



The Norwegian Transparency Act Report 2022

The duty to carry out human right's due diligence

From 1 July 2022, the Norwegian Transparency Act came into force. The purpose is to promote companies' respect for basic human rights and decent working conditions for business associates and in supply chains. An essential part of the law is to ensure the public's access to information regarding these matters and how companies handle them. Together with other measures, the legal requirement shall contribute to Norway's work to meet and comply with the UN's Sustainable Development Goal no. 8 on decent work and economic growth, as well as goal no. 12 on responsible consumption and production. The core of the law entails the duty to perform and account for human rights due diligence assessments. Human rights due diligence assessments mean that companies must identify possible negative consequences for basic human rights and decent working conditions related to production and supply chains, implement improvement measures, follow up and report.

Human rights due diligence assessments – what does Pentagon do?

Pentagon has its own policy for human and workers' rights, which covers our work with human rights in our own organization and the supply chain. The policy is based on the OECD, MSA 2015 and UN's Guiding Principles for Business and Human rights and describes the main principles for how we will handle the human and worker rights that are most relevant to our day-to-day operations. In the policy, we describe how we want to carry out due diligence assessments and work with improvement measures both within our own companies and in the Global transport supply chain. Furthermore, we describe what we expect from all companies in Group so they can properly implement the policy. Every year, we analyze the risk of deviations from the policy. At the same time, we have plans to further work of safeguarding human rights.

Pentagon is working with suppliers and sub-contractors. We require all our direct suppliers to approve Pentagon's Supplier Code of Conduct, which describes our supplier requirements related to human rights and other issues within sustainability. This means that the supplier commits to carry out its transport services in accordance with internationally recognized standards related to human rights, working conditions, the environment and anti-corruption. We follow up our suppliers through regular dialogue, supplier evaluations and third-party ethical audits.

Read more

More information about our work related to due diligence assessments can be found on our website www.pentagonfreight.com and **Our corporate responsibility under Code of Conduct, Modern Slavery and Human Trafficking statement, QHSE Policies, Anti-Bribery and Anti-Corruption Policy, Corporate Social Responsibility Policy and Commitment to section 172**

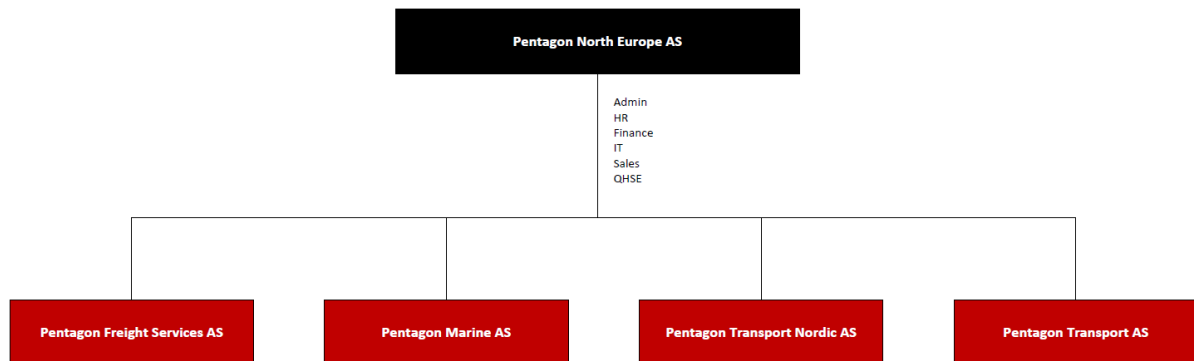
See also

- [Corporate sustainability Policy](#)
- [Pentagon's human rights policy](#)
- [Pentagon Supplier Code of Conduct](#)

Contact

Please contact management.norway@pentagonfreight.com if you have questions regarding the Norwegian Transparency Act.

