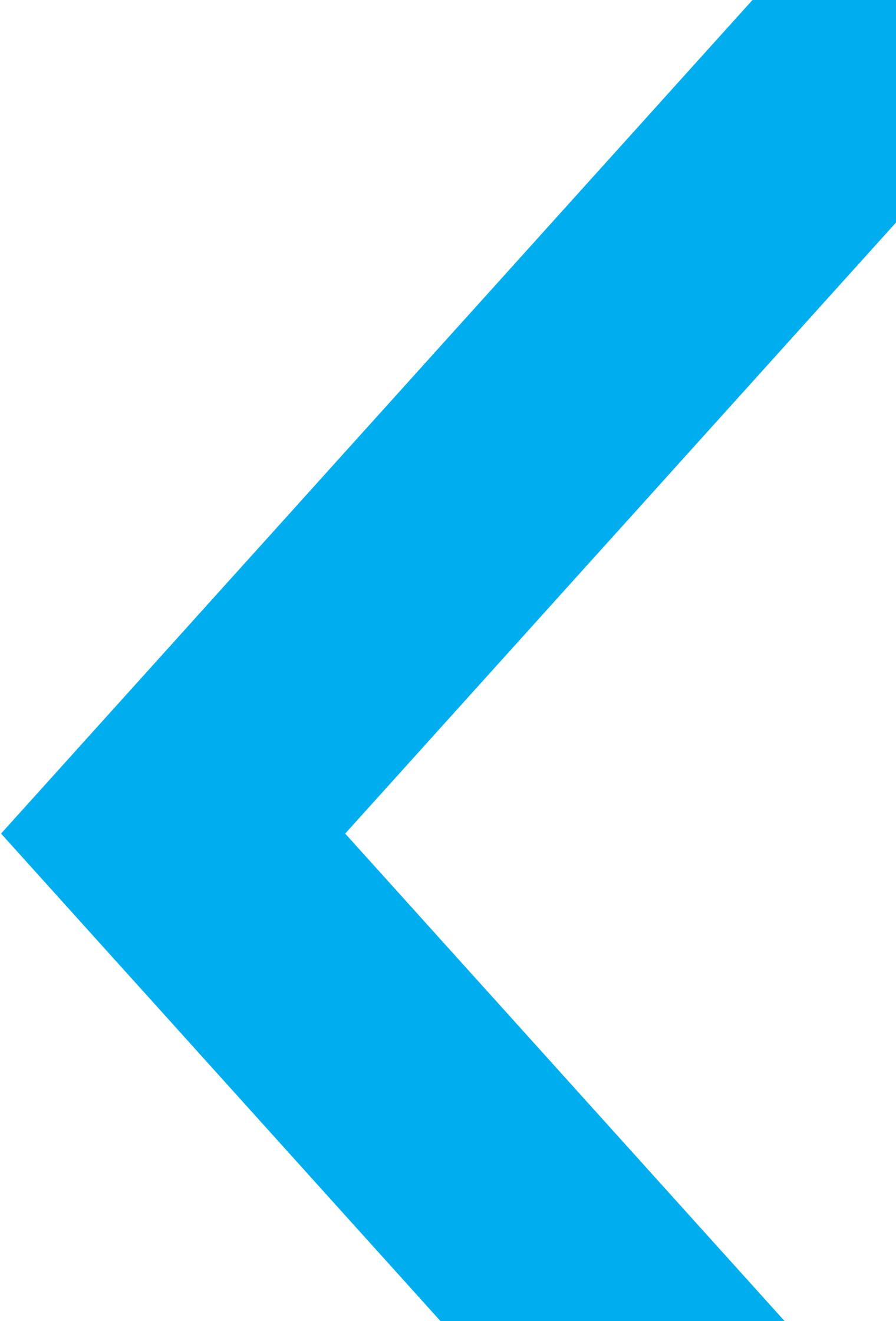


United Nations Global Compact communication on progress

DA-Desk® 2013-2014





Letter from the DA-Desk Board

At DA-Desk, we aim to make a positive difference for our stakeholders and the Communication of Progress (COP) Report allows us to take stock of what we have done in this regard.

Since our last COP Report, staff satisfaction and security have remained high priorities in our organization. These elements are critical to our continued drive to deliver excellent service to customers. Towards these ends, we pushed for an even more diverse workforce and higher representation of women in both staff and senior management.

