



Marcura's Commitment to The UN Global Compact

UNGC Communication on Progress Report 2021/22

Dear Reader,

The Marcura Group is pleased to share its UNGC Communication on Progress Report for 2021-2022. This has been a challenging year with the world reeling under the grip of a prolonged COVID-19 pandemic. We have seen nations, companies and individuals try to cope with the issues brought about by COVID-19. Through these unprecedented times, we have continued the direction set in 2012 by our flagship company, DA-Desk, in upholding the UNGC's Ten Principles by embedding them into the fabric of our Group.

The entire Group moved to remote work in March 2020 and we have equipped our staff with hardware, collaboration tools, technology and soft skills training to empower them to work in a healthy manner from home while preserving our commitment to our customers.

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

Working remotely and being restricted on gatherings have enabled us to truly focus on our main strategic initiatives which would have a long-term cascading benefit for our organisation, our markets, as well as the communities we work in by building responsible business practices which fulfil our commitment to the UNGC.

In line with our commitment to adhere to environmental, social and governance (ESG) best practices, we have taken a very conscious decision to improve the gender diversity across our global offices. We believe that the flexibility offered by a robust remote work model is a powerful solution to attract and retain women in the workforce. In this regard, we have set ourselves ambitious yet achievable targets within a reasonable timeframe.

We are delighted to report that we have exceeded our targets within the last two years, with the percentage of women in our workforce increasing from 19% to 27%. We welcome the positive change in our work environment – Marcura is becoming a more gender-diverse and inclusive organisation.

In 2019 we had identified ways to reduce our carbon footprint. We set ambitious yet tangible targets to reduce international business travel by working closely with our customers to explore alternative ways to engage. We conducted customer-wide surveys on the topic of reduced travel and soon discovered that many of our customers shared similar views on the environment as us.

This stream has been helped significantly with worldwide travel restrictions due to COVID-19. However, we have a clear strategy to sustain these gains not just as a contingency but as the new norm. The majority of our customer engagement is now done virtually instead of scheduled international visits. We have noticed that this change is also welcomed by potential customers who are appreciative of the Group's intent to minimise unnecessary travel and adopt new collaborative ways of working. To support this, we have invested in top class collaboration tools and coaching for our employees.

Marcura has introduced a global policy called 'remote excellence' where all employees are encouraged to work from home, supported with the best technology and training. We are seeing the benefits of this policy such as being able to widen our talent pool and attracting and retaining the best talent globally – who are concerned about work/life balance. In doing so, this has significantly reduced the carbon footprint of the Group.

Over the last few years, Marcura has been a leader in the drive towards digitalisation by helping our customers make better and more sustainable decisions, especially in the elimination of the tons of paper-based documentation passing back and forth between vendors, shipping agents and operators, which had been common practice in the shipping industry.

This effort has generated direct cost savings, but more importantly, it has become a foundation for many larger digital initiatives in the industry.

We take pride in our success in leveraging data and technology to continue pushing the boundaries, capitalising on automation opportunities, and continuously providing new efficiencies and value-added services, all for the benefit of our customers. We are a data-focused organisation with an exceptionally high regard to how we manage and handle data in compliance with global data privacy and protection laws.

Complex sanctions regulations and export control restrictions add to the business challenges faced by our customers. Thus, we continue to be vigilant in managing our Sanctions Compliance Program (SCP).

We use the Marcura Enhanced Governance System (MEGS) to serve as our dedicated master data and due diligence platform, built on the principles of governance, risk management (through data analytics and operational excellence), and compliance (GRC). MEGS is designed to help support and enhance our customers' compliance with regulations related to sanctions, bribery & corruption, money laundering & terrorism financing, and other financial crimes.

The past couple of years have seen an unprecedented set of global events that will certainly change the way business is conducted. Marcura has proven that its services are more beneficial to the industry than ever and that it is a resilient organisation that can work in an entirely distributed fashion. Our IT infrastructure is robust, our business continuity plans have been tested, and our automated processes and virtual collaboration tools help us engage and support our customers and each other, wherever and whenever. However, there will inevitably be implications across our industry, and we look forward to being able to work with our customers and business partners to navigate this phase adroitly and find the 'new normal' – one which we hope is more beneficial to society and the environment.

