norwegian government bonds</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>Non-Norwegian bonds and bond funds</td>
<td>213.1</td>
<td>208.3</td>
<td>209.4</td>
<td>209.6</td>
</tr>
<tr>
<td>Bank accounts</td>
<td>11.9</td>
<td>11.9</td>
<td>11.9</td>
<td>11.9</td>
</tr>
<tr>
<td>Total market value of plan assets</td>
<td>240.4</td>
<td>230.2</td>
<td>229.9</td>
<td>229.9</td>
</tr>
</tbody>
</table>

The assumptions for calculation of the pension liabilities in Norway have been changed, including reduced discount rate (covered bonds) from 3.9% to 2.2%, salary adjustment from 4% to 3%, pension benefit adjustment from 2% to 1.8% and Norwegian government basis for pension from 3% to 2.5%. The changed assumptions lead to increased pension liabilities of NOK 1,062 million in 2014.

The assumptions (discount rate) for calculation of the pension liabilities in Germany have been changed from 3.5% to 2.2%, leading to increased pension liabilities of NOK 344 million in 2014.

Effective from 31 December 2014, the defined benefit pension plan in Norway was capped at 120 (G = Norwegian government basis for pensions). NOK 174 million is reflected as reduced pension liabilities and gain from change of pension plan in 2014.

End of service benefit schemes in some countries outside Norway, considered to be defined benefit schemes, have been actuarially calculated. The total liability not included in above table amounts to NOK 61 million at year-end (NOK 61 million in 2013 and NOK 53 million in 1 January 2013).

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.

Effectiveness for Norwegian employees:

The retirement age in the 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.

<table>
<thead>
<tr>
<th>Assumption</th>
<th>Amount 2014</th>
<th>Amount 2013</th>
<th>Amount 2012</th>
<th>Amount 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Projected annual salary adjustment</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>Projected annual increase in pension benefit</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>Expected return on plan assets</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
</tr>
</tbody>
</table>

| Impact on defined benefit obligation Norwegian plans | 258.8 | 258.8 | 258.8 | 258.8 |
| Impact on defined benefit obligation German plans | 174.1 | 174.1 | 174.1 | 174.1 |

DNV GL Group AS has both defined benefit pension plans and defined contribution pension plans. The structure of the 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 employees. The defined benefit pension plans are covered through separate pension funds, through arrangements with independent insurance companies or as unfunded plans.

5,769 persons are covered by defined benefit pension plans, while 11,534 employees are covered by the defined contribution pension plan.

The defined benefit pension plans in Norway are financed through independent administrative funds/insurance companies. For defined benefit pension plans in Germany, the major plans are unfunded with the gross liability reflected as a separate pension fund. For defined benefit pension plans in Germany, the major plans are unfunded with the gross liability reflected as a separate pension fund. The other plans are mainly financed through independent administrative funds/insurance companies.
The Group has revenues and expenses.

The Group is exposed to volatility in the financial market affecting the value of the pension plan assets. The 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.

PENSION PLAN RISK. The Group is exposed to volatility in the financial market affecting the value of the pension plan assets. The 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.

INTEREST RATE RISK. The Group’s exposure to the risk of changes in market interest rates relates primarily to the Group’s forward exchange contracts. As part of this hedging, the Group has forward exchange contracts in 6 currencies, totalling a net amount of approximately NOK 1.965 billion. The most important contracts are in USD (61%) and KRW (17%). The Group does not apply hedge accounting and realized and unrealized gains and losses are recognized in the income statement. Unrealized net loss at year-end is NOK 59.8 million.

A change in USD exchange rate of +/- 1 percentage point will lead to a change in operating revenue of approximately +/- NOK 31 million and a change in operating profit (EBIT) of approximately +/- NOK 3 million. A change in EUR exchange rate of +/- 1 percentage point will lead to a change in operating revenue of approximately +/- NOK 23 million and an insignificant change in operating profit (EBIT).

CREDIT RISK. Receivable balances are monitored on an ongoing basis with the result that the Group’s exposure to bad debts is limited. There are no significant concentrations of credit risk within the Group. With respect to credit risk arising from the other financial assets of the Group, which comprises cash and cash equivalents and certain derivative instruments, the Group’s exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the market value of these instruments.

