

Marcura[®]

**Marcura's Commitment to
The United Nations' Global Compact**

UNGC Communication on Progress Report 2019/20:
CSR at Marcura



CEO's Review



Dear Reader,

The Marcura Group is pleased to share its 2019/2020 UNGC Communication on Progress report. We continue the direction set in 2012 by our flagship company, DA-Desk, of upholding the UNGC's Ten Principles by embedding them into the fabric of our Group.

We continue our annual practice of enabling UNGC Teams led by volunteers across the Globe. They meet regularly to find ways to convert and integrate the Principles into everyday practices within our Group. Named after the pillars underlying the Principles, Marcura's UNGC Teams are a vital part of our sense of civic duty as a global corporate citizen.

This year we decided to take our work a step further and explore initiatives which will have a long term impact on our organization, our markets as well as the communities we work in, by building responsible business practices based on environmental, social

and governance (ESG) best practices which fulfill our commitment to the Principles.

Towards human rights, we have taken a very conscious decision to improve the gender diversity across the organisations. We set ourselves hard targets and are proud to report that the initiative has taken off with an impressive start. This initiative has been embraced across the organisation, and we are keenly looking to identify specific actions that will help make Marcura a more gender diverse organization.

In 2019 and in-keeping with our commitment to protecting the environment, we identified actions that we needed to take to reduce our carbon footprint. We have very ambitious yet tangible targets to reduce international travel in the Group. Rather than a blanket travel, we made the decision to move closer to our customers, many of whom share the same ESG-related values as we do, to reduce the frequency of contacts, by having more efficient and virtual interactions.

Marcura continues to lead the drive towards digitalization and elimination of the tons of documentation passing back and forth between vendors, agents and operators which is common practice the shipping industry. This effort has not only resulted in our customers' benefiting from direct cost savings but much more importantly has become a foundation for many larger digital initiatives in the entire industry.

Looking inwards, Marcura continue to recognize the merits of remote work and, fortunately, the events of 2020 have proven that Marcura is a resilient Group able to work entirely distributed. We have a robust remote work strategy and we are pleased to report that, notwithstanding the global challenges of 2020, we have continued to provide an uninterrupted service to our customers. We have seen that remote working has led to major benefits for the climate and we recognise that remote working can be at the heart of carbon reduction from eliminating the commute to work, reducing the consumption of paper, not to mention a better work/life balance of numerous colleagues who would otherwise spend hours on travelling to work and back. Remote work also enables us to attract and retain the best talent from across the world.

The use of remote working tools are widely available across Marcura and the events of 2020 have served to propel our move towards our "Remote First" plan. This plan opens exciting opportunities for customers and colleagues in spite of the challenges we may face.

Marcura sits as a hub at the intersection of millions of counterparty transactions in the shipping industry. Therefore, to help combat anti-corruption, we continue to remain, and help our customers remain, compliant.

For the benefit of our customers, we have compliance-oriented services (such as

Maritime Compliance as a Service – MCaaS) and proprietary platforms, including Marcura Enhanced Governance System (MEGS). MEGS is our dedicated master data and due diligence platform, powered by a combination of in-house and third-party tools built on the three pillars of governance, operational excellence, and compliance. MEGS is designed to help support and enhance our customers compliance with regulations related to sanctions, anti-bribery & corruption, anti-money laundering, tax evasion and fraud prevention.

We have invested heavily in teams of trained SMEs and technology platforms so we can offer our services as a cost-effective "utility provider" to the industry.

2020 has seen an unprecedented set of global events that will change the way business is conducted. Marcura has succeeded in maintaining business continuity whilst keeping our staff safe. As with all industries, there will be implications across our industry, but we look forward to help support our customers and business partners to find the "new normal".

On behalf of the Board, I am pleased to submit to the UNGC the 2019-2020 Communication on Progress Report for The Marcura Group.

Jens Lorenz Poulsen

Group CEO

About this Report

We at The Marcura Group (the “Group” or “Marcura”) are pleased to present our Communication on Progress Report. From June 2019 to May 2020, our Group’s companies and employees continually sought to enhance our adherence to the Ten Principles of the UNGC under the four pillars of:

- **Environment**
- **Human Rights**
- **Labour**
- **Anti-corruption**

Policies, Practical Actions and Outcomes

The following pages provide an overview of how we apply practical actions, planned projects and initiatives aligned with the principles of UNGC.

