

# 2023

## Transparency act report

Our approach and commitment to fundamental human rights and decent working conditions



## **TRANSPARENCY AND WORK ON FUNDAMENTAL HUMAN RIGHTS AND DECENT WORKING CONDITIONS**

In Norway there is an act relating to enterprises' transparency and work on fundamental human rights and decent working conditions issued by the Ministry of Children and Families. Section 3 describes that the act (hereafter called: transparency act) applies to Pon Energy Rental AS (Norway). Section 5 of the transparency act describes the duty to publish an account of due diligence. Therefore this report is being published on our company website. Since our company already has embedded and acting to fundamental human rights and decent working conditions throughout the whole company this report applies to the total Pon Energy Rental organization in Belgium, Norway and the Netherlands. This report provides information on the implementation and results of Pon Energy Rental's due diligence, actions and approach.

## **DESCRIPTION PON ENERGY RENTAL STRUCTURE AND AREA OF OPERATIONS**

Pon Energy Rental is a company providing rental solutions for power and temperature control with locations in Belgium, Norway and the Netherlands. We operate in various segments such as events, industry, shipping, oil & gas, infrastructure, utilities, critical facilities, military, and its subsegments. We are part of a larger company Pon Holdings located in the Netherlands. Within Pon we are part of the division Pon Power & Equipment systems.

Pon Energy Rental is a Caterpillar dealer providing Power and TC rental solutions. Pon Energy Rental provides customers with our (technical) solutions locally with our employees within the countries and our fleet which we can share within our operating companies. Our fleet consists of but not limited to generators, transformers, load banks, batteries, power distribution, chillers and heat pumps, air to air heaters, cooling towers, air handlers, air to air heat pumps, hot water systems, air coolers and ancillaries.

The increased focus on CO2 reduction and more energy efficient consumption can be found partly in our fleet but also in other areas of our company. Our clients can expect highly qualified and experienced personnel, an extensive rental fleet and high quality and safety standards for their project. We provide services such as remote monitoring, transport and delivery on site, complete engineering, and 24/7 support.

## **OUR COMMITMENT TO FUNDAMENTAL HUMAN RIGHTS AND DECENT WORKING CONDITIONS**

Pon Energy Rental acknowledges the need to keep high standards human and labor rights. Pon Energy Rental works to ensure that our business operations do not cause or contribute to, or is directly linked to, actual or potential adverse impact on human rights and decent working conditions. This is largely embedded in our organization in policies and procedures, bill of authority, systems, way of working, meetings, training content, (incident

reporting, internal and external audit and reviews etcetera. In 2023, we started and continued actions in safeguarding human rights and decent working besides our regular on going, follow up and improvements. Some of these actions started in 2022 and some were a result of the executed due diligence. The most important ones are as follows but certainly not limited to.

- With the support of an external company we started a project which is called safe move which we kicked off in November 2022 throughout the whole company. Although, working guidelines and policies on how to work safely are in place, we find it important that a certain way of thinking and the safety values are part of our culture as well. Since, you can't describe each situation in a guideline or policy. This is why our 'safe move' project is all about safety culture. The end of 2023 we finalized the project but we will continue with this knowledge to keep the focus on an high safety culture.
- The car policy is being reviewed to become more sustainable and environmental friendly and complying the rights of people within the secondary labor terms. For those rights we executed a legal check in 2023. Even though, the policy is planned to be launched in 2024, we aim already to apply to the best we can.

- We conducted an internal privacy audit in 2023. Minor improvements are followed up in 2023 and will be followed up in 2024.
- In Norway we conducted a salary benchmark in 2023. We have concluded that our salaries and salary scales are at least in line with the benchmark.
- In 2022, we started together with external experts to review the compliance with collective labor agreement in the Netherlands. In 2023 we finalized the project and in those cases where there was a gap, we compensated the past and applied correctly going forward.
- We reviewed and updated our policy on variable compensation making improvements on equality.
- We introduced a new app for reporting safety, quality, environmental incidents, inspections etc. This new app allows us to better follow up and we gained a better accessibility compared to the previous reporting mechanism.
- We conducted in Benelux a CPR and AED training.
- We reviewed the supplier questionnaire on compliance statements and human rights and we planned to introduce the use on a larger scale in 2024.

- In 2023 we formed a working environment committee in Norway that ensures that the work is organized and maintained, and that the work is carried out in such a way that the safety, health and well-being of the employees are guaranteed in accordance with the provisions of the work conditions act.
- We increased workspace in Netherlands making sure that work can be conducted in better circumstances including improvements on (more sustainable) climate control and isolation. And we invested in electrical forklifts.
- In 2023 we also executed measurements and analysis on the air condition in the workplace in the Netherlands.
- We improved in Norway our personnel handbook in our HR system to provide more clarity on labor rules.
- After the kick off in 2022 of our D&I project, in 2023 HR was trained by participating in 12 sessions, the management team and supervisors followed 1 session from an external training company and more sessions are planned for 2024 and we started with some initiatives to create awareness.
- A D&I ambassador is chosen and some people followed a training of inclusive leadership.

If any gap will arise on certain reviews such as, on benchmark of salaries and CLA, we will act on it by recovery or compensation where it is needed with if needed support of specialists.

## **GOVERNANCE OF HUMAN RIGHTS AND DECENT WORKING CONDITIONS**

### **Policies**

Pon Energy Rental human rights policy describes our approach to managing human rights risks in our operations and compliments our Code of Conduct. It sets out our obligation to perform human rights impact assessment and due diligence to understand and mitigate potential and actual adverse impact and ensure that Pon Energy Rental, through its operations, does not cause or contribute to adverse human rights impacts.