LIQUIDITY RISK. The 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. The Group has revenues and expenses in approximately 70 currencies. Of these, six currencies (NOK, EUR, USD, CNY, KRW and GBP) make up for approximately 76% of the total revenue. In many currencies the group has a natural hedge through revenue and expenses. The policy of the Group is to hedge significant project exposures and balance sheet items where the re-evaluation has a direct impact on the profit and loss account. Major imbalances are hedged through forward exchange contracts. As part of this hedging, the Group has forward exchange contracts in 6 currencies, totalling a net amount of approximately NOK 1.965 billion. The most important contracts are in USD (61%) and KRW (17%). The Group does not apply hedge accounting and realized and unrealized gains and losses are recognized in the income statement. Unrealized net loss at year-end is NOK 59.8 million.

A change in USD exchange rate of +/- 1 percentage point will lead to a change in operating revenue of approximately +/- NOK 31 million and a change in operating profit (EBIT) of approximately +/- NOK 3 million. A change in EUR exchange rate of +/- 1 percentage point will lead to a change in operating revenue of approximately +/- NOK 23 million and an insignificant change in operating profit (EBIT).

The Group’s main financial market risks are liquidity risk, foreign currency risk, credit risk and interest rate risk.

The Group is exposed to volatility in the financial market affecting the value of the pension plan assets. The 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.

The Group’s main financial market risks are liquidity risk, foreign currency risk, credit risk and interest rate risk.

LIQUIDITY RISK. The 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. The Group has revenues and expenses in approximately 70 currencies. Of these, six currencies (NOK, EUR, USD, CNY, KRW and GBP) make up for approximately 76% of the total revenue. In many currencies the group has a natural hedge through revenue and expenses. The policy of the Group is to hedge significant project exposures and balance sheet items where the re-evaluation has a direct impact on the profit and loss account. Major imbalances are hedged through forward exchange contracts. As part of this hedging, the Group has forward exchange contracts in 6 currencies, totalling a net amount of approximately NOK 1.965 billion. The most important contracts are in USD (61%) and KRW (17%). The Group does not apply hedge accounting and realized and unrealized gains and losses are recognized in the income statement. Unrealized net loss at year-end is NOK 59.8 million.

A change in USD exchange rate of +/- 1 percentage point will lead to a change in operating revenue of approximately +/- NOK 31 million and a change in operating profit (EBIT) of approximately +/- NOK 3 million. A change in EUR exchange rate of +/- 1 percentage point will lead to a change in operating revenue of approximately +/- NOK 23 million and an insignificant change in operating profit (EBIT).

CREDIT RISK. Receivable balances are monitored on an ongoing basis with the result that the Group’s exposure to bad debts is limited. There are no significant concentrations of credit risk within the Group. With respect to credit risk arising from the other financial assets of the Group, which comprises cash and cash equivalents and certain derivative instruments, the 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 Group’s exposure to the risk of changes in market interest rates relates primarily to the Group’s forward exchange contracts. As part of this hedging, the Group has forward exchange contracts in 6 currencies, totalling a net amount of approximately NOK 1.965 billion. The most important contracts are in USD (61%) and KRW (17%). The Group does not apply hedge accounting and realized and unrealized gains and losses are recognized in the income statement. Unrealized net loss at year-end is NOK 59.8 million.

A change in USD exchange rate of +/- 1 percentage point will lead to a change in operating revenue of approximately +/- NOK 31 million and a change in operating profit (EBIT) of approximately +/- NOK 3 million. A change in EUR exchange rate of +/- 1 percentage point will lead to a change in operating revenue of approximately +/- NOK 23 million and an insignificant change in operating profit (EBIT).

CREDIT RISK. Receivable balances are monitored on an ongoing basis with the result that the Group’s exposure to bad debts is limited. There are no significant concentrations of credit risk within the Group. With respect to credit risk arising from the other financial assets of the Group, which comprises cash and cash equivalents and certain derivative instruments, the 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 Group’s exposure to the risk of changes in market interest rates relates primarily to the Group’s forward exchange contracts. As part of this hedging, the Group has forward exchange contracts in 6 currencies, totalling a net amount of approximately NOK 1.965 billion. The most important contracts are in USD (61%) and KRW (17%). The Group does not apply hedge accounting and realized and unrealized gains and losses are recognized in the income statement. Unrealized net loss at year-end is NOK 59.8 million.

A change in USD exchange rate of +/- 1 percentage point will lead to a change in operating revenue of approximately +/- NOK 31 million and a change in operating profit (EBIT) of approximately +/- NOK 3 million. A change in EUR exchange rate of +/- 1 percentage point will lead to a change in operating revenue of approximately +/- NOK 23 million and an insignificant change in operating profit (EBIT).