We are committed to be a preferred employer. With this commitment in mind and with our consistent business growth, we moved to a larger, modern office facility in Dubai Outsource Zone (DOZ) in the 3rd quarter of 2013. We invested significantly in the new office premises to make the work environment not just aesthetically more pleasing but also more energy-efficient.

We also invested significantly in technology to radically reduce the amount of paper used in the disbursement accounting area. This is not only important for a sustainable environment, it is also resulting in time and cost savings for customers. We will keep our focus on this to achieve more benefits for all involved in the coming year. As the leader in our field, we fully accept responsibility for - and take pride in - furthering this important agenda. This is a transformative project and thus very much in line with the United Nations Global Compact Strategy for 2014-2016.

In the past period, we have invested and engaged heavily in initiatives to advance compliance, particularly in the area of anti-corruption. We believe that our alliance with TRACE International will further transparency in shipping and also help reduce the cost of compliance for shipping agents. Through our membership in the Maritime Anti-Corruption Network (MACN), we actively engage in initiatives aimed at increasing the level of control and compliance in the shipping industry.

On behalf of the DA-Desk Board, we thank you for taking the time to read our COP Report. We trust you will find it of interest.

Jens Lorens Poulsen
Founder & Chairman

Hans-Christian Mordhorst
Deputy Managing Director



Jens Lorens Poulsen,
Founder & Chairman



Hans-Christian Mordhorst,
Deputy Managing Director

“Since our last COP Report, staff satisfaction and security have remained high priorities in our organization.”

About this report

DA-Desk joined the United Nations Global Compact (UNGC) initiative in June 2012. The UNGC is a voluntary framework for companies that commit to align their business operations to the UNGC's Ten Principles.

The Ten Principles consist of four main pillars: Human Rights, Labour, Environment and Anti-corruption.

This Report is DA-Desk's second Communication on Progress, covering the period from June 2013 to May 2014. The report is an overview of activities and initiatives at DA-Desk's office in Dubai, United Arab Emirates, that relate to the UNGC principles.

DA-Desk is founded on the principle of building sustainable long-term value for all stakeholders while ensuring that compliance and transparency are integral to all processes. As such, this Report covers only a part of all the active and planned initiatives in the company, but it includes information about our business, our policies, and our efforts relating to aligning our operations and initiatives with the Ten Principles.

For more information about UNGC, go to: www.unglobalcompact.org

About DA-Desk

DA-Desk is the world's 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 disbursement accounting (DA) process, from port agent nomination to voyage closing. Our mission is to increase transparency in the DA process, create operational efficiencies, 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 authorities, port suppliers, port agents or shipping companies.

The company's flagship service, PortSpend Management, and PortPayables, along with other services and tools, deliver benefits to 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 120,000 port calls in 2013.

Since our founding in 2001, DA-Desk has helped customers transform port cost management practices and establish new standards for efficiency and oversight.



Certificate No:
MEAT105073



WE SUPPORT



TRACE Certification
ID TC4142-1856



DA-Desk's implementation of the Ten Global Compact Principles

Integrity, transparency, and independence are the cornerstones of our company, and compliance is fundamental and embedded in all our services and processes.

By aligning with UNGC principles, DA-Desk has become part of a growing community of businesses who operate in ways that benefit economies and societies everywhere.

