

# UN Global Compact (UNGC) Communication on Progress

2012-2013

## DA-Desk™

1J-08 / 1, Hamriyah Free Zone  
Sharjah  
United Arab Emirates

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## UN Global Compact – our commitment



Dear Readers,

We're proud to have been a member for almost a year of the United Nations Global Compact's important effort, which supports the environment, human rights and sustainability.

We continue to collaborate with the UN and other corporate entities to adopt best practices that have a positive impact in these important areas.

Today, the UNGC ten principles are promoted via our website, and are part of our strategy, culture and day-to-day operations.

Last year we focused on people, organised open day sessions and training, conducted benchmarks and promoted performance and behaviour within the organisation. Attrition rate decreased from 17.6 % in 2011 to 12.6 % in 2012.

Going forward we will continue to reduce our carbon footprint by 15 % by end of 2014.

Yours sincerely,

A handwritten signature in blue ink that reads "Marcus Demgenski". The signature is written in a cursive style.

**Dr. Marcus A. Demgenski**

Managing Director

## About this report

DA-Desk joined the United Nations Global Compact (UNGC) initiative in June 2012. This report is DA-Desk's first Communication on Progress on UNGC's 10 universally accepted principles, covering the period from June 2012 to May 2013 regarding activities at DA-Desk's main office in Sharjah, United Arab Emirates.

The report includes description about us, about our business, our policies, and our efforts relating to complying with these 10 principles.

## About us

DA-Desk is the largest independent provider of port cost management services. The world's leading shipping companies look to us for operational efficiency, cost savings, and a sophisticated understanding and management of compliance issues.

DA-Desk was founded in 2001 and since its inception has been focused exclusively on the DA process, from port agent nomination to voyage closing. Our mission is to increase transparency in the disbursement account process, create operational efficiency, and improve the price-value relationship for both principals of shipping companies and port agents.

DA-Desk is fully independent, with no financial connection to port suppliers, port agents or shipping companies.

The company's flagship service, PortSpend Management, and its companion service, PortPayables, along with other services and tools, deliver benefits to more than 180 customers across the globe whose annual port calls range in number from 100 to 6,000. DA-Desk has more than 350 operations staff and senior executives working in

dedicated teams on behalf of its customers. The company maintains verified details on almost 10,000 agents in its comprehensive Agency Database and processed more than 110,000 port calls in 2012.

Our customers are free to focus on other important tasks because our team of skilled knowledge workers manages every painstaking detail of the DA process. Since DA-Desk is involved in more than 110,000 port calls per year, we are also able to reduce unit costs and pass savings directly to our customers. Since our founding in 2001, DA-Desk has helped customers transform port cost management practices and establish new standards for efficiency and oversight.

In order to accommodate our consistent business growth, increasing customer base and work volume, and our expanding staff, DA-Desk will relocate from Sharjah, UAE, to a larger, modern office facility in Dubai Outsourcing Zone (DOZ) in the 3rd quarter of 2013. DA-Desk has invested significantly in the new office premises to make it an even better work environment for our staff from both a cultural and an energy efficient perspective.