On behalf of the Board, I am pleased to submit to the UNGC the 2021-2022 Communication on Progress Report for The Marcura Group.



Jens Lorenz Poulsen
Group CEO

Report

2021-2022 has remained a challenging year for the world. Economies have been significantly impacted with the continued lockdowns and other measures taken to control COVID-19 cases. This was also a time by when a many businesses had to respond and quickly adapt to the effects of COVID-19.

We are pleased to report that, despite the uncertainties brought by the pandemic, Marcura’s business continuity planning, solid leadership and highly engaged and committed employees allowed us to continue our business on a steady path of progress while retaining all our SLAs towards our customers and our employees. We have continued our focus on the long-term UNGC themes, which were identified in 2019.

This year we restarted our practice of inviting new members to our internal UNGC Teams, allowing more staff to share their innovative ideas and to be an active part of this journey. This year was also interesting because our usual outdoor activities were restricted due to lockdowns and restrictions on public gatherings across the world. This gave us an opportunity to focus more on the long-term strategic goals we have set for ourselves.



Environment

The Group recognises the impact that businesses have on the environment and are committed to finding ways to reduce the impact our work has on the environment. We support innovative developments for the shipping industry that reduce paper waste by creating platforms for the digital exchange of information. We also encourage the development and diffusion of additional environmentally-friendly technologies.

We continue our focus on our chosen high-impact themes of reduction in carbon emissions and fighting marine pollution which have a sustainable long-term impact on the environment. These themes are embedded into the policy decision-making at the Board level, which has bolstered the commitment from the entire organisation. We will continue to do regular activities to reinforce the awareness among our colleagues and business partners.



Marine pollution

- We will continue our commitment to tackling marine pollution and our work to spread the message not just internally but also through raising awareness with our customers and business partners who share our passion, and thereby build industry-wide momentum.
- Marcura's PortLog solution which can be used to "fix better business"; from cutting down on fuel consumption during a voyage to reducing waiting times at ports. This is a powerful tool in the hands of voyage planners and ship captains who can seek to reduce their impact on marine pollution and deliver substantial cost savings for vessel operators.



Carbon emissions

- The theme of reduction in carbon emissions has progressed significantly in the last couple of years. While global lockdowns have led to significantly reduced business and holiday travels, we have used this opportunity to create systems and processes which have permanently changed the way we work.
- In 2020, we conducted a group-wide staff survey that revealed a strong preference for flexible work models which reduce unnecessary commute and are enabled by a strong technological solution to safeguard productivity and efficiency.
- In the second half of 2020, we have actively implemented a 'remote excellence' strategy. We no longer see remote working as a temporary or contingency measure, instead we believe that this is the future operating model for our business.
- Remote excellence goes far beyond working from home, our staff are equipped with the best IT equipment, high speed internet, collaboration tools and state of the art IT security to securely work wherever they are.
- Remote working is heavily supported by the Group's Human Capital Department (GHCD) and Health and Safety Teams to ensure equal focus on the health and safety of employees in their new workplace as well as giving them the training and counselling to cope with the emotional challenges from this change.
- Collectively, all our staff are well equipped to work remotely, and this has had a phenomenal impact in our carbon footprint by eliminating the emissions from hundreds of staff travelling to and from work on a daily basis.

Environment

- Several expatriate staff could return to their hometowns with their families using the remote excellence solution, in turn reducing the carbon emissions from home leave and other flights.
- We previously saw our Operations Managers meeting customers in-person at least once a year which required a great deal of travel. Now, Marcura as well as our customers who are equally devoted to preserving our environment, are happy to hold these meetings virtually, through collaboration tools, which again sees a significant dip in international flights.
- Our Sales Team who were traditionally field-based and were often at face-to-face events now conduct the majority of their meetings through video calls, reducing the need to travel. We have been able to build the confidence with our customers over the last couple of years that this approach is mutually beneficial, saving time and emissions.
- To help our customers make more sustainable decisions, PortLog provides our customers with valuable insights and access to benchmark data, helping our customers to reduce costs in port, optimise arrival time and time spent in port, improve predictability, and fix better business.
- PortsDirect has collaborated with a towage service provider to promote the use of the supplier’s carbon-neutral towage services
- We are proud to say that we have taken significant steps forward in curtailing our own carbon emissions and the future will be to help our customers and stakeholders to identify further opportunities in reducing their carbon footprint.



