

# 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 Treasury 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 Treasury 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