DP WORLD

THE**SMARTER**
TRADEREPORT

ANNUAL REPORT & ACCOUNTS 2020

CONTENTS

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IN A YEAR WHEN THE WORLD STOPPED,

WE HELPED TO KEEP TRADE FLOWING.

DP World is the leading provider of smart logistics solutions, enabling the smooth flow of trade across the globe. We are more than 53,000 people seeking to make global trade smarter.

We establish physical infrastructure where it's most needed and harness the infinite opportunities offered by digital technology to make the supply chain even better.

We are proud to be in a business where we can make a positive difference to the world and create a better future for all. This means for our customers, people and shareholders, but also for our communities and environments in 61 countries across six continents.

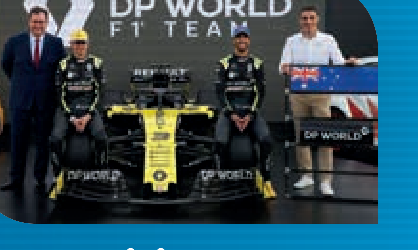
Read What we do on pages 4 and 5

Adapting trade to the 'new normal'

See Case study on pages 24 and 25

Expanding a global network

See Case study on pages 26 and 27



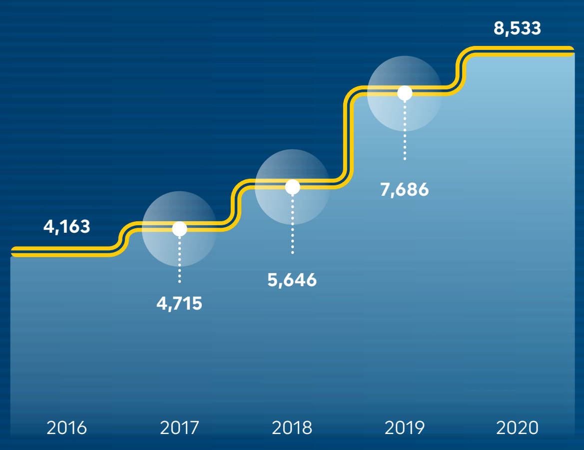
The spirit of sport

See Case study on pages 28 and 29

FINANCIAL HIGHLIGHTS

Revenue (US$ million)

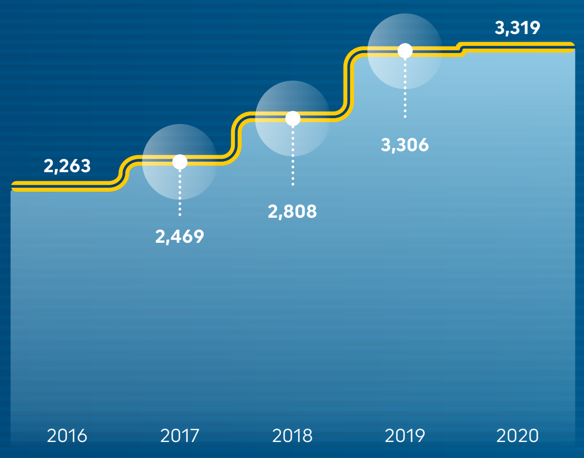
US$ 8,533m



Revenue is in US$ million before separately disclosed items. The results of the Group are set out in detail in the Consolidated Financial Statements and accompanying notes commencing on page 107.

Adjusted EBITDA (US$ million)

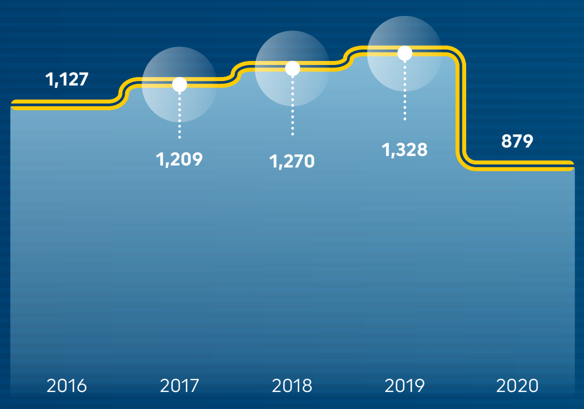
US$ 3,319m



Growing adjusted EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) is a key measure of value delivered to shareholders. Adjusted EBITDA is calculated including our share of profit from equity accounted investees before separately disclosed items.

