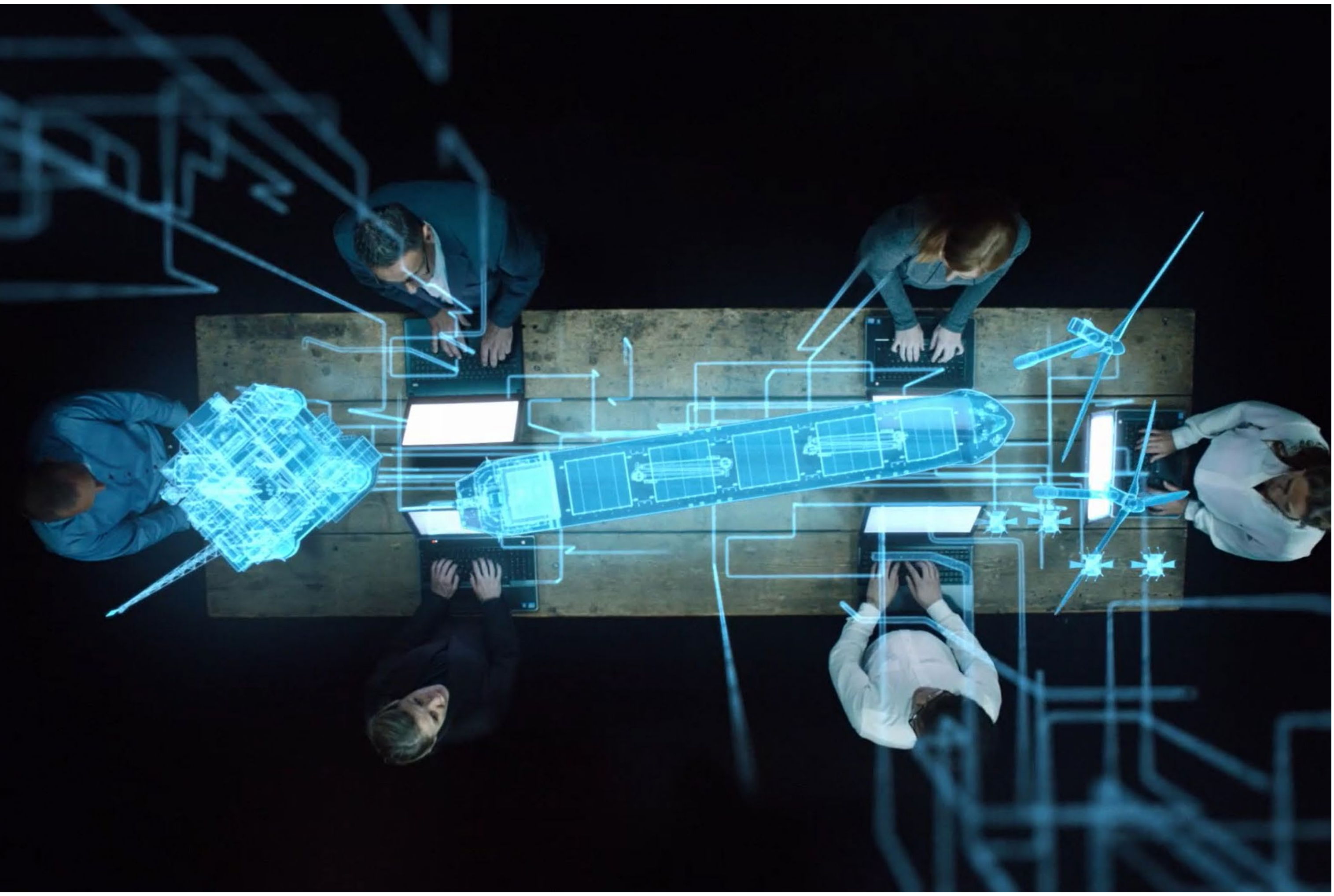


ANNUAL REPORT 2017

SAFER, SMARTER, GREENER

CONTENTS

COMPANY

MARKETS

PERFORMANCE

COMPANY

DNV GL is a global quality assurance and risk management company. Driven by our purpose of safeguarding life, property and the environment, we enable our customers to advance the safety and sustainability of their business.

Combining technical, digital 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 and operations in more than 100 countries, our experts are dedicated to helping customers make the world safer, smarter and greener.

PRESIDENT & CEO'S STATEMENT

PROVIDING TRUST IN A DIGITALIZING WORLD

With continued pressure in shipping and in the upstream oil and gas market, 2017 was another challenging year for DNV GL. We endured a further revenue contraction, but with a continued focus on costs and efficiencies, we were able to post a modest profit. We are now well positioned to take advantage of a positive trend in our core markets, which could happen towards the end of 2018.

Step changes in digitalization

After successive years of challenging market conditions, DNV GL has emerged a leaner organization, with a cost base reduced by some 4 billion NOK over the last three years. Importantly, we are also more agile, having invested heavily in our ongoing digital transformation.

There were rapid and step-change developments in digitalization last year in DNV GL. We officially launched our industry data platform Veracity – a secure, scalable, cloud-based solution for data sharing, analytics and co-innovation.

Our new business area, Digital Solutions, began operating at the beginning of this year. Digital Solutions will be responsible for running our Veracity platform and associated data management, data quality assurance and cyber security services. We rolled our Software business into Digital Solutions, where the focus will increasingly be on offering software-as-a-service. Each of our other business areas will continue to digitalize and enhance their own service offerings.

"There were rapid and step-change developments in digitalization last year in DNV GL. We officially launched our industry data platform Veracity – a secure, scalable, cloud-based solution for data sharing, analytics and co-innovation.

Our journey towards being a more efficient, data-led and automated ship and offshore class society continues apace. We launched a historic first for the ship classification industry: the rollout of IMO-compliant electronic class and statutory certificates across the entire fleet of DNV GL classed vessels. Over 50,000 electronic certificates were delivered in under four months. Customers are also saving time and costs with our Smart Survey Booking tool. Other significant advances in automating and digitizing aspects of our survey work, together with new assurance services associated with onboard sensors and data streams, are described in this report.

In Oil & Gas, we have been working closely with customers in helping them cut complexity, drive efficiency and stay safe. Our award-winning myQRA tool is emblematic of this work in providing interactive, advanced risk communication and visualization.

We placed our customers' management system and products certificates, some 90,000 of them, in a private blockchain, and are continuing to drive important innovations in areas of supply chain transparency and in medical data within our Business Assurance entity.

Our Energy business area is similarly focused on digitalization, from digital twins for optimal power generation to the *Internet of Energy* that describes the digital and software-based technologies enabling greater connectivity and controllability in the power industry.

Because over 70% of our business relates to energy in some form, having a clear view of the coming energy transition is of strategic importance to us and our customers. We launched our first global *Energy Transition Outlook* which generated unprecedented interest and has led to many valuable discussions with customers across several industries. We look forward to intensifying our forecasting efforts in the coming year.

The foundation, Det Norske Veritas, assumed the sole ownership of DNV GL in December after buying the remaining stake owned by Mayfair. Mayfair was the owner of GL and became a minority shareholder of DNV GL following the DNV and GL merger in 2013. We now have one owner with a long-term view. It also means that 100% of the profit made by DNV GL will remain in the group of companies to further develop and position the company globally.

We will continue to invest 5% of our revenue in research, development and innovation and continue our bold moves on our digitalization journey.

Our business model is based on trust at all levels and in all business environments. We strive to reflect the DNV GL values in all our work and to demonstrate conscious leadership for a safe and sustainable future.

We continue our support for the UN Global Compact principles and actively work with customers and partners to deliver on the UN's 17 Sustainable Development Goals. Working with tangible sustainable solutions – some of which are showcased in this report – is driven by our purpose of safeguarding life, property and the environment. This purpose is more valid than ever before, and I'm confident that DNV GL is well positioned to be at the forefront in all our industries.

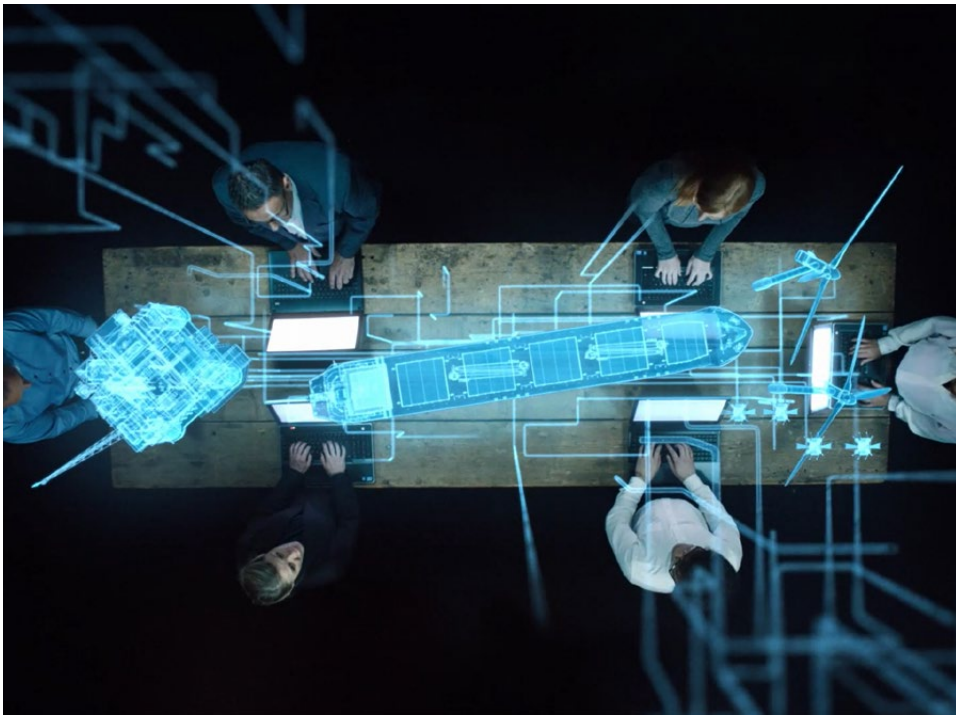
Remi Eriksen, Group President & CEO

HIGHLIGHTS

Stiftelsen Det Norske Veritas assumes full ownership of DNV GL

The independent foundation, Stiftelsen Det Norske Veritas bought the remaining 36.5% of the shares in DNV GL that until 14 December 2017 were held by Mayfair, a German family-owned investment firm that became the owner of GL (Germanischer Lloyd) in 2006 and DNV GL's minority shareholder when DNV and GL merged in 2013. The transaction only affects the ownership of DNV GL while the organization and operations of the merged company remain unaffected.

Stiftelsen Det Norske Veritas, an autonomous, independent foundation, is now the sole owner of DNV GL. Our purpose of safeguarding life, property and the environment is mainly achieved through this ownership.



The Veracity open industry data platform is launched

The Veracity industry data platform was launched to improve safety and business performance through leveraging the value of data. Veracity creates value by connecting industry players, domain experts and data scientists and letting them securely control, share, analyse and combine data in a trusted ecosystem. Veracity is also a market place for accessing digital services from DNV GL and third parties.

DNV GL publishes its first Energy Transition Outlook

DNV GL's inaugural Energy Transition Outlook created headlines across the world by charting the world's energy future to 2050. This was the first annual, independent outlook report created to help customers and other industry stakeholders navigate the energy future. Some of the findings showed that, even if the demand for energy flattens and emissions are halved, our model still points to a significant overshoot of the 2°C carbon budget. In addition to the main outlook report, we issued three sector-specific supplements for the oil and gas, power and renewables, and maritime industries.

New organization to accelerate digital drive

DNV GL established a dedicated Digital Solutions organization by consolidating its digital business across the Group. The new organization consists of almost 800 digital experts and aims to capture the opportunities that lie in data sharing, advanced analytics, automation and machine learning as well as address challenges related to data quality and security. The new organization absorbed DNV GL – Software, which has built a strong reputation as a vendor of trusted third-party software and become one of the world's leading software providers within the oil and gas, power and renewables and maritime industries.

First assurance provider to use blockchain technology for certificates

DNV GL certifies companies' processes, products, facilities and supply chains to national and international standards. In 2017, we became the first in the certification industry to take advantage of blockchain technology and transferred 90,000 certificates to a private blockchain. Every certificate is digitally tagged, traceable and securely stored, allowing companies to communicate their certification in a transparent and secure way and users to more easily uncover false certificates.

Smart survey booking and electronic class certificates for ships

We introduced a smart survey booking tool that uses machine learning algorithms to help customers find the best time and place to book a ship classification survey. We also became the first classification society to issue electronic certificates. The objective is to achieve significant efficiency gains for ship owners, charterers, regulators and crew, cutting down processing time and document handling costs.

World's first ultra-high-voltage testing facility

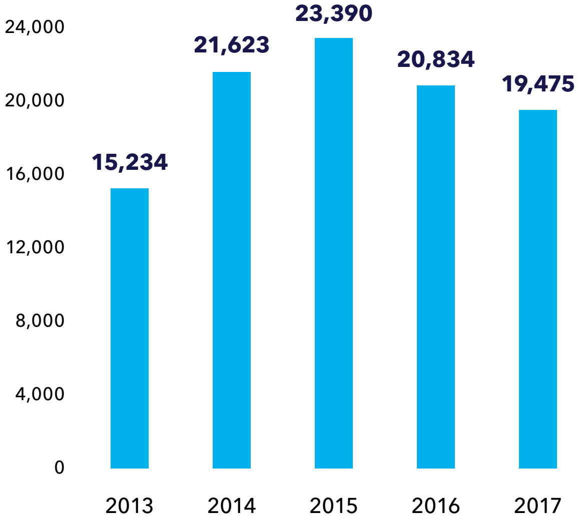
Following a EUR 70 million investment, the newly extended test lab in Arnhem, the Netherlands, is the world's first – and currently only – facility capable of testing ultra-high-voltage electrical grid components. The new laboratory will help the power industry successfully transition to so-called "super grids", ensuring a safe and reliable supply to meet the rapidly growing demand for sustainable electricity.

KEY FIGURES

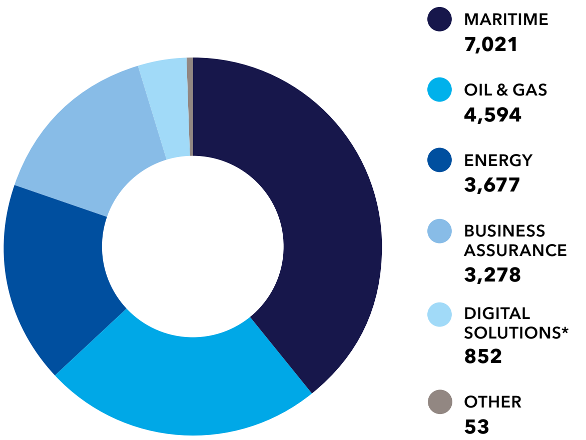
REVENUE (MILLION NOK)

19,475

LAST FIVE YEARS



PER BUSINESS AREA

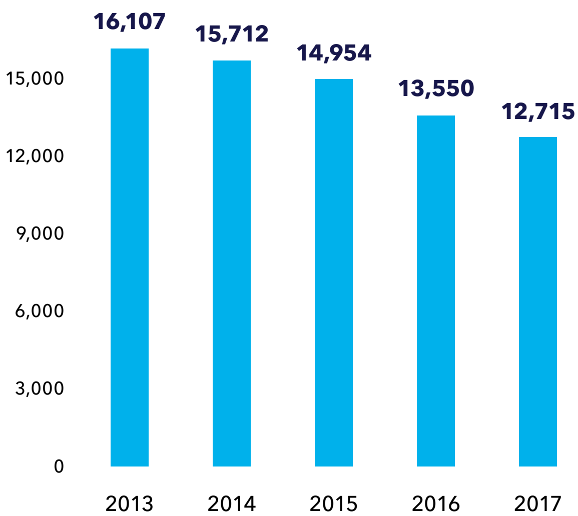


* Figures for software business only. Software became part of the new business area Digital Solutions on 1 Jan 2018.

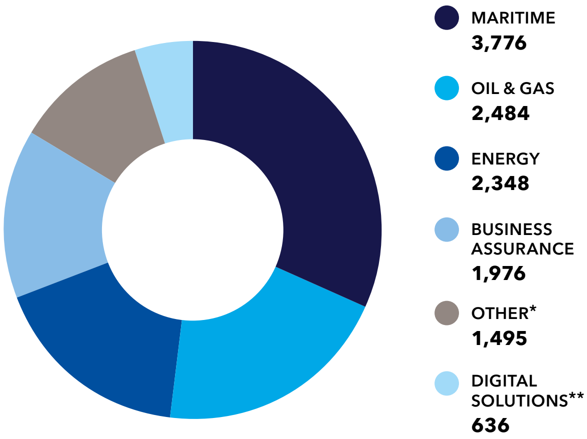
NUMBER OF EMPLOYEES

12,715

LAST FIVE YEARS



PER BUSINESS AREA



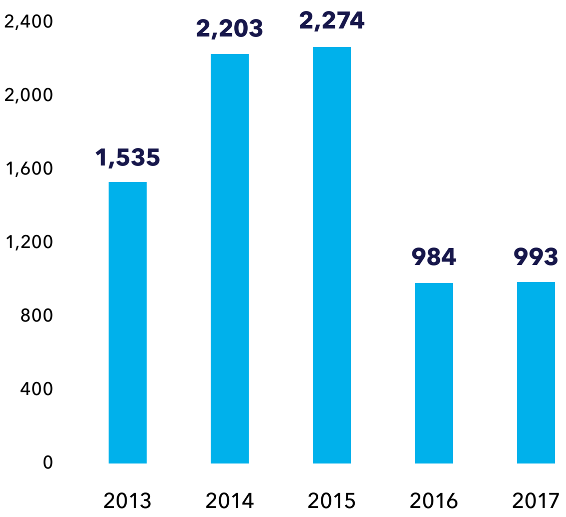
* Global shared services and Group functions.

** Figures for software business only. 763 employees in Digital Solutions when first operational on 1 Jan 2018.

EBITA (MILLION NOK)

993

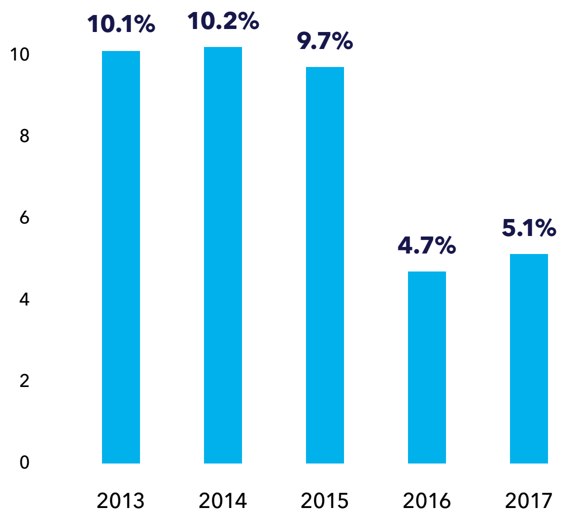
LAST FIVE YEARS



EBITA MARGIN (%)

5.1%

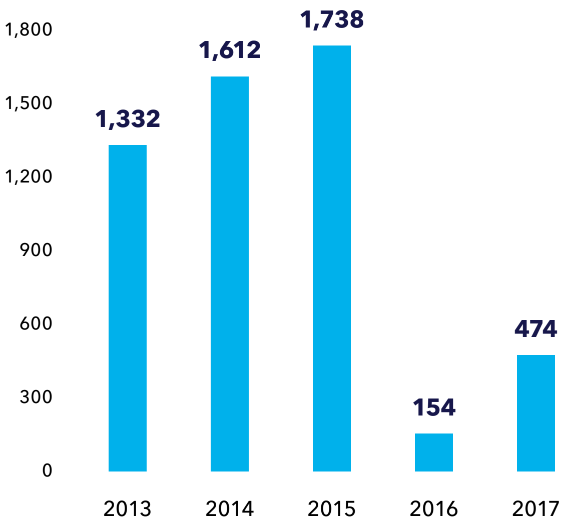
LAST FIVE YEARS



EBIT / OPERATING PROFIT (MILLION NOK)

474

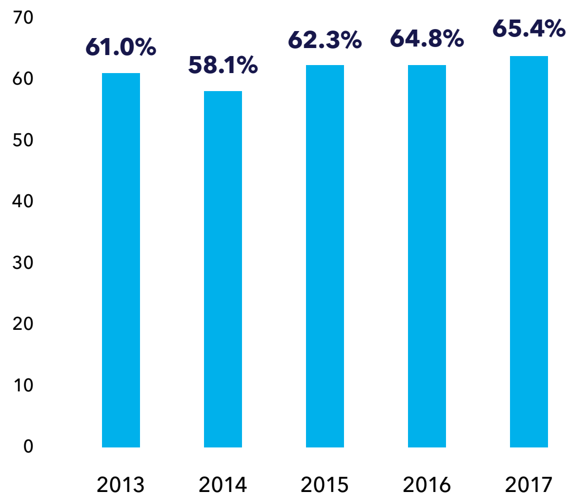
LAST FIVE YEARS



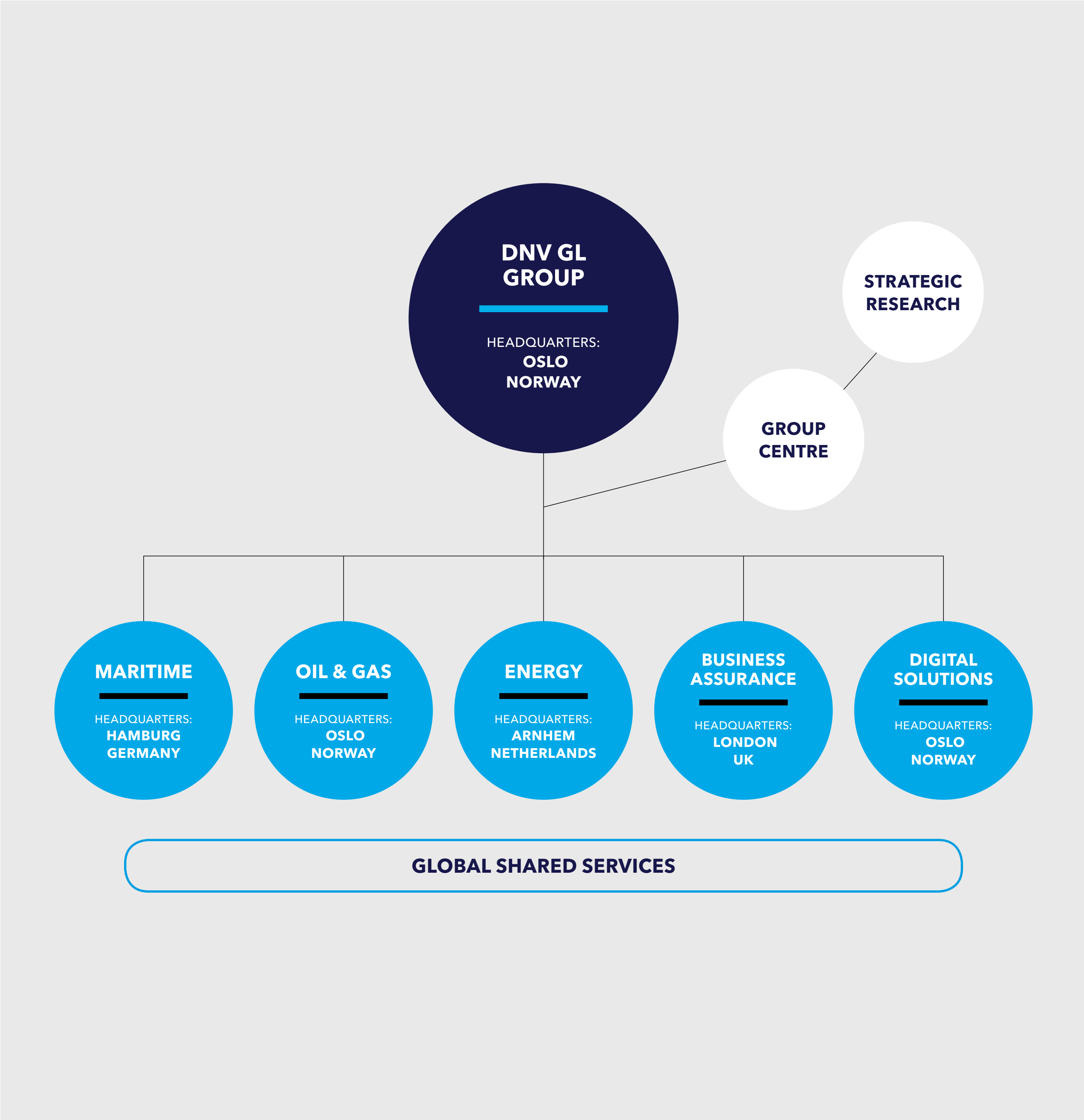
EQUITY RATIO (%)

65.4%

LAST FIVE YEARS



GROUP STRUCTURE



DNV GL is structured into five business areas plus a Global Shared Services organization and a Group Centre that includes a strategic research unit (Group Technology and Research). No significant changes were made to the organization in 2017. However, in the third quarter, it was announced that a new business area named Digital Solutions would be formed. This comprises the former Software organization and a selection of digital experts from the other four business areas, Group Technology and Research and IT. In addition to a wide portfolio of software solutions, the new Digital Solutions business area includes the Veracity industry data platform and also offers data management, cyber security and smart city services. It became operational on 1 January 2018.

OWNERSHIP

On 14 December 2017, Det Norske Veritas Holding AS, a fully owned subsidiary of Stiftelsen Det Norske Veritas, bought the remaining 36.5% of the shares in DNV GL that until then were held by Mayfair Beteiligungsfonds II GmbH & Co KG. Mayfair had been the minority shareholder of DNV GL since the merger of DNV and GL in 2013.

Stiftelsen Det Norske Veritas is an autonomous, independent foundation and is now, through Det Norske Veritas Holding AS, the sole owner of DNV GL. See more details in the Corporate Governance report.

MAIN SERVICES

Maritime

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

SERVICES INCLUDE:

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

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 services
- Technical assurance
  - Certification and verification
  - Inspection

Energy

We deliver testing and advisory services to the energy value chain including renewables and energy management.

SERVICES INCLUDE:

- Power testing, inspections and certification
- Renewables advisory
- Renewables certification
- Transmission and distribution advisory
- Energy management
- Investment advisory

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 assessment
- Certification of persons
- Training
- Food & beverage certification and assessment
- Healthcare accreditation and assessment

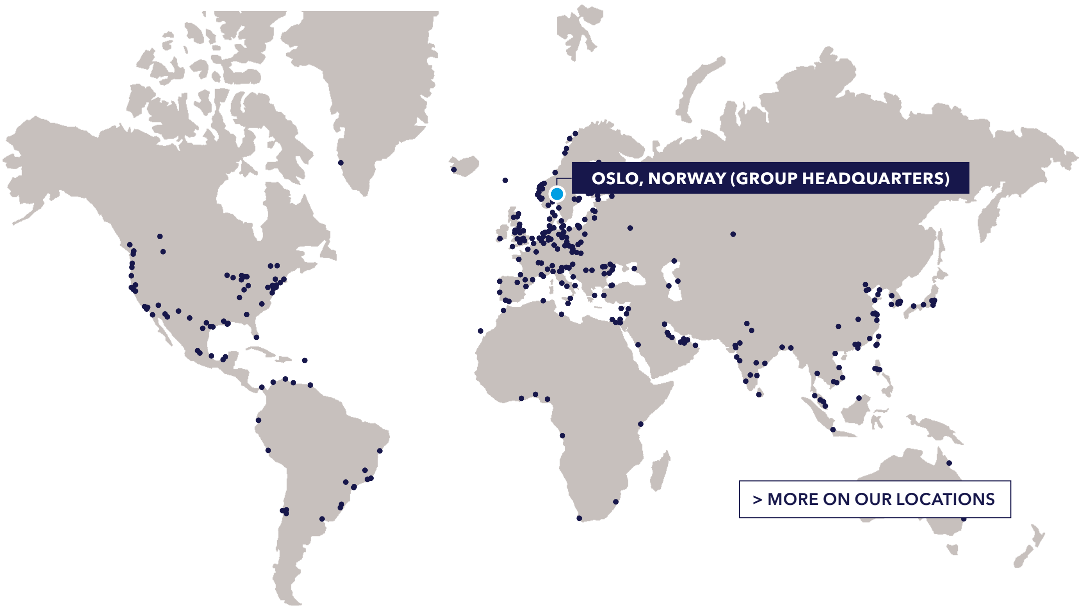
Digital Solutions

We provide digital solutions for managing risk, improving safety and performance across industries, including maritime, oil and gas, energy and healthcare.

SERVICES AND SOLUTIONS INCLUDE:

- Generic and industry specific software
- Tailored analytics solutions
- Digitalization and data management advisory
- Cyber security assurance, advisory and penetration testing
- Veracity open data platform

LONG HISTORY, GLOBAL PRESENCE



CUSTOMERS

≈100,000

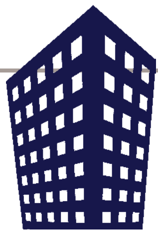
ESTABLISHED

1864

> MORE ON OUR HISTORY

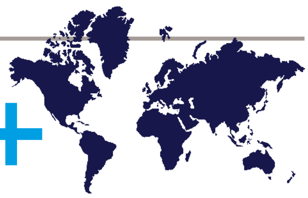
OFFICES WORLDWIDE

350



COUNTRIES

100+

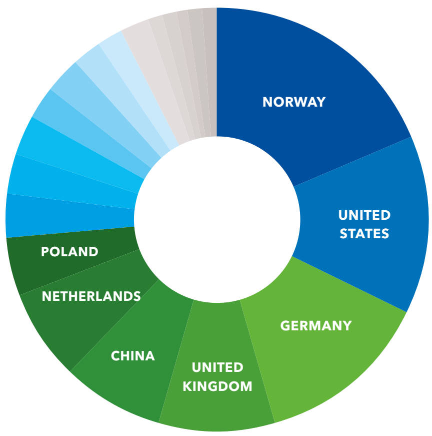


EMPLOYEES BY COUNTRY (31.12.2017)

Norway	2,164
United States	1,590
Germany	1,548
United Kingdom	1,050
China	881
Netherlands	819
Poland	527

Singapore	377
Italy	357
South Korea	333
India	318
United Arab Em.	312
Spain	261
Denmark	236

Brazil	230
Japan	137
Malaysia	126
France	120
Australia	117
Canada	110



Contries > 100 shown in table
Contries > 500 shown in pie chart

FROM VISION TO IMPACT

SAFER, SMARTER AND GREENER SOLUTIONS

Our vision of having a global impact for a safe and sustainable future expresses our ambition and sets the direction of our business. Our commitment to customers and society is driven by our purpose. Guided by our values, we strive to do the right things and to do things right.

OUR PURPOSE

To safeguard life, property and the environment

OUR VISION

Global impact for a safe and sustainable future

OUR VALUES

We build trust and confidence
We never compromise on quality or integrity
We are committed to teamwork and innovation
We care for our customers and each other
We embrace change and deliver results

UN SUSTAINABLE DEVELOPMENT GOALS

DNV GL supports the Sustainable Development Goals, which are well aligned with our purpose, vision and values. We aim to use this framework to create customer value through solving societal needs.

These global goals stimulate us to run our own business sustainably, to enable our customers to enhance their sustainability and to promote sustainable business with partners.

Our extensive research into the Sustainable Development Goals, including forecasts for the likelihood of them being met globally and opportunities in pursuing the goals, guide us going forward.

We already provide strong business solutions to achieve many of the Sustainable Development Goals, including:

SDG 7: Affordable and clean energy
SDG 9: Industry, innovation and infrastructure
SDG 13: Climate action

Going forward, we consider the global goals to be relevant indicators of market trends and will pursue stronger business positions for the following goals:

SDG 3: Good health and well-being
SDG 12: Responsible consumption and production
SDG 14: Life below water

More information on how our services have supported the Sustainable Development Goals in 2017 is presented in the Market section.

DELIVERING VALUE FOR OUR CUSTOMERS AND SOCIETY AT LARGE

With our strong global foothold in many industries, close to 100,000 customers, more than 12,000 employees and involvement in a range of partnerships, we aspire to deliver value in the short and long term.

We engage with external and internal stakeholders to identify DNV GL's most important risks, opportunities and impacts on economic, environmental and social topics.

To direct our activities to what our stakeholders find important, we assess materiality regularly. This process is defined in a governing document and aligned with our risk- and brand-management processes. In 2017, the 2016 review directed our priorities. We executed a broad stakeholder survey late in the year to identify the most important sustainability topics amongst customers, owners, suppliers, partners, the media and employees. The replies from some 1,000 respondents will help to shape DNV GL's priorities for 2018–2020.

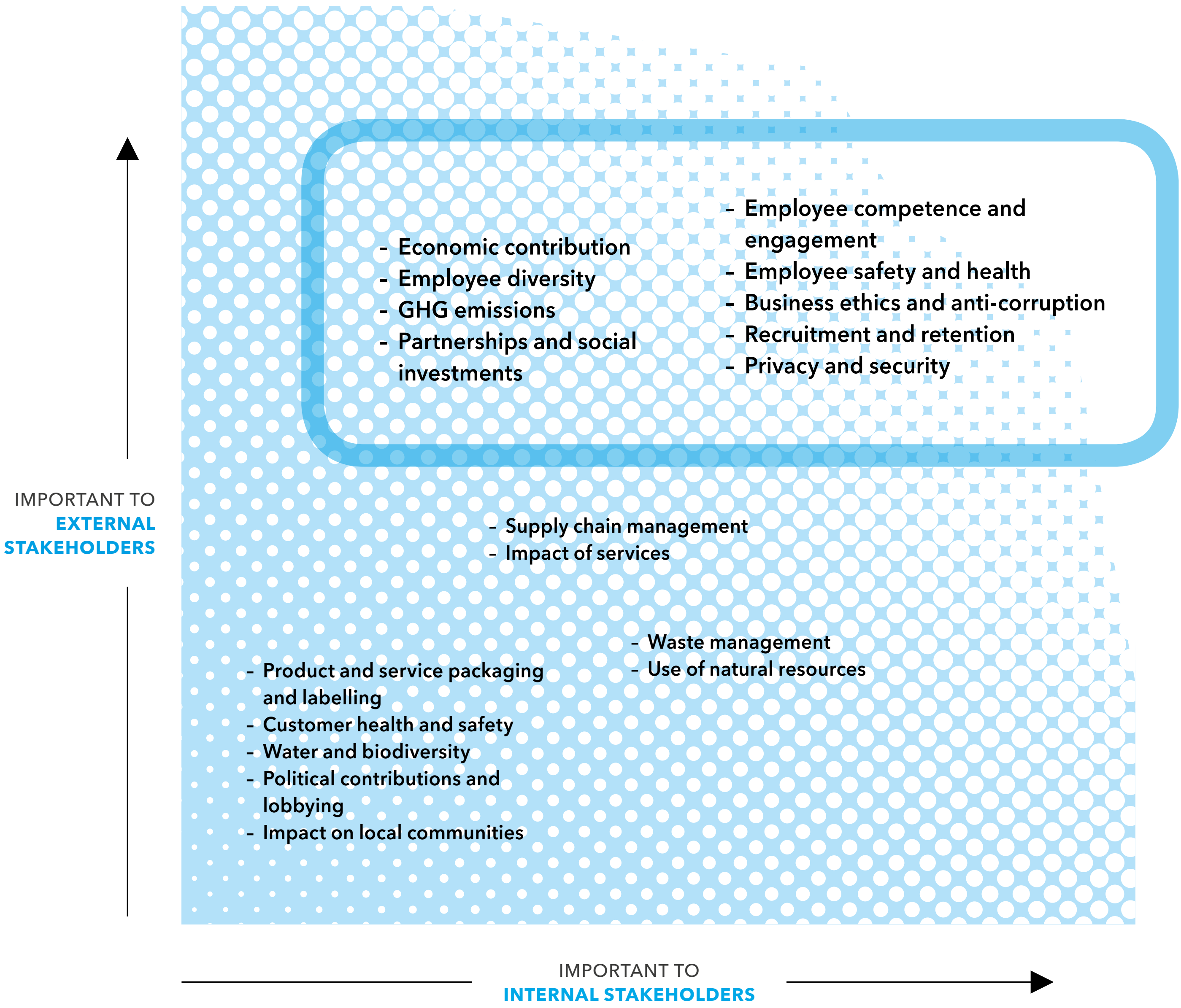
We welcome all input regarding important topics and take our stakeholders' views into consideration in our operations and business development work.

DNV GL's materiality matrix reflects our key sustainability risks, impacts and opportunities. We set the priorities and report on the sustainability topics that are identified as being most important to both external and internal stakeholders.

DNV GL'S IMPORTANT TOPICS

REPORTED TOPICS

- People
- Health and safety
- Business ethics and anti-corruption
- Environment and climate
- Sustainable procurement
- Partnerships for sustainability



WHAT IS IMPORTANT TO US

When assessing external and internal stakeholders' views, we have researched why the identified topics are important:

WHY TOPICS ARE IMPORTANT

	01	02	03	04	05
DNV GL IMPORTANT TOPIC	EMPLOYEE COMPETENCE AND ENGAGEMENT	EMPLOYEE SAFETY AND HEALTH	BUSINESS ETHICS AND ANTI-CORRUPTION	RECRUITMENT AND RETENTION	PRIVACY AND SECURITY
CORRESPONDING GRI TOPIC	Training and education. Labour / management relations.	Occupational health and safety. Labour practices. Grievance mechanisms.	Socioeconomic compliance. Anti-corruption. Anti-competitive behaviour.	Employee hiring, turnover, benefits, retention after leave.	Customer privacy.
IMPORTANT EXTERNALLY BECAUSE	Our customers use us due to our expertise and ability to deliver solutions.	Our suppliers perform better in a safe working environment. Our customers buying safety services expect a high safety performance.	All stakeholders expect us to demonstrate sound business ethics, upholding our ability to act as a trusted independent party.	Our customers rely on our ability to recruit and retain experts, and appreciate having long-term relations with these experts.	Our customers expect us to protect their privacy.
IMPORTANT INTERNALLY BECAUSE	Responsibility and development of expertise provide motivation to excel and innovate in all parts of the company.	Safety is embedded in our purpose and vision.	"We never compromise on integrity" is a company value.	A good workplace environment and cost-efficient people processes ensure experts for existing and new business.	The trust of our customers is crucial to our business.

WHY TOPICS ARE IMPORTANT CONTINUED

DNV GL IMPORTANT TOPIC	06 ECONOMIC CONTRIBUTION	07 EMPLOYEE DIVERSITY	08 GHG EMISSIONS	09 PARTNERSHIPS AND SOCIAL INVESTMENTS
CORRESPONDING GRI TOPIC	Economic performance.	Diversity and equal opportunity. Non-discrimination. Equal remuneration.	Emissions. Environmental compliance.	Society.
IMPORTANT EXTERNALLY BECAUSE	Our owner requires profitable operations and society at large appreciates employment, taxes and other economic activity.	Our customers and stakeholders appreciate that the diversity in our business environments is met by diversity of our employees.	Our stakeholders expect us to contribute to science-based targets to reduce greenhouse gas emissions and to pursue opportunities related to climate change resilience.	Industry associations and non-governmental organizations seek insights and funding from cooperating with us.
IMPORTANT INTERNALLY BECAUSE	Economic sustainability is a prerequisite for running our business and for retaining our independence.	We want the best people, regardless of background, and we want to be an attractive place to work in more than 100 countries.	Environmental sustainability is embedded in our purpose and vision. Science based actions to build climate change resilience is important to our people.	We make better decisions and develop better services, standards and best practices in cooperation with customers, associations, regulatory bodies and other stakeholders.

RESEARCH AND INNOVATION

CO-CREATING THE FUTURE

In an era characterized by speed and complexity, DNV GL's sustained investment of 5% of its revenues in research and development, and our role as an expert catalyst of collaborative innovation and standard-setting across businesses and industries has never been more relevant.

Joint industry projects

Advances in digitalization and the urgency of decarbonization are twin forces driving our innovation in safety, cost and efficiency improvements.

Through 2017, there were close to 100 joint industry projects (JIPs) and joint development projects active across the DNV GL group. DNV GL initiates and runs more JIPs than any other organization in the industries we serve: they are vital mechanisms linking the private sector, academia and regulatory authorities in co-creating technological solutions, and global rules, standards and guidelines.

Strategic research and innovation

Our long-term research programmes are intended to help prepare our customers and ourselves for the future by generating new knowledge in key technology areas that have a long-term impact on the industries we serve. We devote 1% of our revenue to this strategic research and innovation effort.

We constantly evaluate the impact of our findings on our customers and their markets, and tailor our research programmes to respond to developing trends. Current research activities are directed towards mastering digital technologies and complex cyber-physical systems, and in developing future business and delivery models.

The present research portfolio includes programmes on:

- **Maritime** – research and innovation that contributes to safer, smarter and greener shipping, while preparing DNV GL for future developments in technology and regulations
- **Oil and gas** – helping to position DNV GL at the forefront of risk-based and model-centric services on system level
- **Energy transition** – help DNV GL and its stakeholders to understand the changing energy landscape
- **Power and renewables** - building competence, methods and tools to achieve competitive advantage and prepare DNV GL for the future of the rapidly changing energy industry
- **Life sciences** – build knowledge that will help to establish a position for DNV GL within quality assurance and data sharing to enable the implementation of precision medicine
- **Digital assurance** – focusing on emerging Digital Technologies and Cyber-Physical Systems in Autonomous Applications
- **Ocean space** – positioning DNV GL at the forefront of selected ocean technologies

Most of our research programmes are staffed with experts on assignment from business operations, and all our programmes involve a wide range of collaborative projects leveraging co-funding from a range of sources.

The programmes also regularly issue position papers to highlight research findings and advance knowledge and progress on safer, smarter and greener operations. During 2017, a dozen position papers were published and broadly shared with the public.

The 2017 Group Technology and Research Review provides a guide to recent position papers, selected research projects, technical competence building activities and our collaboration with universities. In addition, the review includes a comprehensive publications list. Of these publications from 2017, one stands out, as described more fully below: the DNV GL *Energy Transition Outlook 2050*.

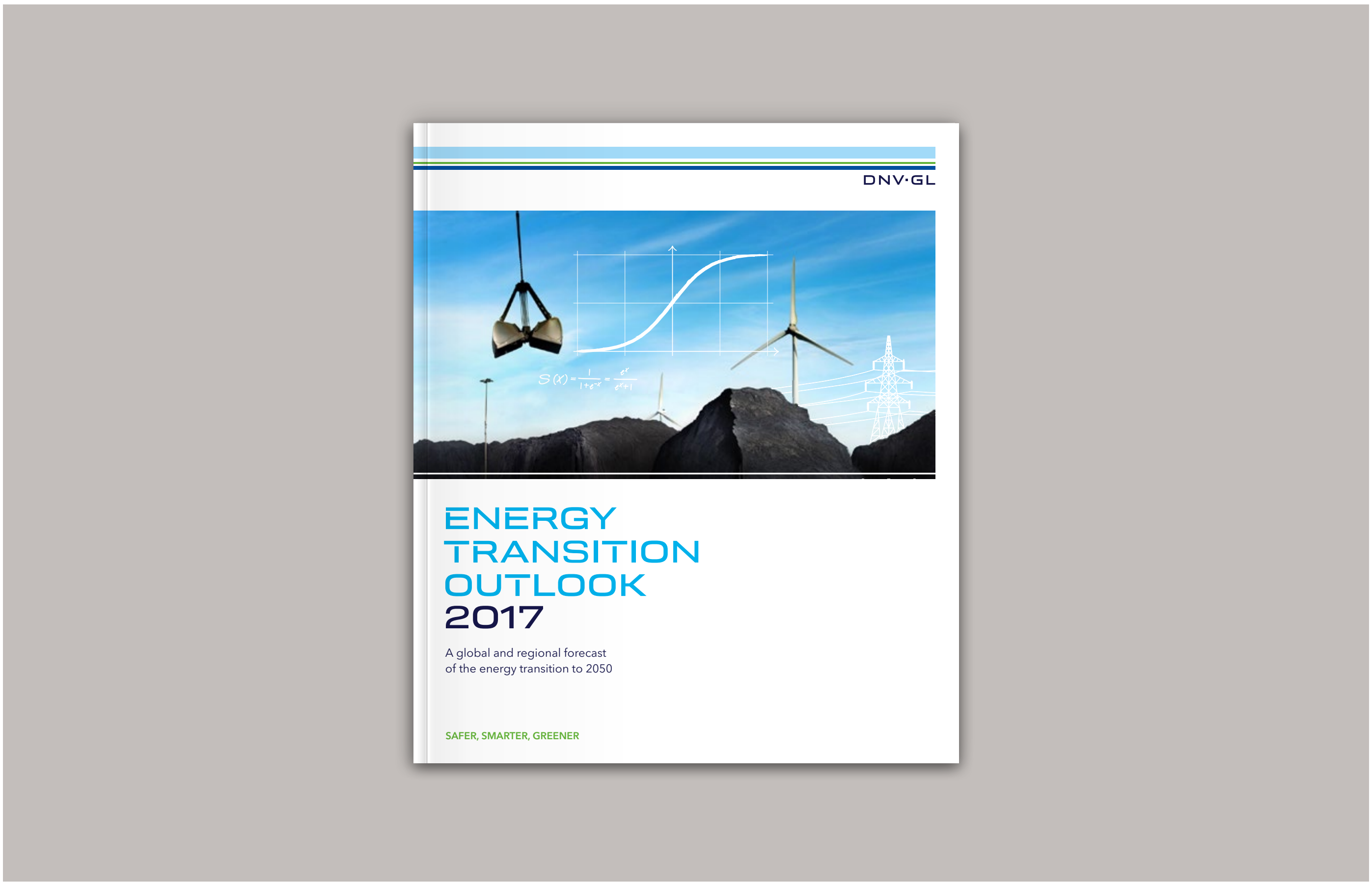
Energy Transition Outlook

More than 70% of DNV GL's business relates to energy in one form or the other. That is why having a clear view of the business implications of the ongoing energy transition is of strategic importance both to DNV GL and to our customers.

