



A Letter from the DA-Desk Board

Dear Reader,

Since our last Communication on Progress (COP), DA-Desk has undertaken many additional initiatives to further embed our commitment to UNGC's Ten Principles in our everyday work.

Our three UNGC working groups have made great progress in a number of areas. Perhaps the most visible testament to this is the achievement by the Environment Protection Team, whose work led DA-Desk to be awarded a Certificate of Excellence for being a Top 10 company within the United Arab Emirates for waste management. In this report, you can learn how we achieved that.

In addition, we have now converted more than 35% of all documents received by DA-Desk to electronic format. This has meant a significant reduction in carbon footprint by way of eliminating printing, photocopying and courier shipments.

Our commitment to the principles of Human Rights and Labour remains firmly embedded in our HR policies, and since our last COP, we have established a formalized grievance procedure overseen by an independent team.

This is to ensure that if any staff member feels bullied, discriminated against or otherwise treated unfairly, there is a mechanism in place to raise the relevant issues and concerns without fear of any untoward repercussions.

In the area of anti-corruption, we continue our strong and active engagement with organizations such as the Maritime Anti-Corruption Network (MACN), TRACE International, and most recently, BIMCO, the world's largest shipping association and a non-governmental organization (NGO) accredited with all relevant United Nations agencies. In addition to that, we have developed new products that support global sanctions policies and transparency such as US Tax Forms Collection, Supplier Payment Verification and Container Manifest screening.

Starting this year, 2015, DA-Desk opened operations in Mumbai, India. We currently employ over 100 staff members locally and we have Mumbai employees on the UNGC Team dealing with Human and Labour Rights Protection.

Finally as a testament to our commitment to positively contribute to the society we operate in, I would like to mention that DA-Desk was a finalist in the Seatrade Middle East Awards 2014 based on our contribution to the region's maritime cluster.

I thank you sincerely for taking the time to read through our COP. Rest assured that we remain committed to raising standards in all areas covered by the UNGC's Ten Principles.



*Hans-Christian
Mordhorst*

Managing Director

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About DA-Desk

DA-Desk is the world's largest provider of port cost management services. The company serves over 220 vessel operating companies located globally, including many publicly traded companies, the three biggest commodity trading houses, and major tanker operators. These 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 focuses primarily 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 over 440 operations staff and senior executives working in dedicated teams on behalf of its customers. The company maintains a sanctions-checked database of almost 10,000 agents in its comprehensive Agency Relationship Management (ARM) System and processed around 140,000 port calls in 2014.



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 third Communication on Progress, covering the period from June 2014 to May 2015. The report is an overview of activities and initiatives at DA-Desk's offices in Dubai, United Arab Emirates and Mumbai, India 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.



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

Since introducing the concept of outsourced port cost management in 2001, we have helped transform port cost management practices and establish new standards for efficiency and oversight in the industry.

We bi-annually engage Lloyd's Register Quality Assurance (LRQA) to audit our Quality Management System (QMS) for ISO 9001:2008 certification and Deloitte to audit our process controls under the ISAE 3402 international standard issued by the International Auditing and Assurance Standards Board (IAASB). Integrity, transparency, and independence are the cornerstones of our company, and compliance is fundamental and embedded in all our services and processes.