CREDIT RISK. Receivable balances are monitored on an ongoing basis with the result that the Group’s exposure to bad debts is limited. There are no significant concentrations of credit risk within the Group. With respect to credit risk arising from the other financial assets of the Group, which comprises cash and cash equivalents and certain derivative instruments, the Group’s exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the market value of these instruments.
Goodwill obtained through acquisitions is allocated to the Group’s business areas and followed up and tested collectively for the group of cash-generating units that constitute the business area. The cash-generating units correspond to DNV GL’s business areas Maritime, Oil & Gas, Energy, Business Assurance, Software and Marine Cybernetics. Goodwill is allocated to the business areas as follows:

**Intangible Assets**

<table>
<thead>
<tr>
<th>AMOUNTS IN NOK MILLION</th>
<th>GOODWILL</th>
<th>CUSTOMER RELATIONS</th>
<th>CUSTOMER CONTRACTS</th>
<th>TECHNOLOGY</th>
<th>TRADemarks</th>
<th>OTHER INTANGIBLE ASSETS</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acquisition cost</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 January 2013</td>
<td>1 035.8</td>
<td>0.0</td>
<td>306.6</td>
<td>11.1</td>
<td>97.4</td>
<td>0.0</td>
<td>1 450.9</td>
</tr>
<tr>
<td>Additions</td>
<td>5 545.5</td>
<td>347.5</td>
<td>1 495.5</td>
<td>689.3</td>
<td>340.1</td>
<td>246.7</td>
<td>8 646.6</td>
</tr>
<tr>
<td>Translation differences</td>
<td>665.1</td>
<td>9.9</td>
<td>86.5</td>
<td>21.0</td>
<td>23.6</td>
<td>7.4</td>
<td>813.5</td>
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<tr>
<td>Total acquisition cost 31 Dec. 2013</td>
<td>7 246.49</td>
<td>357.4</td>
<td>1 886.8</td>
<td>721.4</td>
<td>461.1</td>
<td>254.1</td>
<td>10 929.1</td>
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<tr>
<td>Additions</td>
<td>219.6</td>
<td>19.0</td>
<td>10.8</td>
<td>79.8</td>
<td>12.6</td>
<td>182.7</td>
<td>524.5</td>
</tr>
<tr>
<td>Adjustment to Purchase Price</td>
<td>55.4</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>(10.4)</td>
<td>0.0</td>
<td>45.0</td>
</tr>
<tr>
<td>Allocation GL SE (note 4)</td>
<td>606.0</td>
<td>30.1</td>
<td>169.0</td>
<td>61.7</td>
<td>40.8</td>
<td>22.6</td>
<td>930.3</td>
</tr>
<tr>
<td>Total acquisition cost 31 Dec. 2014</td>
<td>8 127.53</td>
<td>406.5</td>
<td>2 068.4</td>
<td>862.8</td>
<td>514.5</td>
<td>449.0</td>
<td>12 428.9</td>
</tr>
</tbody>
</table>

Accumulated amortization and impairment

<table>
<thead>
<tr>
<th>AMOUNTS IN NOK MILLION</th>
<th>GOODWILL</th>
<th>CUSTOMER RELATIONS</th>
<th>CUSTOMER CONTRACTS</th>
<th>TECHNOLOGY</th>
<th>TRADemarks</th>
<th>OTHER INTANGIBLE ASSETS</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 January 2013</td>
<td>(35.2)</td>
<td>0.0</td>
<td>(25.9)</td>
<td>(3.5)</td>
<td>0.0</td>
<td>0.0</td>
<td>(64.7)</td>
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<tr>
<td>Amortization</td>
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<td>(32.8)</td>
<td>(71.3)</td>
<td>(40.5)</td>
<td>0.0</td>
<td>(39.8)</td>
<td>(184.5)</td>
</tr>
<tr>
<td>Impairment</td>
<td>(18.5)</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>(18.5)</td>
</tr>
<tr>
<td>Translation differences</td>
<td>(3.3)</td>
<td>(0.8)</td>
<td>(6.9)</td>
<td>(0.9)</td>
<td>0.0</td>
<td>(0.9)</td>
<td>(12.8)</td>
</tr>
<tr>
<td>Total accum. amortization and impairment 31 Dec. 2013</td>
<td>(57.1)</td>
<td>(33.4)</td>
<td>(104.1)</td>
<td>(44.9)</td>
<td>0.0</td>
<td>(40.8)</td>
<td>(280.4)</td>
</tr>
<tr>
<td>Amortization</td>
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<td>(129.1)</td>
<td>(194.1)</td>
<td>(163.6)</td>
<td>0.0</td>
<td>(49.2)</td>
<td>(535.9)</td>
</tr>
<tr>
<td>Impairment</td>
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<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>(55.6)</td>
<td>(55.6)</td>
<td>0.0</td>
</tr>
<tr>
<td>Translation differences</td>
<td>(2.2)</td>
<td>(14.2)</td>
<td>(25.9)</td>
<td>(17.1)</td>
<td>0.0</td>
<td>(8.4)</td>
<td>(67.8)</td>
</tr>
<tr>
<td>Total accum. amortization and impairment 31 Dec. 2014</td>
<td>(59.3)</td>
<td>(176.9)</td>
<td>(324.2)</td>
<td>(225.6)</td>
<td>0.0</td>
<td>(154.0)</td>
<td>(939.9)</td>
</tr>
</tbody>
</table>