Digitalisation of processes and elimination of paper waste

- Over the last few years, our flagship company, DA-Desk, partnered with its business stakeholders, such as vessel operators and port agents, to use technology to digitalise the relevant disbursement accounting processes and supporting documentation. We have collectively implemented this digitalisation while meeting local statutory requirements.
- This initiative has significantly cut the preparation and handling of paperwork, shipment of documentation across borders multiple times and helped to eliminate expensive storage costs being incurred over several years. We estimate annual combined savings from this process to the tune of \$1.8m.
- We have eliminated movement of most hard copy documents. This has also improved the service turnaround time by eliminating movements through couriers and customs procedures in many cases. Additionally, this allowed us to operate at 100% service level even with lockdowns and restrictions across the globe.
- To streamline our document-driven processes and continue our digital transformation journey across the entire organisation, where possible, we have replaced manual paper-based methods with DocuSign. DocuSign replaces printing, faxing, scanning, mailing and storage of paper documents with a more environmentally-friendly electronic document-signing process.
- In addition, the Board has adopted a “digital board” portal through which they can distribute Board-related documents, increase security, promote collaboration, and more efficiently organise meetings and manage post-meeting activities and discussions.

Human Rights

We have previously identified that a key theme for our organisation is to improve the gender diversity in our Group. In September 2019, females represented only 19.5% of the Group. In the last two years, we have initiated a range of initiatives to increase this number, and with great success as described in this section.

- We have identified and worked on how we can change our work environment to attract and retain more women in our workforce. This starts with the engagement of the Group's dedicated GHCD in the hiring process to help overcome any involuntary biases in the hiring process. Moreover, we have implemented new policies to help empower female employees through helping them balance work and life throughout various stages of their career.

- The Management Team and especially our global GHCD Team have investigated the necessary steps to make our Group a gender-neutral workplace, where all colleagues feel comfortable and have equal opportunities. The team has been extremely mindful of factors such as how vacancies are advertised, how interviews are conducted, making sure there is open dialogue with and access to GHCD and senior management, and having a reporting system to address any issues that may hamper their progress in the organisation.

- A solid remote excellence model has strongly helped us attract more female colleagues who may otherwise have faced barriers to work due to travel, geographical immobility or pregnancy/childcare. We strongly believe that the remote excellence model will have a positive impact on our female talent acquisition, and the first analytics indicate that in the period covering April 2020 to May 2021, the percentage of new female recruits has increased from 30% to 42% in total.

- The global shipping industry is heavily male-dominated. We set ourselves a target of having at least 20% of female colleagues across the organisation by December 2022. However, we are pleased to report that as of April 2021, women constituted 27% of the total workforce of whom many are in middle and senior management positions.

- We recognise that this is an ongoing effort, we need to keep improving our gender parity ratio, and it is equally, if not more, important to focus on the retention of our female colleagues.

- On the back of our remote excellence strategy, we have a diversified workforce comprising of 43 nationalities.

- We are fully mindful that diversity needs to come in many forms, and we are in the process of widening the diversity of our workforce with increased participation from People of Determination. We actively engage external recruiters to offer opportunities to people with disabilities. Our remote work model enables our people to work from home, reduces if not removes the need for travel and ensures reasonable adjustments are in place.

- We support refugees displaced due to the current conflict between Russia and Ukraine. Marcura recruited a Russian-speaking refugee to support our business needs that came up during Russian-Ukrainian conflict.

- We also support our Ukrainian employees in relocating without compromising their salary and with the additional legal and HR support to help ensure a smooth relocation.



Remote excellence

- From the first weeks of the pandemic, we took steps to keep our people and their families safe. We closed our worldwide offices before such a move was mandated by local governments to reduce crowding and promote social distancing.