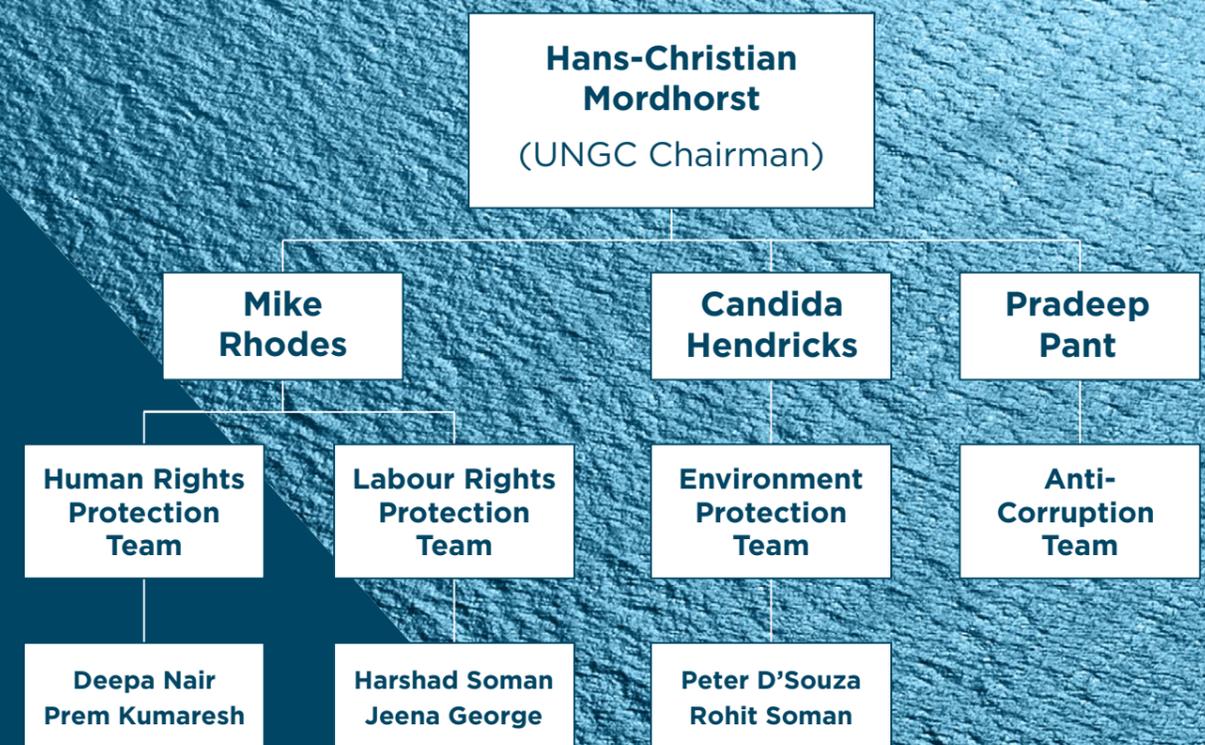
By aligning with UNGC principles, DA-Desk has become part of a growing community of businesses who operate in ways that benefit economies and societies everywhere.

We invest intensively in our services to further develop and deliver new applications that meet our customers' need for process improvements while also meeting regulatory demands.

Over the last year, we have expanded our sanctions compliance service offerings to also cover the container shipping industry. This service covers comprehensive screening of container booking and manifest data, and has been developed in close coordination with key players in the industry.

DA-Desk is a multi-cultural workplace with 24 different nationalities currently represented. We continuously focus on our people, hiring experienced knowledge workers who fully understand the practices of the shipping industry. As part of our business continuity planning, our newly established sister company in Mumbai, India, is being geared to support our current business needs, future growth, and product innovation. The new office offers our employees additional flexibility and opportunities for career planning and training.

We have 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. We continue to have overwhelming engagement from volunteer staff.