Profit attributable to owners of the Company (US$ million)

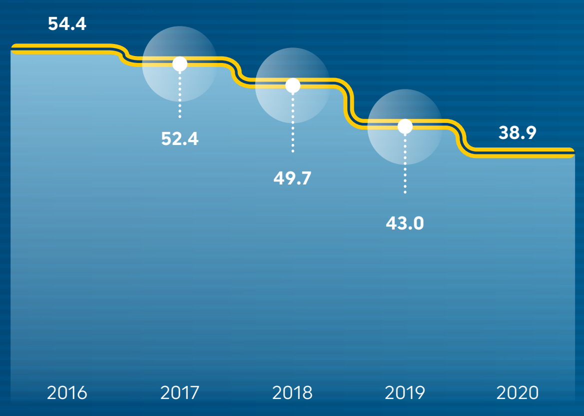
US$ 879m



Profit attributable to owners of the Company is before taking separately disclosed items into account and after minority interest.

Adjusted EBITDA margin (%)

38.9%



The adjusted EBITDA margin is calculated by dividing adjusted EBITDA by revenue.

OPERATIONAL AND STRATEGIC HIGHLIGHTS

Enabling business continuity

Even amidst the global pandemic, we managed a business continuity programme to ensure access to vital food and medical supplies, while keeping our operations uninterrupted and maintaining safety for our employees, customers and communities.

Creating growth in new areas

We announced two of the biggest sports sponsorships and became the global logistics partner of Renault F1 team and the Royal Challengers Bangalore IPL cricket team.

Our commitment to HSE

We continue to embed our HSE pillars and achieved our lowest reportable injury frequency rate ("RIFR") in 7 years. Our long-term carbon emission reduction strategy was approved by the Board, setting the stage for a net-zero carbon future.

Engaging our employees

My World, our biennial employee survey took place engaging 86% of staff globally. Data and feedback will help identify areas for strength and more importantly opportunities for improvement.

Our commitment to Human Rights

We published our first Group Human Rights policy and Human Rights Statement, which are applicable to all employees and entities under the operational control of the Group. This outlines our position on human rights and establishes a framework of actions we will implement as part of a global risk mapping and due diligence programme.

Supporting our communities

During the COVID-19 pandemic, we have supported government authorities and charities in the distribution of medical supplies and food aid. In addition, we have distributed medical equipment to hospitals, provided communities and students with learning tools to support home schooling, and conducted awareness campaigns in relation to the pandemic in rural communities.

Developing our people

November, our inclusion and diversity month, saw employees from across 24 countries attend inclusion and diversity ("I&D") training as part of our commitment to enhancing awareness and building an accessible and inclusive work environment.