- There is a focus on staying connected not just at a take level but also have the equivalent of water cooler conversations, in most locations we have a physical site for occasional meet-ups with colleagues or induction of new staff.

Human Rights

- Our HR and Health and Safety Teams have gathered global best practices and issued guidelines in safety of the workplace when working from home. These cover equipment, power, safe working practices, ergonomic furniture, adequate lighting, etc. These guidelines are explained to each staff member who confirm their adherence to these norms before switching to remote working.
- We recognise that also entails additional costs for employees and therefore we have implemented a remote work allowance across the board. We believe this will help ensure that the remote-first policy is sustainable over the long term, and we will periodically assess the home-based work environment of existing and new staff.
- We have a continuous set of soft skills training for all staff to deal with the new challenges of working remotely, where managers can stay connected with their colleagues, and team members know whom to reach out to in case they have any emotional challenges. We have regular sessions with trained doctors and psychologists who promote mindfulness and wellbeing in the new reality.
- For a safe, efficient, and effective remote working experience, we encourage

employees to keep active. We promote ‘walk-and-talk’ online meetings via Teams or Zoom to support wellbeing and we set limits and do not expect employees to be available every hour of the day. We use ‘water-cooler’ moments as a way to encourage employees to create spaces for casual conversation and support each other as remote team members. This helps colleagues better enjoy workdays together and enhance professional relationships. We use Yammer to engage with employees and nurture their side hobbies and talents, be it in art, literature, music, etc.

- For Marcura, remote work is the future of work rather than a contingency plan. This helps all staff embrace it more openly and to plan for the long term. We will continue to invest in technology, training, and counselling to help our staff through this transition.
- We have a continuous feedback loop with short specific surveys conducted by Amber, our customised bot. The results of these surveys are analysed, and our communication and training efforts are customised accordingly to ensure wellbeing of our staff. Notably we have conducted specific training on how to switch off after work, mental wellbeing,

maintaining a positive self-image etc. This has been pivotal in transitioning into a remote excellence model.



Other initiatives

- Marcura is now officially certified under ISO 45001:2018 for its Occupational Health and Safety Management System (OHSMS).



E-wallet

- Our UK-based company, MarTrust, a payment institution regulated and authorised by the UK’s Financial Conduct Authority (FCA), has recently introduced an e-wallet solution and pre-paid cards to help address a long-standing need of thousands of seafarers across the world to manage their salary disbursement.
- The solution gives the seafarers full flexibility to manage their own funds directly and freely convert to the currency of their choice at competitive rates. This is a truly global solution for the people who

are the backbone of the shipping industry. Current political events have greatly highlighted the utility of this solution for seafarers who are away from their homes and need to be supported.

- MarTrust provides seafarers a secure, safe, and compliant solution to receive their salary payments whilst reducing the amount of cash on board a vessel. Seafarers are often nationals of developing countries and routing payments to them can be less than straightforward. Moreover, the Maritime Labour Convention (“MLC”) was introduced to ensure seafarers are treated fairly, with a specific focus on the payment of wages. The MarTrust solution also helps our customers to safeguard seafarers from the risks associated with having cash on board a vessel.
- The MarTrust solution can provide seafarers with instant salary settlement, instant access to their funds and an easy way to quickly check their balance. In addition, seafarers are able to access preferential corporate FX rates and free-of-charge transfers back home and between ship mates: in keeping with the MLC which mandates that the rate of exchange applied to the payment of the seafarer’s salary should not be unfavourable.

Anti-Corruption

Anti-corruption is embedded in our business processes.

The Marcura Group has a strong Anti-Financial Crime (AFC) framework and team to help tackle anti-bribery corruption and other elements of financial crime.

Marcura offers services which have brought transparency about tariffs and cost of operations in various ports around the world with a high degree of granularity. This offers the market a level playing field, enabling professional decision-making and the elimination of undue facilitation or other costs.