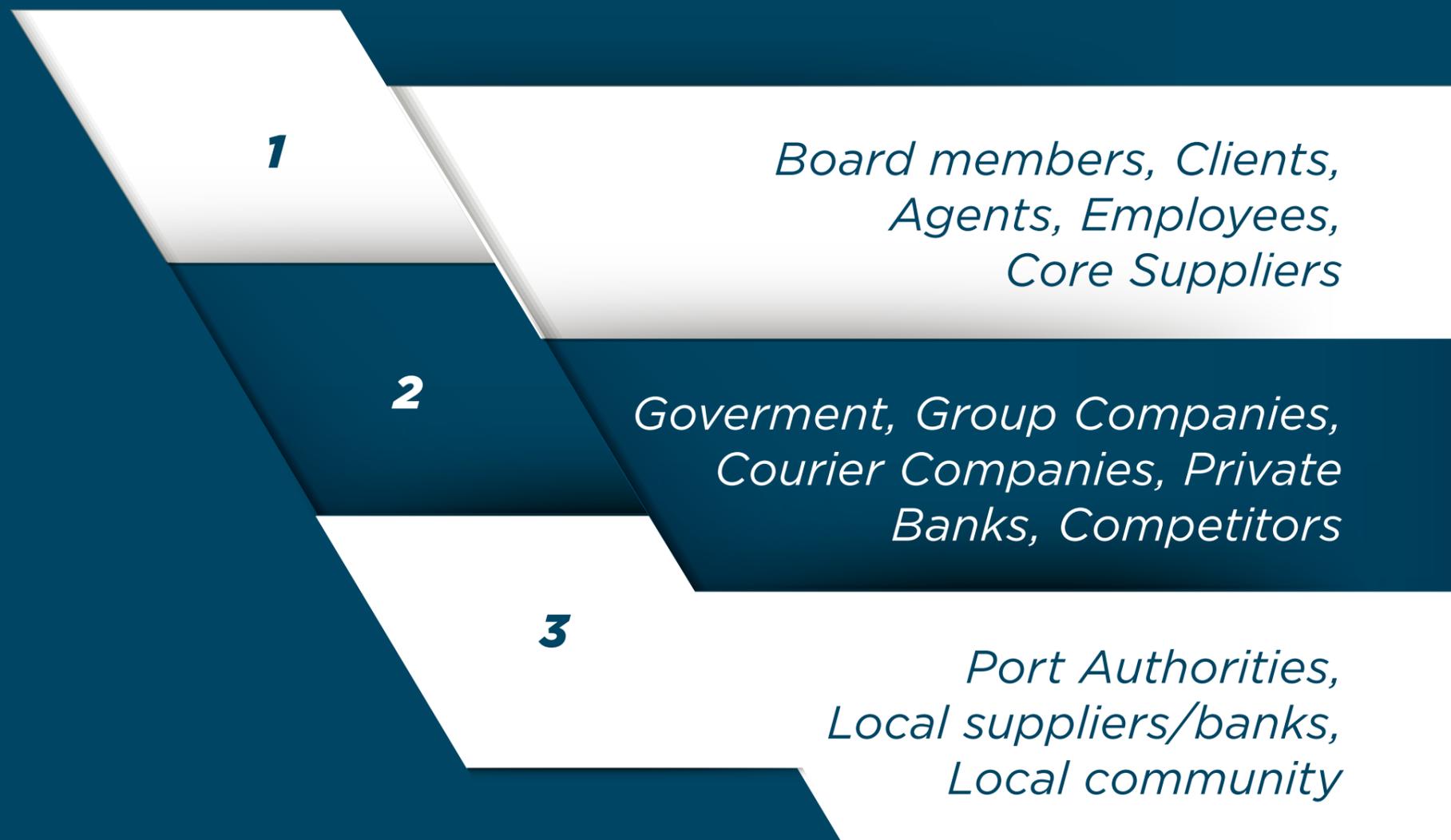
Our Stakeholders

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 presented 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, integration, privacy and data protection, engagement, transparency, compliance regulations
- Human rights, on-time payment, compensation & benefits, talent retention, career path, promotions, training & development, working conditions, gender equality
- Carbon emission, waste management



Policies, actions and outcomes

The following pages provide an overview of how we apply practical actions, planned projects and initiatives aligned with the Ten Principles and based on the four pillars of UNGC.

1/2

Human Rights Principles

3/4/5/6

Labour Standard Principles

7/8/9

Environment Principles

10

Anti-corruption Principles

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.

HUMAN RIGHTS

PRINCIPLE

PRINCIPLE COMMITMENT, POLICIES & GOALS

- 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 & 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.
 - In our work environment by encouraging 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 of the United Arab Emirates and India**
- Respect for human rights, including the requirement that no employee shall suffer harassment, physical or mental punishment, or other form of abuse
 - Fair remuneration, which may include the provision to employees of housing or housing allowance, medical insurance, repatriation and end-of-service gratuity

HIGHLIGHTS

HR Policies

- We set up and introduced a formalised Grievance Procedure. This includes a dedicated mailbox and a Grievance Form. The procedure clearly outlines that any grievances received will be treated with sensitivity and not made public.
- We set up Staff Advisories, which serve as the training mechanism for the staff regarding UNGC
- We introduced a new HR System, where staff can manage their personal profile and look up details of their rights and benefits
- In our new office in Mumbai, India, we based our compensation on an external consultant's report, and provide up to 20% more pay than comparable job functions in the region and country.
- We have increased diversity of staff in most levels of the organisation.

Additional Actions

- In 2014 and 2015, we supported several humanitarian organisations:
 - We participated in the UAE Colour Run and collected sponsorship funds which were sent to the Sailors' Society, an international charity providing a personal lifeline for merchant seafarers without distinction for rank, nationality or faith.
 - We raised over US\$ 3,000 of contributions from staff after the Nepal earthquake. The amount was doubled by DA-Desk to US \$7,000, and the funds were forwarded to the [EON Charity](#).
- Based on an employee survey in 2013/14, where employees regarded Salary as the most important element, we engaged an external consultant to review and establish salary benchmarks for all positions across the company.

Safety of the Staff

- DA-Desk has an Emergency Response Plan in case of an emergency. The Plan is shared with employees and visitors alike.
- All employees are trained to use fire extinguishers in case of a fire and we have run fire drills in cooperation with the building management and free zone authorities in Dubai.
- We are currently running additional First Aid training courses for 30 staff members to have in-house trained aid in case of a medical emergency.

Training of Staff

- We continue to invest in employee development through company-specific training programs, both externally (through ICS lectures to enhance Shipping and Liner trade knowledge) as well as internally (through the Compass Intranet powered by Compliance Wave).
- In 2014, we again selected 4 employees for Internal QMS Auditor courses fully sponsored by the company.
- We have introduced additional compliance training of volunteer staff.

Empowerment of women.

- We have hired more than 22 female employees in 2014/2015, which figure represents 42% of new recruits, and promoted several to Senior Management positions.

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.

