



DNV GL UK  
**Tax Strategy**

December 2019

This document is to satisfy the requirements under Section 161 and Schedule 19 of the UK Finance Act 2016 that qualifying UK companies must publish details of their tax strategy.

## About us

Driven by our purpose of safeguarding life, property and the environment, DNV GL enables organisations to advance the safety and sustainability of their business. We provide classification, technical assurance, software and independent expert advisory services to the maritime, oil & gas and energy industries. We also provide certification services to customers across a wide range of industries.

Combining leading technical and operational expertise, risk methodology and in-depth industry knowledge, we empower our customers' decisions and actions with trust and confidence. We continuously invest in research and collaborative innovation to provide customers and society with operational and technological foresight. Operating in more than 100 countries, our professionals are dedicated to helping customers make the world safer, smarter and greener.

DNV GL's shared roots stretch back to 1864, when Det Norske Veritas (DNV) was founded as a membership organisation in Oslo. Norway's mutual marine insurance clubs banded together to establish a uniform set of rules and procedures, used in assessing the risk of underwriting individual vessels. The group aimed to provide "reliable and uniform classification and taxation of Norwegian ships".

At the time, the Norwegian shipping industry was experiencing rapid growth and breaking out of its traditional local boundaries. An emerging, nationwide market for marine insurance was needed. Three years later in Germany, a group of 600 ship owners, shipbuilders and insurers gathered in the great hall of the Hamburg Stock Exchange. It was the founding convention of Germanischer Lloyd (GL), a new non-profit association based in Hamburg.

GL was formed out of a desire to achieve transparency. Merchants, ship owners and insurers often received little information about the state of a ship. As an independent classification society, GL was created to evaluate the quality of ships and deliver the results to stakeholders. GL's first international ship classification register from 1868 reports 273 classed ships. By 1877, the number had grown tenfold.

Society became an increasingly demanding stakeholder in the predominantly private, liberal industry. Load lines developed by Samuel Plimsoll became compulsory on every British ship from 1891, saving the lives of seamen along the British coasts.

When Georg Vedeler was appointed DNV's managing director in 1951, he introduced a more scientific approach to ship construction. His vision was to build safer ships in a more efficient way, using scientific competencies and skills. New rules based on an analytical and theoretical scientific approach were

introduced, and a significant step was taken towards establishing a dedicated research department. This provided opportunities for DNV in the more demanding segments of shipbuilding, which initially involved the new super tankers and later extended to gas and chemical tankers. The fleet was still predominantly Norwegian, but internationalisation was taking off.

GL also took a scientific approach in developing the organisation after WWII. This led to the introduction of high-powered computer analysis, enabling the design and construction of larger and more modern ships. GL's research investments resulted in new construction rules for container ships, and the company soon dominated this segment within international shipping.

In 2009, GL acquired the world's largest wind energy consultancy, UK based Garrad Hassan. This, coupled with the offshore wind expertise of Noble Denton, meant that GL was able to deliver a full service approach with a comprehensive service portfolio towards the wind energy sector.

The DNV GL Group became operational on September 12, 2013. The DNV GL Group today operates in over 100 countries.

## Working as an ethical company

Our customers and stakeholders expect us to operate to a high ethical standard. We aim to ensure that our business conduct always reflects the DNV GL values, demonstrates ethical leadership and upholds our reputation for integrity. We are committed to transparency and accuracy in our dealings.

Our approach to corporate responsibility is described by our attitude toward health and safety, respect for the environment, our employee and community engagement, and sustainability in a wider perspective. It is an integral part of how DNV GL operates. Our code of conduct provides the framework for what we consider ethical, responsible, and sustainable conduct. DNV GL follows a compliance process and foster a common culture of business ethics beyond compliance.



Schedule 19 of the UK Finance Act 2016 requires a tax strategy statement on behalf of a UK group to set out: the approach of the group to risk management and governance arrangements in relation to UK taxation; the attitude of the group towards tax planning (as far as affecting UK taxation); the level of risk in relation to UK taxation that the group is prepared to accept; and the approach of the group towards its dealings with HMRC.

#### Approach to managing risk and developing good governance in relation to the taxation of our affairs

We manage tax in line with our group governance framework, tax laws and regulations, and risk management procedures. The responsibility for tax governance and risk management in the UK rests with the Senior Accounting Officer while day-to-day management of tax affairs is delegated to tax and finance functions, with oversight of the group board and audit committee. Our approach to risk management and governance arrangements in relation to UK taxation is aligned to our overall business strategy and code of conduct.

Our tax function maintains close working relationships across our businesses in the UK and provides the businesses with the appropriate guidance to ensure compliance with the UK tax laws and paying the right amount of tax. Engagement with stakeholders coupled with the promotion of tax function ensures that tax risk is identified in a timely manner and any appropriate mitigating action to reduce our tax risk is undertaken. This results in open and transparent environment within which tax risk can be managed.

#### Attitude towards tax planning and level of risk

DNV GL has a code of conduct which sets out ethical and social values, as well as fundamental principles and practices. This framework governs actions internally as well as impacting the way business is conducted. We have a strong policy of compliance and are committed to paying the right amount of tax due under the UK tax laws. DNV GL is a signatory to the United Nations Global Compact and we are committed to adhering to its principles.

As clearly stated in our code of conduct and group strategy, DNV GL's business model is based upon society's trust. Therefore, DNV GL does not participate in or make use of financial transactions that could damage this trust. Our group tax policy states that DNV GL shall not experiment with ambiguous tax planning or transactions. Our transactions (both external and internal) and the tax implications arising from them reflect the reality of the commercial situation and are not designed to avoid paying the right amount of tax.

We take a responsible approach to managing our tax affairs and are committed to comply with all applicable tax laws and regulations. Our success depends on trust. We have a low appetite for tax risk and try to minimise it by being compliant with tax requirements. DNV GL's tax affairs are managed in a way which takes into account our wider corporate reputation in line with our overall high standards of governance and corporate social responsibility.

Given the scale and complexity of our business and volume of tax obligations, risks will inevitably arise from time to time in relation to the interpretation and/or application of tax law. We do seek external tax advice from time to time in relation to correctly interpreting and applying the laws and regulations.

#### Dealing with HMRC

We engage with HMRC with respect, honesty, and integrity, to maintain a transparent and constructive relationship. All dealings with HMRC are conducted in a collaborative, courteous and timely manner.

Where there is uncertainty surrounding the interpretation of UK tax laws after having established our own understanding of the position and having referred to HMRC's guidance materials, we seek to resolve the uncertainty by open dialogue with HMRC.

We comply with all current tax transparency requirements, and support international efforts to provide meaningful insight to stakeholders by publishing information in addition to the minimum required by existing law and accounting standards.