Net book value

<table>
<thead>
<tr>
<th>AMOUNTS IN NOK MILLION</th>
<th>GOODWILL</th>
<th>CUSTOMER RELATIONS</th>
<th>CUSTOMER CONTRACTS</th>
<th>TECHNOLOGY</th>
<th>TRADemarks</th>
<th>OTHER INTANGIBLE ASSETS</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>31 December 2014</td>
<td>8 068.3</td>
<td>229.7</td>
<td>1 744.3</td>
<td>637.2</td>
<td>514.5</td>
<td>295.1</td>
<td>11 489.0</td>
</tr>
<tr>
<td>31 December 2013</td>
<td>7 189.4</td>
<td>323.8</td>
<td>1 784.5</td>
<td>676.4</td>
<td>461.1</td>
<td>213.3</td>
<td>10 648.5</td>
</tr>
</tbody>
</table>

Useful life

- 1-5 years
- 6-16 years
- 5-7 years
- Indef.
- 5-10 years

Other intangible assets mainly consist of capitalised software development costs and acquired software. Goodwill is not amortized, but is tested annually for impairment (note 14). Other intangible assets are amortized linearly, based on evaluation of useful life. Trademarks have an indefinite useful life and are not amortized but tested for impairment annually.

**Impairment Testing of Goodwill**

The Group has used value in use to determine recoverable amounts for the cash-generating units. Value in use is determined by using the discounted cash flow method. The expected cash flows are based on the business areas’ 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. After the five years of explicit plans, the cash flows are stipulated by extrapolation.

**Key Assumptions**

- Cost of capital (WACC): 9.0%
- Long-term nominal growth rate: 1.5%

An increase in WACC of 1% will not result in impairment in any of the cash generating units.

**Fixed Assets**

<table>
<thead>
<tr>
<th>AMOUNTS IN NOK MILLION</th>
<th>LAND, BUILDINGS AND OTHER PROPERTY</th>
<th>OFFICE EQUIPMENT, FIXTURES AND FITTINGS</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acquisition cost</td>
<td></td>
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</tr>
<tr>
<td>1 January 2013</td>
<td>920.6</td>
<td>2 071.1</td>
<td>2 991.7</td>
</tr>
<tr>
<td>Additions</td>
<td>154.3</td>
<td>303.9</td>
<td>458.2</td>
</tr>
<tr>
<td>Additions from business combinations</td>
<td>64.0</td>
<td>259.7</td>
<td>323.7</td>
</tr>
<tr>
<td>Disposals</td>
<td>(7.4)</td>
<td>(137.4)</td>
<td>(144.8)</td>
</tr>
<tr>
<td>Translation differences</td>
<td>110.5</td>
<td>206.7</td>
<td>317.2</td>
</tr>
<tr>
<td>Total acquisition cost 31 December 2013</td>
<td>1 242.0</td>
<td>2 703.9</td>
<td>3 945.9</td>
</tr>
<tr>
<td>Additions</td>
<td>75.6</td>
<td>523.2</td>
<td>598.8</td>
</tr>
<tr>
<td>Additions from business combinations</td>
<td>8.6</td>
<td>3.2</td>
<td>11.8</td>
</tr>
<tr>
<td>Disposals</td>
<td>(2.1)</td>
<td>(109.6)</td>
<td>(111.7)</td>
</tr>
<tr>
<td>Translation differences</td>
<td>113.2</td>
<td>274.4</td>
<td>387.6</td>
</tr>
<tr>
<td>Total acquisition cost 31 December 2014</td>
<td>1 437.2</td>
<td>3 395.1</td>
<td>4 832.3</td>
</tr>
</tbody>
</table>
NOTES

In January 2014, NOK 47 million of convertible loan to StormGeo Holding AS, included interests, was converted to equity. The conversion resulted in a gain of NOK 26.3 million. In addition, a capital contribution/share issue of NOK 99 million has been made.