WE SUPPORT



DA-Desk TRAC No  
4-13-838-4006-23



Certificate No: MEA1105073

## Delivering on the DA-Desk promise

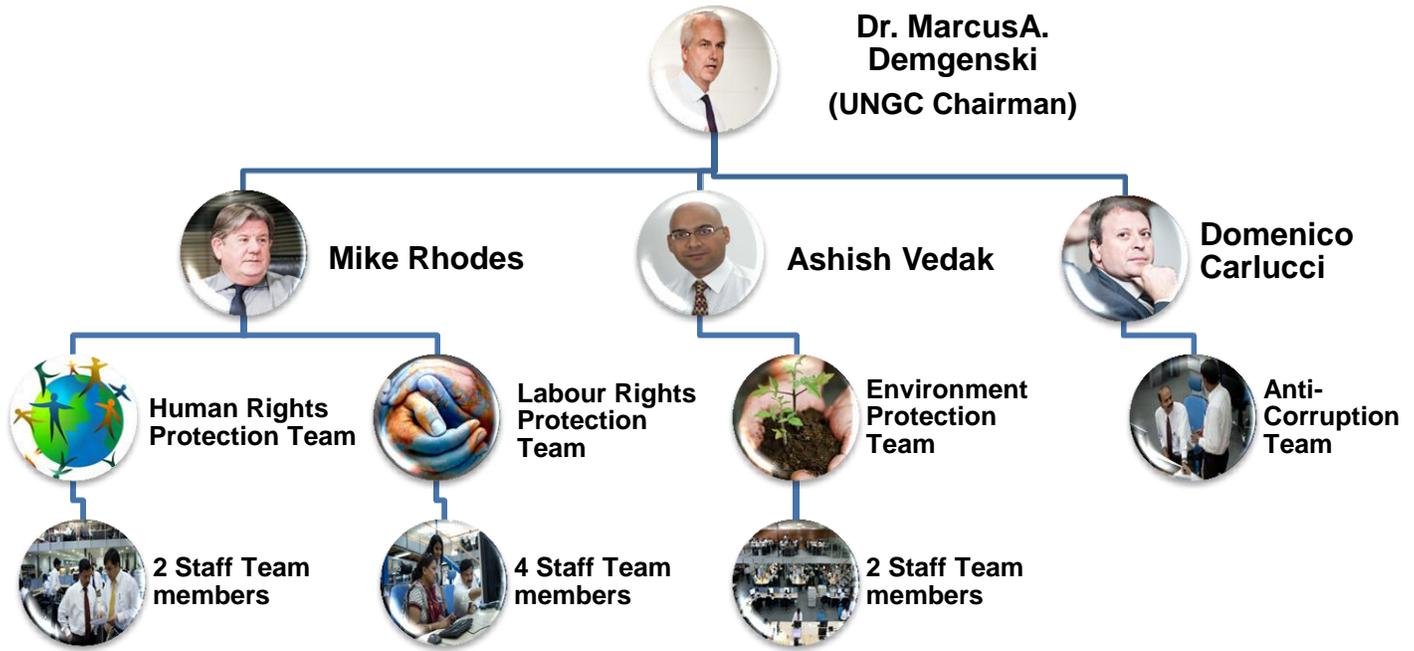
Integrity, transparency, and independence are the cornerstones of the company. Since it began operations, DA-Desk has been working to meet the diverse needs of its customers.

The company has invested aggressively in its services—including the flagship PortSpend Management and its companion, PortPayables. DA-Desk has also focused on its people, hiring experienced knowledge workers with a strong command of languages who fully understand the practices of the shipping industry.

# DA-Desk's participation in UNGC initiative

According to the UNGC, by aligning with its principles, DA-Desk FZE helps ensure that market, commerce, technology and finance advance in ways that benefit economies and societies everywhere.

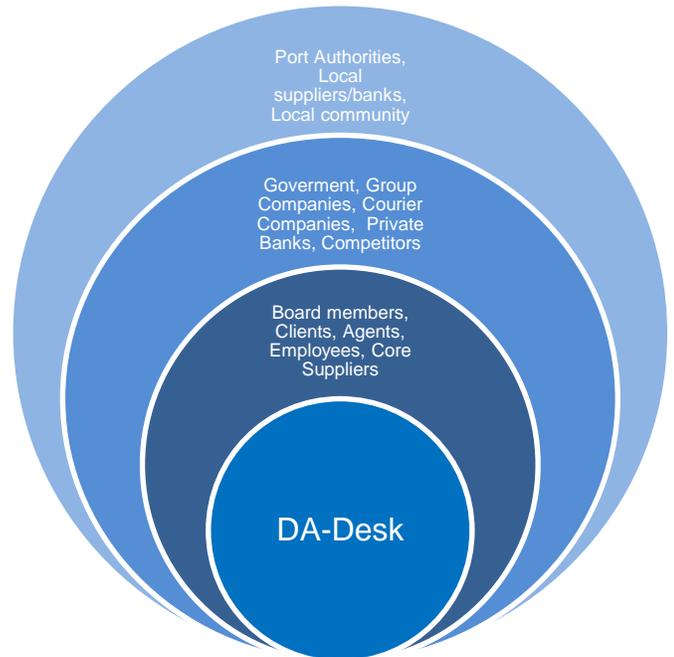
To ensure that we make progress on the set principles, we created a UNGC core team in 2012, which includes the following:



## Our Stakeholders

Our many stakeholders, as noted in the diagram, influence our economic performance, social performance and environmental performance. The primary area highlighted during the materiality test\* by stakeholders are: innovation, profitability, service fee, integration, privacy and data protection, engagement, transparency, on-time payment, compensation & benefits, talent retention, career path, promotions, training & development, working conditions, payment of service, fair business ethics, carbon emission, anti-corruption, human rights and gender equality.

\*The materiality test was conducted internally by relevant staff members who engage on a regular basis with key stakeholders.



# Policy, practical actions and outcomes

## HUMAN RIGHTS

**Principle 1:** Businesses should support and respect the protection of internationally proclaimed human rights.

**Principle 2:** Businesses should make sure that they are not complicit in human rights abuses.

## Assessment, policy, and goals

### We respect our colleagues and employees

DA-Desk policies uphold and promote human rights in accordance with the United Nations Global Compact.

We seek to do this in three ways:

- In our operations by upholding our values and standards;
- By providing a work environment that encourages individuals to grow professionally and personally;
- In our relationships with our customers and suppliers, by upholding our values and standards and through constant communication.

DA-Desk policies are in accordance with the applicable UAE's laws and Ministerial Orders, which include:

- Respect for human rights, including the requirement that no employee shall suffer harassment, physical or mental punishment, or other form of abuse;
- Fair remuneration, including the requirement to provide employees with housing or housing allowance, medical insurance, repatriation and end of service gratuity.

## Implementation

### HR Policies

- ✓ We created a handbook of policies and procedures, and followed it up with establishing Key Performance Indicators in 2012.
- ✓ In 2012, we conducted 'open days' for staff where all employees meet senior management to voice their views, concerns, and suggestions and an internal staff survey, and the resulting action plan was circulated to all staff.

### Additional Compensation

- ✓ Insurance (including families): All staff members and their families are covered with adequate medical insurance. Additionally, employees are covered under the Group Family Protection Plan with life insurance and accidents at the workplace.
- ✓ As of Oct 2012, DA-Desk covers maternity expenses for all female staff.

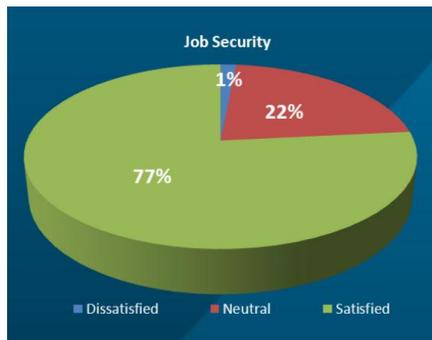
- ✓ As of Jan 2013, DA-Desk changed its housing compensation policy for spouses where the spouse of the staff is also a DA-Desk staff. Until 2013, one spouse was given half of the allowance; now this has been made a full allowance.

## Safety of the staff

- ✓ Captain Michael Rhodes, an experienced mariner, is in-charge of the safety at DA-Desk. Our Emergency Response Plan prepared by Captain Rhodes ensures safety of our staff at work place. Frequent fire and safety drills are conducted so that employees know exactly what to do in case of an actual emergency.
- ✓ All employees are trained on how to use fire extinguishers in case of a fire.
- ✓ Because it operates 24/7, DA-Desk arranged First Aid training for many of its staff to ensure there is immediate help available to all staff at any given point in time if there is a medical emergency.

## Measurement of Outcomes

### Extracts from an all staff internal survey in 2012



Ranking the most important work related aspects to each employee  
*1 = Highest Value and 7 = Lowest value*

1. Job Satisfaction
2. Salary
3. Job Security
4. Good Relationship with other staff members
5. Effective promotional opportunities
6. Work Environment
7. Effective performance appraisal system

Salary and Job Satisfaction were highly valued,  
 Job Security was also highly valued and the most satisfied aspect of DA-Desk

An effective performance appraisal and the work environment was deemed as less important.