Pon Energy Rental human rights commitments are embedded in our internal policies, procedures and processes such as our, code of conduct, safety and fit to work policy, alcohol and drugs policy, QHSSE policy, emergency preparedness policy, procurement policy, electrical safety policy, working from home policy and other HR related policies. Pon Energy Rental's sustainability strategy governs environmental, social and governance activities and aims to mitigate adverse impacts of our operations.

## Responsibilities

Board of Directors has the oversight responsibility of the management of the company. The strategic direction is anchored with the management team, where material environmental, social and governance issues are an integral part of the annual strategy process. Whereas a large part of improvement for the environment comes from more energy efficient and more CO2 reduction equipment in our fleet strategy.

Our HR department is responsible for translating the company strategy to an HR strategy ensuring that the remuneration arrangements support the company strategy. The board of directors approves new and or adjustments to our policies.

The management team is addressing risk and opportunities and discussing further (mitigating) actions in management team meetings. This process is part of our regular strategy, budget and forecasting cycle. Status of strategic actions are followed up in the management team meetings.

### managing human rights risks and promoting decent working conditions

Managing human rights risks and promoting decent working conditions is included in our governance as described in our policies. Furthermore it is embedded in our daily operations. A few examples of that are safety and incidents are discussed in our operations team in toolbox meetings, we have a reporting system

in place for incidents and accidents, we have our personal and development plans and processes in place, we monitor our Key Performance Indicators, we follow collective labor agreements and law and regulations and we have our grading system in place to ensure equal and fair pay, internal procedures for approval offering new projects, and our risk assessment process.

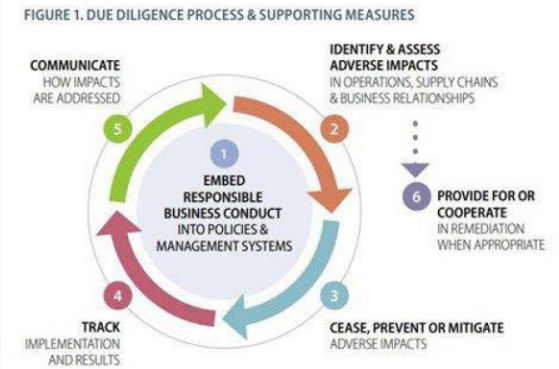
It is also embedded in the culture covered in daily decisions and the way work and communicate with each other. We have several certifications ISO 9001 (Quality), 14001 (Environment) 18001 (Health and Safety) and VCA, which are being audited and recertified. We have a local compliancy officer in place. We have a reporting structure for compliance in place.

Pon Ethics Helpline is anonymously available.

## DUE DILIGENCE

Even though our human rights and decent working conditions due diligence process is integrated in relevant business processes, such as risk assessments, meeting structure, procurement policy, creation of business cases and many more, we held a dedicated management team meeting. We discussed the topic with help of the OECD Due Diligence Guidance:

Figure 1 OECD DUE DILIGENCE GUIDANCE



- a) embed responsible business conduct into the enterprise's policies
- b) identify and assess actual and potential adverse impacts on fundamental human rights and decent working conditions that the enterprise has either caused or contributed toward, or that are directly linked with the enterprise's operations, products or services via the supply chain or business partners
- c) implement suitable measures to cease, prevent or mitigate adverse impacts based on the enterprise's prioritizations and assessments pursuant to (b)
- d) track the implementation and results of measures pursuant to (c)
- e) communicate with affected stakeholders and rights-holders regarding how adverse impacts are addressed pursuant to (c) and (d)

f) provide for or co-operate in remediation and compensation where this is required.

We came to the conclusion that Pon Energy Rental has a lot in place to respect the fundamental human rights and decent working conditions. Nevertheless, we also acknowledge our wish to increase the focus on this topic.

### **RISK ASSESSMENT & MITIGATING ACTIONS**

After mitigating actions based our risk assessment we concluded that residual risks are minimal. On safety we target zero accidents and for a couple years in a row we didn't have any. We also concluded that during the year reported safety incidents are properly followed up with the correct mitigating actions. Minor incidents were reported and one of the largest mitigating actions that we took that was on safely working with batteries by f.e. additional training.

An example of embedding the attention on human rights and decent working conditions are the questions that are part of the employee engagement survey with a very good score on this topic which included zero incidents of inappropriate behavior were reported. And we also see the increased focus on D&I coming back in our D&I maturity matrix.

Although we believe that risks assessments, the way we operate and the way it is embedded in our organization to respect the fundamental human rights and

decent working conditions contains a very high standard, we have plans for 2024 to focus on.

### **PLANS FOR 2024**

Known, at this point besides our regular procedures, we will have increased focus on for the coming year on the following topics.

- Continue with increasing a safe culture;
- We will launch a more sustainable company car policy in 2024.
- We will investigate the options to improve our PDP process and including our approach to increase inclusion.
- Introduction of the reviewed supplier questionnaire is planned.
- We plan to continue and extend training on D&I and the next step is to have discussions in the teams throughout the whole organization.
- A depot move in Lier is planned to have more space as well in the office, workplace and yard.

### **SIGNATURES – BOARD OF DIRECTORS**



Gerard Kessels- Managing Director



Ferdin venhuizen- Finance Director

**Bladel, the Netherlands, 30th of June 2024**



Elin Uyttendaele – Sales Manager Norway

**Lierstranda, 30th of June 2024**