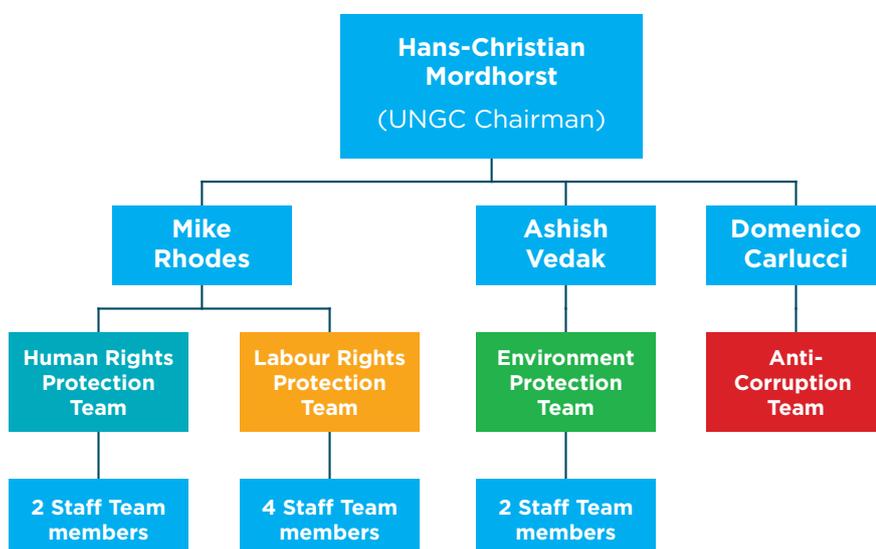
We invest intensively in our services, including the flagship PortSpend Management and PortPayables, to further develop and deliver new applications that meet our customers' need for process improvements while also meeting regulatory demands. One such new service has been developed in close cooperation with experts of government sector procurement processes. The service delivers an in-depth verification process that focuses primarily on the government sector's challenges in validating 3rd party supplier invoices.

DA-Desk is a multicultural workplace with 27 different nationalities currently represented. We continuously focus on our people, hiring experienced knowledge workers with a strong command of languages who fully understand the practices of the shipping industry. We are committed to develop all employees and conduct training programs that not only benefit the company but further develops employability of our staff. Our constant efforts have resulted in an employee retention rate that far surpasses the industry average, and we aim to get even better.

All DA-Desk services are web based, eliminating a large amount of printed documents that used to be a necessity to the DA process. We are committed to reduce use of paper, reduce waste and use less energy throughout all our operations. We continue to implement new initiatives in our daily operations as well as through our service offerings.

In 2012, we created an interdisciplinary UNGC team that includes key members from various departments. This team ensures that progress is made according to our commitments, new initiatives are taken, and reporting is done to the Board.

DA-Desk dedicated UNGC team



“DA-Desk is a multicultural workplace with 27 different nationalities currently represented.”

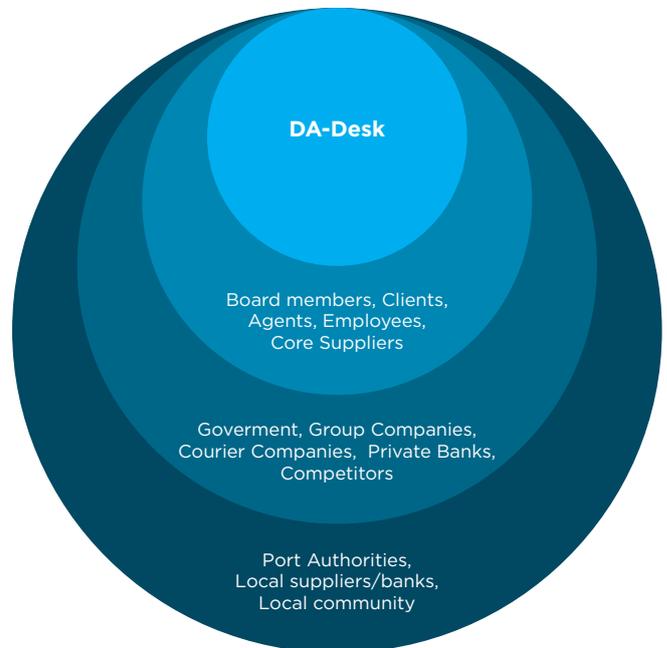
Our Stakeholders

Determining materiality for this Report includes considering economic, environmental, and social impacts that are relevant to us, our stakeholders and our business in general. The major topics that have attracted more stakeholder interest are represented below.

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

The primary areas highlighted by stakeholders during the materiality test are:

- Anti-corruption, fair business ethics, innovation, profitability, service fee, integration, privacy and data protection, engagement, transparency.
- Human rights, on-time payment, compensation & benefits, talent retention, career path, promotions, training & development, working conditions, payment of service, gender equality.
- Carbon emission.