This Report gives an overview of activities and initiatives across our offices in Dubai (UAE), Mumbai (India), London (UK), and our other cities around the world. For more information about UNGC, visit www.unglobalcompact.org.

About The Marcura Group

The Marcura Group provides the maritime industry with operational support services and specialised cloud-based platforms – all managed 24/7 by industry specialists. Working closely with our customers and partners enables us to develop innovative solutions to industry challenges, and consistently raise standards – together.

Founded in 2001 and headquartered in Dubai, our Group includes the port cost management platform, DA-Desk; our supplier-vetting and procurement services provider, PortsDirect; and a maritime-focused payment solution offering secure, efficient and cost-effective international payments, MarTrust. Our other platforms provide structured cash management, fixture management, business intelligence and maritime compliance-related services.

Together, we serve over 350 shipping companies, trading houses, mining companies and oil majors – making 180,000 port calls handled by 7,500 Agents – who optimize their voyage execution with us.

Our team of over 600 colleagues include maritime operations experts, software developers, scientists, engineers and data analysts from 40 nationalities – all committed to supporting the frontline of the maritime industry.

Working seamlessly with our customers’ voyage management systems, our digital shipping platforms enable companies to more holistically manage fixtures, connect charter party details with port call execution, manage documentation, monitor performance and comply with regulatory requirements.

Our founding principles are still our core values. Our scale enables us to invest in data curation and management for increased transparency, while our customers require our independence from the shipping value chain and value our impartiality when availing of our compliance-orientated services.

Implementing the Ten Global Compact Principles

Since 2001, we've helped transform port cost management practices and establish new standards for efficiency and oversight in the industry. With no connection to port suppliers, port agents, port authorities or shipping companies, our independence allows us to avoid any conflicts of interest.

As part of our commitment to transparency, governance and compliance, we have joined organisations that share our values:

- We are a signatory to the UN Global Compact.
- We belong to the Maritime Anti-Corruption Network, which is working towards the vision of a maritime industry free of corruption.
- We hold an associate membership in BIMCO, which promotes fair business practices, free trade and access to markets.

- We are an Associate Member of INTERTANKO, a shipping industry forum working for safe transport, cleaner seas and free competition.

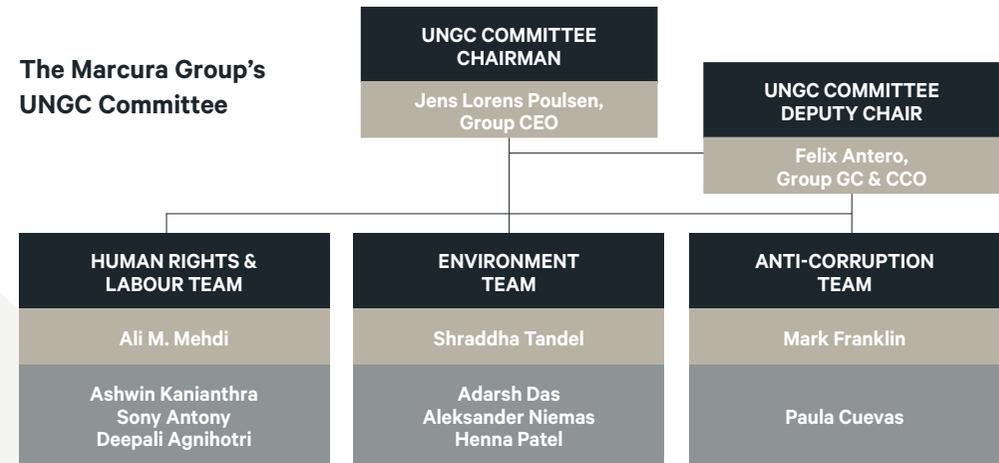
Outreach to our network continues to be a key focus for our UNGC teams, who strive to both inspire and to be inspired. We believe that our efforts to reduce business-related travel have a substantial impact on the environment. Conducting meetings virtually, if agreed with partners and customers, will have a continuous effect year-on-year.

We continuously focus on our people, hiring experienced knowledge workers and practitioners who deeply understand the shipping industry. With a growing number of international offices and remote-working options, we offer employees flexibility and opportunity for career progression. The Group is a multi-cultural workplace with 40 nationalities represented.

Each employee is kept up to date with training and information on new compliance regulations and processes, anti-bribery and fraud prevention. Every staff member goes through a training process which introduces them to the business and concludes with the signing of our Group Code of Conduct.



