

Treasure ASA

# ESG report 2023

# ESG report

## Environment, Social and Corporate Governance (ESG) report

### CEO message

2023 was characterised by a continued focus on addressing the environmental, social, and governance (ESG) impact of the maritime and logistics industry. We are pleased to see that this is reflected in the ambition set by Hyundai Glovis to achieve net zero status by 2045 and that Hyundai Glovis has been removed from Norway's Council on Ethics for the Government Pension Fund Global observation list.

Looking ahead, we continue to see good opportunities in the maritime and logistics segment. The investment in Hyundai Glovis remains favourable due to its strategic position allowing it to take advantage of the significant shifts required in the decarbonisation of shipping and the energy transition necessary to achieve a net zero emissions future. We will continue to be an active owner to capitalise on this.



Magnus Sande  
CEO

### SCOPE OF THE REPORT

This is Treasure ASA's (Treasure/the company) third environmental, social, and governance (ESG) report. The content of this ESG report is defined by the company's double materiality assessment and covers activities in the calendar year from 1 January to 31 December 2023.

The company has no employees or physical assets. The CEO and CFO, who form the management team of Treasure, are employed by Wilh. Wilhelmsen Holding ASA (WWH) and engaged based on a Service Level Agreement. The company has one main equity investment in Hyundai Glovis. As the Hyundai Glovis sustainability report<sup>1</sup> is made publicly after the Treasure's report, there is a one-year lag in any data related to Hyundai Glovis activities (for example, in the company's scope 3 greenhouse gas emissions reporting).

<sup>1</sup> Hyundai Glovis sustainability report 2023

<sup>2</sup> Large companies/groups that meet at least two of three criteria: Sales revenue > NOK 550 million, Balance > NOK 275 million, Number of man-years >250

### DOUBLE MATERIALITY ASSESSMENT

This report is based on a materiality assessment of the company's activity and interviews with shareholders and stakeholders on their expectations. In 2023, Treasure conducted a double materiality assessment based on the European Corporate Sustainability Reporting Directive (CSRD), which will be applicable for the company from the 2025 financial year, according to the applicable thresholds<sup>2</sup>. The CSRD requires all large and all listed companies (except listed micro-enterprises) to disclose information regarding the risks and opportunities arising from ESG issues, as well as the impact of their activities on these issues. Companies subject to the CSRD will be required to report in accordance with European Sustainability Reporting Standards (ESRS).

Treasure conducted a double materiality assessment process to assess the actual and potential negative and positive impact on its operations, upstream and downstream value chain over short, medium and long-term horizons.

### Step 1 – Understand

Document key activities and value chains defining the scope of the assessment.

### Step 2 – Identification

Identified actual and potential impacts (both negative and positive), as well as risks and opportunities, through analysis and conversations with internal and external stakeholders and experts.

### Step 3 – Assessment

Assessed the materiality of impact, risks and opportunities.

### Step 4 – Determination and consolidation

Decided on material topics for Treasure ASA.

The basis of the company’s work and this report is formed by four material issues described below.

The double materiality assessment will be reviewed periodically, at least every two years or in response to any significant changes in the company’s operating environment.

	Material topic	Description	Why it is material	Impact materiality	Finance materiality	ESRS topic	ESRS sub-topic and sub-sub-topic covered
Environmental	Climate change and decarbonisation	Addressing climate risks and opportunities towards a net zero emissions future.	Greenhouse gas (GHG) emissions reductions, decarbonisation of maritime and logistics, and the energy transition are required to address climate change, stakeholder expectations, policies, and requirements.	High	Low	E1 – Climate change	Climate change mitigation Climate change adaptation Energy
Social	Social – Human rights and working conditions	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.	High	Low	S2- Workers in the value chain	<ul style="list-style-type: none"> <li>Working conditions: Working time, adequate wages, freedom of association, health and safety</li> <li>Equal treatment and opportunities for all: Gender equality and equal pay for work of equal value, measures against violence and harassment in the workplace, diversity</li> <li>Other work-related rights: Child labour, forced labour</li> </ul>
Governance	Active ownership	Engaging and actively exercising investor influence on ESG issues.	Environment, Social, and Governance (ESG) matters in the company’s sourcing, investing and management of investments set clear expectations for portfolio companies and better management of ESG risk and exposure.	High	Low	Entity specific	Material topics identified in the company assessment
	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.	High	Low	G1 – Business conduct	<ul style="list-style-type: none"> <li>Corporate culture</li> <li>Protection of whistleblowers</li> <li>Political engagement</li> <li>Corruption and bribery; Prevention and detection including training, incidents</li> </ul>

**ENVIRONMENT**

The company does not have any assets or employees. The CEO, CFO, and board use leased office space in Lysaker, Norway which 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 greenhouse gas (GHG) emissions, pollution to air, land and water, as well as effects on biodiversity.