LABOUR STANDARDS

PRINCIPLE

PRINCIPLE COMMITMENT, POLICIES & GOALS

- 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 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 laws of the United Arab Emirates and India, 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, as the case may be;
- 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 Compass Intranet and is handed out during induction for new employees
- We introduced a new, upgraded Intranet, through which, staff can collaborate, create department profiles, look up customers, share news, and receive compliance-related training powered by Compliance Wave.
- 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 24 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 average tenure of staff with our company continues to be more than 4,5 years, and many have been with us over 10 years. This is noteworthy considering our company has only been in operation since 2001.

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

PRINCIPLE COMMITMENT, POLICIES & GOALS

- 7:** Businesses should support a precautionary approach to environmental changes.
- 8:** Businesses should undertake initiatives to promote greater environmental responsibility.
- 9:** Businesses should encourage the development and diffusion of environmentally friendly technologies.

We protect our environment.

DA-Desk policies and business principles support innovative developments in the shipping industry that create platforms for digital exchange of information and communication.

DA-Desk aims to reduce waste.

Reduction of printed papers and the active promotion of digital submission of information are incorporated in DA-Desk's methods and procedures.

HIGHLIGHTS

Product Responsibility

- Our unique services and tools deliver operational efficiencies. DA-Desk services are completely web-based and save energy. Moreover, we reduce the consumption of paper and print cartridges, and we save courier and travel costs.
- To further reduce our carbon footprint, we introduced 'Soft Upload' as an easy and only option for our customers' agents, which is intended to eliminate in full the printing, photocopying and shipment of documents.
- We continuously introduce online tools, such as the PortPayables Financial Dashboard and the DA-KPIs, that eliminate printed paper reports.

Operational Improvements

- Our Soft Upload process is a work-in-progress, currently implemented for 40% of our business.
- While business is growing, we have successfully achieved a significant reduction of 33% on the use of paper year-on-year as compared to 2014.
- We have started using reusable cups and plates instead of single-use glasses and plates in our office cafeteria.
- As a group, we have consolidated three offices under one roof, which has reduced car usage and reduced consumption of energy, water and waste.
- We continue to showcase best practices. We use informational circulars and videos on TV screens and Intranet to encourage more staff to follow best practices.
- We are implementing external Energy Audits to measure our carbon footprint.

Energy

- We have achieved an estimated saving of 96,200 lbs of CO₂ by reducing the number of business trips and engaging with our customers through web-based meetings.
- We congregate in a single working area during night shifts to reduce energy consumption.
- We are constantly replacing the used light bulbs with energy-saving CFL/LED bulbs.
- Our purpose-built offices are aimed at energy efficiency. We are installing environmentally friendly technologies such as power sensors and employing water recycling, smart usage of space and cooling, to contribute towards reduction of energy consumption.

Waste Management

- Our waste management is handled by a professional agency, which ensures waste is managed efficiently.
- We have implemented recycling of unrequired papers, plastic bottles, cans, etc.
- In 2015, we introduced the glass water bottle initiative, wherein glass bottles were given to staff to discourage the use of plastic bottles.
- Over the 2014-15 period, we have handed over 307 kilograms of paper waste and 90 kilograms of cardboard waste to Emirates Environment Group (EEG) for recycling.
- We oversaw the e-scraping of 99 units of electronic appliances in the year 2014-15 which amounts to 1,244.38 kilograms and achieved a reduction of 5,238 lbs CO₂ through Enviroserve.
- We donated the proceeds from sale of old computers to staff towards the earthquake victims in Nepal.
- In 2015, we received a 'Certificate of Excellence' for being among the Top 10 Companies in the UAE for waste management.

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.

ANTI-CORRUPTION

PRINCIPLE

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

PRINCIPLE COMMITMENT, POLICIES & 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 prohibit 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.

Anti-corruption compliance is embedded in DA-Desk's processes. DA-Desk also 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

- DA-Desk is a committed and active Associate member of the Maritime Anti-Corruption Network (MACN).
- Our Compliance Task Force works closely with the Chief Compliance Officer to continuously improve and educate all levels of the organisation. DA-Desk has a renewed TRACE Certification for transparency in international commercial transactions. TRACE is the world's leading anti-bribery standard setting organization
- We continuously promote TRACE Certification to the agency community of the global maritime industry, where agents can get TRACE Certification at a reduced price.
- As part of the TRACE Certification process, we have provided TRACE's anti-corruption training to all our staff. As of this writing, 90% of our staff successfully attained certification and we expect 100% certification by end of 2015.
- 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.
- 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 documents contain the term "facilitation payment" or "payment for facilitating [a particular transaction]."
- We run campaigns and alerts to develop awareness and to prevent fraudulent activities.
- In 2014, DA-Desk developed new services for sanctions screening of cargoes and traders, for container shipments in cooperation with influential players in the container shipping industry.

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, 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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UNGC Team

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