The Marcura Group's UNGC Committee



Environment

Although we do not operate maritime vessels, we support the protection of the marine environment by helping our customers in their operations. We are also pleased to be helping the industry shift towards more fuel-efficient transportation.

Using Data to Support the Environment

For any given vessel and voyage, fuel efficiency is more granular than just consumption and waste. Unnecessary time in port means more fuel wasted. Needless loss of time may stem from weather conditions, queues or even choice of terminal. Our solution is a suite of digital tools that facilitate collaboration among Charterers, Owners, Masters and Agents. Better communication improves efficient transport of goods and fuel within the harbour.

Digital Contract Execution and Signing

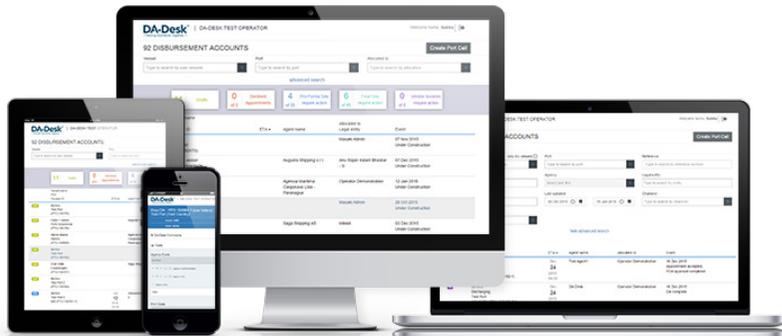
We also help the environment by using digital tools in contract development, negotiations, amendments and execution. Our proprietary software minimises the volume of physical contracts and agreements, and our secure digitised agreements are instant and paperless.

Furthermore, our algorithms cross-check historical traffic flow within a port against weather patterns and other variables, helping ships time their arrival. We also check efficiency levels at specific terminals, which vary widely. This results in faster turnarounds at port and significant fuel savings. Our unrivalled historical and global port data enable customers to save hundreds of thousands annually.

We have forged a closer relationship with key maritime organizations, which have expressed interest in our independent, secure, cloud-based maritime contract management solution, MarDocs.

Commitment, Policies and Goals

- We protect our environment.
- We support innovative developments in shipping, creating platforms for digital exchange of information and communication to reduce the use of paper.
- We aim to reduce waste.



Marcura's data-driven innovations are helping the industry and the environment.

Environment

Actions and activities

Together with a fresh team of volunteers from across the Group, we launched a new set of initiatives in November 2019. Based on past experiences and learnings from previous UNGC teams, we decided to focus on fewer themes which will have a more sustainable long-term impact on the environment.

Under the UNGC banner, we continue to engage in regular activities that we believe make an impact, reinforcing awareness amongst colleagues and partners along the way. Reducing marine pollution and carbon emissions was our main theme for 2019-2020.

Marine Pollution

- We circulated a video to spread awareness about the harmful effects of plastic, particularly on marine environments – a cause very close to our heart at Marcura. The campaign led to a tangible and achievable set of actions any individual can take.
- We launched ‘The Plastic Pledge’ to which many Marcurians across the Group signed up.
- We continue to spread our message of combating marine pollution internally and externally. Our future goals are to actively engage with customers and business partners to build wider industry momentum.
- On 14th December 2019, Marcura participated in the UAE Government initiative to clean up beaches in Dubai. An enthusiastic team of 24 participants from Marcura joined hands to do their part for the local environment.



Environment

Carbon Emissions

- As part of our drive to reduce the Group's carbon emissions, we conducted a deep dive into the Group's travel data. Sales and key account management – both essential to our business – travelled the most, so we proposed staff travelling six times a year each make one less trip. Staff taking over 20 trips a year, committed to making two trips less. This led to a 10% reduction in our CO2 emissions (approximately 3,000 kg of CO2e).
- Our targets for the year were exceeded due to the global Covid-19 lockdowns, which in turn have led to an even stronger commitment amongst our stakeholders to increase remote collaboration and minimise air travel. The majority of our customers and partners support reducing in-person meetings in favour of phone or video conferences – another sign that business travel is changing significantly and perhaps permanently.
- The Group was well prepared to commence remote work and has been fully operational since day one of the lockdown. The entire network went remote within 24 hours – even when this was not government mandated – safeguarding colleagues, families and society.