DNV GL has an equal, substantial footprint, in both the oil and gas and power and renewables industries and is well placed to produce a technology-centric and neutral view of the energy future. With this in mind, we researched and released our inaugural Energy Transition Outlook in September 2017.

Our Outlook models the energy future through to 2050 and is presented as a forecast, not a scenario. Over 100 DNV GL experts were involved in the production of the outlook, which was reviewed by a large network of external experts. Broadly speaking, we forecast a rapid energy transition, with renewables and fossil sources split roughly equally by 2050. Pervasive electrification and energy efficiency gains are likely to lead to a flattening of overall energy demand, despite continued growth in population and GDP.

In addition to global forecast figures, our Outlook covers 10 world regions. The main publication, together with its three supplements looking at the implications of our forecast for the maritime, oil and gas, and power and renewables industries, have been very well received and have generated many valuable discussions with customers and other stakeholders around the world. We will be releasing the 2018 version of our outlook at the end of August.



DIGITALIZATION AND DATA MANAGEMENT

TREATING DATA AS AN ASSET

Digitalization is one of the top priorities in DNV GL's 2020 strategy. It can be split into three main categories: the efficiency and agility of our own operations, digitalizing our services and service delivery to customers, and completely new revenue streams and business models.

Using drones for inspections, moving our software to the cloud and digitalizing our auditing processes are just some of the many initiatives that accelerated the digitalization of our own operations in the past year.

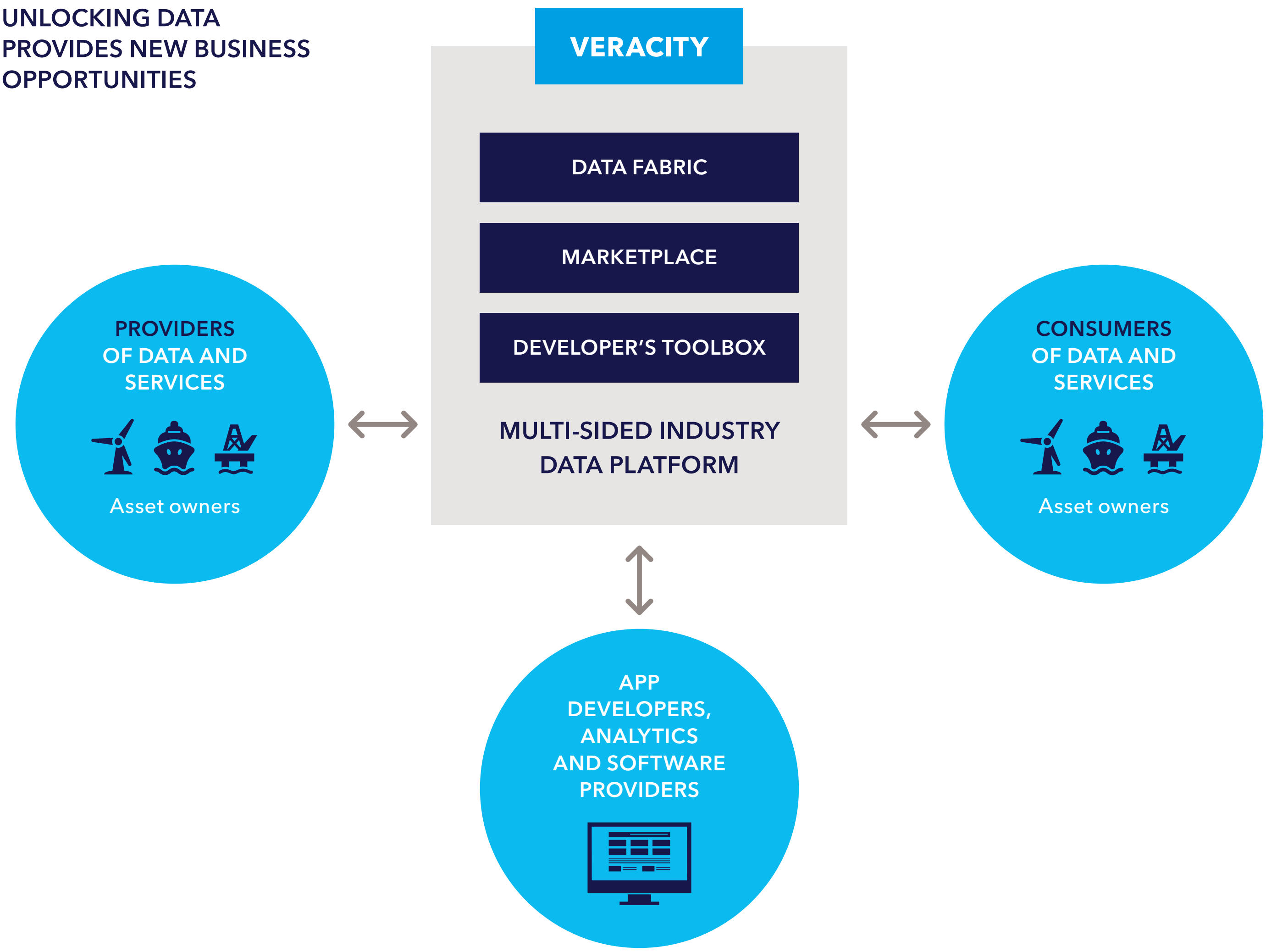
In addition to digitalizing our own operations, we continued digitalizing services to our customers. We introduced smart survey booking and e-certificates for our maritime customers and continued to push for a more modern and data-driven classification concept. Our Business Assurance customers saw their DNV GL issued certificates being powered by a private blockchain to increase their traceability, validation and security.

Across all our business areas, we continuously offered customers new ways of accessing, processing and visualizing data captured by DNV GL through audits, surveys, inspections, software and advisory services. Examples included services such as MyQRA, the Lumina benchmarking portal and digital twins, just to mention a few.

The Veracity industry data platform

The launch of the Veracity industry data platform in 2017 represented a completely new business model for DNV GL. Veracity is an open industry data platform, with a marketplace where applications and data sets from DNV GL, other companies and even competitors are made available to owners and operators of ships, rigs, wind farms, pipelines and other industry assets. Customers are offered an ecosystem for controlling, combining and enriching data and for securely sharing their data with third parties for analysis and insights to optimize performance, efficiency and safety.

UNLOCKING DATA PROVIDES NEW BUSINESS OPPORTUNITIES



Data as an asset

An integral part of undergoing a digital transformation is the realization that data is a valuable asset in itself and should be treated as such. Improving data management and data quality increases the value of data assets, just as effective financial management optimizes the value of fiscal assets.

Data assets will generate new revenue streams and improve value, utilization, control and costs when combined with other assets. A key driver is also to be compliant with new European data regulations such as General Data Protection Regulation (GDPR) for personal data, with standards for data/information security and the Sarbanes-Oxley Act for transparency, trust and openness.

We are not only working on applying this internally. We also offer services related to all of these aspects for our customers, including certification of Information Security Management System according to the ISO 27001 standard.

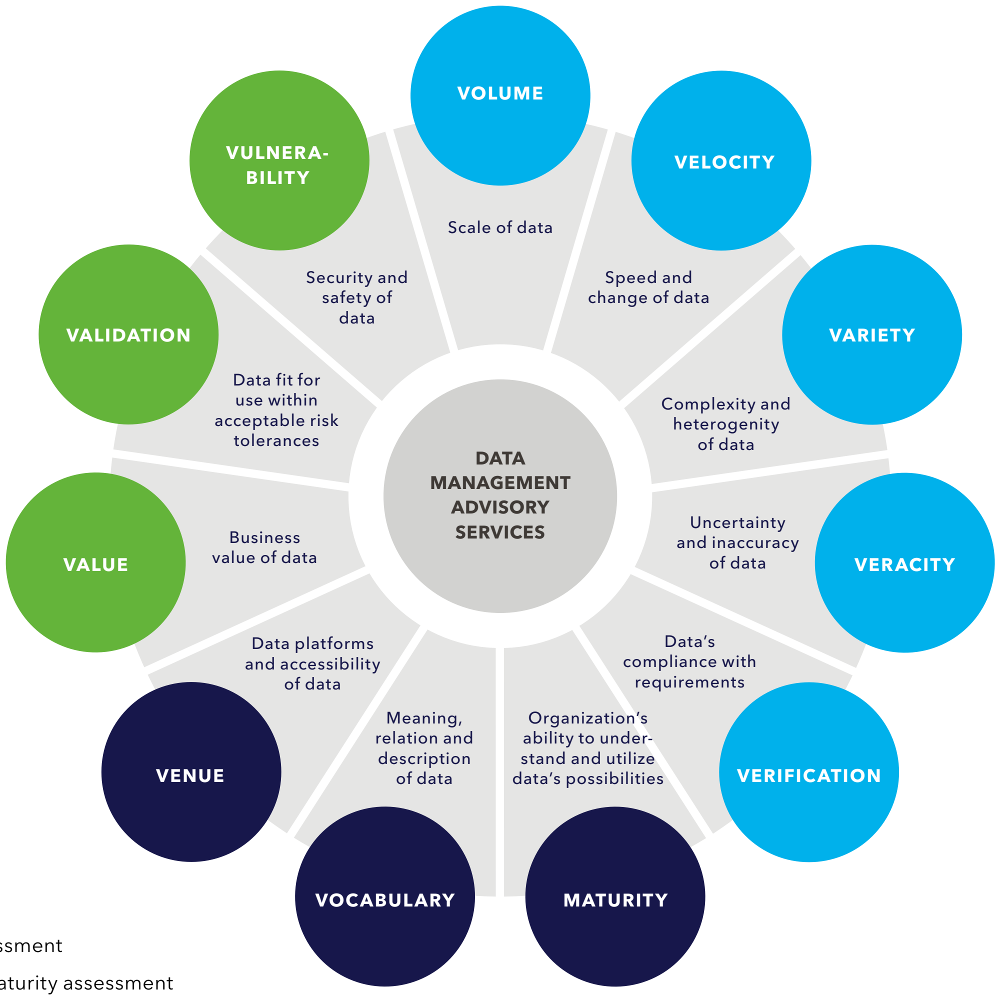
Data management and cyber security

In 2017, we launched standards, frameworks, tools and services relating to data management and data quality, thus helping our customers, and ourselves, obtain the best value from data assets. In order to enable the reuse of data and provide trustworthy analytics or reliable automation of advanced industrial operations, the data must meet high quality expectations.

Our experience with data quality assessments has been built through many years of providing quality assurance related to ships, oil rigs, smart grids, processes, software, products, and organizations. The methodology and experience obtained from this work were used to build a portfolio of data management services.

We have also developed a broad offering to help our customers manage the security of their data and information systems. In 2017, we continued to expand our recommended practices and services enabling our customers to manage cyber security risks. New capabilities are being built for automation of processes, shortening of decision lead-time and increased ability to create value for our customers.

THE BIG DATA CHALLENGES



4 SERVICES

- Data quality assessment
- Organizational maturity assessment
- Data usage risk assessment
- Data management advisory services

THE EXECUTIVE COMMITTEE

The Executive Committee is the Group President & CEO's management team. It deals with issues and decisions related to strategy, markets and customers, target setting, financial development, investments, performance management, mergers and acquisitions, pricing strategy and major management appointments.

In 2017, the Executive Committee consisted of nine people: the Group President and CEO, the CEOs of the five business areas, the Chief Financial Officer, Chief HR Officer and Chief Group Development Officer. In November, the Chief HR Officer Cecilie B. Heuch decided to pursue her career outside DNV GL and was replaced by Gro Gotteberg.

From 1 January 2018, further changes were made to the Executive Committee: Liv Hovem was appointed CEO of Oil & Gas, replacing Elisabeth Tørstad, who was appointed CEO of the new Digital Solutions organization. The Group Development Officer function was discontinued with the retirement of David Walker. Chief Communications Officer Ulrike Haugen joined the Executive Committee together with the newly created position of Chief Digital Transformation Officer (this position is not yet filled).

REMI ERIKSEN

Group President & CEO

Remi Eriksen (Norwegian) became Group President and CEO of DNV GL in August 2015, succeeding Henrik O. Madsen. He was previously the Chief Operating Officer of the DNV GL Group, having served as CEO of DNV Maritime and Oil & Gas and in other senior roles in Asia, Europe and the Americas.

Amongst many other leadership roles, he is on the Executive Committee of World Business Council for Sustainable Business Development (WBCSD), and provides critical guidance to the WBCSD Low Carbon Technology Partnerships initiative (LCTPi).

He holds a Master's in Electronics and Computer Science from the Norwegian Institute of Technology and executive education from Rice University, IMD and INSEAD. Remi joined DNV GL in 1993.

KNUT ØRBECK-NILSSEN

CEO Maritime

Knut Ørbeck-Nilssen (Norwegian) has been heading our Maritime business area since August 2015. Prior to that he was the Chief Operating Officer and President of Maritime and Director of Division Europe, Africa & Americas.

Knut has held senior management positions within both maritime and oil & gas. He holds a Bachelor of Engineering degree from Heriot-Watt University in Edinburgh, Scotland, where he was awarded a First Class Honour's Degree in Civil Engineering in 1990. Knut joined DNV GL in 1990.

ELISABETH TØRSTAD

CEO Digital Solutions

Elisabeth Tørstad (Norwegian) has two decades in management positions at DNV GL, most recently as CEO in business area Oil & Gas. Prior to that role, she served as Chief Technology Officer, as well as Chief Operating Officerfor Maritime and Oil & Gas the Americas and Sub-Saharan Africa division.

Elisabeth has a cross-disciplinary background and has held management positions with global responsibilities within the Maritime, Oil & Gas and Renewable Energy business areas. Her academic background includes a Cand. Scient. degree in Physics from the University of Oslo and a degree of Business Administration from the Norwegian School of Management. Elisabeth joined DNV GL in 1995.

DITLEV ENGEL

CEO Energy

Ditlev Engel (Danish) was Group President & CEO of global wind turbine manufacturer Vestas Wind Systems A/S from 2005 to 2013. Prior to joining Vestas, he had 20 years of experience at the global coatings manufacturer Hempel A/S, the last five years as Group President & CEO.

Ditlev has driven many global green investment initiatives as chair of Denmark's Green Investment Fund, a member of the Energy Partner Network of the World Economic Forum, advisor to the International Energy Agency, chair of the Green Growth Working Group at G20 Summits, co-founder of the Green Growth Action Alliance and member of UN's Sustainable Energy for All. He has degrees in business administration, finance & accounting from Copenhagen Business School and the General Management Programme from INSEAD. Ditlev joined DNV GL in 2016.

LUCA CRISCIOTTI

CEO Business Assurance

Luca Crisciotti (Italian) became the CEO of Business Assurance in March 2012. In addition, he currently holds the position as the president of the IIOC (Independent International Organization for Certification Bodies), the trade body of many key international certification bodies.

With a background in the certification industry, Luca started his career in DNV GL as a Sales Manager in Rome, Italy. He continued as the Business Development Manager for Division South Europe before moving to Japan for three years as Country Manager. He then moved to Shanghai, Greater China, taking over as Director of Operations in Business Assurance Asia & Australia.

Luca has a master's degree in Business Economics from the University 'La Sapienza' in Rome. Luca joined DNV GL in 2001.

LIV A. HOVEM

CEO Oil & Gas

Liv A. Hovem (Norwegian) has experience from several managerial roles in DNV GL, most recently as Regional Manager for Continental Europe, Eurasia, Middle East, India and Africa in Oil & Gas. She has served as board member in several research and innovation related institutions. She currently serves on the Board of the NTNU Research Centre AMOS – Centre for Autonomous Marine Operations and Systems.

Liv's technical background is risk and probabilistic modelling, hydrodynamics and strength of ships and offshore structures. She has a MSc in Naval Architecture and Offshore Engineering from UC Berkeley and a MSc in Civil Engineering from the Norwegian Technical University. Liv joined DNV GL in 1988.

THOMAS VOGTH-ERIKSEN

Chief Financial Officer

Thomas Vogth-Eriksen (Norwegian) has been Chief Financial Officer since 2012. He held several senior management positions in DNV GL before that, most recently as the CEO of Business Assurance, the certification arm of the DNV GL Group. Thomas brings international experience of almost 15 years from New York, London, Shanghai, and Milan.

He has served as board member in International Association of Certification bodies and the Norwegian Chambers of Commerce in London, Oslo and Shanghai. Thomas has a Master of Business & Economics, Business Administration from the Norwegian Business School. Thomas joined DNV GL in 1988.

GRO GOTTEBERG

Chief HR Officer

Gro Gotteberg (Norwegian) has been the Chief HR Officer at DNV GL since December 2017. Prior to that she has had several roles within DNV GL, as HR Director and in Leadership Development, most recently as HR Manager in South East Asia & Australia. Prior to that she had several roles within organizational and competence development in shipping, management consultancy and developing aid & rescue relief.

Gro has a Master of Business & Economics from NHH Norwegian School of Economics and brings 15 years of international experience from Africa, Americas and South East Asia. Gro joined DNV GL in 2008.

ULRIKE HAUGEN

Chief Communications Officer

Ulrike Haugen (German) joined DNV GL as Chief Communications Officer in May 2017. She has more than 15 years of communications, marketing and business development experience within international corporations with positions in Norway, UK, Germany and Italy.

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

Ulrike holds a Master of Business Administration degree from London South Bank University in the UK and a Law Degree from the University of Bonn in Germany. Ulrike joined DNV GL in 2017.

MARKETS

We assist our customers in identifying, assessing and managing their most critical risks. We enhance their business performance by assessing and advising on safety, quality, technology, business and sustainability aspects. We certify or verify compliance and drive new standards, best practices and digital ecosystems within five business areas: Maritime, Oil & Gas, Energy, Business Assurance, and Digital Solutions.

MARITIME

MODERNIZING CLASSIFICATION

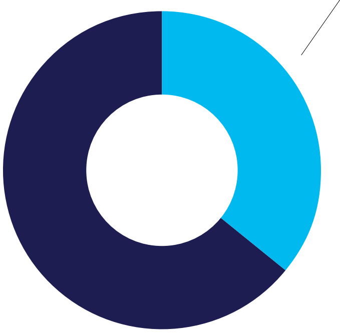
For the shipping industry, 2017 began with little promise, with most people expecting another year of weak growth and tight markets. As the year progressed, however, both the world economy and shipping demand picked up. Since customers were looking for new opportunities, DNV GL offered them a raft of new options and services designed to maximize their business.

REVENUE

Maritime's share of total (19,475)

7,021

NOK MILLION

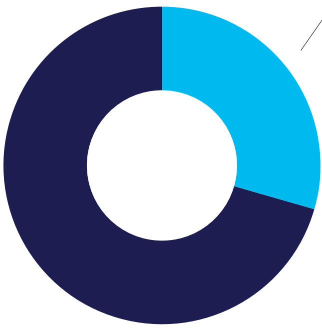


EMPLOYEES

Maritime's share of total (12,715)

3,776

EMPLOYEES



2017 REVIEW

The future of classification

In 2017, we implemented many modern classification solutions that will enhance our class services and improve communication with customers. From electronic certificates, machine learning tools and drone surveys to the launch of the Veracity open platform, we presented a range of innovative services and products that can help customers to improve their operations and performance, reduce maintenance and operational costs and enhance safety. However, digitalization is not an end in itself, but another means to fulfil our main purpose of ensuring safe operations at sea and protecting life, property and the environment.

The end of the paper chase

In 2017, we were the first classification society to roll out IMO-compliant electronic class and statutory certificates across the entire DNV GL-classed fleet. Certificates are published on our customer portal as soon as an onboard survey is completed, so that all relevant parties can access the latest certificates from anywhere in the world.

The electronic certificates are secured with a digital signature and unique tracking number, which can be checked online, assuring their validity and authenticity. Customers can choose to share access to their certificates with stakeholders (charterers, ports, flag administrations, insurers) by providing temporary access codes. With the temporary code, the stakeholder can directly access the customer's secure certificate folder, reducing the ship owner's administrative burden to the absolute minimum.

40,000

electronic statutory certificates had been issued by the end of 2017.

By the end of 2017, more than 52 flag state administrations had authorized DNV GL to issue electronic statutory certificates on their behalf and over 40,000 certificates for more than 2,000 vessels had been issued – and these numbers are continuing to grow fast.

Smart survey booking

We also introduced the new Smart Survey Booking tool. This uses smart algorithms and machine learning to help customers find the best time and place to book a survey. The algorithms identify when the maximum number of survey items can be combined by assessing the initiation and expiration dates for class surveys, audits and conditions. An estimate of the required time that the ship needs to be available for the survey/audit, along with the associated travel and costs, is also generated. The tool will even recommend a port of call based on all these factors. Finally, after a customer makes the booking, the Smart Survey Booking tool provides a set of survey preparation documents for the vessel's crew, enabling them to prepare more effectively.

Knut Ørbeck-Nilssen – new IACS chairman

DNV GL Maritime's CEO Knut Ørbeck-Nilssen was appointed chairman of the International Association of Classification Societies (IACS) in 2017 and announced an agenda focussed on improving IACS quality systems and the assessment of IACS members against those standards. He also pushed for modernizing class in anticipation of the developments created by digitalization, and for deepening IACS' ongoing commitment to transparency.

4,408

certificates issued related to the EU Monitoring, Reporting and Verification regulation for ships' CO^2 emissions.

60%

increase in demand for seaborne transport is projected by our Maritime Forecast to 2050.

A vessel for a new 'green corridor'

In January 2017, we entered into a joint industry project in Singapore with BHP Billiton, Mitsui O.S.K. Lines, Rio Tinto, SDARI and Woodside to build and assess the business case for LNG as fuel for Capesize bulkers trading between Australia and China and develop an efficient LNG-fuelled Capesize concept design. The 'Green Corridor' joint industry project resulted in an innovative LNG-fuelled Newcastlemax design. The project showed that bringing together partners from across the industry can result in unique solutions that fulfil owners' and operators' requirements, as well as being in full compliance with international rules and regulations.

Maritime forecast to 2050

The 'Maritime Forecast to 2050' was launched as a supplement to DNV GL's Energy Transition Outlook. It provides a new long-term forecast for the shipping industry through to 2050, including factors such as population and GDP growth, energy use, trade forecasts, geographical differences and the impact of policy and technology. The forecast contains several notable projections, including an overall increase in the demand for seaborne traffic of 60% by 2050. And that shifting fuel use, as well as incremental gains in efficiency, mean that despite the growth of the global fleet and trade, the shipping industry will reduce its overall carbon emissions by 20%.

200,000

customer requests to our technical experts were processed by a new machine learning tool.

Veracity pilots show potential

DNV GL's new open data platform Veracity was launched in 2017 to improve data quality and manage the ownership, security, sharing and use of data. By creating frictionless connections between data owners and users, Veracity will open up new opportunities for improving ship performance and safety, while at the same time reducing operational costs.

In one of the first data-sharing pilot projects on the new open platform, Wilhelmsen is testing a system to share ship compliance and condition data with a port state authority to reduce paperwork and physical inspections when entering ports. Wilhelmsen has created a secure data container on Veracity, where it can collect compliance, condition and other relevant data on its vessels. Through the platform, the company is then able to grant the port state authority access to this data, reducing paperwork and speeding up port entry.

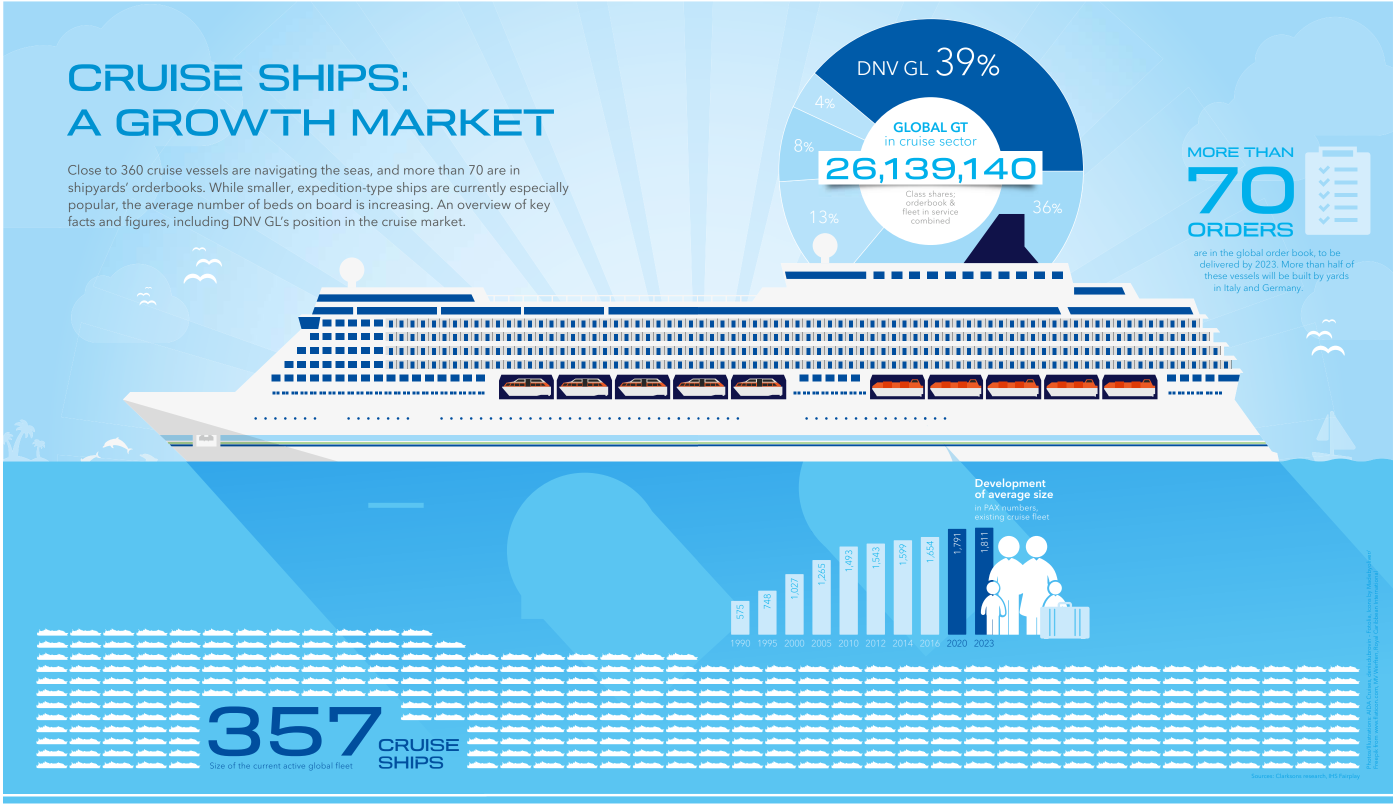
NYK and DNV GL together with engine manufacturer MAN Diesel & Turbo presented the first results of an ongoing pilot project. Operational data from NYK vessels is collected on Veracity for use in the evaluation of vessel performance. By dashboards and further drilling down into the data, the users can continuously monitor that all sensors on board the vessel are working properly and can easily identify non-performing sensors which may lead to low data quality or missing data during a voyage.

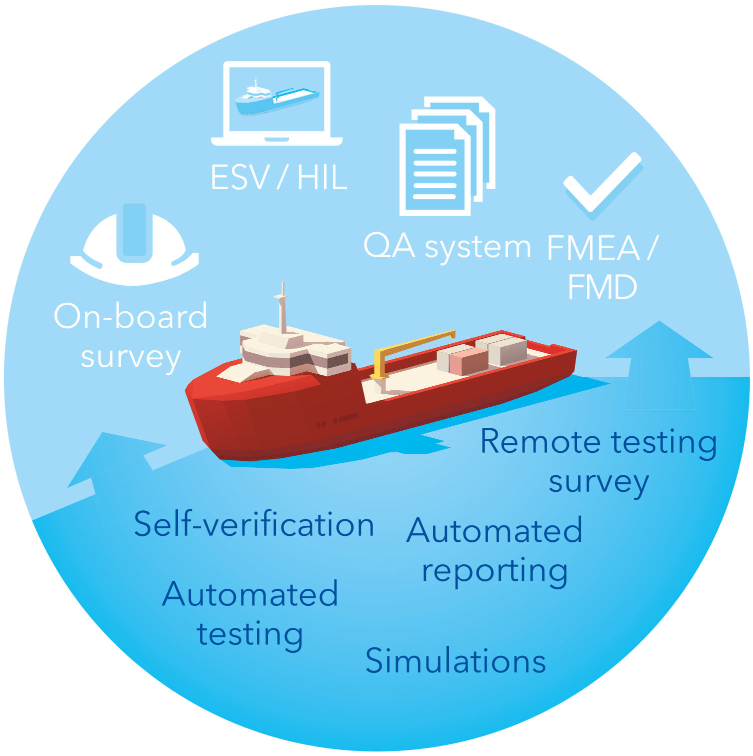
First offshore drone survey

DNV GL surveyors carried out their first offshore drone survey on the semisubmersible vessel Safe Scandinavia in the North Sea. This 25,383 GT tender support vessel (TSV) is owned and operated by Prosafe, supporting Statoil's drilling operations off the coast of Norway. We have built a network of trained drone pilots based in Gdynia, Piraeus, Singapore, Houston and Shanghai. At the same time, we are developing guidelines and updates to our rule set to reflect the use of remote inspection techniques.

Cyber security – an increasing threat

The cyber security of maritime assets is a topic that is growing in importance as digitalization spreads through the industry. Alongside our recommended practice on cyber security, we worked with customers on several projects to enhance security and awareness. In a pilot project with Greek owner Consolidated Marine Management, we undertook a series of tests on a vessel's communication and control systems in order to strengthen the systems' overall robustness and resilience. And, working with Kongsberg, we developed a new type approval programme and issued the first cyber security assessment certificates for control system components, verifying both the technical reliability and cyber security of control systems.





Innovative methods and schemes will eventually change the way classification surveys are conducted. Self-verifying systems, automation, remote testing and other technologies will reduce scheduling issues and the need for a physical presence.

SUSTAINABLE SOLUTIONS

To help maritime customers enhance the sustainability of their businesses, DNV GL supports the development, implementation, certification and enablement of new technologies, systems and practices that let them improve their safety level, environmental performance and efficiency.

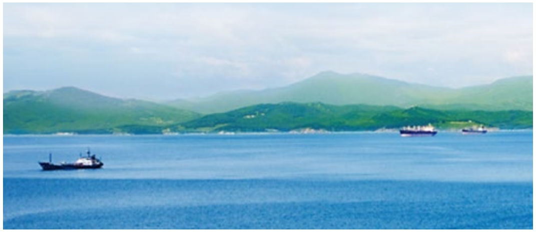
Sustainable solution highlights include:

OFFSHORE VESSEL – ONSHORE POWER: KL Sandefjord, owned by K Line Offshore AS, is the first offshore vessel with the DNV GL class notation Shore Power. The Shore Power notation verifies the design and installation of a vessel's on-board electrical shore connection. When in port, the vessel can shut down its engines and rely on a shore-based electrical supply for its needs at berth – so called "cold ironing".

Read more >

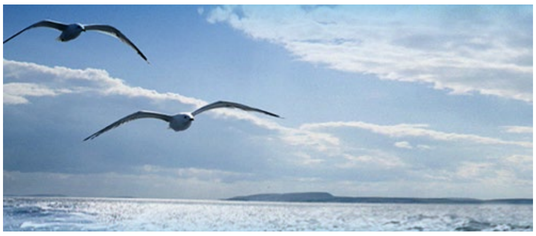
ECO SOLUTIONS: designed to improve efficiency, reduce emissions and improve our customers' vessels and operational competitiveness.

Read more >



ENVIRONMENTAL AND CLIMATE SERVICES: ensures safe implementation and compliance with regulations like the Ballast Water Management Convention and EU Monitoring, Reporting and Verification (MRV) Regulation.

Read more >



OIL & GAS

ENABLING COST EFFICIENCY AND SAFETY

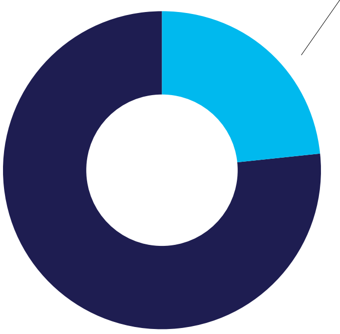
Early signs of stability and cautious optimism returned to the oil and gas industry in 2017. In this improving climate, DNV GL assisted customers to become more cost-effective while enhancing the safety and sustainability of their operations.

REVENUE

Oil & Gas' share of total (19,475)

4,594

NOK MILLION

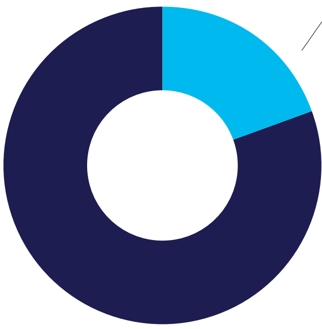


EMPLOYEES

Oil & Gas' share of total (12,715)

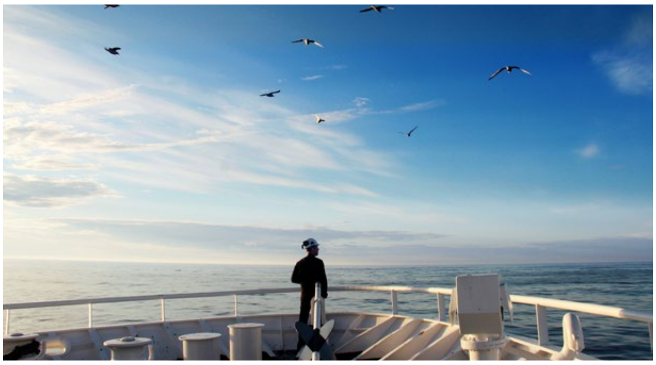
2,484

EMPLOYEES



2017 REVIEW

Oil and gas companies starting to look long term



According to DNV GL research, cost containment remained a top or high priority for 85% of senior oil and gas industry professionals in 2017.

While Brent spot prices were USD 26-55/b in 2016, they were in a narrower, though still broad, band of USD 44–67/b in 2017. Gas spot price averages for NBP and Henry Hub were respectively 24.1% and 18.4% higher last year than in 2016.

Despite this increased stability compared to previous years, there was no rebound in capital expenditure within the market, and operating expenditure remained constrained as market conditions continued to be volatile.

Encouragingly though, signs of longer-term thinking emerged as the industry began adjusting to ensure cost efficiency and grow margins in an environment – the 'new normal' – where oil prices will likely remain lower for much longer. Our research indicated an increasing appetite for industry collaboration, standardization and digitalization: three areas core to DNV GL's strategy and value proposition.

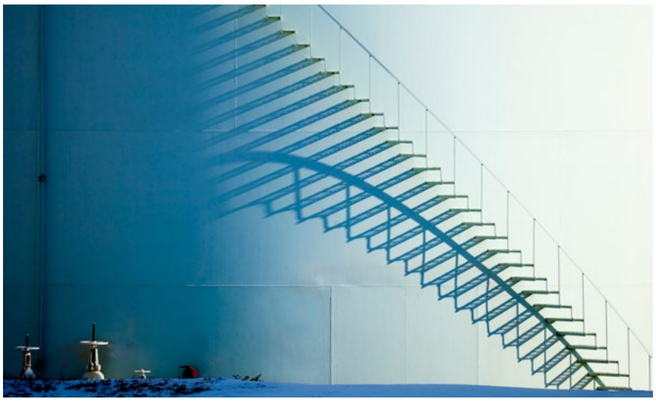
85%

of senior oil and gas professionals saw cost containment as a top priority in 2017.

During the year, our customers started to rebalance their business portfolios to ensure long-term growth. Around a quarter of senior oil and gas professionals expected their business to invest or increase investments in energy from less carbon-intensive sources in 2017. More than three-quarters believed gas will become increasingly important in the global energy mix over the next decade, as the transition to a less carbon-intensive mix gathers pace.

This sentiment was supported by DNV GL's first-ever Energy Transition Outlook, our independent model of world energy supply and demand. It forecasts that oil and gas will continue to play a crucial role in meeting world energy demand through to the middle of the century; that gas will become the largest energy source towards 2050; and that significant investment in new oil and gas production capacity will be needed.

Increasing stability



Some stability returned to DNV GL's Oil & Gas business area in 2017 as resizing and restructuring efforts that started in 2016 began to bear fruit. Our external revenue was ahead of forecast across all quarters. Chargeability was at its highest since 2014.

We focused our efforts on increasing efficiency while maintaining technical expertise, and did not need any further significant resizing or restructuring in 2017.

We reinforced our business strategy by growing our position in midstream and downstream sectors and continuing to support customers upstream.

Seventy per cent of our employees reported that their units were using digitalization to improve ways of working with customers, demonstrating progress as we increase our strategic focus on this area.

Leading the way on the smarter use of data

We also increased our focus on developing services to support the industry's digital transformation, aided by our commitment to invest 5% of revenue in research and innovation. Our digital innovations and services are changing how the industry innovates so that data-driven technologies such as real-time barrier management, automated emission monitoring and predictive maintenance become valuable and cost-effective realities.

We further developed our quantitative risk assessment (QRA) visualization tool MyQRA to allow users to conduct near-instantaneous online sensitivity simulations for assets, based on scenarios. Results can now be visualized in minutes. In September, the Chinese Chemical Safety Authority (CCSA) recognized DNV GL and its MyQRA services with an Excellent Achievement Award for safety in the industry. The CCSA commented: "MyQRA upgrades traditional QRA services to digital services, which can make QRA more efficient and convenient, and improve the understanding of risk."

The global demand for our technical expertise in the oil and gas and other industries was highlighted by DNV GL signing a Memorandum of Understanding with parties in Singapore to collaborate on developing disruptive applications in additive manufacturing (3D printing), drone, and digital twin technologies. The focus is on technology that could revolutionize solutions for that country's offshore and marine sector and boost its global competitiveness.

The safety of information has moved up the global agenda. As the result of a DNV GL-led joint industry project (JIP), we launched Recommended Practice (RP) DNVGL-RP-G108 Cyber security in the oil and gas industry based on IEC 62443 to outline a tailored approach for the industry on how to build cyber security. Crucially, it emphasizes a combination of operational technology and IT.

39%

of senior industry professionals expected their organization's spending on digitalization to increase in 2017.

69%

of senior oil and gas professionals expected the sector to increase global standardization activities in 2017.

To enhance our digital services, we have chosen the widely used Siemens' Teamcenter® portfolio of product lifecycle management (PLM) software to help our customers manage the performance and safety of all information over an asset's lifecycle. This collaboration combines DNV GL's deep technical domain knowledge from oil and gas projects and operations with Siemens' PLM technology to create a powerful digital asset model.

In another example of how we use digital technologies to enhance our services, we started conducting verification surveys applying remote witnessing to help reduce compliance-related costs. This involves equipping a technician onsite with a camera or smartphone and dedicated software to enable remote, real-time support from a DNV GL surveyor to execute an independent verification survey.

In addition, our Inspection Services Division conducted its first offshore drone survey in 2017 – on a semi-submersible vessel offshore Norway. The survey proved the ability of drones to check the condition of remote external components in challenging conditions. We continue to work on developing guidelines and updating our rule set to reflect remote inspection techniques.

Increased midstream and downstream focus

We continued to widen our involvement with the oil and gas transmission, refining, petrochemical and gas-distribution sectors in line with our strategy to enhance our footprint in markets with the strongest growth opportunities.

Key projects included a study showing huge potential for liquefied natural gas as a marine fuel in the Iberian Peninsula. UK regulator OFGEM awarded National Grid and DNV GL a major innovation contract to enable consumer use of lower-carbon gas and improve gas-bill calculations.

The international HYREADY JIP led by DNV GL was launched to help the gas industry explore the introduction of new, lower-carbon gas compositions in the energy transition. HYREADY will develop practical processes and procedures for introducing hydrogen to grids. Our decarbonization work was recognized by French natural gas transmission system operator GRTgaz, which awarded our low-carbon emission solution for pipeline purging operations first place in its annual innovation competition.

Significant innovation and business impact have been achieved in our midstream business in North America. For example, experts based at our specialist pipelines laboratory in Ohio, US, are conducting a preparatory study drawing upon our previous pipeline failure investigations for operators in order to support safer, more reliable pipeline projects and operations. This study validates that using DNV GL as an independent custodian of multiple operators' data on historical pipeline failures can enable the reliable analysis of causes and trends to help optimize line pipe manufacture and the design, construction and operation of pipelines.

Our continued drive to develop and publish best practices in the offshore pipeline sector included launching a new RP, DNVGL-RP-F114 Pipe-soil interaction for submarine pipelines. We updated the most used and recognized offshore pipeline standard in the world – now called DNVGL-ST-F101 – and the widely-used DNVGL-RP-F105 for solving issues related to free spans in offshore pipeline design and operation.

In China's refining and petrochemical sector, we assisted companies such as Wanhua Chemical Group to benchmark health, safety, environmental and quality (HSEQ) performance against international standards using our International Safety Rating System (ISRS). Identifying gaps in HSEQ management allows companies to plan how to enhance their safety management, safety culture and risk assessment.

Supporting efficiency and safety upstream

We continued to support new and existing operators to achieve their goals of safe, efficient, cost-effective upstream operations.

Among new contracts, OneSubsea awarded our Offshore Technology and Approval Center in Houston, US a project for the independent third-party verification of 20,000-psi subsea equipment for the Gulf of Mexico. In Europe, we secured a combined engineering services agreement with Chrysaor Holdings, a leading independent exploration and production company in the UK.