Book value in StormGeo Holding has in 2014 been adjusted for a negative change in other comprehensive income of NOK 29.4 million.

After these transactions, DNV GL Group AS’ ownership (through DNV GL AS) in StormGeo Holding AS is 27%. The investment is recognized in accordance with the equity method in the consolidated financial statements.

### Investment in Associates

In January 2014, NOK 47 million of convertible loan to StormGeo Holding AS, included interests, was converted to equity. The conversion resulted in a gain of NOK 26.3 million. In addition, a capital contribution/share issue of NOK 99 million has been made.

### Current Liabilities

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<tr>
<td>Advances from customers</td>
<td>2,052.4</td>
<td>1,897.2</td>
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<td>Accrued bonus to employees</td>
<td>624.0</td>
<td>620.7</td>
<td>304.0</td>
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<td>Accrued holiday allowances</td>
<td>558.8</td>
<td>503.0</td>
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<td>Unrealized loss (gain) and interest related to forward contracts</td>
<td>58.7</td>
<td>38.1</td>
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<td>Accrued expenses and other short-term liabilities</td>
<td>1,290.0</td>
<td>1,104.3</td>
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<td>Total other short-term liabilities</td>
<td>4,584.0</td>
<td>4,163.3</td>
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### Long-Term Receivables

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<td>Loans to employees</td>
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<td>Convertible loan to StormGeo Holding AS</td>
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<td>Other long-term receivables</td>
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<td>Total other long-term receivables</td>
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<td>449.3</td>
<td>370.9</td>
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### Provisions

Provisions for litigation risks concern fair value of pending legal disputes from acquisitions and provisions for other pending legal disputes. Included in other provisions are provisions for restructuring, termination benefits and onerous contracts.
CASH AND BANK DEPOSITS

DNV GL Group AS has a cash pool system with DNB ASA, in which most of legacy DNV legal entities participate. This system includes an overdraft facility of NOK 220 million.

DNV GL Group AS’ wholly owned subsidiary in India, DNV Business Assurance India Private Ltd has an agreement for an INR 250 million credit facility with Citibank in India. The facility is guaranteed by DNV GL Group AS through a parent company guarantee. The facility is overdrawn at year-end 2014 with INR 37.8 million.

Balances on bank accounts participating in the cash pooling systems are considered as internal assets or liabilities vis-à-vis other Group participants. For DNV GL Group AS on a consolidated basis, the net total balance of NOK 593 million with DNB ASA, NOK 22 million with Handelsbanken and NOK 68 million with Citibank are included in Cash and bank deposits in the balance sheet at 31 December. 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.

LONG TERM LOANS

DNV GL Group AS has an agreement for a NOK 1 600 million multi-currency revolving credit facility with Handelsbanken Norwegian branch of Svenska Handelsbanken AB. The facility expires in December 2016 and as per year-end 2014 NOK 200 million was drawn. In addition, NOK 300 million was drawn short-term from UniCredit Bank AG. The whole amount of NOK 500 million has been repaid in January 2015.

The credit agreement supporting this facility has certain covenants, including a negative pledge clause, and also restrict DNV GL Group AS’ ability to freely dispose of material assets. The credit agreement further requires that DNV GL Group AS on a consolidated basis maintains a certain minimum level of equity and that the net interest bearing debt does not exceed a set level relative to total equity. DNV GL Group AS was well within all covenants at year-end.

GUARANTEES

FINANCIAL ASSETS AND FINANCIAL LIABILITIES

SHARE CAPITAL AND OWNERS

The share capital of DNV GL Group AS consist of 1 000 000 shares, with par value of NOK 100 each. The company is owned 63.5% by Det Norske Veritas Holding AS, with business office in Bærum, Norway, and 36.5% by Mayfair Betriebsgundofonds II GmbH & Co. KG with business office in Hamburg, Germany.

RELATED PARTY TRANSACTIONS

DNV GL AS has a lease agreement for the office buildings at Havik and Stavanger, Norway with the related party Det Norske Veritas Eiendom AS, the rent expensed in 2014 amounts to NOK 222 million.

DNV GL AS has a lease agreement for the office building in Stavanger, Norway with the related party DNV GL Pension fund, the rent expensed in 2014 amounts to NOK 2.7 million.

DNV GL SE has a lease agreement for the office building in Hamburg, Germany with the related party BTK 18 GmbH, the rent expensed for 2014 amounts to NOK 60 million.

