

Annual report 2011



**THE
TRUTH
OF 2011
– AS WE
SEE IT**

This is DNV

At DNV, we combine risk methodology, technology expertise and in-depth industry knowledge to enable our customers to safely and responsibly improve their business performance.

Companies and authorities all over the world rely on our independent assessment and non-compromising standards of quality, safety and integrity to build the trust and confidence of their stakeholders.

We have become a trusted partner to the maritime, oil & gas and energy sectors by providing innovative and world-leading classification, certification, verification, testing and advisory services to both businesses and authorities in these industries.

We are also one of the world's largest accredited certification bodies, servicing a wide range of industries.

DNV is an independent foundation with no shareholders. Our more than 10,000 professionals are committed to our purpose of safeguarding life, property and the environment.

DNV has balanced the needs of business and society since 1864, and we constantly seek to develop and apply technical standards and best practices in order to positively contribute towards a safer and more sustainable world through our network of 300 offices in 100 countries.

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

Highlights



KEMA ACQUIRED TO CREATE WORLD LEADER IN ENERGY AND SUSTAINABILITY

DNV acquired 74.3% of the shares in Netherlands-based KEMA and formed DNV KEMA Energy & Sustainability. The new company combines all of KEMA's 1,800 employees with 500 employees from DNV's cleaner energy and sustainability operations, creating a world-leading consulting and certification company within the cleaner energy, sustainability, power generation, transmission and distribution sectors.



SYNERGI SOLUTIONS ACQUIRED BY DNV SOFTWARE

Two years ahead of plan, DNV's own software house reached the important milestone of generating more than 70% of its revenue from external customers. This was partly achieved through the acquisition of Synergi Solutions, enabling DNV Software to offer a complete set of risk-based software for operational integrity management and asset integrity to the energy, process, maritime and other industries.

BREAKTHROUGH IN CONTAINER SHIPPING

Of the main ship segments, DNV's ship classification strongholds are within the tanker, bulk, special-ship and passenger-ship segments. In 2011, DNV had a real breakthrough in the container-ship market, with 19% of newbuildings being built to DNV Class. Seaspans' order for seven 10,000 TEU new-generation container vessels plus 18 options was the biggest container contract ever entered into in China.



DEEPWATER HORIZON REPORT PUBLISHED

DNV concluded the forensic examination of the Deepwater Horizon blowout preventer and submitted its report to the US Bureau of Ocean Energy Management, Regulation

and Enforcement. DNV's findings were one aspect of a much broader comprehensive investigation into the causes of the Deepwater Horizon explosion, loss of life, casualty loss and subsequent oil spill. DNV also put forward a number of recommendations.

CONTENTS

WHO WE ARE

- 1FC Worldwide presence
- 02 This is DNV
- 03 Highlights
- 04 Key figures
- 05 Services
- 06 CEO's outlook
- 08 Board of Directors' report
- 13 Organisation
- 14 History

WHAT WE DO

- 18 Shipping
- 22 Oil and gas
- 26 Cleaner energy
- 30 Business assurance
- 32 Sustainability

HOW WE WORK

- 36 Corporate Responsibility
- 38 People
- 40 Environment
- 44 Health and safety

HOW WE PERFORM

- 50 Financial review
- 55 Notes
- 66 Auditor's report
- 67 Global Reporting Initiative (GRI) Index
- 66 Contacts

Worldwide presence

SUPPORT OF UN GLOBAL COMPACT PRINCIPLES

DNV is committed to the universal principles of human and labour rights, environmental standards and anti-corruption and signed the UN Global Compact in 2003. DNV works to continuously demonstrate responsible practice in these areas within its own organisation as well as advancing these principles with others through its objective to safeguard life, property and the environment.



OFFICES WORLDWIDE

300



With 300 offices in 100 countries, DNV has extensive global reach.

EMPLOYEES WORLDWIDE

8,453



The number of employees was 8,453 at the end of 2011.

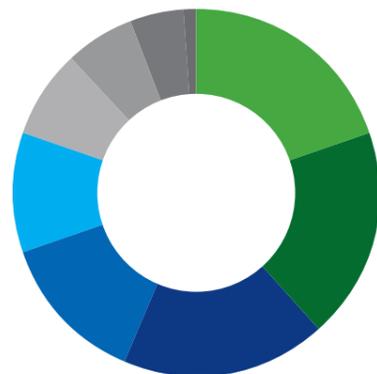


FIGURE 01 EMPLOYEES BY DIVISION AS PER 31.12.2011

Business Assurance Group	1,621	19.2%
Asia Pacific & Middle East	1,620	19.2%
Norway, Finland and Russia	1,594	18.9%
Europe & North Africa	1,155	13.7%
Americas & Sub-Saharan Africa	889	10.6%
Governance & Global Development	525	6.2%
Independent Business Units	503	5.6%
Sustainability & Innovation	453	5.4%
Corporate Staff Units	93	1.1%
Grand Total	8,453	100.0%

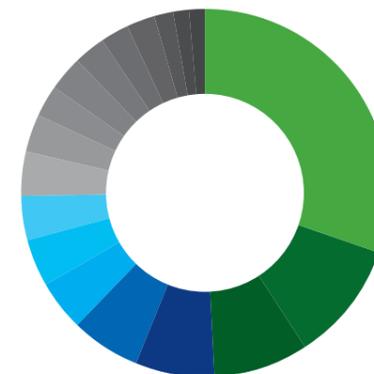


FIGURE 02 EMPLOYEES BY NATIONALITY AS PER 31.12.2011

Nowegian	2,143	Dutch	235
Chinese	717	Singaporean	213
American	615	Swedish	194
Indian	484	German	180
British	443	Danish	179
Korean	320	French	126
Brazilian	290	Japanese	113
Italian	285	Malaysian	101
Polish	241	Spanish	90

Key figures

FIGURE 01 REVENUE (MILLION NOK)

10,156

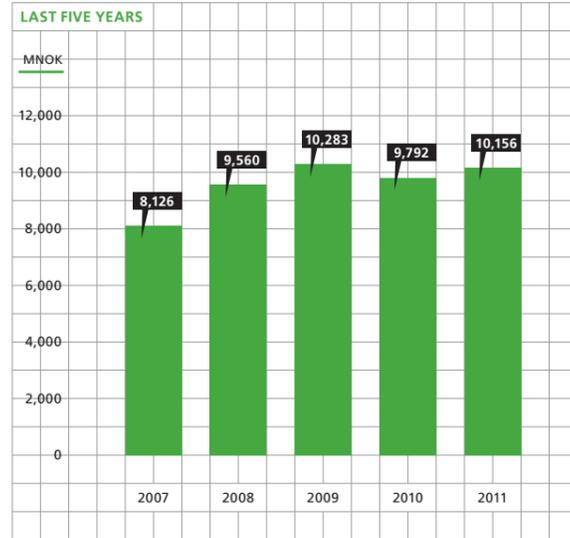


FIGURE 02 OPERATING PROFIT (MILLION NOK)

1,058

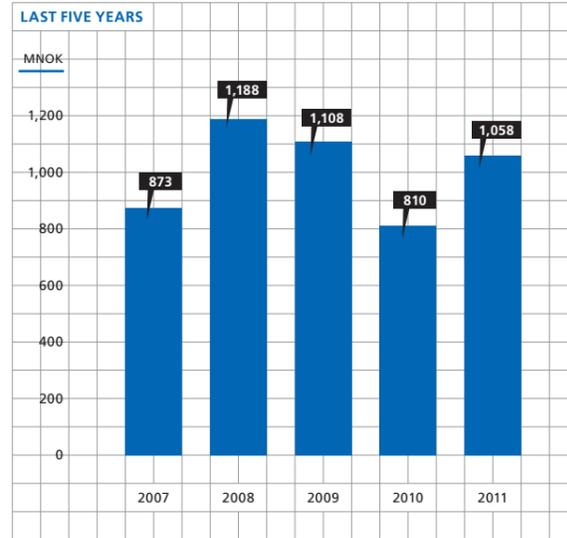


FIGURE 03 EQUITY RATIO (%)

61.0%

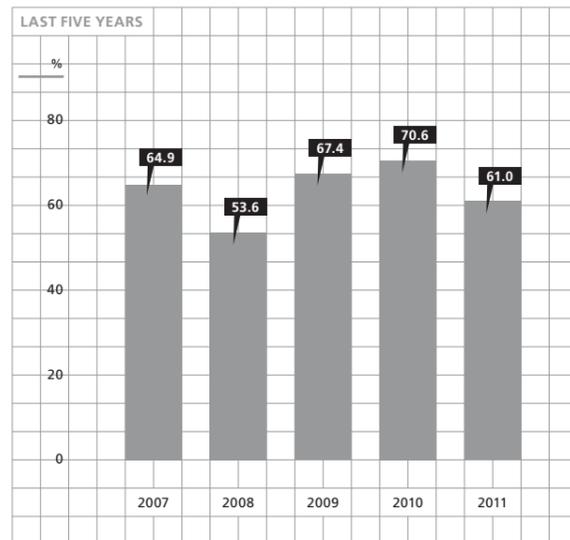
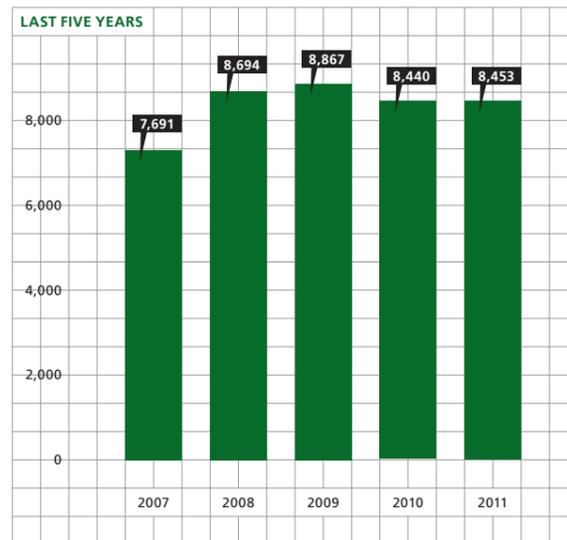


FIGURE 04 NUMBER OF EMPLOYEES

8,453



Main services

MARITIME



We help shipowners, yards, authorities and other maritime players to manage risks in all phases of a ship's life.

Services include:

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

OIL AND GAS

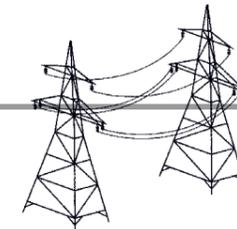


We help oil and gas companies manage technical and business risks, safety and environmental performance across the entire value chain.

Services include:

- Verification
- Safety, health and environmental services
- Asset risk management
- Technology qualification
- Enterprise risk management
- Software and IT risk management

ENERGY & SUSTAINABILITY



We support our customers across the energy value chain in ensuring reliable, efficient and sustainable energy supply – now and in the future.

Services include:

- Accredited Climate Change Services
- Management & Operations Consulting
- Cleaner Energy Services
- Transportation Systems
- Gas Consulting & Services
- Electricity Transmission & Distribution
- Testing, Inspections & Certification
- Sustainable Use Services

BUSINESS ASSURANCE



We help create trust and confidence and assure sustainable performance for companies across a variety of industry sectors.

Services include:

- Management system certification
- Product certification
- Supply chain certification and assessment
- Food safety certification
- Training
- Healthcare accreditation and rating services

The quest for safety and sustainability



CEO'S OUTLOOK

Two global concerns drive DNV's customer activities: improving safety and enhancing sustainable performance. 2011 saw us strengthening our global industry positions and launching new services and innovative approaches to act on our ambitious vision: global impact for a safe and sustainable future. This was further strengthened by the announcement of DNV's largest ever acquisition towards the end of the year.

HISTORICALLY, the shipping industry has been a core market, and this is still true today. Almost 50 years ago, our independent status and technical expertise in the maritime industry allowed us to branch out into the oil and gas sector, where we now have a firmly established global position. From there, we have expanded into cleaner energy, while also establishing a position as one of the world's largest certification bodies. With the acquisition of the majority shareholding in the energy consulting, certification and testing company KEMA, we have also become an influential player in the fields of power generation and transmission, gas distribution and sustainable energy use.

I AM VERY EXCITED about this new addition to DNV. The world's ability to meet the rising energy demand while also addressing energy security, climate change, scarcity of resources and ageing infrastructure issues relies on a major energy transition, including the integration of more renewable power into the energy grids. Trillions of dollars will be invested in this area over the next few decades. Our ambition is to have an impact on this transition towards a cleaner, safer, more reliable and efficient energy future.

IN THE OIL AND GAS INDUSTRY, exploration and production activities are increasingly taking place in harsher, deeper and more remote environments. That makes operations more complex and hence increases the need for risk management and for innovative, ground-breaking solutions. It also drives investments in offshore shipping, where there are more and more specialised vessels. DNV excels in all of these areas and is helping to turn today's innovation into tomorrow's standards.

THE SHIPPING INDUSTRY in general is experiencing a tough spell, with overcapacity and a prolonged ship finance crisis. This also affects DNV, but we have responded by introducing cost-cutting programmes and making our organisation more agile and our service delivery more efficient. Also, we are continuing to invest heavily in research and innovation, not least in order to provide advice on more energy-efficient solutions and improving safety at sea. Shipping has always been cyclical, and I am confident that DNV will emerge even stronger once the current crisis is over.

It is also no secret that the ship newbuilding frenzy over the last few years has put pressure on competent resource capacity.

Ever larger and more complex ships put class rules to the test. The combination poses challenges for classification societies and DNV is no exception. We have experienced worrying quality incidents in 2011. We are taking this issue very seriously and have been quick to analyse root causes and launch a range of measures to ensure that we continue to be the leading classification society when it comes to quality.

AS FOR THE CERTIFICATION MARKET, it has a different dynamic than the other markets in which we operate. Certification is an important and growing means for customers to build trust and stakeholder confidence and is becoming increasingly important in order to demonstrate sustainability. With many small, national competitors, there is a clear consolidation trend among the global players. DNV's business assurance entity is well positioned as a high-value, quality provider and has managed to grow its revenue and profitability.

COMMON TO ALL of our businesses is that we are on a constant quest to promote the safety and sustainable performance agenda in many different arenas. So in order to further develop our various industry positions and meet the needs of these different

customer groups, we created a group structure with three separate companies which became operational from March 2012.

DNV Maritime and Oil & Gas serves our traditional maritime, offshore and oil & gas markets, providing them with third-party, technical and advisory services. DNV KEMA Energy & Sustainability provides the same to the entire electricity and gas value chain. DNV Business Assurance serves a wide range of industries as one of the world's leading certification bodies, with a particular stronghold in Management System Certification and the Food & Beverage and Health Care sectors.

SO IN ORDER TO FURTHER DEVELOP OUR VARIOUS INDUSTRY POSITIONS AND MEET THE NEEDS OF THESE DIFFERENT CUSTOMER GROUPS, WE CREATED A GROUP STRUCTURE WITH THREE SEPARATE COMPANIES.

WHILE OUR MAIN IMPACT on safety and sustainable performance is through our services, standards, guidelines and research projects for industrial customers and authorities, we are constantly working to improve our own operations. We are committed to

and support a wide range of international principles and standards, including the UN Global Compact, and we take an active role in global initiatives such as the World Business Council for Sustainable Development. In addition, in 2011, we obtained certification for our occupational health and safety management system, complementing the certification of our environmental management system. We also used our own Corporate Integrity Profile tool to assess our operations in 2011 and developed an action plan to deal with improvement areas.

IN SUM, I AM VERY PROUD of what we achieved in 2011. Not just because of the specific goals we reached and the impact we had. It is just as much because we improved the foundation that enables us to have even more impact tomorrow. We only have impact when we are relevant. With the integrity, expertise and dedication of our now more than 10,000 employees around the globe, we have never been in a better position to deliver services, knowledge and innovation that make a real difference – to both business and society.

Henrik O. Madse

Board of directors' report

BOARD OF DIRECTORS' REPORT

In 2011, DNV continued to perform strongly in all its key markets worldwide through its range of services for managing risk. The company managed to secure a good share of the newbuilding classification market in a contracting shipping market, while matching industry growth rates in the oil and gas sector. In addition, it managed to strengthen its global position within the Business Assurance sector. DNV also announced its largest ever acquisition, giving it a new global position in the energy business.

In order to realise its long-standing ambition to positively impact the transition towards a low-carbon economy, DNV announced the acquisition of 74.3% of the shares in KEMA N.V. in December 2011. This Netherlands-based energy consulting and certification group has a world-leading position in the electrical power and transmission industry. This acquisition led to the formation on 1 March 2012 of the DNV Group, which consists of three separate organisational entities: DNV Maritime and Oil & Gas; DNV KEMA Energy & Sustainability; and DNV Business Assurance.

MARKET POSITIONS. The maritime industry witnessed a short recovery in 2010, and this continued into 2011 bringing ship newbuilding contracting during the first half of the year to a fairly high level. However, the second half of the year developed very differently with much lower new contracting in most ship segments. All of the three main ship segments – container ships, tankers and bulk carriers – have been affected by the slow-down in world trade and continued over-capacity in the world fleet. High oil prices and increased exploration and drilling activity resulted in a boom in the mobile offshore units segments.

DNV experienced a breakthrough in the container ship segment, capturing 16% of the newbuilding contracts in 2011. This achievement is mainly due to long-term, targeted

marketing efforts, supported by dedicated positioning through innovation, technology and service delivery.

In total, DNV managed to secure 281 new classification contracts in 2011, corresponding to 12 million gross tonnes (GT). This gives an estimated market share of 14% in numbers and 22% in gross tonnes. The DNV-classed fleet has grown from 5,909 ships and mobile offshore units end of 2010 to 6,134 end of 2011. This represents a growth of 4%. A programme started in 2009 to secure the transfer of more quality ships to DNV class from other class societies was continued in 2011, resulting in a net class entry result in a highly competitive market.

Capital investments in the oil and gas industry increased by 10–15%, demonstrating that oil will continue to be the dominant transportation fuel and that gas consumption is growing in the power, heating and transportation sectors as part of the transition to a lower carbon economy. DNV managed to grow its oil and gas business in line with the market in 2011, and continued to build on its strong global position within offshore safety. This was underpinned by the role DNV had in the post-Macondo investigations in the US. DNV was also active in EU dialogues to direct discussion in the best direction in order to improve offshore safety practices and regimes.

Norway led the way in 2011 with some large new discoveries of oil and gas reservoirs, but Australia, Brazil and West Africa also contributed to strong growth and optimistic scenarios for the years to come leading to new business opportunities for DNV.

DNV took further initiatives to build a global position in the sustainability area during 2011. Its climate change services, and in particular its Clean Development Mechanism (CDM) activities, have grown in revenue and number of projects, and now with a staff of more than 150 professionals. Although the CDM scheme was challenged, the UN negotiations in Durban in December 2011 concluded to continue the scheme and DNV has maintained its position as the leading climate change validation and verification company.

After the creation of DNV Business Assurance as a separate legal entity in the DNV Group, this part of the business has demonstrated healthy growth and good profitability. As the third largest certification body in the world, DNV Business Assurance experienced an increased need for its management system certification services and maintained its focus on building a leading position in the global food and beverage industry.

FINANCIAL PERFORMANCE. DNV achieved a 3.7% growth in operating revenue, from NOK 9,792 million in 2010 to NOK 10,156 million in 2011. The operating profit increased by NOK 248 million, or 31%, from NOK 810 million in 2010 to NOK 1,058 million in 2011. This represents an operating margin of 10.4%.

The NOK 18 million negative return from financial investments was more than offset by the return on surplus liquidity in the money market and forward premiums on the currency hedging contracts, leading to net financial income of NOK 29 million in 2011.

The tax cost in 2011 of NOK 358 million represents an average tax cost of 33%, which is in line with 2010.

The net profit after tax for 2011 came to NOK 730 million, compared to NOK 613 million for 2010 and NOK 854 million for 2009. The cash flow for 2011 was positive.

The DNV Group has revenues and expenses in more than 50 currencies. DNV has a natural hedge in many currencies through a balance of revenue and expenses. Major imbalances on the balance sheet are hedged through forward exchange contracts. At the year-end 2011, DNV had forward exchange contracts totalling close to NOK 2,500 million.

DNV has a strong balance sheet with no interest-bearing debt and total equity of NOK 6,092 million, or 61% of its total assets. The equity has been reduced by NOK 917 million due to an unrecognised net loss from the defined benefit pension plans.

The accounts of the parent company, Det Norske Veritas Foundation, show a loss after

tax of NOK 33 million which will be covered by other equity. The Board of Directors confirms that the going concern assumption applies and that the financial statements have been prepared on this assumption.

Based on the goals achieved in 2011, the Board decided to distribute a bonus of NOK 100 million, corresponding to approximately 2.5% of the basic salary, to all eligible permanent employees.

The Board regards DNV's market positions as satisfactory and financial status as strong. Both aspects give the company a robust platform from which to achieve its strategic growth targets and maintain its independence as a financially strong and trusted foundation.

STRATEGY. The 2010–2014 strategy was formulated in 2009, underwent a revision in 2011 and was revised again in the first quarter of 2012 after the KEMA acquisition. The basic strategy and goals have not changed, and indeed the KEMA acquisition is fully aligned with the existing strategy, which defines three main focus areas for DNV: maritime and oil & gas; energy & sustainability; and business assurance. These have been organised into three separate organisational entities as previously described.

In the maritime business, DNV aims to be the world's leading classification society, with quality being the number one priority. An increased focus on technology innovation, efficient energy use and protecting the marine environment represents opportunities for better supporting the customers. DNV will continue to promote the use of LNG as a shipping fuel and cement its leading position in that segment.

AFTER THE CREATION OF DNV BUSINESS ASSURANCE AS A SEPARATE LEGAL ENTITY IN THE DNV GROUP, THIS PART OF THE BUSINESS HAS DEMONSTRATED HEALTHY GROWTH AND GOOD PROFITABILITY.

The overall goal in the oil and gas business is to become the world's leading risk management services provider in challenging operational environments. DNV's main customers here include oil and gas companies operating in the upstream sector, trunk pipeline operators, drilling companies, construction yards, manufacturers and contractors. It is a goal to strengthen DNV's position as a thought leader in offshore safety.

DNV aims to increase its market share for the classification of mobile offshore rigs and vessels associated with the expanding offshore energy industry and to maintain

its current position as the world leader in the classification of units for harsh and deep-water environments. Growing the business significantly along the entire gas value chain is another goal during the strategy period.

Combining KEMA's service capabilities relating to power generation, transmission and distribution and sustainable energy use with DNV's renewable energy, climate change and risk management services enables DNV to take a giant step towards realising its strategic goals for its sustainability and cleaner energy business operations. It also enables DNV to be a leading player in the entire energy value chain, from production well to end user, and reflects DNV's vision of having a global impact for a safe and sustainable future.

DNV CONSIDERS RESEARCH AND INNOVATION TO BE SOME OF THE MOST EFFECTIVE MEANS OF INCREASING TECHNOLOGICAL CAPABILITIES AND PROVIDING HIGH QUALITY SERVICES TO ITS CUSTOMERS.

The need for accredited management system certification is increasing following new standards and approaches in which compliance related to quality, the environment and sustainability is a driver for increased activity and sales. DNV aspires to become the world's leading certification body through focussed growth. Accredited management system certification will remain at the core, but DNV Business Assurance will also grow its second-party and supply chain certification, product certification, training and assessment services.

In addition to being the major supplier of strategic technical software to DNV, DNV Software aims to generate the majority of its revenue from customers outside of DNV by being a preferred vendor of technical safety, design, assessment and asset management software for the shipbuilding, offshore and process industries.

INNOVATION. DNV considers research and innovation to be some of the most effective means of increasing technological capabilities and providing high quality services to its customers. The company continued in 2011 to invest around 6% of its revenue in research and development activities. Extraordinary innovation projects were launched as a way of taking a proactive approach to the economic downturn, focusing on innovation and the novel application of existing technology.

DNV has developed several concept ships as the basis for dialogues with ship owners, yards and designers in order to find solutions and innovations in response to emerging

market needs and new regulatory requirements. DNV received the Lloyd's List Global Innovation Award in 2011 for its concept ship for an LNG-fuelled crude oil tanker. DNV has also developed a ground-breaking concept for long offshore gas pipelines in deep and ultra-deep waters.

The Technology Outlook 2020 report published in 2011 was another important means of engaging many key stakeholders around the world in discussions about technology. The report presented global megatrends and predicted uptake and impact of new technologies by 2020.

ORGANISATION. As of 1 March 2012, DNV has a group structure consisting of three separate organisational entities; DNV Maritime and Oil & Gas, DNV Business Assurance and DNV KEMA Energy & Sustainability.

In the reporting year, however, DNV's organisational structure was the same as in 2010, with four geographical divisions, a Sustainability and Innovation Division, a Global Governance and Development Division, three independent business units, and DNV Business Assurance as a separate legal entity. Of the three Independent Business Units (IBUs), DNV Software acquired Synergi, a Norway-based software company, IT Global Services was divested through a management buy-out, while DNV Petroleum Services continued as before.

IN ORDER TO REALISE ITS LONG-STANDING AMBITION TO POSITIVELY IMPACT THE TRANSITION TOWARDS A LOW-CARBON ECONOMY, DNV ANNOUNCED THE ACQUISITION OF 74.3% OF THE SHARES IN KEMA N.V. IN DECEMBER 2011

The yearly People Engagement Survey, carried out among all employees, revealed strong overall improvements since 2010. DNV exceeds the norm of high performing companies in a number of key areas: opportunity to develop, job satisfaction, empowerment and involvement; respect; and SHE. The most significant improvements relate to performance management, employees' intention to stay with DNV and customer focus, while the most significant declines relate to compensation. DNV is slightly below the high performing companies' benchmark for employee engagement (commitment and loyalty) and is well ahead of the benchmark on employee enablement (creating a work environment where people feel productive and efficient).

At the year-end 2011, DNV had 8,453 employees, compared to 8,440 at the year-end 2010. The turnover of personnel was 10.4% in 2011, up from 8.8% in 2010. The increase is mainly due to stronger competition for skilled and experienced people in a heated oil and gas sector. Consequently, the need to retain and recruit staff has led to a number of initiatives, including an ongoing project to renew processes and resources for employer branding, recruitment and on-boarding. Competence development programmes are also being further strengthened from an already high level.

THE PERCENTAGE OF FEMALE EMPLOYEES IS AT AN ALL-TIME HIGH AT 33% OF THE TOTAL WORKFORCE, WHILE 23% OF ALL MANAGERS ARE FEMALE, WHICH IS ALSO AN ALL-TIME HIGH.

DNV has an equal opportunity policy for all employees, irrespective of their nationality, gender or age. As a result of a systematic approach to improving diversity in the organisation, 69% of all managers are from countries outside Scandinavia and the number of local managers has increased from 76.6% to 79.1%. The percentage of female employees is at an all-time high at 33% of the total workforce, while 23% of all managers are female, which is also an all-time high.

The Board acknowledges the hard work and commitment displayed by the management and employees in 2011.

CORPORATE GOVERNANCE. The Board considers sound corporate governance to be paramount to secure trust in DNV and to be a cornerstone for achieving the greatest possible value creation over time in the best interests of the company's customers, employees and other stakeholders.

