

Treasure ASA

# Sustainability report 2021

# Sustainability report

## Treasure Environmental, Social and Corporate Governance (ESG) report

### CEO message

2021 was characterised by a focus on improving the ESG impact of the maritime and logistics industry. We are pleased to see that the focus is reflected in Hyundai Glovis and the position they have communicated to take within the hydrogen value chain which we believe will be an important factor in driving the transition to zero emission shipping and logistics.

We see good opportunities ahead in the maritime and logistics segment, and our investment in Hyundai Glovis is in a favourable position to take advantage of the major shifts required in the decarbonisation of shipping and the energy transition towards a net zero emissions future. We will continue to be an active owner to capitalize on this.

#### SCOPE OF THE REPORT

This is the company's first ESG report covering its activities from 1 January 2021 to 31 December 2021.

The company has no employees or physical assets. The CEO and CFO who composes the management of Treasure ASA are employed by Wilh. Wilhelmsen Holding ASA (WWH) and are hired in on the basis of a Service Level Agreement. The company has one main equity investment in Hyundai Glovis. As their ESG report is made available after the company's report, there is a one-year lag in data related to their activities (for example in the company's scope 3 emissions reporting).

The company will improve its reporting over time to align with the GRI standard.

#### MATERIALITY ASSESSMENT

This report is based on a materiality assessment of the company's activity, and shareholder and stakeholder expectations. Four material issues described below form the basis of the company's work and this report. The materiality assessment will be reviewed at least every second year or with any material changes in the company's operating environment.

Material issue	Description	Why it's material
Active ownership	Engaging and actively exercising investor influence on ESG issues.	ESG matters in the company's sourcing, investing and management of investments sets clear expectations to portfolio companies and better management of ESG risk and exposure.
Decarbonisation and green growth	Addressing climate risks and opportunities towards a net zero emissions future.	Emissions reductions, decarbonisation of maritime and logistics, and the energy transition are required to address climate change, stakeholder expectations, policies, and requirements.
Compliance, ethics, and anti-corruption	Conducting business in a compliant and ethical way, free from corruption.	Compliant and ethical operations, and the elimination of corruption in the value chain supports fair trade and a level playing field.
Human rights	Conducting business with respect for human rights with sound, safe working conditions free from discrimination.	Standards and practices in the value chain for sound, safe working conditions with a diverse and engaged workforce are the foundation for fundamental human rights and dignity.

## ACTIVE OWNERSHIP

The company includes environmental, social, and corporate governance (ESG) issues in its investment analysis, business decisions, ownership practises, and financial reporting. The company's policy is to secure that a systematic approach to ESG is implemented in entities where it has equity investments. The company has clearly expressed its ESG expectations to Hyundai Glovis as an active shareholder.

The expectations are to reduce environmental impact; contribute to promote human rights, sound working standards; and work towards eliminating corruption in own operations and investments, as well as the operations of suppliers and business partners. The company has also expressed expectations and support for Hyundai Glovis's green growth and active role in the decarbonisation of the maritime and logistics sector.

Management and the board assess investment risks and opportunities under different scenarios on an annual basis. Information and interactions with relevant personnel at Hyundai Glovis inform this evaluation. The company has two physical investor meetings with Hyundai Glovis per year addressing ownership expectations, strategy and ESG matters. No physical meetings were held in 2021 due to travel restrictions related to COVID-19 measures.

## ENVIRONMENT

The company does not have any assets or employees. The CEO, CFO, and board utilise leased office space in Oslo that is certified according to the Eco Lighthouse certification scheme.

The operations of Hyundai Glovis in the maritime and logistics segment contribute to significant environmental aspects and impacts including GHG emissions; pollution to air, land and water; and biodiversity.

Hyundai Glovis's management of these environmental aspects and impacts are evaluated in the management and board's annual strategic reviews. In the 2021 review, it was determined that this work is managed in a satisfactory way.

### Climate risk

In 2021, the company conducted an initial assessment of its climate risks and opportunities using the Task Force on Climate-related Financial Disclosures (TCFD) framework. The company's management of climate risk will continue to be developed and disclosed in annual ESG reports.

#	TCFD disclosure	Treasure ASA
<b>Governance</b>		
1	Describe the board's oversight of climate-related risks and opportunities.	The board reviews risk and opportunities annually under different scenarios including pathways for the decarbonisation of the maritime and logistics sectors and the global energy transition.
2	Describe management's role in assessing and managing climate-related risks and opportunities.	Management reviews risk and opportunities at least half-yearly under different scenarios including pathways for the decarbonisation of the maritime and logistics sectors and the global energy transition.
<b>Strategy</b>		
3	Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	<p>The company's investment in Hyundai Glovis is exposed to climate risk over the short and medium term.</p> <p>Physical risks stemming from more extreme weather and rising water levels impacting the logistics and maritime assets and operations of Hyundai Glovis.</p> <p>Transition risks (regulatory, reputational, market, and technology) stemming from implementation of national and international climate policy measures, the energy transition and the decarbonisation of shipping and logistics.</p> <p>The Korean government's climate program coupled with the International Maritime Organisation's (IMO) greenhouse gas (GHG) emissions ambition, other regional and national government's climate measures and energy transition priorities, as well as stakeholder's increased attention on environmental, social, and governance issues, all exemplify the changing climate risk and opportunity landscape for Hyundai Glovis.</p>