The management and board of the company have an annual strategic review where they evaluate how Hyundai Glovis handle environmental aspects and impacts. In the 2023 annual strategic review, it was determined that this work is handled in a satisfactory way. In addition, the company’s management and board sees the Hyundai Glovis target to achieve net zero status by 2045 as forward leaning compared to its peers. In October, Hyundai Glovis launched their ambition to contribute to carbon reduction practices domestically and internationally

through a carbon reduction roadmap aiming to achieve net zero status by 2045. More details on this can be found in “Hyundai Glovis NET ZERO Special Report” published on their website.

In 2024, Treasure management and board will continue to have an annual strategic review on how Hyundai Glovis handle environmental aspects and impacts.

**Climate risk**

In 2021, the company conducted its initial assessment of climate risks and opportunities using the Task Force on Climate-related Financial Disclosures (TCFD) framework. The company continued to evaluate how it manages climate risks and opportunities during 2023 and has updated its TCFD disclosure in this ESG report.

The climate risk assessment incorporates available information from Hyundai Glovis, including its TCFD assessment from 2022 and the updated net zero ambition announced by Hyundai Glovis in October 2023.

#	TCFD disclosure	Treasure ASA
<b>Governance</b>		
1	Describe the board’s oversight of climate-related risks and opportunities.	<p>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.</p> <p>In 2023, the board reviewed the Hyundai Glovis 2022 sustainability activities and noted the climate ambition and GHG emissions reduction activities for shipping and land-based logistics. Both Management and the board is positive to the forward leaning ambition that was communicated by Hyundai Glovis in October 2023, that they aim to achieve carbon neutrality by 2045.</p>
2	Describe management’s role in assessing and managing climate-related risks and opportunities.	<p>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.</p>
<b>Strategy</b>		
3	Describe the climate-related risks and opportunities the organisation 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, medium and long term. Below is a summary from Hyundai Glovis TCFD framework on physical and transitional risks and opportunities.</p> <p><b>PHYSICAL RISKS</b>  <b>Typhoon (short-term risk)</b>                      The frequency of typhoons is increasing due to weather abnormalities, and typhoons have a direct impact on Hyundai Glovis. While Hyundai Glovis was conducting maritime logistics in the United Kingdom, its ship was damaged by a powerful typhoon, leading to significant damage to the ship and logistics products. In addition, powerful gusts of wind caused damage to the exterior walls and external facilities of the office (lights, breakers, access gates, signage, etc.).</p> <p><b>Rise in average temperature (long-term risk)</b>                      Due to climate change caused by GHG’s, global temperatures are constantly rising, leading to a rapid increase in damages caused by heatwaves not only in Korea but also around the world. Hyundai Glovis is also experiencing damages from heat waves, which requires a systematic response.</p> <p><b>TRANSITION RISKS</b>  <b>GHG regulations on international ships (short-term risk)</b>                      IMO Data Collection System (DCS) requires measurement, third-party verification, and submission GHG emissions to all ships over 5,000 gross tonnes (GT). As all of Hyundai Glovis ships are over 5,000 GT, they are subject to the IMO DCS requirement. If this requirement is not complied with for two consecutive years, all ships will be prohibited from the operation, resulting in loss of revenues with the suspension of the shipping business.</p> <p><b>Changes in consumer behaviours (short-term risk)</b>                      As consumers’ awareness of the environment is growing and their preference for environmentally friendly companies is increasing, manufacturers including OEMs and consumer goods companies are making efforts to adopt eco-friendly transportation methods. If they fail to respond adequately, it may lead to a decrease in contracted volumes.</p>