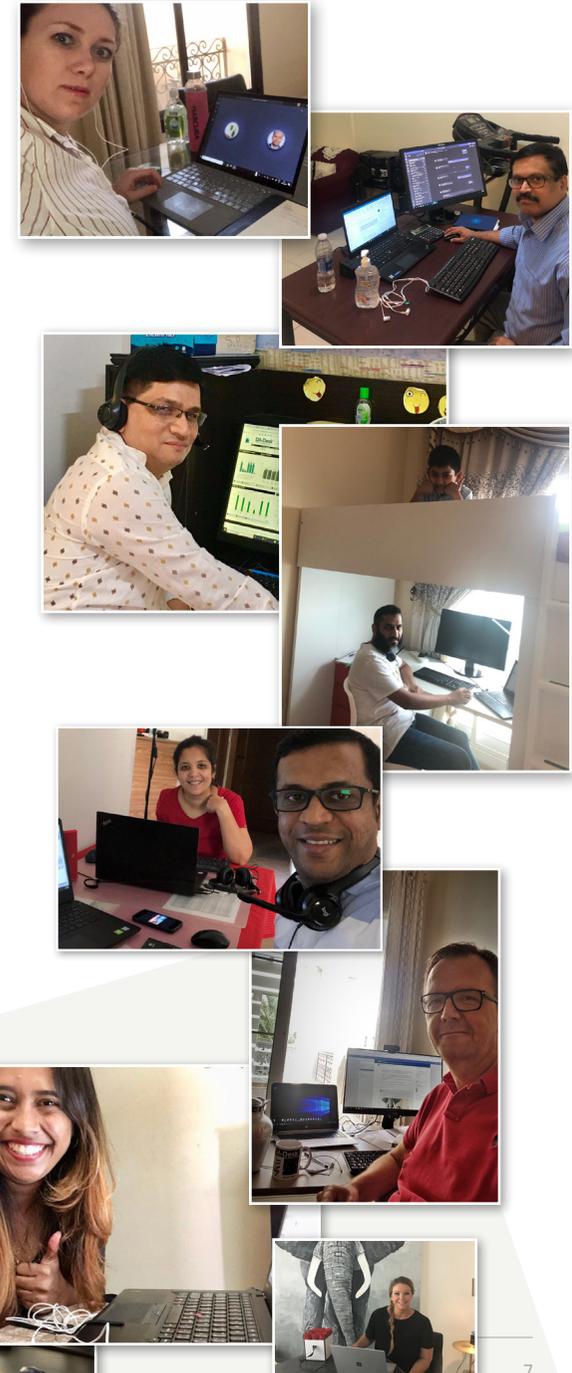
- In 2019 we conducted organisation-wide surveys which revealed a strong preference for flexible and remote working. We presented the findings into remote working, which can reduce unnecessary commuting, congestion and fuel consumption, whilst safeguarding the productivity and health of Marcurians and their families. Senior leadership immediately accepted the proposed processes and technologies.

Digitalisation and reduction of paper waste:

- Over the past few years, DA-Desk has encouraged customers and stakeholders to use digital rather than physical documentation.
- We continue digitising disbursement accounts and supporting documents, facilitating and meeting local statutory requirements.
- This digitalisation drive has dramatically cut time in preparing and handling paperwork, reduced the cross-order shipment of documents and reduced

storage costs. We estimate combined annual savings of approximately US\$1.8m.

- As of May 2020, we have almost completely eliminated the physical shipment of hard copies, which also has led to improved turnaround times.
- Marcura now use DocuSign for external contracts and various internal documents, except where it is a statutory requirement to adopt wet signatures. By promoting electronic signatures, we've helped save millions in wood and water consumption as well as reduce carbon dioxide emission. In the past year alone, the Group has sent nearly 2,000 documents for electronic signatures, eliminating the shipment and use of paper products for the execution of these documents.
- The Board has adopted a 'Digital Board' portal which allow sharing of board-related documents, increase security, promote collaboration, and more efficiently organize remote meetings and manage post-meeting activities and discussions.



Human Rights & Labour

Respect for human rights is fundamental aspect of our culture. We employ a multicultural group of professionals and our Code of Conduct outlines the behaviour expected of every employee at all levels. Our employees act with integrity; we expect them to conduct business affairs legally, ethically and responsibly.