DNV GL AS has a management services agreement with the related party Det Norske Veritas Holding AS for general management and administrative services. The revenue reflected for these services in 2014 is NOK 11 million.

DNV GL AS has a service agreement with the related party DNV GL Pension fund for management and administrative services. The revenue reflected for these services in 2014 is NOK 2.7 million.

Several subsidiaries of DNV GL Group AS have business transactions with the related party DNV Nemko Presafe AS. Total revenue reflected in 2014 was NOK 5 million and total expenses incurred NOK 12 million.

Certain key personnel in Germany have received retention bonuses from the related party Mayfair SE in 2014. There are no unsettled retention bonuses as per 31 December 2014. The total retention bonuses received amounts to NOK 61 million in 2014.
REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of DNV GL Group AS, comprising the financial statements for the Parent Company and the Group. The financial statements of the Parent Company and the Group comprise the statement of financial position as at 31 December 2014, the statements of income, comprehensive income, cash flows and changes in equity for the year then ended as well as a summary of significant accounting policies and other explanatory information.

THE BOARD OF DIRECTORS’ AND GROUP PRESIDENT AND CHIEF EXECUTIVE OFFICER’S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS. The Board of Directors and Group President and Chief Executive Officer are responsible for the preparation and fair presentation of these financial statements in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for such internal control as the Board of Directors and Group President and Chief Executive Officer determine is necessary to enable the preparation of financial statements that are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the financial statements 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 entity’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements for the Parent Company and the Group.

Opinion: In our opinion, the financial statements of DNV GL Group AS have been prepared in accordance with laws and regulations and present fairly, in all material respects, the financial position of the Parent Company and the Group as at 31 December 2014 and their financial performance and cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

OPINION ON THE BOARD OF DIRECTORS’ REPORT. Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Directors’ report concerning the financial statements, the going concern assumption and the proposal for the allocation of the result is consistent with the financial statements and complies with the law and regulations.

OPINION ON REGISTRATION AND DOCUMENTATION. Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, «Assurance Engagements Other than Audits or Reviews of Historical Financial Information», it is our opinion that the Board of Directors and Group President and Chief Executive Officer have fulfilled their duty to ensure that the Company’s accounting information is properly recorded and documented as required by law and generally accepted bookkeeping practice in Norway.

Oslo, 30 April 2015
Ernst & Young AS
Finn Ole Eide
State Auditor
Public Accountant (Norway)

AUDITOR’S LIMITED ASSURANCE REPORT ON SPECIFIED INFORMATION IN DNV GL GROUP AS’ SUSTAINABILITY REPORT

We have been engaged by the management of DNV GL Group AS to perform a limited assurance engagement on certain sustainability information stated as externally assured in the GRI G4 index on page 106 and the inside back cover in the printed version of DNV GL Group AS Annual Report for the financial year 2014.

MANAGEMENT’S RESPONSIBILITY. The Management of DNV GL Group AS is responsible for preparing and presenting the information referenced to in the GRI G4 index in accordance with the reporting criteria as set out in the company’s own reporting guidelines as well as the Global Reporting Initiative’s (GRI) G4 Guidelines.

AUDITOR’S RESPONSIBILITY. Our responsibility is to express a conclusion on the above specified information based on the limited assurance procedures we have performed. The selection of information to be reviewed has been made by the management of DNV GL Group AS. We do not accept, nor assume responsibility to anyone else, except to DNV GL Group AS for our work, for the limited assurance report, or for the conclusion that we have reached.

We conducted our limited assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 «Assurance Engagements Other than Audits or Reviews of Historical Financial Information». The ISAE 3000 standard requires that we comply with ethical requirements and plan and perform the assurance engagement to obtain limited assurance on whether any matters have come to our attention that would cause us to believe that the above specified information has not been prepared, in all material respects, in accordance with the reporting criteria.

Our limited assurance statement is provided only on the information referenced as externally assured in the GRI G4 index. We have not been engaged to provide assurance on amounts or other disclosures relating to the prior reporting periods presented by DNV GL Group AS. The presented information referenced to in the GRI G4 index is to be considered in connection with the explanatory information on data collection, consolidation and assessments provided by DNV GL Group AS. This independent limited assurance report should not be used in its own as a basis for interpreting DNV GL Group AS performance in relation to its principles of corporate responsibility.