#	TCFD disclosure	Treasure ASA
<b>Strategy</b>		
3	Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	<p><b>TRANSITION RISKS</b></p> <p><b>Emissions Trading System (ETS) (short-term risk/opportunity)</b> Since it has been designated as subject to the Korean emissions trading system in 2021, Hyundai Glovis is exposed to financial risk, depending on greenhouse gas (GHG) emissions from domestic vehicles and buildings. As a subject to emit allocation, Hyundai Glovis is required to emit GHGs within the limit allocated by the government for emissions generated by domestic business sites. If submitted credits are fewer than actual GHG emissions, penalties may be imposed, which could lead to increased direct costs. On the other hand, there also exist financial opportunities in GHG reduction. By emitting GHGs within the allocation limit, Hyundai Glovis can sell its excess credits to other companies and generate revenue.</p> <p><b>Reduced investments in companies with low environmental ratings (medium-term risk)</b> If non-financial management issues such as climate change and GHG reduction are not adequately addressed, there is a risk of a market value decline in the stock price caused by an investment decrease.</p> <p><b>TRANSITION OPPORTUNITIES</b></p> <p>The company's investment in Hyundai Glovis has climate related opportunities over the short and medium term.</p> <p><b>Utilisation of new technologies (short-term opportunities)</b> Hyundai Glovis has explored GHG reduction technologies as well as new technologies that can save energy.</p> <p><b>Utilisation of public incentives (short-term opportunities)</b> The Ministry of Land, Infrastructure, and Transport of Korea is striving to reduce GHG emissions in the transportation sector by supporting various GHG reduction activities, such as inducing GHG reduction through subsidies.</p> <p><b>Use of high-efficiency transportation (medium-term opportunities)</b> Korea has introduced GHG regulations to reduce GHGs and set GHG reduction targets, including the GHG reduction target for transportation, which is quite high. Modal Shift is a project that converts land logistics to maritime logistics to reduce greenhouse gases, utilising efficient transportation. It has shown positive effects of lowering operating costs in addition to decreasing risks through GHG reduction.</p> <p><b>Change of consumer preferences (medium-term opportunities)</b> If the market shifts towards eco-friendly transportation, Hyundai Glovis is expected to gain an advantage over its competitors and further expand its sales.</p>
4	Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	Hyundai Glovis' management of climate risks and opportunities are evaluated in the management and board's annual strategic reviews.
5	Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2.0°C or lower scenario.	Hyundai Glovis' management of climate risks and corresponding plans has changed from a 2.0°C alignment scenario in 2021 to a 1,5°C alignment scenario in 2023 as they have applied the International Energy Agency (IEA) Net Zero Emissions by 2050 Scenario (NZE Scenario) <sup>3</sup> .
<b>Risk management</b>		
6	Describe the organisation's processes for identifying and assessing climate-related risks.	Hyundai Glovis' TCFD assessment, reports and interactions with relevant personnel form the basis for assessing climate-related risks of the investment.
7	Describe the organisation's processes for managing climate-related risks.	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 organisation's overall risk management.	The company's risk management matrix categorises risks as strategic and/or financial.

<sup>3</sup> IEA Net Zero by 2050 scenario

#	TCFD disclosure	Treasure ASA
<b>Metrics and targets</b>		
9	Disclose the metrics used by the organisation 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, Scope 2, 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 Lysaker, Norway 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>In 2023, the scope 3 emissions related to the CFO and CEO business travels were 3.6 tCO<sub>2</sub>e (based on reporting from travel agent using airline emissions factors).</p> <p>The company's scope 3 emissions from its equity investment in Hyundai Glovis from 2018 to 2022 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.</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: 425 228 tCO<sub>2</sub>e (held 11.00% shares)  2022: 432 881 tCO<sub>2</sub>e (held 11.00% shares)  2023: *data not available at time of reporting (held 11.00% shares)</p> <p><i>*Hyundai Glovis assure and publish their emissions report after the company's annual report is produced. The emissions data for 2023 will therefore be reported in the company's 2024 ESG report.</i></p> <p>The main source (98%) of Hyundai Glovis' emissions are scope 1 emissions related to energy consumption from shipping activities. Hyundai Glovis has an established system in place for managing climate risk, setting targets and implementing emissions reduction activities.</p>
11	Describe the targets used by the organisation 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' emissions reductions achievements, specifically:</p> <ol style="list-style-type: none"> <li>1. progress on GHG emissions reductions against stated targets and</li> <li>2. progress on green growth investments / activities contributing to energy transition.</li> </ol> <p>To actively respond to the climate crisis, Hyundai Glovis has established a long-term goal of "Achieving Net Zero by 2045". To achieve Net Zero by 2045 Hyundai Glovis has prepared specific implementation plans, including the introduction of new ships and trucks and the transition to renewable energy.</p>

## SOCIAL

The primary focus of Treasure is to manage the shareholding in Hyundai Glovis. The company does not have any employees, does not offer goods or services, and does not have any material suppliers. The CEO and CFO who form the management of Treasure are employed by WWH and are engaged based on a Service Level Agreement. In 2023, there were no reports of any material issues or alleged violations concerning human rights, health and safety, diversity or the working environment stemming from these services. The company's CEO and CFO roles are held by men (100%). In 2023, two of four board members were women (50%).