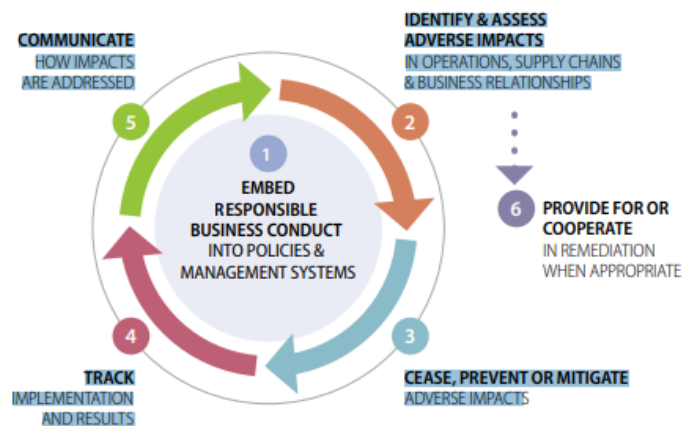
Company Structure per May 1st, 2023



Due diligence assessment:

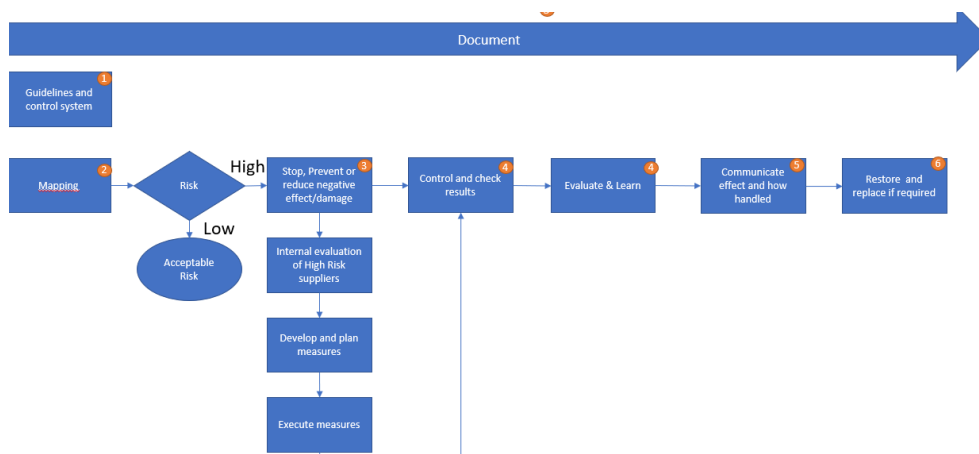
The process for due diligence assessments in Pentagon is based on "OECD's guide for due diligence assessments for responsible businesses."

FIGURE 1. DUE DILIGENCE PROCESS & SUPPORTING MEASURES



How we work with our Due Diligence assessments:

The numbers are referring to the steps in the due diligence model from OECD (see point 1-6 on the previous model)



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1. Embed responsible business conduct into policies and accountability in guidelines and management systems and Pentagon has its own Corporate Sustainability Policy and HR, QHSE and Management teams has worked to ensure the Transparency Act is implemented in the business. Where the due diligence assessments on behalf of the Group have been conducted to inspect business relationships, suppliers, and agreements. Pentagon has approved all policies for the Group and confirm that Pentagon shall promote companies respect for basic human rights and decent working conditions in connection with executing our transport and shipping services, thus ensuring public access to information on how Pentagon handle negative consequences for basic human rights and decent working conditions.
2. Identify and assess adverse impacts on our business, supply chain and business relationships. Using our approved guidelines to map selected suppliers. In this process the suppliers have been reviewed and risk assessments carried out based on their input to QHS-GLOBAL-FOR-301 External Provider included Company Info, Health & Safety. Environment, Quality, Ethics and Compliance and signed declaration. Herunder agree to our Code of Conduct where demands are made to, among other things, Respect for people and Health & Safety, Non-discrimination, legal compliance and Fair dealing and ethics.
 - 2.1 Risk assessment is about identifying the businesses possible and actual negative impacts or damage in the way we operate. This enables us to prioritize the more serious risks to people, society, and environment. Our risk / impact assessment procedures are described in our QHS-Global-PRO200 Risk and Impact Assessment Procedures.