Policies, practical actions and outcomes

The following pages provide an overview of how we have applied practical actions to the Ten Principles based on the four pillars of UNGC:

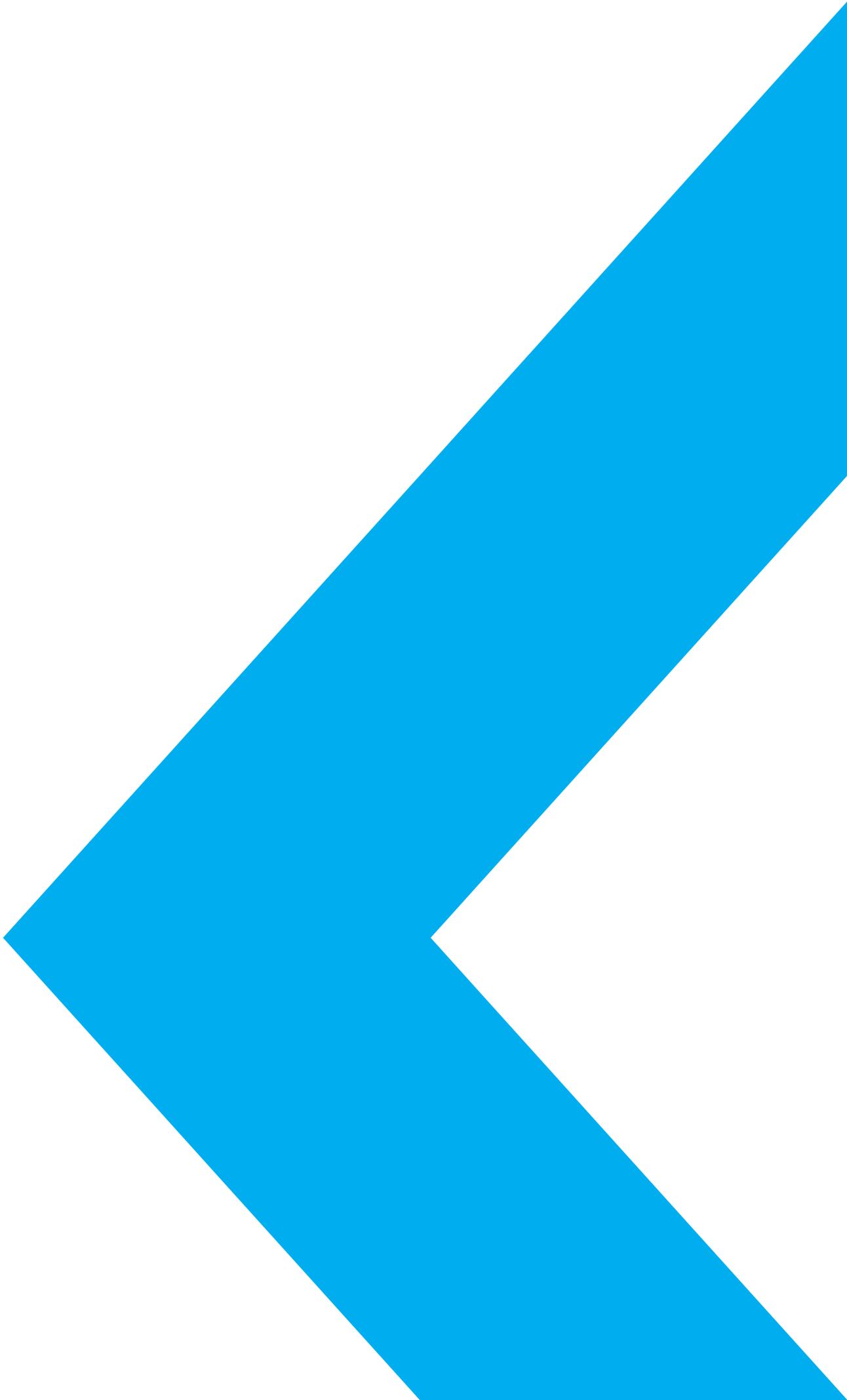
Human Rights: principles 1 and 2

Labour Standards: principles 3, 4, 5 and 6

Environment: principles 7, 8 and 9

Anti-corruption: principle 10







1 & 2 HUMAN RIGHTS

At DA-Desk, respect and support for human rights are fundamental aspects of the company's culture.

DA-Desk employs a multicultural group of professionals. Our Code of Conduct outlines the behavior expected of every DA-Desk employee at all levels.