Det Norske Veritas Foundation's formal corporate governance framework is the Norwegian Foundation Act. This Act prescribes that a foundation must have a Board of Directors and that only the areas of authority exhaustively specified in the Act may be placed with other bodies. In DNV, such areas of authority rest with the DNV Council.

The Norwegian Corporate Governance Code ('NUES') does not apply directly to DNV as a foundation without shareholders. However, DNV recognizes NUES as an important guideline for the implementation of a sound governance model relevant for a foundation. It is the ambition of the Board of Directors that DNV will report on Corporate Governance in accordance with NUES for 2012.

In order to further strengthen DNV's focus on Corporate Governance, the Board of Directors initiated a review of DNV's corporate governance model. The review will be executed by external consultants early 2012 and the project will report to the Board of Directors in the April 2012 meeting. Subsequently the Board of Directors will present the project findings and recommendations to the Council and discuss follow-up actions.

The Board work is governed by written instructions and an annual plan. In 2011 the Board had eight board meetings of which two were extraordinary. The Board member attendance in 2011 was close to 100%. The Board completed self-assessments of its own work and the results were reported to the Election committee.

More information on DNV's Corporate Governance can be found at: dnv.com/moreondnv

HEALTH, SAFETY AND THE ENVIRONMENT.

DNV was certified to the OHSAS 18001 standard in 2011, demonstrating its commitment to managing all aspects of occupational health and safety in the organisation. This relates to employees and contractors as well as visitors to DNV premises. Company-wide health and safety reporting is an important part of this management system approach. These reports are closely monitored in order to continuously identify improvement potential, enabling DNV to comply with ambitious health and safety standards throughout the organisation. In 2011, 711 work-related incidents and hazards were reported, an increase of 15% compared with 2010. DNV has good reason to believe this increase is the result of the company-wide focus on the importance of reporting incidents and hazards, rather than a worsening of occupational health and safety standards.

DNV's ambitions to reduce its environmental impact reflect its core values and purpose of safeguarding life, property and the environment. The company impacts the environment positively through its services and operations and the behaviour of its staff. DNV's own activities do not have a significant negative impact on the environment. Throughout 2011, DNV continued its efforts to reduce its employees' air travel, and the introduction of advanced video conferencing facilities has proven successful in this respect.

The 'We Do' programme was continued, making MNOK 30 available for employees to introduce measures to reduce emissions in their private lives. More than 3,000 employees applied for funds in 2011. In addition to more effective environment practices this programme is also important in order to enhance motivation and awareness of environment-related initiatives.

CORPORATE RISK MANAGEMENT. The Board of Directors acknowledges the importance of continuously having a correct understanding of the risks facing DNV that could affect corporate values, reputation and key business objectives. DNV has processes in place to identify such risks at an early stage in order to initiate corresponding risk mitigating measures, assign roles and responsibilities and evaluate whether the residual risk is acceptable.

DNV calculates its net risk financing capacity on an annual basis, taking into account the most important risk factors. This gives the Board of Directors an overview of the key quantified risks and the capacity to take on additional risk.

In 2011, a number of risks on the top of the corporate agenda were discussed at the Board of Directors' meetings. One of these was compliance with international sanctions. This specifically led to DNV closing down all its activities in Iran and cancelling Flag State agreements with Iran in 2011.

A second area of concern to the Board of Directors is the challenging political relationship between the Chinese and Norwegian governments. This situation is threatening DNV's growth ambitions in China, and a number of initiatives are in place or being considered to minimise the negative effect this has on DNV's business in China.

The risk of quality issues in DNV represents another area of concern. Numerous barriers exist to minimise the chance of such events occurring and DNV's quality management system is constantly being scrutinised to ensure that we are managing this risk in a satisfactory manner.

In any large organisation with a wide geographical presence, there is a risk of unethical behaviour amongst its employees. The Board of Directors was in 2011 presented with the results of an internal Corporate Integrity Profiling (CIP) study which assessed DNV's resistance to fraud and corruption risks, and appropriate risk mitigating measures have been initiated based on the findings.

CORPORATE RESPONSIBILITY. DNV is highly committed to Corporate Responsibility (CR), and in 2011 it was a priority to integrate CR even more into business and operations. As a consequence, the composition of DNV's CR Board has been adjusted to include more members from the operational part of the organisation. This should help to make CR issues and challenges more relevant and practical for daily operations.

Since 2010, DNV has been committed to extending the scope and detail level of its sustainability reporting by aiming for a Global Reporting Index Application Level A+ by 2014. In accordance with the roadmap created to achieve this target, an internal assessment of the 2010 Annual Report was conducted and the gap analysis has been used to improve the 2011 Annual Report. The reporting for 2011 meets the requirements of level B in the GRI reporting system. DNV is also committed to the UN Global Compact, which it signed in 2003.

FUTURE OUTLOOK. The Board of Directors believes that the oversupply of ships will continue to impact its shipping business in the coming years, even though DNV was successful in winning a large percentage of the newbuilding classification contracts in 2010 and 2011. The fleet growth is in excess of trade growth and the capacity-demand balance is not expected to be fully re-established during the next few years. This is assumed to lead to continued lower ship newbuilding prices and second-hand ship values, increased scrapping, depressed freight and charter rates, and price pressure on all service providers to the industry.

However, previously placed orders will secure a relatively high level of newbuilding activity throughout 2012. DNV is well positioned to exploit opportunities and needs in certain high-value shipping segments, especially those which are offshore-related. Green shipping, innovation and more energy-efficient ship types will also represent opportunities for DNV and the shipbuilding industry in general.

In the energy sector, the trend is towards increased production from deep and ultra-deep offshore fields, with growing markets in Brazil, Gulf of Mexico, Australia, South East Asia and Africa. New discoveries on the Norwegian continental shelf and in the Barents Sea will also bring more investments and optimism into a mature Norwegian oil industry, while the risk of political instability following the Arab Spring and escalation of the conflict between Iran and the West may negatively affect investment levels in that part of the world. Natural gas is expected to play a more prominent role in the global energy mix, primarily due to the US shale gas boom. This will drive many new activities but could have adverse effects on the American renewables energy market.

Although carbon pricing has remained fragile and at a low level, DNV believes that the coming years will see drivers for a more commercially viable renewable energy sector. From a long-term perspective, DNV is investing to build a new global position through its investment in KEMA, complementing its strong positions in the maritime and oil & gas industries.

The replacement of ageing transmission grids is a priority in Europe and North America, and the electrification of the developing world is continuing at a rapid pace. Energy transportation through electricity and more energy efficient solutions will continue to grow in importance. Combining the globally recognised expertise of KEMA within these areas with DNV's position within wind energy, climate change services and sustainability provides DNV with an excellent platform to extend its reach into these important markets.

The Board of Directors believes that DNV has the global positions, competence and resources that will be required in order to provide guidance and support in a business environment where the need for technical expertise, governance and risk management is evident.

THE BOARD OF DIRECTORS OF STIFTELSEN DET NORSKE VERITAS, HØVIK, 19 APRIL 2012



Board of directors



BOARD OF DIRECTORS

1 LEIF-ARNE LANGØY
Chairman of the Board of Directors since June 2011. Member and Vice Chairman of the Board since June 2010. Former chairman and CEO of Aker ASA. Former chairman of Aker Solutions ASA and Aker Yards ASA. He is also the Chairman of Sparebanken Møre, a director of Istad AS, and Vice Chairman of The Resource Group AS (TRG).

2 SILLE GRJOTHEIM
Member of the Board since 2007. Elected by the Norwegian employees of DNV. Head of the Department Rules and Standards at the Høvik office. Joined DNV in 1993.

3 MORTEN ULSTEIN
Vice Chairman of the Board. Member of the Board since June 2011. Chairman of the Island Offshore Group of companies and various other Directorships in private as well as publicly listed companies. Former CEO of Rolls Royce Commercial Marine Division.

4 HILDE M. TONNE
Member of the Board since 2008. Executive Vice President with the Telenor Group since 2007. Currently Head of Group Industrial Development. Deputy Head of Telenor Asia region 2010–2011. Former member of the board of Statkraft ASA.

JOHN H. WIIK
Member of the Board since 2003. Managing Director of the Norwegian Hull Club. *Not present when photo was taken.*

5 WEI CHEN
Member of the Board since April 2011, elected by the employees of DNV outside Europe. Principle surveyor in Jiangyin Station, China. Joined DNV in 2000.

6 METTE BANDHOLTZ
Member of the Board since April 2011, elected by the European employees outside Norway. Senior support specialist in Esbjerg office, Denmark. Joined DNV in 1989.

7 FRANCES MORRIS-JONES
Member of the Board since June 2009. Formerly Vice-President, Renewal at BP and Global Business Development Manager at ConocoPhillips. Currently Business Development Director at 3Legs Resources.

8 ODD SUND
Elected Member of the Board by the Norwegian employees in June 2009. Principal engineer at the Høvik office. Joined DNV in 1981.

9 C. THOMAS REHDER
Member of the Board since November 2009. Managing partner of Carsten Rehder GmbH & Co KG. Vice president European Community Shipowners Associations, Chairman maritime and port committee of the Hamburg Chamber of Commerce.

Organisation

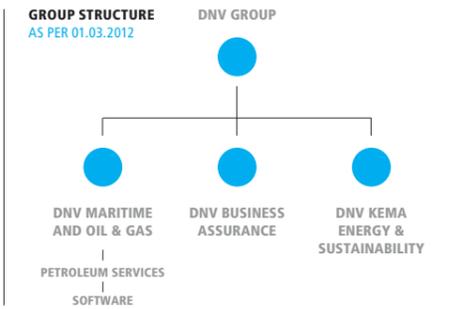
Throughout 2011, DNV was organised in six divisions: four geographical divisions serving primarily the maritime, oil & gas and cleaner energy sectors as well as a Sustainability & Innovation Division and a Global Governance and Development Division.

In addition, DNV's business assurance activities were organised in a separate legal entity headquartered in Milan, Italy. Furthermore, DNV Petroleum Services and DNV Software operated as Inde-

pendent Business Units with their own boards consisting of Executive Committee members and senior managers from DNV.

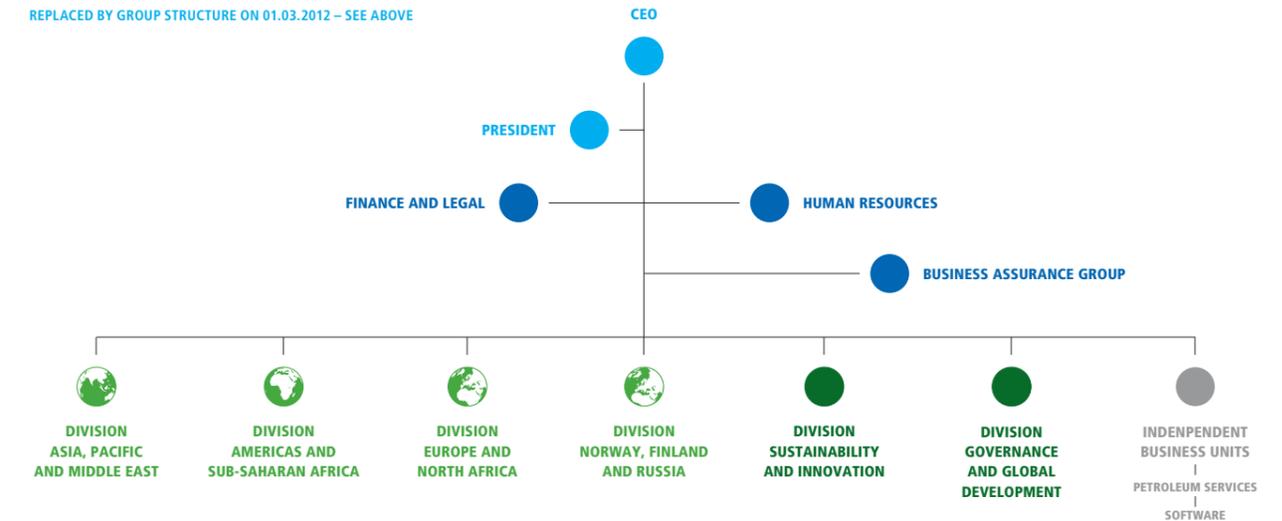
On 1 March 2012, this organisation was replaced by a group structure containing three separate companies: DNV Maritime and Oil & Gas, DNV Business Assurance and DNV KEMA Energy & Sustainability.

More on the new organisation can be found at: dnv.com/moreondnv/profile/organisation



ORGANISATION AS PER 31.12.2011

REPLACED BY GROUP STRUCTURE ON 01.03.2012 – SEE ABOVE



MANAGEMENT AS PER 31.12.2011

The Executive Committee, which is the CEO's management team, consisted of ten people in 2011. The Executive Committee deals with issues and decisions related to strategy, budgeting, financial development, investments, pricing strategy, major management appointments, markets and customers.

HENRIK O. MADSEN
CHIEF EXECUTIVE OFFICER

Appointed CEO of DNV in 2006. He joined DNV in 1982 and has held senior positions in all of DNV's business areas, at both headquarters and regional level.

TOR E. SVENSEN
PRESIDENT AND DEPUTY CEO

Appointed President in 2010 and has acted as deputy CEO since 2006. Joined DNV in 1993.

JOSTEIN FURNES
CHIEF FINANCIAL OFFICER

Held position since 2006. Joined DNV in 1988.

CECILIE B. HEUCH
CHIEF HUMAN RESOURCES AND ORGANISATION OFFICER

Held position since 2006. Joined DNV in 2004.

REMI ERIKSEN
CHIEF OPERATING OFFICER

DIVISION ASIA, PACIFIC AND MIDDLE EAST

Held position since 2010. Joined DNV in 1990.

ELISABETH H. TØRSTAD
CHIEF OPERATING OFFICER

DIVISION AMERICAS AND SUB-SAHARAN AFRICA

Held position since 2010. Joined DNV in 1995.

IOANNIS KOURMATZIS
CHIEF OPERATING OFFICER

DIVISION EUROPE AND NORTH AFRICA

Held position since 2010. Joined DNV in 1976.

KNUT ØRBECK-NILSSEN
CHIEF OPERATING OFFICER

DIVISION NORWAY, FINLAND AND RUSSIA

Held position since 2010. Joined DNV in 1990.

BJØRN K. HAUGLAND
CHIEF OPERATING OFFICER

DIVISION SUSTAINABILITY AND INNOVATION

Held position since 2006. Joined DNV in 1990.

OLAV NORTUN
CHIEF OPERATING OFFICER

DIVISION GOVERNANCE AND GLOBAL DEVELOPMENT

Held position since 2010. Joined DNV in 1990.

The history

DNV's history is rooted in the maritime sector, starting in 1864. Since then, DNV has added new dimensions to its business: Energy, Internationalisation, Certification and lately Sustainability.



MARITIME



1864

DNV is established by Norwegian insurance companies as a national alternative to foreign classification societies.

1867

Agents, and later permanent surveyors, appointed in a number of countries to serve Norwegian vessels abroad.

1870

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

1872

Samuel Plimsoll starts the process leading to the compulsory load lines on every British ship, put into force in 1891.

1864-80

First phase of growth, both in shipping in general and in the DNV-classed fleet.

1883

Norway has the third largest fleet in the world, measured in registered tonnage.

1888

First DNV surveyor stationed in China.

1900

Close to 100% of the DNV-classed ships were for Scandinavian shipowners.

1907

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

1910

The Norwegian parliament votes on regulations for compulsory Norwegian load lines.

1912

Following the Titanic disaster, safety at sea becomes the subject of increasing public concern, and grows from simply safeguarding the ship to safeguarding passengers.

1914

The first International Convention for the Safety of Life at Sea (SOLAS) is adopted in response to the sinking of the Titanic.

1920

From 1920 to 1940 diesel engines are introduced as propulsion on new ships. DNV is quick to adopt this new technology and 'engineering surveyors' are recruited.

1940

During the Second World War, DNV is divided in two; one half in Newcastle, UK, and one half remained in the occupied Norway. This leads to a close co-operation with Lloyd's.

1945

After the war, this co-operation culminates in a proposal by Lloyd's to buy DNV, and thereafter to a liberalisation process in DNV and the work aims at developing new class rules. The co-operation between Lloyd's and DNV is subsequently terminated in 1952.

1948

The International Maritime Organisation (IMO) is created.

1951

Georg F. Vedeler is appointed managing director of DNV. He introduces a scientific approach to ship construction. His vision is to build safer ships in a more profitable way.

1953

As the first classification society to do so, DNV publishes new rules, based on an analytical and theoretical scientific approach.

1954

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

1964

DNV is finally united in one headquarters. The DNV fleet grows to almost 20 million gross tonnes (GT), twice as much as in 1960.

1967

The golden age for both shipping and DNV. The internationalisation and expansion of the Society takes off.

1968

Foundation of the International Association of Class Societies (IACS).

1970

ENERGY



1970

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

1975-79

The Berge Istra and Berge Vanga accidents occur.

1978

DNV becomes an independent foundation.

1980

The Alexander Kielland platform disaster in the North Sea. Regulations are subsequently improved.

1981

DNV Petroleum Services is established adding marine fuel management to DNV's expertise.

1990

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

1997

Managing Risk is introduced as DNV's corporate promise, reflecting DNV's core competence of identifying, assessing and managing risk.

2000

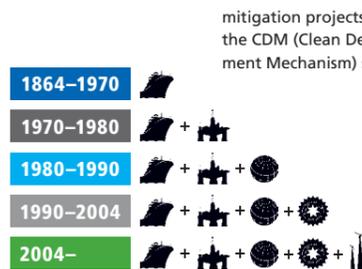
International owners represent 70% of the DNV fleet.

2002

The number of DNV-classed vessels passes 5,000.

2004

SUSTAINABILITY



2004

DNV becomes the first company to be accredited by the United Nations Framework Convention on Climate Change to validate climate change mitigation projects under the CDM (Clean Development Mechanism) scheme.

2004

Risk Based Certification introduced, representing a revitalisation of management system certification.

2005

DNV acquires Cortest Columbus Technologies (CCT) - specialising in corrosion control, pipeline and plant integrity analyses and material evaluation for the pipeline industry.

2008

DNV acquires Global Energy Concepts, a US based wind power consulting firm with 95 employees.

2009

DNV opens a Sustainability Centre in Beijing.

2010

DNV opens Clean Technology Centre in Singapore.

2010

DNV acquires Behnke, Erdman and Whitaker Engineering (BEW) to strengthen its position within solar, wind, power transmission and grid integration.

2010

The Deepwater Horizon accident in the Gulf of Mexico.

2011

Report is submitted with DNV's conclusions of its forensic examination of the Deepwater Horizon blowout preventer

2011

DNV acquires 74.3% of the shares in KEMA, creating a world-leading consulting and certification company within the cleaner energy, sustainability, power generation, transmission and distribution sectors.

2012

DNV Group is established with three separate operating companies: DNV Maritime and Oil & Gas, DNV Business Assurance and DNV KEMA Energy & Sustainability.

1864-1970

1970-1980

1980-1990

1990-2004

2004-

INTERNATIONALISATION:



CERTIFICATION



1000 EMPLOYEES BY 1972

200 EMPLOYEES BY 1947

400 EMPLOYEES BY 1957

5800 EMPLOYEES BY 2004

WHAT WE DO

The background of the slide is a dark, blue-toned photograph of an offshore oil rig at sea. The rig's complex structure of pipes, ladders, and platforms is visible against the sky and water. Overlaid on the right side of the image is a semi-transparent silhouette of a person's head and shoulders in profile, looking towards the rig. The overall mood is professional and industrial.

We enable our customers to safely and responsibly improve their business performance and to turn risks into rewards. We assess, certify and verify compliance with standards, regulations and best practices and provide independent advisory services to help optimise the technical, operational, business, environmental and societal performance of close to 100,000 customers worldwide.

In short, we tell the objective truth to help businesses and authorities build the trust and confidence of their stakeholders and to provide the best possible decision support. Moreover, 6% of our revenue is invested in research and development to search for tomorrow's truths and offer innovative services in the following sectors:

- » Shipping
- » Oil and Gas
- » Cleaner energy
- » Business Assurance
- » Sustainability

Enhancing quality and safety at sea

FOCUS ON SHIPPING

Shipping plays an essential role in the global economy and aims to ensure safe and reliable transportation. The complex risks facing the shipping industry today mean that everyone involved needs to focus on quality and safety as a first priority. Classification societies have a key role to play through appropriate regulations, inspections and technical assistance.

AVOIDING ACCIDENTS. The total number of serious accidents declined significantly in 2011. In 2007 to 2010, approximately 1,900 serious accidents per year were reported, but the total for 2011 fell to 1,425. The number of total losses also dropped from almost 500 in 1980 to around 250 in 2000 and 125 in 2011.

However, one specific incident has reminded DNV of the importance of maintaining an extended quality focus in all parts of a class society's work. In December last year, the *Vale Beijing*, a very large ore carrier, faced problems when loading in Brazil. No stone must be left unturned to ensure that lessons are learnt from this and that similar problems are avoided.

MODERN TRAINING AND COMPETENCE DEVELOPMENT. Highly skilled and experienced surveyors represent the core competence of all class societies. Training and experience sharing were recently enhanced when DNV 'brought' ships and MOUs to surveyors' fingertips. A comprehensive 3D survey simulator, including thousands of survey findings and damage cases, has been developed and is available in a large-scale training lab as well as on the laptop of every DNV surveyor. Through the use of 3D, this tool is as close as possible to real life. It does not replace onboard training but is an important addition that rapidly increases the pace of learning. A growing number of DNV surveyors benefitted from this new tool in 2011.

Simulators are viewed as essential in modern seafarer training and, in order to improve expertise on board ships, the Standard for Maritime Simulator Systems was revised in 2011 and the new Standard for Test Centres for Certification of Personnel was developed. The revised DNV standard for maritime simulators is aligned with the revised STCW code and contains 84 new competence areas for the use of simulators, including offshore simulators. The very first certificate following this new standard for test centres was issued in early 2012 to the Ship Modelling and Simulation Centre in Trondheim, Norway.

In 2011, DNV's Emergency Response Service (ERS) was extended to include and support offshore units in addition to ships. Twenty-three incidents worldwide were handled by the 24/7 ERS team last year. As an example, the *MS Nordlys*, a passenger vessel that was damaged by a critical fire and could have capsized at the quay in Ålesund, Norway, was given vital assistance last September.

ADDRESSING SAFETY – FOR OLD AND NEW SHIPS. DNV has also set up a programme to deal with vessels that have potentially critical safety issues. A group of DNV's highest skilled and most experienced surveyors act as a flying squad and in 2011 they handled 42 out of 318, mainly elderly, vessels which were identified through DNV's internal quality monitoring system as needing attention. The rest were

handled through normal surveys. For many, potentially critical safety issues were turned into successful improvements in condition. As a tool at the other end of the age scale – for newbuildings – DNV introduced the world's first class rules for wind farm service vessels on 1 January 2011. Another first from DNV in 2011 was the new class rules for battery-powered ships. Developments in lithium-ion battery technology mean that these batteries can now be used both in hybrid propulsion systems and for 'pure' battery-driven vessels. A full-scale research and innovation project is under way to install batteries on board the *Viking Lady*, an offshore support vessel.

THE ENVIRONMENT AND FUEL EFFICIENCY. Fuel prices ranged from around USD 600 to USD 700 per tonne in 2011, not far off the record level of USD 767 set in June 2008. Combined with sustained rock-bottom freight rates for most segments throughout 2011, vessel owners and operators have become increasingly focused on reducing fuel costs for their vessels in operation and when ordering new vessels.

In 2011, a new generation of 10,000 TEU highly energy-efficient container vessels was contracted in China by Seaspan Ltd. These vessels represent a major step forward in terms of both design and operational efficiency. Compared to current designs, the cargo capacity has been increased by 10% and fuel consumption reduced by 20%. The new design significantly reduces ballast water requirements. Also in 2011, DNV released fuel saving guidelines for bulk carriers, tankers and container vessels that provide an overview of the different measures which are feasible.

Throughout the year, DNV was involved in a wide range of fuel-saving projects. Examples include assisting Hoegh Autoliners to reduce its fuel consumption and thus emissions by around 21%. Across a range of about 50 different projects throughout the industry, normal savings were in the range of 8–20%.

14.6%

of the world's sailing fleet is classed by DNV (in gross tonnes).

21.1%

of ship newbuilding contracts signed in 2011 were to DNV Class (in gross tonnes).

DNV Petroleum Services introduced Fuel Insight, a web-based data analytics product that shows ship operators where – and from which suppliers – they can procure fuel which yields the best value for money. Buying and receiving the right bunker quality is half the fuel management process. The other half comprises efficient onboard fuel handling and consumption, which Fuel Insight can also help operators to benchmark against best practices.

The stricter regulation and extension of Emission Controlled Areas (ECAs) have put further pressure on fuel choices, costs and quality. ECAs have already been established in the Baltic Sea and the North Sea and will be enforced along the North American coastline too. Other areas are expected to follow. DNV launched a new ECA Survival Kit last summer to assist operators with the legislation. ECAs are also a driving force behind many exciting opportunities for introducing cleaner fuel, notably LNG. DNV classed 24 out of 25 LNG-fuelled vessels operating at the year-end 2011. Another 25 new DNV-classed LNG-fuelled vessels are on order. IMO's adoption of the Energy Efficiency Design Index (EEDI) for new ships demonstrates a commitment to environmental goals. Future ships will have to meet mandatory improvements in energy efficiency towards 2025.

BALLAST WATER MANAGEMENT. The Ballast Water Management Convention will enter into force within the next two years and require all ships and offshore structures to clean their ballast water. This will have a major effect on operations and involve major investments in technology. DNV established itself early on as the leading class society for type approval and standard setting for the new ballast water treatment systems being developed. With 21 confirmed type approval projects, DNV far exceeds other class societies and has become the industry's preferred technical and advisory partner.

HULL INTEGRITY AND MAINTENANCE. By the year-end 2011, 65 vessels were part of DNV's Hull Integrity Management (HIM) scheme, which resulted in 3,000 observations due to 1,300 inspections by 220 inspectors. Charterers notice better maintained vessels, maintenance costs are dropping, the risk of accidents is reduced and compliance with regulations and standards is easier to achieve. HIM helps owners and operators to do this efficiently.

DNV also released a new toolbox to achieve better hull maintenance planning by forecasting corrosion wastage and related cost scenarios. This will ensure better estimates of steel and coatings that need to be renewed.

MARKET. At the end of 2011, DNV's estimated share of the ships in operation market – measured in gross tonnes – was 14.6%.

For new contracts signed in 2011, the market share was higher – 21.1%. In numbers, this meant an increase from 5,670 to 5,888 ships during the year.

DNV's market share at year-end at China's three largest shipyards demonstrates a strong position in Chinese shipbuilding: Rongsheng 80%, DSIC 60% and Jinhai 40%. A strong position among Korean yards is demonstrated by DNV's market share at the three largest yards there: Daewoo 32%, Hyundai 24% and Samsung 21%.

ARCTIC ACTIVITY. The focus on the Arctic trade and its opportunities is also increasing. Although this is still a limited market, the fact that 34 vessels sailed the Northern Sea Route from Europe to Asia in 2011 compared to four in 2010 seems to indicate further growth. The next input to IMO's ongoing work to develop a mandatory Polar Code for both the Arctic and Antarctic is expected to be completed by the correspondence group in 2012 for further processing in IMO. DNV is actively contributing to the Code's development as part of its commitment to furthering safety and quality in tune with the changing needs of the maritime industry.