We are involved in the management of port spend by vessel operators for hundreds of thousands of port calls across the world involving thousands of agents. The foundation of our service is to validate every line item in the disbursement account against the tariffs, historical benchmarks, and other supporting documentation. This helps to ensure that only legitimate costs are incurred and claimed, thereby eliminating the possibility of corrupt facilitation payments. Facilitation payments and bribes feeds a climate of corruption, creating an unstable operating environment for companies and such demands can even lead to increasing the costs of living to citizens and adding

costs and uncertainties to business, often the smaller and vulnerable organisation. We believe that our service has had a positive impact in fighting corruption in the shipping business.

Marcura is an active member of leading organisations like the Maritime Anti-Corruption Network (MACN) and Baltic & International Maritime Council (BIMCO), which stand for regulation of practices and setting examples in collective action against corruption.

MCaaS has recently been selected as MACN's preferred provider of its Third Party Risk Management Community Platform, powered by the Marcura Entity Governance System (MEGS). The Platform provides MACN members with due diligence reports and screening results for thousands of counterparties which can be shared across its community of members. A portion of the fees payable for this service will go towards supporting MACN's collective action and mission to prevent corruption in the maritime industry.

To help streamline and improve visibility of our due diligence processes, and to mitigate the risk of facilitating financial crime, we have developed the Marcura Entity Governance

System (MEGS). MEGS is our dedicated master data and knowyour- counterparty (KYC) platform, built on the pillars of governance, risk management (through data analytics and operational excellence), and compliance (GRC).

MEGS is particularly helpful in driving our end-to-end KYC processes efficiently and effectively through:

- Reducing time spent on due diligence;
- Reducing duplication of work;
- Delivering and maintaining the accuracy, security, and transparency of data;
- Providing a single version of the truth; and
- Providing a secure repository for document submission, storage, and updates in one location.

An integral part of our KYC process is the enhancement, cleansing, verification, and screening of data prior to entry into MEGS. This task is performed by the Group's MCaaS Team and Master Data Management (MDM) Team, which, together with our AFC Compliance Team, provide the solid backing for the Group's GRC posture. Any 'red flags' are escalated

to the Group's dedicated Specialised Compliance Escalation Resolution Team (SCERT).

As part of the Group's commitment to mitigating exposure to financial crime and corruption, we:

- Perform KYC checks before doing business with a customer or supplier of services to the Group, or activating an agent or vendor to our customers using third party and in-house screening tools;
- Use the Automated Screening Manager (ASM) system as well as our internal cargo screening and vessel screening tools to perform continuous and ongoing daily screening of all the relevant entities (including vessels) in our databases; and
- Perform regular audits to assess the effectiveness of our current processes, identify deficiencies and inconsistencies, and close any gaps.

Anti-Corruption



Code of conduct

We have an ongoing program of reiterating the messages embedded within our code of conduct which covers a range of issues from anti-corruption and bribery to respect for others. The messages are reiterated from time to time and are a part of the mandatory e-learning program and the induction process for new Marcurians.



Quality and process excellence

All significant business and operational processes are compliant with the relevant ISO standards. We are currently certified for the following ISO standards:

- ISO 9001:2015 – Quality Management System (QMS)
- ISO 14001:2015 – Environment Management System (EMS)
- ISO 45001:2018 – Occupational Health and Safety Management System (OHSMS)
- ISO/IEC 27001:2013 – Information Security Management System (ISMS)

To ensure compliance with these standards, our Internal Audit Team conducts regular reviews and audits of our systems. External audits are conducted by a highly reputed certification body.



Data protection compliance

In complying with global data protection best practices, including the GDPR, the 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;
- Appointing a full-time Data Governance Team headed by a Senior Data Governor and supported by a Deputy Governor and Data Stewards;
- Forming a Task Force to better prepare the business units of the Group for both substantive and procedural data protection compliance;
- 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 minimise or mitigate privacy risks related to its data processing activities;
- Preparing a specific set of policies and procedures to deal with data requests and data breaches;
- Preparing Data Processing Agreements and conducting third-party assessments;
- Conducting training on privacy, confidentiality, and security;
- Extending the 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; and
- Migrating to a new hosting provider, one of the world's best and most secure.

Our Global Teams





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