

POLICY

Sustainability



Contents

1	Purpose	3
2	Principles in DSF	3
3	Regulatory framework	4
4	Sustainability statement	4
5	Sustainability management	4
5.1	DSF's guiding sustainability principles.....	5
6	Reporting	5
7	Sustainability governance	6
8	Sustainability commitments.....	6
8.1	Poseidon Principles	6
8.2	Responsible Ship Recycling Standards.....	6
8.3	UN Global Compact	6
8.4	UN Sustainable Development Goals	6
9	Policy update	6

1 Purpose

The purpose of the sustainability policy is to outline and define the framework for sustainability in Danish Ship Finance (DSF) and provide a common understanding of how DSF manages and implements sustainability practices to ensure material sustainability issues are addressed and fulfil the strategic priorities, objectives and targets. It encompasses DSF's initiatives regarding human rights, social, ethical, environmental and climate conditions, as well as actions to combat corruption.

2 Principles in DSF

For DSF, sustainability involves taking responsibility for the company's impact on the environment and society. This includes being a credible and reliable partner for its clients and other stakeholders while also acting ethically and responsibly towards society and DSF's own employees. DSF incorporates environmental responsibility, human rights, employee wellbeing, and anti-corruption into all its decision-making processes.

We commit to the following principles and expect the same from our clients and suppliers:

- We commit to being a good corporate citizen
- We engage in environmental and climate stewardship
- We respect human rights
- We engage in equal opportunities, diversity and employee wellbeing
- We commit to honesty, credibility and ethically responsible behaviour
- We commit to rejecting bribery and corruption in any form

This sustainability policy is supplemented by and implemented through various additional policies published on the company's website, including:

- A code of conduct, including a whistleblower scheme
- A code of conduct for business relations
- A remuneration policy
- Targets and policies for the underrepresented gender and diversity in management
- A tax policy¹
- A credit policy¹
- A policy for a healthy corporate culture¹
- A policy for addressing bullying, harassment and discrimination¹
- A privacy and data ethics policy¹
- An anti-money laundering and counter-terrorist financing policy¹

¹ Internal documents

3 Regulatory framework

According to the Executive Order on Financial Reports (Executive Order no. 516 of 17 May 2024 on financial reports for credit institutions and investment companies, etc.), DSF must submit a non-financial statement on corporate social responsibility as a supplement to the Management Report. The rules on a sustainability statement follow from § 151 of the accounting regulation.

4 Sustainability statement

DSF aims to be a leading player in the maritime sustainability transition and is convinced that companies that integrate sustainability into their business strategy have the best prerequisites to achieve long-term success. Therefore, sustainability is integral to DSF's business strategy and in alignment with the company's vision of being the obvious choice in ship finance. It is, therefore, a core focus for DSF to stay committed to supporting its clients in their transition towards a sustainable and low-carbon economy. In pursuit of this ambition, DSF is a founding signatory of the Poseidon Principles, aiming to achieve zero financed emissions by 2050.

Achieving the targets set out by the Poseidon Principles will increase global maritime investment needs. DSF will create value from a financial, social and environmental perspective by seeking to make a positive contribution to reaching the targets. It will achieve this by engaging in proactive dialogue with clients and offering sustainable products, enabling clients to succeed in transitioning the shipping sector.

DSF's sustainability approach extends beyond regulatory compliance and is a central part of the company's strategy. The strategic focus on sustainability is largely shaped by the primary stakeholders: clients, investors and employees, and their expectations.

In addition, DSF commits to upholding human rights across its supply chain and believes everyone deserves to work in a safe, respectful and fair environment.

5 Sustainability management

To manage sustainability, DSF's comprehensive double materiality assessment (DMA) examines how sustainability risks and opportunities can affect the financial performance and how DSF's business activities impact society. The "double materiality" concept was introduced in the Corporate Sustainability Reporting Directive (CSRD) and consists of impact materiality and financial materiality. Information about material impacts, risks, and opportunities related to their business activities and relevant sustainability matters is identified to assess the materiality.

Hence, the DMA has enhanced DSF's understanding of key sustainability impacts, risks and opportunities, and provided valuable insights into stakeholder expectations. This has enabled DSF to assess the importance of and prioritise sustainability themes and efforts with the highest financial materiality to DSF and where DSF can achieve the highest environmental and societal impact.

DSF incorporates material sustainability considerations into governance and key processes to effectively address its strategic priorities related to sustainability risks, opportunities and impacts. DSF manages material sustainability-related opportunities and risks through its overarching policies and business areas, rather than relying on separate policies focused solely on environmental, social or governance topics. As an example, our credit approval process takes account of material ESG-related risks related to a client. This is fundamental to ensuring that sustainability is integrated into our business practices.