OTHER ACHIEVEMENTS IN 2011

➔ **INNOVATION AWARD.** As proof of DNV's innovation achievements, the Triality VLCC (Very Large Crude Carrier) concept won one of the world's highest ranked maritime awards – the Lloyd's List Global Award for the best innovation project in 2011. Triality is a concept crude oil tanker that is fuelled by LNG, has a hull shape that removes the need for ballast water and will considerably reduce emissions to air.

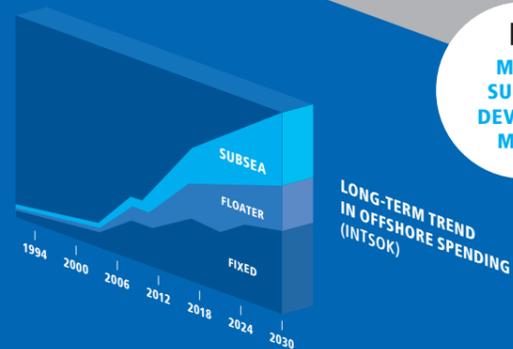
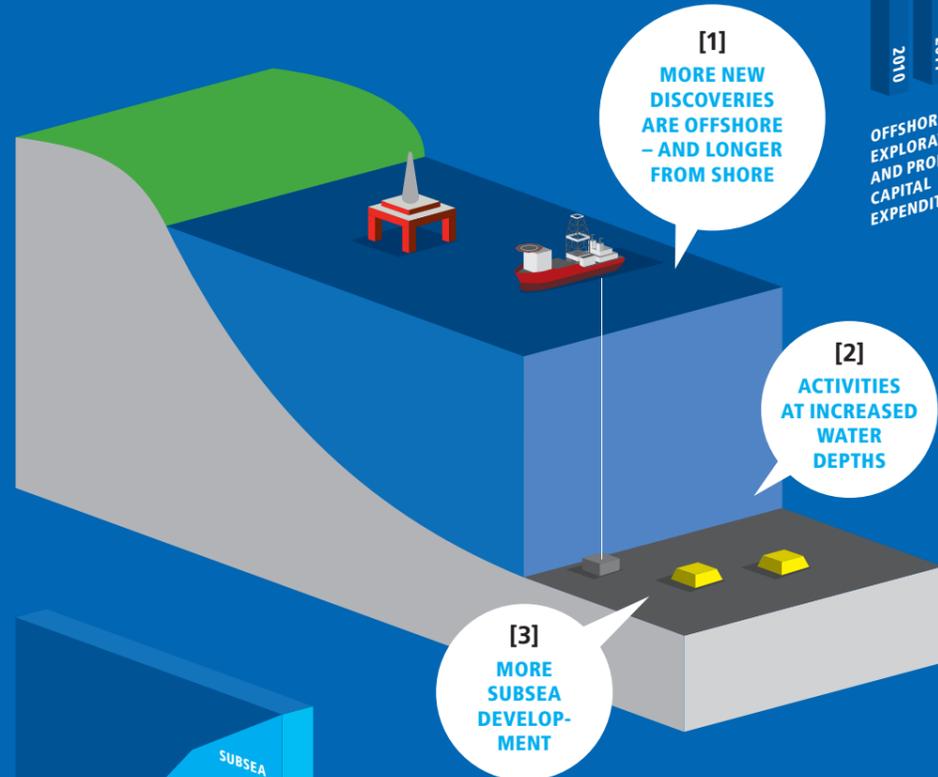
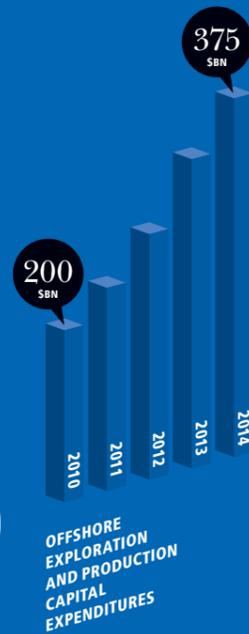
➔ **HEAVY LIFTING.** The world's largest heavy lift vessel, 275 metres long and 80 metres wide, pushed existing design boundaries in 2011. The vessel, ordered by Dockwise, has no forecastle so it can carry cargo of 'unlimited' length and is the first semisubmersible heavy lift vessel to be built to DNV's new class rules.

➔ **MILESTONE FOR PORT CLEARANCE SOFTWARE.** A milestone was reached in the autumn of 2011 when DNV Navigator number 2,000 was installed on board the HS Chopin in Hamburg. DNV Navigator is a software package that simplifies port clearance procedures for ships' crews.

OFFSHORE SHIPPING LEADING THE WAY



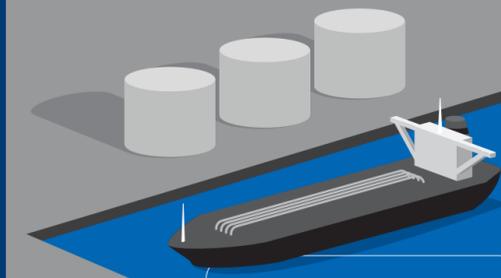
Despite the challenging market situation for shipping in general, a few segments experience interesting opportunities. Shipping related to offshore energy is such a case, and the outlook here remains strong. In 2011, the continued high energy prices drove investment in new oil and gas field developments offshore, and the trend is towards deeper waters. This has resulted in a high demand for advanced offshore support vessels capable of operating in deep water.



OFFSHORE SHIPPING

The high level of oil and gas exploration and production means that the demand for sophisticated, high spec vessels is high.

DNV is the leading classification society in the offshore shipping segment.



OIL TANKER

Designed for the bulk transport of oil. Moves large quantities of unrefined crude oil from its point of extraction to refineries. Classified by their size as well as their occupation.

TOTAL FLEET | DNV CLASSED
12,178 | **12%**

DNV IS THE LEADING CLASS SOCIETY FOR LARGE OIL TANKERS.
25%
MARKET SHARE WHEN MEASURED IN GROSS TONNES (GT)

SHUTTLE-TANKER

Designed for oil transport from an offshore oil field. It is equipped with offloading equipment compatible with the oil field in question.

TOTAL FLEET | DNV CLASSED
70 | **75%**

SHUTTLE TANKERS
78%
MARKET SHARE WHEN MEASURED IN GROSS TONNES (GT)

CUTTING EDGE

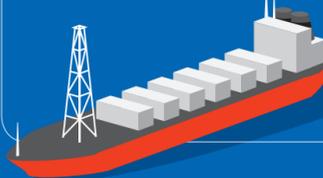
The need for shuttle tankers is increasing. The most advanced shuttle tankers ever built were delivered by Samsung in Korea to Teekay and classed by DNV in 2011.

MOBILE PRODUCTION UNITS

A moveable offshore platform (semi-submersible or jack-up) or FPSO with facilities to extract, process, store and offload oil and gas.

TOTAL FLEET | DNV CLASSED
256 | **22%**

FLOATING PRODUCTION STORAGE AND OFFLOADING (FPSO)

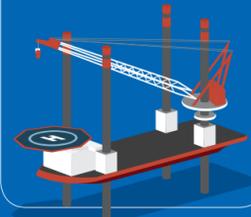


Designed to receive hydrocarbons produced from nearby platforms or subsea template, process them, and store oil until it can be offloaded onto a tanker or transported through a pipeline.



WIND TURBINE INSTALLATION VESSEL

The construction of large offshore wind farms have given rise to this new class of ship. The vessels are self-propelled and self-elevating vessels fitted for the purpose of installing large wind turbines offshore.



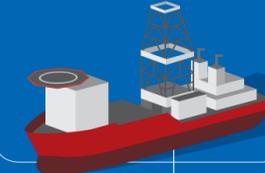
MOBILE DRILLING UNITS

A moveable offshore platform (semi-submersible or jack-up) or drillship with facilities to drill wells and extract oil and gas.

TOTAL FLEET | DNV CLASSED
788 | **19%**

DRILLSHIP

Fitted with drilling apparatus. It is most often used for exploratory offshore drilling of new oil or gas wells in deep water or for scientific drilling. Can also be used as a platform to carry out well maintenance or completion work such as casing and tubing installation or subsea tree installations.



ANCHOR HANDLING TUG SUPPLY (AHTS)

Mainly built to handle anchors for oil rigs, tow them to location and anchor them. Fitted with winches for towing and anchor handling.



HIGH TECH SEISMIC

Contracts for the new generation of Ramform seismic vessels for PGS were signed last summer and these ships are now being built at Mitsubishi Heavy Industries in Japan. When completed in 2013, they will be the most technically advanced seismic vessels, featuring 3D seismic data acquisition and analysis capability.

SEISMIC VESSEL
Seismic research vessels are designed to detect geological features which are likely to bear oil or gas.



OFFSHORE SUPPORT VESSEL (OSV)

Covers a wide range of vessel types from anchor handling (AHTS/AHT), seismic, survey, platform support, diving support and standby vessels.

TOTAL FLEET | DNV CLASSED
5,071 | **20%**



MULTI PURPOSE OFFSHORE VESSEL

Can, as the name suggest, perform multiple operations, including that of carrying out subsea installation services and operate remotely operated underwater vehicles (ROVs).

PLATFORM SUPPLY VESSEL (PSV)

Designed to supply offshore oil platforms. Transportation of goods and personnel to and from offshore oil platforms and other offshore structures.



VIKING LADY – THE ELECTRICAL SHIP

The Viking Lady is not like any other offshore supply ship. The three-year-old LNG-fuelled vessel was the very first merchant ship to use a fuel cell as part of its propulsion system and it is one of the world's most environmentally friendly ships. A true hybrid energy system is currently being developed for installation on board the vessel as a result of a DNV-led research project with the owner Eidesvik Offshore and Wärtsilä.

LEADING THE WAY FOR LNG

When it comes to the use of LNG as a shipping fuel, the offshore segment is among the front runners. A total of six OSVs using LNG propulsion were built from 2003 to 2011. By the end of 2011, six new vessels had been ordered – all to DNV Class.

300
new OSVs were ordered last year, of which 100 were above 3,000 dwt.

1/3
of all OSVs ordered in 2011 were to DNV Class and over 50% of the world's 1,000 largest OSVs are classed by DNV.

1979
WATER DEPTH (AVERAGE)
30
METERS

1985
WATER DEPTH (AVERAGE)
100
METERS

1995
WATER DEPTH (AVERAGE)
250
METERS

2002
WATER DEPTH (AVERAGE)
500
METERS

2006
WATER DEPTH (AVERAGE)
750
METERS

2009
WATER DEPTH (AVERAGE)
950
METERS

SUBSEA DEVELOPMENT – DEEPER AND DEEPER

THE OIL AND GAS INDUSTRY IS DELVING INTO DEEPER AND MORE REMOTE FIELDS AND NEW EXPLORATION ACTIVITIES ARE ALSO HEADING FOR ULTRA-DEEP-WATERS. THESE FIELDS ARE OFTEN LOCATED SEVERAL HUNDRED KILOMETERS FROM LAND, AND AT EVER DEEPER WATERS.

SUBSEA DEVELOPMENT
There is a clear trend that production equipment is moving from the sea surface to the sea bed. This requires new and advanced type of vessels for both installation and operation activities.

NEW VESSEL REQUIREMENTS
As oil production and exploration is moving into deeper and harsher environment, the demand for ships in this segment will continue to grow. Few vessels built before 1995 are tailored for deep sea operations.

Offshore safety on everybody's agenda

FOCUS ON OIL AND GAS

Two years on, the Deepwater Horizon accident still represents the main driving force behind the efforts of regulators, industry bodies and individual companies to establish safer and more robust practices in the offshore sectors around the world. DNV has been playing a leading role in the investigation and influenced future regulatory frameworks.

REGULATORY CHANGES. Major regulatory changes to offshore safety regimes are being considered in both the US and European Union as direct consequences of the Macondo blowout in the Gulf of Mexico in April 2010. While such new and modified regulations may be prescriptive in the short term, they are expected to become more performance and risk-based in the longer term. Requirements relating to safety cases, risk-based systems, environmental impact assessments, emergency response systems and technology qualification will become more explicit.

In the US, nine major investigations have been conducted into the Macondo accident, and a number of recommendations have been presented.

DNV carried out the forensic investigation of the Deepwater Horizon Blowout Preventer and published the results in a report dated 20 March 2011. The report is part of the US Coast Guard/US Bureau of Ocean Energy Management, Regulation and Enforcement Joint Investigation Team Report. DNV later undertook further testing of the Deepwater Horizon Blowout Preventer for certain parties to the litigation concerning the event and has also provided a number of recommendations based on its involvement and experience.

The authorities are still assessing these and other recommendations, while some new regulations have already been introduced.

An example of these is the Drilling Safety Rule, which addresses both well bore integrity and well control equipment and procedures. The Workplace Safety Rule is also new, requiring all offshore oil and gas operators in US waters to develop and maintain a Safety and Environmental Management System for identifying, addressing and managing operational safety hazards and impacts.

DNV has certified a large number of blowout preventers in accordance with its Recommended Practice for the Recertification of Blowout Preventers and Well Control Equipment for the US Outer Continental Shelf since this was released in June 2010.

TOUGHER EU REGULATIONS. In the EU, the European Commission has proposed regulations on the 'Safety of offshore oil and gas prospecting, exploration and production activities'. The Commission argues that the risk of major accidents in European waters is significant and that existing legislation and practices do not provide all the achievable risk reductions. The Commission also concluded that existing regulatory frameworks and operating arrangements do not provide for the most effective emergency response to accidents wherever they occur.

According to its proposal, all operators are required to submit a Major Hazard Report, which has to be verified by an independent third party.

DNV has communicated with the Commission about the risk level presented in the EU's proposal. Based on its extensive risk expertise and experience, DNV has expressed doubts as to the justification and accuracy of the Commission's assessments. The Commission's proposal will be debated in detail by the Council and European Parliament throughout 2012. In any case, regulatory regimes in both the US and EU will undergo changes in the aftermath of the Deepwater Horizon accident.

THE ARCTIC – IN FOCUS. There is an urgent need for adequate standards and rules in the Arctic as oil and gas operations move into this very challenging and fragile environment. In parallel with the oil companies' and other commercial operators' increasing focus on this area, the Arctic nation states are showing greater interest in the governance of the Arctic. The entry into force of the Russian-Norwegian Barents Sea Delimitation Agreement in June 2011 was an important step in its own right, but also sent signals to the wider international society about the orderly and predictable governance of the Arctic area.

Throughout 2011, DNV participated actively in numerous commercial, academic and policy making fora, focusing on the increased risk level in the Arctic area. DNV's role as secretariat for the initially Russian-Norwegian, but now increasingly international, Barents 2020 project has served as a kingpin in this regard. Major new oil and gas discoveries on the Norwegian continental shelf, in both the North Sea and Barents area, ensure a high level of activity in the Norwegian offshore sector.

65%

About 65% of all offshore pipelines are designed and built to DNV's pipeline standards.

47 JIPs

In 2011, we completed 208 development projects within the Cutting Edge and Technology Leadership portfolios covering maritime, oil and gas (approx. 35%) and cleaner energy. 47 were Joint Industry Projects, where we work closely with industry partners.

BOOMING OFFSHORE. Brazil is spearheading the increased activity in offshore oil and gas exploration and production. Mexico, India, China and Australia are all involved in deeper water prospects, and several large fields are coming on-stream in Africa.

DNV has opened a Deepwater Technology Centre for the Asia-Pacific region in Singapore to serve the rapidly expanding offshore and deep-water oil and gas developments in the region. The centre focuses on subsea operations, umbilicals, risers, flow lines, pipelines, floating systems, drilling and wells, and complements similar DNV Deepwater Centres in Houston, Rio de Janeiro and Oslo.

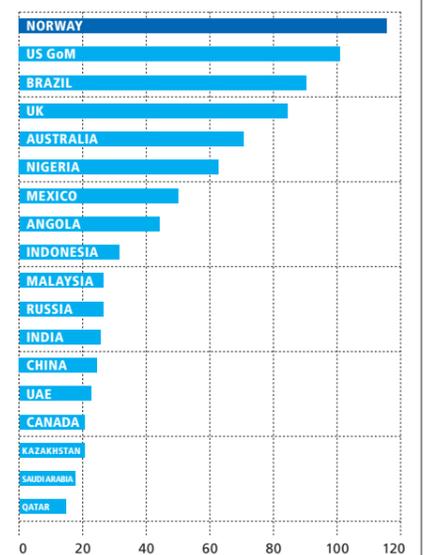
SOFTWARE SAFETY. Software and systems are becoming increasingly complex as the maritime and offshore industries face great product innovation, with more software-embedded systems forming part of safety and business-critical systems. These industries now realise the need for an improved approach to managing the emerging software risks. A modern drilling rig contains more than 1 million lines of code, or the same amount of code as the latest Airbus A380.

Requests from rig owners, suppliers and authorities, in addition to the results of the accumulated knowledge, pilot projects and best practices from other industries, have led DNV to develop a new class notation for Integrated Software Dependent Systems (ISDS). This notation aims at engineering the various software applications into a single system that meets all the requirements in terms of safety, functionality and reliability, and it has been very well received by the industry.

AGEING STRUCTURES. A large number of oil and gas installations have reached their intended design life. New technology and better reservoir management have made it possible to extract more oil and gas from ageing fields. This has created a strong demand for life extensions of facilities, both onshore and offshore. Close to 25% of the Norwegian and 40% of the UK units have exceeded their design life, and the authorities have increased their focus to ensure that the risks associated with ageing and life extensions are effectively controlled by the offshore industry. This involves the installations, including structures, topside, subsea installations and pipelines, and the work procedures in order to maintain production in a sustainable manner.

DNV is heavily involved in the Norwegian and UK sectors, and is increasingly also involved in other regions, such as the Middle East, India and South East Asia, where the safety regime is less prescriptive

FIGURE 01 OFFSHORE INVESTMENT FORECAST – INTSOK (BILLION USD)



New discoveries on the Norwegian continental shelf mean that Norway is forecasted to exceed all other countries when it comes to offshore exploration and production spending between 2011 and 2014.

and experience gained from the North Sea can be utilised to a large extent. Currently, there is little guidance available on how to perform the required assessments and DNV is co-operating closely with the offshore industry to develop a common approach to the management of ageing installations and life extensions, involving the development of guidelines, codes and standards to ensure the continued safe operation of ageing offshore installations.

OTHER ACHIEVEMENTS IN 2011

NEW GUIDANCE ON OFFSHORE GAS TERMINALS. Rising demand for floating offshore gas terminals has resulted in the development of new technologies and specialized units, leading to a number of innovative design concepts. DNV prepared a detailed design and construction guidance to meet the demand for an up-to-date, fully comprehensive overview of the many technical challenges faced by designers and yards in this segment.

GOLDEN AGE FOR NATURAL GAS



The world's energy demand will continue to grow due to an increasing population and expected rise in income. New horizons are opening up for natural gas, both conventional and unconventional, and is increasingly seen as part of the low carbon economy.

[1]

ENOUGH GAS FOR FUTURE GENERATIONS

New techniques to exploit unconventional natural gas resources mean that total recoverable gas resources can sustain today's consumption for more than 250 years.



[2]

INCREASING SHARE OF ENERGY MIX

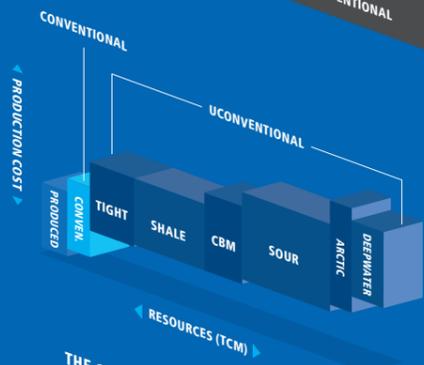
Natural gas is bound to play a greater role in the global energy mix from 21% in 2008 to 25% by 2035, even overtaking coal.



[3]

BUT DIFFICULT TO GET TO

There is an abundance of unconventional (tight, shale and Coal Bed Methane), deep-water and Arctic gas. However, it is much more expensive to recover than conventional gas.



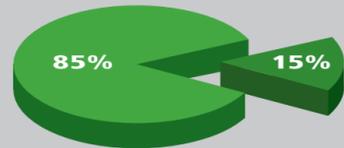
GAS VALUE CHAIN

Natural gas is bound to play an increasing role in the global energy mix. Gas is available in many regions, and new reserves have been discovered while others have become economical to produce. Gas helps improve energy security and provides the flexibility needed as more variable energy (e.g. wind and solar) get connected to the power grids. Gas is also cleaner than other fossil fuels.

DNV is engaged in the entire energy value chain, with a particular focus on the rapidly growing LNG markets.

SOURCE

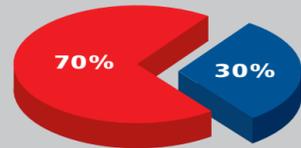
CONVENTIONAL GAS
Dominates worldwide production, accounting for over 85% of total marketed output today. Most oil fields contain both oil and gas. (IEA)



UNCONVENTIONAL GAS
Unconventional gas is expected to count for more than 40% of the global production increase by 2035, and increase its share to 1/4 of all gas production. (IEA)

TRANSPORT

PIPELINES
70% of all gas is transported by pipeline, which is a cheaper, but often more difficult option than LNG.



LNG VESSELS
30% of all gas is transported by vessels as Liquefied Natural Gas (LNG).

TERMINALS

END USER

COUNTRIES WITH LARGEST RESERVES

TOTAL WORLD PROVED RESERVES
187.1
TRILLION CUBIC METER

US PROVED RESERVES
7.7
TRILLION CUBIC METER

RUSSIA PROVED RESERVES
44.8
TRILLION CUBIC METER

MIDDLE EAST PROVED RESERVES
75.8
TRILLION CUBIC METER

AUSTRALIA PROVED RESERVES
2.9
TRILLION CUBIC METER

THE WORLD'S LONGEST PIPELINE

Nord Stream went on stream with gas from Russia to Europe in 2011. The project was designed and constructed according to DNV-OF-F101 and is being certified according to DNV-OSS-301. For DNV, the work on the Nord Stream project will continue beyond the second pipeline becomes operational in 2012.

MAJOR GAS EXPORT VIA PIPELINES AND LNG VESSELS

Legend: — LNG — PIPELINES

BILLION CUBIC METERS
5
10
15
20
30
40

Substantial resources of unconventional gas are now identified on all continents. Exploration of such resource gathers pace in countries like US, China and India.

SHALE GAS RISK MANAGEMENT
DNV is preparing a standard for shale gas operations which we expect will help build trust between operators and concerned local communities.

SAFEGUARDING GAS PIPELINES
Several projects in North America focus on integrity and risk management of gas pipeline network and facilities. In these projects, DNV contributes with a combination of competences within materials, corrosion, integrity management and enterprise risk management. DNV is the leading investigator of major pipeline ruptures in the US.

The supply of natural gas has been radically altered by the emergence of significant shale gas reserves and the development of technologies that make these resources possible to produce.

BY JOINING FORCES WITH KEMA
DNV can now offer a range of new services addressing the safety and reliability of onshore gas infrastructure, measurement of large-scale gas flows and the safe introduction of new gasses into the existing transport systems.

ASSET INTEGRITY OF PIPELINE INFRASTRUCTURE
Currently DNV runs three large gas related projects with Petrobras in Brazil, involving asset integrity, security of supply and performance. The projects include processing units, pipelines and distribution networks both onshore and offshore, compressor stations, gas driven thermo plants and city-gates. Since 2004, the security of supply of the Brazilian natural gas network has been assessed by complex reliability models by using software such as DNV's TARO.

NEXT GENERATION PIPELINES
DNV has developed a new pipeline concept, called X-Stream, which can significantly reduce the cost of a deep- and ultra-deep gas pipeline while still complying with the strictest safety and integrity regimes. X-Stream is based on established and field-proven technologies which have been innovatively arranged.

LNG CARRIERS FUELLED BY LNG
In the Middle East, DNV has been engaged in a project on practical considerations and engineering for conversion of LNG carriers, shifting from fuel oil to LNG as fuel. The analysis' include both HAZIDs and HAZOPs, where DNV's methodology and technical competence played a central role.

VERIFYING COAL BED METHANE PROJECTS
DNV is the verifier for the QCLNG Coal Bed Methane project in Australia. The scope includes the upstream part of the project as well as the export pipeline, and crosses through the Great Barrier Reef to the liquefaction site at Curtis Island.

India is becoming a large gas importer, and declining associated gas production will mean even some Middle East states increasing their gas imports.

China remains an aggressive gas importer, both by pipeline and LNG, but is now exploring its own unconventional resources.

Australia is emerging as the main producer of new LNG supply.

ELECTRIC POWER GENERATION

Natural gas is taking over as the preferred raw energy source for new power generation, due to abundance of supply and lower carbon emissions than either coal or crude oil.

ALMOST HALF OF THE GAS IS USED FOR POWER GENERATION

LNG POWER GENERATION

DNV has run a Joint Industry Project in South East Asia, identifying potentials for small scale power generation based on LNG instead of diesel, supported by studies in India, China, Bangladesh and Indonesia

RESIDENTIAL / COMMERCIAL USE

Most large cities in North America, Europe, and Northern Asia have extensive natural gas networks supplying residential and commercial consumers natural gas, primarily for space heating, water heating, and cooking. Many cities in developing countries are also installing local gas pipelines and networks.

MANY HOUSES AND COMMERCIAL PROPERTIES USE GAS FOR HEATING

EXTENSIVE GAS EXPERTISE

DNV KEMA provides expertise in gas fired power generation, smart grids for gas, and building and industry energy efficiency.

INDUSTRY

Natural gas is an important feedstock and energy provider for the petrochemical, fertilizer and steel industries.

THE FERTILIZER INDUSTRY IS A LARGE CONSUMER OF NATURAL GAS

LNG AS SHIPPING FUEL

DNV classed the world's first pure LNG-fuelled multi-purpose cargo ships in China. Tsuji Heavy Industries will build 2+2 LNG-fuelled multi-purpose cargo ships for Norwegian owner Nor Lines, based on a Rolls-Royce design.

TRANSPORT FUEL

Less than 1% of all the world car fleet are natural gas vehicles, but the IEA predicts in its 'gas scenario' that the number of Natural Gas driven vehicles could reach 70 million by 2035.

In shipping, only a few vessels are fuelled by LNG today, but DNV believes that the majority of new ships ordered in 2020 will be capable of operating on LNG.

NATURAL GAS PLAYS A SMALL, BUT INCREASING ROLE, AS TRANSPORT FUEL

Powering the electricity future

FOCUS ON CLEANER ENERGY

Over the coming decades, the world will face the dual challenge of reducing carbon levels while meeting the exploding global thirst for electrical power. The solution must be more renewable energy, cleaner fossil-based power, energy efficiency and smarter ways of transporting electricity from source to consumer. This is why DNV made its largest investment ever in the energy certification, testing and consulting company KEMA.

ENERGY TRANSITION. Trillions of dollars are planned to be invested in power generation, transmission and distribution, but much of the governance, ownerships, infrastructure, technology and standards are yet to be developed. By joining forces with KEMA, DNV is ready to push this inevitable development forward.

While traditional sources like coal, gas, hydro and nuclear produce stable power generation, future power systems will have to manage the variability and uncertainty in output from renewable energy sources like wind and the sun. The question is: how can we produce fossil-fuel-based power more sustainably, increase the percentage of renewable energy and distribute the electrical power to the consumer more efficiently? Better transmission systems and smart grids are important parts of the answer to this question.