Criteria for risk assessments of suppliers:

- Suppliers Turnover
- Suppliers' agreements
- Suppliers Certifications
- Domestic or foreign supplier
- Signed QHS-GLOBAL-FOR-301 External Provider document included Code of Conduct.

Risk matrix:

Evaluation Rating			
Risk Rating	Risk Level Description	Authority to Use Local External Provider	Authority to Use Approved Logistics Agent
up to 15% LOW	Risk Level of provider is acceptable and they may be used without additional risk control procedures	Branch Manager / Site Lead	Agents Approval Team
up to 50% MODERATE	Risk Level of provider is moderate and some control measure may need to be implemented before they can be used	Country Manager	Agents Approval Team
up to 85% HIGH	Risk level of provider is HIGH. Immediate corrective action needed before they can be used	Country Manager + Regional QHSE Manager	Agents Approval Team
higher than 85% EXTREME	Risk level is EXTREME - This provider should NOT be used without a risk mitigation strategy and corresponding implementation plan. An appropriate budget should be mobilised for action implementation. These efforts should be regularly monitored.	Regional Director + Regional QHSE Manager	Agents Approval Team

We have conducted a risk assessment of suppliers and from the selected group of critical suppliers the assessments show that out of 17 a total of 13 scored green Low Risk, 4 scored in the low end of Yellow and Moderate risk. There were no suppliers in the high-end risk scale, if found we will follow up suppliers with scores exceeding high or extreme levels.

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3. Cease, prevent or mitigate adverse impact:

This step is about handling findings from the mapping, by both stopping own negative impact, and to develop and implement routines to prevent future negative impact.

- a. Place responsibly to develop, implement and follow plans
- b. Work with suppliers on plans to prevent and reduce damage
- c. Use whatever influence we must urge suppliers to prevent or reduce risk and negative effects. Pentagon aim to strengthen our influence on suppliers through our ISO Standard, Policies, and ethical guidelines (code of conduct), contracts, written statements or agreements and our buying power.
- d. Support suppliers and business partners to prevent and reduce negative influence or risk, through training, guidance, and our requirements.
- e. Failing to prevent or reduce damage, or if reasonable hope to change is not possible giving notice to suppliers maybe the only option. However, and prior to giving notice to suppliers, evaluation to see if this can result in negative consequences for people, society, or environment.

4. Track, implementation and results

This is to make sure enough information has been collected and is received prior to evaluation of information and what is acutally working. Good systems to register and handle information is the foundation needed for the business to communicate adequately with suppkiers and partners.

Results from step 2 and 3 is monitored by QHSE departement through our agreed HSE and Sustainability policies. Yearly audit of suppliers based on risk criteria will be carried out in collaboration with our operational departments amd others.

5. Communicate how impact are adressed:

Our annual due diligence report related to the Norwegian Transperancy Act. will be announced on our Global webpage under Norwergian Transperancy Act, and internally our staff will be informed in townhall meetings.

For more informaton contact:

- Management Norway

e.mail to: Management.norway@pentagonfreight.com

6. Provide for, or Cooperate in remeditation when appropriate

This step deals with correcting the damage that business has caused or contributed to and to make sure that those suffering or potentially could suffer from our actions, has means to contact and to make their case heard. Restoration may involve financial compensation, public appology or that damage is rectified in some other way. We have not been involved in cases where restoration has been necessary.

In such cases our internal provcedures are in place fpr follow-up of the practical measures.If an employee discovers a breach of our gudielines, rules and regulations, they can report this via our non-compliance system or get in touch via our whistle blower link posted on our website where this is reported to the Global Compliance Team.