5.1 DSF's guiding sustainability principles

To achieve our goal of becoming a leading player in the maritime sustainability transition, along with our vision of being the obvious choice for ship financing, we are committed to continuously improving our sustainability-related capabilities. We do this by integrating the following initiatives into our business operations:

- *Advisory capabilities.* To promote efforts in important environmental, social and governance areas, it is essential for DSF to maintain constructive dialogues with the clients. This requires strong internal sustainability expertise and knowledge, as well as a solid understanding of the regulatory landscape and its implications for the maritime sector.
- *ESG rating model.* DSF engages in dialogues with clients based on an internally developed ESG rating model. This model evaluates clients' sustainability efforts based on the most relevant sustainability topics for the shipping industry. Additionally, it allows for the sustainability performance of DSF's portfolio to be tracked and managed.
- *Product development.* DSF aims to be a leading financing partner within the maritime sector by developing and offering sustainable financing products.
- *Impact and partnerships.* DSF is a member of the Poseidon Principles Association as a founding signatory and reports the financed portfolio's CO₂e emissions relative to applicable IMO targets. DSF is also participating in the Responsible Ship Recycling Standards and is including requirements for responsible ship recycling in loan documentations.
- *Sustainability data management and development.* DSF is committed to continually improving its ability to gather and produce accurate and timely sustainability data. This will enable it to identify business opportunities related to sustainability, measure its impact, and assist its clients on their sustainability transition journey. Additionally, this data will help DSF meet evolving reporting requirements.
- *Employee well-being and rights.* DSF aims to be an attractive employer with high employee well-being. DSF ensures employee rights to freedom of association and collective bargaining, as employees are covered by a collective labour agreement and an internal policy. Additionally, DSF promotes employee knowledge and skills, e.g., through educational opportunities.
- *Diversity, equity and inclusion.* DSF supports diversity and aims to ensure equal opportunities for all, regardless of gender, religion, political beliefs, sexual orientation, age, disability or ethnic origin, etc. DSF has zero tolerance for sexual harassment and discrimination and encourages employees to report any incidents to management and, as a last resort, use the whistleblower system in the event of any incidents.

6 Reporting

We commit to being transparent in our efforts to support long-term sustainable development in our operations. We will publicly report on our sustainability targets, performance, and sustainability impacts in our Annual Report, adhering to applicable regulations. Although we are not currently in scope of the CSRD, we will continue working with our impacts, risks, and opportunities. In this case, we will follow a voluntary reporting standard to ensure transparency and clear communication to all external stakeholders.

7 Sustainability governance

The Board of Directors defines the company's overall sustainability strategy and public targets. The board is continuously briefed about progress on the sustainability agenda and conducts an in-depth review at least annually in connection with the publication of the Annual Report.

The Sustainability & Research team is responsible for delivering on defined targets, implementing new initiatives, and managing the daily operations of existing business processes. Existing processes include, but are not limited to, ESG ratings of clients, reporting DSF's alignment with Poseidon Principles trajectories, collection of all relevant sustainability data, progress towards defined targets, and annual reporting on sustainability targets.

8 Sustainability commitments

We acknowledge the importance of engaging in international commitments that enable businesses to operate sustainably and support the following international agreements and frameworks:

8.1 Poseidon Principles

DSF is one of the founding signatories of the Poseidon Principles, a voluntary industry initiative established in 2019. This initiative provides a common reporting framework for the climate impact of ship loan portfolios in banks and other lending institutions.

The Poseidon Principles align with the IMO's ambition to achieve climate neutrality by 2050 and are one of DSF's primary client-facing initiatives on climate. DSF is a member of the Poseidon Principles Steering Committee, seeking to continuously increase the initiative's level of ambition.

8.2 Responsible Ship Recycling Standards

In 2021, DSF joined the Responsible Ship Recycling Standards (RSRS). This banking initiative aims to provide common standards for environmentally and socially responsible scrapping and recycling of ships, incorporating these standards into new loan documentation.

8.3 UN Global Compact

DSF joined the UN Global Compact in 2016. With the Global Compact, the UN has established ten principles for corporate social responsibility that companies are encouraged to follow. The principles are based on internationally recognised conventions on human rights, labour rights, the environment and anti-corruption. DSF reports annually on its efforts in a mandatory Communication on Progress (CoP) report.

8.4 UN Sustainable Development Goals

DSF supports the UN's Sustainable Development Goals (SDGs). The SDGs are a universal call to action to end poverty, protect the planet, and improve the lives and prospects of everyone, everywhere. DSF actively works with the goals that are considered particularly material to the company's operations and impacts. Five of the 17 SDGs (shown below) have been identified as being particularly relevant.



9 Policy update

The sustainability policy was approved by the Executive Board on 11 June, 2025. The policy will be updated in the event of significant changes or renewed no later than June 2026.