HUGE INVESTMENTS IN CLEANER POWER. Stricter environmental regulations and higher energy costs will drive a transition towards cleaner fossil fuels and more cost-effective power generation. This transition, including that towards integrating more renewable power into the energy grids, will require system-wide changes. Such smarter power transmission systems will necessitate huge investments on all continents. According

to the International Energy Agency (IEA), 50% of the USD 20 trillion expected to be invested in energy developments towards 2030 will be invested in renewable energy, smart grids and conventional power generation and transmission.

However, many challenges remain to be solved with regard to technology, governance, infrastructure and standardisation. This is why DNV acquired the majority shareholding in KEMA in December 2011, creating a world-leading consulting and certification company within cleaner energy, sustainability, power generation, transmission and distribution. On 1 March 2012, a new company in the DNV Group, DNV KEMA Energy & Sustainability, was formed to serve this market. It combines KEMA's 1,800 experts on energy efficiency, power generation, transmission, distribution and gas with 500 experts from DNV's renewable energy and sustainability activities.

WIND GROWTH. Wind energy remains the fastest growing renewable source in terms of capacity, with a significant offshore move in Europe.

The onshore and offshore wind industry installed just over 41,000 MW of new wind power in 2011, 6% more than in 2010, bringing the cumulative installed capacity worldwide to more than 238,000 MW (source: GWEC). This represents an increase

of 21% in the total capacity. The majority of new installations were in countries outside the OECD, and new markets in Latin America, Africa and Asia are driving market growth. China consolidated its position as the global market leader. The US market, where DNV has a significant share of its onshore wind energy business, slowed in 2011. This was mainly due to (1) adjustments in the project development pipeline in anticipation of a possible lapse in the Federal Production Tax Credit, (2) the relatively flat power demand due to macroeconomic conditions and (3) intensified competition from natural gas power generation as a result of increased domestic fuel supply.

However, DNV grew its wind energy business and experienced particularly good growth in business derived from the emerging wind market. We also successfully strengthened our presence in the German wind certification market with a new leadership and team, in addition to relocating the office to Hamburg. Contracts for the classification of two installation vessels and 30 service vessels specifically for the offshore

wind industry were also secured. Turbine testing and related project instrumentation services continued to experience high demand from owners and manufacturers.

Throughout 2011, DNV maintained its focus on knowledge development through joint industry projects (JIPs), Recommended Practices (RPs) and standards. An update to DNV's recognised standard for wind structures, DNV-OS-J101, cemented our contribution to offshore wind safety. Closely related to this, we either launched or made significant progress within the JIPs on grouted connections with shear keys, subsea cable risks and floating offshore wind turbines. DNV remains one of the world's largest certification and advisory companies, and this position was further strengthened with the merger with KEMA, whose abilities will move DNV further across the wind energy value chain.

SOLAR ENERGY. The solar energy market continued to experience high growth in 2011 – globally and in particular in Japan, the US, China and India. In 2011, the photovoltaic solar energy market in China exceeded 1.6 GW, representing growth of more than 230% since 2010. In the US, new PV installations exceeded 1.8 GW in 2011, bringing the total to above 3.5 GW. The cost of solar energy is decreasing, leading to a significant expansion of the solar energy market, and growth rates of 50–60% is expected in 2012.

DNV only recently entered the solar energy market and offers services from offices in San Francisco, Boston and Houston. Our business followed the market, with an 80% growth in revenue and people in 2011. We now have 52 employees providing solar services. DNV has taken a leading position in the US markets for independent engineering, due diligence, technology qualification and energy estimates services.

CAPTURING CO₂. Carbon Capture and Storage (CCS) is widely viewed as an important technology in a transition towards a low-carbon economy. However, its speed of development is still dependent on a higher price for carbon, public acceptance of attendant risks, technology development, lower capital and operational costs, and new regulatory frameworks.

The emergence of gas as an accepted part of the low-carbon economy has taken hold in many places. Applying CCS to gas-fired power plants will make gas even more accept-

able as a solution to deal with the dual challenge of climate change and increased energy demand.

Despite CCS progressing more slowly than expected, there were many promising developments during the year. In particular, the UN's decision to include CCS as part of the Clean Development Mechanism may contribute to faster worldwide developments. In September, South Africa's president, Jacob Zuma, Norway's King Harald, the Norwegian Minister of Oil and Gas, Ola Borten Moe, and a number of industry players met at DNV's offices to discuss the future of CCS. DNV encourages close cooperation between stakeholders in order to realise CCS as an industrial opportunity.

In 2011, DNV conducted a due diligence on behalf of the European Investment Bank in order to assess a potential CCS project to be funded by the EU's NER300 funding scheme.

OTHER ACHIEVEMENTS IN 2011

FIRST TO BE ACCREDITED IN KOREA. DNV was the first international certification body to receive accreditation in Korea to deliver type and project certification of wind turbines and wind farms. DNV now has official approval to handle all aspects of the certification work using its local wind experts. This is a milestone for DNV and also provides a number of advantages to Korean and Asian manufacturers.

OPTIMAL USE OF REMOTE SENSING TECHNOLOGY. DNV provided the industry with an important Recommended Practice containing in-depth knowledge about how to use remote sensing technology to characterise wind resources.

WORLD'S FIRST OFFSHORE STANDARD FOR WIND TURBINE INSTALLATION UNITS. In response to a rise in newbuild orders for offshore wind turbine installation vessels (WTIUs), DNV launched the world's first Offshore Classification Standard for this segment in 2011.

2,300 PROFESSIONALS

As of 2012, DNV KEMA Energy & Sustainability, combines KEMA's 1,800 professionals on energy efficiency, power generation, transmission, distribution and gas with 500 experts from DNV's renewable energy and sustainability activities.

240 WIND SPECIALISTS

In 2011, 240 DNV experts provided services in the wind energy sector, with more than 80 working in the offshore wind field. Experts are located in Denmark, the UK, Germany, the Netherlands, Norway, the US, China, South Korea, Singapore, Brazil and India.

65%

DNV has been involved with 65% of the world's offshore wind farms.

BALANCING GLOBAL POWER CHALLENGES



The world will undoubtedly become more electrified in the coming decades. This will require heavy investments in new infrastructure and the upgrading of existing infrastructure. As renewables will account for a bigger share of the energy produced, smart grid technology will ensure a fine-tuned balancing act between consumer demand and the various producers' capacities.

[1]

INCREASING GLOBAL ENERGY DEMAND

By 2035, the world's electricity demand has almost doubled from today's level. And a major part of the additional power generation capacity will come from renewable sources.

[2]

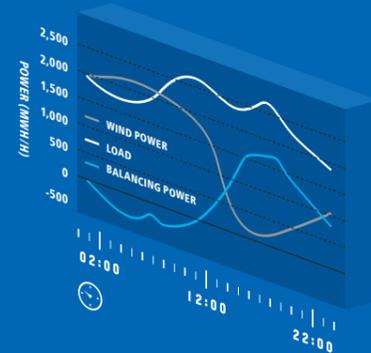
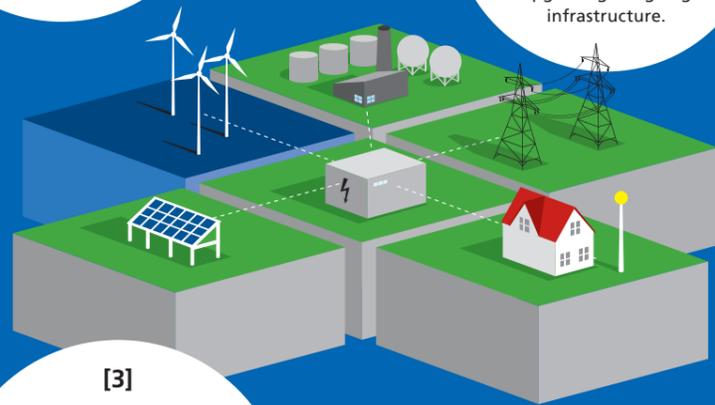
INVESTMENT NEEDS

The increased demand for electricity will require huge investment in energy infrastructure. That includes both new infrastructure and upgrading of ageing infrastructure.

[3]

REAL-TIME BALANCING OF DEMAND AND SUPPLY

Not only is it a challenge to match power generation and highly variable power demand. As the share of variable power sources (e.g. solar and wind) is increasing, balancing power challenges will increase.



BALANCING POWER

EXAMPLE: DOWN-RAMPING OF WIND POWER IN WEST DENMARK DURING STORM, AND SUBSEQUENT BALANCING PROVIDED BY NORWEGIAN HYDRO POWER (8 JAN 2005).

TOTAL INVESTMENTS IN ENERGY SUPPLY INFRASTRUCTURE (CUMULATIVE, 2011-2035)
37.9
\$ TRILLION



SOURCE: IEA

RESTRUCTURING EUROPE'S POWER SYSTEM

Europe has defined a clear goal of decarbonising its power production in order to meet the objective to reduce greenhouse gas emissions by at least 80% below 1990 levels by 2050.

In addition to energy efficiency, the complementarity between a diverse portfolio of renewable energy sources and flexible gas-fired plants will drive the development.

However, for this to happen, upfront investments in low carbon technologies as well as in transmission grids will need to double over the next two decades. Smart grids are considered the glue that will hold together the continents power system.

18 PER DAY
If all the renewable power was to be based on wind power there would be a need to install 18 very large offshore wind turbines (7.5 MW) per day until 2035 to reach the IEA predictions.

RISK MANAGEMENT AND OPERATION CONSULTING

New technology and heavy investments in the power sector pose new risks, related to smart infrastructure, security, systems and human interfaces, enterprise and project risk. KEMA has strengths in policy, road mapping and

management consulting services to regulators and industry players across the energy value chain. With DNV's risk-based approach and risk management tools the two companies establish one leading provider of policy, risk management, operations consulting and due diligence services.

SMART GRID

A Smart Grid is an electric power network that utilises two-way communications and control-technologies to cost efficiently integrate the behaviour and actions of all users connected to it. This ensures an economically efficient and sustainable power system with low losses and high levels of quality, security of supply and safety.

It also takes into account the balance between variable input from renewable energy such as wind and solar, and the stable gas, coal and nuclear sources. Read more: smartgridsherpa.com

REAL-TIME PRODUCTION POWER

Electrical power is produced in the moment it is being consumed.

In the same millisecond a consumer turns on the kitchen stove in Norway at 16:30 to prepare salmon for dinner, all or parts of the power may be ordered, produced, transmitted and distributed from an onshore wind-farm in Spain.

16:30

At 18:00 a French student turns on the microwave to heat up her dinner. Instantly, a request signal goes into the grid, and if needed the power production will be increased where it is possible and cheapest, e.g. from a gas fuelled power plant with CCS in Germany.

18:00

In Spain, tapas is served at 21:00, and renewable hydro power from Norway may be chosen as the cheapest and most environmental friendly energy source for cooking.

21:00

POWER FROM SHORE

New infrastructure investments are also expected for electrification of offshore oil and gas production and tie-in of large scale offshore wind farms.

TRANSMISSION
- transporting electrical power from the producer to the grid.

DISTRIBUTION
- transporting electrical power from the grid to the consumer.

TODAY'S SITUATION
2010

NEW CAPACITY
2030

< 1 GW
5-10 GW
1-5 GW
> 10 GW

THE ROADMAP 2050

To support Europe's decarbonisation goal, The Roadmap 2050 project and the Power Perspectives 2030 report were initiated by the European Climate Foundation (ECF) and has been developed by a consortium with significant contribution from KEMA. Several reports with regards to technology, policy and finance have been released.

80%

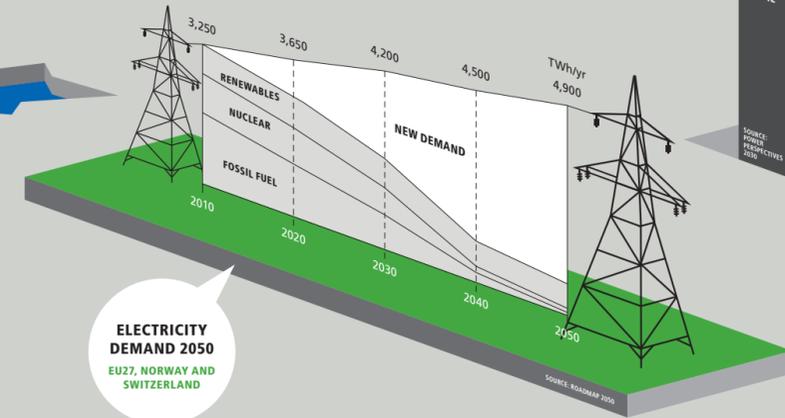
80% of Europe's 2050 power supply still needs to be built, with many of the current assets reaching the end of their economic life in the next 40 years.

Many of the new assets will be more capital intensive than the old ones, and this poses a huge investment challenge.

€1.3

For power generation and transmission alone, the Roadmap 2050 analysis estimated a €1.3 trillion investment over the next 15 years.

But the report concludes, that the transition is technically and financially feasible. Read more: roadmap2050.eu



POWER GENERATION FROM RENEWABLE ENERGY

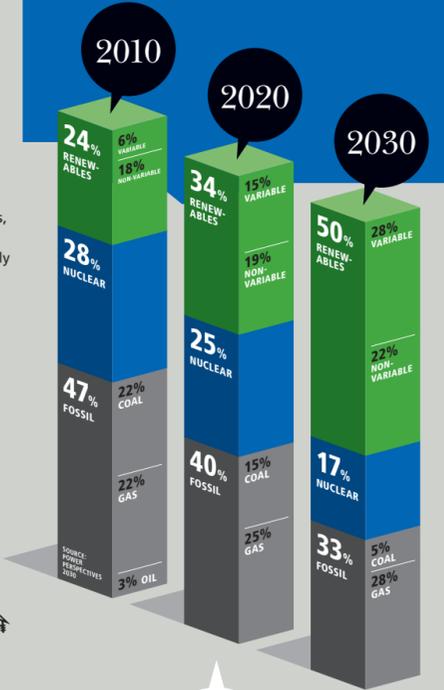
The integration of intermittent renewable energy sources into the electricity grids through smart technologies will continue to gather speed. DNV is strong in wind energy certification, independent engineering services within solar energy, and advisory services within renewables. KEMA is recognised in the integration of renewable sources into electricity grids. Jointly, this provides a support to the industry throughout the whole renewable energy value chain.

TESTING, INSPECTION AND CERTIFICATION (TIC)

KEMA's original and largest service is TIC, and it has the world's largest reference HP/HV test laboratory in the world at its headquarters in Arnhem, Netherlands, plus test laboratories in the Czech Republic and the US.

POWER GENERATION FROM FOSSIL FUEL

As utilities look to extend the life of their existing coal and gas-fired thermal generation plants, they must find ways to improve efficiency and reduce carbon emissions. KEMA has long track record of supporting them with these challenges. DNV is recognised by the industry and authorities for the standardisation and advisory work of Carbon Capture and Storage.



Assuring trust and confidence

FOCUS ON BUSINESS ASSURANCE

Growth and innovation are key enablers to realise DNV Business Assurance's goal of becoming the world's leading certification body. During 2011, important steps were taken to reach this goal.

ONE-STOP SHOP. Staying competitive in a rapidly changing business environment places high demands on companies. Balancing economic, social and environmental needs has become a vital factor in gaining and sustaining competitive advantages.

Companies are increasingly looking for one certification body that can handle their total certification needs, resulting in a clear trend towards consolidation. This trend represents an opportunity for DNV Business Assurance. In 2010, DNV Business Assurance became a separate entity fully owned by the DNV Group in order to increase its focus and strengthen its position in the market and as a leading certification body.

INCREASING DEMAND FOR CERTIFICATION SERVICES. The challenging economy has magnified the need for companies to reduce costs, but this has not had any major effect on the certification market. In 2011, we continued to see growth in the global market for independent certification and assurance services. This reflects the need for companies to communicate trust and confidence to their stakeholders. Management System certification maintained its role as a trust generator in the

certification industry and new topics in the market, like energy usage, generated some momentum.

As more and more companies are looking for technical and financial consolidations of systems, DNV Business Assurance is improving its portfolio of integrated services, focusing on long-term value creation to better support its customers' sustainable business operations.

POSITIONING WITH NEMKO AND ACQUISITION OF DGM. A partnership with Nemko, an international certification body, was formed in 2011. This partnership merges certification and testing operations for the medical and EX equipment industry in a joint venture called DNV Nemko Presafe, co-owned by DNV Business Assurance and Nemko. The partnership supports DNV Business Assurance's position in the compliance certification market.

The newly formed DNV Nemko Presafe acquired DS Certificering AS's DGM (Danish Medical Devices Certification) unit in 2011 to form a new and focused entity within the medical device certification field. With the combined resources of Nemko, DNV Business Assurance and

DGM, DNV Nemko Presafe is already a leading provider in Europe and is well on its way to becoming one of the world's top service providers to the global medical device and EX/hazloc industries.

SUPPLY CHAIN COLLABORATION. The world's population has already passed the 7 billion mark. Food production must improve in order to supply the world's population with enough nutritious food. This requires technological, scientific and cultural knowledge to interact so that

nutritious, safe food can be produced without depleting our natural resources. The global supply chain is one key component to achieve this.

Certification is an important part of the solution and DNV Business Assurance experienced continued growth in its certification services to the food and beverage industry in 2011. Our commitment to this industry continues to be strong both as a service provider and by being actively involved in the technical development of new standards. DNV Business Assurance is directly involved in the management of FSSC 22000, a food safety management system for manufacturers. DNV holds a market share of approximately 25% of the total certifications to this standard, whose scope is expanding along the supply chain. Technical packaging requirements have recently been included in this standard; the next step is primary production and animal feed.

illycaffé, a brand leader in specialty coffee that produces and markets a unique blend of coffee, was the first company to receive DNV Business Assurance's Responsible Supply Chain Process Certificate. It certifies the organisation's ability to provide a sustainable approach to processes and stakeholder relations along the production chain, and specifically in the supply chain.

Certification to this standard, which has been created by DNV Business Assurance, verifies the organisation's commitment to sustainability, the evaluation of strategies, roles and responsibilities, business conduct, stakeholder engagement activities and communication about social responsibility issues. This innovative standard demonstrates a company's ability to create value in the long term and focuses on the building of shared value in a context where social development stimulates economic development.

INSIDE JAPAN. In Japan, large industrial companies tend to develop and maintain strong and lasting relationships with certification bodies that serve their domestic industrial segment. JACO (Japan Audit and Certification Organisation) is Japan's second-largest certification body and its customers include dominant Japanese electronics manufacturers such as Panasonic and Fujitsu.

To better serve these customers' operations outside Japan, a partnership between DNV Business Assurance and JACO was formed in 2010. During 2011, we have expanded existing relationships with Panasonic and Fujitsu to establish global Management System Certification contracts. Our partnership with JACO supports DNV Business Assurance's position in the domestic market but also signals a strong alliance that is able to serve Japanese customers looking for a global supplier.

OTHER ACHIEVEMENTS IN 2011

ACCREDITED FOR NEW ENERGY MANAGEMENT STANDARD. The new standard ISO 50001 is the first internationally recognised energy management system standard, and DNV Business Assurance was among the first certification bodies to receive accreditation. DNV Business Assurance has already been active in energy management for several years, offering certification according to EN 16001, the European energy system standard, but also according to national standards. DNV Business Assurance was granted the full accreditation scope under the Dutch RvA scheme, and offers certification to organisations worldwide.

6,000

More than 6,000 food companies have been certified by DNV.

28%

DNV Business Assurance's food safety certification services continued to grow strongly, increasing by 28% in 2011

top 3

DNV Business Assurance is one of the world's three largest management system certification providers and the largest provider of accredited management system certification.

Sustainability in an evolving market

FOCUS ON SUSTAINABILITY

As the world economy remains fragile, DNV is stepping up its efforts to help businesses adopt measures which contribute to sustainable development and a competitive advantage in the market place.

EXPANDED SERVICE CAPABILITIES.

Throughout 2011, sustainability moved further up the agendas of governments, regulators and businesses. This move has been further fuelled by rising competition and the need for businesses to meet economic, social and environmental requirements. An increasing number of companies are rethinking the way they do business in order to address their social and environmental impact.

In an effort to meet the changing market and customer needs, we expanded our workforce in the areas of climate change, healthcare, risk management and corporate responsibility. We saw our business and client base grow. We also leveraged the rising demand for innovation by further developing our research unit and provision of risk management services through our Sustainability Centre in China.

CLIMATE CHANGE TALKS. Throughout the year, the intense debate on climate change continued. The outcome of the UN climate negotiations in Durban in December 2011 includes some positive items of interest to today's carbon market, where DNV has a prominent role as one of the largest verifiers and validators. The outcome also

keeps the door open for new medium-term initiatives and will hopefully increase confidence in the determination of governments worldwide to limit carbon emissions, and thus increase the value of low-carbon actions and investments.

The UN COP17 summit agreed on a process towards 2015 that aims for all countries to sign a legal agreement on tackling climate change. In addition, the Durban talks made headway on agreeing the design, roles and governance of the Green Climate Fund in order to channel up to USD 100 billion a year by 2020 to finance technology transfer, capacity building, mitigation and adaptation efforts in developing countries.

The Kyoto Protocol was extended by five years to 2017, allowing for the continuity of existing markets and instruments. The doubts as to the continuation of the CDM (Clean Development Mechanism) were also laid to rest. The COP guidance to the CDM contains some good, useful advances, methodological improvements and reiterated pressure for progress. Conditions on which carbon capture and storage projects can be accepted into the CDM are regarded as one of the most important advances.

Furthermore, the EU stated that any new market mechanism to cut greenhouse gas emissions outside of Kyoto should be anchored in international law in order to avoid fragmentation of the international carbon market. The parties are now working on developing a framework for new mechanisms in 2012 with a view to making recommendations at the next UNFCCC summit in Qatar at the end of 2012.

TRUST AND CONFIDENCE. DNV is well positioned to build trust and confidence in the new Green Climate Fund mechanisms by ensuring reliable results and managing technology transfer risks. We also expect climate adaptation to be an important service field for us going forward.

On the business front in 2011, we maintained our leading greenhouse gas validator position with a 25% market share of all CDM projects globally, offering a wide portfolio of related services ranging from carbon footprinting to the risk management of carbon projects.

We also boosted our global capacity to better serve customers in the healthcare industry. Our increasing market share in the US and UK markets, coupled with breakthroughs in Europe and our joint venture with the Chinese Ministry of Health to support China's new healthcare reform are examples of the progress we are making in this sector.

Another expansion area is our risk management and corporate responsibility services, where we have experienced considerable growth in the sustainability risk area. These services provide important

risk mitigation for companies operating in increasingly complex risk environments, where expectations as to responsible business operations are on the rise.

DNV's Research and Innovation unit initiated a substantial number of research projects, focusing on issues with relevance to the environment, energy, IT and shipping sectors. The unit also published its Technology Outlook 2020 report, which has been very well received by our customers, employees and other stakeholders worldwide. More recently, the unit published its Healthcare Technology Outlook 2020 report, where our researchers looked at the key technologies and trends that will make an impact on the healthcare sector towards the end of this decade.

JOINING FORCES. The acquisition of KEMA and establishment of the new company, DNV KEMA Energy & Sustainability, herald the beginning of a new chapter for DNV in our efforts to realise our vision of global impact for a safe and sustainable future. Combining DNV's cleaner energy and sustainability activities with those of KEMA signals a continued strong commitment to meeting the needs of an industry in rapid transition and growth.

Indeed, there is consensus among global business leaders that sustainability, energy efficiency and green growth will have a strong impact on how companies think and act in the future. We firmly believe that the future winners will be the companies that adapt to a new green growth reality and adopt this new mindset faster and more completely than their competitors.

NEW ORGANISATION. With the aim of having a global impact on the sustainability agenda, DNV established Division Sustainability & Innovation in April 2010 to further its position in climate change, healthcare and sustainability risk management services. As of March 2012, these innovative services are delivered under the DNV KEMA Energy & Sustainability brand, with the exception of healthcare services which are provided by DNV Business Assurance as of 1 March 2012.

top 6

DNV's sustainability assurance services were put to the test in a global research carried out by the independent analyst firm Verdantix. The analysis found DNV to be one of the six providers that lead the global sustainability assurance market.

OTHER ACHIEVEMENTS IN 2011

➔ **BEST VERIFIER.** DNV selected 'Best Verifier' in the 12th annual Environmental Finance and Carbon Finance market survey of environmental markets.

➔ **GREEN AWARD.** At the 2011 International Green Awards, DNV was awarded bronze in the category Best Green International Business Award for large companies.

➔ **TECHNOLOGY OUTLOOK 2020 REPORT.** DNV Research & Innovation published its report which looks at technologies and trends that will have an impact in multiple industries towards the end of this decade.

➔ **UN INITIATIVE.** DNV committed to support the UN Sustainable Energy for All initiative, which aims to engage governments, the private sector and civil society partners worldwide with the goal of achieving sustainable energy for all by 2030.

➔ **GREEN GROWTH LEADERS.** DNV joined the international think-tank, which is focused on documenting, demonstrating and communicating best and next practice of green growth development in regions and cities. Also, DNV became a partner in the Sustainia Initiative, a collaborative effort between multinational companies and organisations to build a model and vision for a sustainable future.

➔ **HOSPITAL ACCREDITATION.** DNV accredited close to 300 hospitals in the US and EU according to the DNV standard. Global interest in DNV's healthcare services is increasing, also in the area of infection risk management.



HOW WE WORK

The truth about how we manage our own operations should reflect our vision of having a global impact for a safe and sustainable future. We continuously strive to live our values by adopting best practices in our work; from the way we manage our stakeholders to the actions we take to assume corporate responsibility. We report our progress in the following areas:

- » Corporate responsibility
- » People
- » The environment
- » Health and safety

Corporate responsibility as part of our business

CORPORATE RESPONSIBILITY

We have embedded corporate responsibility into the core of our business. Our main impact is through the services we offer. In addition, we have a responsibility to ensure that we adopt best practices in the way we run our business; from the way we manage our key stakeholders to the actions we take to reduce our impact on the environment.

Our progress is reported under the following areas:

- Business ethics
- Society and stakeholder engagement
- International collaboration
- People
- Environment
- Health and safety

The latter three will be described in the next pages.

INTEGRATING CORPORATE RESPONSIBILITY.

DNV's Executive Committee and each Chief Operating Officer are responsible and accountable for Corporate Responsibility (CR) in DNV. CR is a regular agenda item at top management meetings. The Board of Directors also has an annual review of CR issues and actions. The Corporate Sustainability Officer coordinates CR activities in order to ensure that they meet the expectations of our stakeholders, represent a common corporate platform and are implemented in all business areas and regions.

BUSINESS ETHICS. DNV's Corporate Responsibility Board (CR Board) continuously monitors the risks and opportunities associated with our global presence. Barriers to corporate responsibility risks that are considered material to our operations form an integral part of our management systems and are continuously monitored through internal auditing processes. In addition, the Executive Committee and CR Board continued

to drive a risk-based approach to fraud and corruption resistance in 2011 through extending the internal use of our own Corporate Integrity Profile (CIP) tool.