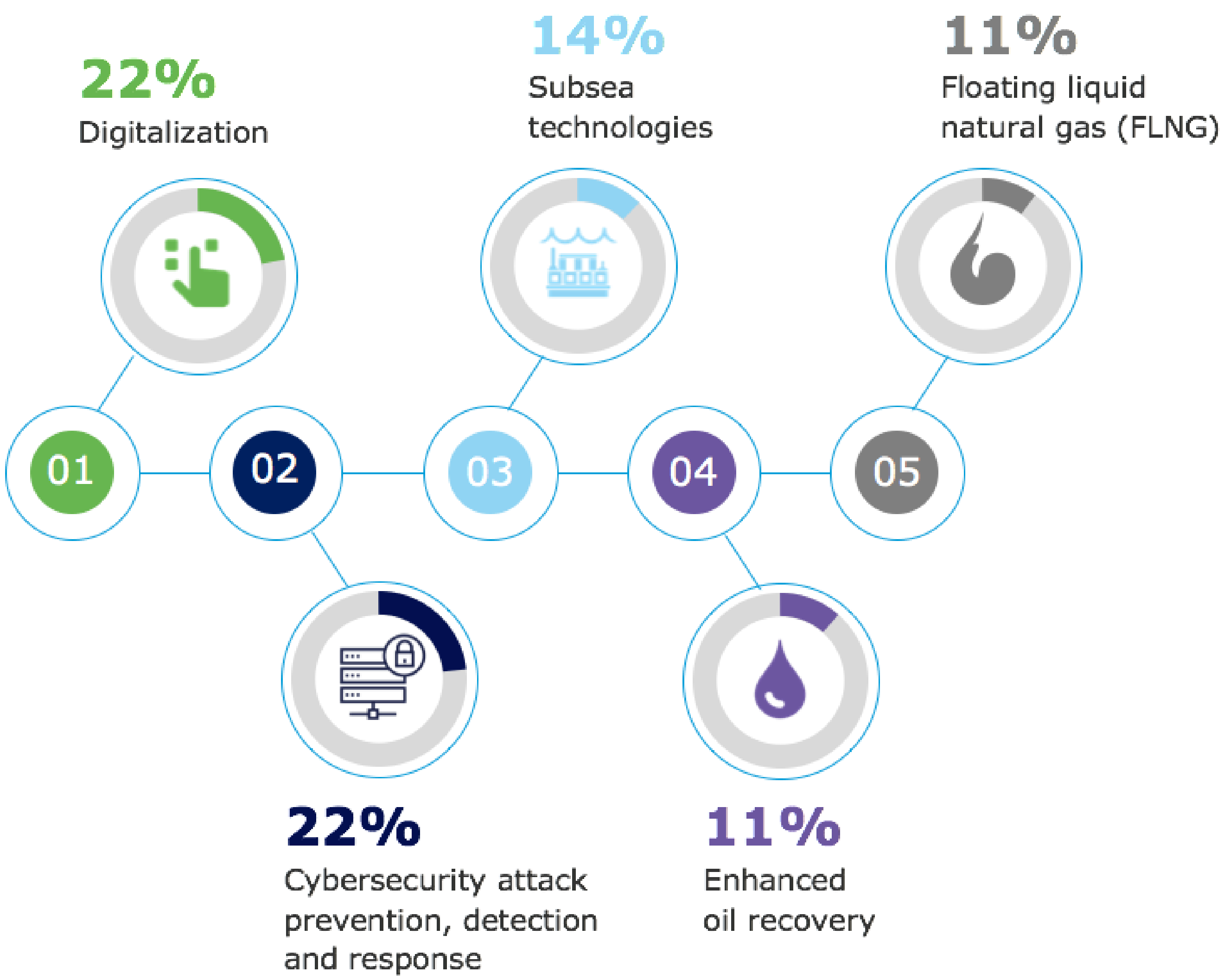
Our support for operational efficiency and sustainability in the North Sea also included working with Lundin Norway to develop the first step in a solution for predicting unplanned shutdowns of the operator's Edvard Grieg production platform offshore Norway. In our continuing work with new operators in Norway, DEA Norge, the first operator to implement DNVGL-RP-O101 Technical documentation for subsea projects, publicly validated the recommended practice's value in reducing the cost of – and time spent on – such documentation.

In an example of collaboration across DNV GL's activities, the Oil & Gas and Maritime business areas together provided BP with a broad range of technical skills for the challenging conditions in which the Glen Lyon FPSO vessel will operate west of Shetland. This vessel is classed by DNV GL.

Collaboration and innovation to produce and update best practice guidelines and standards that enable cost-efficient and sustainable operations were also evident. Thousands of professionals in the marine and offshore sector engaged with DNV GL's updated standards DNVGL-ST-N001: Warranty approval of marine operations and DNVGL-ST-N002 Site specific assessment of mobile offshore units in 2017.

The updated standards are the first to be available from our online Noble Denton marine services' Standards Wizard. This allows users to input details about asset types, operations and structural codes to receive simple, clear documents detailing elements of the standards most pertinent to their projects and operations.

Top five areas for technology investment in 2017



Source: Short-Term Agility, Long-Term Resilience: The outlook for the oil and gas industry in 2017: dnvgl.com/industryoutlook2017

SUSTAINABLE SOLUTIONS

To help oil and gas customers enhance the sustainability of their businesses, DNV GL, in collaboration with partners, supports the development of industry best practices and technology innovations that enable customers to meet regulatory requirements, maintain a social licence to operate and forge a pathway in the transition to a lower carbon energy mix.

Sustainable solution highlights include:

ENABLING LARGE-SCALE DECARBONISATION OF THE UK GAS NETWORK: DNV GL is working with gas transmission and distribution system operators on innovation projects to introduce lower-carbon gas mixes into the British gas network and improve consumers' gas bill calculations.

Read more >

SUPPORTING CHINA'S PETROCHEMICAL AND REFINING INDUSTRY TO RAISE HSEQ STANDARDS: our International Safety Rating System is helping China's downstream sector benchmark its safety, environmental and quality performance against international standards.

Read more >

DEVELOPING BEST PRACTICE IN CARBON CAPTURE AND STORAGE: we developed a framework for certifying the geological storage of carbon dioxide (CO_2) and a recommended practice for the design and operation of CO_2 pipelines. The certification framework serves to improve stakeholder dialogue and investor predictability, and the recommended practice provides a recipe for the safe transportation of CO_2.

Read more >

ENERGY

MAKING RENEWABLES SMARTER

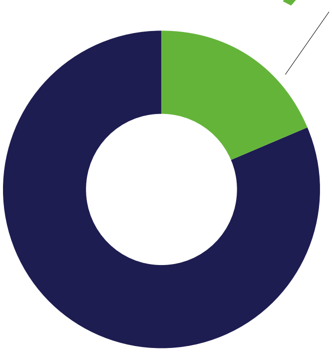
While an era of abundant renewable energy lies ahead of us, multiples actions are needed to move towards a cleaner, more electrified world. Larger flows of renewable energy, digitalization and the electrification of transport, industry and households make power networks more complex. To ensure a reliable electricity supply, we are helping the energy industry and large energy users manage the complexity of this fast-changing environment.

REVENUE

Energy's share of total (19,475)

3,677

NOK MILLION

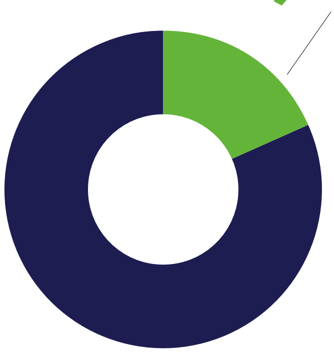


EMPLOYEES

Energy's share of total (12,715)

2,348

EMPLOYEES



2017 REVIEW

New players

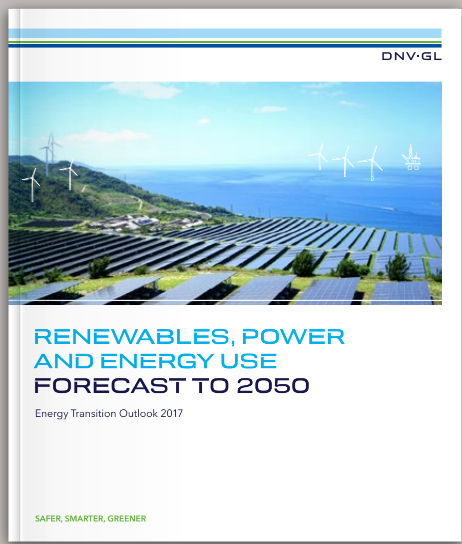
Renewable energy sources are no longer expensive alternatives to fossil fuel power generation. Renewables are becoming more competitive as a result of the decreasing cost of generating electricity from them. At the same time, there is increasing political and business pressure to transfer to cleaner energy sources.

Although the cost of investing in renewable assets is decreasing, the extent of the growth in their usage needed to meet climate policy goals means that financing requirements will continue to increase. Financiers, however, are relatively new players in a renewable energy market based on complex technologies and variable generation capacity.

We help our customers to understand the technical aspects and implications of renewable power plant investments, whether they concern a new project, a stock swap, or the acquisition of assets by performing due diligences to mitigate a project's financial risks. In parallel, we review and test new technologies relating to generation, storage and transmission & distribution.

In 2017, we updated our global GRIDSTOR recommended practice for energy storage and further developed our solar irradiance database Sunspot. We also launched the 2017 edition of our solar module reliability scorecard and created Navigator for geothermal projects.

A bright future for renewables

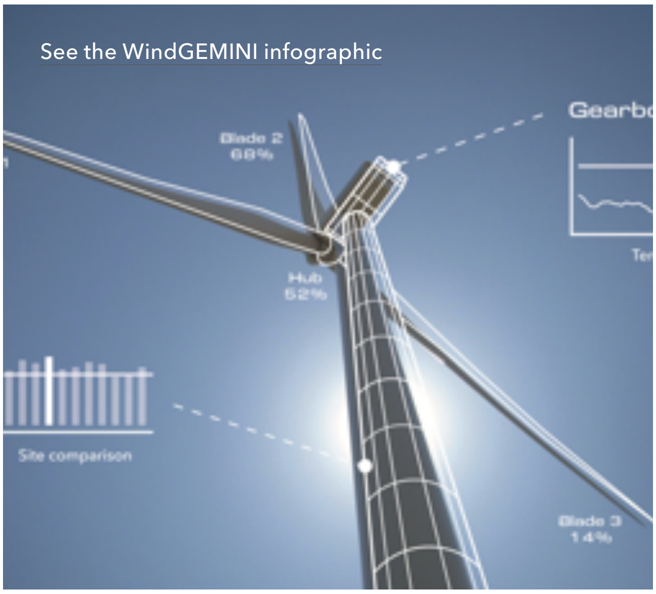


Watch the Energy Transition Outlook video

In its 2017 Energy Transition Outlook report, DNV GL predicts that solar photovoltaic (PV), onshore wind, hydropower, and offshore wind, in that order, will account for 85% of global electricity production in 2050. The installed wind power capacity will reach 9000 GW in 2050, and the offshore wind capacity in China and the US will outstrip that of Europe in the 2020s.

Cost competitiveness is driving intense efforts across the industry to reduce the levelized cost of energy for wind and introduce new technologies. One of the findings in the subsequent report 'Certification for the wind energy of tomorrow' suggested that certification by DNV GL could add more value if it continued to deepen the technical insight into the design, in-service or lifetime-extension phase. DNV GL is taking these valuable messages from the industry seriously by developing and adapting the certification schemes, including shop approval certification at the manufacturer's facilities.

Digitalization of the energy system



As the renewables industry matures, there is constant pressure to reduce costs and increase revenue. There is little room for downtime and under-performance is no longer tolerated. Our wind energy customers' challenges are to actively manage turbine performance and reduce downtime whilst simultaneously decreasing maintenance costs and extending the life of assets beyond their original design life.

We developed WindGEMINI as a digital twin which models different aspects of an operating wind turbine. It uses a range of innovative algorithms and physics-based simulation models to analyse the vast amounts of Supervisory Control And Data Acquisition (SCADA) data and provide prognostic analytics and remaining-life estimates.

Our services add value in the field of monitoring and managing solar PV and wind assets producing 14 gigawatts of installed power at 2,300 facilities in 51 countries. In addition, we offer integrated tools for financial, operational and maintenance management.

We also launched an upgraded Smart Cable Guard 2.0, which is a data-driven online monitoring solution that locates weak spots and faults in power cables within minutes, avoiding costly repairs and downtime in power supply.

65 **million smart meters** in Europe are certified by DNV GL.

14 GW

of solar PV and wind power from 2,300 assets in 51 countries worldwide is monitored by DNV GL.

A lifetime in high-voltage testing

In 2017, we officially opened our upgraded 'Queen Máxima High-Power Laboratory' in Arnhem, the Netherlands. This newly extended KEMA test laboratory is the world's first and only facility capable of testing power transformers up to 800 kV and switchgear up to 1200 kV.

The new laboratory will help the power industry successfully transition to so-called 'super grids' to meet the rapidly growing demand for sustainable electricity and the transportation of power over long distances.

In the field of high-voltage direct current (HVDC), we have conducted the first type test of a 320 kV cable system at our laboratories. No technical standards for HVDC switchgear currently exist.

We chair the EU R&D programme PROMOTioN, we are committed to demonstrating the testing of HVDC circuit breakers using our existing AC short-circuit generators. The project outcomes will pave the way for the standardization of DC switchgear testing, with an eye on the development of HVDC offshore grids.

Cyber security of critical energy infrastructure

The electricity grid is a critical infrastructure providing essential services for the smooth functioning of modern society and serves as the backbone for economic activities. A smarter energy system can perform generation, grid-management and market-related tasks with better precision and faster response times than a human-dependent system, but is more vulnerable to cyber attacks.

New technologies introduce intelligent components that communicate in more advanced ways. Utilities, independent power producers and system operators need to be able to proactively address cyber-security related concerns to ensure their systems are immune from attack.

Our risk-based advisory and testing services bridge the gap between information technology and operational technology to enable operators of critical infrastructures to be prepared for and protected against cyber threats. We support our customers with SCADA implementation and upgrade projects, development of smart grids and smart meter testing, cyber vulnerability assessments and NERC compliance.

150,000+

people listen to the 'DNV GL Talks Energy' podcast series featuring top managers in the energy industry.

Energy management and energy efficiency

A sustainable energy economy requires major commitments to both energy efficiency and the use of renewable energy sources. Implementing energy efficiency and energy conservation measures is highly cost effective. Besides investing in renewables, these topics are the core of policy debates over climate change and greenhouse gas emissions.

Our B-READY building resilience assessment tool translates climate-related risks into building-specific resilience strategies. Global enterprises wish to be 100% renewable, like Google which has powered its data centres and the offices for its 60,000 staff entirely by renewable energy since 2017.

In the US, we run several energy efficiency programmes, like the one for ComEd in Illinois. We also received the 'Supplier of the Year Award' from the Arizona Public Service Company after achieving energy efficiency savings and customer satisfaction goals.

In Europe, our energy management services are mainly focused on changing the energy culture and performing energy audits. We help customers to reduce their organization's energy consumption through a change in their operational excellence culture.

13,000 MVA

installed short-circuit power in our high-power laboratories

SUSTAINABLE SOLUTIONS

To help power and renewables customers enhance the sustainability of their businesses, DNV GL supports the decarbonization of the energy markets. Renewables are attracting investors, creating jobs and connecting people to electricity globally. We help customers to develop, operate and maintain renewable energy projects, adapt and keep the grids operational and manage the use of energy by inspecting, testing and certifying products and running climate-action and energy-saving programmes.

Sustainable solution highlights include:

WIND ENERGY: we launched the digital twin tool WindGEMINI and the upgraded WindFarmer: Analyst.

Read more >

SOLAR ENERGY: we published the PV module scorecard 2017 and increased the power monitored by DNV GL owned Green Power Monitor from 6 to 14 GW, meanwhile integrating the solar and wind monitoring tools.

Read more >

ENERGY MANAGEMENT: to achieve sustainable buildings and communities, we have developed the B-READY building resilience assessment tool.

Read more >

BUSINESS ASSURANCE

ENABLING DIGITAL TRUST

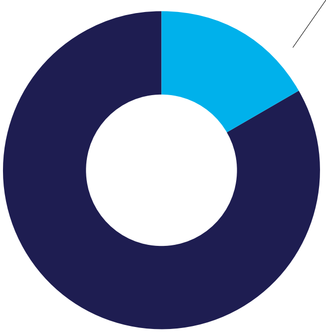
The adoption of digital technologies combined with digital connectivity is impacting societies, enterprises and consumers, while making it more complex for companies to address multi-dimensional compliance. Companies are increasingly expected to demonstrate and communicate their commitment to and credibility regarding both performance and compliance, creating a growing need for assurance services.

REVENUE

Business Assurance's share of total (19,475)

3,278

NOK MILLION

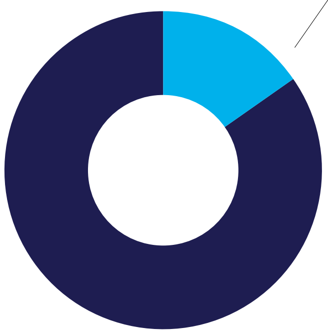


EMPLOYEES

Business Assurance's of total (12,715)

1,976

EMPLOYEES



2017 REVIEW

Management system certification standards evolving

Management system certification constitutes the major share of our Business Assurance portfolio. DNV GL continues to hold a leading market share and the growth of this service portfolio persisted in 2017, mainly related to ISO standard certification. New editions of the major ISO standards, i.e. ISO 9001 (quality) and ISO 14001 (environment), and sector-specific standards such as AS/EN 9100 (aviation, space and defence) and IATF 16949 (automotive) have been launched and companies certified to these standards must transition to the new versions by 15 September 2018. While the transition progressed slowly in 2016, we saw a significant increase in 2017, which also led to more demand for our transition training services.

The new ISO 45001 (occupational health & safety) will replace OHSAS 18001 in 2018. We actively participated in the ISO Working Group and consultation rounds. As a co-founder of OHSAS 18001, we fully support its replacement. ISO standards provide for a more transparent development process and broader stakeholder involvement. Converting to an ISO standard allows for efficient integration with companies' other management systems, e.g. quality and environmental, and helps create safer and healthier workplaces.

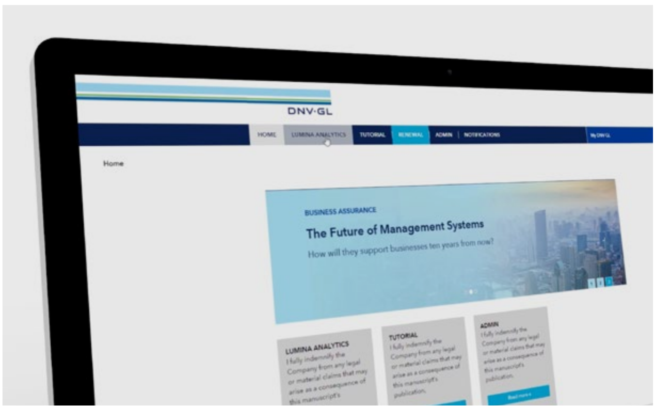
90,000

customer certificates (the majority related to ISO standards) were stored to a secure, private blockchain for better transparency and validity check.

Lumina benchmarking tool

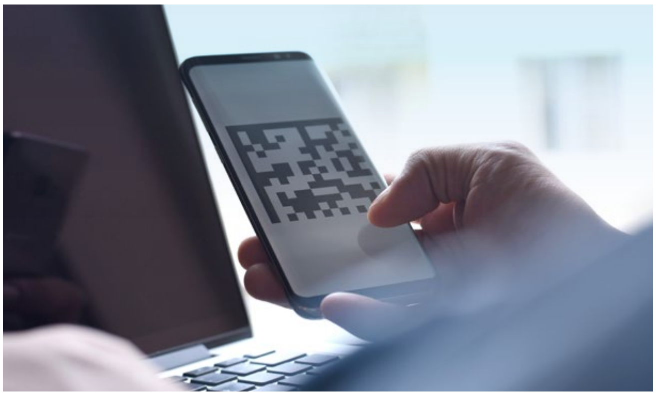
We continued our work to advance the value of assurance by developing concepts, services and roles in the digital space. With the launch of Lumina™ in 2017, customers gained access to a suite of benchmarking tools based on advanced analytics and data gathered from DNV GL's thousands of company audits. It provides unique market-based insights and support to identify and prioritize improvement areas in management systems and business performance.

Whether addressing environmental, quality or safety aspects or targeting energy, information security or food safety, Lumina allows companies to identify weak spots and creates valuable insight to discover improvement areas and understand where to invest time and resources. By the end of 2017, Lumina contained two million audit findings. A self-service tool (Lumina app) was made available via DNV GL's Veracity platform and the benchmarking tool will be further developed and expanded throughout 2018.



Watch a video on Lumina, the performance benchmarking tool

Industry 1st: using blockchain technology for certificates



Watch a video on certificates in the blockchain

In September, we announced that all management system, product and supply chain certificates issued to our customers are stored in a secure, private blockchain. This was the first blockchain application in production in the assurance industry, as well as outside the finance industry. Every certificate is digitally tagged, traceable and stored in the blockchain. The technology blocks counterfeit certificates, allowing companies to communicate their certification in a transparent and secure way. A unique QR code allows anyone to instantly confirm that a certificate is valid. Building digital trust into every certificate is the first step towards building digital assurance concepts in supply chains and other areas.

Increasing impact in food and beverage sector

Food and beverage sales continued to grow strongly, by 15% in 2017. We expanded our aquaculture portfolio to include system and product certification and aquaculture inspection services in addition to technical assurance services. Technical assurance, such as risk management, project development and classification of floating structures, has been applied to new, innovative aquaculture structures and concepts. By combining our aquaculture-, industry- and assurance competence with our expertise in the maritime and oil & gas industries, we developed into a significant partner for the aquaculture industry in Northern Europe.

40,000

users have access to Lumina, our new performance benchmarking tool, which contains information from more than 2 million audit findings raised by DNV GL in companies across all industry sectors.

Digital drives new assurance opportunities

Together with customers and partners, we are exploring how our Veracity industry data platform and ecosystem of services, as well as blockchain technology, can be used for advanced analytics to ensure better decision-making and address traceability and increased transparency and trust in our customers' supply chains. A growing interest in services related to food safety culture and food fraud poses new challenges and digital solutions offer interesting opportunities for effective improvements. We see the digital transformation as a major challenge and opportunity for all industries in the years to come.

Double-digit growth in healthcare

Sales of healthcare accreditation and certification services grew by 14% in 2017 and we continued to make headway within precision medicine. In 2016, DNV GL became a partner in BIGMED, a key Norwegian innovation project exploring the IT bottlenecks that inhibit the implementation of precision medicine. In 2017, we used our Veracity data platform technology to build a prototype for sharing anonymous information on genetic variants between hospitals in Norway and Sweden. Leveraging Veracity's ability to securely share data between hospitals, the solution can be used for genetic analysis in laboratories and lead to a safer and more efficient service for patients.

Product assurance grows in automotive

Our product assurance portfolio sales grew by 7% in 2017, driven by the assurance of medical devices, hazardous area services and functional safety services. The latter particularly continues to grow in the field of autonomous vehicles and vehicular systems, especially in Japan and Korea. We successfully expanded into the emerging Chinese market in 2017.

Companies focus on sustainable supply chains

Sales of supply chain services grew by 29% in 2017. The demand for sustainable supply chains is continuing to put pressure on companies, from both a risk and business opportunity perspective. Companies with a high degree of supply chain maturity tend to be more in control of their operational risks, responding to increasing legislative and stakeholder requirements and demands and deriving benefits from more sustainable operations throughout their value chain.

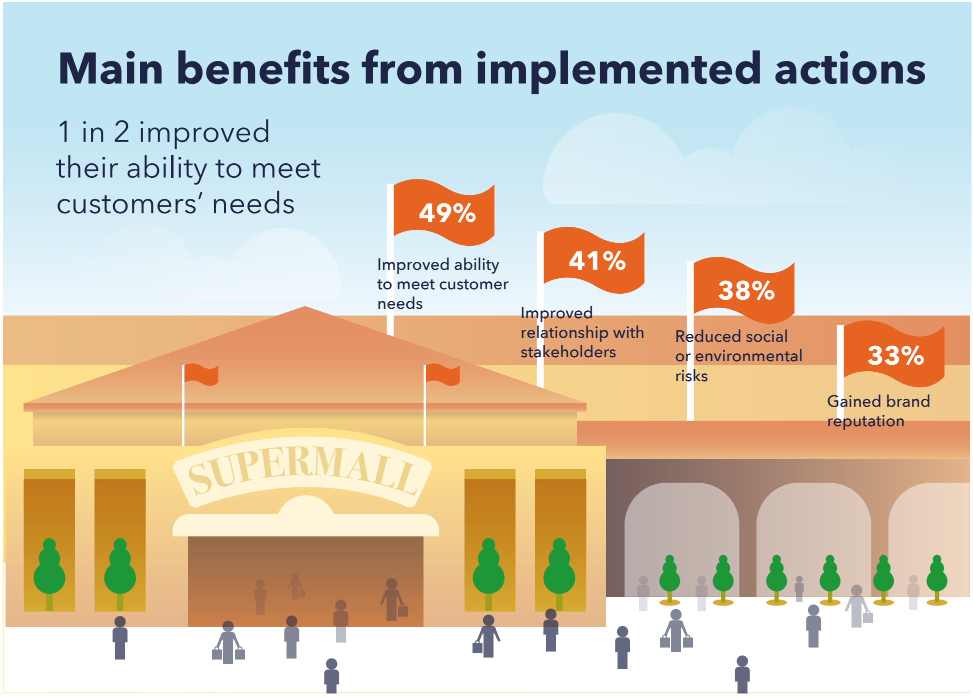
Helping companies sustainably manage their supply chains continues to be a focus area for us in 2018, combining our core assurance and industry expertise with digital solutions to create new digital assurance arenas.

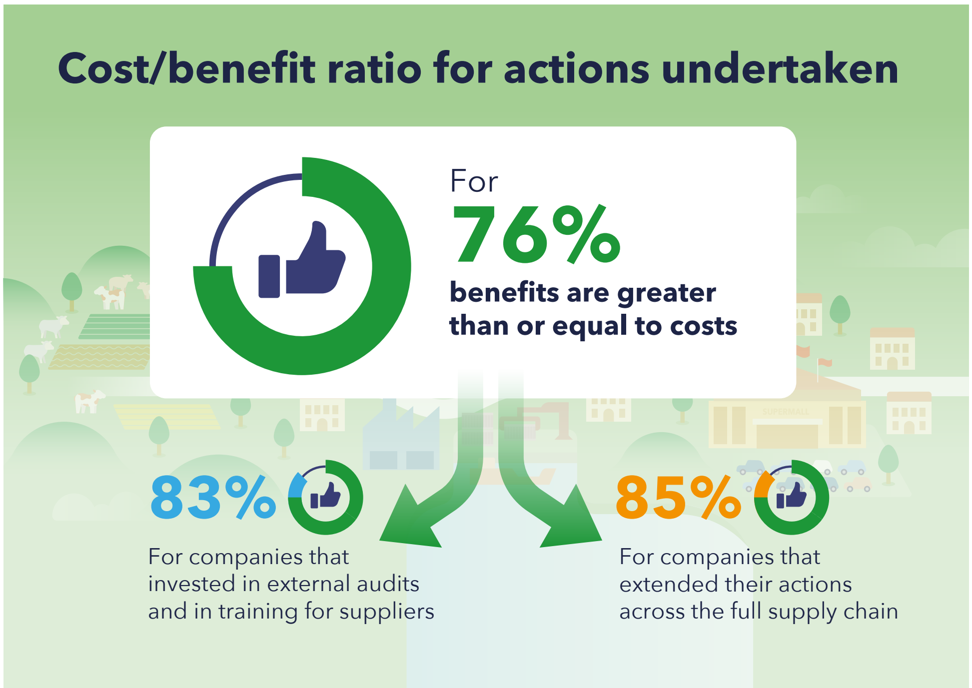
80,000

companies, including many of the largest and most famous brands in the world, are relying on DNV GL to certify their management system, products or supply chains.

Is your supply chain fit for the future?

DNV GL's ViewPoint survey among 1,408 professionals worldwide about their supply chain sustainability maturity and how they approach and manage sustainability in their value chains.





See all key findings

SUSTAINABLE SOLUTIONS

To help customers across all industries enhance the sustainability of their businesses, DNV GL assures the performance of management systems, products, personnel and supply chains through our diverse portfolio of certification, verification, assessment and training services. Beyond integrating sustainability into everything we do, specific solutions were developed in 2017.

Sustainable solution highlights include:

FOOD SAFETY AND SUPPLY CHAIN AUDITS: that address hunger, clean water and climate by assuring compliance to high standards. Our aquaculture assurance services also help customers contribute to life below water and in 2017 we released our project on advanced analytics in the aquaculture sector to help fish farmers improve feed efficiency and fish health and reduce mortality levels.

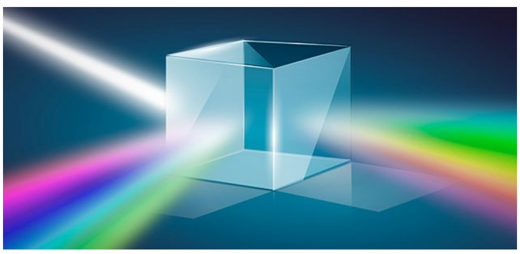
Read more >

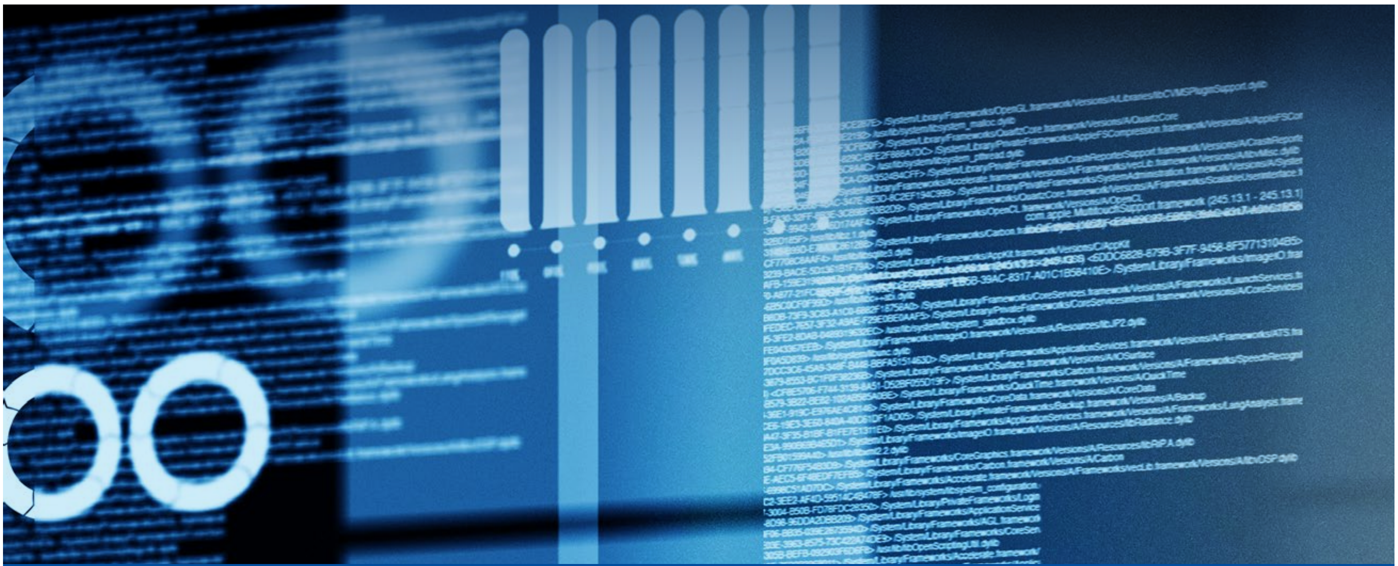
PRODUCT CERTIFICATION: that enables trust in the safety and quality of products. In 2017, DNV GL together with UNIDO launched a water calculation tool for the textile industry to help companies evaluate the water footprint of their manufacturing process.

Read more >

MANAGEMENT SYSTEM CERTIFICATION: that assures compliance with best-practice standards and requirements, ranging from quality, safety and environmental to social, ethical and climate change. In 2017, we launched Lumina™, a suite of benchmarking tools to help customers identify and prioritize improvement areas in management systems and business performance.

Read more >





DIGITAL SOLUTIONS

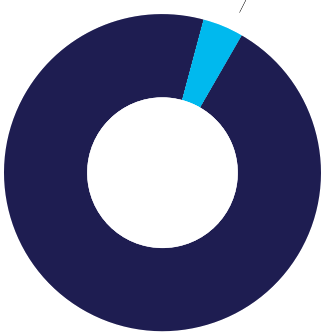
A NEW FOUNDATION FOR INTEGRATED SOLUTIONS

Digital Solutions was formed as a new business area in 2017, and includes our software house. However, it only became operational from January 2018, so this annual review focuses exclusively on our 2017 software business.

REVENUE

Digital Solutions'*
share of total (19,475)

852
NOK MILLION

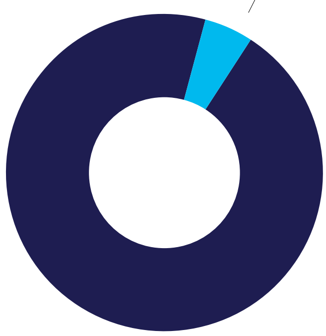


* Figures as of 31 Dec 2017.
Only covering our
Software business.

EMPLOYEES

Digital Solutions'*
of total (12,715)

636
EMPLOYEES



* Figures as of 31 Dec 2017.
Only covering our Software business.
Employees in Digital Solutions
as of 1 Jan 2018 was 763.

2017 REVIEW

Strong growth in a challenging market

For DNV GL's software house, 2017 was a year of accelerating our software's transition to integrated digital asset ecosystem solutions. The digitalization of the shipping industry gathered further speed in 2017. Although the shipping market was generally weak due to overcapacity in tonnage and a record low number of new vessels under construction, investments in software solutions for fleet management and operations increased. The strong growth in sales of maritime software solutions in 2016 continued in 2017. Our maritime software solutions were deployed to almost one thousand additional vessels in 2017, taking the total number of vessels using DNV GL software to 6,200.

A prototype for a new cloud-based solution called Navigator Shore was developed and deployed on Microsoft Azure for testing by customers, who provided valuable feedback before the release in 2018.

910

new vessels deployed our maritime software solutions in 2017, bringing the total number of vessels using DNV GL software to over 6,200.

Integration and collaboration

The offshore newbuilding market is experiencing a downturn, but we are beginning to see more upcoming projects, within structure design and engineering. We retained the number of structure ecosystem customers in 2017 and registered increased interest in our software products for offshore wind turbines.

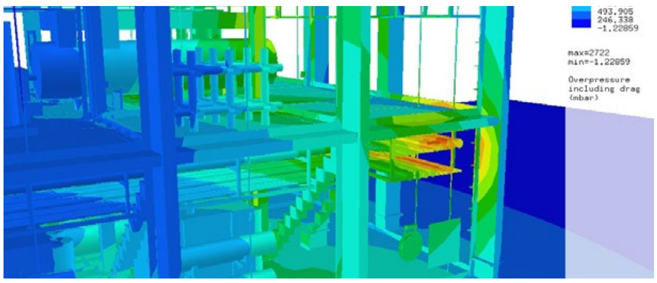
The structure ecosystem team developed Structure Insight, which will support 3D asset models and cloud-enabled analysis building on our Sesam software as well as wider collaboration in the design and engineering process. The development involved strong customer interaction, with key customers testing pilot versions of Structure Insight. Sesam was enhanced to address engineering efficiency and expand the number of standards supported and types of analyses available.

Our software-as-a-service (SaaS) offerings were also further developed and commercialized in 2017.

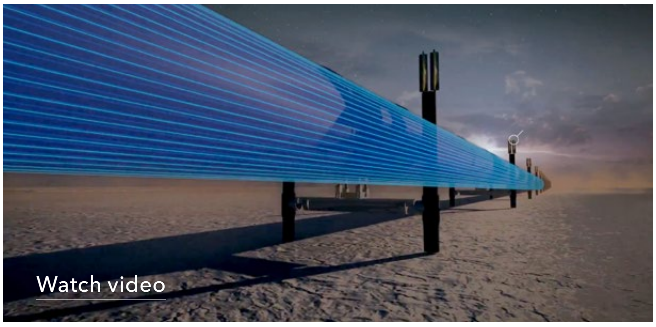
Strengthening analytical capabilities

The software market in the downstream oil and gas segment performed well, driven by customers looking to reduce costs through optimization and digitalization. Increased regulation also contributed to greater demand for asset performance management solutions. Sales of plant ecosystem software increased, with China standing out as the area with most growth for the year.

In 2017, we acquired ComputIT, a Norwegian company that owns KFX software for computational fluid dynamics (CFD). This particularly strengthened our position in the Asian market, where customers increasingly request 3D modelling capabilities. The acquisition also added leading CFD analysis capabilities to our digital asset ecosystems, specifically for plants, pipelines and structures.



Steps towards cloud-based solutions

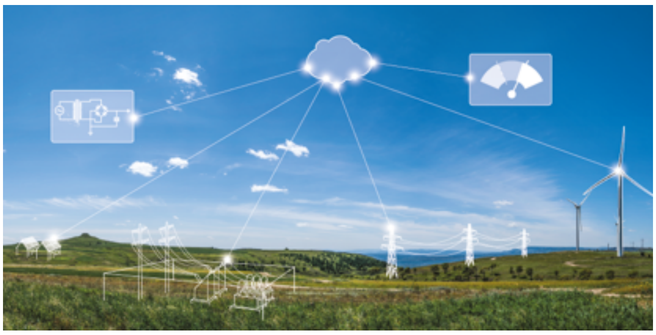


Upcoming regulation is driving changes in the pipeline market. In the United States, the Transmission Integrity Management Program (TIMP) is expected to implement new regulations in 2019 related to pipeline risk management.

We sustained our market share for software in the pipeline ecosystem in 2017. Acceptance of cloud technology is becoming more prevalent across the industry. Customers are also looking to benefit from a shift towards probabilistic risk models, allowing a more targeted approach to risk management. In 2017, Synergi Pipeline development included both cloud-based technology and a new probabilistic risk model.

Several new pipeline products were launched in 2017, including Synergi Pipeline – Ticket Risk Assessment (TRA) which was then licensed to the largest distribution company in the US. With Enterprise Leak Detection, we grew our market share in leak detection and anticipate continued growth in that area.

Transformation of the energy value chain



The energy value chain is in the midst of a significant transformation with new energy resources and increasing digitalization. This takes place in the context of ageing infrastructure and continuously tight operational budgets. DNV GL continued to expand its electric grid software market and the target in the main market, North America, was surpassed.

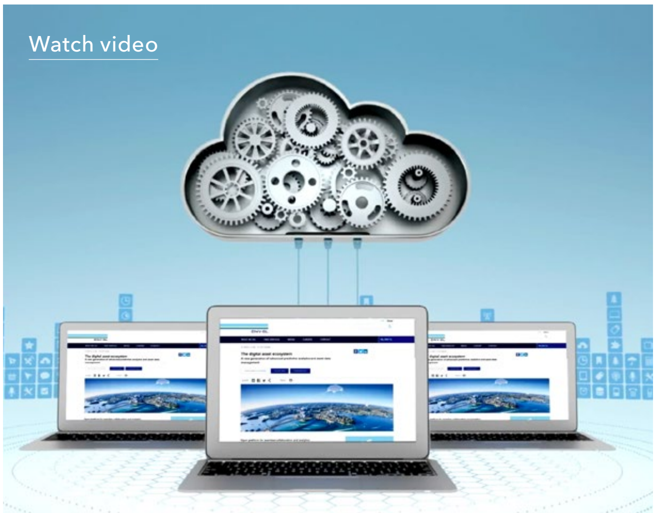
In addition to a new high in licence sales and 40% growth in revenue in 2017, the year was a major milestone in the development of the electric grid digital asset ecosystem offering. More than 55% of customers engaged actively through user-group meetings, helping to shape the development. The technology stack is becoming more cloud-based, open and modular. The release of Synergi Electric 6.0 brought a new mobile inspection solution, a business intelligence product and a forward-looking health and risk management application.

QHSE investments in SaaS technologies

In a highly competitive market with broad investment in new technologies, DNV GL's QHSE software solutions saw double-digit growth in 2017. Synergi Life was the first of our products to come with a fully cloud-enabled solution and is the front runner in the transformation of our business from the traditional on-premise software model to the cloud, mobile and software-as-a-service (SaaS) model.

We expect the change towards the SaaS subscription offering to be critical in the market in the coming years and in 2017 we professionalized and optimized our SaaS business.

A new design for improved user experience was also developed in 2017 and the number of new customers more than doubled in 2017 compared to 2016.



70% of new customers of our Synergy Life software in Europe chose SaaS solutions.

SUSTAINABLE SOLUTIONS

To help customers across industries enhance the sustainability of their businesses, DNV GL develops software and data management solutions which are used by thousands of customers to manage risk and improve safety and asset performance.

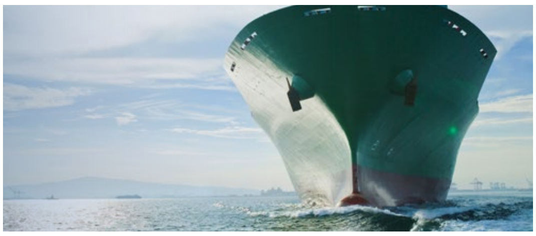
Sustainable solution highlights include:

SYNERGI LIFE: QHSE software, which provides a platform for recording, tracking and responding to incidents and enables the reduction of operational risk related to human safety and environmental impact.

Read more >

NAVIGATOR INSIGHT: software facilitating the reporting of ships' voyage data from departure to arrival. It includes options for fully integrated bunkering and Remaining on Board management.

Read more >



SMART CITIES: digital solutions help city leaders to reap the social and environmental benefits of a distributed energy model while also meeting their climate action objectives and becoming more resilient.

Read more >

In this section:
- Sustainability performance
- Financial performance
- Board of Directors' report

PERFORMANCE

Our vision of having global impact for a safe and sustainable future sets the direction of our business and our conduct. We use the Global Reporting Initiative Standards and the SDGs to report on sustainability and the Norwegian Accounting Act and regulations on simplified IFRS for our financial performance. The Board of Directors' report provides a comprehensive review of DNV GL's strategy, performance and future outlook.

SUSTAINABILITY PERFORMANCE

Our vision of having global impact for a safe and sustainable future sets the direction of our business. Our commitment to customers, ourselves and our partners are guided by our purpose of safeguarding life, property and the environment.

TARGETS AND RESULTS

We report in accordance with the Global Reporting Initiative Standards at the Comprehensive Level, and a third party has conducted a limited assurance of this report.

Based on our materiality assessment, we set our priorities, run our business and report targets, results, plans, our management approach, and reviews in relation to the following topics:

KEY SUSTAINABILITY PERFORMANCE

PEOPLE

87%

OF EMPLOYEES
have a higher education at PhD, Master or Bachelor degree levels

- 25% female managers
- 112 nationalities among our employees

HEALTH AND SAFETY

1.2

IN INJURY RATE
due to sickness

- 2.4 in absentee rate due to sickness
- OHSAS 18001 certification

BUSINESS ETHICS AND ANTI-CORRUPTION

98%

OF EMPLOYEES
completed Code of Conduct training

- 97% completed anti-corruption and anti-trust training
- 62 potential compliance cases

ENVIRONMENT AND CLIMATE

70

THOUSAND TONNES OF CO_2 EMISSIONS

- 118 GWh in energy consumption
- ISO 14001 certification

SUSTAINABLE PROCUREMENT

100%

OF NEW EMPLOYEES
involved in indirect procurement trained in the Supplier Code of Conduct and procurement governance

- 100% of contracts with new suppliers included the Supplier Code of Conduct
- 0 non-compliance cases

PARTNERSHIPS FOR SUSTAINABILITY

18

INDUSTRY ASSOCIATIONS
where we have a leading position, and engagement with the UN Global Compact, Red Cross and WWF

- Group President and CEO is on the Executive Committee of the World Business Council for Sustainable Development
- Maritime CEO is Chair of International Association of Classification Societies

APPROACH

We strive to deliver safer, smarter and greener solutions to customers across industries globally – and to deliver value to society at large in the short and long term.

Commitments

Our ambition is to be recognized as a leader in sustainable business – in terms of how we manage and disclose performance in our own operations, the research and innovation we invest in, as well as the services we deliver and how we work with customers to improve their sustainability performance.

At DNV GL, we try to continuously improve our sustainability performance and have our management systems certified to the ISO 9001, ISO 14001 and OHASAS 18001 standards.

We support the UN Sustainable Development Goals and aim to use this framework to create customer value through solving societal needs. These global goals stimulate us to run our own business sustainably, to enable our customers to enhance their sustainability and to promote sustainable business with partners.

We have been committed to the UN Global Compact since 2003 and continue to integrate its ten principles on human rights, labour standards, environmental performance and anti-corruption work into our business strategy and operations.

We report externally on our sustainable business performance through our Annual Report and aim to maintain an independently assured "Comprehensive Level" in accordance with the Global Reporting Initiative Standards. We follow the Norwegian Corporate Governance Board Code of Practice and our Annual Report constitutes our "Advanced Communication on Progress" to the UN Global Compact. We strive for open and honest communication and welcome input regarding our strategy, policies and operations.

