

Treasure ASA

# ESG Report 2022

# ESG Report

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

### CEO message:

2022 was characterised by an accelerated focus on addressing 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 renewable energy and the value chain.

We continue to see good opportunities ahead in the maritime and logistics segment, and our investment in Hyundai Glovis remains 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.



Magnus Sande, CEO

### SCOPE OF THE REPORT

This is the second Treasure ASA group (referred to as the group / the company) ESG report covering its activities from 1 January 2022 to 31 December 2022. The company will continue to improve this reporting, particularly in preparation for upcoming regulatory disclosure requirements.

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 based on a Service Level Agreement. The company has one main equity investment in Hyundai Glovis. As the Hyundai Glovis sustainability report is made available after Treasure ASA's report, there is a one-year lag in any data related to Hyundai Glovis activities (for example in the company's scope 3 GHG emissions reporting).

### 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 two years 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.	Environment, Social, and Governance (ESG) matters in the company's sourcing, investing and management of investments set 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.	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.
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 environment, social, and 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 work in own operations, investments, and the value chain to reduce environmental impact and climate risks; promote human rights and sound working standards; and work towards eliminating corruption. 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. In 2022, the company had one meeting with Hyundai Glovis to address a specific issue related to human rights; and two investor meetings addressing ownership expectations, strategy, and ESG matters.

## ENVIRONMENT

The company does not have any assets or employees. The CEO, CFO, and board utilise leased office space in Lysaker, Norway 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 2022 review, it was determined that this work is managed in a satisfactory way.

### 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 its management of climate risks and opportunities during 2022 and have updated its TCFD disclosure in this ESG report.

#	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.  In 2022, the board reviewed the Hyundai Glovis 2021 sustainability activities and noted in particular the climate ambition and GHG emissions reduction activities for shipping and land-based logistics.
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.	The company's investment in Hyundai Glovis is exposed to climate risk over the short and medium term.  Physical risks stemming from more extreme weather and rising water levels impacting the logistics and maritime assets and operations of Hyundai Glovis.  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.  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 environment, social and governance (ESG) issues, all exemplify the changing climate risk and opportunity landscape for Hyundai Glovis.
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 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.

#	TCFD disclosure	Treasure ASA
<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. An ESG risk category was added to the process and matrix in in 2022.
<b>Metrics and 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 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 2022, the scope 3 emissions related to the CFO and CEO business travels were 24 tCO<sub>2</sub>e (based on travel agent calculations using DEFRA emissions factors).</p> <p>The company's Scope 3 emissions from its equity investment in Hyundai Glovis from 2018 to 2021 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: 425 228 tCO<sub>2</sub>e (held 11.00% shares)  2022: *data not available at time of reporting (held 11.00% shares)</p> <p>*Hyundai Glovis assure and publish their emissions report after the company's annual report is produced. The emissions data for 2022 will therefore be reported in the company's 2023 ESG report.</p> <p>The main source (98%) 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, setting targets and implementing emissions reduction activities.</p> <p><b>Extract from Hyundai Glovis TCFD disclosure</b>  "Hyundai Glovis has established a target to reduce the absolute amount of greenhouse gas and is pursuing it to achieve it. The goal was established by considering a combination of 2DS, NDCs scenarios. The National Roadmap for Greenhouse Gas Reduction and IMO 2050 Reduction Goals were applied, and for overall complex scenario, absolute volume reduction goals were established.  1) 2030 Reduction Target: 26.57% reduction in absolute amount compared to 2016 GHG emissions  2) 2050 Reduction Target: 52.05% reduction in absolute amount compared to 2016 GHG emissions"</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' 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 primary focus of Treasure ASA is on managing 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 composes the management of Treasure ASA are employed by Wilh. Wilhelmsen Holding ASA (WWH) and are hired in based on a Service Level Agreement. In 2022, 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 (100%). In 2022, two of four board members were female (50%).

Treasure ASA is committed to safeguarding human rights. The company supports and respect the internationally recognised UN Universal Declaration of Human Rights and the International Labour Standards (ILO Declaration on Fundamental Principles and Rights at Work) and prohibit 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.

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 labour-related laws and regulations in each country and region<sup>[1]</sup>.

Hyundai Glovis' 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 2022 review, Hyundai Glovis's human rights commitment; and gender balance in board and top management roles received particular attention.

In March 2022, management raised one human rights related issue formally with Hyundai Glovis related to unacceptable vessel recycling practices for time charter (TC) contracts. Management requested Hyundai Glovis to implement a clear policy approved by the board of directors that the recycling of vessels on TC contracts are according to the Hong Kong convention and aligned with the policy already implemented for owned vessels. Hyundai Glovis addressed this issue with a clear policy for vessel recycling for both new long-term TC contracts, and existing medium to long-term TC contracts. The implementation of this policy was addressed during the scheduled investor meeting in November 2022 and will be addressed at least annually by management.

Treasure ASA is in the process of conducting a human rights due diligence assessment for its investment in Hyundai Glovis. The due diligence process is based on Wilh. Wilhelmsen Holding ASA (WWH) human rights framework, which is guided by the United Nations Global Compact and Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises. The company is in the process of formally assessing the actual and potential human rights impacts and integrating and acting upon the findings. Furthermore, as part of our ongoing active ownership, the company will then monitor progress, track responses, and communicate how impacts are addressed at least annually. In compliance with the Norwegian Transparency Act, a human rights disclosure for 2022 will be made available on the company's website by 30 June 2023.

## GOVERNANCE

The CEO, CFO, and all the board members have completed mandatory training on ethics and anti-corruption including competition law. In 2022, 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 an established corporate governance and ethical management system in place including compliance program, anti-bribery management, training and whistleblowing channel.

Hyundai Glovis' management of corporate governance, corruption risk, and compliance are evaluated in the management and board's annual strategic reviews. In the 2022 review, it was determined that this work is managed in a satisfactory way.

<sup>1</sup>Hyundai Glovis Sustainability report 2022 – Human Rights management pg. 70

[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