

# Reporting on Human Rights Due Dilligence

2025

## 1. Introduction

DNK's purpose is to protect Norwegian maritime assets against extreme incidents such as war, terror, piracy and cyberattacks. Through our market-leading maritime war risks insurance cover and loss prevention services, we aim to increase resilience, financial stability and competitive strength of our members' operations.

DNK insurance products and services are developed in close collaboration with our members to ensure optimal fit with their current and future business needs. Our organization is designed to deliver the competence, capacity and know-how that is required to help our members understand, prevent and manage crises and emergency situations.

DNK's organization and operations are described in the annual report, with particular emphasis on the chapters titled "Corporate Governance" and "Corporate Social Responsibility".

### 1.1 Reporting under the Transparency Act

DNK is subject to the Norwegian Transparency Act (Åpenhetsloven), which requires us to disclose information about our organization and operations, as well as our policies and procedures for identifying and managing actual or potential adverse impacts on fundamental human rights and decent working conditions. In addition, we are obligated to report on any identified instances of actual harm, along with the measures we have taken to prevent or mitigate such negative outcomes.

DNK is committed to promoting respect for human rights and decent working conditions, both within our own operations and throughout our supply chains and business relationships.

*This report provides an overview of our efforts in this area for the period 1 January to 31 December 2024.*

## 2. Framework for Safeguarding Human Rights and Working Conditions

Human and Labor rights are embedded in DNKs system for governance and control and apply to all employees across all business units. Our guiding documents are founded on the principles of the OECD Guidelines for Responsible Business Conduct.

The Board of Directors holds the overall responsibility for setting requirements and issuing guidelines to ensure respect for human and labour rights throughout our operations and value chain. Group executive management is responsible for implementing and following up on these requirements across the organization.

The Board has set expectations for human and labour rights through the company Code of Conduct and Supplier Code of Conduct. The Board has also established requirements for responsible investment through our Investment Strategy.

### **3. Human and Labor Rights**

#### **3.1 *Loss-prevention***

DNK is committed to safeguarding human and labor rights through the services we provide to our members. In addition to providing insurance coverage, our aim is to deliver timely and relevant threat assessments and loss prevention support, enabling members to mitigate and manage crisis situations and incidents that may negatively affect the working conditions, wellbeing and safety of crew members.

#### **3.2 *Suppliers***

Our Supplier Code of Conduct requires all suppliers to maintain sustainability due diligence processes for identifying, preventing, mitigating and accounting for impact on human rights and environmental impact in their value chain. The Supplier Code of Conduct follows the OECD Guidelines for Responsible Business Conduct and lays out requirements concerning:

- Human rights
- Forced labor
- Child labor
- Working hours
- Fair remuneration
- Freedom of association
- Non-discrimination and equality
- Harassment
- Whistleblowing

#### **3.3 *Investments and capital management***

DNK publishes a semi-annual sustainability report for its investment portfolio, comparing it to relevant benchmark indices for equities, corporate bonds, and government bonds. Basic ESG exclusion criteria have been introduced through the mandate with our capital manager.

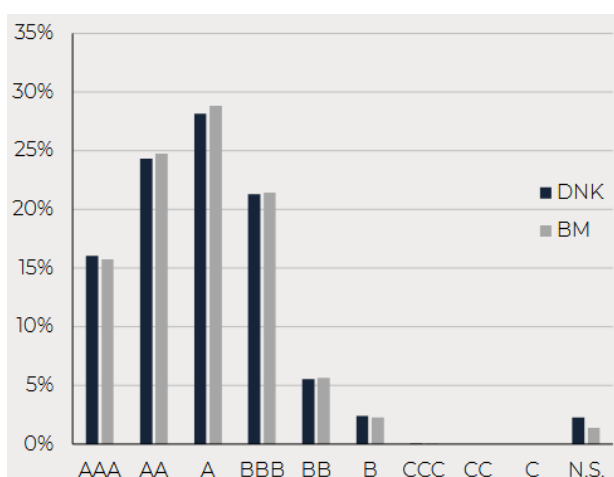
The core equity investments are placed in Article 8 funds under the EU's SFDR, which promote environmental or social objectives, and the investment strategy is also aligned with the EU's goal of climate neutrality by 2050.

Total portfolio	DNK	Benchmark
<b>General</b>		
ESG screened, incl. by proxy	93.2 %	96.0 %
SFDR Article 8 funds	89 %	N/A
Morningstar Corporate Sustainability Risk Score (0–100), weighted average	17.7	18.2
Morningstar Sovereign Sustainability Risk Score (0–100), weighted average	13.2	14.1
<b>Carbon emissions</b>		
Carbon emissions, Scope 1–2 (metric tons CO <sub>2</sub> )	7 091	10 933
Carbon emissions, Scope 1–3 (metric tons CO <sub>2</sub> )	113 953	126 909
Carbon intensity, Scope 1–2 (tons CO <sub>2</sub> per USDm company revenue)	79.2	109.9
Carbon data coverage (%)	42.1 %	38.8 %
Sovereign carbon intensity (kilograms of CO <sub>2</sub> per USD of GDP)	0.19	0.26
Exposure to high-emitting sectors (% of portfolio)	2.9 %	4.1 %
<b>Diversity &amp; Inclusion</b>		
Female directors (% of portfolio)	14.9 %	14.0 %
Director data coverage (%)	41.9 %	39.1 %
Female executives (% of portfolio)	10.1 %	9.0 %
Executive data coverage (%)	40.1 %	37.0 %

The portfolio scores better than its benchmark on carbon, both from corporate and sovereign issuers. The most important effect comes from the exclusion of Chinese government bonds, which has a large benchmark weighting.