Treasure is committed to safeguarding human rights. The company supports the internationally recognised UN Universal Declaration of Human Rights and the International Labour Standards (ILO Declaration on Fundamental Principles and Rights at Work) and prohibits any form of modern slavery. This includes, but is not limited to, human trafficking, forced labour, exploitative working conditions, slavery, and child labour.

Hyundai Glovis endorses the Universal Declaration of Human Rights of the United Nations, the human rights standards specified in the Guidelines on the Businesses and Human Rights and complies with labour-related laws and regulations in each country and region<sup>4</sup>.

Hyundai Glovis management of human rights, health and safety, diversity, and employment conditions are evaluated in annual strategic reviews conducted by the management and board. In the 2023 review, particular attention was given to Hyundai Glovis' commitment to human rights and the gender balance in board and top management roles.

In February 2023, Hyundai Glovis implemented a revised Green Ship Recycling Policy<sup>5</sup>, which was addressed by management in an investor meeting in November 2022. The revised policy includes new long-term time-charter contracts and existing medium to long-term time-charter contracts. With Hyundai Glovis establishing new guidelines for the responsible disposal of end-of-life vessels, the Council on Ethics for the Government Pension Fund Global (GPF) decided in October 2023 to end the observation of Hyundai Glovis Co., Ltd., which had been in effect since March 2022.

<sup>4</sup> Hyundai Glovis sustainability report 2023 – Human Rights management pg. 56

<sup>5</sup> Hyundai Glovis Green Ship Recycling Policy

In June 2023, the company conducted an initial due diligence assessment for its investment in Hyundai Glovis based on publicly disclosed reports and interactions with Hyundai Glovis management. In November 2023, an additional review was carried out based on Hyundai Glovis 2023 sustainability report. The due diligence process is based on WWH's human rights framework, which adheres to the United Nations Global Compact, the United Nations Guiding Principles on Business and Human Rights, and the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct.

The operations of Hyundai Glovis and their value chain are exposed to human rights risks and potential for violations. Dry docking yards, seafarers and some geographical areas are recognised as having a higher risk of adverse impacts on human rights and decent working conditions. Bullying and harassment can be concerns for seafarers who may have limited ways to avoid such situations while spending extended periods of time offshore.

The company assessed country and organisational context, as well as the operations and value chains of Hyundai Glovis, to identify human rights risks and potential for violations. The assessment found that the human rights potentially impacted are:

- right to life,
- right not to be subjected to slavery, servitude or forced labour,
- right to equality before the law, equal protection of the law, non-discrimination,
- right to protection for the child,
- right to freedom of association,
- right to enjoy just and favourable conditions of work, and
- right to health.

Hyundai Glovis present their commitment and management approach to human rights in their documentation. However, gaining an understanding of the actual implementation across their organisation and value chain, as well as the results of their efforts, remains challenging.

The scope of the Hyundai Glovis sustainability report is limited to domestic Korean operations, lacking visibility into international sites, employees abroad and seafarers.

In 2024, Treasure management will encourage further transparency in Hyundai Glovis' reporting and strive for alignment of the annual sustainability report with the scope and scale of operations. They will also encourage disclosure of their human rights impact assessment.

In compliance with the Norwegian Transparency Act, an account of Treasure's human rights due diligence pursuant to Section 5 of the Transparency Act is available in Appendix 1.

## GOVERNANCE

### Active ownership

The company includes 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.

Treasure aims to mitigate environmental impact and climate risks within its own operations, investments, and the value chain. Additionally, the company aims to champion human rights and uphold robust working standards while actively working towards eliminating corruption. The company has also expressed expectations and support for Hyundai Glovis' green growth and active role in the decarbonisation of the maritime and logistics sector.

On an annual basis, the management and the board assess investment risks and opportunities under different scenarios with this evaluation being supported by information and interactions with relevant employees at Hyundai Glovis. In 2023, the company continued to address ESG related topics and concerns with Hyundai Glovis. The management of Treasure held two physical meetings with the investor relations team in Hyundai Glovis in 2023, where ownership expectations were addressed.