Materiality

To direct our efforts to what our stakeholders find important, we regularly assess our key economic, environmental and social risks, impacts and opportunities. This review process is defined in a governing document and aligned with our risk- and brand-management processes. Our extensive research into the UN Sustainable Development Goals provide important insights into our materiality assessment. We set our priorities, run our business and report our performance in relation to the following defined material topics: People; Health and Safety; Business Ethics and Anti-Corruption; Environment and Climate; Sustainable Procurement; and Partnerships for Sustainability. We also present our management approach as well as important service offerings for Sustainable Solutions.

Stakeholder engagement

Maintaining a close dialogue with our stakeholders is critical for the successful delivery of DNV GL's strategy and achievement of our vision. Through daily business relationships and partnerships across markets, we aim to engage our stakeholders and improve together. Our stakeholders are identified as our owner along with our customers, employees, suppliers, government bodies, industry associations, civil society organizations, research institutions and the media.

Governance

The ultimate responsibility for our sustainability performance lies with the Board of Directors, who also signs DNV GL's annual sustainability report. The Executive Committee constitutes the Sustainability Forum, which reviews the Group's sustainable business priorities and performance.

Sustainability is embedded in our management system through the Code of Conduct, the Group Strategy, topic-specific policies, operating plans and instructions across the company. Activities and training are managed by local business units, the business areas and Group functions.

We expect our suppliers, subcontractors, contractors and intermediaries to uphold high standards of human rights, labour practices, environmental performance and anti-corruption work.

REVIEW

Financial robustness is fundamental to sustainable operations and contributing to society at large. Our full financial reporting is included in this Annual Report.

TABLE 01 ECONOMIC CONTRIBUTION

The economic value we generated and distributed globally in 2017 was:

AMOUNTS IN NOK MILLION	Nordics	Central Europe	West, South and East Europe	Great Britain	North America	South America	North Asia	South Asia	India, Middle East and Africa
Revenues[1]	4044	2412	2833	1545	3620	405	2319	1082	1242
Operating costs[2]	881	604	1149	631	1555	202	931	458	469
Employee wages and benefits	3041	1466	1636	971	1958	223	1100	627	658
Payments to providers of capital[3]	12	21	1	2	-	3	-	-	4
Payments to governments	152	21	49	14	77	14	68	4	47
Community investments	12	-	-	1	1	-	-	-	-
Economic value retained	-55	301	-1	-74	30	-36	221	-6	64

The financial assistance we received from governments in 2017 was:

AMOUNTS IN NOK MILLION	Nordics	Central Europe	West, South and East Europe	Great Britain	North America	South America	North Asia	South Asia	India, Middle East and Africa
Total tax relief	-	-	-	1	-	-	-	-	1
Government subsidies	1	-	-	-	-	-	19	1	-
Investment grants, research and development grants, and other relevant types of grants from governments	5	7	5	3	-	-	7	-	-
Awards from governments	-	-	-	-	-	-	1	-	-
Other financial benefits received or receivable from any government for any operation	-	5	-	-	-	-	-	2	-

1 External revenue and interest income
2 Operating costs excluding employee wages and benefits and amortizations
3 External interest expenses

SUSTAINABILITY PRIORITIES **2017**

People

- Improve clarity and direction inside the organization, including how individual employees contribute to the achievement of our strategic goals
- Support the company's digital transformation, including employees' competence development and the attraction of new types of expertise
- Secure sustainable diversity in terms of gender and nationality in customer-facing and operational roles

Health and safety

- Be the benchmark of our industries
- Establish a global health and wellbeing framework to shift the focus from reactive stress management to a proactive and positive approach to employee wellbeing
- Strengthen the ability to learn, and actively avoid and recover, from serious incidents

Business ethics and anti-corruption

- Reflect the findings from a risk assessment and introduce express training sessions addressing the needs of employees in their daily work
- Set up an export control network
- Provide awareness training on the reporting of misconduct
- Monitor the implementation of the new Supplier Code of Conduct and Instruction on Subcontractors and Intermediaries

Environment and climate

- Implement a global plan with measures to become carbon neutral regarding travel and buildings by 2020
- Measure greenhouse gas emissions from air travel for 100% of employees
- Include more locations in the environmental and climate reporting
- Add waste to environmental reporting and establish a reporting baseline
- Engage in initiatives to understand our customer services' impact on the environment

Sustainable procurement

- Implement procurement software which enables supplier data to be tracked and the introduction of sustainable procurement processes to be monitored. The tool will initially cover indirect suppliers
- Initiate systematic sustainability risk assessments of selected supplier categories

Partnerships for sustainability

- UN Global Compact: continued collaboration
- World Business Council for Sustainable Development: Executive Committee
- Global Opportunity Explorer: platform with UN Global Compact partners
- WWF: joint project with Statkraft on a digital tool for sustainable multi-purpose hydropower
- Red Cross: expert, voluntary and funding activities worldwide

SUSTAINABILITY PRIORITIES 2018

People

COMPETENCE
- Support the company's digital transformation through having 500 managers attend a leading digital transformation training programme
- Selected top technical people to participate in a digital programme at University of California, Berkeley, US
- Focus 60% of our investments in research and innovation on digitalization, including employees' competence development and the attraction of new types of expertise

ORGANIZATION
- Implement the new Digital Solutions business area
- Recruit a Chief Digital Transformation Officer as member of the Executive Committee

Health and safety

ZERO HARM
- The overall goal is zero harm to people

HEALTH AND WELLBEING
- Conduct a global health and safety culture survey for all employees, with action plans. Develop improved fit-for-work requirements for high risk activities. Implement the global health and wellbeing framework

LEARNING FROM INCIDENTS
- Injuries with lost time involving other workers (non-DNV GL employees) to be reported separately

CRISIS MANAGEMENT
- Improve the process for interacting with and supporting employees' next of kin in the event of a crisis

Business ethics and anti-corruption

TRAINING AND AWARENESS
- Preparation and roll out of an e-learning course for subcontractors
- Roll-out of an awareness session for all employees on the reporting of misconduct
- Anti-corruption measures for identified high-risk countries
- Drive awareness on export control and sanction requirements
- Express learning about DNV GL as a data processor

GOVERNING DOCUMENTS AND IMPLEMENTATION
- Further implementation of requirements related to the EU's General Data Protection Regulation
- Activities to ensure the protection of customers' personal data

Environment and climate

GOVERNANCE
- Establish environmental goals in all countries

CARBON NEUTRALITY
- Develop programmes to reduce our emissions from travel and operations
- Become verified as carbon neutral by 2018

STRATEGY
- Identify opportunities to become a climate positive company that contributes to reducing greenhouse gases from the atmosphere

Sustainable procurement

IMPLEMENTATION OF PROCUREMENT SOFTWARE
- Upload all indirect suppliers to our procurement database

SUPPLIER AUDITS
- Carry out audits based on systematic sustainability risk assessments of selected supplier categories

PERFORMANCE REPORTING
- Based on the implementation of the procurement software, report on supply chain performance for indirect procurement

Partnerships for sustainability

INDUSTRY ASSOCIATIONS
- Continue with key partnerships in all business areas

UN GLOBAL COMPACT
- Continue close cooperation, including update of *The Future of Spaceship Earth*

WORLD BUSINESS COUNCIL FOR SUSTAINABLE DEVELOPMENT
- Group President and CEO is member of the Executive Committee

RED CROSS
- Activities in several countries

WWF
- Finalize project with Statkraft on a digital tool for sustainable multi-purpose hydropower

PEOPLE

ENABLING OUR DIGITAL TRANSFORMATION

Trust and expertise are at the core of our relationship with customers and stakeholders. We have a strong company culture, and our people upheld and delivered on these key attributes through challenging market conditions and downsizing. We prioritize developing digital competence across the company. With the establishment of our new business area Digital Solutions, we have strengthened our digital offering to customers.

DNV GL supports Sustainable Development Goals 4, 5, 8 and 10 and strives to promote quality education, gender equality, decent work and economic growth, and reduced inequalities.

TARGETS AND RESULTS

We want to be a company which attracts, retains and further develops competent people who are committed to our purpose, vision and values. A high-quality recruitment process, along with an attractive employee value proposition and varied capability and career opportunities, is crucial to attract, engage and retain our people. We want to be 'the best place to develop your competence.'

Targets

- Improve clarity and direction inside the organization, including how individual employees contribute to the achievement of our strategic goals.
- Support the company's digital transformation, including employees' competence development and the attraction of new types of expertise.
- Secure sustainable diversity in terms of gender and nationality in customer-facing and operational roles.

Results

- The internal perception of clarity and direction declined by 2 percentage points from 2016.
- An increase of 3% in the annual People Engagement survey result regarding serving our customers in a more digital way.
- First female Regional Manager in 150 years in our Maritime business area. More women on the Executive Committee (four out of nine) – and two of the five operational CEOs are women.

Plans

COMPETENCE

- Support the company's digital transformation through having 500 managers attend a leading digital transformation training programme.
- Selected top technical people to participate in a digital programme at the University of California, Berkeley, US.
- Focus 60% of our investments in research and innovation on digitalization, including employees' competence development and the attraction of new types of expertise.

ORGANIZATION

- Implement the new Digital Solutions business area.
- Recruit a Chief Digital Transformation Officer as a member of the Executive Committee.

112 nationalities are represented among our employees, and 23 countries have 100 or more employees.

87% of employees have a higher education at PhD, Master or Bachelor degree levels

APPROACH

Our role as a professional service provider and source of expertise relies on the knowledge and skills of our people. We strive to foster a company culture with people who are committed to our purpose, vision and values.

Strategy and management system

Our Group strategy and management system, including our People Policy, provides the overall governance for how we attract and develop experts and build a strong company culture. This system also directs our value-based leadership expectations and facilitates the operations of the business areas, regions and Group units, as well as the overall development of DNV GL.

The people processes are designed to support a common culture and to create a flexible work environment with career and competence development opportunities across the organization, regardless of geography and career track.

DNV GL is a company with global service deliveries that require teamwork, high consistent competence level and flexibility of the workforce. The need for teamwork is reflected in the DNV GL value "We are committed to teamwork and innovation" and it has resulted in a strong "'We"-thinking embedded in our organization.

Responsibilities

The Group President and CEO approves our People, Leadership, and Roles & Responsibilities policies. The Group HR function establishes our policies and sets the direction for how HR is to be managed. Group HR works closely with the HR teams in the business areas and Global Shared Services to ensure aligned implementation across the company. People management is a line responsibility, and our line managers are supported by HR managers and a range of tools facilitating the HR processes.

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

Human rights

Our Code of Conduct upholds the principles of non-discrimination, equal opportunity, the right to join labour unions, and fair employment. All employees are introduced to the company's policies during the onboarding process, and human and labour rights are part of this introduction. DNV GL's Statement on Modern Slavery and Human Trafficking has been issued further to section 54 (1) of the UK's Modern Slavery Act 2015 and constitutes the DNV GL UK's slavery and human trafficking statement for the financial year ending 31 December 2017. The statement is available on the company **website**.

Diversity and equal opportunities

To realize the potential in the organization, we seek diversity in terms of age, gender and nationality. We strive for the diversity of our workforce to be reflected at all management levels. We conduct mentoring programmes, including the reverse mentoring of senior leaders by 'next generation' colleagues. We also hold an annual global summit for up-and-coming talent.

Freedom of association

All employees have a documented right to freedom of association through DNV GL's management system and commitment to the UN Global Compact. Most of our supply chain consists of highly educated subcontractors, who are typically self-employed but to a lesser degree part of an employee association, though there are no requirements imposed in this regard.

90% of employees agree with this statement: "I have the competence I need to do my job well"

Collective agreements

Most collective agreements cover elements related to health and safety, e.g. overtime hours and employee education as well as the company's focus on HSE topics. Since DNV GL has comprehensive internal HSE instructions and some of these are even further detailed in the business areas, there has not been a need to include these in local collective agreements as well.

Competence development

We have internal governing documents detailing competence and training. We follow the 70:20:10 learning model, with 70% from experience and doing the job, 20% through interaction with other people, and 10% from e-learning and classroom courses. Business-area-specific training takes place to ensure the required competencies within our different services.

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

Our global career model facilitates employees' competence development. Competence development planning includes an individual development plan, which is a key element of the performance management process.

All employees are assessed annually on results and behaviour through a structured performance management process. The assessment, development and selection of new managers are based on DNV GL's expectations for leaders: Respect and Care, Foresight, Customer Centricity, and Result Orientation.

Remuneration

As a knowledge company whose main resources are our employees, we depend on cooperation, teamwork and knowledge sharing. The annual salary review and remuneration process is common for all employees, including management, and is documented in the DNV GL Management System. Approximately 45% of the employees are covered by some form of collective agreement. No vote on remuneration policies is applicable.

External remuneration consultants are used to collect and analyse relevant market data for benchmarking purposes. For around the 20 largest countries in which we operate, this is done through access to country-specific salary and benefit databases covering thousands of people. There is no relationship between the remuneration consultant/data collector and the management.

The review procedure for members of the Executive Committee differs slightly as a review is conducted and recommendations made by the Board's Compensation Committee before the procedure is concluded. The final decision on the remuneration of the Group President and CEO is taken by the Board of Directors based on the input from the Board's Compensation Committee.

Profit-share schemes are the most appropriate variable pay to support our values. We have two major global schemes:

- **Profit Share** (Grades 1-9): all eligible employees receive the same percentage of their base salary in bonus, based on DNV GL Group results.

- **Bonus Bank** (Grades 10–15): the annual individual profit share accrual is determined based on grade and a correlated earnings percentage, individual assessment rating, annual base salary and DNV GL Group and Business Area EBITA at reference rates versus targets.

In addition to these two global schemes, sales schemes are available in some business areas. No employee can be a member of more than one scheme.

Career endings

Due to the global nature of our operations, transition assistance programmes are implemented locally to meet local legislation and requirements. Local assistance programmes are set up in the case of large downsizing programmes.

At all times, ways are sought to retain the employees in the organization, including but not limited to:

- All available positions are advertised internally.
- External recruitment restrictions are implemented to facilitate internal transfers.
- All employees should have a development plan which should focus on DNV GL's future capability needs and the employee's own career ambitions.
- The DNV GL Management System stipulates that mitigating actions are to be sought before manning reductions are considered or executed.

Notice periods

DNV GL's minimum notice periods are typically 4-8 weeks for substantial operational changes. Notice periods vary by country, often guided by national legislation and additional provisions. However, the notice period for such changes is not normally specified in collective agreements.

REVIEW

Despite the continued difficult markets, we are investing in our digital transformation and taking positions to keep the company strong in the future.

Investment in digital transformation

The new business area Digital Solutions was established on 1 January 2018. 60% of our investment in technology and research is in our company's digital transformation, building competence, services and infrastructure to launch our new industry data platform Veracity. A new global HR system was launched, supporting people analytics capabilities and improved efficiency.

Engaging employees in the strategy

To engage employees in our strategy and provide feedback to leadership, a Strategy Champions initiative was launched. Almost 100 strategy champions from all business areas and more than 20 countries were selected and executed three strategy-related 'missions' which reached 30% of employees.

Downsizing

We have continued to reduce costs but have also had to right-size the organization in line with the lower level of activity in several of our markets. We are now 3,000 fewer colleagues than we were three years ago. When headcount reductions have been necessary, it has been emphasized that these processes are to be handled in line with our values and principles, as well as local legislation.

Declining employee engagement

We still have a 90% response rate to our people engagement survey, but the downsizing has continued to have a negative impact on employee engagement. The results remain broadly comparable with those of other companies undergoing similarly difficult organizational changes. The engagement score is now 71% and has dropped below the Global Norm of the Korn Ferry Hay Group.

Characteristics of our employees

The following tables provide detailed information on categories, types, ages, genders, regions, new hires, payments and benefits for our employees and other workers.

FIGURE 01 EMPLOYEES' ENGAGEMENT AND ENABLEMENT

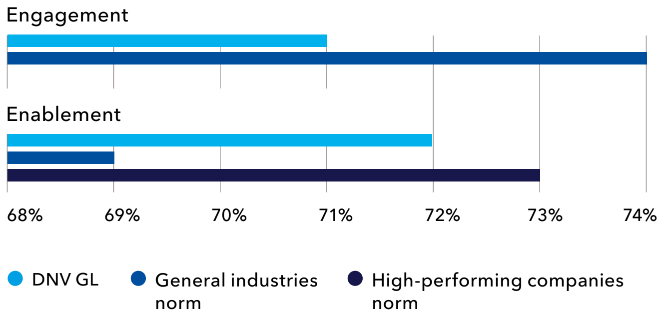
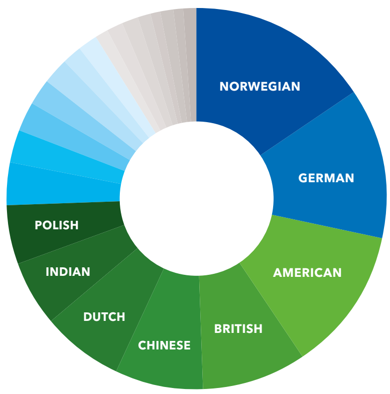


FIGURE 02 EMPLOYEES BY NATIONALITY

Norwegian	1,798	Italian	402	Malaysian	154
German	1,487	South Korean	331	French	154
American	1,408	Spanish	289	Japanese	137
British	1,000	Brazilian	255	Greek	136
Chinese	884	Danish	235	Canadian	114
Dutch	779	Singaporean	220	Egyptian	112
Indian	645	Swedish	167	Australian	111
Polish	578			Mexican	100



Nationalities > 100 shown in table
Nationalities > 500 shown in pie chart

TABLE 02 **EMPLOYEES BY REGION**

Employees per Global Shared Services regions	Permanent employees	Temporary employees	Total
Nordics	2 633	15	2 648
West, South and East Europe	2 359	71	2 430
North America	1 800	8	1 808
Central Europe	1 534	18	1 552
North Asia	1 267	84	1 351
Great Britain	1 041	12	1 053
India, Middle East and Africa	805	46	851
South Asia	723	32	755
South America	267		267
Grand Total	12 429	286	12 715

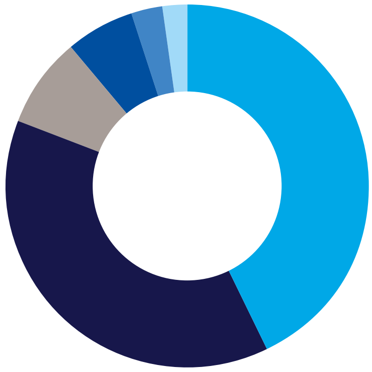
TABLE 03 **EMPLOYEES BY TYPE**

Employees by employment contract and gender	Female	Male	Total
Permanent Employee	3 897	8 532	12 429
Time Limited Employee	113	173	286
Total	4 010	8 705	12 715

Permanent employees by employment type and gender	Female	Male	Total
Full-time	3 388	8 195	11 583
Part-time	509	337	846
Total	3 897	8 532	12 429

Other workers	Female	Male	Total
Temporary Staff	174	279	453
External Business Support Staff	325	1 630	1 955
Suppliers	53	110	163
Subcontractors	1 033	3 365	4 398
Total	1 585	5 384	6 969

FIGURE 03 **EMPLOYEES' LEVEL OF EDUCATION**



Master	43%
Bachelor	38%
Basic education	8%
Doctorate / PhD	6%
College (2 years)	3%
Technical (0-3 years)	2%

Employees with Doctorate/ PhD, Master and Bachelor degrees:	87%

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

TABLE 04 **EMPLOYEES BY CATEGORY, GENDER AND AGE**

	GENDER		AGE				
Grade	Female	Male	< 31	31-40	41-50	51-60	> 60
1	1	3	2	1		1	
2	13	19	11	11	5	5	
3	120	63	50	71	29	27	6
4	298	121	100	157	97	46	19
5	619	276	248	301	198	121	27
6	755	674	462	492	274	163	38
7	651	1 028	367	747	361	164	40
8	575	1 565	97	1 182	558	251	52
9	419	1 681	6	760	849	396	89
10	306	1 514		288	858	517	157
11	141	933		57	445	435	137
12	77	490		13	178	284	92
13	18	196		1	57	111	45
14	13	97			26	54	30
15	4	45			3	29	17
Grand Total	4 010	8 705	1 343	4 081	3 938	2 604	749

TABLE 05 **EMPLOYEE TURNOVER AND NEW EMPLOYEE HIRES – TOTAL NUMBER AND RATES**
BY AGE, GENDER AND REGION

AGE

Employee turnover	<31	31-40	41-50	51-60	>60	Total
Total number	248	582	403	274	141	1648
Rate	22%	14%	10%	10%	15%	13%
Opening Count 2017	1 121	4 196	4 116	2 810	938	13 181

New employee hires						
Total number	322	20	340	150	52	884
Hires	36%	2%	38%	17%	6%	

GENDER

Employee turnover	Male	Female
Total number	1 088	560
Rate	12%	14%
Opening Count 2017	9 106	4 075

New employee hires		
Total number	517	367
Hires	58%	42%

GLOBAL SHARED SERVICES
REGIONS

Employee turnover	Nordics	West, South and East Europe	North America	Central Europe	North Asia	Great Britain	India, Middle East and Africa	South Asia	South America	Grand total
Total number	220	232	312	152	270	181	69	165	47	1 648
Rate	8%	10%	16%	9%	18%	15%	8%	20%	15%	13%
Opening Count 2017	2 771	2 272	1 907	1 625	1 493	1 169	830	808	306	13 181

New employee hires										
Total number	86	333	207	33	47	61	57	46	14	884
Hires	10%	38%	23%	4%	5%	7%	6%	5%	2%	100%

Only permanent employees are included, as the other employment categories by contract are intended to join or leave. Turnover is based on the number of employees having left the company during the year divided by the number of employees at the beginning of the year.

TABLE 06 **BENEFITS PROVIDED TO EMPLOYEES**
FOR THE 10 COUNTRIES WITH MOST EMPLOYEES

BENEFITS	NORWAY			UNITED STATES		
	Permanent / Full-time	Permanent / Part-time	Temporary / Full- and Part-time	Permanent / Full-time	Permanent / Part-time	Temporary / Full- and Part-time
Life insurance	Yes	Yes	Yes	Yes	Yes	Yes
Health care	Yes, voluntary[1]	Yes, voluntary[1]	No	Yes, voluntary[1]	Yes, voluntary[1]	Yes, voluntary[2]
Disability cover	Yes	Yes	Yes	Yes	Yes	Yes
Parental leave	Yes	Yes	Yes	Yes, maternity	Yes, maternity	Yes, maternity per legislation
Retirement provision	Statutory + DB or DC	Statutory + DB or DC[2]	Statutory + DC[2]	Statutory + DC matching	Statutory + DC matching	Statutory + DC matching
Stock ownership	N/A	N/A	N/A	N/A	N/A	N/A
Profit share/bonus	Yes	Yes	No	Yes	Yes	No

Norway: 1) No employer contribution 2) If 20%+ FTE

United States: 1) Employer pays 85% for employee
2) Employer pays 85% for employee (some exceptions)

BENEFITS	GERMANY			UNITED KINGDOM		
	Permanent / Full-time	Permanent / Part-time	Temporary / Full- and Part-time	Permanent / Full-time	Permanent / Part-time	Temporary / Full- and Part-time
Life insurance	Yes	Yes	Yes	Yes	Yes	Yes
Health care	Yes, voluntary	Yes, voluntary	Yes, voluntary	Yes, voluntary[1]	Yes, voluntary[1]	Yes, voluntary[1]
Disability cover	Yes	Yes	Yes	Yes	Yes	Yes
Parental leave	Yes	Yes	Yes	Yes, maternity	Yes, maternity	Yes, maternity per legislation
Retirement provision	Statutory + DB or DC	Statutory + DB or DC	Statutory + DB or DC	Statutory + DC matching	Statutory + DC matching	Statutory + DC matching
Stock ownership	N/A	N/A	N/A	N/A	N/A	N/A
Profit share/bonus	Yes	Yes	No	Yes	Yes	No

United Kingdom: 1) Employer pays 100% for employee

BENEFITS	CHINA			THE NETHERLANDS		
	Permanent / Full-time	Permanent / Part-time	Temporary / Full- and Part-time	Permanent / Full-time	Permanent / Part-time	Temporary / Full- and Part-time
Life insurance	Yes	Yes, excl. interns	Yes, excl. interns	Yes	Yes	Yes
Health care	Yes	Yes, excl. interns	Yes, excl. interns	Yes, voluntary	Yes, voluntary	Yes, voluntary
Disability cover	Yes	Yes	Yes, excl. interns	Yes	Yes	Yes
Parental leave	Per legislation	Per legislation	Per legislation	Yes	Yes	Per legislation
Retirement provision	Statutory + DC matching	Statutory + DC matching	Statutory + DC matching	Statutory + ABP or DC	Statutory + ABP or DC	Statutory + ABP or DC
Stock ownership	N/A	N/A	N/A	N/A	N/A	N/A
Profit share/bonus	Yes	Yes	No	Yes	Yes	Yes, per legislation

TABLE 06 **BENEFITS PROVIDED TO EMPLOYEES**
FOR THE 10 COUNTRIES WITH MOST EMPLOYEES

CONTINUED

BENEFITS	POLAND			SINGAPORE		
	Permanent / Full-time	Permanent / Part-time	Temporary / Full- and Part-time	Permanent / Full-time	Permanent / Part-time	Temporary / Full- and Part-time
Life insurance	Yes	Yes	Yes	Yes	Yes	Yes
Health care	Statutory	Statutory	Statutory	Statutory	Statutory	Statutory
Disability cover	Yes	Yes	Yes	Yes	Yes	Yes
Parental leave	Yes	Yes	Yes, per legislation	Yes	Yes	Yes, per legislation
Retirement provision	Statutory + DC	Statutory + DC	Statutory + DC	Statutory	Statutory	Statutory
Stock ownership	N/A	N/A	N/A	N/A	N/A	N/A
Profit share/bonus	Yes	Yes	No	Yes	Yes	No

BENEFITS	ITALY			SOUTH KOREA		
	Permanent / Full-time	Permanent / Part-time	Temporary / Full- and Part-time	Permanent / Full-time	Permanent / Part-time	Temporary / Full- and Part-time
Life insurance	Yes	Yes	Yes	Yes	Yes	Yes
Health care	Statutory	Statutory	Statutory	Statutory	Statutory	Statutory
Disability cover	Yes	Yes	Yes	Yes	Yes	Yes
Parental leave	Yes	Yes	Yes, per legislation	Yes	Yes	Yes, per legislation
Retirement provision	Statutory	Statutory	Statutory	Statutory EoS or DC	Statutory EoS or DC	Statutory EoS or DC
Stock ownership	N/A	N/A	N/A	N/A	N/A	N/A
Profit share/bonus	Yes	Yes	No	Yes	Yes	No

DB: Defined Benefit plan
DC: Defined Contribution plan

Contributions to defined benefit plans are not percentage-based, and all defined benefit plans are closed to new members.

Detailed information about pension costs, plan assets and defined benefit pension liabilities is available in the financial statement in this annual report. The pension liabilities recorded in the balance sheet was 10,198 million NOK for the 10 countries with most employees. The net liability was 1,866 million NOK for the same selection.

These pension liabilities are reflected in the balance sheet according to commonly accepted International Accounting standards. We follow the national regulations and policies related to the required funding. It is in particular in Germany, and to some extent in countries with statutory End of Service plans, where the liabilities are recorded in the balance sheet.

Please see Note 8 for details on defined benefit plan obligations.

TABLE 07 **AVERAGE BASE SALARY FEMALE/MALE**
BY EMPLOYEE CATEGORY. FOR THE 10 COUNTRIES WITH MOST EMPLOYEES

NORWAY

Grade	Average female/male	Weight (No of women)
6	97%	54
7	98%	93
8	96%	86
9	100%	75
10	101%	88
11	99%	77
12	102%	47
13	98%	12
Average	**99%**	

UNITED STATES

Grade	Average female/male	Weight (No of women)
05	101%	14
06	102%	38
07	101%	69
08	95%	58
09	101%	34
10	102%	39
Average	**100%**	

GERMANY

Grade	Average female/male	Weight (No of women)
5	114%	30
6	110%	59
7	104%	34
8	101%	36
9	95%	27
10	99%	17
Average	**105%**	

UNITED KINGDOM

Grade	Average female/male	Weight (No of women)
05	97%	23
06	110%	23
07	97%	28
08	99%	34
09	103%	21
10	100%	23
11	96%	14
Average	**100%**	

CHINA

Grade	Average female/male	Weight (No of women)
06	76%	49
07	101%	58
08	94%	32
09	112%	21
Average	**93%**	

THE NETHERLANDS

Grade	Average female/male	Weight (No of women)
05	89%	10
06	100%	10
07	97%	10
Average	**95%**	

POLAND

Grade	Average female/male	Weight (No of women)
06	86%	36
07	91%	34
08	90%	13
Average	**89%**	

SINGAPORE

Grade	Average female/male	Weight (No of women)
08	95%	24
09	92%	16
Average	**94%**	

ITALY

Grade	Average female/male	Weight (No of women)
7	94%	11
8	98%	14
9	103%	15
Average	**99%**	

SOUTH KOREA

For South Korea we do not report as we do not have the minimum 10 employees for both genders.

WEIGHTED AVERAGE

Grade	Average female/male	Weight (No of women)
	99%	

To ensure sufficiently statistical significance, only Grades with minimum 10 employees of each gender are included.
To remove sources of error, the following are not included:

- Subcontractors, as DNV GL has no knowledge of their salary.
- Temporary staff, as salaries are generally not registered and the number is low.
- Employees with time limited contracts, as many of these are direct international hires with different compensation packages.
- Employees with part time contracts, as the salary paid may not be exactly proportional to the full time salary.

TABLE 08 **HIGHEST PAID INDIVIDUAL TO THE AVERAGE RATIO AND PERCENTAGE INCREASE**
FOR THE 10 COUNTRIES WITH MOST EMPLOYEES

Country	Currency	Ratio Salary Highest/ Average 2017	Average Increase 2016–17	Increase highest paid 2016–17	Ratio Increase Highest/ Average	Number of employees
Norway	NOK	7.0	2.4%	2.0%	0.82	1 893
United States	USD	3.3	3.9%	2.0%	0.52	1 053
Germany	EUR	3.7	2.8%	1.4%	0.50	1 074
United Kingdom	GBP	3.8	3.7%	1.8%	0.49	830
China	CNY	5.3	2.9%	0.0%		677
The Netherlands	EUR	3.4	3.1%	0.0%		510
Poland	PLN	3.2	5.9%	1.0%	0.17	306
Singapore	SGD	3.1	2.2%	0.0%		282
Italy	EUR	4.0	1.9%	1.3%	0.71	260
South Korea	KRW	2.4	1.4%	1.9%	1.41	260

The average salary increases equal the approved salary frames for a country, including promotions.
The number of salary increases for the most highly paid relates to the highest-paid individual during the reporting year, who was also employed the previous year.

TABLE 09 **EDUCATIONAL LEVEL**
FOR THE 10 COUNTRIES WITH MOST EMPLOYEES

Country	Basic education	Technical (0-3 years)	College (2 years)	Bachelor	Master	Doctorate/ PhD
Norway	121	34	59	380	1 319	193
United States	178	4	80	669	481	103
Germany	75	8	21	143	320	50
United Kingdom	33	19	22	249	312	121
China	12	2	45	494	268	13
The Netherlands	47	39	8	248	217	38
Poland	20	3	4	98	393	7
Singapore	44	3	5	180	111	18
Italy	87	2	21	113	68	20
South Korea	4		1	201	80	17

TABLE 10 **INTERNAL CLASSROOM TRAINING**
AVERAGE HOURS PER YEAR PER EMPLOYEE BY GENDER AND BY EMPLOYEE CATEGORY

Employee category	HOURS / EMPLOYEE	
	Female	Male
1	23	13
2	1	
3	3	2
4	3	4
5	5	6
6	8	9
7	8	8
8	8	13
9	8	15
10	11	15
11	9	13
12	12	12
13	10	7
14	8	7
15	13	2
Total	**7**	**12**

The overview includes permanent and time limited employees and excludes on-the-job training, internal e-learning, and external training. We aim at 70% on-the-job training in our competence development.

TABLE 11 **EMPLOYEES RECEIVED REGULAR PERFORMANCE AND CAREER DEVELOPMENT REVIEWS**
BY GENDER FOR PERMANENT EMPLOYEES

Female	Rated performance	Completed performance process
Permanent Employee	100%	87%
Time Limited Employee	100%	72%

Male	Rated performance	Completed performance process
Permanent Employee	100%	90%
Time Limited Employee	99%	92%

Female / male		
Total	100%	89%

HEALTH AND SAFETY

SAFEGUARDING OUR PEOPLE

Our health and safety performance is considered sound and stable. We continue to strengthen our culture through the resilience framework, focusing on attitudes, beliefs and behaviour of our employees. The commitment to and robustness of DNV GL's health and safety management is particularly important in tough times.

DNV GL supports Sustainable Development Goal 3 and strives to ensure healthy lives and promote wellbeing for all at all ages.

3 GOOD HEALTH AND WELL-BEING

TARGETS AND RESULTS

We are working to strengthen our attitudes, beliefs and behaviour, and striving to learn from experience and improve our way of working accordingly. This is to ensure that we safeguard our people and maintain a healthy and resilient workforce.

Targets

- **Zero harm**
  Be the benchmark of our industries.
- **Health and wellbeing**
  - Establish a global health and wellbeing framework to shift the focus from reactive stress management to a proactive and positive approach to employee wellbeing (2017).
  - Measure the maturity of our health and safety culture in a re-run of a global survey of all employees (2018).
- **Incident reporting and investigation**
  Strengthen our ability to learn and actively avoid and recover from serious incidents.
- **Crisis management**
  Perform a full-scale exercise with the Next of Kin Call Centre provider (2018).

Results

- **Zero harm**
  Continued stable and positive health and safety performance trends. Injury Rate: 1.2 (1.4), Occupational Disease Rate: 0.9 (1.0), Lost Day Rate: 30.3 (38.4) and Absentee Rate: 2.4 (2.5).
- **Health and wellbeing**
  Resilience programme developed and successfully launched, with the purpose of shifting the focus from reactive stress management to a more proactive and positive approach to employees' wellbeing and motivation.
- **Incident reporting and investigation**
  - Initiated a simplified and more objective approach to the classification of incidents and hazards to ensure incident investigations at an appropriate level.
  - A continuous focus on creating a culture with a low threshold for reporting and high interest in learning to ensure improvements.
- **Crisis management**
  - Complex global scenario exercises conducted to test the ability to respond in a crisis, with lessons learned addressed across the company.
  - A global internal next of kin support resource pool established to ensure that employees' dependants receive professional and timely information and support.

Plans

- **Zero harm**
  Our overall goal is zero harm to people.
- **Health and wellbeing**
  - Conduct a global health and safety culture survey for all employees to measure maturity.
  - Develop and implement action plans to address the potential needs identified in the survey to be run.
  - Develop improved fit-for-work requirements for high-risk activities.
  - Continue to implement the global health and wellbeing framework to strengthen the resilience of our workforce.
- **Learning from incidents**
  From 2018, injuries with lost time involving other workers (non-DNV GL employees) will still be reported and investigated, with the sharing of lessons learned. These will be reported separately from the injury rates for employees, as we do not register worked hours for other workers.
- **Crisis management**
  Improve the procedure for interacting with and supporting employees' next of kin in the event of a crisis.

APPROACH

Our purpose since 1864 has been to safeguard life, property and the environment. We do this through the services we provide and the way we operate. The backbone of our occupational health and safety management system is that all employees feel empowered to say 'No' when they consider a situation to be unsafe.

Health and safety management system

We are committed to continuously improving our occupational health and safety performance. Our comprehensive, global occupational health and safety management system is certified according to the OHSAS 18001 standard and embedded in our Group management system. The health and safety organization is structured along two lines of responsibility; geographically and per business area. Health and safety performance is reported to the Executive Committee on a bi-monthly basis. Quarterly reports are made available to all employees on the intranet.

Incident reporting tool

For reporting and managing incidents and hazards, we use our in-house developed, commercial software Synergi Life. This includes the use of the Synergi Life Mobile App for immediately reporting an occurrence at any time or place. Employees can also anonymously report incidents and hazards. Our health and safety incident-recording system complies with local laws and regulations in the countries where we operate. In countries with little legislation, the DNV GL Group requirements, which comply with Norwegian regulations, are adhered to. These are aligned with the ILO Code of Practice on Recording and Notification of Occupational Accidents and Diseases.

Knowledge sharing

A significant objective of incident and hazard reporting is to share and learn from experience gained across organizational units. Learning is shared through quarterly presentations of incidents assessed as having medium or high loss potential for the people involved, and there is open access to the incident and hazard database internally. We focus on transparency, training and tools when working towards a mature health and safety culture.

Involving employees

DNV GL shares health and safety information and has consultations with the representatives of local works councils and unions in accordance with collective agreements and local legislation. DNV GL recognizes representatives elected by local works councils and unions with which we have a collective agreement, as well as representatives that have been appointed in accordance with local legislation or procedures to represent the employees in a local works council or suchlike. The involvement is detailed in our internal procedures and applicable to all employees.

REVIEW

Our health and safety performance is considered sound and stable, with slight improvements in the injury rate, occupational disease rate, lost day rate and sickness absentee rate. The results are comparable with those of our peers; however, we are continuously attempting to improve. We have revised our goal from being the benchmark of our industries to striving for zero harm to people.

Injury rate

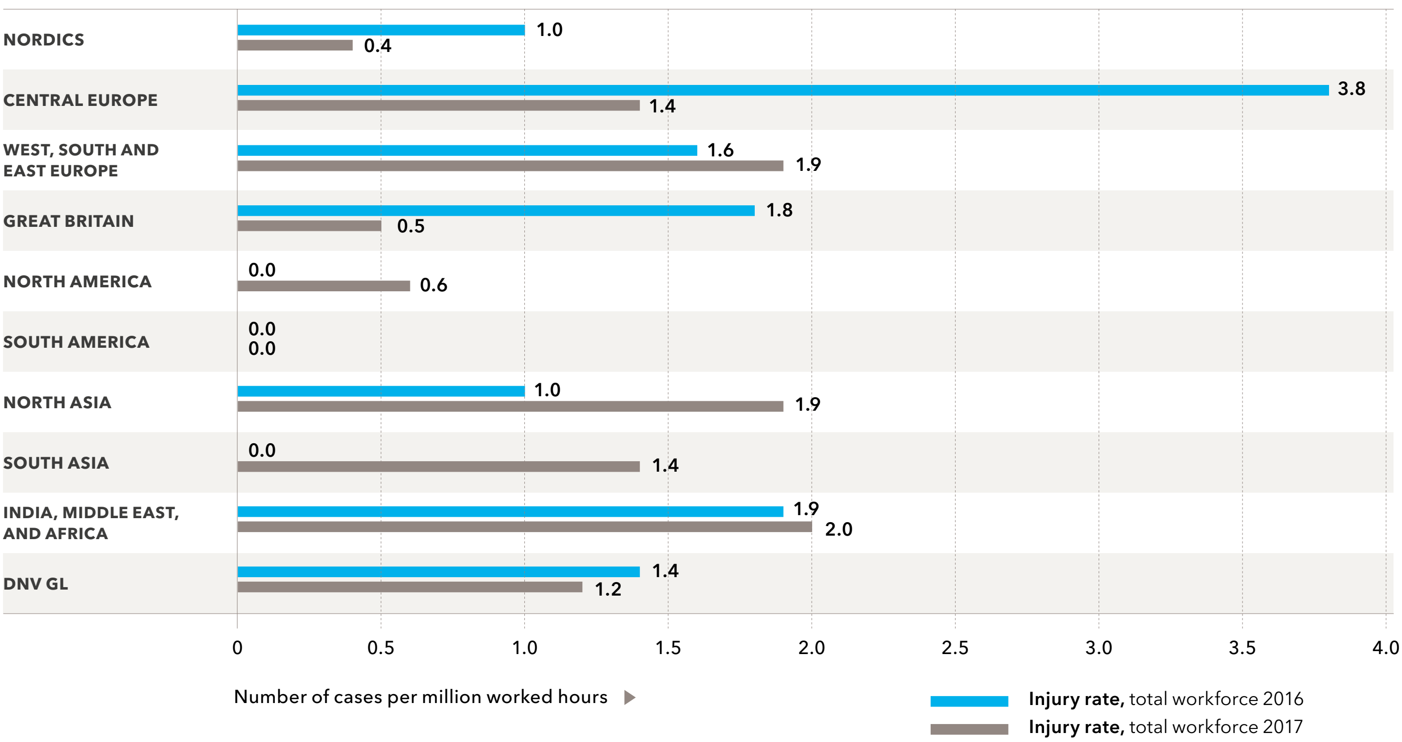
In 2017, we achieved an injury rate of 1.2 (1.4). We see a decrease in the injury rate over several years and will continue to work on improving safety by maintaining a top-down focus and employee involvement.

The results of investigations into injuries and near-injuries, with a potential high loss to the employees involved, are shared across the company. The sharing of best practices and lessons learned is key to minimizing the risk of recurring injuries and learning from near-misses to prevent injuries.

The significant increase in the injury rate for Region North Asia is related to two additional lost time injuries reported in 2017 compared to 2016. Four of the five reported injury cases in 2017 are related to field work. Field work continues to be a focus area in this region and all major incidents are shared. The significant decrease in the injury rate for Region Central Europe is due to fewer injuries related to office work being reported in 2017 compared to 2016. No injuries were recorded for Region South America, which is partly explained by reduced business activities in the area.

In 2017, 4 (2) injuries with lost time recorded were related to other workers (non-DNV GL employees).

FIGURE 04 **INJURY RATE PER REGIONS**



Occupational disease rate

In 2017, we achieved an occupational disease rate of 0.9 (1.0). Approximately half of the cases reported in 2016 and 2017 are related to stress and a high workload. Other types of diseases reported in the past two years are mainly due to ergonomic stressors and exposure to hazardous indoor and outdoor environments. A global resilience framework was implemented in 2017 to enhance employees' physical, mental and social wellbeing and shift the focus from reactive stress handling to a more proactive approach.

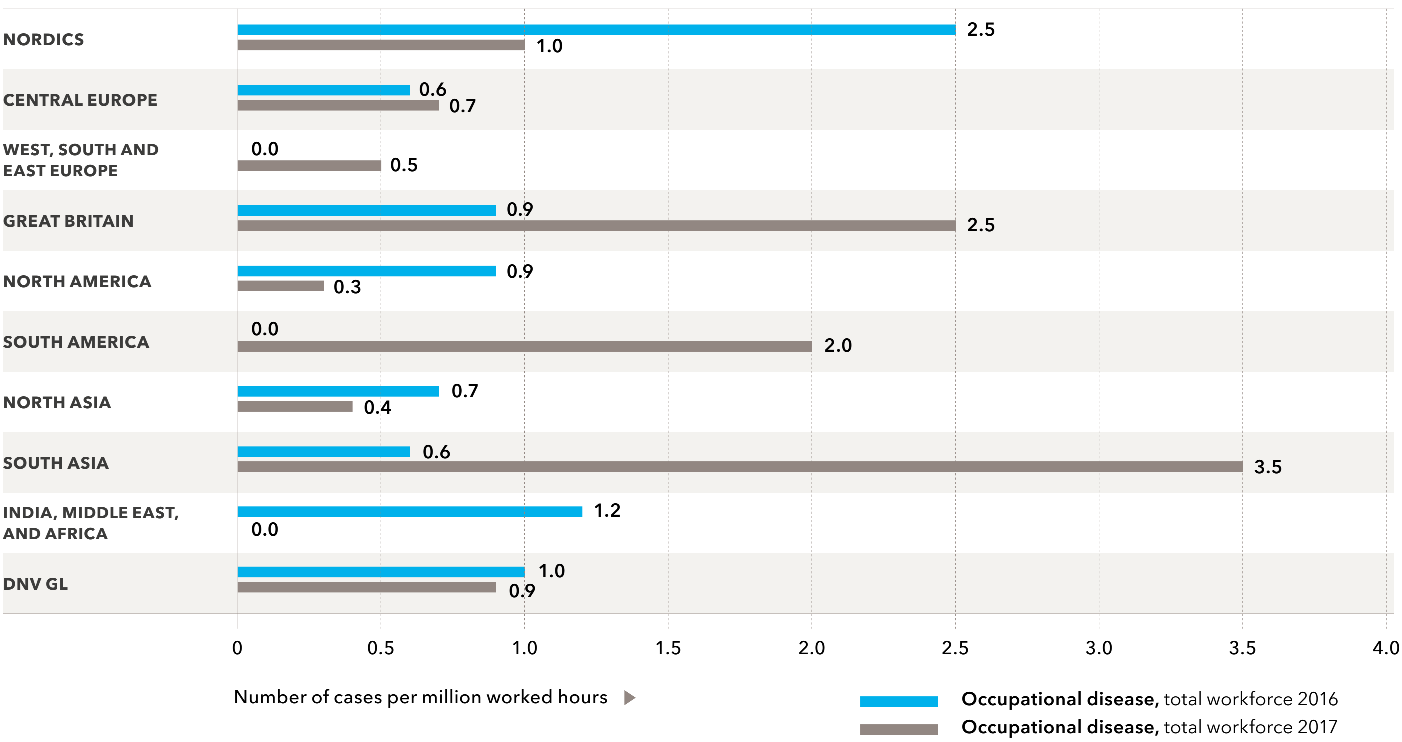
The significant decrease in the occupational disease rate for Region Nordic and Region India/Middle East/Africa is mainly related to fewer stress cases reported in these regions in 2017. Region India/Middle East/Africa has implemented specific health measures, such as proactive health checks for employees working in the office and newsletters aiming to make employees more confident about discussing their workload and stress levels with their line manager. The increases in the occupational disease rates for Regions Great Britain, South America and South Asia are due to cases assessed as having low loss potential for the people involved. The high level in South Asia is due to non-recurrent cases, related to food and workplace hygiene.