Our review procedures are designed to obtain limited assurance on whether the above specified information is presented in accordance with the Sustainability Reporting Guidelines of the Global Reporting Initiative’s G4, in all material respects. A limited assurance engagement consists of making inquiries, primarily of persons responsible for the preparation of the information referenced to in the GRI G4 index and applying analytical and other evidence gathering procedures, as appropriate. The procedures performed in a limited assurance engagement vary in nature from, and are less in extent than, a reasonable assurance engagement conducted in accordance with ISAS’s Standards on Auditing and Quality Control and other generally accepted auditing standards. The procedures performed consequently do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance conclusion.

Our procedures are based on the criteria defined by the Management as described above. We consider these criteria suitable for the preparation of the Sustainability Report.

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

CONCLUSION. Based on our work described in this report, nothing has come to our attention that causes us to believe that the information regarding the above specified information has not, in all material respects, been prepared in accordance with the reporting criteria stated above.

Olso, 18 May 2015
Emil & Young AS
Finn Ole Eide
Anwordt Pubilc Accountant
Håkon Utrichs
Partner Climate Change
Sustainability Services
### GENERAL STANDARD DISCLOSURES

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### REPORT TITLE

- **DNV GL – Business Assurance**
- **DNV GL**
- **DNV GL Group**

### SCOPE AND BOUNDARY

This annual report presents DNV GL’s financial, social and environmental performance. The Global Reporting Initiative (GRI) Sustainability Reporting Guidelines (GRI G4) have been applied in preparing the report.

The selection of reported aspects is based on a systematic and comprehensive materiality assessment conducted in 2012-2013, involving a range of internal and external stakeholders (customers, civil society organisations, industry associations, management and employees).

The process of the materiality assessment and for defining the report content is described in detail on page 51 in this report and on our web page: [www.dnvgl.com/about/sustainability/how-we-report/materiality-assessment.html](http://www.dnvgl.com/about/sustainability/how-we-report/materiality-assessment.html) (G4-24 to 27). DNV GL engages with all our key stakeholders frequently on a regular basis on a broad range of issues.

Employees are represented in DNV GL governing bodies, including the Board of Directors, the Council and the DNV GL Corporate Sustainability Board (read more about how DNV GL engages with stakeholders here: [www.dnvgl.com/about/sustainability/how-we-govern/engaging-our-stakeholders.html](http://www.dnvgl.com/about/sustainability/how-we-govern/engaging-our-stakeholders.html)).

We partner and have a close dialogue with a number of civil society organizations (see pages 72-73 for global partnerships) and actively seek their input on how we work, through bilateral meetings and surveys. Moreover, we regularly meet with government representatives around the world to discuss issues of relevance to DNV GL.

DNV GL – Business Assurance also conduct large scale annual customer surveys of thousands of customers, and engage stakeholders through a wide range of committees. The GRI Content Index on the inside back cover of the report shows where you can find information on the material GRI Aspects, as well as on our environmental performance. These aspects are reported on according to the ‘Comprehensive’ level. We also report on a selection of other relevant GRI indicators (see page 50-51 and on [www.dnvgl.com/about/sustainability/how-we-report/materiality-assessment.html](http://www.dnvgl.com/about/sustainability/how-we-report/materiality-assessment.html)).

(G4-17) The report covers all of DNV GL’s global operations and subsidiaries, unless stated otherwise throughout the report. In 2014 we have worked systematically to implement unified systems for sustainability reporting across legacy DNV and GL. However, some GRI indicators do not cover the whole group. Where this is the case, we state which entities are covered. All environmental reporting is considered not of materiality, and is therefore not reported according to GRI G4 ‘Comprehensive’ and as such not under the scope of the limited assurance provided by EY. The environmental reporting is limited to locations with more than 40 employees. Based on number of employees by the end of 2014, the environmental reports represent approximately 73%.

This report is in accordance with the GRI G4 Comprehensive, and EY has conducted a limited assurance of specified information in the report.
### Specific Standard Disclosures

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<th>GRI Indicator</th>
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### Category: Social

**Sub-Category: Labor Practices and GRI 10-40**

**Material Aspects:**
- Labor Practices and Decent Work

**GRI 10-2**
- www.dnvgl.com/about/sustainability/employment/index.html
- Omitted: Not reported

**GRI 10-3**
- www.dnvgl.com/about/sustainability/employment/index.html
- Omitted: The number and percentage of contracts with business partners which anti-corruption policies are in place are not reported.

**GRI 10-4**
- www.dnvgl.com/about/sustainability/employment/index.html
- Omitted: The number and percentage of contracts with business partners which anti-corruption policies are in place are not reported.

**GRI 10-5**
- www.dnvgl.com/about/sustainability/employment/index.html
- Omitted: The number and percentage of contracts with business partners which anti-corruption policies are in place are not reported.