In 2024, Treasure management will continue to have physical meetings with the investor relations team in Hyundai Glovis to address ownership requirements.

### Compliance, ethics and anti-corruption

The CEO, CFO, and all the board members have completed mandatory training on ethics and anti-corruption which includes competition law. In 2023, there were no reports of any material issues or alleged violations concerning compliance, ethics or corruption directed to the company. A secure whistleblowing channel to report violations of laws, human rights, our business conduct, or internal policies is available on the company's website.

The operations of Hyundai Glovis and their value chain are exposed to compliance, ethics, corruption risks and potential for violations. Hyundai Glovis has implemented an Ethics Charter & Code of Conduct<sup>6</sup> and established a corporate governance and ethical management system which includes a compliance program, anti-bribery management, training, and the whistleblowing channel<sup>7</sup>.

Hyundai Glovis has established a governance framework for participation in public policy to prevent the use of illegal funds. Based on domestic and international laws and policies, Hyundai Glovis has established an internal rule prohibiting direct or indirect political contributions including lobbying funds. Hyundai Glovis is also making contributions to associations and charities that are politically neutral<sup>8</sup>.

Hyundai Glovis management of corporate governance, corruption risk, and compliance are evaluated in annual strategic reviews, conducted by the management and board. In the 2023 review, it was determined that this work is managed in a satisfactory way.

In 2024, Treasure management and board will continue with an annual review to evaluate Hyundai Glovis' management of corporate governance, corruption risk, and compliance.

<sup>6</sup> Hyundai Glovis Ethics Charter & Code of Conduct

<sup>7</sup> Hyundai Glovis Corporate Ethics Progress

<sup>8</sup> Hyundai Glovis sustainability report 2023 – Business Ethics pg. 101

# Appendix 1:

## Reporting on human rights due diligence

Account of due diligence pursuant to Section 5 of the Transparency Act<sup>1</sup> for the period 1 January to 31 December 2023.

### TREASURE ASA AND ITS INVESTMENT

Treasure ASA (referred to as Treasure and the company) is committed to promoting an ethical culture where Treasure representatives and business partners do the right things the right way. Lack of respect for universal human and labour rights are not acceptable and may have negative impact on business partners, our reputation, and unacceptable financial consequences.

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. Treasure has clear expectations to reduce environmental impact, promote human rights and sound working standards and work towards eliminating corruption. These expectations apply not only to its own operations and investments, but also extend to those of its suppliers and business partners.

### REPORTING UNDER THE TRANSPARENCY ACT

The Transparency Act was enacted by the Norwegian Parliament on 10 June 2021. The Act establish legal requirements for larger enterprises' obligation to report on human rights due diligence and their efforts to ensure compliance with fundamental human rights and decent working conditions not only within the enterprises, but also across their supply chains and with their business partners.

The Transparency Act aims to encourage enterprises to respect fundamental human rights and decent working conditions. It also aims to ensure public access to information regarding how enterprises address adverse impacts on fundamental human rights and decent working conditions.

The reporting requires a general description of:

- the enterprise's structure and area of operations, and
- guidelines and procedures for handling actual and potential negative impacts on fundamental human rights and decent working conditions.

And specific information on:

- actual negative impacts and significant risks of negative impacts that the enterprise has identified through its due diligence,
- measures the enterprise has implemented or plans to implement to stop actual negative impacts or mitigate significant risks of negative impacts, and
- the results or expected results of these measures.

### ORGANISATION AND AREA OF OPERATIONS

Treasure is a Norwegian public limited liability company listed on the Oslo Stock Exchange and operates as a subsidiary of Wilh. Wilhelmsen Holding ASA (WWH), with WWH holding a majority ownership of 78.68% of the shares. The company's ambition is to generate significant shareholder return from investments within the maritime and logistics industries, either by increasing the market value of its shares, through dividends, or other distributions to shareholders. Treasure has no employees, does not offer goods or services, and does not have any material suppliers.

The CEO and CFO, who form the management team of the company, are employed by WWH and engaged on a Service Level Agreement. In 2023, 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 primary focus of Treasure is on managing the shareholding in Hyundai Glovis Co., Ltd. (Hyundai Glovis), a global transportation and logistics provider based in Seoul, Korea. Treasure holds 11% of the shares in Hyundai Glovis and is the second largest owner.