Employees of DA-Desk regarded Salary as the most important element. As a result, a consultant was appointed for reviewing the salary benchmark for all positions across company.

The consultant, who has extensive experience in the UAE, applied the HAY's methodologies and benchmarks in reviewing 80 job descriptions covering all positions within DA-Desk.

Summary findings of the study included:

- DA-Desk's existing grading structure is extremely good and robust, and the vast majority of jobs (90%, or 91 out of 101) are correctly graded using the "Hay Guide Chart Method of Job Evaluation".
- Only nine jobs appear to be under-graded, according to the job evaluation systems by Mercer and Towers-Watson for remuneration analysis.

Recommendations were made on how DA-Desk can tidy-up generic job titles for the future to give greater clarity to employees and greater transparency and fairness.

**Action:** Recommended changes in grades and salaries were effected in 2012, as an end of year review process.

### **Our goals for the upcoming year impacting Human Rights**

- Continue refining our Human Resource policies, especially with regards employee benefits, with the help of industry experts.
- Form a Human Resource Committee to look after the interests of the staff regarding human rights.
- Conduct regular follow-up and feedback sessions to understand staff concerns.
- Create an improved mechanism for reporting on human rights abuse.
- Women empowerment: Form an all women committee that will be a focal point to communicate with DA-Desk management on behalf of all female staff members.

## **LABOUR**

**Principle 3:** Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.

**Principle 4:** Businesses should uphold the elimination of all forms of forced and compulsory labour.

**Principle 5:** Businesses should uphold the effective abolition of child labour.

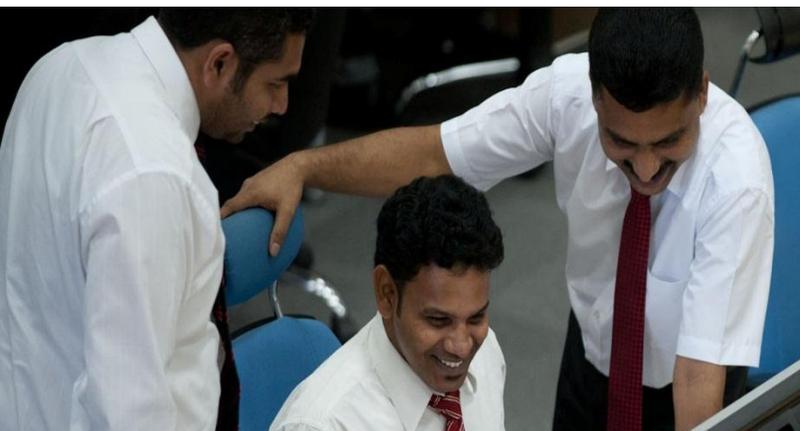
**Principle 6:** Businesses should uphold the elimination of discrimination in respect of employment and occupation.

## **Assessment, policy, and goals**

### **We respect labour laws and the welfare of our employees**

DA-Desk endeavours to uphold and promote labour rights in accordance with UNGC principles and international conventions. DA-Desk policies are in accordance with the UAE's Labour Law and the Ministerial Orders implementing its provisions with respect to labour standards, which include:

- No use of forced or compulsory labour,
- Freedom of employees to terminate employment after serving the contractual notice period of one, three or six months depending on the employee's the seniority within the organisation;
- The minimum age of employment at DA-Desk is 18 years.



# Implementation

## HR Handbook

- ✓ DA-Desk's HR Handbook clearly describes DA-Desk's labour policies. This handbook is available on our intranet and can be referred to by all employees.
- ✓ DA-Desk does not employ forced or compulsory labour. All employees are free to terminate employment after serving the contractual notice period of one, three or six months depending on the employee's seniority within the organisation.
- ✓ We encourage a healthy workplace for our staff. Smoking and alcohol are strictly banned on our office premises and this policy is clearly conveyed to our staff in our HR Handbook.
- ✓ Our policies provide equal rights for all at all levels. No discrimination is allowed based on gender, ethnicity, colour, nationality, or physical disability.