DNK's equity portfolio has a slight overweight of AAA issuers at 0.3 %. Underweights are found in the remaining categories, while DNK's overweight of 0.8 % in the unrated category is explained by cash and derivatives in the funds. 89.8 % of the portfolio is invested in companies rated BBB or above – parallel to an “investment grade” classification within corporate credit. This is slightly less than the benchmark.

93 % of the portfolio and 96 % of the benchmark has been analyzed in this ESG setting, either directly or by proxy (government bonds, MBS, etc.).



### 3.4 DNK Employees

DNK recognizes the core conventions of the ILO and the OECD and supports their efforts to promote decent working conditions based on internationally recognized labour rights.

All employees at DNK are free to join trade unions, and unions have unrestricted access to recruit members among staff.

DNK conducts regular internal health, safety and environment (HSE) audits to ensure compliance with legal requirements and internal HSE procedures. We are committed to ensuring equality and non-discrimination in the workplace, and this is reflected in our Ethical Guidelines and Code of Conduct.

An annual workplace environment survey helps identify any conditions requiring special follow-up. No workplace environment survey was conducted during the reporting period. A more extensive third-party workplace environment survey has been performed in Q1 2025.

*No ethical non-compliance incidents or legal actions were taken against DNK on human or labor rights during the reporting period.*

#### **4. Due Dilligence Assessment Procedures**

Due Dilligence assessments are carried out to identify and analyze the risk of violations of fundamental human rights and decent working conditions across our supply chain and other business relationships. This work is prioritized based on risk and materiality, using the following criteria:

- **Country:** Suppliers operating in high-risk countries with regard to human and labor rights violations
- **External ratings:** Such as the Global Reporting Index (GRI), Corruption Perceptions Index (CPI) and Sustainable Development Index (SDI)
- **Company-specific Incidents:** Suppliers with known events involving breaches of human rights or labor standards.

Suppliers flagged under one or more of these criteria are subject to further review to determine their risk level. Any supplier considered high-risk under at least one criterion must be assessed individually.

The assessment process typically includes investigations through gathering information and documentation from external sources, and directly from the supplier if necessary. Relevant checks may include open-source reviews and information from ongoing supplier monitoring.

Based on the results of these investigations, the specific risk level of the supplier must be evaluated. Where necessary, further mitigation measures must be implemented.

*No supplier or business partner met the criteria for special review during the reporting period.*

*DNK has not been made aware of any incidents where it has caused or contributed to adverse impact during the reporting period.*

#### **5. Environmental Factors**

While DNK's war risk insurance business is not directly affected by environmental factors, human-induced threats such as piracy or terrorism may be influenced by heightened geopolitical tensions and conflicts exacerbated by climate change and environmental stress in certain regions.

Global warming may also contribute to shifts in maritime trade routes, potentially exposing seafarers to more challenging and hazardous working conditions.

DNK's loss prevention efforts are designed to reduce the risk of loss of life and prevent environmental harm resulting from damage to maritime assets. In support of these goals, we continually invest in new technologies, data-driven solutions, and digital collaboration tools- both within our own organization and across our membership base- to enhance operational efficiency and reduce negative environmental impacts.

#### **6. Anti-corruption and financial integrity**

DNK maintains a zero-tolerance policy toward corruption and bribery. This principle applies across all levels of the organization, including employees, suppliers, counterparties and members.

Our ethical guidelines and policies on anti-corruption, anti-money laundering, counter-terrorism financing and fraud prevention are regularly communicated and made accessible to employees and relevant stakeholders. These frameworks are supported by systematic Know Your Customer (KYC) procedures, which includes sanctions screening and the monitoring of financial transactions, to reduce the risk of engaging with non-compliant or high-risk counterparties.

DNK's Board of Directors, executive management and control functions are subject to regular fit and proper assessments to ensure continued integrity and competence.

Employees are encouraged to report any suspected illegal, unethical or suspicious activity through secure and confidential whistleblower channels. All reports are handled in line with established procedures and applicable legal requirements.

Should they occur, DNK reports incidents involving ransom demands to relevant authorities, including Økokrim (the Norwegian National Authority for Investigation and Prosecution of Economic and Environmental Crime), the UK National Crime Agency, and INTERPOL.

*There were no confirmed incidents of sanctions violations, corruption, or bribery at DNK during the reporting period.*

*No whistleblower reports have been filed during the reporting period.*

## **7. Risk of Negative Impact on Human and Labor Rights**

DNK acknowledges the critical role it plays in high-risk situations where human rights and labor standards may be at risk. Through our active involvement before, during, and after insured events, DNK is uniquely positioned to support its members and respond to the needs of seafarers who may be affected by serious incidents such as kidnapping and ransom situations.

We are committed to providing comprehensive post-incident support, with a strong focus on safeguarding the rights and well-being of crew members. In this context, DNK continuously works to strengthen internal competence and build capacity among its members to better prevent, identify, and respond to potential violations of human and labor rights.

Beyond our core focus on war risk insurance and maritime security, DNK also contributes to humanitarian efforts. This includes both financial support to relevant causes and the encouragement of employee engagement, such as allocating time for staff to participate in volunteer or charitable initiatives.

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Oslo, 26 June 2025

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Mons Aase  
Chair of the Board

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Svein Ringbakken  
Managing Director