In practical terms, our policies prohibit us from paying money to or receiving money from the suppliers whose invoices we audit on behalf of our customers. This way, we can be certain that we do not take part in unlawful or unethical practices that are harmful to our customers, to the maritime industry, or to society. As part of our commitment, the Group has also implemented a Reporting System where all employees are encouraged to report any suspicions of unlawful or unethical behaviour.

We recognise that respecting human rights is a continuous process which we always strive to improve. No discrimination is allowed based on gender, ethnicity, religion, race, nationality or physical disability.

We are especially pleased with how MarTrust have helped to support this UNGC pillar. MarTrust customers no longer need to worry about crew families not receiving salaries on time. Delayed payments have been a longstanding problem in the maritime world, because of the vast complexities of moving money across borders and time zones, languages, banking systems, rates and currencies.

Commitment, Policies and Goals

We respect our colleagues, our employees and our customers. Our policies seek to uphold and promote human rights in accordance with the UNGC through these practices:

- Upholding our values and standards through constant communication with customers.
- Encouraging our employees to grow professionally and personally.
- Respecting human rights, including the prevention of harassment, physical or mental punishment, or other forms of abuse.
- Fair remuneration (which may include the provision to employees of housing or housing allowance, medical insurance, repatriation and end-of-service gratuity).



Human Rights & Labour

Actions and activities

Improving gender diversity is a key theme for our organization. As of September 2019, 19.5% of our staff across the Group are female. While it will take years to significantly increase the percentage, gender ratio is top priority across the Group. Our target is to improve gender diversity by 0.5% by December 2022. The baseline numbers are: 20.5% for Dubai; 17% for Mumbai; and 31% for the rest of the Group. Some of the relevant initiatives we have undertaken include the following:

- We considered how we can change our work environment to attract and retain more female colleagues. We're working with Group HR to identify any unintended but intrinsic biases in our hiring processes or staffing policies.

- We also engaged our female colleagues and hosted a worldwide video conference last December during the UNGC Human Rights Day. Highly engaged, participants shared challenges and victories experienced by woman in a male-dominated industry. This session helped inspire and inform us as to how we can make Marcura more engaging for our female colleagues. We have since identified a group of colleagues to form a support system for new hires.
- Management and Group HR have proposed the introduction of remote working and flexible timing, which we hope will attract more women who need to care for their children.

- All offices now offer complimentary feminine hygiene products.
- We are applying learnings from a study by Lisa Abraham and Alison Stein ("Words Matter: Experimental evidence from job applications") on how seemingly simple actions (such as job listing wording) have an impact on how many female candidates apply.
- We recognize colleagues must feel safe and confident commuting. We held self-defense courses for all female employees in our Mumbai office with certified trainers. The courses were extremely popular, giving colleagues impactful tools to protect themselves – with some fun and banter. We intend to conduct further training in the coming year.

- Our Mumbai office has engaged a professional crèche service in the same compound as the office, so our colleagues have the option to bring their children to this facility and attend to them during working hours.
- We held our annual general health camps in Dubai and have scheduled one in Mumbai for 2020. These camps offer staff a convenient and safe way to get regular health checks.
- We held courses in Fire Safety and preliminary First Aid, and our offices are equipped with first aid equipment meeting industry standards.
- Our Group Code of Conduct clearly upholds respect for employees and wider society. Forming part of our induction process and is included in our mandatory e-learning platform.

"The participants were overwhelmed after their learnings in the 3-hour session, and I must say that the knowledge gained is priceless."



Anti-Corruption

Commitment, Policies and Goals

- We comply with anti-corruption laws.
- We are 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.
- We are strongly committed to combating corruption in all its forms. We believe that corruption undermines democracy, the rule of law and the proper operation of free markets.
- Our dedicated Group Legal & Compliance Department works full-time on compliance-related tasks and initiatives.
- Our internal Code of Conduct prohibits all forms of bribery in the workplace.
- Our Reporting System not only allows for a way of reporting unethical or unlawful behaviour within the organisation, it also has a sophisticated Gifts Register function allowing our colleagues to disclose any gift or hospitality that they send or receive in the performance of their functions within the Group.

Actions and activities

We believe our services have a positive impact in fighting corruption in the maritime industry. Our anti-corruption focus is embedded in our business processes.