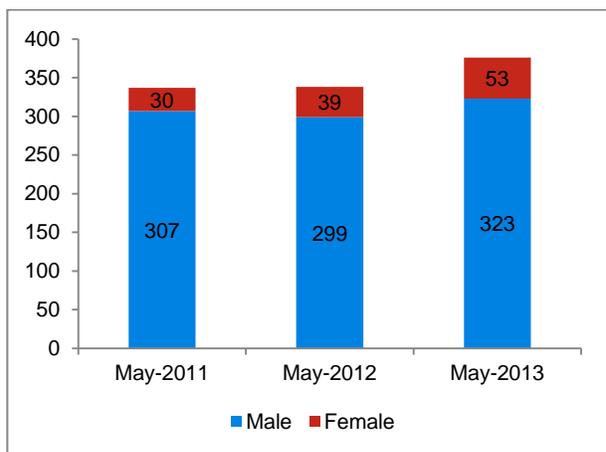
## Equal Opportunity and Remuneration

- ✓ Promotions and growth opportunities are equal to all. These are based on scientifically conducted performance appraisals. In the 1st quarter of 2013, DA-Desk established an online performance appraisal tool - 'Success Factor' - which ensures transparency in our promotion, benefits and compensation policies.
- ✓ All staff members were appraised during 2012 and were rewarded based on their achievements

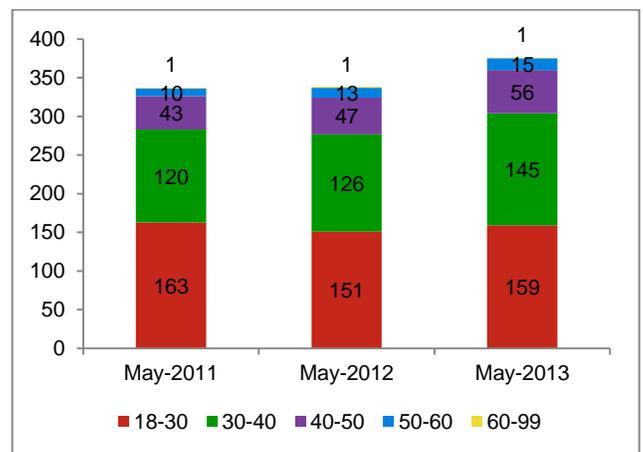
In addition, within DA-Desk, we encourage open days for staff where all employees meet senior management to voice their views, concerns, and suggestions. Results are recorded and shared with all staff on our intranet.

# Measurement of Outcomes

Total staff composition by gender



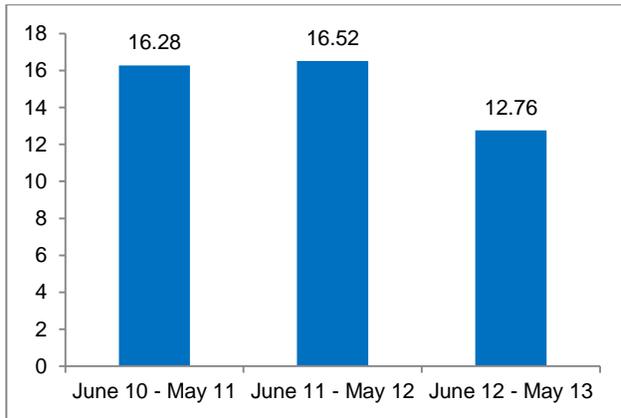
Total staff composition by age



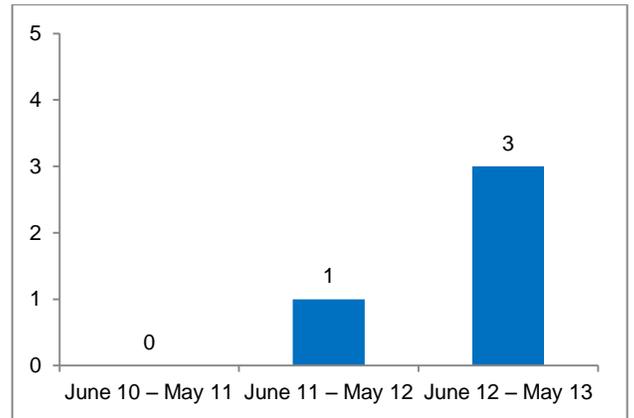
DA-Desk is led by an International and interdisciplinary team