In 2011, assessments were conducted in DNV's Chinese, Benelux and Corporate units, resulting in a detailed action plan that will enable us to further build upon current systems for fraud and corruption resistance. The action plan proposes improvement initiatives within training, awareness and processes. This includes the roll-out of an updated and improved 'Dealing with Dilemmas' course including a new annual nano-learning module. In addition a 'Code of Personal conduct' module will be available for roll-out and the induction course for new employees will include separate items on preventing fraud and corruption. In addition, DNV's resistance to fraud and corruption risks will be benchmarked against external corporate ratings.

The action plan also consists of specific process improvements ensuring that Compliance and Fraud and Corruption prevention will be part of the agenda in regional business reviews in line with today's practice regarding safety, health and environmental issues. It will also be on the internal audit agenda to a larger extent than today. Key findings will be documented as part of the Corporate Risk Process. Other initiatives includes Fraud and Corruption prevention training of controllers and improved focus on the subject in the upcoming revised recruitment process.

A new Corporate Integrity Profile assessment will be carried out in 2014 to evaluate the progress.

In order to ensure that we live our value of never compromising on quality and integrity, we offer a range of training activities regarding our anti-corruption policies and procedures to all employees. In 2011, nearly 600 employees completed our 'Dealing with Dilemmas' training. This means that 56% of all employees have completed the training, which is a slight drop from last year due to high employee turnover. Our focus on raising awareness of issues relating to business ethics will continue in 2012, and a new business ethics course has been made mandatory for all new employees, creating further awareness of behavioural norms and expectations in line with DNV policies and instructions.

HANDLING MISCONDUCT. Misconduct is defined as a breach of DNV policy, national or international law or relevant regulatory frameworks, protocols and standards, and our 'Crossing the Line' guideline provides additional practical support. There are a number of channels for reporting misconduct, either by colleagues, suppliers or agents working on behalf of DNV. These are clearly defined in our guidelines entitled 'Reporting of Misconduct in DNV'.

While we encourage reporting through the line, the Ombudsman route is available for all to use where it is deemed appropriate or preferable. The Ombudsman also acts as an ethical helpline and the majority of issues brought to the Ombudsman in 2011 involved seeking advice and guidance on ethical dilemmas. This is seen as being a positive indication of CR pervading everyday business decisions at all levels in the organisation. The Ombudsman uses issues brought to him as a basis for making recommendations on improved business practices to the Executive Committee and Board of Directors as well as to the CR Board, which consists of senior management representatives of each geographical division. In 2011, seven cases related to discrimination were reported to the Ombudsman and appropriate actions were taken by the line management or by escalating the case to relevant management bodies. There has been no central reporting of cases dealt with by the line only. Related to surfaced integrity cases, audits or investigations have been carried out. Integrity incidents have been addressed during the year and corrective actions have been taken including dismissal of some employees and termination of agreements.

MANAGING SUPPLIERS AND SUBCONTRACTORS.

DNV's Corporate Instruction on Purchasing and Subcontracting were reviewed and revised at the end of 2010, and more focus has been given to CR aspects such as anti-corruption and human rights when selecting and engaging suppliers of products and services, contractors, subcontractors and agents.

In order to have assurance that also our existing suppliers are complying with certain standards set forth in the new instructions, a baseline review was conducted for existing suppliers who are most exposed to CR aspects. This has also been used to encourage all units to take proactive actions to reconsider their current

supplier portfolio. In addition, this is the first time that we obtain an overview of the main supplier categories in DNV and their associated exposures and challenges. In general, the review has brought CR-related benefits as well as commercial and governance benefits.

As of now, all units in DNV have either completed or have started the review. DNV Norway is the last to commence review due to the large size. Recommendations have been given to the units to follow up with the suppliers, e.g. asking them to sign the Supplier Code of Conduct, or to have closer monitoring of performance. Relationship with a few suppliers have been terminated as a result of the review.

In 2012, we will continue with the rest of the units on the base-lining review. Recommendations for next steps of the project are being worked on.

SOCIETY AND STAKEHOLDER ENGAGEMENT.

DNV actively supports several national and international initiatives focusing on sustainable development and responsible business practice. We are strongly committed to the principles of the UN Global Compact, and are active at a global level through participation on the advisory committee on Supply Chain Sustainability and regionally through the UN Global Compact Nordic Network. Our Group CEO is also a member of the Global Business Leadership Platform on Climate Change. DNV is an organisational stakeholder of the Global Reporting Initiative (GRI) and a member of the GRI Supply Chain Disclosure Working Group and G4 Working Group.

We continuously work to increase transparency around the social and environmental impact of our business operations, and aim to have achieved an application level of A+ on the GRI index by 2014. In 2011, we conducted a survey on the 2010 DNV Annual Report among both external subscribers and DNV employees. The survey results gave us more insight into the expectations of the report's readers, who gave consistently high scores. We use this input together with the GRI framework and feedback from an external Norwegian annual report jury (the Farmand Prize) to continuously improve our reporting and report format.

Our membership of the World Business Council for Sustainable Development (WBCSD) continues to provide an excellent platform for enabling businesses to adopt more responsible business practices globally. We have a particular focus on climate change work, also a key strategic growth area for DNV, through our participation in the Energy and Climate Working Group.

DNV is a founding member of the World Ocean Council, a multi-stakeholder alliance that brings together the diverse ocean business community to collaborate on stewardship of the seas. Our participation in the technical committee for developing the new AA1000SEES standard has allowed us to forge the way for new standards in global stakeholder engagement.

Read more: dnv.com/moreondnv/cr/collaboration

COMMITTEES – ENSURING RELEVANT SERVICES AND STANDARDS.

On an operational and technical level, DNV continues to engage with a range of non-decision-making committees consisting of representatives of customers and technical communities. These committees are often chaired by a customer representative and are examples of our commitment to embracing the notion of multi-stakeholder engagement in developing our services and standards and of how to promote our interests in the countries and industry segments we operate within.

Our management system stipulates that each region shall carry out a satisfaction survey for all key customers on an annual basis. In addition, an alternating set of at least ten non-key customers shall be covered by the annual survey.

Read more: dnv.com/moreondnv/profile/committees

RED CROSS PARTNERSHIP.

DNV entered its eighth year of partnership with the Red Cross this year. We continue to support water and sanitation projects in China and Vietnam. Examples of these projects include the construction of a new water system to provide clean water to pupils and staff at a school in Kim Thuong. We supported a sustainable forest management project involving local communities in Thach Kiet, enabling local villages to reduce the risk of water scarcity and provide a sustainable source of food both for their own consumption and for sale. In the Vinh Phuc and Tuyen Quang provinces of Vietnam, we supported a gravity-fed water system, providing adequate clean water to 250 households and thus significantly improving health, hygiene and living conditions in the village. We also supported the construction of a kindergarten in Yen Bai Province which was completed in November 2011. In China, 173 eco-san toilets were constructed in the villages of Longhe and Shangri. The eco-san toilets and newly constructed running water systems provide the villages with a healthier living environment and safe drinking water.

We continued to give financial support to improve the living conditions in the shanty towns (favelas) in Brazil, providing health and security training, primarily to children, mothers and people with disabilities.

Our international collaboration with the Red Cross has inspired a number of volunteer initiatives in DNV. Some examples include collecting second-hand bikes for sale in the Red Cross second-hand store, helping the local Red Cross to organise a Christmas party for children living with their mothers in refugee homes, and a volunteer day for employees in Vietnam. As part of our competence-exchange programme, DNV has delivered pro bono consultancy services to help the Norwegian Red Cross implement a balanced scorecard.

Read more: dnv.com/moreondnv/cr/collaboration/redcross

Engaging our people to perform and to stay

PEOPLE

While employee engagement increased in 2011, DNV experienced higher turnover rates as the fight for qualified engineers intensified. Diversity of the workforce, including at management levels, increased during the year.

MORE COMPETITIVE LABOUR MARKET.

A shortage of engineers in many countries, especially in the oil and gas industry, led to increased efforts to recruit employees and higher turnover rates. Turnover increased to 10.4%, which is a significant jump from 8.8% in 2010 and the highest level since 1998. At the end of 2011, DNV had 8,453 employees, 13 more than at the end of 2010. This includes the divestment of ITGS and DNV Software's acquisition of the software company Synergi Solutions, through which 30 employees based in Stavanger, Norway joined DNV.

Turnover in DNV varies significantly by job category, with the highest rate among consultants and lower turnover among surveyors and specialists. The number of employees leaving after 3–5 years with the company is on the rise as a consequence of stronger competition in the labour market. We use exit interviews to capture reasons for leaving and to develop strategies for retaining employees. 25% of those who completed exit interviews said that the new employer contacted them directly with a job offer.

To reduce the turnover rate and lower the associated costs in terms of loss of competence, increased recruitment efforts, training of personnel and lower chargeability, the Securing Future Talent project was launched in 2011. The project will develop a new

global employer branding concept and improve and align the recruitment and onboarding processes used across DNV.

PEOPLE ENGAGEMENT INCREASING. Despite the higher-than-desired turnover, the level of engagement among employees increased in 2011, as reflected in the annual People Engagement Survey results. DNV achieved strong overall improvements from the 2010 results. The most significant were related to performance management, intention to stay with DNV and customer focus. The most significant declines were related to compensation and strategic clarity, and aspects of engagement such as pride and motivation. DNV exceeds the norm of high performing companies used as a benchmark in a number of key areas: opportunity to develop, job satisfaction, empowerment and involvement, respect, and Safety, Health and Environment (SHE). In sum, DNV is now two percentage points below the high performing companies' benchmark on employee engagement and well ahead of the benchmark on employee enablement.

Much of the increase in employee engagement is believed to be related to better quality of the Managing Individual Performance (MIP) process, in which all managers and employees participate. Improving the MIP process is one of the most important actions to improve employee retention rates. Several divisions conducted extensive training

TABLE 01 WORKFORCE BY EMPLOYMENT CONTRACT

Employee class	2010	2011
A – Permanent employee	8,151	8,114
C – Contract	289	309
S – Subcontractor	3,120	3,460
X – Extraordinary	347	690

Employee classes:

The differentiation of employees is necessary for DNV especially regarding the employment regulations in these different classes. Full-time and part-time employees (Class A) generally have the same benefits per salary grade per country. Some benefits vary between permanent and temporary employees, e.g. eligibility for pensions.

TABLE 02 FORMAL INTERNAL TRAINING

Employee class	Sum hours	Hours/empl.
A – Permanent employee	71,247	8.8
C – Contract	5,779	18.7
S – Subcontractor	8,130	2.3
X – Extraordinary	1,652	2.4

■ A – Permanent employee: DNV has employers' responsibility and employee is on DNV payroll.
■ C – Contract: Same as 'A' but time limited: Personnel, with a defined contract end date. Contract is typically for over one year.

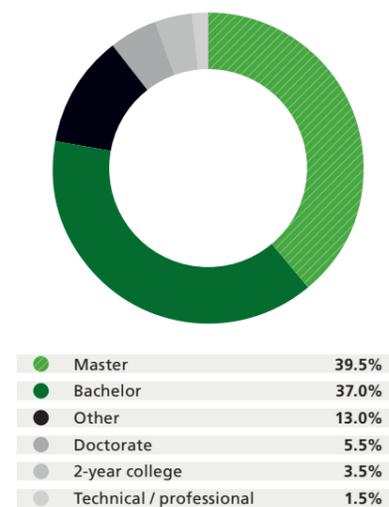
■ X – Extraordinary: Temporary personnel: paid either by invoice or by DNV. Examples: Summer temps, maternity leave cover, seasonal worker, graduates.
■ S – Sub contractor: Consultants, long-term hired. Paid by invoice only.

TABLE 03 WORKFORCE WORLDWIDE

	Employees ¹		Females (%)		Turnover ² (%)		Expatriates (%)		Local mgmt ³ (%)	
	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011
Africa	67	63	22	21	9.0	33.3	11.9	17.5	40	74.6
Americas	1,114	1,148	35	36	13.8	12.7	4.6	4.4	79	83.0
Asia/Oceania	2,367	2,132	28	28	9.1	9.5	9.3	8.0	69.1	84.9
Europe	1,906	1,760	36	37	9.3	9.8	1.7	1.4	87.5	87.6
Nordic/Baltic	218	375	25	34	15.6	9.1	12.4	1.9	16.3	90.1
Norway	2,361	2,464	34	33	9.6	9.6	2.5	0.5	86.3	81.0
Middle East	166	172	32	27	5.8	15.7	0.8	8.1	0	0

¹ Number of Class A and C employees ² Calculated only for Class A ³ Local management – managers with country's citizenship

FIGURE 01 EMPLOYEES, LEVEL OF EDUCATION



for managers on performance management during 2011 and noted improvement; more training will be conducted in other parts of the organisation in 2012.

One of the most important factors in employee engagement and retention is good conversations on career and competence development between employees and their line managers. To help ensure that these con-

versations take place, individual competence development plans have been integrated into the MIP process. These plans should reflect the fact that, statistically, learning is best achieved in a 70-20-10 ratio: 70% of learning occurs through real life and on-the-job experience; 20% occurs through dialogues with colleagues and role models; and the final 10% comes from formal training such as courses. Whether or not managers complete the full performance management process with their direct reports, including the establishment of individual competence development plans, will be considered in the evaluation of managers' performance. 93.7% of employees had completed their MIP process by the end of 2011.

As part of performance management, a process for 360° reviews has been launched in all of the leadership teams in DNV and will continue to be rolled out in 2012. An annual succession management process for managers is in place and is being used – including in the management appointments made with the establishment of the DNV Group structure in early 2012.

DIVERSITY INCREASING. DNV strives for diversity in the employee base and for this to be reflected at management levels. A managerial career should not be hindered by nationality or gender if the employee has the competence, attitude and values needed for the role. Our efforts in this area are working, and the

diversity of DNV's managers is increasing: 69% of managers are non-Scandinavian, up from 67% in 2010; 79% of managers are local, i.e. work in their country of origin; 23% of managers are female – a proportion that has grown for the seventh year in a row. The proportion of female employees in general remains stable at 33%. When taking into account criteria such as education and work experience, the discrepancy in salary between male and female employees in DNV is well below 1%.

The education level of DNV's workforce increased during 2011; at year end, 82% of employees had a university degree.

FACILITATING COLLABORATION. DNV encourages and supports collaboration among employees across offices, time zones and organisational lines in a cost-effective way through the Next generation workplace programme. The use of video conferencing, collaboration and internal social media tools increased and matured throughout 2011. Investment in and training on the use of such collaboration tools will continue in 2012.

Employees of DNV have the right to be organised, which DNV commits to through its signing of the UN Global Compact. DNV has established collective bargaining agreements in Norway, Sweden and Denmark, representing approximately 33% of all employees.

FIGURE 02 WORKFORCE BY AGE GROUP

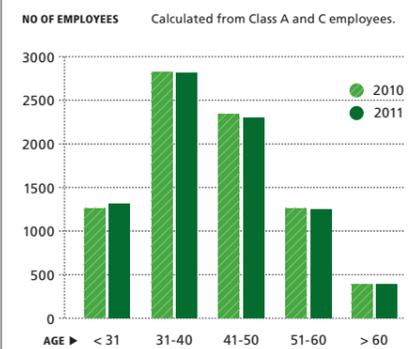
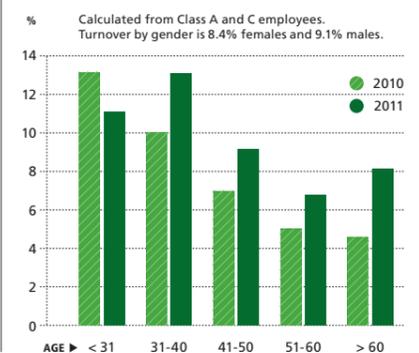


FIGURE 03 TURNOVER BY AGE GROUP



Reducing our environmental impact

ENVIRONMENT

Annual environmental reporting is mandatory in DNV for all locations with more than 40 employees and for our five DNV Petroleum Services (DNVPS) laboratories. Environmental reports represent approximately 69% of the company measured by number of employees at year-end. DNV complies with the ISO 14001 standard for environmental management systems and was recertified by an accredited external body in 2011.

ENERGY CONSUMPTION. The reported energy consumption for 2011 was 51.2 GWh. About 1.4 GWh was reported from locations that did not participate in the environmental reporting for 2010. About 0.2 GWh was reported in 2010 from locations that did not participate in the environmental reporting for 2011. Together, all the other reporting locations reduced their reported energy consumption by approximately 5% compared to 2010.

The specific energy consumption in the reporting locations continued to decrease in 2011 and was about 9.1 MWh/person, down 2% from 9.3 MWh/person in 2010. The non-renewable energy used on-site at our locations decreased by 18%. Hydropower continues to be the dominant source of the electricity

consumed. However, it has not been possible to accurately specify the hydropower proportion of the total electricity consumption (see next page, calculation method).

At the headquarters in Høvik, DNV Real Estate runs an energy-saving project supported by Enova, an organisation established to promote the environmentally friendly restructuring of Norway's energy consumption and generation. Based on a reference period from 2004 to 2006, the project aims to achieve a 15% reduction in energy use. The project started in 2007 and the first year in which results were measured was 2011. The result so far – a reduction of 16.8% in energy use – exceeds the original project goal.

TABLE 04 ANNUAL ENVIRONMENTAL REPORTING STATISTICS

		2009	2010	2011
Reporting:	Locations	26	39	38
	Employees ¹	4 961	5 741	5 839
DNV total:	Locations ²	297	284	278
	Employees ¹	8 867	8 498	8 453
Percentage reporting ³		56%	68%	69%

¹ Employees on permanent and long-term contracts ² Includes minor site offices
³ Based on number of employees at reporting locations

A range of initiatives have contributed to this drop in energy use, including the installation of a new ventilation system (2009–2010) and heating and cooling meters in the energy central, as well as the addition of a new heat pump (2011).

EMISSIONS TO AIR. The emissions to air were calculated based on the consumption of energy reported by the reporting locations. Due to the lack of region- and source-specific emission factors, the emissions of nitrogen oxides (NO_x) and sulphur oxides (SO_x) have been estimated at a high level only.

For 2011, the calculated emissions to air include the following sources:

■ **Direct emissions (Scope 1):**

Emissions from the combustion of oil and gas to produce heat at locations managed by DNV.

■ **Indirect emissions (Scope 2):**

Emissions from the production of heat or electricity procured by DNV but produced at sites not managed by DNV.

Approximately 11,221 tonnes of CO₂ were emitted at the reporting locations in 2011. Locations reporting for the first time represented about 866 tonnes of the overall emissions. About 75 tonnes of CO₂ emissions were reported in 2010 from locations that did not participate in the environmental reporting for 2011. The other reporting locations showed an increase of about 21% in CO₂ emissions compared to 2010. The growth in emissions was caused by an increase in electricity consumption in countries with high emissions per kWh. The overall decrease in the energy consumption reported above was to a large extent in Norway, where emissions per kWh are relatively low.

For the reporting locations, the specific emissions increased by 30% from about 1.5 tonnes CO₂ per person in 2010 to 2.0 tonnes CO₂ per person in 2011. The estimated emissions of NO_x and SO_x both decreased by 3% compared to 2010. This was a result of less use of oil and gas for heating purposes at some office locations in 2011.

IT AND ENVIRONMENTAL IMPACT. DNV is continuing to develop a sustainable business with a focus on a reduced environmental footprint. Information Technology (IT), which is an important tool for achieving this goal, concentrates on two main areas:

1) **Further optimisation of power consumption in computing.** Data centres represent a considerable portion of the total energy consumption related to computers. Of the total data centre energy consumption, 50% relates to servers, 40% to cooling and 10% to power conversion and distribution. Virtual server capabilities have made it possible to

TABLE 05 ENERGY CONSUMPTION FROM REPORTING LOCATIONS (GWH)

	2009	2010	2011	Change
Electricity & district heating	39.5	41.7	41.2	-1%
Renewables (on-site)	7.0	6.7	6.6	-1%
Non-renewables (on-site)	2.9	4.2	3.4	-18%
Sum (GWh)	49.4	52.5	51.2	-2%
MWh / person in reporting locations	10.1	9.3	9.1	-2%

TABLE 06 CO₂ EMISSIONS FROM REPORTING LOCATIONS (TONNES)

	2009	2010	2011	Change
Scope 1	537	960	850	-11%
Scope 2	5 836	7 737	10 371	34%
Sum (tonnes CO₂)	6 373	8 697	11 221	29%
Tonnes CO ₂ / person in reporting locations	1.3	1.5	2.0	30%

TABLE 07 ESTIMATED EMISSIONS OF NO_x AND SO_x FROM REPORTING LOCATIONS (TONNES)

	2009	2010	2011	Change
SO _x	109	116	112	-3%
NO _x	54	57	55	-3%

CALCULATION METHOD. The CO₂ emissions have been calculated according to the recommendations set out in the Greenhouse Gas Protocol (World Business Council for Sustainable Development and World Resources Institute). Indirect emissions from electricity and district heating have been calculated using country specific

grid average emission factors published by the International Energy Agency and retrieved from their data services website (<http://data.iea.org>). Direct emissions of CO₂, NO_x and SO_x have been calculated using source specific emission factors retrieved from the Norwegian Climate and Pollution Agency (Norwegian Emission Inventory 2011).

FIGURE 04 REPORTED ENERGY CONSUMPTION

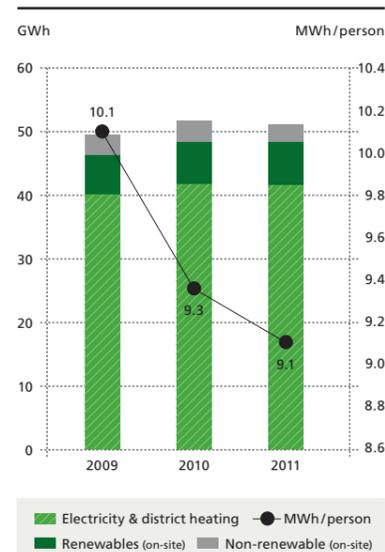


FIGURE 05 REPORTED CO₂ EMISSIONS

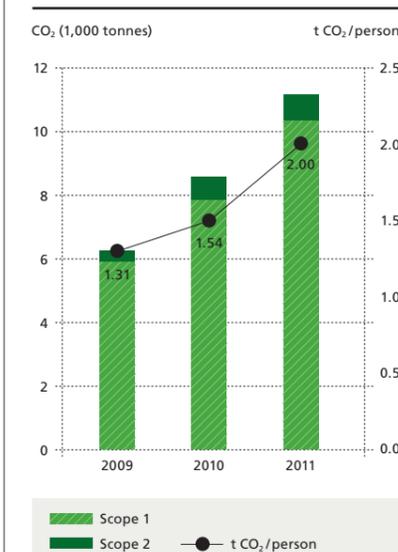


TABLE 08 CO₂ EMISSION FROM BUSINESS AIR TRAVEL (TONNES)

	2009	2010	2011
DNV total	11 592	8 731	10 449
Per employee	1.37	1.03	1.24

TABLE 09 NUMBER OF APPLICATIONS PER ENVIRONMENTAL ACTIONS

Environmental actions	Approved applications
Bicycle to work	1 548
Environmental efficiency package for the home (efficient light bulbs and showerheads, use of lectrical timers, etc)	198
Green Tags (renewable energy for the home)	3
High energy class windows and doors	393
Home insulation	81
Low emission car	130
Low energy appliances	651
Public transportation passes (weekly / monthly / annually)	180
Solar panels (for home or hot water heating)	89

successfully eliminate physical servers and their associated power and cooling costs and emissions. Despite the larger volume of data handled and growth in the number of servers, DNV has managed to keep the power consumption in this area stable compared to 2010.

2) Implementation of videoconferencing facilities and collaboration tools which enable DNV employees to collaborate effectively across geographical boundaries. In 2011, DNV launched a company-wide, four-year IT programme called the Next Generation Workplace aimed at enabling effective collaboration across DNV. The programme delivered collaborative tools such as search technologies, collaboration spaces and social media facilities to enable employees to share knowledge and locate information, and to expand their internal networks – while at the same time reducing the need to travel. The programme also addressed the culture change, mindset and processes necessary for employees to use collaborative tools effectively. DNV has already adopted videoconferencing and the use of online collaboration tools in its daily business activities. Today, collaboration tools are widely used as a substitute for physical

meetings in DNV. High-end videoconferencing has a three-fold effect on the company's safety, health and environmental goals:

(1) A reduced environmental impact through less travel, (2) reduced stress and strain of business travel for employees and (3) reduced exposure to travel safety risks. Videoconferencing exceeded 10,000 meeting hours in 2011, tripling the usage level compared to its launch in 2010. DNV possesses 53 high-end videoconferencing systems. In alignment with its Next Generation Workplace programme, DNV is planning to further expand the use of videoconferencing in various aspects of its operations – increasing both utilisation levels and the overall number of systems and locations available for use in 2012.

AIR TRAVEL. To create an overview of our air travel and its corresponding carbon footprint, DNV has developed a common global tool for registering business flights and calculating CO₂ emissions from business air travel. Air travel is an integral part of our work, so the intention is not for us to stop travelling, but rather to make us more aware of our travel footprint. After any DNV-related air travel, therefore, all employees are required to take a minute to register their flights. The corresponding CO₂ emissions are then instantly calculated. Our CO₂ emissions from business air travel are shown in table 8. It has not been possible to verify the reported figures. The calculated CO₂ emissions from business air travel per employee increased from 1.03 tonnes in 2010 to 1.24 tonnes in 2011. This is assumed to be due to a lack of focus on reporting in 2010, while actual travel is assumed to have decreased in 2011. We have reason to believe that under-reporting still exists in several countries.

DNVPS'S GOGREEN INITIATIVE. In early 2011, DNV Petroleum Services (DNVPS) signed an agreement with DHL Express, a world-leading transport company, to implement its carbon-neutral shipping services across DNVPS's global markets. The GOGREEN project, a multi-million dollar express delivery contract, covers the outbound transport of DNVPS's sampling equipment and the inbound regional transportation of bunker oil samples for testing. For a surcharge, DHL measures and offsets carbon emissions for international air express shipments and provides DNVPS with a certificate stating the total amount of CO₂ offset on its behalf each year. The GOGREEN carbon neutral shipping services cover the DNVPS laboratories in Singapore, Oslo, Rotterdam, Houston and Fujairah.

DNVPS – the world's leading marine fuel management services provider, with a two-thirds share of the global fuel quality testing services market – is the first auxiliary service provider in the global maritime industry to sign up for the DHL GOGREEN service.

REWARDING EMPLOYEES FOR IMPROVING THEIR ENVIRONMENTAL IMPACT. 'WE do' is an environmental programme with the purpose of influencing DNV culture. It is designed to clarify what DNV expects, reinforces and rewards in terms of personal behaviour. In 2011, the company set aside NOK 30 million in order to partially finance personal environmental actions. The programme provides financial support (up to 2/3 of the cost before taxes) to employees investing in personal environmental projects (table 9). In 2011, there were 3,273 applications for funding. The 'cycling to work' project was most popular in 2011, with an increase to 1,548 applications, up from 1,300 in 2010.