#	TCFD disclosure	Treasure ASA
<b>Strategy</b>		
4	Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	Hyundai Glovis's management of climate risks and opportunities are evaluated in the management and board's annual strategic reviews.
5	Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Hyundai Glovis's management of climate risks and corresponding plans are based on a 2°C scenario.
<b>Risk management</b>		
6	Describe the organization's processes for identifying and assessing climate-related risks.	Hyundai Glovis's TCFD assessment, reports and interactions with relevant personnel form the basis for assessing climate-related risks of the investment.
7	Describe the organization's processes for managing climate-related risks.	The company has neither financial control nor significant influence over Hyundai Glovis. The company has clearly expressed its expectations to Hyundai Glovis as an active shareholder. Interactions with relevant personnel form the basis for managing climate-related risks of the investment.
8	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	The company's risk management matrix categorizes risks as strategic and/or financial. A specific ESG risk category will be added into the process and matrix in the next risk review in 2022.
<b>Metrics &amp; Targets</b>		
9	Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	The company uses a risk matrix method to determine the probability and consequence of risks and opportunities including those related to climate.
10	Disclose Scope 1, Scope2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	<p>The company has one main equity investment and no physical assets. The CFO, CEO, and Board utilise leased office space in Oslo that is certified according to the Eco Lighthouse certification scheme. The scope 1 and 2 emissions related to their work activities are not considered material to this report.</p> <p>The company's scope 3 emissions from its equity investment in Hyundai Glovis is considered material.</p> <p>The company's Scope 3 emissions for 2018-2020 are represented below. This is based on the proportion of the company's equity investment in Hyundai Glovis and calculated based on the GHG Protocol's investment-specific method. The company has neither financial control nor significant direct influence over Hyundai Glovis.</p> <p>2018: 408,403 tCO<sub>2</sub>e (held 12.04% shares)  2019: 488,430 tCO<sub>2</sub>e (held 12.04% shares)  2020: 344,652 tCO<sub>2</sub>e (held 11.00% shares)  2021: *data not available at time of reporting (held 11.00% shares)</p> <p>*Hyundai Glovis assures and publishes their emissions report after the company's annual report is produced. The emissions data for 2021 will therefore be reported in the company's 2022 annual report.</p> <p>The main source (97%) of Hyundai Glovis's emissions are scope 1 emissions related to energy consumption from shipping activities. Hyundai Glovis has an established system in place for managing climate risk ( Hyundai Glovis TCFD disclosure ) and implementing emissions reduction activities. The company has established targets to reduce the absolute amount of greenhouse gas emissions of its operations.</p>
11	Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	<p>The company monitors and actively engages in discussions related to climate risk and Hyundai Glovis's emissions reductions achievements, specifically:</p> <ol style="list-style-type: none"> <li>1. Progress on GHG emissions reductions against stated targets</li> <li>2. Progress on green growth investments / activities contributing to energy transition.</li> </ol>

**SOCIAL**

The company does not have any employees. The CEO and CFO who composes the management of Treasure ASA are employed by Wilh. Wilhelmsen Holding ASA (WWH) and are hired in on the basis of a Service Level Agreement. In 2021, there were no reports of any material issues or alleged violations concerning human rights, health and safety, diversity or working environment stemming from these services. The company's CEO and CFO roles are held by males. In 2021, two of four board members were female.

The operations of Hyundai Glovis and their value chain are exposed to human rights risks and potential for violations. Hyundai Glovis endorses the Universal Declaration of Human Rights of the United Nations and the human rights standards specified in the Guidelines on the Businesses and Human Rights and complies with labor-related laws and regulations in each country and region<sup>1</sup>.

Hyundai Glovis's management of human rights, health and safety, diversity, working and employment conditions are evaluated in the management and board's annual strategic reviews. In the 2021 review, it was determined that this work is managed in a satisfactory way.

**GOVERNANCE**

The CEO, CFO and all the board members have completed mandatory training on ethics and anti-corruption including competition law. In 2021, there were no reports of any material issues or alleged violations concerning compliance, ethics or corruption directed to the company. A secure whistle-blowing channel to report violations of laws, our business conduct, or internal policies will be made available on the company's website in 2022.

The operations of Hyundai Glovis and their value chain are exposed to compliance, ethics, corruption risks and potential for violations. Hyundai Glovis has an established corporate governance and ethical management system in place including compliance program, anti-bribery management, training and whistle-blowing channel.

Hyundai Glovis's management of corporate governance, corruption risk, and compliance are evaluated in the management and board's annual strategic reviews. In the 2021 review, it was determined that this work is managed in a satisfactory way.

<sup>1</sup> Hyundai Glovis ESG report 2020 – Human Right management pg. 73.

[www.treasureasa.com](http://www.treasureasa.com)

**Treasure ASA**  
P O Box 33  
NO-1324 Lysaker, NORWAY  
Tel: +47 67 58 40 00

Org no 916 803 222 MVA