DA-Desk employees act with integrity and conduct their affairs legally, ethically and responsibly. In practical terms, our policies prohibit us, for instance, from paying money to or receiving money from the suppliers whose invoices we audit on behalf of our principals. This way, we can be certain that we do not take part in irresponsible practices that are harmful to our customers and to society as a whole.

As a company, we acknowledge that human rights are integral to our business with all stakeholders and we uphold and promote human rights in accordance with the UNGC. The internal UNGC Team includes dedicated members who focus on human rights awareness, campaigns and initiatives across the company's departments and organisational structure, as well as highlighting developments with external stakeholders.

PRINCIPLE

COMMITMENT, POLICIES & GOALS

HUMAN RIGHTS

- 1: Businesses should support and respect the protection of internationally proclaimed human rights.
- 2: Businesses should make sure that they are not complicit in human rights abuses.

We respect our colleagues and employees.

Our 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
- Our work environment 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

Our policies are in accordance with applicable laws and Ministerial Orders of the United Arab Emirates

- 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

HIGHLIGHTS

HR Policies

- Performance recording system implemented. Employees have clear, specific and measurable performance indicators. Employees are provided bonus and increments
- As part of our ethics and compliance program, DA-Desk implemented a Code of Conduct. Our code of conduct can be seen here: [www.da-desk.com / about us / CSR](http://www.da-desk.com/about-us/CSR)
- Effective September 2014, we are implementing bi-monthly open days for all staff to provide them with a more frequent opportunity to interact, voice their views, and give suggestions to Management

Additional Actions

- In late 2013, we moved our headquarters to purpose-built offices offering easy access, comfort and better aesthetics. Great attention was given to support spaces, such as cafeteria, lobby, and restrooms
- We introduced luxury buses with comfortable seating for daily transportation of employees
- We continue to support humanitarian organizations by purchasing Seasonal Greetings from UNICEF
- We support the Sailors' Society - an international charity providing a personal lifeline for merchant seafarers without distinction for rank, nationality or faith
- Based on surveys, employees regarded Salary as the most important element. As a result, a consultant was appointed for reviewing the salary benchmark for all positions across company

Safety of the staff

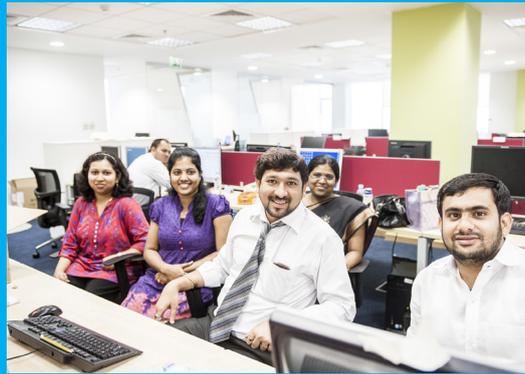
- DA-Desk has an Emergency Response Plan that is also given to visitors in case of emergency
- All employees are trained to use fire extinguishers in case of a fire
- Many employees have received First Aid training in case of a medical emergency

Training to staff

- We continue to focus on employee development through company-specific training programs, externally such as ICS lectures to enhance Shipping and Liner trade knowledge, as well as internal programs
- In 2013, 4 employees were selected for Internal QMS Auditor courses fully sponsored by the company and 23 employees have received Six Sigma Green Belt Certification

Employment of women

- In 2014, we promoted two female employees to senior Management levels.
- We have had a 63% increase in recruiting female employees in 2014



3, 4, 5 & 6 LABOUR STANDARDS

DA-Desk respects and follows the labour laws of the United Arab Emirates.

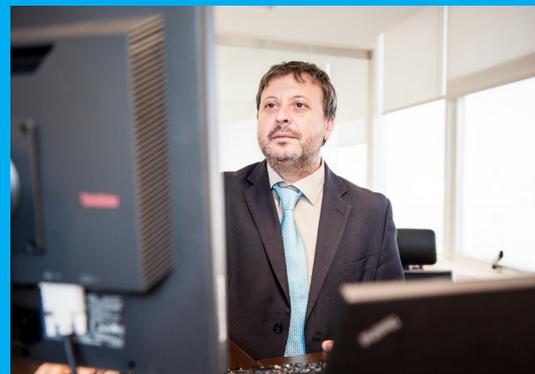
We now have over 350 employees, representing 27 nationalities. We believe in providing equal opportunity and in empowering people through knowledge.