### Category: Economic

**Sub-Category: Economic Performance**

**Material Aspects:**
- Economic Performance

**GRI 10-2**
- Omitted: The number and percentage of contracts with business partners which anti-corruption policies are in place are not reported.

**GRI 10-3**
- Omitted: The number and percentage of contracts with business partners which anti-corruption policies are in place are not reported.

**GRI 10-4**
- Omitted: The number and percentage of contracts with business partners which anti-corruption policies are in place are not reported.

### Category: Environment

**Sub-Category: Environmental Performance**

**Material Aspects:**
- Environmental Performance

**GRI 10-2**
- www.dnvgl.com/about/sustainability/energy-emissions/index.html
- Omitted: The number and percentage of contracts with business partners which anti-corruption policies are in place are not reported.

**GRI 10-3**
- www.dnvgl.com/about/sustainability/energy-emissions/index.html
- Omitted: The number and percentage of contracts with business partners which anti-corruption policies are in place are not reported.

**GRI 10-4**
- www.dnvgl.com/about/sustainability/energy-emissions/index.html
- Omitted: The number and percentage of contracts with business partners which anti-corruption policies are in place are not reported.

### Category: Anti-competitive Behavior

**Material Aspects:**
- Anti-competitive Behavior

**GRI 10-2**
- www.dnvgl.com/about/sustainability/anti-competitive-behavior/index.html
- Omitted: The number and percentage of contracts with business partners which anti-corruption policies are in place are not reported.

**GRI 10-3**
- www.dnvgl.com/about/sustainability/anti-competitive-behavior/index.html
- Omitted: The number and percentage of contracts with business partners which anti-corruption policies are in place are not reported.

### Category: Customer Privacy

**Material Aspects:**
- Customer Privacy

**GRI 10-2**
- www.dnvgl.com/about/sustainability/customer-privacy/index.html
- Omitted: The number and percentage of contracts with business partners which anti-corruption policies are in place are not reported.

**GRI 10-3**
- www.dnvgl.com/about/sustainability/customer-privacy/index.html
- Omitted: The number and percentage of contracts with business partners which anti-corruption policies are in place are not reported.

### Category: Human Rights

**Material Aspects:**
- Human Rights

**GRI 10-2**
- www.dnvgl.com/about/sustainability/human-rights/index.html
- Omitted: The number and percentage of contracts with business partners which anti-corruption policies are in place are not reported.

**GRI 10-3**
- www.dnvgl.com/about/sustainability/human-rights/index.html
- Omitted: The number and percentage of contracts with business partners which anti-corruption policies are in place are not reported.

### Category: Health and Safety

**Sub-Category: Occupational Health and Safety**

**Material Aspects:**
- Occupational Health and Safety

**GRI 10-2**
- www.dnvgl.com/about/sustainability/occupational-health-safety/index.html
- Omitted: The number and percentage of contracts with business partners which anti-corruption policies are in place are not reported.

**GRI 10-3**
- www.dnvgl.com/about/sustainability/occupational-health-safety/index.html
- Omitted: The number and percentage of contracts with business partners which anti-corruption policies are in place are not reported.

**GRI 10-4**
- www.dnvgl.com/about/sustainability/occupational-health-safety/index.html
- Omitted: The number and percentage of contracts with business partners which anti-corruption policies are in place are not reported.

### Category: Supplier Assessment for Labor Practices

**Material Aspects:**
- Supplier Assessment for Labor Practices

**GRI 10-2**
- Omitted: The number and percentage of contracts with business partners which anti-corruption policies are in place are not reported.

**GRI 10-3**
- Omitted: The number and percentage of contracts with business partners which anti-corruption policies are in place are not reported.

**GRI 10-4**
- Omitted: The number and percentage of contracts with business partners which anti-corruption policies are in place are not reported.

### Category: Supplier Assessment for Compliance

**Material Aspects:**
- Supplier Assessment for Compliance

**GRI 10-2**
- Omitted: The number and percentage of contracts with business partners which anti-corruption policies are in place are not reported.

**GRI 10-3**
- Omitted: The number and percentage of contracts with business partners which anti-corruption policies are in place are not reported.

**GRI 10-4**
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Driven by our purpose of safeguarding life, property and the environment, DNV GL enables organizations to advance the safety and sustainability of their business. We provide classification and technical assurance along with software and independent expert advisory services to the maritime, oil and gas, and energy industries. We also provide certification services to customers across a wide range of industries. Operating in more than 100 countries, our 16,000 professionals are dedicated to helping our customers make the world safer, smarter and greener.