DA-Desk helps manage port spend for hundreds of thousands of port calls across the world, involving thousands of shipping agents. The foundation of our service is to validate each and every line item of port costs and supporting tariffs against historical benchmarks, reviewing the supporting documentation and ensuring only legitimate costs are incurred and claimed.

PortsDirect vets suppliers for the benefit of its customers. PortsDirect-contracted suppliers must be able to provide pass a rigorous screening process that takes into account not just operational capabilities but also historical and continuing compliance with applicable regulations.

Additionally, Marcura offers platform-based data services which have made tariff and cost of operations in ports around the world more granular and transparent. This offers the market a level playing field, enabling informed decision making and eliminating undue facilitation or costs.

We have also incorporated an anti-corruption and sanctions compliance clause in our contracts which require our counterparties to abide by all applicable international anti-corruption and sanctions laws.

Marcura is an active member of leading organisations such as MACN and BIMCO, which actively take a stand against corruption. We participate in collective actions where we can contribute.

Quality and process excellence:

All significant business and operational processes are compliant with ISO standards. We have an internal audit team that conducts regular reviews of this compliance, in addition to the external certification reviews. We are currently certified for the following ISO standards:

ISO/IEC 9001:2015 - Quality management systems (QMS)

ISO/IEC 27001:2013 – Information security management systems (ISMS)

We are preparing to be certified for:

ISO 45001:2018 - Occupational health and safety (OH&S) management systems

ISO 14001:2015 - Environmental management systems

GDPR Compliance

Regulation (EU) 2016/679, more commonly known as the General Data Protection Regulation (GDPR), came into force on 25th May 2018. It standardizes data protection law across all the member states of the European Union and imposes new rules with respect to the control and processing of personally identifiable information (PII).

In complying with GDPR, The Marcura Group has taken steps and initiated various measures to comply with its obligations, including but not limited to:

- Becoming ISO 27001 certified;
- Appointing an external Data Protection Officer who comes with a strong track record and works regularly with the National Cyber Security Centre (NCSC), National Crime Agency (NCA) and the Information Commissioner's Office (ICO);
- Appointing a full-time Data Governance Officer;
- Forming a GDPR Task Force to better prepare the business units of the Group for both substantive and procedural GDPR compliance;

Anti-Corruption

- Registering voluntarily with the UK’s Information Commissioner’s Office (ICO), the country’s independent NDPA set up to uphold information rights in the public and the protection of data privacy for individuals;
- Completing Data Protection Impact Assessments to identify, assess and minimize or mitigate privacy risks related to its data processing activities;
- Preparing a GDPR-specific set of policies and procedures to deal with data requests and data breaches;
- Preparing Data Processing Agreements and conducting third-party GDPR assessments;
- Conducting training on privacy, confidentiality and security;
- Extending cyber insurance policy to provide coverage with respect to the Group’s obligations under the laws relating to the regulation and enforcement of data protection and data privacy not just in Europe but also any country where the Group operates;
- Migrating to a new hosting provider, one of the world’s best. As a result, all Group data is now housed on secured off-site servers operated by a GDPR-compliant service provider in the UK. The Group’s hosting provider limits access to its customers’ data by means of physical protection through biometric authentication, surveillance and 24-hour security; and
- Installing regular internal audits to ensure continuing compliance.

Due Diligence Regulations

The maritime industry carries a heavy responsibility of ensuring compliance with an ever-growing list of regulations. These regulations emphasize, among others, the importance of substantively conducting proper due diligence and KYC (“Know Your Customers” or “Know Your Counterparties”) and its new offspring, KYCC (“Know Your Customers’ Customers”). They also require that sufficient evidentiary basis exists to prove that a company conducts risk-based due diligence in all its dealings as part of its compliance program.

At Marcura, we provide compliance-oriented services through MCaaS and our proprietary regulatory technology solutions powered by data from companies like Dow Jones and Accuity in order to help our customers navigate risks related to corruption, money laundering and terrorist financing, sanctions, fraud and other financial crimes.

Our proprietary platform called MEGS (Marcura Entity Governance System) serves as a central, dedicated master data system for KYC due diligence. MEGS is designed to help support and enhance our customers’ anti-financial crime (AFC) compliance. We have invested heavily in Subject Matter Experts and technology platforms so we can offer our services as a cost-effective ‘utility provider’ to the industry.

Marcura®

We are interested in knowing what you think about our 2019/20 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 email info@marcura.com. For more information about The Marcura Group, visit www.marcura.com.

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