FIGURE 06 REPORTED WASTE GENERATION

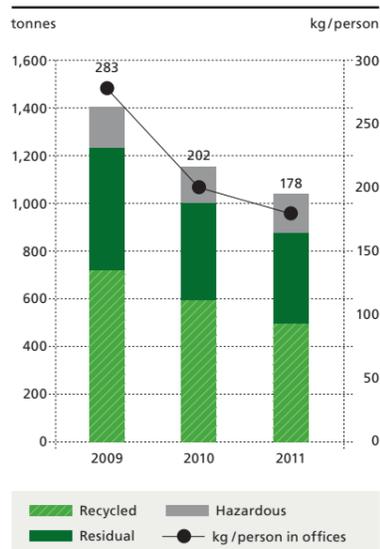
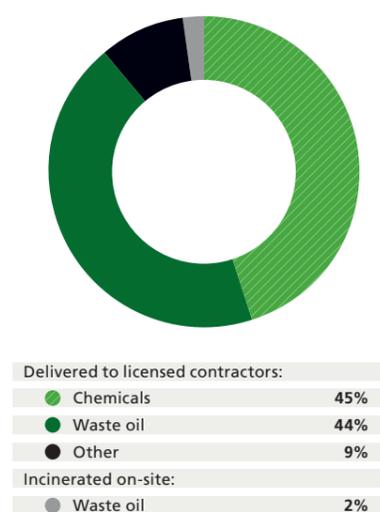


FIGURE 07 HAZARDOUS WASTE IN DNVPS LABORATORIES



For its 'WE do' initiative, DNV has been nominated for the Belgian Energy and Environmental Award in the category of Business Sustainable Development. This award is granted for remarkable actions that lead to a positive effect on the environment and that contribute to the wellbeing and prosperity of society. In addition, the DNV 'WE do' programme reinforces employee engagement and helps to encourage a continuous focus on the environment.

BENELUX GREEN MOBILITY PROJECT. Three years ago, the Benelux offices replaced their traditional car lease policy with a green mobility policy that encourages the use of public transport and only provides company cars with below-average emissions. In addition, the new policy gives employees incentives to select the car category with the lowest emissions. The Benelux offices had a five-year target of a 20% reduction in CO₂ emissions per year per car by the end of 2012 for its company car park. This goal was already reached by the end of 2011. A further decrease in 2012 is projected due to the growing ecological mindset of the workforce and the 'green' evolution of the car market. The green mobility policy initiatives have also led to more use of public transport, biking and carpooling. In Belgium, DNV registered an approximate 25% increase in the use of public transport, as well as an approximate 55% growth in the use of bikes for commuting. In the Netherlands, we experienced an approximate 30% increase in employees commuting by bike.

WASTE. The amount of waste generated at the reporting locations for 2011 was approximately 1,040 tonnes, of which the locations reporting for the first time represented about 9 tonnes. About 41 tonnes of waste generated were reported in 2010 from locations that did not participate in the environmental reporting for 2011. For the other locations there was a reported decrease in generated waste of about 8% compared to 2010. For the reporting locations, the specific waste generation decreased by 12% from about 202 kg per person in 2010 to 178 kg person in 2011 (table 10).

The increase in waste generation in DNVPS is due in part to the increase in the number of tests and in part to the incorrect classification in earlier years of unused samples and sample oil from sulphur testing owing to the different local legislative classification of hazardous waste at one location. DNVPS laboratories' hazardous waste mainly comes from tested oil samples and 98% is delivered to licensed handlers. The remaining 2% is incinerated on-site (figure 7).

As part of the Singapore laboratory's continuous efforts to improve its waste water quality, it has recently installed an activated carbon filter downstream of the oil-water separating tank to capture any remaining traces of oil that might still be present in the effluent stream before its final discharge into the sewer.

TABLE 10 AMOUNT OF WASTE GENERATED BY REPORTING LOCATIONS (TONNES)

		2009	2010	2011	Change
Offices and laboratories except DNVPS	Recycled	708	580	432	-26%
	Residual	522	410	416	1%
DNVPS	Hazardous	28	21	5	-77%
	Recycled	7	8	12	40%
Sum	Residual	19	5	5	-4%
	Hazardous	125	136	171	26%
Total	Recycled	714	589	444	-25%
	Residual	541	415	421	1%
Locations reporting	Hazardous	153	157	176	12%
	Total	1 408	1 160	1 040	-10%
kg / person in reporting locations		283	202	178	-12%

TABLE 11 ENVIRONMENTAL IMPACT OF OUR SERVICES

The positive impact we have on the environment through the services we deliver to our customers is estimated to be far bigger than the negative impact of our operations. Below are selected indicators that reflect the positive performance of our services against significant environmental risks and issues of global concern.

VALUES 2011

SERVICES TO THE MARITIME INDUSTRY

Emergency Response Service (ERS) for assistance on the stability and residual strength of vessels in an emergency situation, including reduction of environmental impact (oil spill, loss of cargo, etc.):

- Total number of vessels enrolled in the ERS service by the end of 2011 was 2,227. This is up by 8.9% from 2011.
- Total number of incidents handled in 2011 was 23 (20 with ships and 3 with offshore units).
 - 12 groundings
 - 4 collisions
 - 3 water ingress
 - 2 structural collapse
 - 1 mooring
 - 1 capsizing

Use of cleaner fuel

- DNV-classed ships using LNG as fuel 2011:
 - Ships in operation: 23
 - Ships in order book: 14

Class notations that reduces the environmental impact from ships due to air emissions and sea discharges:

- Ships in operation with Clean and/or Clean Design: 660
- Ship new buildings with Clean and/or Clean Design: 440
- Ships in operation with Volatile Organic Compound (VCS) notation: 950
- Ship new buildings with VCS notation: 340

SERVICES TO THE ENERGY INDUSTRY

Wind energy projects involving DNV

■ Through 2011, DNV has worked on wind energy projects in the US, Canada, Brazil, European onshore and offshore and elsewhere, representing a significant part of the world wind capacity. These projects displace approximately 72 million tonnes of CO₂ emissions each year.

Carbon capture and storage (CCS) projects involving DNV

■ In 2011, DNV worked on CCS projects that potentially contribute to an annual reduction of CO₂ emissions of 21.5 million tonnes.

SERVICES TO THE CARBON MARKET

DNV verified Clean Development Mechanism (CDM) projects and their CO₂ reductions

■ By the year end, DNV had verified projects with a reduction of 150 million tonnes of CO₂ equivalents issued from 972 verifications, which is 27% of the total number of CDM verifications where CERs have been issued.

DNV validated CDM projects and their CO₂ reductions

■ By the year end, DNV had started validation of 2,527 CDM projects which represent 26% of all CDM projects submitted for validation. Out of these 2,527 projects, 1,287 are registered and represent an estimated annual emission reduction of 228 million tonnes CO₂ equivalents.

Improving our health and safety

HEALTH AND SAFETY

DNV AS was awarded the OHSAS 18001 certificate from the German certification body TÜV Rheinland Cert. GmbH on 28 September last year. This certification has required a thorough evolution of DNV's occupational health and safety systems, which has built on our existing tool EasyRisk Manager, as well as DNV's many years of experience in occupational health and safety.

HEALTH AND SAFETY REPORTS. The safety and health reports include hazards and incidents involving employees and contractors working for and on behalf of DNV and members of the public visiting DNV premises, property and operations. Throughout DNV, 711 work-related incidents and hazards were reported in 2011, an increase of 15% compared with 2010. DNV has good reason to believe this increase is the result of the company-wide focus on the importance of reporting incidents and hazards, rather than a deterioration in occupational health and safety standards.

If we look at DNV operations in India and Sri Lanka, we see that in 2011 they focused on improving their reporting cultures after experiencing an underreporting of incidents and hazards in previous years. These two operations have managed to establish an employee understanding of the importance and benefits of reporting. They accomplished this through strong management commitment, by sharing knowledge gained from reports, through training and posters, and through active follow-up and the implementation of preventive actions.

As a result, India and Sri Lanka almost doubled their incident and hazard reporting this year compared to earlier years. In addition, the materials laboratories at Høvik and

Bergen established a competition to see which of them could best report the highest number of incidents and hazards. The result of this initiative was an increase in reported incidents to 45 in 2011, up from 17 in 2010. The number of reported near-accidents increased to 22, up from five, and the number of reported hazards was doubled.

Knowledge gained from the incident and hazard reporting system is shared throughout DNV using an incident-and-hazard-experience online database. This experience database, which contains de-personalised information about serious incidents and hazards and the preventative/corrective actions taken, can be accessed by all employees. In addition, a bi-monthly presentation containing a selection of the most significant incidents is distributed throughout the organisation for use at unit meetings in order to raise employee awareness.

Of the 711 reported incidents and hazards, 30% were assessed as having a high and medium loss potential. More than 70% of those are related to surveys and inspections and 17% are related to transport and travelling.

The term 'million worked hours' in the safety and health incidents statistics represents hours worked by employees on permanent and long-term contracts.

The number of incident reports per million worked hours varies for the different regions (figure 8). To some extent, these differences are assumed to reflect differences in reporting culture.

SICKNESS ABSENCE. The total sickness absence rate has increased to 2.4% in 2011, up from 2.2% in 2010, but this level is still considered acceptable.

ACCIDENTS AND OCCUPATIONAL HEALTH ISSUES. The accident categories 'Slips, trips or falls', and 'hitting or being struck by objects' represents 39% and 42% respectively of the 133 accidents involving harm to people.

Of the 61 occupational health issues reported, 42% were caused by 'overstrain, exertion or repetitive strain' and 22% were caused by 'exposure to noise, extreme temperatures, or inadequate lightening or air quality'.

Figures 9 and 10 show how accidents and occupational health issues are distributed according to work processes.

LOST TIME ACCIDENTS AND OCCUPATIONAL HEALTH ISSUES WITH ABSENCE ≥8HRS. Lost time accidents per million worked hours (LTA) has decreased by 20% compared to 2010 and the number of days' absence due to lost time accidents per million worked hours (SAI) has decreased by 12.5% (table 11). Of the absence hours due to work-related accidents,

30% were due to broken or fractured bones, 34% to muscular sprains and 13% to burns. Of the work-related accident absence hours, 53% are related to surveys and inspections, 24% to transport and travelling and 17% to office work. Almost all of the absence hours related to transport and travelling were due to motor vehicle accidents.

Of the absence hours related to occupational health issues, 86% were due to stress. The number of absence hours due to occupational health issues per million worked hours has increased to 18.3 in 2011, up from 5.0 in 2010. This increase is believed partly to be a result of the DNV-wide focus on the importance of reporting occupational health issues.

For the type of accidents and occupational health issues with absence ≥8hrs per work process, please see table 12.

PEOPLE ENGAGEMENT SURVEY QUESTIONS RELATED TO SAFETY.

The results of DNV's annual People Engagement Survey related to safety confirmed a very positive attitude. When asked whether 'my line manager always promotes safety first', less than 2% of all employees answered in the negative. When asked whether 'I have been provided with sufficient safety training and personal protective equipment for my job', less than 2% of the respondents working in production, production support and customer management answered in the negative.

TRAVEL SAFETY. Visits to customer sites and offices are an important part of the execution of DNV's services and sometimes require travel to challenging destinations. Three training courses for employees travelling to areas with medium or high safety risks have been arranged from the headquarters at Høvik. The course participants, who were physically located in a wide range of countries, took part via DNV's videoconferencing facilities. Driving is seen as one of the significant risks faced by our employees, so defensive driver training is arranged in most parts of the organisation. One innovative example here was DNV Italy's Safety Driving course organised for all of its employees by a highly specialised company at the Monza Motor-Speedway circuit. This event will be repeated in 2012 for newcomers.

GLOBAL SAFETY AWARENESS. The DNV Life Saver programme, initiated in late 2010, focuses on the company's 12 highest risk areas. Support material and Life Saver posters were distributed to all regions in early 2011 as part of the implementation of the programme.

All units across DNV were asked to select three life savers that reflected the highest risks for their own operations and then to arrange meetings to discuss possible actions to mitigate risks related to their chosen life savers. All DNV units introduced the programme during the course of 2011 and nearly 90% of them completed the first stage of the programme. The life saver programme will continue in 2012 with a focus on implementing improvement actions related to the three chosen life savers.

SAFETY AND OCCUPATIONAL HEALTH TRAINING.

The focus on SHE competence and awareness training continued in 2011. A training system covering all operations is now in place so that all new employees are required to complete SHE induction training. All new employees working in the field must complete both practical and theoretical safety training within 12 months of their employment. Similar training must also be completed every 4–5 years as a refresher course by all those working in the field.

In addition, a new safety training module for laboratories was introduced in 2011, covering both induction training and refresher training for all employees in the DNV Petroleum Services laboratories.

Newly developed SHE courses for managers (two days) and SHE professionals (three days) were held in four DNV regions during 2011: the Middle East, Korea and Japan, Benelux and Germany, and South America. The training programme for managers and SHE professionals continues in 2012.

TABLE 11 HEALTH AND SAFETY INCIDENTS STATISTICS (FOR ALL OF DNV)

	2007	2008	2009	2010	2011
Fatal accidents	1	1	0	0	0
Lost time accidents	41	34	43	39	32
Injury accidents	66	85	82	108	101
Occupational health issues, with absence	14	13	15	13	17
Near accidents	93	137	175	202	246
LTA	3.1	2.1	2.5	2.5	2.0
SAI	50.8	23	26.1	28.8	25.2
IAF	4.9	5.2	4.8	6.8	6.4
Total Sickness Absence Rate (%)	2.0	1.9	2.1	2.2	2.4

Lost time accident: Accident resulting in injury to people and work absence ≥ 8 hrs

Injury accident: Accident resulting in injury to people and work absence < 8 hrs

Occupational health issue: Work environment conditions (including psychosocial work environment and musculoskeletal load) where exposure over a period of time results in illness to people, or a work activity resulting in illness to people.

LTA (Lost Time Accident Frequency): Number of Lost Time Accidents / million worked hours

SAI (Severity Accident Index): Number of days absence due to Lost Time Accidents / million worked hours

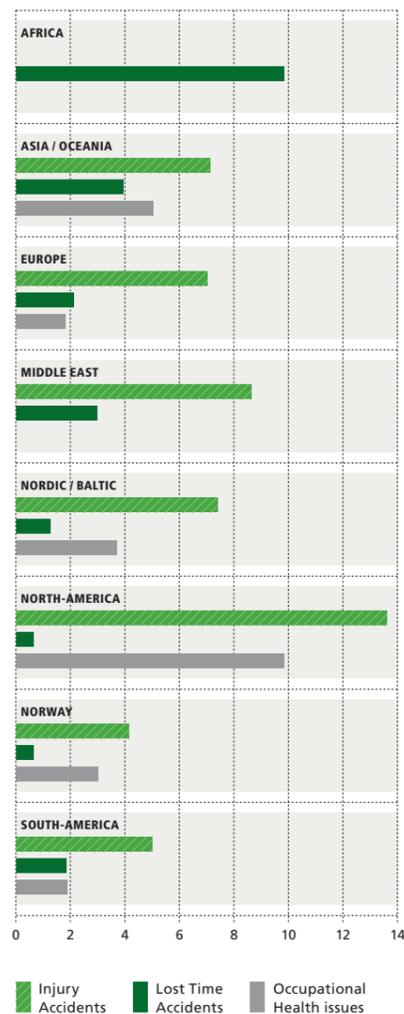
IAF (Injury Accident Frequency): Number of Injury Accidents / million worked hours

Accident absence rate (%): (Accident absence / number of worked hours) x 100

Total Sickness Absence Rate (%): Average last 12 months ((Accident+Sickness absence) / Number of worked hours) x 100

SAFETY PROGRAMMES IN CHINA. The safety programme initiated in 2007 and run for the past three years was continued in 2011. The main focus in 2011 was on the continuation of the safety and occupational health training programme, good cooperation with the yards on safety issues, and emergency preparedness and response. The joint safety tours with all yards with a DNV presence that were initiated in 2010 continued in 2011. After some years with a decrease in the number of accidents and an increase in reporting levels for hazards and near-accidents, these trends seem to have evened out for DNV operations in China in 2011.

FIGURE 08 NUMBER OF INCIDENTS PER REGION / MILLION HOURS WORKED



In addition, the severity of accidents has declined, with a 34% reduction in the number of days' absence due to accidents.

A new emergency preparedness and response procedure was established in 2011 and an emergency drill exercise was performed along with one of China's major shipyards. DNV's 25-man team at Dalian Shipbuilding Industry Co (DSIC) participated in an on-site emergency drill. The exercise involved the rescue of a DNV surveyor from a ballast water tank after he had been exposed to toxic gas and lost consciousness. Working in confined spaces has been identified as one of the major risks in the shipping/shipbuilding industry. The objective of the exercise was to improve DNV's awareness, to test the shipyard's emergency procedures, to ensure the incident was correctly handled by DNV personnel, and to identify any areas for improvement. The drill, which was well executed, has proven of great value to both DSIC and DNV. This was the first time DNV participated in such a joint drill together with a shipyard in China. The company now aims to promote similar drills at all production facilities with a DNV presence.

SAFETY PROGRAMME IN VIETNAM. A similar programme to the one implemented in China has now also been initiated in Vietnam. The Vietnamese programme includes visiting yards, performing joint safety tours and promoting good safety practices. DNV's objective is to establish increased co-operation with the yards through combined efforts to improve safety standards.

OCCUPATIONAL HEALTH. Because anyone can suffer from it, stress – private as well as work-related – has become one of today's major health issues. Workplace stress, which can have serious implications for employee health and wellbeing, is a dominant factor impacting the occupational health area. As such, it has received increased DNV focus.

In 2011, DNV in Germany worked proactively to reduce stress and mitigate other occupational health-related issues. A new company doctor – a stress management consultant – was hired in order to identify sources of work stress. He began by initiating activities to eliminate and reduce the root causes of job stress, including organising lectures and training lessons for the management team. As a result, the managers gained increased awareness about work stress, its causes, signs and solutions.

FIGURE 09 ACCIDENTS DISTRIBUTED BY WORK PROCESSES

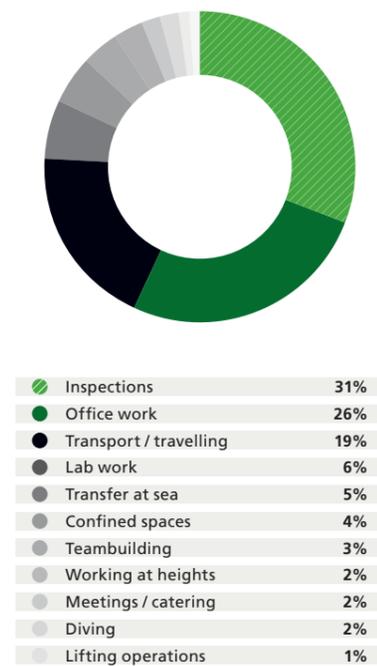
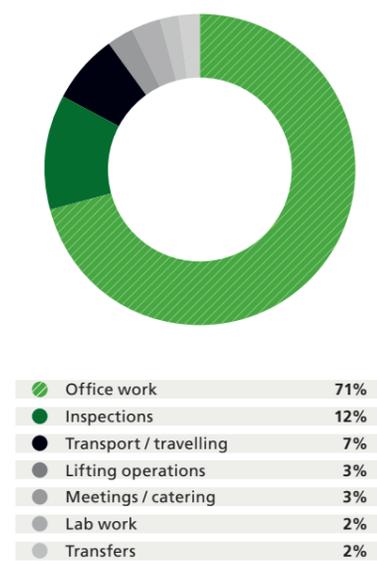


FIGURE 10 OCCUPATIONAL HEALTH ISSUES DISTRIBUTED BY WORK PROCESSES



Managers are now better trained to detect the early warning signs related to stress and to perform their 'duty of care'. Follow-up meetings with employees in all sections have been held. In addition, the company doctor in the German organisation can be contacted directly when needed.

In North America, DNV started a health promotion programme that is being offered as a benefit to all employees and their spouses. The programme includes incentives, free health improvement supplies of chewing gum and patches as an aid to stop smoking, health screenings, computer-based health assessments, health information and programmes, and on-going telephone support provided by a wellness coach. A reduction of 16% in the sick-leave hour ratio compared to 2010 is one indication of the success of the programme.

EMERGENCY PREPAREDNESS. 2011 was a year when a number of completely unexpected issues impacted the lives of the DNV staff and our business, and where emergency preparedness plans suddenly became required action plans as we looked after our staff and protected our business.

When the March 11 earthquake hit Japan last year, followed by a tsunami that led to a nuclear power plant meltdown with radiation contamination, none of the 200 DNV employees in the country were directly affected. Even though the telephone network broke down immediately following the earthquake, we quickly managed to confirm that no one was missing or physically hurt. An updated telephone list of all employees, a part of the emergency instructions, proved to be extremely useful. The Tokyo/Yokohama area had rolling power blackouts and strong after-shocks for several weeks following the earthquake. Like others in the area, DNV employees experienced water and food shortages in convenience stores and supermarkets, as well as shortages of petrol for cars. The company offered all its employees in the Tokyo area the opportunity to move temporarily to Kobe, an additional 550 km from the damaged Fukushima Daiichi nuclear power plant.

When the Norwegian Embassy decided to temporarily move its activities from Tokyo to Kobe, it made use of the DNV meeting room facilities there, staying for nearly one and a half months. In emergency situations, it is important to take action based on facts and not emotions. DNV was fortunate, as the country manager was knowledgeable

TABLE 12 TYPE OF ACCIDENTS AND OCCUPATIONAL HEALTH ISSUES WITH ABSENCE ≥ 8 HOURS PER WORK PROCESSES

Accident category	Catering	Inspections	Lab work	Lifting operations	Office work	Teambuilding	Transfer at sea	Transport/travelling	Grand total
Allergic reaction					1				1
Chemicals		1							1
Contact with hot / cold surfaces		1						1	2
Fire / explosion		1							1
Forced entry					1				1
Hit against / struck by		2			2		1	6	11
Overstrain / exertion / repetitive strain		1		1	4				6
Slips / trips / falls		7	1		2	1	1	3	15
Squeezed / trapped		1							1
Tropical disease								1	1
High workload		1			5			1	7
Unhygienic food	1							1	2
Grand total	1	15	1	1	15	1	2	13	49

about the consequences of nuclear radiation, contamination and exposure. He also had the benefit of conferring with specialists in these areas at the Høvik office.

Just two months earlier and a half a world away, a flash flood brought chaos to the city of Jeddah in Saudi Arabia, a country not normally known for its rainfall, and this flood affected all communications, roads, transport and the power grid. The DNV Jeddah office was cut off by floods, leaving our staff isolated in our office building overnight. The building and local infrastructure situation were reviewed, the power arrangements for the office were improved, and the emergency plan was revised.

Despite the Japanese crisis capturing most of the headlines in March, political tensions arose in Bahrain that month, bringing chaos to the streets and prompting the government to impose a curfew until hostilities died down. All DNV employees were sent home during the tension. At the height of the rioting, regular contact was maintained with the staff that opted to stay. Some of the staff preferred to be moved out of the country and this was handled quickly.

Throughout 2011, piracy continued to be the scourge of the shipping industry around the Red Sea, Indian Ocean and Gulf area. This situation has given rise to a new issue to be considered by DNV and ship owners in relation to voyage surveys. Pirate attacks on ships are being monitored as they are spreading further out from Somalia, and voyage surveys and ship security plans are discussed with ship owners and staff. More restrictions on travel have been implemented again in order to protect our staff.

All these events are impossible to prevent. However, the way in which we deal with them – in order, firstly, to protect our staff and, secondly, to ensure business is maintained in a safe manner – is well within our control. These situations confirm the importance of emergency preparedness planning and the continuous need to monitor areas of threat to ensure that travel is adequately restricted.

HOW WE PERFORM



As a self-owned foundation, DNV has no shareholders. The Group's financial accounts show DNV's consolidated income statement, balance sheet, statement of cash flow and notes.

The consolidated financial statements (Det Norske Veritas Group) include the results of the foundation (Stiftelsen Det Norske Veritas) and all the subsidiaries in which the foundation directly or indirectly has control.