1.2 Injury Rate due to lost day injuries per million working hours

2.4% Absentee Rate due to sickness

0.18 incidents and hazards reported per employee

FIGURE 05 **OCCUPATIONAL DISEASE RATE PER REGIONS**



Lost day rate

There were 702 sick days due to injuries and occupational diseases, significantly down from 957 in 2016. The Lost Day Rate was 30.3 (38.4). The decrease is mainly related to fewer severe stress and workload cases reported in 2017, particularly for Region Nordic.

The main cause of the significant increase in the lost time rate for Region India/Middle East/Africa is unfortunately one major car accident in Kenya. Due to the unstable situation in Kenya, we have not been able to perform a root-cause analysis for the car accident. In Region Great Britain, one severe stress-related case was reported and thoroughly investigated, with measures taken.

Absentee rate

The absentee rate continues to be at a low level, calculated to be 2.4% (2.5%). The absentee rate per region is not available since our current systems are not configured to extract sickness data for the whole company across DNV GL's nine Global Shared Services regions. This issue has been addressed to further improve our reporting.

Incidents and hazards reporting

During the year, 2,342 incidents and hazards related to occupational health, safety and the environment were reported. This represents 0.18 reports per employee (0.20), explained by natural variations over the rolling 12-month average. Twenty-eight per cent of the reported incidents and hazards were assessed as having medium or high loss potential for the people involved.

Reported incidents and hazards are work-related cases involving employees. Incidents involving other workers (non-DNV GL employees) are also included, but corresponding hours are excluded in the reported injury rate and lost day rate. Hence the injury rate and lost day rate are slightly too high. However, this is not significant for the understanding of our health and safety performance. From 2018, injuries with lost time involving other workers will still be reported and investigated, with sharing of lessons learned, but these injuries will not be included in the injury rate. We plan to report injury rates for other workers when the HR and financial systems can fully capture the number of -hours worked. No workers are involved in occupational activities with a high incidence of specific diseases.

FIGURE 06 **LOST DAY RATE PER REGIONS**

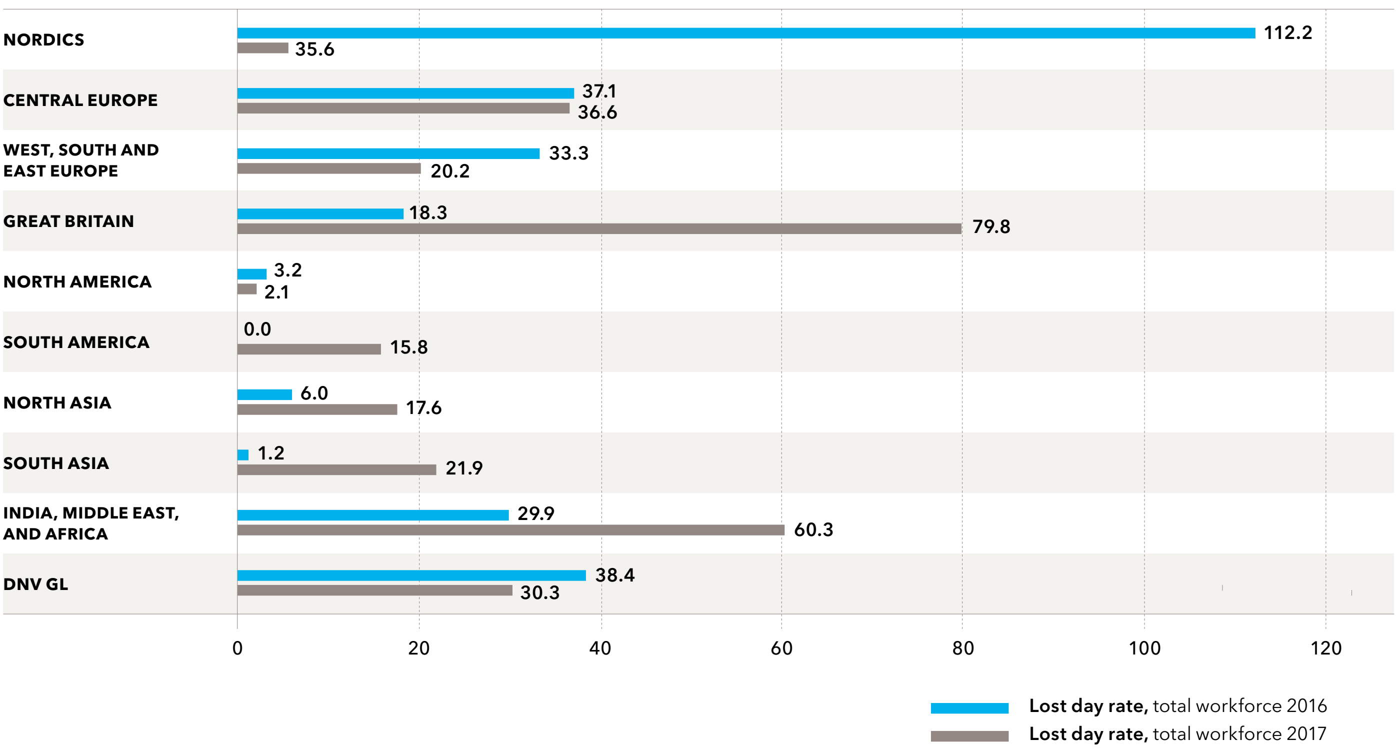


TABLE 12 HEALTH AND SAFETY PERFORMANCE

	2017	2016	2015
Fatal accidents	0	0	0
Injuries with lost days	27	34	40
Injuries with no lost days	149	162	183
Occupational diseases with lost days	22	25 [1]	36
Occupational diseases with no lost days	99	106	80
Near-accidents	313	408 [2]	582
Hazards	1 621	2 013 [3]	2 588
Injury rate (IR)	1.2	1.4	1.5
Occupational disease rate (ODR)	0.9	1.0 [1]	1.0
Lost day rate (LDR)	30.3	38.4 [4]	49.2
Absentee rate (%)	2.4	2.5	2.2

Corrections to previous reporting
To minimize restrictions and maximize the number of recorded incidents in the Synergi Life system, we do not set any cut-off date for registering incidents and hazards in the reporting tool. Our annual external reporting may consequently be corrected with registrations made after the reporting deadlines, and such corrections are commented. Injuries and diseases with high loss potential for people involved, are investigated independently of the recording date in Synergi Life.

1) Occupational diseases with lost time reported for 2016 is corrected from 23 to 25 due to one new case recorded after the deadline for external reporting, and one case not correctly reported in 2016. Both cases are investigated and actions are implemented. The occupational disease rate for 2016 is corrected accordingly from 0.9 to 1.0.

2) Near-accidents reported for 2016 is corrected from 410 to 408 due to change in the case type after the deadline for external reporting.

3) Hazards reported for 2016 has been corrected from 1982 to 2013. 30 hazards were reported after the deadline for external reporting.

4) The lost day rate reported for 2016 has been corrected from 29.3 to 38.4. One injury was updated with lost days and one occupational disease case was recorded and updated with lost days after deadline for external reporting.

DEFINITIONS

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

- **Hazard:** An unsafe situation, object and/or practice with the potential to cause an incident.

- **Injury rate (IR):** Number of injuries with lost days/million worked hours. First aid injuries are included in the injury rate.

- **Injuries with no lost days:** Number of accidents resulting in personal injury but no lost time (back to work the next day).

- **Injuries with lost days:** Any work-related injury which prevents an injured employee or other workers from doing any work on any day (or shift) after the day (or shift) on which the injury occurred, including weekends and holidays.

- **Loss potential:** Evaluation of the most probable consequence and frequency of loss to the employees and other workers involved.

- **Lost day rate (LDR):** Number of days' absence due to injuries with lost days and occupational diseases with lost days / million worked hours.

- **Near-accident:** A sudden unintentional event which, under slightly different circumstances, could have resulted in an accident.

- **Occupational disease rate (ODR):** Number of occupational diseases with lost days/million worked hours. First aid diseases are included in the occupational disease rate.

- **Occupational diseases with lost days:** Workplace environment conditions (including the psychosocial workplace environment and musculoskeletal load), exposure to which over a period results in disease to employees or other workers, or a work activity resulting in disease, with lost days (not back to work the next day).

- **Occupational diseases with no lost days:** Workplace environment conditions (including the psychosocial workplace environment and musculoskeletal load), exposure to which over a period results in diseases to employees or other workers, or a work activity resulting in illness, with no lost days (back to work the next day).

- **Work-related cases:** An incident or hazard that occurs or arises during the performance of duty on behalf of DNV GL. Duty includes work at, or travel to and from, any location on behalf of DNV GL, or participation in a social event organized by DNV GL. Occurrences during travel between the employee's home and DNV GL home office are classified as not work-related in Synergi Life. A case is not considered work-related if an injury or disease involves signs or symptoms that surface while at work, but result solely from a non-work-related event or exposure that occurs outside the workplace environment. A case considered by DNV GL as not work-related per the above, may still be subject to a country's statutory reporting and is recorded in Synergi Life when a formal report is made to the relevant authorities.

BUSINESS ETHICS AND ANTI-CORRUPTION

SAFEGUARDING OUR CULTURE OF INTEGRITY

DNV GL's business model is based on trust at all levels and in all business environments. Trust can only be achieved when we persistently maintain high standards of business and personal conduct. We endeavour to reflect DNV GL's values in everything we do to demonstrate ethical leadership and uphold our reputation for integrity.

DNV GL supports Sustainable Development Goal 16 and strives to promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.

TARGETS AND RESULTS

Relevant measures to achieve a high level of integrity have been further implemented through respective e-learnings, classroom training and communication measures, as well as improvements to the governing documents, observing and taking into consideration the latest legal developments.

Targets

- Reflect the findings of a risk assessment and introduce express training sessions, addressing the needs of employees in their daily work.
- Set up an export control network.
- Awareness training on the reporting of misconduct.
- Monitor the implementation of the new Supplier Code of Conduct and the instruction on Subcontractors and Intermediaries.

Results

- Express learning on the reporting of misconduct prepared for roll-out in 2018.
- Monitored implementation of a governing document on Subcontractors and Intermediaries, including the finalization of risk assessments per business area.
- Export Control Network set up.
- E-learning on export control law and sanctions prepared for roll-out in 2018.
- Express learning on personal data protection (refresher) rolled out.

Plans

TRAINING AND AWARENESS

- Preparation and roll out of an e-learning course for subcontractors.
- Roll-out of an awareness session for all employees on the reporting of misconduct.
- Anti-corruption measures for identified high-risk countries.
- Drive awareness on export control and sanction requirements.
- Express learning about DNV GL as a data processor.

GOVERNING DOCUMENTS AND IMPLEMENTATION

- Further implementation of requirements related to the EU General Data Protection Regulation.
- Activities to ensure the protection of customers' personal data.

2,500

employees trained on the compliance programme

98%

completed code of conduct training, 97% completed anti-corruption and antitrust training

APPROACH

We seek to provide reliable protection against non-compliance risks and are continuously developing a common understanding of our integrity performance. Regular reports on developments are presented to the Board's Audit Committee and CEO. We regularly evaluate risks reported in our risk management system and develop tailor-made awareness initiatives for these.

Code of Conduct

Our Code of Conduct outlines high-level principles in two main areas: DNV GL's conduct of its business; and the personal conduct of people involved in DNV GL's business at all levels, both in ordinary work situations and when there are challenges to our personal or professional integrity.

Zero tolerance

We do not tolerate any violation of applicable laws, including anti-corruption, privacy and export control laws, our Code of Conduct or internal instructions. Violations may result in disciplinary procedures, including termination of employment or contract as well as potential legal proceedings. As a global company with activities in a range of sectors, we face differing local regulations and practices, which in turn results in a diverse risk picture.

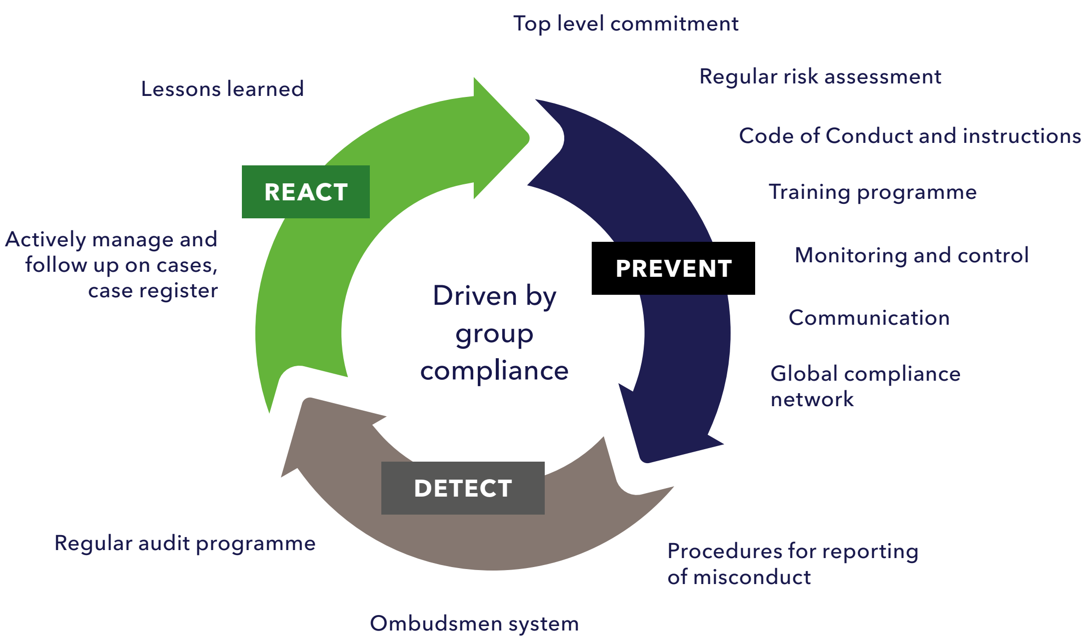
Governance

Effective compliance is based on the global governance of our compliance organization and clear-cut reporting lines, as well as close cooperation between our Group Compliance unit, all business areas and Global Shared Services, ensured through an international compliance network.

Top management focus

The Board of Directors get regular updates through presentations, training and information on DNV GL's compliance programme. A special focus on this is part of the latest legal and political developments.

FIGURE 07 COMPLIANCE PROGRAMME ACCORDING TO ISO 19600



Compliance programme

Our compliance programme with its related instructions is based on the Code of Conduct and owned by the Board of Directors. All focus areas, anti-corruption and antitrust efforts, export control law and sanctions, and personal data protection are based on the ISO standard 19600, creating an interlinked, integrative and tailor-made approach. Lessons learned are systematically used to build competence and resilience. This enables our employees to understand the structure and requirements of the compliance management system and meet customer requirements.

Risk management

The management of corruption and fraud risks is integrated into the regular risk management processes and the Group Compliance Officer is a member of DNV GL's Group Risk Forum. All business areas conducted a risk assessment in 2017. The DNV GL risk management tool included 32 identified and active fraud and corruption risks in 2017. The risks were identified as being in Business Assurance (12), Global Shared Services (11), Oil & Gas (6), Maritime (2) and Energy (1). Identified high-risk countries report separately on risks identified in a separate risk reporting process.

Communication

Communication, including the tone from the top, is a key success factor in the programme. We are constantly developing our communication channels to create an ongoing high level of awareness in the organization. The latest information as well as FAQs can be found on the intranet.

Training

In our tailor-made training programme, we build competence by using customized awareness sessions and web-based training, including actual compliance cases to include lessons learned. All employees, regardless of category and region, are to complete the mandatory e-learning modules on Code of Conduct and Anti-Corruption and Antitrust. For this reason, we do not monitor completion by category and region.

Customer privacy

Customer data are handled in accordance with the confidentiality obligations that follow from the terms and conditions of our contracts with customers. Comprehensive instructions are in place outlining our standards to protect the personal data of employees and customers in line with the EU General Data Protection Regulation.

Antitrust

The Antitrust instructions are supplemented by a guideline on "Dos and Don'ts for competition law". Antitrust is also part of the mandatory training programme.

Supply chain

We expect our suppliers and subcontractors to uphold the same business ethics standards as DNV GL and instructions on our requirements are in place. We provide subcontractors with the Supplier Code of Conduct and carry out due diligence checks as decided in the business areas.

Reporting of misconduct

Our employees and customers are encouraged to report actual or suspected misconduct, such as, but not limited to, concerns related to bribery, fraud, labour grievances, discrimination or other ethical issues concerning colleagues, suppliers, subcontractors or agents working on behalf of our company. The different channels for reporting misconduct are set out in our instruction on the reporting of misconduct. Internally, issues should be handled through the normal line-management route. If this is not feasible, the Group Compliance Officer or one of the Ombudsmen should be contacted.

The Group Compliance Officer has a direct reporting line to the Board of Directors, guaranteeing direct access to the Board in the case of misconduct in the Executive Committee.

Information on how customers, employees and other stakeholders should report potential misconduct is published on the company website and intranet. Concerns may be reported to the internal and external Ombudsmen, ensuring the anonymity of the whistle-blower.

REVIEW

Based on the findings of a risk assessment we introduced express training sessions, addressing the needs of employees in their daily work, and ensured export control compliance, subcontractor due diligences and further awareness building around the reporting of misconduct.

Compliance

No critical concerns were reported in 2017. There were no legal actions pending or completed during the reporting period regarding anti-competitive behaviour or violations of anti-trust and monopoly legislation in which DNV GL was identified as a participant. We have not identified any significant fines or non-monetary sanctions for non-compliance with laws and/or regulations in the environmental, social or economic area.

Governing documents

A major revision of the Reporting of Misconduct instructions was published, further emphasizing the role of the Internal and External Ombudsmen.

The existing procedure for implementing the requirements of the EU General Data Protection Regulation in line with the Binding Corporate Rules approved by the Norwegian data protection authorities, is revised.

TABLE 13 **REPORTED NEW, POTENTIAL COMPLIANCE CASES**

Case type	2017	2016	2015
Labour (suspicion of harassment, discrimination or breach of other labour-related instructions)	9	10	7
Financial (suspicion of financial misconduct)	11	7	10
Data Protection (suspicion of breach of data protection laws)	5	10	4
Ethical Behaviour (suspicion of unfair treatment)	25	10	3
Other (all other suspicions of breach of law or internal instructions)	12	7	16
Total	62	44	40

TABLE 14 **COMPLETION RATES FOR BUSINESS ETHICS TRAINING**

	Code of Conduct			Anti-corruption & antitrust		
Business Area	2017	2016	2015	2017	2016	2015
Maritime	100	100	99	99	89	88
Oil & Gas	96	95	89	88	78	77
Energy	95	94	89	88	87	87
Business Assurance	100	100	90	87	71	68
Digital Solutions	100	100	98	97	81	79
Global Shared Services	96	94	91	89	84	80
Group functions	100	100	91	89	74	67
Total	98	97	93	92	83	81

Subcontractors and intermediaries

We have monitored the implementation of the Instruction on Subcontractors and intermediaries, as well as the application of due diligence checks in the different business areas. Respective training is planned for 2018 and there are still some more improvements to be made.

Local gift guidelines

We have evaluated the roll-out of our local gift guidelines. Most local implementations were satisfactory, while several countries need further guidance. Suitable actions have been taken.

Rules for investigations

Guidelines for front-desk officers regarding rules in the case of investigations have been distributed in the organization.

Measures for high-risk countries

We continued to implement extra measures in countries with a high risk of fraud and corruption. As part of the inter-active e-learning training for employees provided in high-risk countries, we gathered feedback on theoretical fraud and corruption scenarios in our organization. This feedback will be used in awareness initiatives in 2018.

Export control network

The process of establishing an extended global export control network, which started in 2016, continued in 2017 with the nomination of responsible persons by business area CEOs. Furthermore, locally improved processes were developed, starting in Germany. Classroom training on export control law took place and an e-learning on export control laws and sanctions was developed. Measures to ensure compliance with export controls and sanctions were increased in key countries, starting with classroom training. An internal document was published to provide an overview of existing sanctions and guidance for all business dealings with a connection to Russia and/or Crimea and Sevastopol.

Automatic sanctions checks

Automatic sanctions checks were extended to include another of our customer relationship management tools used by operational business.

9

times was compliance status presented to the Executive Committee

Training

The existing e-learning modules for the Code of Conduct and Anti-Corruption and Antitrust are mandatory for all permanent and temporary employees. 98% (97%) of all employees had completed the Code of Conduct e-learning module, while 97% (83%) had completed the Anti-Corruption and Antitrust e-learning module.

Interactive team training on anti-corruption and fraud for high-risk countries was rolled out in all high-risk countries in 2017. By the year-end, 91% of employees in the designated high-risk countries for 2015–2017 had been trained. In the discussions, employees described typical corruption scenarios, and actions for avoiding these scenarios were developed in subsequent discussions. The result of this feedback will be incorporated into further awareness measures in 2018.

A new e-learning module on export controls and sanctions was developed to help employees handling export control matters in all business areas to learn about the main aspects of export control laws and sanctions. This module will be rolled out in 2018.

A new express learning on the reporting of misconduct was prepared to create further awareness. This training will be mandatory for all employees and is to be rolled out in 2018.

To further increase awareness of relevant staff handling of personal data, the e-learning on personal data protection was also rolled out in the HR units in all business areas.

A new express learning on personal data protection was rolled out in 2017 as a refresher for employees in relevant functions, explaining central principles of personal data protection and providing examples of where they are relevant and important in everyday work.

Communication

The Compliance Officer continued to present updates and highlights concerning the compliance programme to the Control Committee, Board of Directors, and Executive Committee as well as at several Country Chair meetings. The global compliance network continues to actively raise awareness of compliance issues in its members' respective countries and to help communicate the compliance programme.

ENVIRONMENT AND CLIMATE

ESTABLISHED BASELINE FOR GREENER OPERATIONS

A plan to become carbon neutral was included in DNV GL's Group Strategy towards 2020. Climate action is an increasingly crucial task for society and also a priority for DNV GL.

DNV GL supports Sustainable Development Goal 13 and strives to take urgent action to combat climate change and its impacts.

13 CLIMATE ACTION

TARGETS AND RESULTS

We aim to deliver safer, smarter and greener performance in everything we do. We take a precautionary approach and are committed to managing and continually improving our environmental and climate performance. This is to ensure that we safeguard the environment and climate and comply with regulations and expectations.

Targets

- Implement a global plan with measures to become climate neutral regarding travel and buildings within 2020
- Measure greenhouse gas emissions from air travel for 100% of employees
- Include more locations in the environmental and climate reporting
- Add waste to our environmental reporting and establish a reporting baseline
- Engage in initiatives to understand our customer services' impact on the environment.

Results

- Global plan to become climate neutral in our operations by 2020 established
- Greenhouse gas emissions from air travel are measured for 97% of employees and estimated for the remaining employees
- Emissions from offices and operations are estimated for 100% of our employees, directly provided from locations representing 86% of employees
- A reporting baseline for waste has been established for the biggest locations
- A project has been established to understand our customer services' impact on the environment.

Plans

GOVERNANCE

- Establish environmental goals in all countries

CARBON NEUTRALITY

- Develop programmes to reduce our emissions from travel and operations
- Become verified as carbon neutral by 2018

STRATEGY

- Identify opportunities to become a climate positive company that contributes to reducing greenhouse gases from the atmosphere.

APPROACH

We aim to foster a safer, smarter and greener culture in which we continuously improve our environmental and climate impact. As a signatory to the UN Global Compact, taking a precautionary approach in managing environmental and climate aspects is embedded in how we run our business.

Climate neutral strategy

In line with our vision for a safe and sustainable future, we will reduce our negative impact on the environment. We will implement programmes to reduce our emissions and consumption from travel and operations, including sustainable procurement programmes. From 2018, our operations will be verified as being carbon neutral.

Code of Conduct

Our Code of Conduct states that we are to work to reduce the environmental impact of our own operations, procurements, investments and property management. Further, we are to minimize our emissions and consumption of energy and natural resources, and actively contribute to environmental protection by promoting the development and deployment of environmentally friendly technologies.

Environmental management system

We have been certified in accordance with ISO 14001 since 2008 and this certification is key to ensuring that the Group operates in a safer, smarter and greener manner. The certification also contributes to DNV GL being trusted as a leader that enables the safe and sustainable performance of its customers. To implement environmental initiatives, internal and external audits are undertaken at test sites and laboratories.

Environmental reporting system and tool

Environmental measurements, incident reporting and performance monitoring of material topics, such as energy consumption, emissions to air and waste management are followed up annually using the Synergi Life tool.

Climate and environmental governance

Our approach, processes and systems for managing our environmental performance throughout the Group are defined in a series of governing documents. The Global Shared Services unit supports line management, and the Group HSE function is responsible for governing and controlling environmental performance across business units using the Synergi Life tool and dedicated travel agencies.

Green solutions

Our operational priorities are to reduce our operations' energy consumption and emissions to air, and the measuring and monitoring of these aspects are recorded and followed up annually. We seek appropriate and sustainable approaches and choose green solutions. If no such solution can be found, we shall as far as possible apply the solutions with the least negative environmental impact. If we undertake work which may have environmental impacts that are different to those of our normal operations, such impacts shall be identified and evaluated.

REVIEW

2017 is the first year for which DNV GL reports emissions from offices, operations and air travel for 100% of its employees.

Compliance and risk

No risk related to climate change is considered material. Action has been taken to mitigate the potential risk of flooding at the Arnhem laboratory, which is situated on reclaimed land beside the River Rhine. This includes an early-warning system as well as the purchase of protection material. The related financial implications are limited.

Zero non-compliance cases involving environmental regulations and zero fines related to environmental aspects were reported in 2017.

The total energy consumption was 118.3 GWh

Environmental numbers are reported by 112 locations with 86% of our employees. Energy consumption is estimated for the remaining employees, based on the global average energy consumption per square metre. The Netherlands operations used energy with green certificates in 2017.

The greenhouse gas emissions (Scope 1 and 2) were 25,822 tonnes CO_2e

The reported greenhouse gas emissions are from our energy consumption, burning of fuels and use of gases in lab operations. The Arnhem Power TIC Laboratory is one of the major contributors to our greenhouse gas emissions due to its use of SF6 gas. The specific greenhouse gas emissions (Scope 1 and 2) from the reporting locations were 2 tCO_2 per person in 2017.

The greenhouse gas emissions from air and car travel (Scope 3) were 43,665 tonnes CO_2e

Of these, 36,444 tonnes CO_2e were from air travel. The travel agencies currently cover 97% of the permanent and temporary employees, and an estimate is made for the remaining employees. Additional 6.5 tonnes CO_2e Scope 3 emissions from waste are reported for Norway.

TABLE 15 **GREENHOUSE GAS EMISSIONS**

	GHG Emissions (tCO_2e)	
	2017	**2016**
Scope 1: Direct GHG emissions from operations	10,535	11,223
Scope 2: Indirect GHG emissions from consumed energy	15,287	12,144
Scope 3: Direct GHG emissions from air and car travel	43,665	17,282

Calculation of greenhouse gas emissions

The greenhouse gas emissions have been calculated in line with the GHG Protocol (World Business Council for Sustainable Development and World Resources Institute). For 2017, we adopted the financial and operational control approach, with the operational control criteria defining the boundary for consolidating the greenhouse gas emissions. Location-based emissions are reported globally, while market-based emissions are reported for Norway and several EU countries. Emission factors for air and car travel, chemical consumption and fossil fuels are based on Defra CO_2 emission factors (https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2017). Indirect emissions from electricity and district heating have been calculated using country-specific grid average emission factors published by the IEA in a 2017 revision. Market-based emissions for EU countries are taken from AIB (https://www.aib-net.org/) "European Residual Mixes 2016".

Emissions not included in the reporting

For 2017, we have not reported emissions of the greenhouse gases CH_4, N2O, HFCs, PFCs, SF6, NF3, NOx or SOx.

118.3 **GWh used,** including 37.5 GWh green energy with green certificates

69.5 **thousand tonnes of CO_2e** emitted from offices, lab operations, air and car travel

zero **material climate-risk** or non-compliance cases

SUSTAINABLE PROCUREMENT

STRENGTHENING SUSTAINABLE PROCUREMENT PRACTICES

We continue to strengthen our global governance systems by preparing systematic sustainable procurement practices group-wide. Our focus on environmentally sound buildings and related energy and greenhouse gas emissions reductions, resulted in the development of a green office plan outlining key targets and actions to reduce waste and the use of energy and water.

DNV GL supports Sustainable Development Goal 12 and strives to ensure sustainable consumption and production patterns.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

TARGETS AND RESULTS

The sustainability and ethical standards to which we commit also extend to our suppliers. Our current ambition is to fully implement a consistent sustainability procurement programme which will enable us to effectively engage with our suppliers worldwide and monitor performance.

Targets

- **Implementation of procurement software**
  Implement procurement software which enables supplier data to be tracked and the introduction of sustainable procurement processes to be monitored. The tool will initially cover indirect suppliers.
- **Supplier risk assessments**
  Initiate systematic sustainability risk assessments of selected supplier categories.
- **Performance reporting**
  Based on the implementation of the procurement software, we aim to report on indirect-procurement supply chain performance in 2018.

Results

- **Implementation of procurement software**
  Procurement software has been implemented and all supplier information, contracts and other related documents are to be uploaded to this system. This enables us to track and monitor suppliers globally.
- **Supplier risk assessments**
  All contracts entered into with new suppliers in 2017 included the Supplier Code of Conduct. At times, we need to accept the supplier's code, in which case this code overlaps with ours. All Group procurement procedures were updated and aligned with the Supplier Code of Conduct. All procurement staff were trained in new and updated policies and procedures for procurement and all new staff attended a 2-day training programme on procurement governance.
- **Performance reporting**
  The procurement software will enable us to report on supplier performance. An assessment of supplier performance is a functionality of the system and will be implemented in 2018. Guidelines and a template for a supplier risk review were prepared during 2017 and a short list of suppliers to be audited will be prepared in early 2018.

Plans

- **Implementation of procurement software**
  Upload all indirect suppliers to our procurement database to enable supplier data to be tracked and the implementation of sustainability procurement requirements to be monitored.
- **Supplier audits**
  Carry out audits based on systematic sustainability risk assessments of selected supplier categories.
- **Performance reporting**
  Based on the implementation of the procurement software, we aim to report on indirect procurement supply chain performance for 2018.

APPROACH

Our Supplier Code of Conduct outlines our expectations for suppliers and is aligned with the UN Global Compact's ten principles on human rights, labour standards, environmental performance and anti-corruption work. We procure most services and products locally. The responsibility for governing documents, strategies, processes, tools and global procurement projects is organized centrally in our Global Shared Services unit.

Characteristics of our supply chain

We divide our suppliers into two main groups:

Direct suppliers that provide services which are part of our deliveries to customers. These suppliers are, for example, subcontractors that provide technical expertise or conduct management system certifications on our behalf.

Indirect suppliers that provide goods and services related to our overall business activities, such as the facility management of our office buildings, travel, ICT hardware and software, financial services, insurance, and office supplies.

The largest categories by expenditure are Subcontractors; Office and real estate expenses; ICT; and Travel.

All suppliers shall accept our Supplier Code of Conduct

We shall use suppliers which accept our Supplier Code of Conduct. Suppliers are required to sign the Supplier Code of Conduct or accept it as a mandatory attachment to the contract. In addition, subcontractors must comply with HSE requirements that are equivalent to our own requirements. Further, checklists are in place to ensure an appropriate ethical standard of hired subcontractors in line with our Supplier Code of Conduct. New indirect suppliers shall be screened for inherent sustainability risks. Where needed, suppliers are requested to conduct self-assessments.

Global governance, local purchasing

We procure most services and products locally. However, the responsibility for policies, processes and tools as well as global procurement projects is centralized. The business areas are responsible for direct procurement which is part of our deliveries to customers. Indirect procurement is managed by Global Shared Services.

Risk management

New suppliers need to complete a standard risk assessment questionnaire, and we assess the risk relating to suppliers before contractual engagements. The risk assessment is a continuous process, and is carried out if and when required. We believe that our supplier portfolio, which is basically service-related, has a low risk of non-compliance. To manage risk and ensure cost savings and transparency, we are working to consolidate suppliers globally and select trustworthy suppliers whose values and service quality are as required.

Competence development

We train new employees involved in procurement centrally every year. General governance and the Supplier Code of Conduct are on the agenda. Regional procurement managers attend global alignment meetings twice a year, at which the latest information on governance is communicated. The regional managers then communicate this to their teams. In addition to these face-to-face meetings, bi-weekly Skype meetings of regional procurement managers and the central team also help to ensure that the whole team is updated and aligned.

High sustainability standards

Our commitment to corporate sustainability extends to our relationships with suppliers, subcontractors, contractors and intermediaries. Our Supplier Code of Conduct outlines our expectations for suppliers and is aligned with the UN Global Compact's ten principles on human rights, labour standards, environmental performance and anti-corruption work. Further instructions that inter alia support sustainability principles are given in management-system documents, such as the instructions for procurement, instructions for contracting subcontractors and intermediaries, real-estate management policy and real-estate leasing guidelines

High environmental standards for office buildings

DNV GL has an overall goal to do its utmost to minimize its impact on the environment. Renting green offices and reducing the office area per employee helps to reduce the impact on people and the environment. Our Global Real Estate Leasing Guidelines state that "We will use office premises and other properties which are in compliance with our environmental policies, e.g. increased energy efficiency of buildings, sustainable energy sources, and reduced energy consumption and atmospheric emissions".

REVIEW

In 2017, we continued to implement sustainable procurement practices. The review of all relevant governance documents was completed and software to enable the tracking, monitoring and reporting of supplier data was selected and started to be implemented. The consolidation of travel agencies from 200 to 2 enables the transparent reporting of greenhouse gases. Moreover, a green office plan was developed. Our first near-zero emission building in Shanghai was officially opened with the attendance of the Norwegian Prime Minister and senior Chinese officials.

Implementation of the Supplier Code of Conduct

All contracts entered into with new suppliers included the DNV GL Supplier Code of Conduct. This code covers social, environmental and ethical criteria. We now have in place a system which enables consolidated reporting on the percentage of new suppliers that were screened on these criteria. However, these data will not be available until a complete upload has been carried out in 2018. A system which enables risk assessment was created in 2017 and will be fully implemented in 2018.

New procurement database ready for implementation

The work of establishing a more systematic approach to sustainable procurement management continued in 2017. The review of all procurement instructions was completed. Further, we selected integrated procurement software which will enable supplier data to be tracked and the implementation of sustainable procurement processes to be monitored.

~100% **of contracts entered into with new suppliers** included the supplier code of conduct.

~100% **of new employees in indirect procurement** are trained in the updated Group governance documents and supplier code of conduct.

zero **reported cases** of non-compliance or unacceptable supplier performance

Green offices

Based on our ambition of reducing our carbon footprint, we have prepared a green office plan that covers the following: a reduction in our carbon emissions through renting green offices, the development and implementation of a green office guide as well as the strict application of the space requirements outlined in our global office design manual. Furthermore, we purchase green energy where available.

Green buildings are estimated to consume 30 to 50% less energy than 'non-green', use 40 per cent less water, emit 30 to 40% less CO_2 and produce about 70% less solid waste. The green building performance is documented by Green building certifications. Today, DNV GL rents 19 offices with a green label. This includes all our larger offices and accounts for 20% of our total rented area. As an example, the new Group headquarters is rated as BREEAM Excellent. By reducing the average square metres per employee to 12 globally in a few years' time, we will reduce our energy consumption and environmental footprint in addition to saving costs.

A green office guideline is being developed to promote sustainable performance for all offices. The guideline will provide practical suggestions to all employees for their daily environmental protection actions, such as saving energy through heating, cooling and lighting; saving water; avoiding waste and reducing greenhouse gas emissions.

PARTNERSHIPS FOR SUSTAINABILITY

TOGETHER WE ACHIEVE MORE

As part of our vision to have a global impact for a safe and sustainable future, we strive to act faster and achieve more in collaboration with others. We provide technology and sustainability expertise as well as funding in local and global partnerships that focus on climate, social and governance innovation.

DNV GL supports Sustainable Development Goal 17 and endeavours to strengthen the means of implementation and revitalize the global partnership for sustainable development.

17 PARTNERSHIPS FOR THE GOALS

Through our daily business in more than 100 countries, we work together with customers, suppliers and competitors in industry associations and on initiatives at national, regional and global levels.

We strive to bring our technical insight and market foresight into the work of industry associations to create sustainable business environments.

GROUP

- United Nations Global Compact (UNGC)
- World Business Council for Sustainable Development (WBCSD)
- Confederation of Norwegian Enterprise (NHO)

MARITIME

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

OIL & GAS

- Norwegian Oil and Gas Association (NOROG)
- International Gas Union (IGU)
- Oil and Gas UK

ENERGY

- International Council on Large Electric Systems (CIGRE)
- Global Wind Energy Council (GWEC)
- Solar Power Europe

BUSINESS ASSURANCE

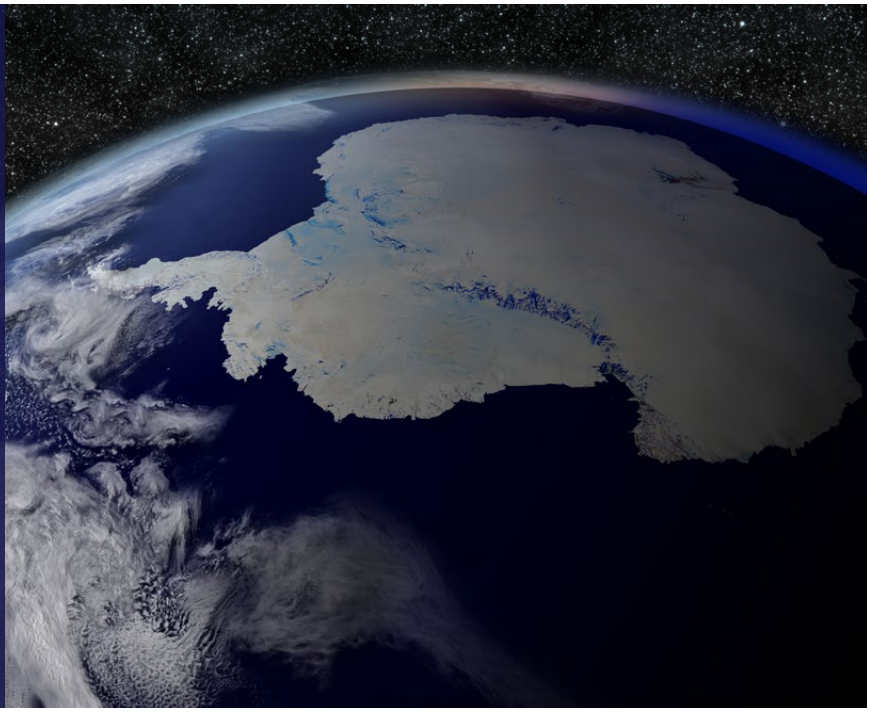
- Independent International Organisation for Certification (IIOC)
- International Confederation of Inspection and Certification (CEOC)
- Consumer Goods Forum (CGF)

DIGITAL SOLUTIONS

- Institute of Electrical and Electronics Engineers (IEEE)
- Pipeline Simulation Interest Group (PSIG)
- American Gas Association (AGA)

We also participate in several global and local multi-stakeholder initiatives supporting economic, environmental and social principles across sectors.

UN Global Compact



DNV GL became a signatory to the UN Global Compact in 2003 and we are committed to embedding the ten principles on human rights, labour, environment and anti-corruption in our corporate strategy, management system and day-to-day operations. We also align our annual report with this framework. In 2017, we continued our strong collaboration with the UN Global Compact through initiatives on global opportunities and solutions to achieve the UN Sustainable Development Goals, including:

GLOBAL OPPORTUNITY NETWORK
DNV GL was a founding partner of the Global Opportunity Network together with the UN Global Compact and Sustainia in 2013. This network presents the Global Opportunity Report annually, showcasing how global risks can be turned into opportunities targeting the Sustainable Development Goals. We have yearly canvassed 5,500 leaders in business, government and civil society across five continents and asked them to rank 15 sustainability opportunities. Based on this, we have found 120 projects around the globe to showcase practical solutions to global challenges.

THE GLOBAL OPPORTUNITY EXPLORER
In 2017, the UN Global Compact, Sustainia and DNV GL launched the Global Opportunity Explorer, a digital community including 600 of the most promising solutions that will change the world for the better. The platform was soft launched in India in April and the global launch took place in New York in September.

FUTURE OF SPACESHIP EARTH – BUSINESS FRONTIERS
This report presents our forecast of the likelihood of humanity achieving each of the 17 SDGs by 2030. It also dives into private-sector solutions for attaining the goals and, for each SDG, we highlight a UN Global Compact signatory company that is pioneering progress. During 2017, the report has been shared on various platforms and a testimonial attesting to DNV GL's assessment of the UN Sustainable Development Goals was handed over to the UN Secretary-General António Guterres in July 2017.

"BUSINESS SOLUTIONS TO SUSTAINABLE DEVELOPMENT" UN GLOBAL COMPACT PROGRESS REPORT
We contributed to this report, which evaluates the contributions of business participants to the UN Global Compact and advances towards the attainment of the UN Sustainable Development Goals. The report assesses progress, highlighting focus areas where further business engagement is needed, and featuring interviews with disruptive business leaders.

ADVANCED REPORTER
We achieved the 'UN Global Compact Advanced' reporting level for Communication on Progress in our 2017 Annual Sustainability Report.

World Business Council for Sustainable Development

DNV GL has been an active member of the World Business Council for Sustainable Development (WBCSD) since 1999. Our Group President and CEO is a member of its Executive Committee. Our membership of the WBCSD provides a partnership platform for our advocacy of more sustainable and responsible business practices globally. In 2017, we continued to engage in several climate- and energy-related programmes to explore and deploy new technologies and solutions, including:

LOW CARBON TECHNOLOGY PARTNERSHIPS INITIATIVE

This is an action-oriented programme, led by the WBCSD, International Energy Agency (IEA) and Sustainable Development Solutions Network (SDSN), that gathers over 150 global companies and 70 other partners. We contributed to the work on scaling up renewables with two business solutions:

- Corporate renewable power purchase agreements: scaling up globally
- Low-carbon microgrids

ZERO-EMISSION CITIES

We are co-lead for a programme in which 10 global and local companies collaborate with city officials to reach zero emissions in cities by focusing on smart mobility, buildings and energy infrastructures.

Our engagement in the zero-emission cities programme includes the development of replicable and scalable models for pilots for Amsterdam, San Diego and Singapore and active stakeholder outreach related to these.

