

POLICY

Sustainability



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1 Purpose & approach

To ensure Danish Ship Finance's continued position as a preferred financing partner, we actively engage in meaningful discussions with our clients and other stakeholders concerning the green transition and other key sustainability issues. At Danish Ship Finance (DSF), our objective is to support our clients on their journey towards a net zero shipping industry. As a financial institution, we acknowledge and embrace our responsibility to drive positive impact within the industry. Lastly, DSF is also committed to sustainability in the operation of our own business and strive to continuously minimise any negative impacts.

By conducting business that promotes environmental responsibility, addresses social issues, and adheres to good governance practices and ethical behavior, DSF contributes to sustainable economic growth. Sustainability is integrated into our corporate strategy, and in alignment with the overall vision of the company. This policy establishes the framework for integrating sustainability across the organization and is applicable to all employees and implemented through various other policies.

Our primary goal is to be the preferred partner, and to create long-term value for our stakeholders. We believe that the integration of sustainability into DSF's culture and daily operations is a crucial step in creating value for all stakeholders in the future.

2 Our commitment

We are responsible for the impact, positive and negative, of our business. We want to be a reliable and trustworthy partner for our clients and all other stakeholders and aim to conduct our business in an ethical and responsible manner in relation to all stakeholders. We include human rights, labour rights, environmental and climate responsibility, and anti-corruption in our decision-making

We are committed:

- To be a good corporate citizen
- To respect human rights
- To be engaged in diversity, equal opportunities and well-being our employees
- To be honest, reliable, and to conduct ethical responsible business
- To be engaged in environmental and climate stewardship
- To deny bribery and corruption in any form.

3 Regulation

DSF adheres to all relevant Danish and international legislation. In addition, we base our sustainability approach on a number of internationally recognised voluntary standards and conventions.

DSF has been a member of UN Global Compact since 2016. This initiative outlines ten principles for responsible business operations, covering human rights, labour rights, environmental protection, and anti-corruption measures.

DSF supports and apply when relevant The UN Guiding Principles on Business and Human Rights. These principles provide guidance on how companies should conduct their daily operations and strategic planning to avoid contributing to human rights violations. Danish Ship Finance is committed to upholding these principles and expects its clients to prioritize compliance with these principles.

DSF supports the UN Sustainable Development Goals (SDGs). The SDGs promote 17 specific themes aimed at achieving sustainable development. These themes are categorized into climate change, environmental protection, and social needs such as education, health, social protection, and job opportunities. We actively work towards the goals that are particularly relevant to our business and have identified goals 5, 8, 12, 13, and 17 as relevant¹.

¹ SDG 5 is Gender Equality, SDG 8 is Decent work and economic growth, SDG 12 is Responsible consumption and production, SDG 13 is Climate action, and SDG 17 is Partnership for goals.

DSF is a founding signatory to the Poseidon Principles, established in 2019. The initiative provides a common reporting framework for the climate impact of shipping loan portfolios in banks and other lending institutions.

DSF joined Responsible Ship Recycling Standards (RSRS) in 2021. This joint bank initiative aims to ensure environmentally and socially responsible dismantling and recycling of ships.

DSF supports the Getting to Zero Coalition. DSF supports this multi-stakeholder coalition that aims to unite stakeholders from the maritime, energy, infrastructure, and finance sectors to make zero-emission vessels commercially viable by 2030.

4 Organisation and reporting

The Board of Directors define the overall sustainability strategy and public targets for the company. The Board of Directors are briefed about progress on the sustainability agenda continuously, and will normally have an in-depth review at least once every year, in connection with the publication of the annual reporting.

DSF's Sustainability Office is responsible for executing the sustainability strategy and delivering on defined targets, implementation of new initiatives and for daily operations of already existing business processes. Existing processes include, but are not limited to, sustainability ratings of clients, reporting against Poseidon Principles trajectories, collection of all relevant sustainability data, progress towards defined targets, and annual reporting on sustainability performance.

DSF reports annually on sustainability in accordance with the rules in §135 in "Executive Order on the Preparation of Financial Statements". The reporting includes an update on sustainability strategy and targets for the organisation.