- » Key figures
- » Income statement
- » Balance sheet
- » Cash flow statement
- » Notes
- » Auditor's report

Key figures

AMOUNTS IN NOK MILLION

	2011	2010	2009	2008	2007
INCOME STATEMENT					
Operating revenue	10 156	9 792	10 283	9 560	8 126
Depreciation	213	200	235	189	166
Operating profit	1 058	810	1 108	1 188	873
Net financial income (expenses)	29	101	129	(82)	(1)
Profit before tax	1 088	911	1 237	1 106	872
Profit for the year	730	613	854	642	536
BALANCE SHEET					
Fixed assets	2 445	2 334	2 300	2 467	2 120
Current assets	7 538	6 529	5 903	6 015	4 803
Total assets	9 983	8 863	8 203	8 482	6 922
Equity	6 092	6 261	5 528	4 545	4 492
Provisions and long-term liabilities	1 212	338	523	919	409
Current liabilities	2 679	2 264	2 152	3 018	2 021
CASH FLOW ITEMS, WORKING CAPITAL AND INVESTMENTS:					
Purchase of tangible fixed assets	132	169	349	234	176
Working capital	4 859	4 265	3 751	2 997	2 781
Cash flow	869	809	1 186	803	749
NUMBER OF EMPLOYEES					
	8 453	8 440	8 866	8 694	7 691
FINANCIAL RATIOS					
Profitability:					
Operating margin	10.4%	8.3%	10.8%	12.4%	10.7%
Pre tax profit margin	10.7%	9.3%	12.0%	11.6%	10.7%
Net profit margin	7.2%	6.3%	8.3%	6.7%	6.6%
Return on total assets	12.2%	11.1%	15.9%	16.2%	14.4%
Return on equity	17.6%	15.5%	24.6%	24.5%	20.8%
Liquidity:					
Current ratio	2.8	2.9	2.7	2.0	2.4
Liquidity reserves	4 074	3 320	2 867	2 118	2 206
Liquidity cover	45.9%	37.8%	32.1%	25.9%	31.1%
Leverage:					
Equity ratio	61.0%	70.6%	67.4%	53.6%	64.9%

Definition of ratios

Profitability

Operating margin:
Operating profit x 100 /
Operating revenue

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

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

Return on total assets:
(Operating profit
+ Financial income) x 100 /
Average total assets

Return on equity:
Profit before tax x 100 /
Average equity

Liquidity

Cash flow:
Profit before tax
+ Depreciation
- Taxes payable

Current ratio:
Current assets /
Current liabilities

Liquidity reserves:
Cash and bank deposits +
Short-term financial
investments

Liquidity cover:
Liquidity reserves x 100 /
(Total operating expenses
- Depreciation)

Leverage

Equity ratio:
Equity x 100 / Total assets

Income statement

STIFTELSEN
DET NORSKE VERITAS

1 JANUARY - 31 DECEMBER
AMOUNTS IN NOK MILLION

DET NORSKE VERITAS
GROUP

2011	2010	2009		NOTE	2011	2010	2009
OPERATING REVENUE							
0.0	0.0	1.2	Sales revenue		10 156.4	9 791.7	10 283.1
0.0	0.0	1.2	Total operating revenue	3	10 156.4	9 791.7	10 283.1
OPERATING EXPENSES							
0.0	0.0	0.0	Payroll expenses	4, 6, 7	5 577.6	5 613.7	5 632.1
0.0	0.0	0.0	Depreciation	13, 14, 16	196.2	199.7	214.8
0.0	0.0	0.0	Write down of goodwill	13	16.8	0.0	19.9
0.0	0.0	0.0	Other operating expenses	5	3 307.2	3 167.9	3 308.1
0.0	0.0	1.2	Operating profit		1 058.5	810.4	1 108.2
FINANCIAL INCOME AND EXPENSES							
14.5	82.2	128.7	Financial income		90.5	135.7	215.7
(17.7)	(0.1)	(0.8)	Financial expenses		(61.2)	(35.0)	(86.5)
(3.2)	82.1	127.9	Net financial income (expenses)	9	29.3	100.7	129.2
(3.2)	82.1	129.1	Profit (loss) before tax		1 087.7	911.1	1 237.4
(29.9)	(21.4)	(24.3)	Tax expense	11	(357.6)	(298.3)	(383.2)
(33.1)	60.7	104.8	Profit (loss) for the year		730.1	612.8	854.2
(33.1)	60.7	104.8	Transferred to / (covered from) other equity				

Balance sheet

STIFTELSEN DET NORSKE VERITAS				AS PER 31 DECEMBER AMOUNTS IN NOK MILLION				DET NORSKE VERITAS GROUP			
2011	2010	2009	NOTE	2011	2010	2009		2011	2010	2009	
ASSETS											
FIXED ASSETS											
Intangible fixed assets											
0.0	0.0	0.0		Deferred tax assets	11	585.1	233.3	283.1			
0.0	0.0	0.0		Goodwill	13	88.7	114.4	120.0			
0.0	0.0	0.0		Other intangible assets	14	15.9	12.9	18.9			
0.0	0.0	0.0		Total intangible fixed assets		689.7	360.6	422.0			
Tangible fixed assets											
6.4	6.4	6.4		Land, buildings and other property		1 103.1	1 123.2	1 118.4			
0.0	0.0	0.0		Office equipment, fixtures and fittings		315.8	344.9	357.1			
6.4	6.4	6.4		Total tangible fixed assets	16	1 418.9	1 468.2	1 475.5			
Financial fixed assets											
10.1	10.1	10.1		Investments in subsidiaries	2	0.0	0.0	0.0			
0.0	0.3	0.3		Long-term shareholdings	17	15.7	22.6	25.5			
0.0	0.0	0.0		Prepaid pension	7	0.0	126.1	0.0			
0.0	0.3	0.3		Other long-term receivables	19	320.4	356.4	376.9			
10.1	10.7	10.8		Total financial fixed assets		336.1	505.2	402.4			
16.5	17.1	17.2		Total fixed assets		2 444.7	2 333.9	2 299.9			
CURRENT ASSETS											
Debtors											
0.0	0.0	0.0		Trade debtors		2 212.3	2 060.1	2 004.5			
0.0	0.0	0.0		Work in progress		893.7	771.6	716.6			
0.0	0.0	0.0		Other debtors		358.4	377.5	314.4			
0.0	0.0	0.0		Total debtors		3 464.4	3 209.3	3 035.5			
591.2	782.6	712.2		Short-term financial investments	8	591.2	782.6	712.2			
609.0	444.4	458.7		Cash and bank deposits	20	3 482.6	2 536.9	2 155.0			
1 200.2	1 227.0	1 170.9		Total current assets		7 538.2	6 528.8	5 902.7			
1 216.7	1 244.1	1 188.1		TOTAL ASSETS		9 982.9	8 862.7	8 202.6			

STIFTELSEN DET NORSKE VERITAS				AS PER 31 DECEMBER AMOUNTS IN NOK MILLION				DET NORSKE VERITAS GROUP			
2011	2010	2009	NOTE	2011	2010	2009		2011	2010	2009	
EQUITY AND LIABILITIES											
EQUITY											
Paid-in capital											
283.5	283.5	283.5		Foundation capital		283.5	283.5	283.5			
Retained earnings											
904.6	937.7	877.0		Other equity		5 808.2	5 977.2	5 244.3			
1 188.1	1 221.2	1 160.5		Total equity	23	6 091.7	6 260.7	5 527.8			
LIABILITIES											
Provisions											
0.0	0.0	0.0		Pension liabilities	7	1 076.2	141.7	367.2			
0.2	0.2	0.3		Deferred tax	11	16.5	17.1	11.6			
0.0	0.0	0.0		Other provisions		119.7	179.6	144.5			
0.2	0.2	0.3		Total provisions		1 212.3	338.4	523.3			
Current liabilities											
0.0	0.0	0.0		Overdrafts		0.0	0.0	0.2			
0.0	0.0	0.0		Trade creditors		297.4	238.5	259.7			
28.4	22.7	27.3		Tax payable		293.0	271.7	244.0			
0.0	0.0	0.0		Public duties payable		301.5	277.5	259.3			
0.0	0.0	0.0		Other short-term liabilities	18	1 787.0	1 476.0	1 388.3			
28.4	22.7	27.3		Total current liabilities		2 678.9	2 263.6	2 151.5			
28.6	22.9	27.6		Total liabilities		3 891.2	2 602.0	2 674.8			
1 216.7	1 244.1	1 188.1		TOTAL EQUITY AND LIABILITIES		9 982.9	8 862.7	8 202.6			

THE BOARD OF DIRECTORS OF STIFTELSEN DET NORSKE VERITAS, HØVIK, 19 APRIL 2012


 LEIF-ARNE LANGØY
 CHAIRMAN


 MORTEN ULSTEIN


 C. THOMAS REHDER


 JOHN H. WIIK


 HILDE M. TØNNE


 FRANCES MORRIS-JONES


 WEI CHEN


 ODD SUND


 SILJE GRJØTHEIM


 METTE BANDHOLTZ


 HENRIK O. MADSEN
 CHIEF EXECUTIVE OFFICER

Cash flow statement

STIFTELSEN DET NORSKE VERITAS			1 JANUARY - 31 DECEMBER AMOUNTS IN NOK MILLION			DET NORSKE VERITAS GROUP		
2011	2010	2009	NOTE	2011	2010	2009		
CASH FLOW FROM OPERATIONS								
(3.2)	82.1	129.1		1 087.7	911.1	1 237.4		
0.0	0.0	(1.2)		(6.9)	(5.2)	(0.9)		
0.0	0.0	0.0	15	(41.0)	0.0	0.0		
0.0	0.0	0.0		0.0	0.0	0.0		
0.0	0.0	0.0		213.0	199.7	234.7		
(29.9)	(21.5)	(24.0)		(371.8)	(302.0)	(321.3)		
0.0	0.0	0.0		(221.5)	(124.2)	862.4		
5.7	(4.5)	(19.6)		178.4	(46.6)	(1 036.1)		
(27.4)	56.1	84.3		838.0	632.8	976.2		
CASH FLOW FROM INVESTMENTS								
0.0	0.0	0.0		(58.2)	(39.3)	(19.0)		
0.0	0.0	0.0		60.4	0.0	106.5		
0.0	0.0	0.0	16	(131.8)	(168.6)	(349.2)		
0.0	0.0	1.2		20.0	25.0	13.0		
0.0	0.0	0.0		19.0	(0.3)	70.8		
0.6	0.0	230.0		6.9	2.9	(9.6)		
0.6	0.0	231.2		(83.7)	(180.3)	(187.5)		
CASH FLOW FROM CAPITAL TRANSACTIONS								
0.0	0.0	0.0		0.0	(0.2)	0.2		
0.0	0.0	0.0		0.0	(0.2)	0.2		
LIQUIDITY								
(27.4)	56.1	84.3		838.0	632.8	936.2		
0.6	0.0	231.2		(83.7)	(180.3)	(187.5)		
0.0	0.0	0.0		0.0	(0.2)	0.2		
(26.8)	56.1	315.5		754.3	452.3	748.9		
1 227.0	1 170.9	855.4		3 319.5	2 867.2	2 118.3		
1 200.2	1 227.0	1 170.9		4 073.8	3 319.5	2 867.2		

Notes

ALL AMOUNTS IN NOK MILLION

01

ACCOUNTING PRINCIPLES

The financial statements have been prepared in accordance with the Norwegian Accounting Act of 1998 and generally accepted accounting principles in Norway.

CONSOLIDATION PRINCIPLES. The consolidated statements include Stiftelsen Det Norske Veritas and all companies in which Stiftelsen Det Norske Veritas directly or indirectly has actual control. The group accounts show Det Norske Veritas' consolidated income statement, balance sheet and statement of cash flow as a single economic entity. Subsidiaries follow the same accounting principles as the parent company. Intercompany transactions have been eliminated in the consolidated accounts.

Acquired subsidiaries are reported in the financial statements on the basis of the parent company's acquisition cost. The cost of the shares in the parent company's books is eliminated against the equity in the subsidiary at the date of acquisition. The acquisition cost is allocated by attributing fair values to the identifiable assets and liabilities acquired. Surplus value in excess of the fair value of identifiable net assets is reported in the balance sheet as goodwill. Goodwill is amortised linearly through the income statement over its expected useful economic life.

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 until the annual accounts are presented or prior to the expiry of a 12-month period.

TRANSLATION OF FOREIGN SUBSIDIARIES. When translating the financial statements of the foreign subsidiaries to Norwegian currency, the items in the income statement are translated at the average exchange rate for the financial year. Assets and liabilities in foreign operations, including goodwill and fair value adjustments, are translated into NOK using the exchange rate applicable on the balance sheet date. Exchange-rate differences are recognised in equity.

Forward exchange contracts related to hedging of net investments in foreign subsidiaries are treated as hedging instruments where the exchange rate differences of the hedging instrument are recognised in the equity.

CASH FLOW HEDGES. The effective portion of the gain or loss on the hedging instrument established for hedging of cash flows is not accounted for. Gains or losses on the hedging instrument are recorded as financial income or expenses at realization. Any ineffective portion is recognized in the income statement.

SUBSIDIARIES/ ASSOCIATES. Investments in subsidiaries are valued at the cost method in the parent company accounts. The investment is valued as cost of acquiring shares in the subsidiary, provided write down is not required. Write down to fair value is carried out when the reduction in value is caused by circum-

stances which may not be regarded as incidental, and deemed necessary by generally accepted accounting principles. Write downs are reversed when the cause of the initial write down is no longer present.

An associate is an entity in which the Group has a significant influence but does not control the management of its finances and operations (normally when the Group owns 20%-50% of the company). Investments in associated companies are valued in accordance with the equity method. The share of profits is based on profits after tax in the associated company, less internal gains and possible amortisation of surplus value caused by the cost of shares being higher than the acquired share of equity. In the income statement, the share of profit is stated as financial income/ financial expenses.

When the Group's share of a loss exceeds the Group's investment in an associate, the amount carried in the Group's balance sheet is reduced to zero and further losses are not recognised unless the Group has an obligation to cover any such loss.

In the parent account, dividends, group contributions and other distributions are recognised in the same year as they are recognised in the subsidiary financial statement. 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 for the parent company.

USE OF ESTIMATES. The management has used estimates and assumptions that have affected assets, liabilities, income, expenses and information on potential liabilities in accordance with generally accepted accounting principles in Norway. Future events may lead to change of estimates. Estimated and underlying assumptions are assessed on a continuous basis. Changes in accounting estimates are accounted for in the period the change occurs.

REVENUE RECOGNITION AND WORK IN PROGRESS. Revenue from sale of services is recognised according to the percentage of completion method. Work in progress is recognised at estimated sales value. Changes in work in progress is recognised as operating revenue.

Revenue from the sale of services is recognised in the income statement according to the project's level of completion provided the outcome of the transaction can be estimated reliably. Progress is measured as the number of hours spent compared to the total number of hours estimated. When the outcome of the transaction cannot be estimated reliably, only revenue equal to the project costs that have been incurred will be recognised as revenue. The total estimated loss on a contract will be recognised in the income statement during the period when it is identified that a project will generate a loss.

CLASSIFICATION AND VALUATION OF ASSETS AND LIABILITIES.

Assets meant for permanent ownership or use are classified as fixed assets. Other assets are classified as current assets. Receivables to be paid within one year are always classified as current assets. Short- and long-term liabilities are classified correspondingly.

Current assets are valued at the lower of cost and net realisable value. Short-term debt is recognised at nominal value at time of establishment.

Fixed assets are valued at cost. However, if a decline in value is expected not to be temporary, fixed assets are written down to recoverable amount. Fixed assets with a limited useful economic life are depreciated in accordance with a linear depreciation plan. Long-term debt is recognised at nominal value at time of establishment. Direct transaction costs are capitalised over the loan period.

DEBTORS. Trade receivables and other current receivables are recorded in the balance sheet at nominal value less provisions for doubtful debts. Provisions for doubtful debts are calculated on the basis of individual assessments. In addition, for the remainder of accounts receivables outstanding balances, a general provision is made to cover expected losses.

FOREIGN CURRENCY. Monetary items denominated in a foreign currency are translated at the exchange rate at the balance sheet date. Financial instruments, mainly forward exchange contracts and currency swaps, are used to hedge all significant items denominated in the most common foreign currencies. These hedges are included at market value at 31 December.

Realised and unrealised currency effects are included on a net basis in either other financial income or other financial expenses.

Premiums paid for currency and interest rate options are capitalised and amortised over the life of the contract.

FINANCIAL INVESTMENTS. Short-term financial investments, which are defined as part of a trading portfolio, are valued at market value at the balance sheet date. Dividends and other distributions are recognized as financial income.

Long-term shareholdings where DNV does not exercise significant influence are recognised at cost. Each investment is written down to net realisable value if lower than cost.

PROPERTY, PLANT AND EQUIPMENT. Property, plant and equipment are capitalised and depreciated over the estimated useful economic life. Maintenance costs are expensed as incurred, whereas improvement and upgrading are assigned to the acquisition cost and depreciated along with the asset. If carrying value of a non-current asset exceeds the estimated recoverable amount, the asset is written down to the recoverable amount. The recoverable amount is the greater of the net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value.

INTANGIBLE ASSETS. Intangible assets that have been acquired separately are carried at cost. The costs of intangible assets acquired through an acquisition are recognised at their fair value in the Group's opening balance sheet. Capitalised intangible assets are recognised at cost less any amortisation and impairment losses.

Internally generated intangible assets are not capitalised but are expensed as occurred.

The economic life is either definite or indefinite. Intangible assets with a definite economic life are amortised over their

economic life and tested for impairment if there are any indications. The amortisation method and period are assessed at least once a year. Changes to the amortisation method and/or period are accounted for as a change in estimate.

Intangible assets with an indefinite economic life are tested for impairment at least once a year, either individually or as a part of a cash-generating unit.

GOODWILL. The difference between the cost of an acquisition of business and the fair value of net identifiable assets on the acquisition date is recognised as goodwill. For investment in associates, goodwill is included in the investment's carrying amount.

Goodwill is recognised at cost in the balance sheet, minus any accumulated depreciation. Goodwill is amortised linearly through the income statement over its expected useful economic life, normally considered to be a period of 5 years unless there are special reasons for a longer depreciation period.

RESEARCH AND DEVELOPMENT. Research and development costs are expensed when incurred. Cost incurred related to development projects entering into a commercial product or service phase are capitalized.

PENSIONS. Pension costs and pension liabilities for the defined benefit plans are estimated on the basis of linear earnings and assumptions of: discount rate, projected annual salary adjustments, pension and other payments from the national insurance fund, expected annual return on plan assets and actuarial assumptions of deaths, voluntary resignations etc. Plan assets are valued at fair value and deducted from net pension liabilities in the balance sheet. Actuarial gains and losses are recognised directly in the equity.

TAX. The tax expense in the income statement includes taxes payable and change in deferred taxes. Deferred taxes are calculated based on the temporary differences existing between book values and tax values, together with tax loss carry-forwards at the end of the accounting period. Tax increasing and tax reducing temporary differences expected to reverse in the same period are offset and calculated on a net basis. Deferred tax assets are recognised to the extent utilisation of these assets can be justified.

PROVISIONS. A provision is recognised when the Group has an obligation (legal or self-imposed) as a result of a previous event, it is probable (more likely than not) that a financial settlement will take place as a result of this obligation and the size of the amount can be measured reliably. If the effect is considerable, the provision is calculated by discounting estimated future cash flows using a discount rate before tax that reflects the market's pricing of the time value of money and, if relevant, risks specifically linked to the obligation.

If Det Norske Veritas Group is involved in litigation, and a claim has been made, then provisions for these claims are made in the accounts based on a best estimate of the validity and amount of the claim.

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 investments with maturities of three months or less.

02

SUBSIDIARIES OF STIFTELSEN DET NORSKE VERITAS

Stifelsen Det Norske Veritas owns 100% of the shares in Det Norske Veritas Holding AS.

COMPANY	BUSINESS OFFICE	SHARE CAPITAL	OWNER-SHIP	BOOK VALUE
Det Norske Veritas Holding AS	Bærum	10.1	100%	10.1

Det Norske Veritas Holding AS has three wholly owned subsidiaries, Det Norske Veritas AS (86 subsidiaries), DNV Business Assurance Group AS (30 subsidiaries) and Det Norske Veritas Eiendom AS. With the exception of some financial transactions, Det Norske Veritas operates through the subsidiaries of Det Norske Veritas Holding AS.

03

OPERATING REVENUE

GEOGRAPHICAL AREA	DET NORSKE VERITAS – GROUP		
	2011	2010	2009
Nordic countries	3 508.4	3 343.9	3 640.8
Europe and Africa	2 113.6	2 146.7	2 490.5
Asia Pacific	2 972.1	2 804.3	2 708.9
North and South America	1 562.3	1 496.8	1 442.9
Total operating revenue	10 156.4	9 791.7	10 283.1

04

PAYROLL EXPENSES

STIFTELSEN DET NORSKE VERITAS			DET NORSKE VERITAS – GROUP			
2011	2010	2009	2011	2010	2009	
0.0	0.0	0.0	Salaries	4 295.5	4 310.2	4 289.9
0.0	0.0	0.0	Payroll tax	591.9	572.7	586.7
0.0	0.0	0.0	Pension costs	392.8	398.8	412.9
0.0	0.0	0.0	Other contributions	297.4	332.0	342.6
0.0	0.0	0.0	Total payroll expenses	5 577.6	5 613.7	5 632.1
0.0	0.0	0.0	Man years	8 284	8 303	8 737
0.0	0.0	0.0	Total bonus expenses	100.0	90.0	0.0

05 OTHER OPERATING EXPENSES

STIFTELSEN DET NORSKE VERITAS			DET NORSKE VERITAS – GROUP		
2011	2010	2009	2011	2010	2009
0.0	0.0	0.0	657.4	637.9	668.7
0.0	0.0	0.0	507.9	458.8	539.3
0.0	0.0	0.0	319.4	356.4	371.9
0.0	0.0	0.0	331.7	391.2	362.5
0.0	0.0	0.0	16.3	65.9	60.9
0.0	0.0	0.0	1 474.5	1 257.7	1 304.8
0.0	0.0	0.0	3 307.2	3 167.9	3 308.1

06 REMUNERATIONS AND LOANS TO CEO, EXECUTIVE COMMITTEE, BOARD OF DIRECTORS ETC.

Chief Executive Officer Henrik O. Madsen has a pensionable annual base salary of NOK 2 852 640 and a functional allowance including free housing of NOK 1 402 560.

Madsen has a right to retire at 62 years with a yearly pension equal to 66% of his pensionable annual base salary at date of retirement.

In case of resignation before the age of 62, CEO is entitled, given certain circumstances, to a severance pay of maximum 2 years of base salary.

The CEO and the Executive Committee have no separate bonus schemes other than those applicable for the employees.

REMUNERATIONS TO THE EXECUTIVE COMMITTEE FOR 2011	SALARY & FUNCTIONAL ALLOWANCE	OTHER BENEFITS	BONUS PAID ²	PENSION BENEFIT EARNED / COST TO DNV
Henrik O. Madsen	4 368 889	359 426	60 503	1 926 972
Tor E. Svensen	3 030 262	164 231	50 513	1 011 791
Remi Eriksen ¹	1 895 098	1 888 425	33 244	443 579
Bjørn K. Haugland	1 753 983	199 019	32 553	369 934
Jostein Furnes	2 194 325	183 441	41 533	611 107
Cecilie B. Heuch	1 759 050	165 814	32 553	74 041
Ioannis Kourmatzis ¹	2 413 114	630 321	30 547	292 555
Elisabeth Tørstad ¹	1 679 748	597 418	29 926	332 743
Knut Ørbeck-Nilssen	1 421 133	149 554	25 818	260 814
Olav Nortun	1 730 268	150 542	32 440	461 634

LOANS TO THE EXECUTIVE COMMITTEE AT 31 DEC. 2011	LOAN AMOUNT	INTEREST RATE	REPAYMENT PERIOD	SECURITY
Henrik O. Madsen	2 412 114	1.4 %	Nov. 2018	Mortgage
Tor E. Svensen	527 800	1.4 %	Mar. 2028	Mortgage
Remi Eriksen ¹	0			
Bjørn K. Haugland	2 318 400	1.4 %	Dec. 2034	Mortgage
Jostein Furnes	2 193 290	1.4 %	Jul. 2031	Mortgage
Cecilie B. Heuch	0			
Ioannis Kourmatzis ¹	0			
Elisabeth Tørstad ¹	0			
Knut Ørbeck-Nilssen	0			
Olav Nortun	0			

1) Expatriate assignments 2) Paid 2011 earned 2010

REMUNERATION TO THE BOARD OF DIRECTORS PAID OUT IN 2011:

NAME	BOARD REMUNERATION	COMP. TRAVEL TIME	NAME	BOARD REMUNERATION	COMP. TRAVEL TIME
Leif-Arne Langøy ¹	361 667	0	Odd Sund	205 833	0
Atle Bergshaven ¹	200 000	0	Sille Grjotheim	205 833	0
Morten Ulstein ³	172 083	0	David McKay ²	100 833	0
Hilde M. Tonne	205 833	60 000	Chen Wei ³	122 500	0
John H. Wiik	205 833	0	Christine Maidment ²	100 833	0
C. Thomas Rehder	205 833	0	Mette Bandholtz ³	122 500	0
Frances Morris-Jones	205 833	0			

1) Leif Arne Langøy replaced Atle Bergshaven as chairman 2) January–June 3) June–December

REMUNERATION TO THE CONTROL COMMITTEE PAID OUT IN 2011:

NAME	REMUNERATION
Erling Øverland	107 917
Arne Thorsen	71 750
Terje Overvik ¹	42 583
Per Terje Vold ¹	29 167

1) Terje Overvik replaced Per Terje Vold from June 2011

REMUNERATION TO THE COMPENSATION COMMITTEE PAID OUT IN 2011:

NAME	REMUNERATION
Leif-Arne Langøy ¹	16 000
Atle Bergshaven ¹	6 000
Morten Ulstein ²	8 000
John H. Wiik	12 000

1) Leif Arne Langøy replaced Atle Bergshaven as chairman from June 2011 2) June–December

FEES TO THE AUDITORS FOR 2011 (EXCLUDING VAT):

NAME	STATUTORY AUDIT	TAX CONSULTING SERVICES	OTHER ATTEST SERVICES	NON-AUDIT SERVICES
Stiftelsen Det Norske Veritas	300 000	0	0	0
Group auditor other Norwegian entities	1 970 000	56 000	110 000	1 003 000
Group auditor non-Norwegian entities	9 112 000	5 985 600	424 800	0
Other auditors	1 339 265	286 883	9 542	164 458
Total	12 721 265	6 328 483	544 342	1 167 458

07 PENSION COSTS, PLAN ASSETS AND DEFINED BENEFIT PENSION LIABILITIES

Det Norske Veritas has both defined benefit pension plans and defined contribution pension plans. The defined benefit pension plans are covered through separate pension funds or through arrangements with insurance companies. The future pension benefits are based on the employee's salary level at the time of retirement and on the number of years of membership. This is the basis for calculating the pension cost and the pension liabilities as included in the accounts and in this note. Contribution to the Group's pension plans are made in accordance with common actuarial methods in the country where the pension plan is administered. Total pension costs for 2011 are NOK 392.8 million, of which NOK 165.0 million

are related to the defined benefit pension plans and NOK 227.8 million are related to the contribution pension plans.

The Norwegian companies in the Group are subject to the Norwegian Pension Act. The companies' pension schemes fulfill 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 organised in one Norwegian pension fund (employees employed before 1 January 2005) and in one unfunded pension plan. The pension assets in the Norwegian pension fund are invested as follows:

07

PENSION COSTS, PLAN ASSETS AND DEFINED BENEFIT PENSION LIABILITIES (CONTINUED)

MARKET VALUE OF PLAN ASSETS IN NORWAY	31 DEC 11	31 DEC 10	31 DEC 09
Buildings and property	253.2	220.7	221.9
Mutual equity funds and hedge funds	1 597.9	1 827.3	1 554.8
Norwegian bonds and bond funds	583.7	431.0	226.0
Non-Norwegian bonds and bond funds	613.0	669.3	606.2
Money market, bank accounts, other assets and liabilities	1 141.5	1 032.7	1 124.0
Total market value of plan assets	4 189.3	4 181.0	3 732.9
Actual return on plan assets	(88.2)	358.8	510.0

	NORWEGIAN DEFINED BENEFIT PENSION PLANS			OTHER DEFINED BENEFIT PENSION PLANS OUTSIDE NORWAY		
	2011	2010	2009	2011	2010	2009
Net present value of this year's pension contribution	150.8	147.9	142.6	29.4	38.4	40.7
Interest expense on pension liabilities	157.7	165.2	155.5	54.6	55.3	53.0
Expected return on plan assets	(188.1)	(186.6)	(161.6)	(56.4)	(58.1)	(49.6)
Payroll tax	17.0	17.8	19.2	0.0	0.0	0.0
Curtailment/pension plan changes	0.0	0.0	0.0	0.0	(10.2)	0.0
Net pension cost	137.3	144.3	155.7	27.7	25.4	44.1

PLAN ASSETS AND PENSION LIABILITIES:

Market value of plan assets	4 189.3	4 181.0	3 732.9	1 078.1	931.0	1 031.1
Actuarial present value of pension liabilities	(4 996.8)	(4 006.7)	(3 725.3)	(1 160.1)	(1 072.7)	(1 334.3)
Payroll tax	(186.6)	(48.2)	(71.6)	0.0	0.0	0.0
Net prepaid pension (liabilities)	(994.2)	126.1	(64.0)	(82.0)	(141.7)	(303.2)
Hereof recorded as plan assets		126.1				
Hereof recorded as pension liabilities	(994.2)		(64.0)	(82.0)	(141.7)	(303.2)

The assumptions for calculation of the pension liabilities in Norway have been changed. The consequence in 2011 is increased pension liabilities of NOK 804 million.

End of service benefit schemes, in some countries outside Norway, considered to be defined benefit schemes, have been actuarially calculated in accordance with NGAAP. The total liability at year-end is NOK 52 million (NOK 61 million in 2010).

THE FINAL CALCULATION OF THE DEFINED BENEFIT PENSION LIABILITIES IS BASED ON THE FOLLOWING ASSUMPTIONS:

	NORWEGIAN SCHEMES			OTHER SCHEMES OUTSIDE NORWAY		
	2011	2010	2009	2011	2010	2009
Discount rate	3.0%	4.0%	4.5%	4.6-5.5%	4.7-5.4%	4.0-5.7%
Projected annual salary adjustment	4.0%	4.0%	4.0%	2.0-4.0%	2.0-4.4%	2.2-5.1%
Projected annual increase in pension benefit	2.0%	2.0%	2.0%	0.0-3.0%	0.0-3.3%	0.0-3.0%
Projected annual increase in Norwegian government basis pension	3.0%	3.0%	3.0%	-	-	-
Expected annual return on plan assets	4.0%	4.5%	5.0%	3.5-5.75%	3.8-6.7%	4.5-7.8%

Ordinary retirement age in Det Norske Veritas is 67 years. Some managers and employees are entitled to retire before the age of 67 with full pension rights earned.