We employ skilled, professional and dedicated people. We believe that it is important to engage and inform all employees about our values. These are highlighted when each employee is introduced to the company and their specific job tasks during their induction period. Each member of our staff has access to our HR Handbook, is informed of his or her rights, and is encouraged to share his or her opinion and concerns.

We do not tolerate retaliation against individuals who make a good-faith report of suspected misconduct or violation of law. Likewise, we do not tolerate any form of retaliation against anyone who honestly cooperates or participates in any investigation of a suspected violation.

Within the UNGC team, we have allocated four members to engage in initiatives and processes in regards to labour standards.

DA-Desk



PRINCIPLE

COMMITMENT, POLICIES & GOALS

LABOUR STANDARDS

- 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.
- 4: Businesses should uphold the elimination of all forms of forced and compulsory labour.
- 5: Businesses should uphold the effective abolition of child labour.
- 6: Businesses should uphold the elimination of discrimination in respect of employment and occupation.

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 does not use forced, compulsory or child labour.

DA-Desk policies are in accordance with the Labour Law and the Ministerial Orders of United Arab Emirates 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
- The minimum age of employment at DA-Desk is 18 years

DA-Desk aims to ensure not to conduct business with companies that violate labour rights.

HIGHLIGHTS

HR Handbook

- DA-Desk's HR Handbook clearly describes DA-Desk's labour policies. This handbook is available on our intranet and is handed out during induction for new 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
- 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, religion, race, nationality, or physical disability

Equal Opportunity and Remuneration

- DA-Desk is a multicultural workplace with 27 different nationalities represented
- Promotions and growth opportunities are equal to all. We use performance appraisals which ensure transparency in our promotion, benefits and compensation policies
- All staff members were appraised during 2014 and were rewarded with bonus and increments based on their achievements
- The retention rate of staff in DA-Desk is far above average of the industry (resignation rate of 12% compared to estimated industry average of 25%)



7, 8 & 9 ENVIRONMENT

Our Board, management and our dedicated UNGC team employees drive all aspects of commitment to best use of resources and protection of the environment. Through employee involvement, commitment and training, we will continue to find and adopt ways to do our share to protect the environment in our daily business activities. Reduction of paper usage and the active promotion of digital submission of information are incorporated in DA-Desk's methods and procedures.

We recognize our obligation to contribute to sustainable development and to behave as a good citizen. Thus, we will try our best to limit our environmental impact through efficient utilization of resources and we will support innovative developments for the shipping industry that create platforms for digital exchange of information and communication.

ENVIRONMENT	PRINCIPLE	COMMITMENT, POLICIES & GOALS
	<p>7: Businesses should support a precautionary approach to environmental changes.</p> <p>8: Businesses should undertake initiatives to promote greater environmental responsibility.</p> <p>9: Businesses should encourage the development and diffusion of environmentally friendly technologies.</p>	<p>We protect our environment.</p> <p>DA-Desk policies and business principles support innovative developments for the shipping industry that create platforms for digital exchange of information and communication.</p> <p>DA-Desk aims to reduce waste.</p> <p>Reduction of printed papers and actively promoting digital submission of information is incorporated in DA-Desk's methods and procedures.</p>

HIGHLIGHTS	<p>Product Responsibility</p> <ul style="list-style-type: none"> • Our unique services and tools deliver operational efficiencies. DA-Desk services are completely web-based. We reduce consumption of paper and cartridges, we save courier and travel costs, and save energy • To further reduce carbon footprint, we encourage all our stakeholders to implement our Soft Upload process, which further eliminates printing and shipment of documents • We continuously introduce Online tools, such as Dashboards (e.g., PortPayables Financial Dashboard) that eliminate printed paper reports <p>Operational Improvements</p> <ul style="list-style-type: none"> • 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 • While business is growing, we have successfully achieved significant reduction of 29% on paper reams and 26% in toner cartridge compared to 2013 • In view of our contribution to UNGC, we invited Chairperson and Founder of Emirates Environmental Group, Ms. Habiba Al Marashi to promote and create awareness in staff on UNGC and Environmental responsibilities • We are implementing external Energy Audits to measure our carbon footprint <p>Energy</p> <ul style="list-style-type: none"> • We achieved a saving of 24376 lbs of CO2 by reducing the number of business trips and encouraging customers to allow web-based meetings • Our purpose-built offices are aimed at energy efficiency. We are installing environmentally friendly technologies such as CFL/LED lights, power sensors, water recycling, smart usage of space and cooling, etc., to contribute towards reduction of energy consumption <p>Waste Management</p> <ul style="list-style-type: none"> • Our waste management is handled by a professional agency, which ensures waste is managed efficiently • We are implementing recycling of unrequired papers, plastic bottles, cans etc.
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10. ANTI-CORRUPTION