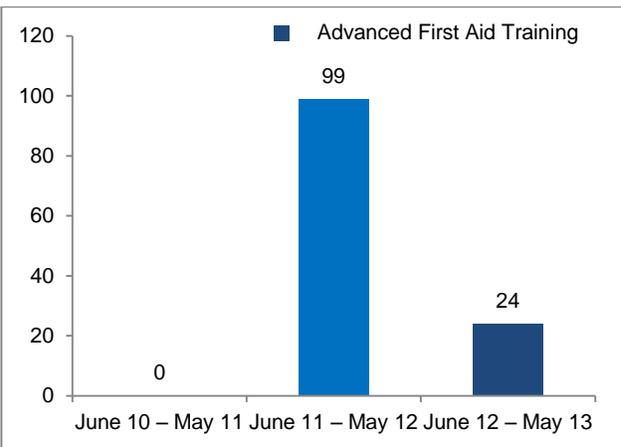
Staff resignations (%)



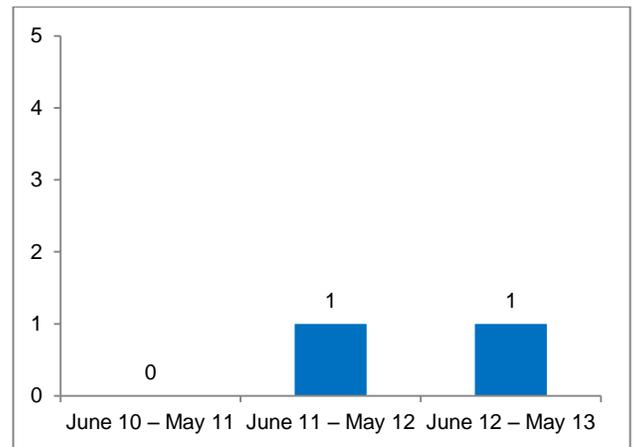
Number of open days for staff



Number of staff certified in First Aid



Number of safety/emergency response drills



## Our goals for the upcoming year on Labour

- Continue refining our Labour policies for employee benefits with the help of industry experts.
- Form a Staff Committee to look after the interests of the staff relating to labour rights.
- Create an improved mechanism for reporting on labour rights abuse.
- Ensure we conduct no business with companies that violate labour rights.
- Create an effective internal communication system on company intranet.

## ENVIRONMENT

**Principle 7:** Businesses should support a precautionary approach to environmental changes.

**Principle 8:** Businesses should undertake initiatives to promote greater environmental responsibility.

**Principle 9:** Businesses should encourage the development and diffusion of environmentally friendly technologies.

## Assessment, policy, and goals

### We protect our environment

DA-Desk policies and business principles support innovative developments for the shipping industry that create platforms for digital exchange of information and communication. Reduction of printed papers and actively promoting digital submission of information is incorporated in DA-Desk's methods and procedures.

## Implementation

### Product Responsibility

- ✓ Our unique services and tools deliver operational efficiencies, enhanced security, cost savings and increased regulatory compliance for more than 180 customers across the globe. DA-Desk services are completely web-based. There is no software to install, no setup cost, and no maintenance or training fees. This in itself contributes to huge reduction of consumption of paper and cartridges, saves courier and travel costs, and saves energy.

### Services Improvements

- ✓ We have implemented new paperless workflows in several departments. Processes were audited and amended internally and new processes were also developed, where possible, for reduction of printing.

Despite of our increased number of customers and work volumes, we successfully achieved significant reduction in our printing (45% in paper and 60% in toner consumption) over past 2 years. A far fewer number of papers and cartridges were used, and hence, we achieved a lower carbon emission.