08

SHORT-TERM FINANCIAL INVESTMENTS

STIFTELSEN DET NORSKE VERITAS			DET NORSKE VERITAS - GROUP			
PURCHASE PRICE	MARKET VALUE REGULATION	BOOK VALUE		PURCHASE PRICE	MARKET VALUE REGULATION	BOOK VALUE
188.1	0.0	188.1	Money market funds	188.1	0.0	188.1
228.1	(1.1)	227.0	Bond funds	228.1	(1.1)	227.0
157.9	18.2	176.1	Equity funds	157.9	18.2	176.1
574.1	17.1	591.2	Total short-term financial investments	574.1	17.1	591.2

09

FINANCIAL INCOME AND FINANCIAL EXPENSES

STIFTELSEN DET NORSKE VERITAS			DET NORSKE VERITAS - GROUP			
2011	2010	2009		2011	2010	2009
(17.6)	69.6	111.2	Return on financial investments	(17.6)	69.6	111.2
0.0	0.0	1.7	Dividend from subsidiaries	0.0	0.0	0.0
0.0	0.0	0.0	Profit from investment in associates	0.0	0.0	6.7
0.0	0.0	0.0	Gain from sale of associates	0.0	0.0	40.0
0.0	0.0	0.1	Net interest received from Group companies	0.0	0.0	0.0
14.4	12.5	15.2	Other net interest income (expense)	53.8	59.1	5.4
0.0	0.0	(0.3)	Currency gains (losses)	(10.9)	(15.4)	(27.8)
0.0	0.0	0.0	Other financial items	4.0	(12.7)	(6.3)
(3.2)	82.1	127.9	Net financial income (expenses)	29.3	100.7	129.2

10

FINANCIAL MARKET RISK

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

LIQUIDITY RISK. The Group monitors its liquidity risk on an ongoing basis. The liquidity 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.

FOREIGN CURRENCY RISK. The Group has revenues and expenses in approximately 50 currencies. Of these, six currencies (NOK, EUR, USD, CNY, KRW and GBP) make up for approximately 75% of the total revenue. In many currencies DNV has a natural hedge through a balance of revenue and expenses. Major imbalances on the balance sheet are hedged through forward exchange contracts. As part of this hedging, DNV has forward exchange contracts in 20 currencies, totalling a net amount of approximately NOK 2 500 million.

The most important contracts are in USD (36%) and EUR (14%). Unrealized net loss at year end is NOK 84 million.

CREDIT RISK. Outstanding receivable 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, available-for-sale financial investments and certain derivative instruments, the Group's exposure to credit risk arises from default of the counter-party, 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 short-term financial investments and forward exchange contracts.

11

TAX

STIFTELSEN
DET NORSKE VERITAS

DET NORSKE VERITAS
GROUP

2011	2010	2009		2011	2010	2009
			The tax expense consists of:			
18.9	15.0	16.2	Norwegian wealth tax	18.9	15.0	16.2
11.0	6.5	7.8	Norwegian income tax	106.2	31.7	43.6
0.0	0.0	0.0	Income tax outside Norway	236.2	255.3	225.7
29.9	21.5	24.0	Total tax payable	361.3	302.0	285.5
0.0	(0.1)	0.3	Change in deferred tax in Norway	(1.5)	25.7	83.0
0.0	0.0	0.0	Change in deferred tax outside Norway	(2.1)	(29.4)	14.7
0.0	(0.1)	0.3	Total change in deferred tax	(3.6)	(3.7)	97.7
29.9	21.4	24.3	Tax expense	357.6	298.3	383.2
(0.9)	23.0	36.1	Tax on profit at 28%	304.6	255.1	346.5
			Tax effect of:			
0.0	0.0	0.0	Foreign tax exempt branches	(18.0)	(13.4)	(18.6)
0.0	(1.2)	0.0	Changes to previous years' taxes	(4.5)	6.9	(3.9)
18.9	15.0	16.2	Norwegian wealth tax	17.4	15.0	16.2
0.0	0.0	0.0	Tax assets not recognised current year	15.2	24.7	16.7
0.0	0.0	0.0	Differences between tax rates in Norway and abroad	(3.6)	(4.4)	(26.1)
11.9	(15.4)	(28.0)	Permanent differences	46.5	14.4	52.4
29.9	21.4	24.3	Tax expense	357.6	298.3	383.2
			Effective tax rate	33%	33%	31%
			Net tax-reducing / tax-increasing temporary differences:			
0.7	0.9	1.1	Fixed assets	144.9	128.5	160.6
0.0	0.0	0.0	Current assets	(78.2)	(1.9)	6.2
0.0	0.0	0.0	Liabilities including pension liabilities	(2 002.4)	(821.6)	(1 082.7)
0.0	0.0	0.0	Tax loss to be carried forward	0.0	0.0	0.0
0.7	0.9	1.1	Basis for deferred tax asset / liability	(1 935.7)	(695.0)	(915.9)
28%	28%	28%	Tax rates applied	10%-42%	10%-43%	10%-45%
0.0	0.0	0.0	Deferred tax asset	(585.1)	(233.3)	(283.1)
0.2	0.2	0.3	Deferred tax liability	16.5	17.1	11.6

12

CHANGES IN THE GROUP STRUCTURE

COMPANY	ACQUIRED	OWNERSHIP	PURCHASE CURRENCY	ACQUISITION COST LOCAL CURRENCY	EXTERNAL REVENUE INCL. IN 2011 ACCT. NOK
Synergi Solutions AS	June 2011	100%	NOK	58.2	37.1

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

In December 2011, Det Norske Veritas Holding AS signed an agreement to acquire 74.3 % of the shares in N.V. KEMA. N.V. KEMA is the parent company of a group of companies with 1,800 employees and a global presence. The closing took place on 28 February 2012.

Det Norske Veritas Holding AS has an agreement with the owners of the remaining 25.7 % of the shares under which Det Norske Veritas Holding AS has a call option and the remain-

ing owners have a put option for the shares after two years. The option structure is such that it is highly likely that an acquisition of the remaining shares will take place in March 2014 and 100% of the N.V. KEMA Group will be included in the DNV consolidated accounts from 1 March 2012. The purchase price will be allocated to the tangible and intangible assets and liabilities in the N.V. KEMA Group and reflected in the 2012 accounts for DNV.

13

GOODWILL

COMPANY / BUSINESS ACTIVITY	GOODWILL COST AT 1 JAN.	ACCUM. DEPR. 1 JAN.	REVAL. EFFECTS	THIS YEAR'S ADDITIONS	THIS YEAR'S DEPR.	WRITE DOWN	GOODWILL 31 DEC.
Global Energy Concepts Inc	129.9	(67.1)	(1.2)	0.0	(24.9)	(16.8)	19.9
Jardine Technology Ltd.	11.3	(5.5)	0.1	0.0	(2.2)	0.0	3.7
SOF Conseil SAS	15.2	(3.3)	(0.1)	0.0	(3.0)	0.0	8.8
Healthcare Inc.	12.2	(8.3)	0.1	(3.7)	(0.3)	0.0	0.0
BE&W Engineering Inc	31.6	(1.6)	0.4	0.0	(6.1)	0.0	24.4
Synergi Solutions AS	0.0	0.0	0.0	36.2	(4.3)	0.0	31.9
Total	200.2	(85.8)	(0.6)	32.5	(40.9)	(16.8)	88.7

Goodwill is depreciated linearly over the expected economic lifetime, which for these investments are evaluated at 5 years. Goodwill is written down if the net present value of the future expected cash flows are not defending the values in the balance sheet. Key assumptions in these calculations are expected future growth, expected future cash flows and discount rate.

Due to weaker financial performance from DNV Renewables Inc. (former Global Energy Concepts Inc.) than anticipated at the time of acquisition, the goodwill value on the balance sheet has been written down by NOK 16.8 mill in 2011. An expected growth rate of 2% and a discount rate after tax of 9.9% have been applied in the calculations.

14

OTHER INTANGIBLE ASSETS

COMPANY / INTANGIBLE ASSETS	COST AT 1 JAN.	ACCUM. DEPR. 1 JAN.	REVAL. EFFECTS	THIS YEAR'S ADDITIONS	THIS YEAR'S DEPR.	BOOK VALUE 31 DEC.
Norwegian Maritime Advisors – Technology	2.0	(1.4)	0.0	0.0	(0.4)	0.2
Tüv Healthcare Inc – Licence	7.6	(5.2)	0.1	(2.3)	(0.2)	0.0
Global Energy Concepts Inc – Customer relations	20.5	(10.6)	0.0	0.0	(3.9)	6.0
Synergi Solutions AS – Customer relations, Technology	0.0	0.0	0.0	11.1	(1.3)	9.8
Total	30.1	(17.2)	0.1	8.8	(5.8)	15.9

Other intangible assets are depreciated linearly over a 5 year period, based on evaluation of economic life.

15

DIVESTMENTS

On 26 July 2011, DNV sold the subsidiaries DNV IT Global Services SAS (France) and DNV Cibit BV (NL) and the ITGS operations in Italy, Singapore and China to Better Development SA.

A sales gain of NOK 41 million from the transaction is included in the 2011 accounts.

16 FIXED ASSETS

	LAND, BUILDINGS AND OTHER PROPERTY	OFFICE EQUIP- MENT, FIXTURES AND FITTINGS
Cost at 1 January 2011	1 625.2	2 052.4
Revaluation effects	(15.8)	(2.6)
Additions from acquisitions in 2011	0.0	0.8
Other additions in 2011	26.6	104.4
Disposals in 2011	(1.0)	(12.2)
Accumulated depreciation at 31 December 2011	(532.0)	(1 827.1)
Book value at 31 December 2011	1 103.1	315.8
Depreciation 2011	30.0	119.6
Economic life	20–100 years	3–10 years
Depreciation plan	Linear	Linear

Det Norske Veritas Eiendom AS has a tenancy agreement with Det Norske Veritas Pension Fund for an office building in Stavanger. In 2011 the rent amounted to NOK 7.7 million. The tenancy agreement is nonterminable for 30 years starting in 1984.

Det Norske Veritas Pension Fund has an option to sell the property to Det Norske Veritas for NOK 147.0 million at the end of the period (year 2014). The market value of the property as per 31 December 2011 is NOK 253.2 million.

17 LONG-TERM SHAREHOLDINGS

COMPANY	OWNERSHIP	BOOK VALUE	COMPANY	OWNERSHIP	BOOK VALUE
Ship Manoeuvring Simulator Center AS	34.6%	1.8	Kapnord Fond AS	6.0%	3.8
Vité Inc.	15.1%	0.0	CCS-DNV Technology Institute	50.0%	5.4
TT Holding AS	11.1%	0.0	DNV Nemko Presafe AS	50.0%	0.1
Marintek AS	9.0%	0.0	Blade Test Centre AS	25.0%	4.6
ECA International	2.7 %	0.0	Total long-term shareholdings		15.7

18 OTHER SHORT-TERM LIABILITIES

	DET NORSKE VERITAS – GROUP		
	2011	2010	2009
Advances from customers	806.1	717.9	562.0
Accrued expenses	540.4	465.5	450.1
Accrued holiday allowances	274.5	271.6	287.9
Unrealised loss (gain) and interest related to forward contracts	84.3	(36.3)	32.0
Other short-term liabilities	81.8	57.2	56.3
Total other short-term liabilities	1 787.0	1 476.0	1 388.3

19 OTHER LONG-TERM RECEIVABLES

	DET NORSKE VERITAS – GROUP		
	2011	2010	2009
Loans to employees	63.4	68.2	70.8
Other long-term receivables	257.0	288.3	306.1
Total other long-term receivables	320.4	356.4	376.9

20 CASH AND BANK DEPOSITS

Det Norske Veritas Holding AS has a cash pool system with DNB, in which most of DNV's legal entities participate. This system includes an overdraft facility of NOK 50 million.

DNV's wholly owned subsidiary in China, Det Norske Veritas China Company Ltd has an agreement for a CNY 150 million credit facility with Citibank in China. The facility is guaranteed by Det Norske Veritas AS through a parent company guarantee. The facility is undrawn at year-end 2011.

Det Norske Veritas AS has a cash pool system with Handelsbanken, in which all DNV's legal entities in Sweden participate. This system includes an overdraft facility of SEK 10 million.

DNV's wholly owned subsidiary in India, DNV Business Assurance India Private Ltd has an agreement for an INR 250 million credit facility with Citibank in India. The facility is guaranteed by Det Norske Veritas Holding AS through a parent company guarantee. The facility is undrawn at year-end 2011.

Balances on bank accounts participating in cash pooling systems are considered as internal assets or liabilities vis-à-vis other DNV participants. For DNV on a consolidated basis, the net total balance of NOK 656 million with DNB and SEK 25 million with Handelsbanken are included in Cash and bank deposits in the balance sheet at 31 December.

21 LONG-TERM LOANS

In 2011, Det Norske Veritas Holding AS entered into an agreement with Handelsbanken, Norwegian branch of Svenska Handelsbanken AB (publ). for a NOK 1 600 million multi-currency revolving credit facility. The facility is undrawn as per year-end 2011 and expires in December 2016. The credit agreement supporting this facility has certain covenants, including a negative pledge clause,

and a restriction on DNV's ability to dispose of main assets and principal subsidiaries. The credit agreement further requires that DNV maintains a certain minimum level of equity and that net interest bearing debt does not exceed a set level relative to total equity, both on a consolidated basis. DNV was well within all covenants at year-end.

22 GUARANTEES

STIFTELSEN DET NORSKE VERITAS			DET NORSKE VERITAS – GROUP		
2011	2010	2009	2011	2010	2009
0.0	0.0	0.0	75.7	49.1	49.9
			Guarantee commitments not included in the accounts		

These guarantees are not secured by mortgage.

23 EQUITY

	FOUNDATION CAPITAL	OTHER EQUITY	STIFTELSEN DNV	SUBSIDI- ARIES OF STIFTELSEN DNV	DNV GROUP
Equity 31 December 2010	283.5	937.7	1 221.2	5 039.5	6 260.7
Change in unrecognised net loss					
in defined benefit pension plans 2011				(917.2)	(917.2)
Foreign currency translation				(32.4)	(32.4)
Gain on hedge of net investments				61.0	61.0
Tax effect from hedging of net investments					
in foreign subsidiaries				(10.5)	(10.5)
Profit (loss) for the year		(33.1)	(33.1)	763.2	730.1
Equity 31 December 2011	283.5	904.6	1 188.1	4 903.6	6 091.7

Auditor's report

TO THE BOARD OF DIRECTORS OF STIFTELSEN DET NORSKE VERITAS

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Stiftelsen Det Norske Veritas, comprising the financial statements for the Foundation and the Group. The financial statements for the Foundation and the Group comprise the balance sheet as at 31 December 2011, the statements of income and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

THE BOARD OF DIRECTORS' AND MANAGING DIRECTOR'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS. The Board of Directors and Managing Director are responsible for the preparation and fair presentation of these financial statements in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for such internal control as the Board of Directors and Managing Director determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted

our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

OPINION. In our opinion, the financial statements of Stiftelsen Det Norske Veritas have been prepared in accordance with laws and regulations and present fairly, in all material respects, the financial position of the Foundation and the Group as of 31 December 2011 and their financial performance and cash flows for the year then ended in accordance with

the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

OPINION ON THE BOARD OF DIRECTORS' REPORT. Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Directors' report concerning the financial statements 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 the Board of Directors and Managing Director have fulfilled their duty to ensure that the Foundation's accounting information is properly recorded and documented as required by law and generally accepted bookkeeping practice in Norway.

Oslo, 19 April 2012
ERNST & YOUNG AS

Finn Ole Edstrøm
State Authorised Public
Accountant (Norway)

Note: This translation from Norwegian has been made for information purposes only.

GRI content index

SCOPE AND BOUNDARY OF THE REPORT

This annual report presents DNV's financial, social and environmental performance. The Global Reporting Initiative (GRI) Sustainability Reporting Guidelines (GRI G3) have been applied in preparing the report. In addition, DNV's vision of a global impact for a safe and sustainable future is reflected throughout the report.

The GRI content index on the following pages shows where you can find information on the main reporting elements and indicators of the GRI and UN Global Compact for sustainability reporting. References are also made to information that can be found on the www.dnv.com website.

The selection and prioritisation of reporting parameters are based on a materiality assessment conducted in 2009–2010 and surveys of key stakeholders concerning reporting preferences conducted in 2008 and 2011.

The materiality assessment was performed using a risk-based approach and revealed the following six areas as being material for our business: business conduct; corruption; products and services; marketplace; working conditions; recruitment and retention. These were closely followed by labour relations and diversity. Workshops were held in five locations worldwide using our protocol for CR assessments, and the results were consistent across all locations.

The survey of key stakeholders in 2008 involved 11 semi-structured interviews with people representing customers, potential customers, potential employees,

current employees and NGOs in the Americas, Europe and Asia. They also represented all main business areas. The identification and selection of these key stakeholders were based on input from senior managers' perception of who the most important stakeholder groups are. The results indicated that the report met the expectations of key stakeholders, and also revealed a few opportunities for improvement, although they were not totally consistent. The main point raised by two respondents was that the 2008 report was perceived as both a corporate brochure and an annual report. Since 2008, DNV has addressed this by focused on producing an annual report, which is more neutral in style and tone. This change has been noticed through our continued efforts to increase stakeholder engagement and confirmed through Questback surveys.

In 2011, a Questback survey was carried out among a representative selection of employees (416 out of 1051 responded) and among all external subscribers to the annual report 2010 (74 out of 431 responded). All the survey results indicated that the respective reports met the expectations of key stakeholders. The latest survey also showed that some of the opportunities for improvement revealed in the 2008 survey had been successfully addressed in the 2010 report. It is our ambition to continue to increase stakeholder engagement going forward with biannual structured stakeholder feedback on our sustainability reporting.

Furthermore, DNV is continuing to extend the report's scope and boundaries as indicated by our commitment to achieving GRI Application Level A+ by 2014. In 2011, DNV's own experienced consultants and verifiers of other companies' sustainability reports conducted a gap analysis of DNV's 2010 report and have proposed a roadmap for reaching A+ by 2014.

This annual report also takes into account our UN Global Compact reporting commitments and our Communication of Progress is integrated into the GRI content index.

The number of indicators reported on has increased since 2010 as a result of a continuous focus on transparency in reporting. The indicators that are not

reported on are listed at the end of the index. The financial statements are the only elements of this report that have been externally assured. DNV aims to externally assure the Annual Report 2014 in its entirety as part of its goal of achieving GRI Application Level A+.

The financial review has been prepared pursuant to the Norwegian Accounting Act and accounting standards and principles generally accepted in Norway. Information on the accounting principles applied to the subsidiaries is given in the notes to the financial statements.

The annual report covers all of DNV's global operations and subsidiaries. However, the environmental reporting is limited to all DNVPS laboratories and office locations with more than 40 employees. This represents 69% of all employees. Moreover, DNV has entered into a few joint ventures (JVs) and part-ownership structures, such as DNV NEMKO Presafe and the DNV Sustainability Centre's JV with the Chinese Ministry of Health. These operations cover fewer than 30 people in total and have no impact on our overall reporting and JVs and part ownership structures are only included in the notes of the financial statements (note 16).

There were no changes to the organisation in 2011 that have altered the report's boundaries or scope. Also, there is no reason for re-statements in the report. The new group structure involving three separate companies that is mentioned in the report came into effect on 1 March 2012 so consequent changes to the boundaries and scope will be reported in the 2012 Annual Report.

DNV has not identified any non-compliance with regulations and voluntary codes in 2011

Application Level

Following an internal assessment of this report by DNV's own experienced sustainability report verifiers against the GRI Application Level criteria, we are confident that this report meets the requirements for Level B. This Application Level has been checked by the GRI. The annual financial statements have been audited by Ernst & Young.



SUBSCRIPTION: You can subscribe to printed copies of the report and other DNV publications on www.dnv.com/resources/publications



FEEDBACK: Please let us know your views or comments on this report by email to dnv.corporate@dnv.com or write to us at DNV, Corporate Communications, NO-1322 Høvik, Norway.

This report is printed on paper from responsible sources. The paper is FSC and RA certified.

The printer holds a Nordic Swan and a FSC certificate.



Published by: Corporate Communication, Det Norske Veritas AS
Editor: Per Busk Christiansen



Idea and design: F A S E T T
Infographics: F A S E T T



Photos: Page 3: DNV and Getty Images. Board of Directors: Johs Boe. Cover and intro pages: Arild Danielsen (portraits and artwork), DNV and Statoil / Kjetil Alsвик (background images).



Paper: Artic Volume (130 / 200g)
Circulation: 20,000 Print: Grøset



STRATEGY AND PROFILE

GC9	1.1	3.5-3.11, 3.13	4.8
	CEO statement about the relevance of sustainability to the organisation and its strategy page 6-7	Scope and boundary of report 3.5 page 67 3.6 page 67 3.7 page 67 3.8 page 67 3.9 page 41 3.10 page 67 3.11 page 67 3.13 page 10, 67	Internally developed statements of mission or values, codes of conduct, and principles dnv.com/moreondnv/cr/business_ethics/index.asp
	1.2		4.10
	Description of key impacts, risks and opportunities page 8-10		Processes for evaluating highest governance body's own performance principles
	2.1-2.10	3.12	
	Organisational profile	Table identifying the location of the Standard	
	2.1 page 2, back cover	Disclosures in the report	
	2.2 page 5	this table	
	2.3 page 13		
	2.4 worldwide presence map page 40		4.11-4.13
	2.5 IFC	4.1-4.4	Principles, initiatives and associations supported by DNV
	2.6 page 2, 9-10	Governance, Commitments and Engagement	
	2.7 worldwide presence map	4.1 page 13	4.11 throughout the report
	2.8 page 5, 9-10, 13, IFC	dnv.com/moreondnv/profile/governing_bodies/	4.12 page 33, 37
	2.9 page 8, 10	4.2 page 13	4.13 page 37
	2.10 page 19, 33	dnv.com/moreondnv/profile/governing_bodies/	4.14-4.17
	3.1	4.3 page 11	List of stakeholder groups engaged by the organisation and key topics raised
	Reporting period	dnv.com/moreondnv/profile/governing_bodies/board_directors.asp	4.14 page 36, 67
	1 Jan to 31 Dec 2011		4.15 page 67
	3.2	4.4 page 10	4.16 page 37, 67
	Date of most recent previous report page 10	4.5	4.17 page 67
	3.3	4.6 page 10	
	Reporting cycle page 67 (annual)	4.7	
	3.4	4.8	
	Contact point for questions regarding the report or its contents back cover	4.9	
		4.5-4.7, 4.9	
		Governance, Commitments and Engagement – procedures and processes	
		4.5 dnv.com/moreondnv/profile/governing_bodies/board_directors.asp	
		4.6 page 10	
		4.7 dnv.com/moreondnv/profile/governing_bodies/election_committee.asp	
		4.8 dnv.com/moreondnv/profile/governing_bodies/board_directors.asp	

ENVIRONMENTAL PERFORMANCE INDICATORS

	DISCLOSURES ON MANAGEMENT APPROACH page 8, 40-43 dnv.com/moreondnv/cr/wedo dnv.com/moreondnv/cr/she
UNGC8	EN3-EN4 Energy consumption EN3 page 40-41 (partial) EN4 page 40-41 (partial)
UNGC9	EN5-EN7 Energy efficiency initiatives EN5 page 40-41 (partial) EN6 page 8-11, 42 EN7 page 10, 41-43
UNGC8	EN16 Greenhouse gas (GHG) emissions by weight page 41
UNGC9	EN17 Other indirect GHG emissions by weight page 42 (partial)
UNGC7	EN18 Initiatives for reducing GHG emissions page 41-43
UNGC9	EN22 Total weight of waste by type and disposal method page 42-43

SOCIAL PERFORMANCE INDICATORS

	LABOUR PRACTICES
	DISCLOSURES ON MANAGEMENT APPROACH page 10, 39 dnv.com/moreondnv/people dnv.com/moreondnv/cr/she
UNGC2	LA1 Total workforce by employment type, employment contract and region page 10, 39 worldwide presence map
UNGC6	LA2 Total number and rate of employee turnover by age group, gender and region page 39
UNGC1	LA3 Benefits provided to full-time employees page 39
UNGC3	LA4 Percentage of employees covered by collective bargaining agreement page 39
UNGC1	LA7 Rates of injury, occupational diseases, lost days and absenteeism, and number of work-related fatalities by region page 45-46
UNGC10	LA8 Education, training, counseling, prevention, and risk-control programs page 44-46 (partial)
UNGC10	LA10 Average hours of training per year per employee page 39
UNGC1	LA11 Programs for skills management and lifelong learning page 38 (partial)
UNGC1	LA12 Performance and career development reviews page 38-39
UNGC6	LA13 Composition of governance bodies and diversity breakdown of employees page 10, 39 (partial) worldwide presence cover
UNGC6	LA14 Ratio of basic salary of men to women page 38-39

	HUMAN RIGHTS
	DISCLOSURES ON MANAGEMENT APPROACH page 10 dnv.com/moreondnv/people/employee_management_relations.asp dnv.com/moreondnv/cr/business_ethics/index.asp
UNGC7	HR2 Human rights screening of suppliers and contractors Page 36 (partial)
UNGC6	HR3 Employee training on human rights policies and procedures Page 36-37 (partial)
UNGC1	HR4 Total number of incidents of discrimination Page 37
UNGC2	HR5 Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk dnv.com/moreondnv/people/employee_management_relations.asp
	SOCIETY
	DISCLOSURES ON MANAGEMENT APPROACH page 7, 36 dnv.com/moreondnv/cr/business_ethics/index.asp
UNGC10	SO2 Business units analyzed for risks related to corruption page 36 (partial)
UNGC10	SO3 Percentage of employees trained in organisation's anti-corruption policies and procedures page 36
UNGC1	SO4 Actions taken in response to incidents of corruption page 36-37
UNGC6	SO5 Public policy positions and participation in public policy development and lobbying page 7, 9, 37
UNGC10	SO8 Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations page 67

ECONOMIC PERFORMANCE INDICATORS

	DISCLOSURES ON MANAGEMENT APPROACH page 4, 6-11, 50-54 worldwide presence map
UNGC7	EC1 Direct economic value generated and distributed page 4, 51, 57-59
UNGC7	EC2 Financial implications and other risks and opportunities for the organisation's activities due to climate change page 8-9
UNGC6	EC3 Coverage of the organisation's defined benefit plan obligations page 56, 59
UNGC6	EC7 Procedures for local hiring and proportion of senior management hired from the local community page 10, 39 (partial) dnv.com/moreondnv/people/diversity_opportunity.asp
	PRODUCT RESPONSIBILITY
	DISCLOSURE ON MANAGEMENT APPROACH page 7, 8-11, 18-19
	PR2 Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes page 67
	PR4 Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labelling, by type of outcomes page 67
	PR5 Practices related to customer satisfaction, including results of surveys measuring customer satisfaction page 37

List of indicators not reported:
Profile disclosures
3.9, 4.5, 4.9
EC4-9
EN1, EN2, EN8-EN15, EN19,
EN21, EN23-EN26, EN28, EN30
LA5, LA6, LA9
HR1, HR6-HR9
SO6-SO7
PR3

● G3 disclosures
● GC = UN Global Compact reference
● Page / comment