Hyundai Glovis operates through the following business areas: Logistics, Shipping and Complete Knock down (CKD), Used Car and New Growth. The company provides international, domestic and military logistics, logistics consulting services and overseas shipment for finished vehicles and bulk export and import. The CKD business provides CKD distribution and packing, and the used car business offers auction house and wholesale. The New Growth business offers distribution of recycled resources for automobiles, resource development and distribution and product trading. The company operates 153 vessels in the ro-ro and bulk car carrier segment and has approximately 1,800 suppliers.

### GUIDELINES AND ROUTINES FOR HANDLING HUMAN RIGHTS DUE DILIGENCE IN TREASURE

Treasure is committed to safeguarding human rights. The company supports the internationally recognised UN Universal Declaration of Human Rights and the International Labour Standards (ILO Declaration on Fundamental Principles and Rights at Work) and prohibits any form of modern slavery. This includes, but is not limited to, human trafficking, forced labour, exploitative working conditions and practices, slavery, and child labour.

<sup>1</sup> Act relating to enterprises' transparency and work on fundamental human rights and decent working conditions (Transparency Act)

Guidelines and routines for handling human rights due diligence in Treasure is based on WWH's human rights framework, which is guided by the United Nations Global Compact, United Nations Guiding Principles on Business and Human Rights<sup>2</sup> and the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct<sup>3</sup>. The human rights due diligence process maps groups that could be affected by relevant business activities and relationships as well as the relevant human rights issues to prioritise and action.

The assessment includes:

- human right scope,
- scenario identification,
- impact assessment,
- likelihood assessment,
- prioritisation,
- output (heat map), and
- mitigation measures.

Treasure's management and board conduct annual strategic reviews, including an evaluation of Hyundai Glovis' management of human rights, health and safety, diversity, working and employment conditions. The 2023 review specifically highlighted Hyundai Glovis' commitment to human rights and gender balance in board and top management roles.

Treasure has a whistle-blowing channel that provides stakeholders with a secure channel to report violations and to raise concerns for non-compliance including situations where the company has contributed to direct or indirect, actual or potential adverse effects on human rights and decent working conditions. The channel is accessible on our website, written in plain English, guarantees confidentiality and offers protection for stakeholders. In 2023, there were no whistles related to human rights reported through the whistle blowing channel.

To be able to engage with stakeholders and accept information requests regarding how Treasure addresses actual and potential adverse impacts on human rights, the company use the WWH information request channel - [humanrights@wilhelmsen.com](mailto:humanrights@wilhelmsen.com). No request for information was received in 2023.

#### **RISK OF NEGATIVE CONSEQUENCES FOR HUMAN AND LABOUR RIGHTS**

Hyundai Glovis is a global organisation with employees and suppliers in many operational and geographical areas. Dry docking yards, seafarers and some geographical areas are recognised as posing a higher risk for potential adverse impacts on human rights and decent working conditions.

Their commitment to proactively support human rights and prevent human rights violations is stated in their Human Rights Charter<sup>4</sup>. Hyundai Glovis endorses the Universal Declaration of Human Rights of the United Nations, human rights standards specified in the Guiding principles on Business and Human Rights and complies with labour-related laws and regulations in each country and region<sup>5</sup>. Hyundai Glovis practises human rights due diligence to identify and prevent potential risks, and actively respond to issues. Human rights due diligence is practiced in the following order: human rights impact assessment, impact identification,

improvement goals established, complaint handling, result monitoring, and disclosure to stakeholders. In 2023 Hyundai Glovis revised their Human Rights Charter strengthening their commitment to prevent human rights violations and mitigate related risks.

In June 2023, Treasure conducted an initial due diligence assessment for its investment in Hyundai Glovis, based on publicly disclosed reports and interactions with Hyundai Glovis management. In November, a review of the due diligence conducted in June was carried out and presented to the board. In the human rights due diligence process, Treasure mapped groups that could be affected by Hyundai Glovis' business activities and relationships as well as the relevant human rights issues that Treasure actively addresses with Hyundai Glovis.

Based on an assessment of the country and organisational context, Hyundai Glovis operations and their value chain are exposed to human rights risks and the potential for violations.

The human rights potentially impacted are:

- right to life,
- right not to be subjected to slavery, servitude or forced labour,
- right to equality before the law, equal protection of the law, non-discrimination,
- right to protection for the child,
- right to freedom of association,
- right to enjoy just and favourable conditions of work, and
- right to health.