### Energy

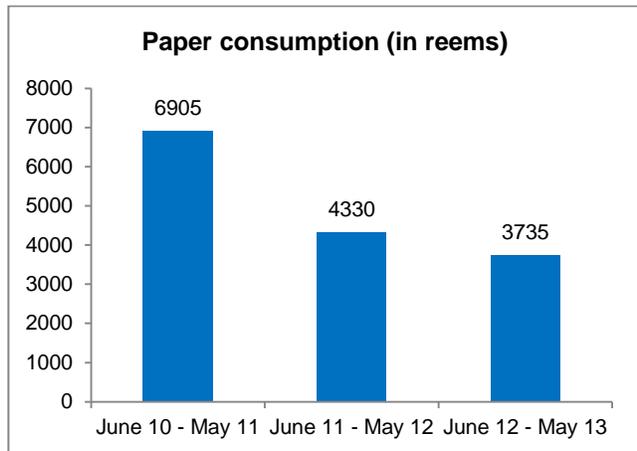
- ✓ We restructured seating arrangements in order to efficiently use our office space to consume less energy. 10% reduction on monthly bills for energy consumption was achieved without additional investments.

## Waste Management

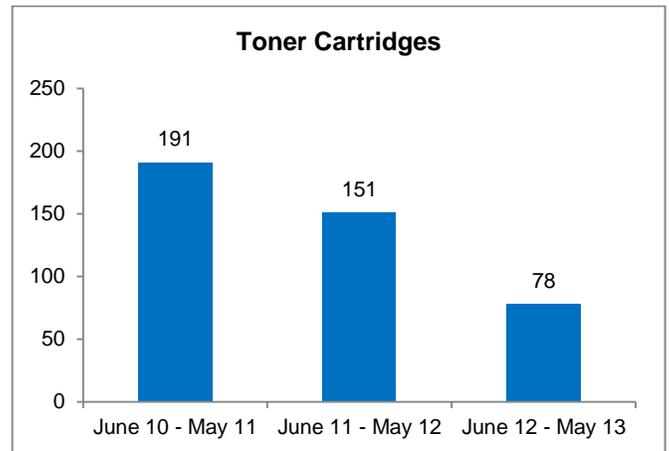
- ✓ Our waste management is handled by a professional agency, which ensures waste is managed efficiently and no damage is caused to the environment.