Compliance is one of core values as a company. Thus, we will try our best to continually improve the culture of compliance within our organization and in the industry where we operate. We will favour suppliers and partners that hold and practice the same principles we value.

DA-Desk is an over decade-old compliance enforcement engine. We efficiently manage critical compliance regulations affecting port cost management.

Our compliance work is efficient and manageable. It is embedded in all our operational processes, accepted and in daily use by our 2,000 commercial users and their 10,000 agents. We facilitate an efficient operational flow that integrates compliance related functionalities and procedures relevant to our customers.

The 10,000 vetted agents in our system receive and actively acknowledge detailed instructions and policies for every port call, which is unique to the industry. Through each and every transaction, both customers and agents benefit from being more compliant through DA-Desk. As new regulations influence our industry, this responsive system enables our customers to implement new instructions on regulation that matter to them.

We enforce segregation of duties. The process of agents alone verifying and settling 3rd party invoices on our customers' behalf poses a compliance burden for both customers and agents. With our independent port cost management system, the process is ensuring full segregation of duties in vendor payments, while being more straightforward and accepted by agents.

PRINCIPLE

COMMITMENT, POLICIES & GOALS

ANTI-CORRUPTION

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

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.

DA-Desk is strongly committed to do its part in combatting corruption in all its forms. We believe that corruption undermines democracy, the rule of law and the proper operation of free markets.

Compliance is embedded in all DA-Desk's processes and has a dedicated compliance team that works full time on compliance related tasks and initiatives.

HIGHLIGHTS

Compliance

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

- An expanded Compliance Task Force has been set up with members who work closely with the Chief Compliance Officer
- DA-Desk renewed its Associate Membership with the Maritime Anti-Corruption Network (MACN)
- Through the active participation of the Chief Compliance Officer at MACN, DA-Desk supported the drafting of MACN's Model Due Diligence Questionnaire and subsequently adopted it as part of our supplier vetting process
- DA-Desk has obtained TRACE Certification for transparency in international commercial transactions. TRACE is the world's leading anti-bribery standard setting organization
- In February 2014, we entered into an alliance with TRACE to promote TRACE Certification to the agency community of the global maritime industry. Agents can now get TRACE Certification at a reduced price due to this alliance.
- As part of the TRACE Certification process, we have provided TRACE's anti-corruption training to all our staff. 63% staff successfully attained certification and we expect 100% certification by end of 2014
- DA-Desk continues to maintain a unique, 12-digit TRACE Registered Access Code ("TRAC") number. TRAC is a global identification system designed to quickly and cost-effectively establish a TRAC holder's identity, address, and information. The TRAC holder's name is screened against the various government watch lists. (For more information, see <https://tracnumber.com/PublicPages/FAQ.aspx>.)
- DA-Desk scrutinizes each invoice that is presented to a customer by the customer's counterparties and DA-Desk exercises every commercially reasonable effort to verify that the invoice is legitimate. DA-Desk does not process a payment that is unsupported by an invoice
- DA-Desk does not process a payment if an invoice or other relevant document contains the term "facilitation payment" "facilitating payment" or "payment for facilitating [a particular transaction]."
- We run campaigns and alerts to develop awareness and to prevent fraudulent activities

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 & Touche. The firm has, since 2006, DA also audited the company's compliance to the guidelines prescribed under the US Sarbanes Oxley Act, specifically in regards to internal controls. Deloitte has concluded that "DA-Desk, as a whole, has programs and policies designed to promote and ensure integrity and ethical values in their environment."

Contact us

You can read more about DA-Desk and our initiatives at:
www.da-desk.com/about-us/CSR

We are interested in knowing what you think about our Communication on Progress report. We value your feedback, which will be used for analysis and further improvements.

Please send your feedback to our contacts below or: info@da-desk.com.

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