Climate Technology Centre and Network

Since 2014, DNV GL has been a strategic partner of the Climate Technology Centre and Network (CTCN), supporting its operations by utilizing our extensive experience of technology transfer, knowledge management and capacity building. The CTCN is the operational arm of the UNFCCC Technology Mechanism, hosted by UN Environment and the UN Industrial Development Organization.

We have played a central role in operationalizing the CTCN, with a specific focus on its knowledge management and private sector engagement. It is envisaged that the collaboration will continue under a new mandate, with more focus on technology and knowledge transfer to developing countries. Highlights of 2017 work with the CTCN include:

KNOWLEDGE TRANSFER TO DEVELOPING COUNTRIES

DNV GL offices around the globe have worked with the CTCN to develop tools and assist various developing countries in their transition to sustainable and resilient societies, with a focus on the market potential of energy-efficient appliances, uptake of renewable energy and replication of good practice in maintaining biodiversity.

PRIVATE SECTOR ENGAGEMENT

We supported the development and implementation of tools that help developing countries engage with the private sector with the objective of leveraging much needed investments and technology innovation. To achieve this, we have introduced the use of business model canvases to attract private sector interest in CTCN technical assistance projects. We have also engaged CTCN's network to develop online climate technology opportunity analytics dashboards. These aim to help both governments and businesses to identify opportunities for developing climate technology projects in regions around the world.

KNOWLEDGE MANAGEMENT

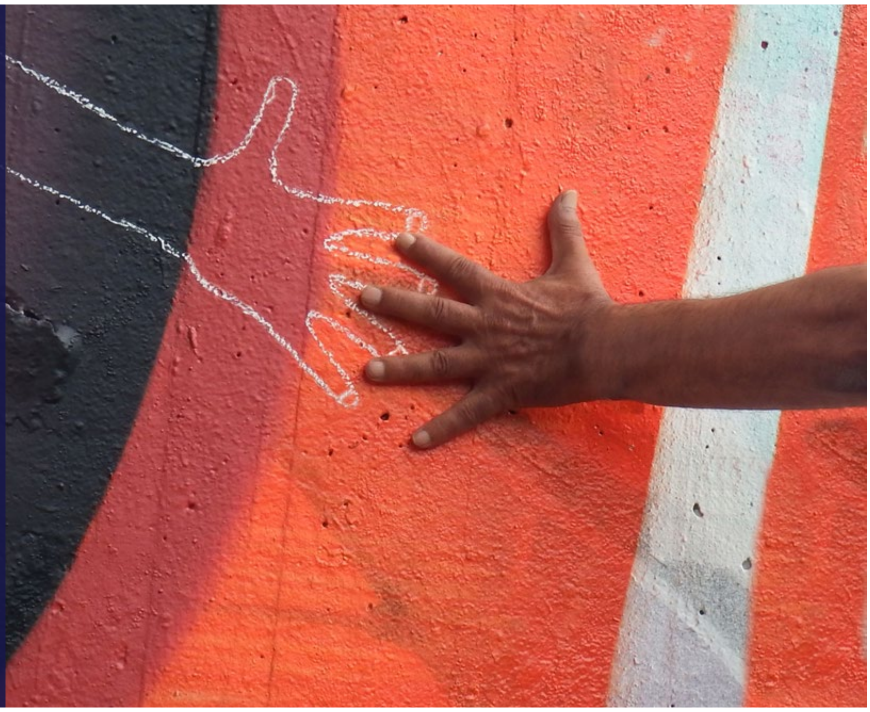
We continued to build CTCN's knowledge management platform (www.ctc-n.org), focusing on further improving the functionality for managing CTCN's work, taxonomy development and the inclusion of third-party content.

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

13 CLIMATE ACTION

17 PARTNERSHIPS FOR THE GOALS

The Red Cross



DNV GL has partnered with the Red Cross since 2004 with the objectives of strengthening the organization's capacity to carry out humanitarian work and creating opportunities for our employees to volunteer for Red Cross projects. Our partnership involves annual financial contributions to the Norwegian, Dutch and British Red Cross organizations, as well as extraordinary donations. Our employees also provide technical, digital, safety and sustainability expertise to Red Cross projects that are related to our core business.

In 2017, we were engaged in a range of local projects with the Red Cross, including:

NORWAY
Our employees were involved in volunteering and fundraising, including for homework support and activity holidays for less privileged children and their families, and as blood donors. First Aid training tailored for children was conducted for the second year at our kindergarten.

THE NETHERLANDS
The partnership with the Dutch Red Cross began in 2014. Last year, the partnership mainly shifted its focus from disaster preparedness to disaster relief activities as we became part of a greater business network for disaster relief activities.

THE PHILIPPINES
The VCA CEP MAP is a data-led digital cloud platform for risk and hazard mapping, emergency management and preparedness. It has been developed in collaboration with Norwegian Red Cross experts as a comprehensive system for collecting, analysing and presenting data digitally for decision support during a disaster. The state-of-the-art app enables the Red Cross to address community resilience and emergency needs. The app was presented and featured in the Norwegian Government White Paper on the Sustainable Development Goals and Norwegian Development Policy (Meld. St. 24 (2016/17)). It is now being tested as a pilot by the Philippine Red Cross.

THE UK
Since our partnership with the British Red Cross began in 2014, we have provided support through donations from the company and employee fundraising. In 2017, we supported two important programmes:

- The Disaster Fund, which enables the Red Cross to respond rapidly when a disaster strikes and provide direct funding where it is needed most.
- UK Emergency Response, which supports the response efforts of the Red Cross working alongside the emergency services and local authorities to deliver the help needed when a crisis occurs in the UK.

VIETNAM
Our employees supported a community water and sanitation project in Ha Giang province. Employees from Vietnam, Singapore and Malaysia were involved in the annual Volunteer Day to support the development of agriculture, hygiene and education in poor parts of the country.

6 CLEAN WATER AND SANITATION
11 SUSTAINABLE CITIES AND COMMUNITIES
17 PARTNERSHIPS FOR THE GOALS

WWF

DNV GL has been OnePlanetBusiness partners with WWF since 2012, with the aim of ensuring a safe and sustainable future in which biodiversity and ecological processes are conserved and resources are used sustainably. Our partnership also serves as an arena in which to build competence and challenge each other about a low-carbon society and climate change adaptation.

MORE POWER, BETTER NATURE

Together with WWF and Statkraft, we are running a joint project to develop a digital tool that collects and presents current knowledge to identify challenges, opportunities and solutions related to hydropower projects. By cooperating, we build on our different strengths and can develop a platform for engagement that:

- Addresses society's need for sustainable multi-purpose hydropower
- Provides value to stakeholders by allowing shared access to the latest knowledge about risks and opportunities
- Is relevant for the Sustainable Development Goals, including: 7. Affordable and clean energy; 11. Sustainable cities and communities; 13. Climate action; 14. Life below water; 15. Life on land; and 17. Partnerships for the goals.

ADVISORY BOARD OF THE GLOBAL OPPORTUNITY NETWORK

The CEO of WWF Norway is a member of the Advisory Board of the Global Opportunity Network, guiding the process to assess risks and opportunities and bring insight to the network's deliverables.

FINANCIAL PERFORMANCE

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.

KEY FIGURES

AMOUNTS IN NOK MILLION	2017	2016	2015	2014	2013[1]
INCOME STATEMENT					
Operating revenue	19 475	20 834	23 390	21 623	15 234
EBITDA	1 342	1 352	2 649	2 551	1 807
Depreciation	350	368	375	348	271
EBITA	993	984	2 274	2 203	1 535
Amortization and impairment	519	830	536	592	203
EBIT/ Operating profit	474	154	1 738	1 612	1 332
Net financial income (expenses)	(110)	(18)	(12)	70	(14)
Profit before tax	364	136	1 726	1 681	1 318
Profit (loss) for the year	61	(216)	1 014	1 007	825
BALANCE SHEET					
Non-current assets	16 631	15 469	16 575	15 447	14 135
Current assets	12 112	11 533	13 705	12 930	11 395
Total assets	28 743	27 002	30 279	28 377	25 530
Equity	18 810	17 509	18 850	16 496	15 561
Non-current liabilities	4 010	3 798	4 046	4 939	4 232
Current liabilities	5 924	5 695	7 383	6 942	5 736
CASH FLOW ITEMS. WORKING CAPITAL AND INVESTMENTS					
Purchase of tangible fixed assets	346	365	695	583	450
Working capital	6 188	5 838	6 321	5 988	5 659
Cash flow	32	(628)	207	57	(570)
NUMBER OF EMPLOYEES	12 715	13 550	14 954	15 712	16 107
FINANCIAL RATIOS					
PROFITABILITY					
EBITDA margin	6.9%	6.5%	11.3%	11.8%	11.9%
EBITA margin	5.1%	4.7%	9.7%	10.2%	10.1%
EBIT/ Operating margin	2.4%	0.7%	7.4%	7.5%	8.7%
Pre-tax profit margin	1.9%	0.7%	7.4%	7.8%	8.7%
Net profit margin	0.3 %	-1.0%	4.3%	4.7%	5.4%
LIQUIDITY					
Liquidity reserves	3 660	3 628	4 193	3 978	3 875
LEVERAGE					
Equity ratio	65.4%	64.8%	62.3%	58.1%	61.0%

DEFINITION OF RATIOS

Profitability

EBITDA:
Earnings before financial items, tax, depreciation, amortization and impairment

EBITDA margin:
EBITDA x 100 / Operating revenue

EBITA:
Earnings before financial items, tax, amortization and impairment

EBITA margin:
EBITA x 100 / Operating revenue

Operating margin:
Operating profit x 100 / Operating revenue

Pre-tax profit margin:
Profit before tax x 100 / Operating revenue

Net profit margin:
Profit (loss) for the year x 100 / Operating revenue

Liquidity

Cash flow:
Net change in liquidity from cash flow statement

Liquidity reserves:
Cash and bank deposits

Leverage

Equity ratio:
Equity x 100 / Total assets

1) The business combination with GL SE Group was effective from 1 October 2013 and GL SE Group is consolidated from this date onwards.

CONSOLIDATED INCOME STATEMENT

DNV GL GROUP AS 2017	DNV GL GROUP AS 2016	DNV GL GROUP AS 2015	AMOUNTS IN NOK MILLION	NOTE	DNV GL GROUP AS CONSOLIDATED 2017	DNV GL GROUP AS CONSOLIDATED 2016	DNV GL GROUP AS CONSOLIDATED 2015
			OPERATING REVENUE				
25.4	25.8	25.0	Sales revenue		19 474.9	20 834.0	23 390.3
25.4	25.8	25.0	**Total operating revenue**	4	19 474.9	20 834.0	23 390.3
			OPERATING EXPENSES				
0.0	0.0	0.0	Payroll expenses	5,7,8	11 678.3	12 554.2	13 116.0
0.0	0.0	0.0	Depreciation	14	349.6	368.2	374.8
0.0	0.0	0.0	Amortization and impairment	12,13	518.7	829.7	535.8
32.6	29.3	30.5	Other operating expenses	6,7	6 454.4	6 927.9	7 625.5
(7.2)	(3.5)	(5.5)	**Operating profit (loss)**		474.0	154.0	1 738.1
			FINANCIAL INCOME AND EXPENSES				
0.0	0.0	0.0	Income/ (loss) from associates	15	(1.1)	(1.7)	5.6
372.1	226.6	4 386.9	Other financial income	9	39.1	96.5	96.4
(26.1)	(21.2)	(357.8)	Financial expenses	9	(147.7)	(112.7)	(114.4)
346.0	205.4	4 029.1	Net financial income (expenses)		(109.8)	(17.9)	(12.4)
338.8	201.9	4 023.6	**Profit (loss) before tax**		364.2	136.1	1 725.7
(69.7)	(50.0)	(7.1)	Tax expense	11	(302.7)	(352.0)	(711.9)
269.1	151.9	4 016.5	**Profit (loss) for the year**		61.5	(215.8)	1 013.8
			Profit for the period attributable to:				
			Non-controlling interest		11.7	12.9	11.1
			Equity holders of the parent		49.8	(228.7)	1 002.7
			Total		61.5	(215.8)	1 013.8

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

DNV GL GROUP AS 2017	DNV GL GROUP AS 2016	DNV GL GROUP AS 2015	AMOUNTS IN NOK MILLION	DNV GL GROUP AS CONSOLIDATED 2017	DNV GL GROUP AS CONSOLIDATED 2016	DNV GL GROUP AS CONSOLIDATED 2015
269.1	151.9	4 016.5	**Profit (loss) for the year**	61.5	(215.8)	1 013.8
			Other comprehensive income not to be reclassified			
			to profit or loss in subsequent periods:			
			Actuarial gains/(losses) on defined benefit pension plans	423.6	(85.8)	540.5
			Other comprehensive income to be reclassified			
			to profit or loss in subsequent periods:			
			Currency translation differences /			
			Translation differences foreign operations	885.1	(1 056.7)	1 335.5
			Share of other comprehensive income from associates	0.0	60.8	(22.7)
0.0	0.0	0.0	**Other comprehensive income for the period, net of tax**	1 308.8	(1 081.6)	1 853.4
269.1	151.9	4 016.5	**Total comprehensive income for the period**	1 370.2	(1 297.5)	2 867.2
			Total comprehensive income attributable to:			
			Non-controlling interest	11.7	12.9	11.1
			Equity holders of the parent	1 358.5	(1 310.3)	2 856.2
			Total	1 370.2	(1 297.5)	2 867.2

CONSOLIDATED BALANCE SHEET
ASSETS

DNV GL GROUP AS			AMOUNTS IN NOK MILLION		DNV GL GROUP AS CONSOLIDATED		
31 DEC. 2017	31 DEC. 2016	31 DEC. 2015		NOTE	31 DEC. 2017	31 DEC. 2016	31 DEC. 2015
			NON-CURRENT ASSETS				
			INTANGIBLE ASSETS				
0.0	6.1	9.0	Deferred tax assets	11	1 119.7	1 087.1	1 103.7
0.0	0.0	0.0	Goodwill	12,13	8 716.6	8 023.4	8 632.7
0.0	0.0	0.0	Other intangible assets	12	3 006.2	2 992.3	3 313.6
0.0	6.1	9.0	Total intangible assets		12 842.6	12 102.9	13 050.1
			TANGIBLE FIXED ASSETS				
0.0	0.0	0.0	Land, buildings and other property		965.4	967.4	1 039.2
0.0	0.0	0.0	Office equipment, fixtures and fittings		1 578.9	1 487.8	1 624.7
0.0	0.0	0.0	Total tangible fixed assets	14	2 544.3	2 455.2	2 663.9
			NON-CURRENT FINANCIAL ASSETS				
11 805.3	11 744.6	11 606.7	Investments in subsidiaries	2	0.0	0.0	0.0
0.0	0.0	0.0	Investments in associates	15	188.3	189.5	130.4
0.5	0.2	0.2	Available for sale investments		27.8	40.7	42.4
411.0	411.0	516.0	Other investments	8	0.0	0.0	0.0
0.0	0.0	0.0	Net pension assets	8	626.7	321.7	283.0
2 056.7	1 339.9	1 385.6	Loan to subsidiaries		0.0	0.0	0.0
0.0	0.5	0.5	Other long-term receivables	18	401.6	358.9	404.8
14 273.5	13 496.1	13 509.0	Total non-current financial assets		1 244.5	910.8	860.6
14 273.5	13 502.2	13 518.0	**Total non-current assets**		16 631.4	15 468.9	16 574.5
			CURRENT ASSETS				
			DEBTORS				
0.0	0.0	0.0	Trade debtors	17	4 313.7	4 228.3	5 240.7
0.0	0.0	0.0	Work in progress		3 149.5	2 668.4	3 388.2
40.7	24.2	430.9	Other receivables group companies		11.0	30.6	37.2
13.9	0.4	0.6	Other debtors		977.9	977.2	845.8
54.6	24.6	431.5	Total debtors		8 452.1	7 904.6	9 511.8
1 474.4	694.3	476.4	Cash and bank deposits	20	3 659.7	3 628.0	4 193.0
1 529.0	718.9	907.9	**Total current assets**		12 111.9	11 532.6	13 704.8
15 802.5	14 221.2	14 425.9	TOTAL ASSETS		28 743.2	27 001.5	30 279.3

CONSOLIDATED BALANCE SHEET
EQUITY AND LIABILITIES

DNV GL GROUP AS 31 DEC. 2017	DNV GL GROUP AS 31 DEC. 2016	DNV GL GROUP AS 31 DEC. 2015	AMOUNTS IN NOK MILLION	NOTE	DNV GL GROUP AS CONSOLIDATED 31 DEC. 2017	DNV GL GROUP AS CONSOLIDATED 31 DEC. 2016	DNV GL GROUP AS CONSOLIDATED 31 DEC. 2015
			EQUITY				
			PAID-IN CAPITAL				
100.0	100.0	100.0	Share capital	23	100.0	100.0	100.0
9 323.5	9 323.5	9 323.5	Share premium		9 323.5	9 323.5	9 323.5
			RETAINED EARNINGS				
4 345.2	4 078.8	3 926.9	Other equity		9 347.0	8 051.5	9 386.7
0.0	0.0	0.0	Non-controlling interest		39.7	33.9	40.0
13 768.7	13 502.3	13 350.4	**Total equity**		18 810.1	17 508.9	18 850.2
			LIABILITIES				
			NON-CURRENT LIABILITIES				
0.0	0.0	100.0	Interest bearing loans and borrowings	21	0.0	0.0	100.0
0.0	0.0	0.0	Pension liabilities	8	2 560.0	2 451.3	2 408.8
0.6	0.0	0.0	Deferred tax liabilities	11	601.3	644.1	994.9
610.3	130.5	416.5	Loan from subsidiaries		0.0	0.0	0.0
0.0	0.0	0.0	Non-current provisions	19	392.5	273.5	106.6
0.0	0.0	0.0	Other non-current liabilities		455.8	428.8	435.5
611.0	130.5	516.5	Total non-current liabilities		4 009.6	3 797.7	4 045.8
			CURRENT LIABILITIES				
0.0	0.0	0.0	Overdrafts		44.7	0.0	0.0
0.0	0.0	1.3	Trade creditors		509.0	465.3	477.1
42.5	0.0	0.0	Taxes payable	11	413.0	384.2	741.7
0.0	0.0	0.0	Public duties payable		381.8	380.9	506.4
1 379.9	571.7	25.0	Short-term liabilities group companies		5.8	21.7	23.5
0.0	0.0	506.9	Dividend declared to shareholders		0.0	0.0	506.9
0.0	0.0	0.0	Current provisions	19	480.7	671.5	475.5
0.5	16.8	25.8	Other current liabilities	16	4 088.5	3 771.3	4 652.1
1 422.9	588.4	559.0	Total current liabilities		5 923.5	5 694.9	7 383.3
2 033.8	718.9	1 075.5	**Total liabilities**		9 933.1	9 492.6	11 429.1
15 802.5	14 221.2	14 425.9	TOTAL EQUITY AND LIABILITIES		28 743.2	27 001.5	30 279.3

THE BOARD OF DIRECTORS OF DNV GL GROUP AS, HØVIK, 26 APRIL 2018

LEIF-ARNE LANGØY CHAIRMAN	MORTEN ULSTEIN VICE CHAIRMAN	BIRGIT AAGAARD-SVENDSEN	LIV AUNE HAGEN	NINA IVARSEN	CLEMENS KEUER
LISELOTT KILAAS	LASSE KRISTOFFERSEN	NIKOLAOS PAPANIKOS	SILVIJA SERES	DA WEI TIAN	REMI ERIKSEN GROUP PRESIDENT & CEO

CONSOLIDATED STATEMENT OF CASH FLOW

DNV GL GROUP AS			AMOUNTS IN NOK MILLION		DNV GL GROUP AS CONSOLIDATED		
2017	2016	2015		NOTE	2017	2016	2015
			CASH FLOW FROM OPERATIONS				
338.8	201.9	4 023.6	Profit before tax		364.2	136.1	1 725.7
0.0	0.0	0.0	Gain/loss on disposal of tangible fixed assets		(17.5)	(5.8)	(23.6)
0.0	0.0	0.0	Gain on divestments		(1.6)	(131.9)	0.0
0.0	0.0	0.0	Loss (gain) from change of defined benefit pension plans	8	(20.3)	(64.1)	30.6
0.0	0.0	(365.0)	Group contributions recorded as financial income		0.0	0.0	0.0
0.0	0.0	0.0	Depreciation, amortization and impairment	14	868.3	1 197.9	910.6
0.0	0.0	0.0	Tax payable		(490.6)	(600.2)	(858.1)
			Change in work in progress, trade debtors				
0.0	(1.3)	1.3	and trade creditors		(369.8)	1 289.8	44.9
(8.2)	88.7	85.6	Change in accruals, provisions and other		323.3	(1 160.3)	384.2
330.6	289.3	3 745.5	**Net cash flow from operations**		656.0	661.6	2 214.3
			CASH FLOW FROM INVESTMENTS				
0.0	0.0	0.0	Acquisitions (business combinations)	3	(24.0)	(234.6)	(82.4)
0.0	0.0	(118.0)	Settlement minority share owners Marine Cybernetics AS		0.0	0.0	(118.0)
0.0	0.0	0.0	Divestments of subsidiaries		0.0	155.1	0.0
0.0	0.0	0.0	Investments in tangible fixed assets	14	(345.8)	(365.1)	(694.9)
0.0	0.0	0.0	Investments in intangible assets	12	(370.7)	(327.1)	(256.0)
0.0	0.0	0.0	Sale of tangible fixed assets (sales value)		60.3	80.8	52.4
0.0	0.0	0.0	Change in other investments		11.3	8.7	0.0
0.0	0.0	(118.0)	**Net cash flow from investments**		(669.0)	(682.3)	(1 098.9)
			CASH FLOW FROM FINANCING ACTIVITIES				
(236.8)	(240.3)	(713.2)	Change in loan from subsidiaries		0.0	0.0	0.0
0.0	0.0	0.0	Change in overdraft		44.7	0.0	(4.5)
			Change in net position towards participants				
870.1	305.8	(2 302.9)	in the cash pool system		0.0	0.0	0.0
0.0	105.0	0.0	Repayment of loan to DNV GL Pension Fund		0.0	0.0	0.0
0.0	(100.0)	(400.0)	Borrowings		0.0	(100.0)	(400.0)
0.0	(506.9)	(503.5)	Dividend paid		0.0	(506.9)	(503.5)
(183.8)	365.0	176.0	Group contribution (paid)/received		0.0	0.0	0.0
449.5	(71.4)	(3 743.6)	**Net cash flow from financing activities**		44.7	(606.9)	(908.0)
780.1	217.9	(116.0)	**Net increase/(decrease) in cash and bank deposits**		31.7	(627.6)	207.4
694.3	476.4	592.5	Liquidity at beginning of period		3 628.0	4 193.0	3 978.2
0.0	0.0	0.0	Cash in acquired companies		0.0	62.6	7.4
1 474.4	694.3	476.4	**Liquidity at end of period**		3 659.7	3 628.0	4 193.0

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

CHANGES IN EQUITY IN **DNV GL GROUP AS**

AMOUNTS IN NOK MILLION

	SHARE CAPITAL	SHARE PREMIUM	OTHER EQUITY	CURRENCY TRANSLATION DIFFERENCES	NON-CONTROLLING INTEREST	TOTAL
Equity at 1 January 2016	100.0	9 323.5	3 926.9	0.0	0.0	13 350.4
Profit for the period			151.9			151.9
Equity at 31 December 2016	100.0	9 323.5	4 078.8	0.0	0.0	13 502.3
Profit for the period			269.1			269.1
Group contribution			(2.7)			(2.7)
Equity at 31 December 2017	100.0	9 323.5	4 345.2	0.0	0.0	13 768.7

CHANGES IN EQUITY IN **DNV GL GROUP AS** CONSOLIDATED

AMOUNTS IN NOK MILLION

	SHARE CAPITAL	SHARE PREMIUM	OTHER EQUITY	CURRENCY TRANSLATION DIFFERENCES	NON-CONTROLLING INTEREST	TOTAL
Equity at 1 January 2016	100.0	9 323.5	5 467.1	3 919.5	40.0	18 850.2
Profit for the period			(228.7)		12.9	(215.8)
Actuarial gains/(losses) on defined						
benefit pension plans			(85.8)			(85.8)
Exchange differences				(1 056.7)		(1 056.7)
Share of other comprehensive income						
from associates			60.8			60.8
Other equity changes			(24.9)		(19.0)	(43.8)
Equity at 31 December 2016	100.0	9 323.5	5 188.6	2 862.9	33.9	17 508.9
Profit/(loss) for the period			49.8		11.7	61.5
Actuarial gains/(losses) on defined						
benefit pension plans			423.6			423.6
Exchange differences				885.1		885.1
Adjustment of payroll tax defined						
benefit pension plans Norway [1]			(63.1)			(63.1)
Other equity changes					(5.9)	(5.9)
Equity at 31 December 2017	100.0	9 323.5	5 599.0	3 748.0	39.7	18 810.1

1) In previous years, the IAS 19 actuarial calculations have not shown a split between the pension liabilities for the Norwegian funded and unfunded pension plans. Thus, payroll taxes have historically been reflected on the total net pension liabilities for these plans. For 2017, the IAS 19 actuarial calculations have been made for the funded and the unfunded pension liabilities separately resulting in an increase of payroll tax of NOK 63.1 million as per 1 January 2017. The amount has been adjusted to other equity in 2017.

NOTES

01 SIGNIFICANT ACCOUNTING POLICIES

BASIS FOR PREPARATION. The financial statements are prepared in accordance with the Norwegian Accounting Act § 3-9 and Regulations on Simplified IFRS as enacted by the Ministry of Finance 3 November 2014. In all material aspects, Norwegian Simplified IFRS requires that the IFRS recognition and measurement criteria (as adopted by the European Union) are complied with, but disclosure and presentation requirements (the notes) follow the Norwegian Accounting Act and Norwegian Generally Accepted Accounting Standards.

The financial statements are presented in Norwegian Kroner (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 to, or has rights to, variable return from its involvement with the entity and has the ability to affect those returns 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 in the consolidated accounts.

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 in Income statement 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 acquired in a business combination is from the acquisition date, allocated to each of the Group's cash-generating units that 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 on the fair value becomes available and is applicable on the date when control is assumed. The allocation may be altered within one year from acquisition date.

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. The fair values of the investments are tested annually based on external and/or internal indicators implying revaluation. If estimated fair value is less than the carrying amount, the investments are impaired in the Balance sheet statement and the corresponding cost is recognized in the income statement. Impairment losses recognized in prior periods are reversed if the basis for the impaired value no longer exists or have decreased.

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 statement of the subsidiary according to the Norwegian Regulation of simplified IFRS § 3-1. If dividends / group contribution exceed withheld profits after acquisition, the excess 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.

DIVIDEND 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 policy decisions (normally 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 exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations 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 the equity of the associate or joint venture, the Group recognizes its share of any changes, when applicable, in the statement of changes in equity. Unrealized gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture. 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 it has incurred legal or constructive obligations or made payments on behalf of the associate.

The aggregate of the Group's share of profits (or losses) of an associate and a joint venture is shown in the income statement as financial items.

The financial statements of the associate or joint venture are 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 tested for impairment annually or more frequently when deemed necessary.

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:

» Expected to be realized or intended to be sold or consumed in normal operating cycle
» Held primarily for the purpose of trading
» Expected to be realized within twelve months after the reporting period

or

» Cash or cash 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 fair 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.

Fixed assets are valued 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 received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties.

Revenue from services is recognized by reference to the stage of completion (percentage of completion method). Stage of completion is measured by reference to hours incurred/ contract costs incurred to date 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 expenses incurred are recoverable.

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 enhancement/ maintenance on the sale of software products), that amount is deferred and recognized as revenue over the period during which the service will be performed. The amount deferred covers 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 in the balance sheet initially at fair value and subsequently measured at amortized cost less provision for impairment. Provisions for doubtful debts are calculated on the basis of individual assessments. Impairments 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, including effects of changes in tax rates. Current and deferred 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 also recognized in equity or other comprehensive income.

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The current and deferred income tax is calculated based on tax rates (and tax laws) that have been enacted or substantively enacted, in the countries where the Group operates and generates taxable income at the end of the reporting period. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax is recognized on temporary differences between the carrying amount of assets and liabilities and the corresponding tax bases as well as on tax losses carried forward at the reporting date. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets for temporary differences and tax loss carry forwards are recognized to the extent that it is probable that future taxable income will be available at the level of the relevant tax authority for utilization. Tax increasing and tax reducing temporary differences expected to reverse in the same period are offset and calculated on a net basis as far as this relate to the same taxable entity and the same taxation authority.

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 Kroner (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 operates. For each entity the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognized in the Income statement. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

Forward exchange contracts are included at market value at the reporting date.

On consolidation, the assets and liabilities of foreign operations, including goodwill and fair value adjustments are translated into NOK at the rate of exchange prevailing at the reporting date. The Income statements are translated at the average exchange rate for the financial year. Exchange rate differences arising are recognized in other comprehensive income (OCI). On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognized in the Income statement.

Realized and unrealized currency effects not reflected in OCI are included on a net basis in either other financial income or other financial expenses.

PROPERTY, PLANT AND EQUIPMENT. Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Depreciation is calculated on a straight-line basis over the expected useful life of the assets. The estimated useful life, residual values and depreciation method are reviewed, and adjusted if appropriate, at the end of each reporting period. Periodic maintenance costs are capitalized and depreciated over the expected maintenance period. Other repair and maintenance costs are recognized in the Income statement as incurred. Improvement and upgrading are assigned to the purchase cost/ carrying amount and depreciated along with the asset.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gains or losses is determined as the difference between the sales proceeds and the carrying amount of the asset 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 lessor 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 and other 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 are 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 assessment of indefinite life 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 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
» Its intention to complete and its ability and intention to 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 carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. The asset is amortized over the period of expected future benefit. During the period of development, the asset is tested for impairment annually.

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 exists, 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 an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable 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 assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identfied, 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, which are prepared separately for each of the Group's CGUs 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.

For assets excluding goodwill, an assessment 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 CGU'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 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 indefinite useful lives are tested for impairment annually at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

CASH AND BANK DEPOSITS. Cash and bank deposits in the Balance sheet comprise petty cash and cash at bank and short-term deposits 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 (more likely than not) that the Group will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a financial expense.

RESTRUCTURING PROVISIONS. Restructuring provisions are recognized only when the Group had a constructive obligation, which is when a detailed formal plan identifies the business or part of the business concerned, the location and number of employees affected, a detailed estimate of the associated costs, and an appropriate timeline, and the employees affected have been notified of the plan's main features.

ONEROUS LEASE. Provision for onerous lease contracts represents the present value of the future lease payments that the Group is presently obligated to make under non-cancellable onerous operating lease contracts, less revenue expected to be earned on the onerous lease, including estimated future sub-lease revenue, where applicable. The estimate may vary as a result of changes in the utilisation of the leased premises and sub-lease arrangements where applicable.

POST EMPLOYMENT BENEFITS. The group operates various post-employment schemes, including both defined benefit and defined contribution pension plans.

A defined contribution plan is a pension plan under which the Group pays fixed contribution into a separate entity (a fund/insurance company) and will have no legal or constructive obligation to pay further contributions. The pension cost related to the defined contribution plans is equal to the contributions to the employee's pension savings in the accounting period.

Multi-employer plans are accounted for as defined contribution plans.

A defined benefit plan is a pension plan that is not a defined contribution plan. In the defined benefit plans, the Group's obligation is to provide the agreed benefit to current and former employees, actuarial risk and investment risk fall in substance on the Group. The Group's defined benefit plans are both funded and unfunded.

Actuarial assumptions are made to measure the pension obligation and the pension expense. Actuarial assumptions are mutually compatible and reflect the economic relationship between factors such as inflation, rate of salary increase and discount rate. The actuarial assumptions comprise: demographic assumptions such as mortality and employee turnover and financial assumptions such as discount rate, rate of salary- and pension benefit increase.

The pension obligations are measured on a discounted basis. Pension plan assets are valued at their fair value. The fair value of plan assets is deducted from the present value of the defined benefit obligation when determining the net defined benefit liability or assets.

Actuarial gains and losses are recognized through other comprehensive income (OCI). Actuarial gains and losses are not reclassified to profit or loss in subsequent periods.

Changes to existing defined benefit plans that will lead to changes in pension obligation are recognized in the statement of income as they occur. Gains or losses linked to changes or terminations of pension plans are also recognized in the statement of income when they arise.

Net interest on the net defined benefit/ assets is presented as part of financial items.

Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements is presented as part of payroll expenses.

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 are considered to be relevant. 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 which 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 if significant.

CASH FLOW STATEMENT. The cash flow statement is presented using the indirect method. Cash and cash equivalents includes cash, bank deposits and other short-term, highly liquid financial assets with maturities of three months or less.

02 GROUP INFORMATION

DNV GL GROUP AS CONSOLIDATED CONSISTS OF THE PARENT COMPANY DNV GL GROUP AS AND THE FOLLOWING SUBSIDIARIES:

AMOUNTS IN NOK MILLION	BUSINESS OFFICE		SHARE CAPITAL IN 1000 LOCAL CURR.[1]	OWNERSHIP	BOOK VALUE
DNV GL AS	Bærum, Norway	NOK	5 000	100%	9 567.5
DNV GL Business Assurance Group AS	Bærum, Norway	NOK	1 033	100%	1.1
DNV GL Netherlands B.V.	Arnhem, Netherlands	EUR	9 015	100%	2 236.7
Total investment in subsidiaries					11 805.3

[1] incl. share premium

03 BUSINESS COMBINATIONS AND SALE OF OPERATIONS

SIGNIFICANT CHANGES IN GROUP STRUCTURE 2017

28 September 2017, DNV GL acquired 100% of the shares in Computational Industry Technologies AS ("ComputIT"). ComputIT is a specialist independent company for Computational Fluid Dynamics (CFD) software and R&D with headquarters in Trondheim, Norway. The ComputIT software is used by oil and gas industry worldwide. For DNV GL Group, the acquisition of ComputIT is a good strategic fit in both analytical and sales capabilities in the oil and gas industry.

ACQUISITIONS 2017

COMPANY / ACTIVITIES	TRANSACTION DATE	OWNERSHIP	PURCHASE CURRENCY	ACQUISITION COST MILL LOCAL CURRENCY	EXTERNAL REVENUE INCL. IN 2017 ACCT. MILL NOK
ComputIT	28.09.2017	100%	NOK	30.0	5.0

The acquisition cost in excess of net book value of the equity, NOK 31 million has been allocated to goodwill.

CASH FLOW ON ACQUISITION

AMOUNTS IN NOK MILLION

Net cash acquired with the subsidiary	-
Consideration paid in cash	(24.0)
Net cash flow on acquisition	(24.0)

The difference between NOK 30 million acquisition cost and NOK 24 million consideration paid is consideration to be paid one year after the acquisition date.

03 BUSINESS COMBINATIONS AND SALE OF OPERATIONS

SIGNIFICANT CHANGES IN GROUP STRUCTURE 2016

18 January 2016, DNV GL acquired 100% of the shares in Gothia Power AB. Gothia Power is an established consulting company with a strong market position and network in the electric power field in Sweden. The company offers advanced analysis and measurements for power production, power transmission and power consumption. For DNV GL Group, the acquisition of Gothia Power establishes DNV GL's technical and strategic power systems in the Swedish and Baltic energy markets and further strengthens DNV GL's leading position worldwide.

In July 2016, DNV GL acquired 100% of the shares in GreenPowerMonitor. GreenPowerMonitor is an international company, with headquarter in Barcelona, that offers products and services in the renewable energy sector, with a specific focus in the photovoltaic space. The company is a leading provider of solar monitoring, control and asset management systems. For DNV GL Group, the acquisition of GreenPowerMonitor fits strategically by bringing together world leading domain knowledge, technical expertise as well as digital delivery platforms and data-driven services.

In October 2016, the Oil & Gas Material & Failure Analysis laboratory in Germany (Germanischer Lloyd Prüflabor GmbH) was sold to Element Materials Technology Herne GmbH. Germanischer Lloyd Prüflabor GmbH offers material testing, metallurgical examinations and failure investigations through its four labs in Germany. A sales gain of NOK 125 million from the transaction is included in the income statement for 2016. The divestment was settled in cash.

ACQUISITIONS 2016

COMPANY / ACTIVITIES	TRANSACTION DATE	OWNERSHIP	PURCHASE CURRENCY	ACQUISITION COST MILL LOCAL CURRENCY	EXTERNAL REVENUE INCL. IN 2016 ACCT. MILL NOK
Gothia Power AB	18.01.2016	100%	SEK	83.3	21.9
GreenPowerMonitor	07.07.2016	100%	EUR	16.2	41.5

PRELIMINARY PURCHASE PRICE ALLOCATION (PPA)
AMOUNTS IN NOK MILLION

	ACQUISITION COST	OF WHICH: CUSTOMER RELATIONS	CUSTOMER CONTRACTS	DEF. TAX	NET ASSETS	GOODWILL
Gothia Power AB	84.3	12.4	4.9	(4.7)	6.1	65.7
GreenPowerMonitor	150.3	34.7	3.1	(10.6)	45.4	77.7

CASH FLOW ON ACQUISITION
AMOUNTS IN NOK MILLION

Net cash acquired with the subsidiaries	62.6
Consideration paid in cash	(234.6)
Net cash flow on acquisition	(172.0)

03 BUSINESS COMBINATIONS

SIGNIFICANT CHANGES IN GROUP STRUCTURE 2015

13 February 2015, DNV GL acquired ISC (100% of the shares in International Standards Certification Pty Ltd., Australia and 100% of the shares in International Standard Certification Japan Co. Ltd). ISC is an international certification body, with a particular presence in Australia and Asia. ISC is a full-service international certification and training body accredited by JAS-ANZ (Joint Accreditation System – Australia New Zealand) and Exemplar Global as a certified training organization. It provides extensive certification and training services for products and systems across key industry sectors, including healthcare and food & beverage.

For the DNV GL Group, the acquisition of ISC will increase DNV GL's presence and growth in key industries such as the healthcare industry. The acquisition is also strengthening the DNV GL brand, positioning and growth within the Assurance sector.

31 August 2015, DNV GL acquired 100% of the shares in Noomas Sertifisering AS. Noomas is Norway's leading inspection and certification body within aquaculture and equipment used within the industry. Their objective is to support aquaculture farms through certification to become safer and more sustainable. Noomas primarily delivers accredited certification services to help the industry meet regulations and requirements for floating fish farms and related equipment.

For the DNV GL Group, the acquisition of Noomas increases the capability in the aquaculture section, in particular in Norway which has a strong position in global marine aquaculture. Noomas' technical services targeting the operations of fish farms compliment the existing portfolio for the aquaculture value chain.

70% of the shares in Marine Cybernetics AS (Norway) were acquired May 2014. In addition, DNV GL AS entered into an agreement with the owners of the remaining 30% of the shares, where DNV GL AS had an obligation to acquire the remaining shares after three years at an agreed price. 100% of Marine Cybernetics AS was included in the DNV GL Group AS consolidated accounts from 1 May 2014 with no minority interest. The expected payment for the remaining shares was reflected as a liability. In December 2015 this liability was settled.

ACQUISITIONS 2015

COMPANY / ACTIVITIES	TRANSACTION DATE	OWNERSHIP	PURCHASE CURRENCY	ACQUISITION COST MILL LOCAL CURRENCY	EXTERNAL REVENUE INCL. IN 2015 ACCT. MILL NOK
International Standard Certification Japan Co., Ltd.	13.02.2015	100%	JPY	1.0	7.6
International Standards Certification Pty Ltd, Australia	13.02.2015	100%	AUD	6.0	21.1
Noomas Sertifisering AS	31.08.2015	100%	NOK	43.5	8.5

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

CASH FLOW ON ACQUISITION

AMOUNTS IN NOK MILLION

Net cash acquired with the subsidiaries	7.4
Consideration paid in cash	(82.4)
Net cash flow on acquisition	(75.0)

04 EXTERNAL OPERATING REVENUE

GEOGRAPHICAL AREA

AMOUNTS IN NOK MILLION

DNV GL GROUP AS CONSOLIDATED

	2017	2016	2015
Nordic countries	3 967.2	4 006.8	4 438.4
Europe and Africa	6 945.9	7 325.5	7 642.9
Asia Pacific	4 544.6	5 349.8	6 710.8
North and South America	4 017.2	4 151.9	4 598.2
Total operating revenue	19 474.9	20 834.0	23 390.3

BUSINESS AREA

AMOUNTS IN NOK MILLION

	2017	2016	2015
DNV GL - Maritime	7 021.2	8 216.1	9 885.9
DNV GL - Oil & Gas	4 593.7	4 954.5	6 053.6
DNV GL - Energy	3 677.0	3 582.5	3 522.6
DNV GL - Business Assurance	3 278.4	3 145.9	3 024.0
DNV GL - Software	852.0	859.1	823.9
Other	52.6	76.0	80.3
Total operating revenue	19 474.9	20 834.0	23 390.3

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

The operating revenue in DNV GL Group AS of NOK 25.4 million (NOK 25.8 million in 2016) mainly consist of global liability insurance expenses charged to subsidiaries.

05 PAYROLL EXPENSES

DNV GL GROUP AS CONSOLIDATED

AMOUNTS IN NOK MILLION	2017	2016	2015
Salaries	9 254.2	10 030.0	10 309.5
Payroll tax	1 101.7	1 233.1	1 244.5
Pension costs	879.8	905.5	940.5
Effect of pension plan changes/ curtailment effects	(20.3)	(64.1)	70.0
Other contributions	462.9	449.7	551.5
Total payroll expenses	11 678.3	12 554.2	13 116.0
Man years	12 716	13 298	14 682
Total bonus expenses	214.0	53.0	67.0

06 OTHER OPERATING EXPENSES

DNV GL GROUP AS CONSOLIDATED

AMOUNTS IN NOK MILLION	2017	2016	2015
Travel expenses	1 111.8	1 164.1	1 304.5
ICT and communication expenses	748.5	875.5	889.4
Rent and real estate expenses	983.9	1 020.8	1 032.2
Losses on accounts receivables	51.5	46.9	98.5
Expenses Det Norske Veritas Eiendom AS and Det Norske Veritas Holding AS	218.4	211.1	225.1
Other expenses	3 340.2	3 609.5	4 075.9
Total other operating expenses	6 454.4	6 927.9	7 625.5

The Group recognized expenses of NOK 613.4 million in relation to operating leases in 2017.
Operating lease relates mainly to office rent, with lease terms between 1-15 years and company cars, with lease terms between 1-5 years.

MINIMUM LEASE PAYMENTS RELATING TO OPERATING LEASE	2017	2016	2015
Within one year	711.4	670.7	742.9
After one year but not more than five years	2 423.7	1 890.7	2 138.2
More than five years	4 070.0	4 293.2[1]	3 657.1[1]
Total	7 205.0	6 854.6	6 538.2

[1] Due to more accurate information obtained, the figures for 2015 and 2016 have been updated.

07 REMUNERATION AND LOANS TO GROUP CEO, EXECUTIVE COMMITTEE, BOARD OF DIRECTORS ETC.

REMUNERATION GUIDELINES FOR THE GROUP CEO AND THE MEMBERS OF THE EXECUTIVE COMMITTEE. The remuneration guidelines for the members of the Executive Committee (EC) including the Group CEO support DNV GL's vision of being a global organization with a focus on sustainability and a long-term perspective. The main compensation elements are centred around a market based salary, a bonus scheme with a retention element, and a few standard employee benefits in line with the local markets.

The Group CEO and Executive Committee participate in the standard pension and insurance schemes applicable in the country where their employment contracts are signed (currently Italy, Netherlands, Norway, and United Kingdom). All members of the Executive Committee have standard employment contracts and standard terms and conditions regarding notice period and severance pay, with the exception of the Group CEO, who has an extended notice period of 6 instead of 3 months.

DNV GL has a bonus scheme in place with a retention component for employees in higher employment grades. The bonus is based on a combination the DNV GL results at Group and Business Areas levels; namely achievement of financial targets (EBITA) at Group level accounts for 60%, and achievement of financial targets (EBITA) at Business Area level accounts for 40%. Target bonus and cap varies by grade and performance assessment and is tailored to the two highest levels of management. Target bonus for the Executive Committee is 25% of base salary with maximum value at 50% of base salary. This is aligned with the guidelines for all companies organised as ASAs in Norway. The earned bonus is divided in three parts, with the first part paid the following year, and another third each of following two years. The pay-outs are forfeited if the executive resigns.