## Measurement of Outcomes

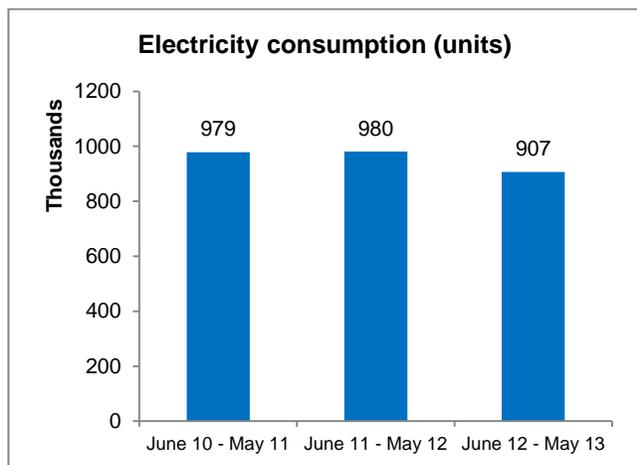
### Paper consumption



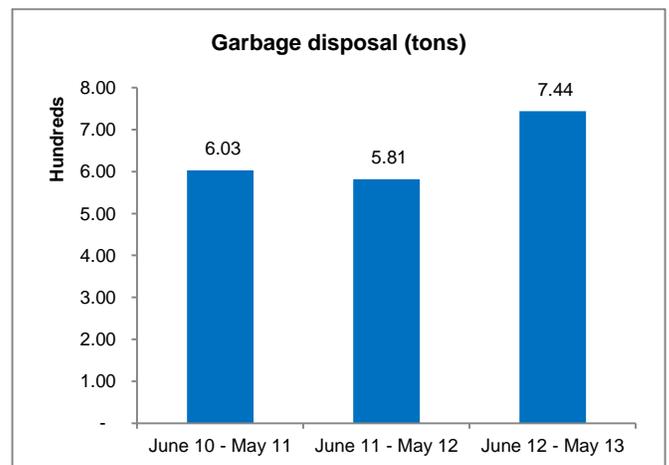
### Consumption of Toner Cartridges



### Electricity & Water consumption



### Garbage disposal



## Our goals for upcoming year on Environment

- Conduct an external Energy audit in order to measure our carbon footprint.
- Invest in projects for carbon offsetting and making our organisation a zero carbon emission company.
- Continue refining our processes and develop energy efficient technologies to make our organisation an energy efficient unit.
- Form a Staff Committee that will look after environmental protection.
- Issue clear environment-friendly internal policies.
- Install environmentally friendly technologies such as CFL/LED lights, power sensors, water recycling, smart usage of space and cooling, etc. in our new office to contribute towards reduction of energy consumption.

# ANTI-CORRUPTION

**Principle 10:** Businesses should work against all forms of corruption, including extortion and bribery.

## Assessment, policy, and goals

### We comply with Anti-Corruption Laws

DA-Desk is committed to acting ethically and legally regardless of where we do business. This means, in part, that we abide by all international anti-corruption laws, treaties and regulations that forbid bribery, improper payments or kickbacks.

## Implementation

### Compliance

DA-Desk views compliance with the UK Bribery Act 2010 from two perspectives: first, its own compliance; and second, its customers' compliance.

- ✓ For its own compliance, DA-Desk does not engage in facilitation payments and has a zero tolerance policy for acts or conduct involving bribery.
- ✓ For its customers' compliance, DA-Desk views its role (i.e., its processes and its systems) as critically important in helping its customers comply with the law for their own benefit.

### Corruption

DA-Desk is an Associate Member of the Maritime Anti-Corruption Network (MACN). Our active participation in MACN allows us to learn from best practices being shared among the members.

DA-Desk applied for and received a unique, 12-digit TRAC Registered Access Code ("TRAC") number because of its commitment to commercial transparency. According to TRAC International, TRAC is a global identification system designed to quickly and cost-effectively establish a TRAC holder's identity, address, and information, and to allow the holder to share information with customers and to allow companies to have real-time visibility into their supply chains. Furthermore, the TRAC holder's name is screened against the various government watch lists. Key documents are uploaded by TRAC holders in order to substantiate the information associated with their code and their profile on the TRAC web portal.

(For more info, see <https://tracnumber.com/PublicPages/FAQ.aspx>.)

- ✓ DA-Desk is strongly committed to do its part in combatting corruption in all its forms because we believe that corruption undermines democracy, the rule of law and the proper operation of free markets. DA-Desk will not process a payment that is unsupported by an invoice
- ✓ DA-Desk will also closely scrutinize each and every invoice that is presented to a customer by the customer's counterparties and will exercise every commercially reasonable effort to verify that the invoice is legitimate.
- ✓ If DA-Desk encounters an invoice or other relevant document containing the term "facilitation payment" "facilitating payment" or "payment for facilitating [a particular transaction]," DA-Desk will not process that invoice.

## External Auditors

- ✓ DA-Desk is an ISO 9001-2008 certified company and is audited by Lloyds Register Quality Assurance annually.
- ✓ DA-Desk's financial auditor is Deloitte & Touch.
- ✓ Since 2006, and on an annual basis, DA-Desk is also SSAE 16 for the American standards and ISAE 3402 Type II certified for the operational effectiveness of internal controls and compliance to the guidelines described in the Sarbanes Oxley Act.

## Measurement of Outcomes

- DA-Desk has not been implicated in any cases or incidents of or related to extortion, corruption or bribery.
- Our financial reporting is verified by external auditors to ensure transparency and accuracy of accounting practice.

## Our goals for the upcoming year on Anti-Corruption

- Conduct an awareness training for all staff on Anti-Corruption.
- Provide access to an online, multi-lingual, cost-effective certificated training program to port agents all over the world in order to further contribute to our customers' compliance efforts.