#### **EQUALITY, DIVERSITY, AND INCLUSION**

By December 2022, Hyundai Glovis had 1,830 employees in Korea and 8,957 overseas. Information related to seafarers and employees in operations outside of Korea is limited in the Hyundai Glovis sustainability report. Hyundai Glovis states that they strive to create a corporate culture that respects human and labour rights, and diversity. Employees are not to be discriminated on the grounds of their gender, nationality, ethnicity, religion or status of disability.

Hyundai Glovis has a grievance channel to receive reports on any human rights infringements or related risks from employees, individuals and organisations. In 2022, there were 15 cases submitted through the grievance channel and handled according to Hyundai Glovis grievance handling process. No further information concerning the cases is given in Hyundai Glovis sustainability report 2023<sup>6</sup>.

#### **HEALTH, SAFETY, AND DECENT WORKING CONDITIONS**

Shipbuilding and ship recycling are two labour intensive activities over significant periods of time that have potential impacts on human rights, and which therefore warrant specific attention. Poor health and safety standards at shipyards and ship recycling sites pose significant risks of workplace accidents and injuries. Temporary and migrant workers are particularly at risk of abuse due to elevated recruitment fees paid to manning agencies, increasing the risk of debt bondage and forced labour.

Hyundai Glovis conducts annual supplier ESG evaluation to monitor and manage supply chain related ESG risks. The supplier ESG evaluation is based on desk and on-site assessments. Evaluation indices have been established according to domestic and international laws, as well as global initiatives such as the Responsible Business Alliance. Suppliers found to be high-risk in safety and human rights areas are required to develop improvement plans, and a third-party on-site due diligence is conducted to carry out systematic supply chain management.

<sup>2</sup> UN Guiding Principles on Business and Human Rights

<sup>3</sup> OECD Guidelines for Multinational Enterprises on Responsible Business Conduct

<sup>4</sup> Hyundai Glovis Human rights charter

<sup>5</sup> Hyundai Glovis sustainability report 2023 – Human Rights management pg. 56

<sup>6</sup> Hyundai Glovis sustainability report 2023 – Human Rights management pg. 58

In 2022, Hyundai Glovis evaluated 501 suppliers via desk or on-site assessments and 181 suppliers were assessed on-site by a third party.

Hyundai Glovis has a Supplier Code of Conduct which describes the standard of business ethics applicable for all suppliers in their business relationship with Hyundai Glovis. All new suppliers are required to sign, confirming their compliance with Hyundai Glovis' supplier code of conduct.

In February 2023, Hyundai Glovis implemented its revised Green Ship Recycling Policy<sup>7</sup> which was discussed by management in the investor meeting in November 2022 regarding unacceptable vessel recycling practices for vessels under time charter (TC) contract. The revised policy includes both new long-term TC contracts, and existing medium to long-term TC contracts, in accordance with the Hong Kong convention.

Health and safety incidents and bullying and harassment can be concerns for seafarers who may have limited ways to avoid such situations while spending extended periods of time on vessels. In relation to this, there is limited information about seafarers in the Hyundai Glovis' publicly disclosed reports.

#### **MEASURES TO CEASE ACTUAL ADVERSE IMPACT OR MITIGATE SIGNIFICANT RISK OF ADVERSE IMPACT**

Management continues to face challenges in understanding the actual implementation of human rights across the Hyundai Glovis' organisation and value chain, as well as the results of their efforts. This difficulty arises from the limited scope of Hyundai Glovis sustainability report. The scope of the sustainability report continues to be limited to domestic Korean operations, lacking visibility of international sites, employees abroad and seafarers and without disclosure of the human rights impact assessment.

Management in Treasure have regular meetings with the investor relations team in Hyundai Glovis where ownership expectations are discussed. In a meeting with Hyundai Glovis in November 2023, management encouraged further transparency of human rights reporting and impact assessment. They suggested aligning the coverage in Hyundai Glovis annual sustainability report with the global scope and scale of operations.

Lysaker, February 2024  
The Board of directors of Treasure ASA  
Electronically signed:

Thomas Wilhelmsen (Chair)  
Marianne Hagen  
Benedicte Bakke Agerup  
Christian Berg  
Magnus Sande (CEO)

<sup>7</sup> Hyundai Glovis Green Ship Recycling Policy

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