EXECUTIVE COMPENSATION DURING 2017

Ahead of the salary review process taking effect as of 01 April every year, the senior executive compensation was compared to external benchmarks using Korn Ferry Hay Group's data collected on a European basis. Korn Ferry Hay Group also provides details for the specific countries represented in the EC, as well as for the German labour market in relation to Group CEO and CEO Business Area Maritime. Information publicly accessible from other comparable companies are also reviewed in this process.

Remi Eriksen, the Group CEO, is not part of the general bonus programme, but has a discretionary bonus determined on an annual basis by the Board of Directors. Such bonus should not exceed 50% of annual base salary. Bonus pay-out for the Group CEO for 2017 was NOK 250.000. The Compensation Committee has reviewed the bonus scheme for the Group CEO with an aim to make it more specific and directly tied to the annual goals.

Compensation package for Remi Eriksen consist of: Annual salary of NOK 5 610 thousand and a car allowance of NOK 250 thousand. Eriksen has a right to retire at 65 years. If terminated from DNV GL, Group CEO is entitled to 12 months of base salary beyond the notice period of six months.

07 REMUNERATION AND LOANS TO GROUP CEO, EXECUTIVE COMMITTEE, BOARD OF DIRECTORS ETC.

REMUNERATIONS AND LOANS TO THE EXECUTIVE COMMITTEE FOR 2017[4]

AMOUNTS IN NOK THOUSAND

	REMUNERATIONS				LOANS AT 31 DEC. 2017			
	SALARY	OTHER BENEFITS	BONUS	PENSION COST	LOAN AMOUNT	INTEREST RATE	REPAYMENT PERIOD	SECURITY
Remi Eriksen	5 757	263	426[3]	369				
Thomas Vogth-Eriksen	2 906	182	153	322	1 146	0.83 %	Apr. 2024	Mortgage
Gro Gotteberg[1]	97	14	0	9				
Luca Crisciotti	1 986	298	48	736[2]				
Elisabeth Tørstad	2 787	171	73	312	851	0.83 %	May 2035	Mortgage
Ditlev Engel	3 468	414	0	158				
Knut Ørbeck-Nilssen	2 741	98	199	278				

[1] Member of the Executive Committee from 1 December 2017, remuneration disclosed for December
[2] Statutory payments to the Italian social security institute INPS
[3] Includes payment of bonus bank settlement from previous years
[4] Are Føllestad Tjønn, David Walker and Cecilie B. Heuch were members of the executive committee until December 2017 and are not included in the overview

REMUNERATIONS TO THE BOARD OF DIRECTORS PAID OUT IN 2017

AMOUNTS IN NOK THOUSAND	REMUNERATION BOARD OF DIRECTORS	REMUNERATION BOARD AUDIT COMMITTEE	REMUNERATION BOARD COMPENSATION COMMITTEE
Leif-Arne Langøy	424		32
Morten Ulstein[5]	282		20
Wolfhart Hauser[1]	333		20
Sami Badarani[2]	282	63	
Liv Aune Hagen	282		
Rebekka Glasser Herlofsen[3]	163	26	
Nina Ivarsen	282		
Clemens Keuer	282		
Liselott Kilaas	282	51	
Lasse Kristoffersen[4]	119		

AMOUNTS IN NOK THOUSAND	REMUNERATION BOARD OF DIRECTORS	REMUNERATION BOARD AUDIT COMMITTEE	REMUNERATION BOARD COMPENSATION COMMITTEE
Christelle G.V. Martin[3]	163		
Mette Bandholtz Nielsen[3]	163		
Nikolaos Papanikos[4]	119		
C. Thomas Rehder[3]	163		
Silvija Seres[4]	119		
Birgit Aagaard-Svendsen[4]	119	13	
Da Wei Tian[4]	119		
Markus Wandt[2]	282		20
Xu Bei Betty[3]	163		

[1] Vice Chairman of the Board of Directors until 14 December 2017
[2] Member of the Board of Directors until 14 December 2017
[3] Member of the Board of Directors until 1 August 2017
[4] Member of the Board of Directors from 1 August 2017
[5] Vice Chairman of the Board of Directors from 14 December 2017

FEES TO THE AUDITORS FOR 2017

AMOUNTS IN NOK THOUSAND

	DNV GL GROUP AS	GROUP AUDITOR OTHER NORWEGIAN ENTITIES	GROUP AUDITOR NON-NORWEGIAN ENTITIES	OTHER AUDITORS	TOTAL
Statutory audit	2 200	1 374	14 814	2 527	20 915
Tax consulting services	-	-	2 161	641	2 802
Other audit related services	19	-	-	290	309
Non-audit services	-	3 404	559	42	4 005

Fees to Group Auditor includes audit fees to KPMG and EY.

08 PENSION COSTS, PLAN ASSETS AND DEFINED BENEFIT PENSION LIABILITIES

DNV GL Group AS has both defined contribution pension plans and defined benefit pension plans. 10 299 employees are covered by the defined contribution pension plans while 3 736 persons (employees and pensioneers) are covered by defined benefit pension plans. All defined benefit pension plans are closed for new entrants, however active members still build up their pension rights under these plans. End of service benefit schemes in some countries outside Norway (mainly Middle East and Asian countries with statutory defined benefit plan requirements) are still open for new entrants. These end of service benefit schemes are required by law and fully settled at retirement/ resignation.

The structure of the defined benefit pension plans depends on the legal, tax and economic conditions in the respective country, and is usually based on length of service and remuneration of the employee. The defined benefit pension plans are covered through separate pension funds, through arrangements with independent insurance companies or through unfunded plans.

The defined benefit pension plans in Norway are financed through a separate pension fund. For defined benefit pension plans in Germany, the major plans are unfunded with the gross liability reflected as a pension liability, however there are also pension plans in Germany financed through independent insurance companies.

Of the other defined benefit pension plans, the major UK plans (closed in 2017) are financed through a separate pension fund, while the other plans are mainly financed through independent administrative funds/insurance companies. The pension cost and the pension liabilities as included in the accounts and in this note, 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 and statutory regulations in the country where the pension plan is administered. Total pension costs for 2017 are NOK 859.5 million of which NOK 208.5 million are related to the defined benefit pension plans and NOK 651.0 million are related to the defined contribution pension plans and end of service benefit schemes.

The Norwegian companies in the Group are subject to the Norwegian Pension Act. The companies' pension schemes fulfil the requirements of the law. Norwegian employees are covered either by the Norwegian defined contribution pension plan (mainly employees employed after 1 January 2005), or the defined benefit pension plan organized in one Norwegian pension fund (employees employed before 1 January 2005) and in one unfunded pension plan (employees employed before 1 January 2005). The pension assets in the Norwegian pension fund are invested as follows:

MARKET VALUE OF PLAN ASSETS IN NORWAY
AMOUNTS IN NOK MILLION

	31 DEC. 17	31 DEC. 16	31 DEC. 15
Buildings and property	181.0	181.0	290.0
Mutual equity funds and hedge funds	3 567.1	3 010.1	2 399.9
Norwegian bonds and bond funds	1 539.1	1 693.6	1 785.7
Non-Norwegian bonds and bond funds	100.5	208.6	197.0
Bank accounts, other assets and liabilities	1 039.7	869.6	1 316.5
Total market value of plan assets Norway			
(DNV GL Pension fund)	6 427.4	5 962.9	5 989.0
Actual return on plan assets	674.4	272.9	210.3

Capital contributed from DNV GL Group AS to the Norwegian Pension Fund, NOK 411 million, is reflected as other investments in the balance sheet for DNV GL Group AS.

08

PENSION COSTS, PLAN ASSETS AND DEFINED BENEFIT PENSION

PENSION COST – DEFINED BENEFIT PENSION SCHEMES AMOUNTS IN NOK MILLION	FUNDED NORWEGIAN DEFINED BENEFIT PENSION PLANS			GERMAN DEFINED BENEFIT PENSION PLANS			OTHER DEFINED BENEFIT PENSION PLANS		
	2017	2016	2015	2017	2016	2015	2017	2016	2015
Net present value of this year's pension contribution	138.8	148.7	176.6	40.1	47.5	50.5	30.4	41.9	51.2
Effect of plan changes/curtailments	0.0	(56.0)	0.0	0.0	(8.1)	0.0	(20.3)	0.0	30.6
Payroll tax	19.6	13.1	24.9	0.0	0.0	0.0	0.0	0.0	0.0
Net present value of this year's pension contribution	158.4	105.8	201.4	40.1	39.4	50.5	10.1	41.9	81.8
Net interest on the net defined benefit liability (asset)	(10.4)	(12.3)	1.6	41.3	47.7	48.6	2.9	3.0	4.6
Payroll tax	(1.5)	(1.7)	0.2	0.0	0.0	0.0	0.0	0.0	0.0
Net interest on the net defined benefit liability (asset)	(11.9)	(14.0)	1.9	41.3	47.7	48.6	2.9	3.0	4.6

NET PENSION ASSET (LIABILITIES) - DEFINED BENEFIT PENSION SCHEMES AMOUNTS IN NOK MILLION	FUNDED NORWEGIAN DEFINED BENEFIT PENSION PLANS			GERMAN DEFINED BENEFIT PENSION PLANS			OTHER DEFINED BENEFIT PENSION PLANS		
	31 DEC. 17	31 DEC. 16	31 DEC. 15	31 DEC. 17	31 DEC. 16	31 DEC. 15	31 DEC. 17	31 DEC. 16	31 DEC. 15
Market value of plan assets	6 427.4	5 962.9	5 989.0	66.1	62.7	60.7	2 059.9	1 857.8	2 276.7
Actuarial present value of pension liabilities	(5 767.7)	(5 630.2)	(5 680.6)	(2 559.3)	(2 359.0)	(2 347.7)	(2 060.7)	(2 012.8)	(2 394.6)
Payroll tax	(98.8)	(11.0)	(29.3)	0.0	0.0	0.0	0.0	0.0	0.0
Net pension asset (liabilities)	560.9	321.7	279.1	(2 493.2)	(2 296.3)	(2 287.0)	(0.9)	(155.0)	(117.9)

END OF SERVICE BENEFIT SCHEMES AMOUNTS IN NOK MILLION	NORWEGIAN SCHEMES			GERMAN SCHEMES			OTHER SCHEMES		
	31 DEC. 17	31 DEC. 16	31 DEC. 15	31 DEC. 17	31 DEC. 16	31 DEC. 15	31 DEC. 17	31 DEC. 16	31 DEC. 15[1]
Net liability	0.0	0.0	0.0	0.0	0.0	0.0	(171.1)	(183.5)	(214.5)
Hereof recorded in the balance sheet as:									
Net pension asset	560.9	321.7	279.1	0.0	0.0	0.0	65.9	0.0	3.9
Pension liabilities	0.0	0.0	0.0	(2 493.2)	(2 296.3)	(2 287.0)	(66.7)	(155.0)	(121.8)
Other non-current liabilities	0.0	0.0	0.0	0.0	0.0	0.0	(171.1)	(183.5)	(214.5)

[1] Regrouped from pension liabilitites to other non-current liabilities in the balance sheet statement 31 December 2015

08 PENSION COSTS, PLAN ASSETS AND DEFINED BENEFIT PENSION

The assumptions (discount rate, covered bonds) for calculation of the pension liabilities in Norway have been changed from 2.5% to 2.4%. The changed assumptions led to increased pension liabilities of NOK 100 million in 2017.

The defined benefit pension plan in UK was closed in 2017, resulting in a curtailment effect of NOK 20 million refleted in the income statement in 2017.

NOK 423.6 million actuarial gains on defined benefit pension plans have been reflected in other comprehensive income/ other equity in 2017.

THE CALCULATIONS OF THE PENSION LIABILITIES ARE BASED ON THE FOLLOWING ACTUARIAL ASSUMPTIONS:	NORWEGIAN SCHEMES[2]			GERMAN SCHEMES			OTHER SCHEMES		
	31 DEC. 17	31 DEC. 16	31 DEC. 15	31 DEC. 17	31 DEC. 16	31 DEC. 15	31 DEC. 17	31 DEC. 16	31 DEC. 15
Discount rate[1]	2.40%	2.50%	2.60%	1.8%	1.8%	2.2%	1.3-10.5%	1.0-8.1%	1.0-9.5%
Projected annual salary adjustment	2.75%	2.75%	2.75%	2.5%	2.5%	2.5%	2.0-9.0%	2.5-10.0%	2.0-10.0%
Projected annual increase in pension benefit	1.75%	1.75%	1.75%	1.5%	1.5%	1.5%	0.0-2.9%	0.0-3.1%	0.0-3.0%
Projected annual increase of Norwegian									
government basis pension	2.25%	2.25%	2.25%						
Expected annual return on plan assets	2.40%	2.50%	2.60%	1.8%	1.8%	2.2%	1.3-10.5%	1.0-7.9%	1.0-9.5%

[1] Covered bond rate for Norwegian schemes.
[2] The pension liability calculations for the Norwegian schemes are based on K2013BE (standard best estimate mortality table).

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.

SENSITIVITY ANALYSIS OF PENSION CALCULATIONS. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while keeping all other assumptions unchanged. Sensitivities decrease (increase) defined benefit obligation year-end.

ASSUMPTIONS AMOUNTS IN NOK MILLION	DISCOUNT RATE		FUTURE SALARY INCREASES	
	0.5% INCREASE	0.5% DECREASE	0.5% INCREASE	0.5% DECREASE
Impact on defined benefit obligation Norwegian plans	473.0	(540.0)	(160.0)	197.0
Impact on defined benefit obligation German plans	174.9	(178.9)	(17.4)	17.3

09 FINANCIAL INCOME AND FINANCIAL EXPENSES

DNV GL GROUP AS 2017	2016	2015	AMOUNTS IN NOK MILLION	DNV GL GROUP AS CONSOLIDATED 2017	2016	2015
50.4	7.7	4 000.5	Dividend from subsidiaries	0.0	0.0	0.0
0.0	0.0	365.0	Group contribution received	0.0	0.0	0.0
0.0	0.0	0.0	Profit (loss) from investment in associates (note 15)	(1.1)	(1.7)	5.6
0.0	0.0	0.0	Gain from sale of avaliable for sale investments	1.6	7.2	0.0
			Net interest on the net defined benefit			
0.0	0.0	0.0	liability (asset) (note 8)	(32.3)	(36.6)	(55.0)
3.5	2.3	5.7	Other interest received	35.5	35.4	38.6
32.4	76.8	6.9	Net interest income (expense) group companies	0.0	0.0	0.0
(8.1)	(8.2)	(17.2)	Other interest expenses	(45.3)	(45.9)	(23.7)
271.6	132.7	(327.9)	Currency gains (losses)	(37.4)	49.7	49.3
(3.8)	(5.9)	(3.8)	Other financial items	(30.8)	(25.9)	(27.2)
346.0	205.4	4 029.1	**Net financial income (expenses)**	(109.8)	(17.9)	(12.4)

10 FINANCIAL MARKET RISK

The Group's main financial market risks are liquidity risk, foreign currency risk, credit risk, interest rate risk and pension plan 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 65 currencies. Of these, six currencies (EUR, USD, NOK, GBP, CNY and KRW) make up for 77% of the total revenue. In many currencies the group has a natural hedge through a balance of revenue and expenses. The policy of the Group is to hedge significant project exposures and future cash flows through forward exchange contracts. As part of the hedging strategy, the Group has forward exchange contracts equivalent to NOK 968 million. The Group does not apply hedge accounting and realized and unrealized gains and losses are recognized in the income statement. Unrealized net gain at year end is NOK 5.9 million.

A change in USD exchange rate of +/- 1 percentage point will lead to a change in operating revenue of approximately +/- NOK 33 million and a change in operating profit (EBIT) of approximately +/- NOK 2 million.

A change in EUR exchange rate of +/- 1 percentage point will lead to a change in operating revenue of approximately +/- NOK 52 million and a change in operating profit (EBIT) of approximately +/- 4 million.

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 and the multi-currency revolving credit facility. Both risks are considered to have limited effect.

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 effecting the pension liabilities. In addition, inflation and real wages development will have impact on the pension liabilities.

11 TAX

DNV GL GROUP AS 2017	2016	2015	AMOUNTS IN NOK MILLION	DNV GL GROUP AS CONSOLIDATED 2017	2016	2015
			Tax expense consists of:			
43.3	0.0	0.0	Norwegian income tax	66.2	0.0	101.5
19.2	46.0	0.0	Tax effect group contribution	0.0	0.0	0.0
0.4	1.2	0.2	Income tax outside Norway	422.2	626.4	722.0
62.9	47.1	0.2	Total tax payable	488.4	626.4	823.5
6.8	2.9	7.0	Change in deferred tax in Norway	36.8	(59.9)	(141.0)
0.0	0.0	0.0	Effect of changed tax rate	52.5	12.9	13.9
0.0	0.0	0.0	Change in deferred tax outside Norway	(275.0)	(227.4)	15.4
6.8	2.9	7.0	Total change in deferred tax	(185.7)	(274.4)	(111.6)
69.7	50.0	7.1	**Tax expense**	302.7	352.0	711.9
81.3	50.5	1 086.4	Tax on profit at 24% (25% in 2016 and 27% in 2015)	87.4	34.0	465.9
			Tax effect of:			
0.0	0.0	0.0	Foreign tax exempt branches	1.0	0.0	1.3
0.4	0.0	0.0	Non refundable foreign withholding taxes	82.0	153.8	60.1
0.0	0.0	0.0	Gain sale of shares	(0.4)	(30.1)	0.0
0.0	0.0	0.0	Impairment of goodwill	0.0	74.8	0.0
(12.0)	(0.7)	(1 080.0)	Other permanent differences	46.7	45.4	76.8
(0.0)	0.3	0.7	Effect of changed tax rate	52.5	12.9	13.9
0.0	0.0	0.0	Changes of previous years taxes	(12.4)	(2.8)	0.2
0.0	0.0	0.0	Tax assets not recognized current year	38.8	55.3	99.9
			Differences between tax rates in Norway			
0.0	0.0	0.0	and abroad	7.1	8.8	(6.3)
69.7	50.0	7.1	**Tax expense**	302.7	352.0	711.9
			Effective tax rate	83 %	259%	41%
			Net tax-reducing/tax-increasing			
			temporary differences:			
0.0	0.0	0.0	Non-current assets	1 345.4	1 645.5	2 717.6
0.0	0.0	0.0	Current assets	357.5	254.0	94.4
3.0	(25.5)	(36.1)	Liabilities	(2 510.4)	(2 620.9)	(2 474.7)
0.0	0.0	0.0	Tax loss to be carried forward	(993.5)	(993.4)	(1 086.5)
3.0	(25.5)	(36.1)	**Basis for deferred tax asset/liability**	(1 801.0)	(1 714.9)	(749.2)
23 %	24 %	25 %	Tax rates applied	17%-42%	17%-42%	17%-42%
0.0	6.1	9.0	**Deferred tax asset**	1 119.7	1 087.1	1 103.7
0.6	0.0	0.0	**Deferred tax liability**	(601.3)	(644.1)	994.9

In addition to deferred tax asset of NOK 1 119.7 million and deferred tax liability of NOK 601.3 million, the Group has accumulated tax-loss to be carried forward amounting to NOK 606 million. As the future utilization of these tax losses cannot be demonstrated, the related deferred tax asset (DTA) of NOK 124 million, is not recognized in the balance sheet.

NOK 123 million deferred tax cost related to actuarial gains on defined benefit pension plans, has been reflected in other comprehensive income/ other equity, together with the related actuarial gain.

12 INTANGIBLE ASSETS

AMOUNTS IN NOK MILLION	GOODWILL	CUSTOMER CONTRACTS	CUSTOMER RELATIONS	TECHNOLOGY	TRADEMARKS	OTHER INTANGIBLE ASSETS	TOTAL
Acquisition cost							
1 January 2016	8 693.8	431.8	2 202.5	912.5	549.9	724.4	13 514.9
Additions	143.3	7.9	47.1	0.0	4.7	0.0	203.1
Additions from internal developments	0.0	0.0	0.0	0.0	0.0	322.3	322.3
Disposals	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Currency translation differences	(456.0)	(22.6)	(133.6)	(48.4)	(36.3)	(19.1)	(715.9)
Total acquisition cost 31 Dec. 2016	8 381.1	417.2	2 116.0	864.1	518.3	1 027.7	13 324.5
Additions	30.5	0.0	0.0	0.0	0.2	6.0	36.7
Additions from internal developments	0.0	0.0	0.0	0.0	0.0	364.5	364.5
Disposals	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Currency translation differences	664.2	30.9	176.4	64.9	40.0	27.4	1 003.7
Total acquisition cost 31 Dec. 2017	9 075.9	448.1	2 292.4	929.0	558.5	1 425.6	14 729.4
Accumulated amortization and impairment							
1 January 2016	(61.1)	(300.1)	(569.0)	(427.6)	0.0	(210.9)	(1 568.6)
Amortization	0.0	(77.7)	(220.6)	(181.8)	0.0	(39.0)	(519.1)
Impairment	(299.0)	0.0	0.0	0.0	0.0	(11.6)	(310.6)
Disposals	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Currency translation differences	2.3	17.4	35.6	25.7	0.0	8.6	89.6
Total accum. amortization							
and impairment 31 Dec. 2016	(357.7)	(360.4)	(754.1)	(583.6)	0.0	(252.9)	(2 308.7)
Amortization	0.0	(22.3)	(221.8)	(180.5)	0.0	(78.8)	(503.3)
Impairment	0.0	0.0	0.0	0.0	0.0	(15.3)	(15.3)
Disposals	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Currency translation differences	(1.6)	(30.4)	(76.6)	(56.9)	0.0	(13.8)	(179.2)
Total accum. amortization							
and impairment 31 Dec. 2017	(359.3)	(413.1)	(1 052.4)	(821.0)	0.0	(360.8)	(3 006.6)
Net book value							
31 December 2017	8 716.6	35.0	1 239.9	108.0	558.5	1 064.8	11 722.8
31 December 2016	8 023.4	56.8	1 361.9	280.5	518.3	774.8	11 015.7
31 December 2015	8 632.7	131.7	1 633.5	484.9	549.9	513.6	11 946.3
Useful life		1-5 years	6-16 years	5-7 years	Indef.	5-10 years	

Other intangible assets are amortized linearly, based on evaluation of useful life.
Other intangible assets mainly consist of capitalized software development costs and acquired software.
Goodwill is not amortized, but is tested annually for impairment (note 13).
Trademarks has an indefinite useful life and are not amortized but tested for impairment annually.

13 IMPAIRMENT TESTING OF GOODWILL

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 and Software. The test is performed at year end. An impairment loss is recognized if the estimated recoverable amount is lower than the carrying amount of the cash generating unit.

Goodwill is allocated to the business areas as follows:

AMOUNTS IN NOK MILLION	2017	2016	2015
Maritime	3 124.7	2 900.7	3 052.3
Oil & Gas	3 492.4	3 224.1	3 405.7
Energy	1 901.2	1 735.8	2 004.8
Business Assurance	150.4	145.4	152.5
Software	47.9	17.4	17.4
Total goodwill	8 716.6	8 023.4	8 632.7

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 PER CASH-GENERATING UNIT	COST OF CAPITAL (WACC) - POST TAX	LONG-TERM NOMINAL GROWTH RATE
Maritime	7.4%	1.5%
Oil & Gas	7.8%	1.5%
Energy	7.7%	1.5%
Business Assurance	7.4%	1.5%
Software	8.4%	1.5%

SENSITIVITY ANALYSIS. In connection with impairment test of goodwill, sensitivity analysis are carried out for each individual cash-generating unit. For Energy a decrease in EBITA-margin of 1.0% or an increase in WACC of 0.7% will leade to impairment. For Oil & Gas a decrease in EBITA-margin of 1.7% or an increase in WACC of 1.4% will lead to impairment.

None of the other cash-generating units will be in an impairment situation before there are material changes in the key assumptions, and these changes are considered to be outside the probable outcome.

14 FIXED ASSETS

AMOUNTS IN NOK MILLION	LAND, BUILDINGS AND OTHER PROPERTY	OFFICE EQUIPMENT, FIXTURES AND FITTINGS	TOTAL
Acquisition cost			
1 January 2016	1 586.5	4 133.5	5 720.0
Additions	140.7	222.3	363.0
Additions from business combinations	0.0	2.2	2.2
Disposals	(38.1)	(269.7)	(307.8)
Divestment of a subsidiary (note 3)	0.0	(76.2)	(76.2)
Currency translation differences	(107.7)	(138.6)	(246.3)
Total acquisition cost 31 December 2016	1 581.4	3 873.5	5 454.9
Additions	77.1	263.9	341.0
Additions from business combinations	0.4	4.4	4.8
Disposals	(34.6)	(159.2)	(193.8)
Currency translation differences	76.9	143.5	220.3
Total acquisition cost 31 December 2017	1 701.2	4 126.0	5 827.3
Accumulated depreciation and impairment			
1 January 2016	547.3	2 508.9	3 056.1
Depreciation	105.6	258.2	363.8
Impairment	0.7	3.7	4.4
Disposals	(12.5)	(243.1)	(255.7)
Divestment of a subsidiary (note 3)	0.0	(53.4)	(53.4)
Currency translation differences	(27.1)	(88.6)	(115.6)
Total accumulated depreciation and impairment 31 December 2016	614.0	2 385.7	2 999.7
Depreciation	106.8	228.8	335.7
Impairment	13.9	0.0	13.9
Disposals	(18.6)	(132.4)	(151.0)
Currency translation differences	19.6	65.1	84.7
Total accumulated depreciation and impairment 31 December 2017	735.8	2 547.2	3 283.0
Net book value			
31 December 2017	965.4	1 578.9	2 544.3
31 December 2016	967.4	1 487.8	2 455.2
31 December 2015	1 039.2	1 624.7	2 663.9
Useful life	15-67 years	3-15 years	
	indefinite (land)		
Depreciation plan	Linear	Linear	

15 INVESTMENT IN ASSOCIATES

DNV GL Group AS' ownership (through DNV GL AS) in StormGeo Holding AS is 27%. The ownership (through DNV GL Business Assurance Group AS) in DNV Nemko Presafe AS is 50% and the investment is considered to be a joint venture. The investments are recognized in accordance with the equity method in the consolidated financial statements.

COMPANY AMOUNTS IN NOK MILLION	BUSINESS OFFICE	OWNERSHIP	ACQUISITION COST	SHARE OF PROFIT FOR THE YEAR	BOOK VALUE
DNV Nemko Presafe AS	Oslo	50%	14.1	(4.0)	4.3
StormGeo Holding AS	Bergen	27%	145.5	2.9	184.1
Total investment in associates				(1.1)	188.3

16 OTHER CURRENT LIABILITIES

AMOUNTS IN NOK MILLION	DNV GL GROUP AS CONSOLIDATED		
	31 DEC. 17	31 DEC. 16	31 DEC. 15
Advances from customers	2 256.9	1 995.9	2 492.7
Accrued bonus to employees	262.8	120.7	253.9
Accrued holiday allowances	415.8	495.4	542.2
Unrealized loss and interest related to forward contracts	0.0	25.2	35.7
Accrued expenses and other current liabilities	1 152.9	1 134.0	1 327.5
Total other current liabilities	4 088.5	3 771.3	4 652.1

17 TRADE DEBTORS

AMOUNTS IN NOK MILLION	DNV GL GROUP AS CONSOLIDATED		
	31 DEC. 17	31 DEC. 16	31 DEC. 15
Gross trade debtors	4 483.6	4 408.9	5 609.3
Provision for bad debts	(169.9)	(180.5)	(369.2)
Net trade debtors	4 313.7	4 228.3	5 240.1

18 OTHER LONG-TERM RECEIVABLES

AMOUNTS IN NOK MILLION	DNV GL GROUP AS CONSOLIDATED		
	31 DEC. 17	31 DEC. 16	31 DEC. 15
Loans to employees	42.5	46.4	54.7
Other long-term receivables	359.1	312.5	350.0
Total other long-term receivables	401.6	358.9	404.8

19 PROVISIONS

DNV GL GROUP AS CONSOLIDATED

AMOUNTS IN NOK MILLION	CLAIMS AND CONTINGENCIES	ONEROUS LEASE	OTHER PROVISIONS	TOTAL
Balance at 1 January 2015	188.7	0.0	86.4	275.1
Currency translation differences	6.9	0.0	0.0	6.9
Additions	50.0	0.0	396.5	446.5
Utilization	(6.0)	0.0	(74.5)	(80.5)
Reversal	(65.8)	0.0	0.0	(65.8)
Balance at 31 December 2015	173.7	0.0	408.4	582.1
Current	100.0	0.0	375.5	475.5
Non-current	73.7	0.0	32.9	106.6
Balance at 1 January 2016	173.7	0.0	408.4	582.1
Currency translation differences	(4.0)	0.0	(16.3)	(20.2)
Additions	3.0	367.3	600.5	970.8
Utilization	0.0	0.0	(581.0)	(581.0)
Reversal	0.0	0.0	(6.7)	(6.7)
Balance at 31 December 2016	172.8	367.3	404.9	945.0
Current	103.0	202.0	366.5	671.5
Non-current	69.8	165.4	38.4	273.5
Balance at 1 January 2017	172.8	367.3	404.9	945.0
Currency translation differences	5.9	2.9	22.7	31.4
Additions	0.0	86.1	261.7	347.8
Utilization	(32.0)	(68.1)	(311.3)	(411.4)
Reversal	(25.0)	(5.8)	(8.8)	(39.6)
Balance at 31 December 2017	121.6	382.4	369.1	873.2
Current	46.0	106.1	328.6	480.7
Non-current	75.6	276.3	40.6	392.5

Provisions for claims and contingencies concern fair value of pending legal disputes from acquisitions and provisions for other pending legal disputes.

Onerous lease provisions represent best estimates of the net lease obligations (net of incoming cash flows expected from sub-lease) under the onerous lease contracts at year-end 2017. The provisions have been discounted.

Included in other provisions are provisions for restructuring, termination benefits and onerous contracts.

20 CASH AND BANK DEPOSITS

DNV GL Group AS has the following cash pool systems:

BANK	OVERDRAFT FACILITY (MILL)	PARTICIPATING ENTITIES	BALANCE 31 DEC. 17 (MILL NOK)
Danske Bank	NOK 100	Most of the DNV GL subsidiaries in Norway, Denmark, Sweden,	447
		Finland, UK, Ireland, Faroe Islands, and the Baltics	
Deutsche Bank	EUR 10	Some subsidiaries in Europe	267
Bank of America	USD 10	Most of the DNV GL subsidiaries in US	442
DNB ASA	NOK 50	Most of legacy DNV legal entities	312
Handelsbanken	-	Some DNV GL subsidiaries in Sweden, Poland, Finland, Estonia,	24
		Latvia, Lithuania and Germany	
Citibank	-	Some legacy DNV legal entities in the Euro-countries	-19

Balances on bank accounts participating in the cash pooling systems are considered as internal assets or liabilities vis-à-vis other Group participants. Cash pool balances 31 December are included in Cash and bank deposits in the balance sheet at 31 December.

The following DNV GL Group AS' wholly owned subsidiaries have the following local credit facilities guaranteed by DNV GL Group AS or DNV GL AS through parent company guarantees:

BANK	OVERDRAFT FACILITY (MILL)	PARTICIPATING ENTITIY	DRAWN 31 DEC. 17 (MILL)
Citibank China	CNY 50	Det Norske Veritas China Company Ltd	Undrawn
Citibank India	INR 40 + INR 30	DNV GL Business Assurance India Private Ltd	INR 9.7
Citibank India	INR 200	Garrad Hassan India Private Ltd	INR 200
Citibank Korea	KRW 17 000	DNV GL Korea Ltd	Undrawn
Citibank Brazil	BRL 15	DNV GL Classificacao Certificacao e Consultoria Brasil Ltda	BRL 7.2

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.

21 LONG-TERM LOANS

DNV GL Group AS has an agreement for a NOK 1 000 million multi-currency revolving credit facility with Handelsbanken Norwegian branch of Svenska Handelsbanken AB. The facility expires in May 2022 and was undrawn per year-end 2017.

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.

22 GUARANTEES

DNV GL GROUP AS			AMOUNTS IN NOK MILLION	DNV GL GROUP AS CONSOLIDATED		
31 DEC. 17	31 DEC. 16	31 DEC. 15		31 DEC. 17	31 DEC. 16	31 DEC. 15
5.7	0.0	0.0	Guarantee commitments not included in the accounts	268.8	272.6	369.8

These guarantees are not secured by mortgage.
Guarantee commitments are mainly related to customer contracts entered into by DNV GL Group subsidiary companies.

23 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 100% by Det Norske Veritas Holding AS, with business office in Bærum, Norway.

24 RELATED PARTY TRANSACTIONS

DNV GL AS has a lease agreement for the office buildings at Høvik, Norway with the related party Det Norske Veritas Eiendom AS (wholly owned subsidiary of the majority shareholder of DNV GL Group, Det Norske Veritas Holding AS), the rent expensed in 2017 amounts to NOK 244.3 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 2017 amounts to NOK 7.7 million.

DNV GL AS has a management services agreement for the delivery of general management and administrative services with the related party Det Norske Veritas Holding AS (100 % shareholder). The revenue recognized for these services in 2017 is NOK 6.2 million.

DNV GL AS has a service agreement with the related party DNV GL Pension fund for management and administrative services. The revenue recognized for these services in 2017 is NOK 0.3 million.

Several subsidiaries of DNV GL Group AS have business transactions with the related party DNV Nemko Presafe AS (associated company). Total revenue recognized in 2017 was NOK 10.8 million and total purchases amount to NOK 20.7 million.

25 FINANCIAL ASSETS AND FINANCIAL LIABILITIES

AMOUNTS IN NOK MILLION	31 DECEMBER 2017 DNV GL GROUP AS CONSOLIDATED				31 DECEMBER 2016 DNV GL GROUP AS CONSOLIDATED			
	FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH P&L	LOANS AND RECEIVABLES	AVAILABLE FOR SALE	OTHER FINANCIAL LIABILITIES	FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH P&L	LOANS AND RECEIVABLES	AVAILABLE FOR SALE	OTHER FINANCIAL LIABILITIES
ASSETS								
Non-current assets								
Available for sale								
investments			27.8				40.7	
Loans to employees		42.5				46.4		
Other long-term receivables		359.1				312.5		
Current assets								
Cash and bank deposits		3 659.7				3 628.0		
Trade debtors		4 313.7				4 228.3		
Other debtors		988.9				1 007.8		
Forward contracts	3.0							
FINANCIAL LIABILITIES								
Non-current								
Other non-current liabilities				455.8				428.8
Current								
Trade creditors				509.0				465.3
Forward contracts					25.2			

26 SUBSEQUENT EVENTS

At the extraordinary general meeting 15 February 2018, a dividend distribution of NOK 3 000 million from DNV GL Group AS to the sole shareholder Det Norske Veritas Holding AS was declared. The dividend was based on the DNV GL Group AS financial statements for 2016. As the dividend was not declared 31 December 2017, the dividend has not been recognized as a liability in the 2017 financial statements.

BOARD OF DIRECTORS' REPORT

The Board of Directors believes that DNV GL's performance in 2017, against a backdrop of difficult markets, demonstrates that the company has responded well to the challenges posed throughout the year while defending its global position.

The company achieved operating revenues of NOK 19,475 million in 2017. The continued contraction of the business volume in the Maritime and Oil & Gas business areas was the main reason for the reduced earnings before interest, taxes and amortization (EBITA), which totalled NOK 993 million. This development reflects the fact that many of DNV GL's customers continue to face tough market conditions.

The Board sincerely thanks the management and employees for the hard work and commitment they have displayed throughout 2017.

Strategy

DNV GL's strategy sets ambitious goals for further developing the company as a world leading quality assurance and risk management company within the maritime, oil & gas and energy industries, as well as within management system certification services and digital solutions across industries.

Towards the end of 2017, a new business area, Digital Solutions, was established to help achieve some of DNV GL's strategic ambitions. This signals DNV GL's strong commitment to strengthening the breadth and depth of its digital capabilities for the benefit of its customers. Digital Solutions combines these capabilities with DNV GL's well-established domain expertise to create efficiencies and new revenue streams across all business areas and to maintain DNV GL's leading position in an increasingly digital world. The new organization will also maximize the impact of DNV GL's digital investments, including the company's open industry data platform, Veracity, and rich portfolio of software ecosystems.

DNV GL will continue to invest in R&D and develop the skills and knowledge of its employees to stay at the forefront of technology and innovation and to fulfil its purpose and vision.

Market

MARITIME. Although the outlook appeared bleak at the beginning of 2017, by the end of the year many segments had enjoyed earnings growth and newbuild orders had picked up somewhat from the record lows of 2016. Growth in seaborne trade increased markedly (4.1% in 2017 vs 2.8% in 2016), in line with the global economy.

The global fleet grew by 1% in terms of number of ships and 3% in terms of gross tonnage (GT), in line with the growth seen in 2016 but notably slower than in previous years. Record low prices for ship newbuildings, with a newbuild Very Large Crude Carrier (VLCC) costing the equivalent of a five-year-old vessel just 18 months ago, saw ordering pick up. Even so, while an improvement over 2016, ordering in 2017 was lower than in any of the first five years of the decade.

DNV GL was again one of the leading classification societies in terms of order intake, with over 19.4% of global newbuildings based on GT. DNV GL performed particularly well in the container market, winning nearly 40% of all orders by GT. The addition of 15 operational mobile offshore units (MOUs) to DNV GL class demonstrated the company's strong position in the offshore sector.

At the end of 2017, the DNV GL-classed fleet stood at 12,160 vessels and MOUs, totalling 282.6 million GT. DNV GL retained its leading position in the industry and was honoured by the Lloyd's List newspaper as the top classification society.

Liquefied natural gas (LNG) continued to rise in importance, with significant new export terminals, liquefaction capacity and FSRUs coming online, most notably in Australia and the US as well as the Yamal project in Russia. DNV GL undertook many projects for new vessel designs and components with customers in 2017, including new types of LNG tanks, an LNG-fuelled bulker for the Australia-China trade and large LNG-fuelled container vessels.

Several digitalization initiatives were launched over the year to help customers maximize the efficiency of their vessels and operations. This included a smart survey booking tool, adding a machine learning system to better direct customer queries through the DATE (Direct Access to Technical Experts) service and the rollout of IMO-compliant electronic class and statutory certificates across DNV GL's entire classed fleet – a first for the industry. The feedback on electronic certificates was very positive as it increases efficiency and transparency, and by the end of the year more than 40,000 such certificates had been issued.

> "DNV GL's strategy sets ambitious goals for further developing the company as a world leading quality assurance and risk management company.

The topic of digital classification was also driven by DNV GL's Maritime CEO Knut Ørbeck-Nilssen in his role as Chairman of the International Association of Classification Societies (IACS) in 2017.

DNV GL's software for ship management and operations showed further growth as customers in the maritime industry continued to focus on integrated fleet management solutions to support Opex reduction. The year-on-year increase in the number of vessels supported worldwide by this software was 15%, reaching 6,200 vessels.

OIL & GAS. Signs of increased confidence in the oil and gas industry began to emerge in 2017 amid more stable oil and gas prices. However, market volatility persisted and there was no sharp rebound in capital and operational expenditures across the sector.

Companies across the oil and gas supply chain continued to assign high priority to keeping costs in check, aiming for permanent cost containment to support competitiveness even if oil prices remain low.

In 2017, DNV GL focused on increasing efficiency while maintaining technical competencies for long-term growth. Some stability returned to the Oil & Gas business area in 2017, as resizing and restructuring efforts from 2016 began to bear fruit. External revenue was ahead of forecast across all quarters, chargeability was at its highest since 2014 and the sales order book remained largely robust.

The Oil & Gas business area increased its focus on developing digitally enabled services to support efficient operations across the supply chain. For example, its quantitative risk assessment visualization tool MyQRA was further developed for online users to conduct near-instantaneous, scenario-based sensitivity simulations for assets.

DNV GL also launched a digital Pipeline Evaluation Portal to speed up the testing and development of its data-driven models and software tools – for predicting and preventing pipeline corrosion, for example – through online collaboration with customers.

As customers increasingly embraced digital technologies, DNV GL launched the first-ever recommended practice for customizing existing international standards to build cyber security into oil and gas operational technology systems. Further focus was placed on growing the company's footprint in the mid- and downstream sectors in 2017, while maintaining DNV GL's market-leading position in the upstream sector.

Key projects included a major innovation contract with National Grid to enable consumer use of lower-carbon gas and improve gas-bill calculation in the UK; studies to benchmark safety, environmental and quality (HSEQ) performance against international standards using DNV GL's International Safety Rating System in China; collaboration with Lundin Norway to predict unplanned production shutdowns offshore Norway; and independent third-party verification of high-pressure, high-temperature subsea equipment for OneSubsea in the Gulf of Mexico.

DNV GL's digital solutions have seen growth, with an increased market share in all market segments – upstream, midstream and downstream. Software-as-a-Service (SaaS) offerings were further developed in 2017, with a focus on integration and collaboration. Hazard and risk analysis software saw strong growth, especially in China, where the level of regulation is increasing.

The purchase of computational fluid dynamics software developer ComputIT in 2017 was a key strategic acquisition which increases leverage with customers requiring 3D modelling solutions within a larger software ecosystem.

ENERGY. Political changes causing uncertainties, such as Brexit, subsidy-free windfarm auctions and the withdrawal of the US from the Paris Agreement, played a major role in the power and renewables industry in 2017.

In line with the need for decarbonization and clean energy sources, many countries are continuing the shift to more renewables in their energy mix and pushing the electrification of energy demand. Improving energy efficiency continues to be the best way to save energy and DNV GL runs energy management programmes to free up energy for other uses and reduce carbon emissions.

Ageing electricity grids and the growth of wind and solar assets continued to drive the demand for digital asset management advisory and monitoring services. Consolidation in the wind turbine market slowed the demand for DNV GL's wind certification services, whereas activity increased related to the company's solar-asset monitoring services.

Traditional utilities are under pressure and continue to look for new business models. This drives the need for DNV GL to digitalize its services supporting traditional and new stakeholders.

DNV GL opened the world's first – and currently only – ultra-high voltage testing facility for super grid components this year.

The energy value chain is being transformed owing to the impact of ageing infrastructure, new energy resources, increasing digitalization and cost cutting. The electric utilities markets were therefore positive to DNV GL's software solutions addressing these issues. DNV GL is renewing its technology stack to become more cloud-based, open and modular with its introduction of an electric grid digital asset ecosystem.

2017 also saw increased customer interest in structural engineering software for the offshore wind market, bringing in new customers for DNV GL's Sesam software for offshore wind turbines.

BUSINESS ASSURANCE. DNV GL's Business Assurance business area continued to diversify its market exposure by extending its assurance offerings in industry sectors such as aquaculture, agriculture, food and healthcare as well as expanding the scope of its supply chain assurance and product assurance services.

Further, the changing face of trade and adoption of digital technologies are causing a rapidly increasing amount of transactions in various forms. Recognizing that these require trust and give rise to new assurance needs, the company has embarked on building new digital assurance positions and service offerings. As an example, in 2017, DNV GL started to use and explore the opportunities created by blockchain technologies.

DNV GL is maintaining its position as a leading provider of Management System Certification services. In addition, service offerings beyond Management System Certification, such as sustainability assurance, supply chain management and product certification, are becoming increasingly important in the service portfolio.

The uncertainties in a more digital world, increasing complexity in business value chains, increasing international trade and higher public expectations are strong drivers for assurance services provided by trusted parties.

In a volatile macroeconomic environment, which has affected many of our customers' industries, Business Assurance benefited from a growth in the ISO management system market and continued to develop its larger role of assurance provider. This has resulted in a stronger footprint in the areas of both supply chain management and management system certification, where the latter remains the flagship line of service.

Revenue related to the food & beverage industry continued to grow strongly, making DNV GL one of the major business assurance players in this industry. Sustainability services also continued to grow providing opportunities in a wide range of industries. DNV GL became the first certification body to use block-chain technology when issuing certificates, allowing customers and any interested parties to check the validity of certificates by simply scanning a QR code or through a publicly available User Interface.

The overall ISO management system certification market is estimated to have grown by approximately 3%. Within this market, DNV GL maintained a leading position in terms of market share and innovation in 2017. DNV GL's assurance portfolio continued to expand, with growth of 13% in Product Assurance and 14% in Supply Chain Management and other assurance services that help companies work towards responsible consumption and production. Within the food and beverage industry, growth exceeded expectations once again. Similarly, healthcare services continued to grow strongly in 2017.

SOFTWARE. The largest markets for DNV GL's software solutions continued to face challenges in 2017, although there are signs of a recovery, with customers planning new projects and a generally more positive outlook for DNV GL's core industries. The shift towards digitalization and cloud-based solutions continued, and DNV GL responded to this by fully restructuring its development and delivery organization in the Software business area - from product lines to digital ecosystems.

Software-as-a-Service (SaaS) is outpacing the growth of traditional software licensing in some segments. In the QHSE software domain, most new customers of DNV GL's Synergi Life software chose SaaS solutions.

Sales to new customers accounted for 30% of the total new sales during the year, and 281 new accounts were secured. Software consulting services again experienced strong annual revenue growth.

From 2018, the Software business unit became part of the newly created Digital Solutions business area.

Financial performance

DNV GL Group AS achieved operating revenues of NOK 19,475 million in 2017, a decline of NOK 1,359 million from 2016. This 6.5% revenue contraction reflects a decline in the business volume from the maritime and oil & gas markets. The organic growth was minus 5.1%, while the relative strengthening of the NOK contributed to a negative currency effect of 1.7%. The acquisition of Green Power Monitor contributed 0.3% non-organic growth.

The Maritime business area recorded revenues of NOK 7,021 million, corresponding to a contraction of 14.5% compared to 2016. The Oil & Gas business area reported revenues of NOK 4,594 million, representing a contraction of 7.3%. The decline in these two business areas' volumes improved in the second half of the year, with a reduced contraction in Maritime and the flattening out of the negative growth in Oil & Gas.

The Energy business area recorded revenues of NOK 3,677 million, reflecting growth of 26% that includes the acquisition of Green Power Monitor. Business Assurance ended the year with growth of 4.2% and revenues of NOK 3,278 million, driven primarily by management system certification services. The Software business area saw its growth flatten out in 2017 and delivered external revenues of NOK 852 million, which are on a par with last year. Lower business volumes in Maritime and Oil & Gas in 2017 were almost entirely offset by cost and capacity reductions in these two business areas, as well as continuous cost reductions in group-wide support functions. Overall, this led to a slight improvement in the earnings before interest, taxes, amortization and impairment (EBITA) from NOK 984 million in 2016 to NOK 993 million in 2017, reflecting an EBITA margin of 5.1%.

After the NOK 519 million amortization of intangible assets, the operating profit (EBIT) increased by NOK 320 million, from NOK 154 million in 2016 to NOK 474 million in 2017. The net financial expenses were NOK 110 million in 2017, compared to NOK 18 million in 2016. The change from 2016 is primarily due to negative currency effects incurred in 2017 with weaker USD and stronger EUR development in 2017. The other main financial items were net interest costs from defined benefit pension plans (NOK 32 million), other interest costs and financial expenses.

The 2017 tax expense was NOK 303 million. The high tax level is partly due to non-tax-deductible items, withholding taxes on remitted earnings, and losses from operations without recognition of tax assets. The after-tax profit for the year was NOK 61 million, compared to last year's net loss of NOK 216 million.

The net cash flow for the year was positive by NOK 32 million. The cash flow from operations ended at NOK 656 million in 2017, but was negatively influenced by the net increase in working capital despite the 5% organic decline in operating revenues. The cash flow from investments was NOK 669 million in 2017 of which net investments of NOK 286 million in tangible fixed assets were mainly in laboratories in Arnhem, the Netherlands, as well as office-related and IT-equipment investments. Of the NOK 371 million investments in intangible assets, NOK 280 million was primarily related to new software platforms. Acquisitions amounted to NOK 24 million in 2017.

At the year-end, the DNV GL Group had liquidity reserves of NOK 3,660 million plus a credit line of NOK 1,000 million.

The Group has a strong balance sheet, with an equity ratio of 65% of total assets. Due to a weaker NOK against currencies where the Group has its major balance sheet exposure, foreign currency gains of NOK 885 million relating to net investments in foreign subsidiaries were reflected in equity in 2017.

Net actuarial gains of NOK 424 million from defined benefit pension plans were reflected in equity at the year-end, primarily from the actual return on the plan assets in the Norwegian pension scheme.

The accounts of the parent company, DNV GL Group AS, show a profit for the year of NOK 269 million. The profit is mainly generated from financial items. The Board proposes to transfer the profit for the year to other equity.

> One of the most significant digital innovations from DNV GL in 2017 was the launch of Veracity, an open industry data platform.

At the extraordinary general meeting 15 February 2018, a dividend distribution of NOK 3,000 million from DNV GL Group AS to the sole shareholder Det Norske Veritas Holding AS was declared. The dividend was based on the DNV GL Group AS financial statements for 2016. As the dividend was not declared 31 December 2017, the dividend has not been recognized as a liability in the 2017 financial statements.

The Board confirms that the going concern assumption applies and that the financial statements have been prepared on this basis. Although the Board regards DNV GL's financial performance for 2017 as modest, the equity ratio remains strong and constitutes a robust platform to achieve our strategic targets and maintain our independence as a financially strong and trusted company. The Board also confirms that, to the best of its knowledge, the information presented in the financial statements gives a true and fair view of the assets, liabilities, financial position and results of the DNV GL Group for the period. Apart from the NOK 3,000 million dividend distribution, there are no material events after the balance sheet date affecting the 2017 financial statements.

Innovation

Innovation is a cornerstone of DNV GL's business model. It is also central to the differentiation strategy that enables DNV GL to meet its strategic goals and has made the company a preferred and trusted quality assurance and risk management provider to the maritime, energy and other industries for many decades.

Consequently, the company is upholding its commitment to invest 5% of its annual revenues in research and innovation activities, including the strategic research unit, despite ongoing cost-cutting measures. The purpose is to deliver the best insight and technical capabilities to help its customers work in safer, smarter and greener ways. Innovative solutions and foresight are co-created and shared with the industries in which DNV GL is active. One strong example of foresight provided by the strategic research unit was the first annual Energy Transition Outlook, which was positively received by customers and other stakeholders all over the world.

Of the total investment in research and innovation, one-fifth, i.e. 1% of the company's annual revenues, is allocated to long-term strategic research. To support the company's strategic ambition of becoming a data-smart company, 60% of the research and innovation activities are dedicated to digitalization.

One of the most significant digital innovations from DNV GL in 2017 was the launch of Veracity, an open industry data platform. With this platform, DNV GL will not only accelerate its digital service offerings but also provide a foundation for new revenue streams, business models, and co-innovation with customers and other partners.

Corporate risk management

The Board 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 and initiate adequate mitigating measures and actions.

DNV GL's risk management policy is part of the management system and ensures that the risk management processes and culture are an integral part of everything the company does. The policy is aligned with the ISO 31000 framework.

The Board formally reviews the risk management status and outlook twice a year. The review of risks and opportunities is conducted as part of both the strategy revision process and the annual plan process.

DNV GL calculates its risk-adjusted equity on an annual basis, taking into consideration the most important risk factors. Based on value-at-risk methodology, the analysis includes potential losses from operations, foreign-exchange exposure, financial investments and pension plan assets and liabilities. The book equity less the maximum calculated loss illustrates DNV GL's total risk exposure and the amount that can be lost in a worst-case scenario. This exercise gives the Board a measurable overview of the key quantified risks and DNV GL's capacity to take on additional risk.

The relatively low oil price and its effect on the demand for DNV GL's services were a focus area in the Board's risk assessments throughout the year. Developments in the maritime sector were another issue of great concern. The relatively low ship newbuilding market and more competitive situation in the classification industry have been assessed as major elements of the risk picture facing DNV GL. Mitigating actions addressing overcapacity and the cost base have been prioritized.

Severe quality, safety and integrity risks in the company represent another focus area. Numerous barriers exist to minimize the chance of such events occurring, and DNV GL's management system is constantly being scrutinized to ensure that the company is managing this risk satisfactorily.

The company's ambitions to play a role in the emerging digital economy entail an increased cyber security risk. Among other mitigating actions is the work to achieve ISO 27001 certification. The Board will review the cyber security risk annually going forward.

DNV GL's main financial risks are its market risk (interest rate and foreign currency risk), credit risk, liquidity risk and political risk related to trade sanctions.

Interest rate risk: as the company has had limited external borrowings, its exposure to interest rate risk is primarily due 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 has closed all existing defined benefit pension schemes to new entrants. In addition, there is limited exposure to the risk of changes in market interest rates for DNV GL's forward exchange contracts.

Foreign currency risk: DNV GL has revenues and expenses in approximately 70 currencies. Of these, six (NOK, EUR, USD, CNY, KRW and GBP) make up for 77% of the total revenue. In most currencies, the company has a natural hedge through a balance of revenues and expenses. The foreign currency policy is to focus on hedging expected cash flows, primarily in US dollars. However, DNV GL is also materially exposed to the re-evaluation of balance sheet items, including net investments in foreign subsidiaries.

Credit risk: receivable balances are monitored on an ongoing basis, with the result that the company's exposure to bad debts is limited. There are no significant concentrations of credit risk within the company. With respect to the credit risk arising from the other financial assets, which comprise cash, cash equivalents and certain derivative instruments, DNV GL's exposure to this arises from any default of the counterparty, with a maximum exposure equal to the market value of these instruments.

Liquidity risk: DNV GL monitors its liquidity risk on a continuous 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.

Corporate governance

DNV GL considers sound corporate governance to be fundamental in securing trust in the company and a cornerstone for achieving sustainable value creation in the best interests of DNV GL's customers, employees, owner and other stakeholders.

DNV GL reports annually on corporate governance in accordance with the Norwegian Code of Practice for Corporate Governance ("Code of Practice"), and applies these principles to the extent relevant for the DNV GL Group as a private limited company. The Code of Practice relates to 15 topics, and DNV GL's Corporate Governance report covers each of these topics and describes DNV GL's adherence to the Code of Practice. The Corporate Governance report also describes the legal basis and principles for DNV GL's corporate governance structure. The full report can be accessed on the company website.

The management company of the DNV GL companies is DNV GL Group AS, registered in Norway and governed by the Norwegian Private Limited Liability Companies Act. Between the merger of the DNV Group and GL Group in 2013 and 14 December 2017, this company was owned by Det Norske Veritas Holding AS (63.5%) and Mayfair Beteiligungsfonds II GmbH & Co. KG ("Mayfair") (36.5%). On 14 December 2017, Det Norske Veritas Holding AS acquired Mayfair's 36.5% shareholding in DNV GL Group AS to become the sole owner of the company.

After the three board members appointed by Mayfair resigned in connection with the share transaction in December 2017, DNV GL's Board was reduced from 14 to 11 members. Of these, six members are elected by the General Meeting based on nominations by Det Norske Veritas Holding AS and five members are elected by and from among DNV GL employees worldwide. The Board consists of six men and five women representing five nationalities, with an average age of 53 years. The Board's combined expertise represents a range of stakeholders, markets and disciplines.

> The Board consists of six men and five women representing five nationalities.

In addition to the reduction in the number of board members in December 2017, the composition of the Board of Directors also changed in August 2017 due to new appointments by Det Norske Veritas Holding AS and the election of new employee representatives. The Board welcomed Birgit Aagaard-Svendsen, Lasse Kristoffersen and Silvija Seres as new members appointed by Det Norske Veritas Holding, and Nikolaos Papanikos and Da Wei Tian as new members elected by and from among DNV GL employees. The Board would like to thank Wolfhart Hauser, C. Thomas Rehder, Christelle G. V. Martin, Rebekka Glasser Herlofsen, Sami Badarani, Betty Bei Xu, Markus Wandt and Mette Bandholtz Nielsen for their past contributions as board members.

The Board held six ordinary board meetings and one extraordinary meeting in 2017. The average attendance at these board meetings was close to 100%. The Board's Audit Committee held four meetings in 2017 and the attendance at these was 100%. The Board's Compensation Committee held three meetings in 2017 and the attendance at these was 100%.

Corporate sustainability

DNV GL's vision of having a global impact for a safe and sustainable future sets the direction of the business. The company's commitments to customers, employees and business partners are guided by DNV GL's purpose of safeguarding life, property and the environment.

DNV GL pursues continuous improvement in its sustainability performance and its management systems are certified to the ISO 9001, ISO 14001 and OHSAS 18001 standards.

DNV GL has been a signatory to the United Nations Global Compact since 2003, and the Board sees the integration of the 10 principles on human rights, labour standards, environmental performance and anti-corruption as critical for capturing long-term value. In 2017, DNV GL continued its partnerships with the World Business Council for Sustainable, the Global Opportunity Network, the Red Cross, and WWF.

> "The company's commitments to customers, employees and business partners are guided by DNV GL's purpose of safeguarding life, property and the environment.

DNV GL supports the UN Sustainable Development Goals and aims to use this framework to create customer value through meeting societal needs. The Board considers the UN Sustainable Development Goals to be a framework for strengthening the company's market positions. DNV GL provides strong business solutions for many of these global goals, including 7) Affordable and Clean Energy; 9) Industry, Innovation and Infrastructure; and 13) Climate Action. The Group strategy also reflects relevant market opportunities for the goals 3) Good Health and Well-being, 12) Responsible Consumption and Production and 14) Life below Water.

In 2017, DNV GL conducted a broad stakeholder survey to identify the most important sustainability topics amongst customers, owners, suppliers, partners, media and employees. The replies from some 1,000 respondents will contribute to the shaping of DNV GL's priorities for 2018-2020. The Board refers to the Annual Report, available on the company website, for a complete account of corporate sustainability, including information on the priorities, management approach, targets and performance within the topics of sustainable leadership, health and safety, business ethics and anti-corruption, people, environment and climate, sustainable procurement as well as partnerships for sustainability. DNV GL reports in accordance with the GRI Standards at the Comprehensive Level, and a third party has conducted limited assurance of the report.

Organization and people

The DNV GL Group has operations in close to 100 countries and headquarters located at Høvik, just outside Oslo, Norway. DNV GL is organized in a group structure with five business areas: Maritime, Oil & Gas, Energy, Business Assurance, and Digital Solutions. The new business area Digital Solutions became operational on 1 January 2018, building on the capabilities in the previous business area Software as well as in specialist digital units across the DNV GL Group.

The total number of employees at year-end 2017 was 12,715 (13,550 at year-end 2016), of which 98% are permanent employees. In addition, 6,969 (6,369) qualified subcontractors and expert personnel were engaged. Employee turnover was 12.5% (13%), with voluntary turnover at 5.7% (5.5%). The continuous decline in the number of employees reflects that DNV GL still had to adjust to the contraction in the maritime and oil & gas markets. A head-count reduction was carried out in numerous business and support units, and the cost base was thoroughly scrutinized. New digital systems for financial and HR processes were implemented.

A career in DNV GL should not be hindered by nationality, gender or age if the employee has the competence, attitude and values needed for the role. The Board considers the company's purpose, vision and values to be instrumental in attracting and retaining the diverse workforce necessary in global markets. The Board also emphasizes the importance of sound management of human and labour rights. The DNV GL statement pursuant to the UK Modern Slavery Act is signed by the Board and published on the company website.

The employees represent 112 (115) nationalities, and DNV GL has 100 or more employees in 23 (20) countries. The largest regions in terms of number of employees are the Nordics, West and South-East Europe, North America, Central Europe, Northern Asia, Great Britain, India/Middle East/Africa, South Asia and South America. Of the permanent employees, 87% (87%) have higher education. The weighted average female vs. male salary is 99% (99%), ranging from 89% to 105% in the largest countries where operations take place. The proportion of female employees is 32% (31%) and the proportion of female managers is 25% (23%). As of 1 January 2018, the Executive Committee consists of 4 (2) women and 5 (7) men, with women accounting for 2 of 5 (1 of 5) operational CEOs.

Health and safety

DNV GL's overall goal is to ensure zero harm to, and a healthy working environment for, its workforce. Expectations for suppliers include compliance with equivalent health and safety requirements for services rendered on the DNV GL premises and subcontracted survey-type work outside normal office locations.

> As an independent provider of professional services, DNV GL bases its business model on trust at all levels and in all business environments.

In 2017, there were no work-related fatalities involving DNV GL employees. The long-term trend for injuries and occupational diseases was stable, with a slight improvement. At year-end, the 12-month rolling average was 30.3 (38.4) for the Lost Day Rate, 1.2 (1.4) for the Injury Rate, 0.9 (1.0) for the Occupational Disease Rate and 2.4 (2.5) for the Absentee Rate. The number of injuries leading to lost days was 27 (34), the number of occupational disease cases resulting in lost days was 22 (25), the number of injuries with no lost days was 149 (162) and the number of near-accidents was 313 (408). All in all, DNV GL's health and safety performance is average compared with industry benchmarks, and a programme is in place to continuously strengthen the resilience of the workforce and foster a learning health and safety culture.

Business ethics and anti-corruption

The DNV GL value "We never compromise on quality or integrity" is the leading principle for fostering a common culture of integrity across all operations. As an independent provider of professional services, DNV GL bases its business model on trust at all levels and in all business environments. The Board emphasizes the necessity of reflecting the DNV GL values and demonstrating ethical leadership in society at large. The Group has a zero-tolerance policy for corruption and unethical behaviour that applies to all employees, subcontractors, agents and suppliers.

DNV GL's compliance programme and related instructions are based on the Code of Conduct for which the Board is responsible. Anti-corruption, antitrust, export controls, sanctions and personal data protection are the programme's focus areas, and respective instructions are in place. Information on how to report potential misconduct is published on the company website and the intranet, and there is also an ethical helpline and anonymous whistle-blowing channel.

Compliance risks are regularly assessed as part of the corporate risk management process and measures are taken accordingly. The Group Compliance Officer reports performance to the Board's Audit Committee quarterly, as well as to the Executive Committee when relevant.

In 2017, 62 (44) potential compliance cases were reported and handled. No legal action regarding anti-competitive behaviour or violations of antitrust or monopoly legislation in which DNV GL was identified as a participant was pending or completed during the reporting period. No significant fines or non-monetary sanctions for non-compliance with laws and/or regulations in the environmental, social or economic areas were identified.

Relevant measures to achieve a high level of integrity were further implemented in 2017 through training, communication and improvements of governing documents, taking into consideration the latest legal developments. The company started to finalize risk assessments regarding subcontractors and intermediaries and implement these in the business areas, and an export control network was set up. Code of Conduct training has been completed by 98% of employees, 97% of employees have completed anti-corruption and antitrust training and around 2,500 employees in management and exposed positions received individual training on compliance programme topics.

Environment and climate

The Group is committed to taking a precautionary approach, managing and continually improving its environmental and climate performance. Assessments, improvement actions, incident reporting and performance monitoring of material topics such as energy consumption, emissions to air and waste management are followed up annually. Internal and external audits are undertaken to assure performance. DNV GL prefers suppliers and subcontractors that provide services in compliance with the Group's environmental and climate policies.

Climate change mitigation and adaptation are prioritized, and the Board is monitoring the implementation of the Group strategy to ensure that DNV GL will be verified as carbon neutral in relation to office buildings, laboratories and travel activity. Carbon neutrality is to be achieved in 2018, two years ahead of schedule. No risk related to climate change is assessed as material and the financial implications are considered to be limited.

In 2017, zero cases of non-compliance with environmental regulations and zero fines related to environmental aspects were registered. The recorded energy consumption was 118.3 GWh (87.5 GWh), of which 37.5 GWh (40.6 GWh) was purchased energy with green certificates. The higher reported energy consumption is due to the increased number of locations included in the reporting, up from 73 to 112. DNV GL's carbon footprint was 69,494 tCO_2e (29,993 tCO_2e). The Scope 1 and 2 greenhouse gas emissions from offices and lab operations came to 25,822 tCO_2e (29,993 tCO_2e).

Scope 3 greenhouse gas emissions from air and car travel were 43,665 tCO_2e (17,282 tCO_2e). The increased emissions from air travel are explained by more employees being covered by the travel agencies' measurements and by increased travel activity related to customer work.

2017 is the first year in which DNV GL reports its carbon footprint for all its employees. Greenhouse gas emissions are measured for 97% of air travel and for buildings where 86% of employees work, with the rest of the emissions being estimated. Measures are taken to improve data quality and the group-wide processes for environmental and climate reporting.

Outlook

The global economic outlook for 2018 seems slightly more optimistic than 2017, with higher expectations not only for growth and commodity prices but also of increased interest rates. However, globalization is being challenged in several major countries and we see greater uncertainty regarding the introduction of national and regional free-trade protection measures, the movement of people and the transfer of technology.

The Board detects modest signs of growth in both seaborne trade and energy demand and thus a slowdown in the company's revenue contraction. However, 2018 will be another challenging year for DNV GL, as the optimistic signs in the maritime and offshore markets are expected to produce a positive effect from 2019. Over the past three years, cost restructuring has been implemented across all the business areas, shared services and support organization, thus making DNV GL better prepared to cope with the prevailing market conditions.

After a few years of recession, the predicted increase in seaborne trade, coupled with scrapping, means the ship newbuilding order book is finally expected to turn positive during 2018, but too late for a major impact on the financial year. Competition will continue to be fierce, but the company is maintaining its goal of minimizing the transfer of class to other classification societies, without compromising quality and safety standards.

In the oil and gas market, the stabilized oil prices and essentially flat gas prices will have a positive impact. Many oil companies expect to slightly increase their capital spend in the upstream sector as they adapt to this new normal. However, the new offshore upstream oil and gas developments are focused on smaller and shorter-payback-time projects. The existing extensive infrastructure across the value chain, including pipelines and refineries, continues to need operations support services. In this low-growth market, DNV GL's Oil & Gas business area expects flat revenue developments in 2018. Meanwhile, the external revenue of the offshore newbuilding activities is predicted to shrink by more than 50% as the oversupply of drilling rigs and offshore supply vessels continues, accompanied by a drop in new large complex offshore projects.

The energy sector market continues to be demanding in several segments and geographies due to energy and climate politics, but there is an overall trend of continued decarbonization of the world's energy systems, which should drive demand for the company's renewables and energy storage services. DNV GL's energy advisory services are expected to stage a recovery and the power testing and certification services are also expected to grow, fuelled by the high-power laboratory in Arnhem, which will see its first full year at its expanded capacity.

Management system certification services will continue to dominate Business Assurance's revenue the coming years. The food and beverage, health and automotive industry sectors are now the three dominant sectors within this business area, and are expected to grow further in 2018. Supply chain assurance services are predicted to have double-digit growth. Business Assurance will continue to focus on efficiency measures coupled with investment in its next-generation production system as well as digital assurance.

Digitalization is central to the Group's 2020 strategy and, in response to the accelerated pace of digital transformation in the core industries, the company formed the new Digital Solutions business area in late 2017. Digital Solutions will build on the legacy business area Software's solutions for the maritime, oil & gas and energy sectors, coupled with new data management platform services and expanded data analytics and cyber security services. Digital Solutions is also responsible for helping the rest of the organization to develop digital solutions for customers.

The Board of Directors believes DNV GL's performance in 2017, against a backdrop of difficult markets, demonstrates that the company has responded well to the challenges posed throughout the year. The company has developed, and will continue to expand, a broad competence and resource base to provide guidance and support to customers in a business environment where the need for technical and digital expertise, trust and risk management is evident.

THE BOARD OF DIRECTORS OF DNV GL GROUP AS, HØVIK, 26 APRIL 2018

LEIF-ARNE LANGØY CHAIRMAN	**MORTEN ULSTEIN** VICE CHAIRMAN	**BIRGIT AAGAARD-SVENDSEN**	**LIV AUNE HAGEN**
NINA IVARSEN	**CLEMENS KEUER**	**LISELOTT KILAAS**	**LASSE KRISTOFFERSEN**
NIKOLAOS PAPANIKOS	**SILVIJA SERES**	**DA WEI TIAN**	**REMI ERIKSEN** GROUP PRESIDENT & CEO

BOARD OF DIRECTORS' PROFILES

LEIF-ARNE LANGØY
Chair

Nationality: Norwegian **Born:** 1956

Position:
Managing Director, LAPAS AS

Education:
MSc Norwegian School of Economics and Business Administration

Member of the board:
Since 2010
Chair since 2011

Directorship(s) outside DNV GL:
Chairman of Kværner ASA; Chairman of Sparebanken Møre; Vice Chairman of The Resource Group AS (TRG); Member of the Board of Farstad Shipping ASA; Chairman of Stiftelsen Det Norske Veritas; Chairman of Det Norske Veritas Holding AS

MORTEN ULSTEIN
Vice-Chair

Nationality: Norwegian **Born:** 1953

Position:
Managing Director, Borgstein AS

Education:
Rolls Royce Business Leadership Program, 2000. Training programmes at IMD, Lausanne 1990–92. The University of Trondheim, The Norwegian Institute of Technology, Master of Science in Naval Architecture and Marine Engineering 1973–77

Member of the board:
Since 2011

Directorship(s) outside DNV GL:
Chairman of the Island Offshore Group of companies; Vice Chairman of Stiftelsen Det Norske Veritas; Vice Chairman of Det Norske Veritas Holding AS; Member of the Board of Directors of Norwegian Hull Club

BIRGIT AAGAARD-SVENDSEN

Nationality: Danish **Born:** 1956

Position:
Professional Board member

Education:
Constructional Engineering, The Technical University of Denmark, 1980. Graduate Diploma in Business Administration, 1985. INSEAD, Paris, 1988. IMD, Lausanne, 1998. IESE, Barcelona, 2001.

Member of the board:
Since 2017

Directorship(s) outside DNV GL:
Stiftelsen Det Norske Veritas;
Det Norske Veritas Holding AS;
Deputy Chairman of Dalhoff Larsen & Horneman A/S;
Audit Committee Chairman of Presafe SE;
Board member of Otto Mønsted A/S;
Board member of Axis Offshore Pte. Ltd.;
Audit Committee Chairman of West of England;
Ship Owners Mutual Insurance Ass.

LISELOTT KILAAS

Nationality: Norwegian **Born:** 1959

Position:
CEO, Aleris Group

Education:
MBA, IMD International; MSc in Math. Statistics

Member of the board:
Since 2016

Directorship(s) outside DNV GL:
Stiftelsen Det Norske Veritas;
Det Norske Veritas Holding AS

CLEMENS KEUER

Nationality: German **Born:** 1959

Position:
Chair of German Works Council, DNV GL

Education:
Degree in Computer Science, University of Hamburg

Member of the board:
Since 2013

Directorship(s) outside DNV GL:
Stiftelsen Det Norske Veritas;
Det Norske Veritas Holding AS

NINA IVARSEN

Nationality: Norwegian **Born:** 1962

Position:
Chair of VEFF and Head of Global Employee Forum, DNV GL

Education:
Master of Management, Stavanger University; a number of courses from other universities, incl. University of Denver, US, and a PhD programme in Psychology from the University of Oslo

Member of the board:
Since 2016

Directorship(s) outside DNV GL:
Stiftelsen Det Norske Veritas;
Det Norske Veritas Holding AS

LIV AUNE HAGEN

Nationality: Norwegian **Born:** 1988

Position:
Consultant, DNV GL

Education:
MSc Industrial Economics and Technology Management

Member of the board:
Since 2016

Directorship(s) outside DNV GL:
Stiftelsen Det Norske Veritas;
Det Norske Veritas Holding AS

NIKOLAOS PAPANIKOS

Nationality: Greek **Born:** 1971

Position:
Key Account Manager, DNV GL

Education:
MSc in Naval Architecture and Marine Engineering, NTUA, 1996

Member of the board:
Since 2017

Directorship(s) outside DNV GL:
Stiftelsen Det Norske Veritas;
Det Norske Veritas Holding AS

DA WEI TIAN

Nationality: Chinese **Born:** 1972

Position:
Station Manager, DNV GL

Education:
Bachelor of Science (Naval Architecture), HuaZhong University of Science and Technology, 1994. Master of Science (Structural Analysis), Harbin Engineering University, 1997

Member of the board:
Since 2017

Directorship(s) outside DNV GL:
Stiftelsen Det Norske Veritas;
Det Norske Veritas Holding AS

LASSE KRISTOFFERSEN

Nationality: Norwegian **Born:** 1972

Position:
President and CEO, Torvald Klaveness Group

Education:
Executive Manager Program, INSEAD, Paris, 2004. Senior Manager Program, IMD, Lausanne, 2002–2003. MSc Naval architecture and marine engineering, NTH, 1995.

Member of the board:
Since 2017

Directorship(s) outside DNV GL:
Stiftelsen Det Norske Veritas;
Det Norske Veritas Holding AS;
President and CEO;
Various board positions in daughter companies of Torvald Klaveness Group;
Vice President / Vice Chairman of Norwegian Shipowners' Association;
Board member of Ulsteingruppen;
Board member of ECSA (European Shipowners' Association).

SILVIJA SERES

Nationality: Norwegian (originally Hungarian and Yugoslavian) **Born:** 1970

Position:
Independent Investor and Board Member

Education:
Top Leadership Course at the Norwegian Defence College, Oslo, 2015. MBA Program, INSEAD, France and Singapore, 2013. PhD and MA in Mathematical Sciences, Oxford University, UK, 2001. MSc and BSc in Computer Science, University of Oslo, 1996.

Member of the board:
Since 2017

Directorship(s) outside DNV GL:
Board Member of the following:
Stiftelsen Det Norske Veritas;
Det Norske Veritas Holding AS;
Oslo Børs ASA; Eidsiva Energi AS;
Stiftelsen Kavli Fondet; NRK;
Syncron Intn'l AB; Academedia AB;

Owner of Technorocks AS;
President of Polyteknisk Forening;
Corporate Assembly Member of Telenor ASA;
Committee Member of Digital21;
Advisory Board of Digital Norway

INDEPENDENT AUDITOR'S REPORT

To the General Meeting of DNV GL Group AS

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION. We have audited the financial statements of DNV GL Group AS.

The financial statements comprise:

- The financial statements of the parent company DNV GL Group AS (the Company), which comprise the balance sheet as at 31 December 2017, income statement, statement of comprehensive income, statement of changes in equity, statement of cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- The consolidated financial statements of DNV GL Group AS and its subsidiaries (the Group), which comprise the balance sheet as at 31 December 2017, income statement, statement of comprehensive income, statement of changes in equity, statement of cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion:

- The financial statements are prepared in accordance with the law and regulations.
- The accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2017, and its financial performance and its cash flows for the year then ended in accordance with simplified application of international accounting standards according to section 3-9 of the Norwegian Accounting Act.
- The accompanying consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2017, and its financial performance and its cash flows for the year then ended in accordance with simplified application of international accounting standards according to section 3-9 of the Norwegian Accounting Act.

BASIS FOR OPINION. We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company and the Group as required by laws and regulations, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

OTHER INFORMATION. Management is responsible for the other information. The other information comprises the information in the Annual Report, but does not include the financial statements and our auditor's report. Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE BOARD OF DIRECTORS AND THE MANAGING DIRECTOR FOR THE FINANCIAL STATEMENTS. The Board of Directors and the Managing Director (Management) are responsible for the preparation in accordance with law and regulations, including fair presentation of the financial statements in accordance with simplified application of international accounting standards according to the Norwegian Accounting Act section 3-9, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's or the Group's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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 Board of Directors' report concerning the financial statements and the going concern assumption 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 management has fulfilled its duty to produce a proper and clearly set out registration and documentation of the Company's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

Oslo, 26 April 2018
KPMG AS

Mona Irene Larsen
State Authorized Public Accountant

INDEPENDENT AUDITOR'S ASSURANCE REPORT

To the Board of Directors of DNV GL Group AS

We have been engaged by the management of DNV GL Group AS ('DNV GL') to provide limited assurance in respect of the sustainability reporting in the Annual Report 2017 (hereafter sustainability reporting 2017) of DNV GL. The scope excludes future events or the achievability of the objectives, targets and expectations of DNV GL and information contained in webpages referred to in the sustainability reporting 2017 unless specified in this report.

OUR CONCLUSION. Our conclusion has been formed on the basis of, and is subject to, the matters outlined in this report.

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

Based on the limited assurance procedures performed and the evidence obtained, as described below, nothing has come to our attention, to indicate that the sustainability reporting 2017 is not presented, in all material respects, in accordance with the criteria as defined by the GRI Sustainability Reporting Standards' Comprehensive level.

MANAGEMENT OF DNV GL GROUP AS' RESPONSIBILITY. The management of DNV GL is responsible for the preparation and presentation of the sustainability reporting 2017 in accordance with the criteria as defined by the GRI Sustainability Reporting Standards' Comprehensive level. It is important to view the information in the sustainability reporting 2017 in the context of these criteria.

These responsibilities include establishing such internal controls as management determines are necessary to enable the preparation of the information in the sustainability reporting 2017 that are free from material misstatement, whether due to fraud or error.

OUR RESPONSIBILITY. Our responsibility is to provide a limited assurance conclusion on DNV GL's preparation and presentation of the sustainability reporting 2017.

We conducted our engagement in accordance with the International Standard for Assurance Engagements (ISAE 3000): "Assurance Engagements other than Audits or Reviews of Historical Financial Information", issued by the International Auditing and Assurance Standards Board.

ISAE 3000 requires that we plan and perform the engagement to obtain limited assurance about whether the information in the sustainability reporting 2017 is free from material misstatement.

The firm applies International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

LIMITED ASSURANCE OF THE SUSTAINABILITY REPORTING 2017. The procedures selected depend on our understanding of the sustainability reporting and other engagement circumstances, and our consideration of areas where material misstatements are likely to arise. Our procedures for limited assurance on the sustainability reporting 2017 included, amongst others:

- A risk analysis, including a media search, to identify relevant sustainability issues for DNV GL in the reporting period;
- Interviews with senior management and relevant staff at corporate level concerning sustainability strategy and policies for material issues, and the implementation of these across the business;
- Enquiries to management to gain an understanding of DNV GL's processes for determining material issues for key stakeholder groups;
- Interviews with relevant staff at corporate level responsible for providing the information, carrying out internal control procedures and consolidating the data in the sustainability reporting 2017;
- Reviewing relevant internal and external documentation, on a limited test basis, in order to determine the reliability of the sustainability reporting 2017;
- Reading the sustainability reporting 2017 to determine whether there are any material misstatements of fact or material inconsistencies based on our understanding obtained through our assurance engagement.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement, and consequently the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

PURPOSE OF OUR REPORT

In accordance with the terms of our engagement, this assurance report has been prepared for DNV GL for the purpose of assisting the management in determining whether DNV GL's limited assurance sustainability information is prepared and presented in accordance with the GRI Sustainability Reporting Standards and for no other purpose or in any other context.

Oslo, 26 April 2018
KPMG AS

Mona Irene Larsen
State Authorized Public Accountant

Anette Rønnov
Director

CONTACT INFORMATION

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COMPANY

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GRI INDEX

The report is externally assured by KPMG. The external assurance, as outlined in the Independent Auditor's Assurance report, concludes that the report is presented, in all material respects, in accordance with the GRI Sustainability Reporting Standards at the comprehensive level.

GRI DISCLOSURE NUMBER	GRI DISCLOSURE TITLE	WHERE REPORTED
UNIVERSAL STANDARDS		
102-1	Name of the organization	Company
102-2	Activities, brands, products, and services	Company and Markets
102-3	Location of headquarters	Company
102-4	Location of operations	Company
102-5	Ownership and legal form	Company
102-6	Markets served	Company and Markets
102-7	Scale of the organization	Company
102-8	Information on employees and other workers	People
102-9	Supply chain	Sustainable Procurement
102-10	Significant changes to the organization and its supply chain	Sustainable Procurement
102-11	Precautionary Principle or approach	Sustainability Performance
102-12	External initiatives	Sustainability Performance
102-13	Membership of associations	Sustainability Performance
102-14	Statement from senior decision-maker	President and CEO
102-15	Key impacts, risks, and opportunities	Sustainability Performance
102-16	Values, principles, standards, and norms of behaviour	Business ethics
102-17	Mechanisms for advice and concerns about ethics	Business ethics
102-18	Governance structure	Corporate Governance Report
102-19	Delegating authority	Corporate Governance Report
102-20	Executive-level responsibility for economic, environmental, and social topics	Corporate Governance Report
102-21	Consulting stakeholders on economic, environmental, and social topics	Corporate Governance Report
102-22	Composition of the highest governance body and its committees	Corporate Governance Report
102-23	Chair of the highest governance body	Corporate Governance Report
102-24	Nominating and selecting the highest governance body	Corporate Governance Report
102-25	Conflicts of interest	Corporate Governance Report
102-26	Role of highest governance body in setting purpose, values, and strategy	Corporate Governance Report
102-27	Collective knowledge of highest governance body	Corporate Governance Report
102-28	Evaluating the highest governance body's performance	Corporate Governance Report
102-29	Identifying and managing economic, environmental, and social impacts	Corporate Governance Report
102-30	Effectiveness of risk management processes	Corporate Governance Report
102-31	Review of economic, environmental, and social topics	Corporate Governance Report
102-32	Highest governance body's role in sustainability reporting	Corporate Governance Report
102-33	Communicating critical concerns	Corporate Governance Report
102-34	Nature and total number of critical concerns	Corporate Governance Report

GRI DISCLOSURE NUMBER	GRI DISCLOSURE TITLE	WHERE REPORTED
102-35	Remuneration policies	People
102-36	Process for determining remuneration	People
102-37	Stakeholders' involvement in remuneration	People
102-38	Annual total compensation ratio	People
102-39	Percentage increase in annual total compensation ratio	People
102-40	List of stakeholder groups	Sustainability Performance
102-41	Collective bargaining agreements	People
102-42	Identifying and selecting stakeholders	Sustainability Performance
102-43	Approach to stakeholder engagement	Sustainability Performance
102-44	Key topics and concerns raised	Sustainability Performance
102-45	Entities included in the consolidated financial statements	Financial Review
102-46	Defining report content and topic Boundaries	Sustainability Performance
102-47	List of material topics	Sustainability Performance
102-48	Restatements of information	Health and Safety and Environment and Climate
102-49	Changes in reporting	Sustainability Performance
102-50	Reporting period	Sustainability Performance
102-51	Date of most recent report	Sustainability Performance
102-52	Reporting cycle	Sustainability Performance
102-53	Contact point for questions regarding the report	Information and Contact
102-54	Claims of reporting in accordance with the GRI Standards	Sustainability Performance
102-55	GRI content index	GRI Index
102-56	External assurance	Assurance Statement
MANAGEMENT APPROACH		
103-1	Explanation of the material topic and its Boundary	Sustainability Performance
103-2	The management approach and its components	Sustainability Performance
103-3	Evaluation of the management approach	Sustainability Performance
ECONOMIC PERFORMANCE		
201-1	Direct economic value generated and distributed	Sustainability Performance
201-2	Financial implications and other risks and opportunities due to climate change	Sustainability Performance
201-3	Defined benefit plan obligations and other retirement plans	Sustainability Performance
201-4	Financial assistance received from government	Sustainability Performance

GRI INDEX

GRI DISCLOSURE NUMBER	GRI DISCLOSURE TITLE	WHERE REPORTED
ANTI-CORRUPTION		
205-1	Operations assessed for risks related to corruption	Business ethics
205-2*	Communication and training about anti-corruption policies and procedures	Business ethics
205-3	Confirmed incidents of corruption and actions taken	Business ethics
ANTI-COMPETITIVE BEHAVIOR		
206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	Business ethics
EMISSIONS		
305-1	Direct (Scope 1) GHG emissions	Environment and Climate
305-2	Energy indirect (Scope 2) GHG emissions	Environment and Climate
305-3	Other indirect (Scope 3) GHG emissions	Environment and Climate
305-4	GHG emissions intensity	Environment and Climate
305-5	Reduction of GHG emissions	Environment and Climate
305-6*	Emissions of ozone-depleting substances (ODS)	Environment and Climate
305-7	Nitrogen oxides (NO_X), sulfur oxides (SO_X), and other significant air emissions	Environment and Climate
ENVIRONMENTAL COMPLIANCE		
307-1	Non-compliance with environmental laws and regulations	Environment and Climate
SUPPLIER ENVIRONMENTAL ASSESSMENT		
308-1*	New suppliers that were screened using environmental criteria	Sustainable Procurement
308-2*	Negative environmental impacts in the supply chain and actions taken	Sustainable Procurement
EMPLOYMENT		
401-1	New employee hires and employee turnover	People
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	People
401-3*	Parental leave	People
LABOR/MANAGEMENT REALTIONS		
402-1	Minimum notice periods regarding operational changes	People

GRI DISCLOSURE NUMBER	GRI DISCLOSURE TITLE	WHERE REPORTED
OCCUPATIONAL HEALTH AND SAFETY		
403-1	Workers representation in formal joint management-worker health and safety committees	Health and Safety
403-2*	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	Health and Safety
403-3	Workers with high incidence or high risk of diseases related to their occupation	Health and Safety
403-4	Health and safety topics covered in formal agreements with trade unions	Health and Safety
TRAINING AND EDUCATION		
404-1	Average hours of training per year per employee	People
404-2	Programmes for upgrading employee skills and transition assistance programmes	People
404-3	Percentage of employees receiving regular performance and career development reviews	People
DIVERSITY AND EQUAL OPPORTUNITY		
405-1	Diversity of governance bodies and employees	People
405-2	Ratio of basic salary and remuneration of women to men	People
NON-DISCRIMINATION		
406-1	Incidents of discrimination and corrective actions taken	People
SUPPLIER SOCIAL ASSESSMENT		
414-1*	New suppliers that were screened using social criteria	Sustainable Procurement
414-2*	Negative social impacts in the supply chain and actions taken	Sustainable Procurement
CUSTOMER PRIVACY		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Business ethics
SOCIOECONOMIC COMPLIANCE		
419-1	Non-compliance with laws and regulations in the social and economic area	Business ethics

*Omissions from the GRI Standards

205-2 DISCLOSURE PARTLY REPORTED. The reason for the omission is a lack of information on employee category and region for our communication of anti-corruption policies and procedures. As 98% and 97% of all employees across categories and regions have completed the mandatory Code of Conduct and Anti-corruption and Antitrust e-learning respectively, we will not register more details.

305-6 DISCLOSURE NOT REPORTED. The reason for the omission is that we are not aware of having any emissions of ozone-depleting substances. We are considering confirmation of this in 2018.

308-1 DISCLOSURE NOT REPORTED. The reason for the omission is a lack of consolidated information regarding the screening of new suppliers and negative impacts and actions taken in the supply chain. This will be introduced with the new procurement tool in 2018 and further rolled out in 2019.

308-2 DISCLOSURE NOT REPORTED. The reason for the omission is a lack of consolidated information regarding the screening of new suppliers and negative impacts and actions taken in the supply chain. This will be introduced with the new procurement tool in 2018 and further rolled out in 2019.

401-3 DISCLOSURE NOT REPORTED. The reason for the omission is a lack of information on parental leave. We are considering more detailed reporting on this in 2018.

403-2 DISCLOSURE PARTLY REPORTED. The reason for the omission is that our health and safety performance on purpose is and will not be reported by gender. An important objective of incident and hazard reporting is to increase reporting and share the experience gained across organizational units. For this reason, there is open access to, and an improved user interface with, our incident and hazard database, Synergi Life. Reference to gender is not included in the reporting system to limit the possibility of disclosing someone's identity.

414-1 DISCLOSURE NOT REPORTED. The reason for the omission is a lack of consolidated information regarding the screening of new suppliers and negative impacts and actions taken in the supply chain. This will be introduced with the new procurement tool in 2018 and further rolled out in 2019.

414-2 DISCLOSURE NOT REPORTED. The reason for the omission is a lack of consolidated information regarding the screening of new suppliers and negative impacts and actions taken in the supply chain. This will be introduced with the new procurement tool in 2018 and further rolled out in 2019.

Reporting period and format

The reporting period for the information provided is the 2017 calendar year. The sustainability reporting is integrated into the digital Annual Report and the last report was made available on 4 May 2017 on the company website.

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ABOUT DNV GL

DNV GL is a global quality assurance and risk management company. Driven by our purpose of safeguarding life, property and the environment, we enable our customers 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, power and renewables industries. We also provide certification, supply chain and data management services to customers across a wide range of industries.

Combining technical, digital 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 and operations in more than 100 countries, our experts are dedicated to helping customers make the world safer, smarter and greener.

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