Enabling smarter trade

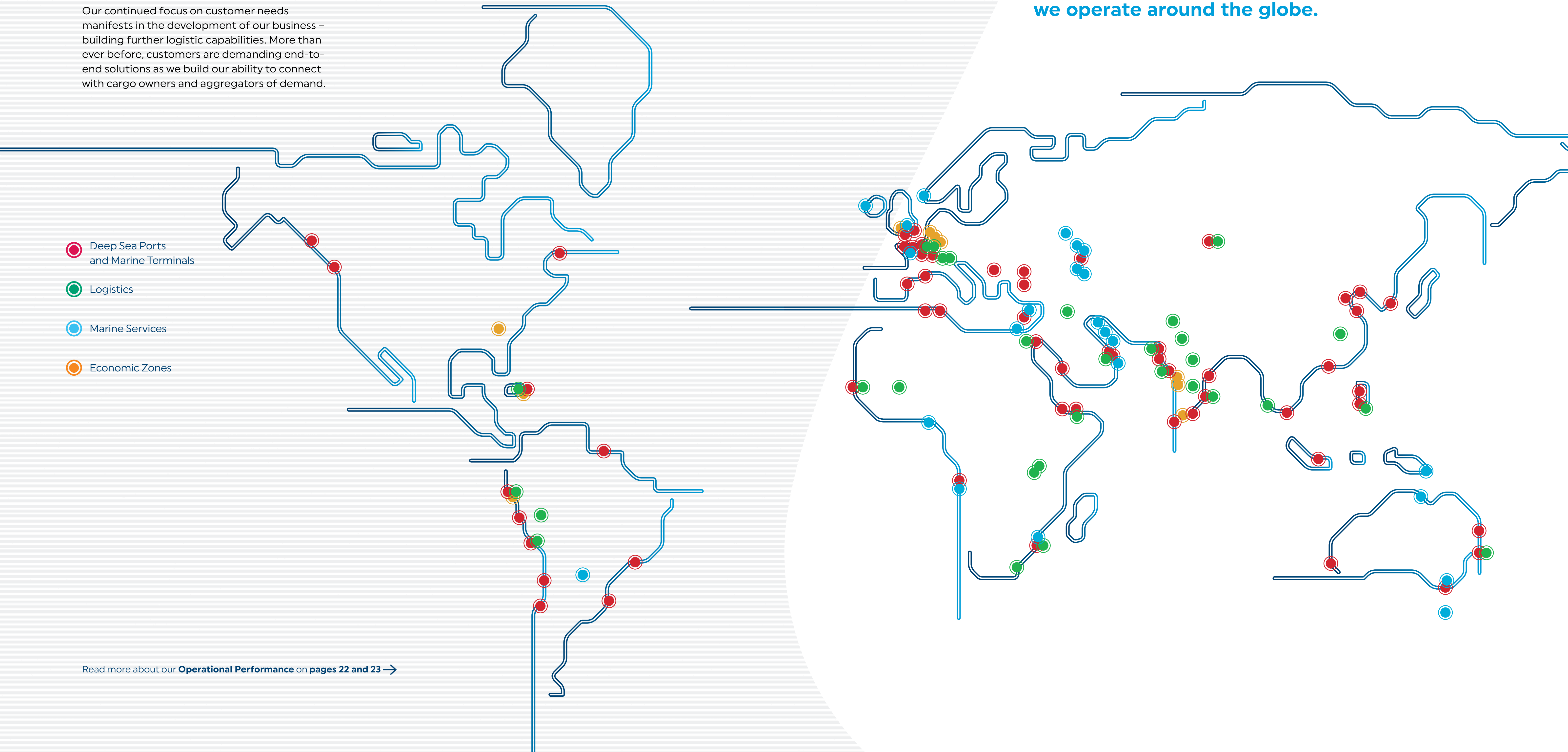
We expanded our core business by investing in feedering businesses and increasing logistical capability to move and feed cargo. Expanding our feedering network from Europe, the Indian Subcontinent through to Asia.

WHAT WE DO AND WHERE WE OPERATE

We want to make trade smarter, which means working to establish physical infrastructure where it's most needed and to harness the massive opportunities offered by digital technology to make the whole supply chain work better.

We are proud to be in a business where we can make such a positive difference to the world. Not just for our customers, our people and our shareholders, but for all the communities in which we operate around the globe.

Our continued focus on customer needs manifests in the development of our business – building further logistic capabilities. More than ever before, customers are demanding end-to-end solutions as we build our ability to connect with cargo owners and aggregators of demand.



Read more about our **Operational Performance** on **pages 22 and 23** →

GROUP CHAIRMAN AND CHIEF EXECUTIVE OFFICER'S STATEMENT

2020 was a year unlike any other in living memory. It also brought into sharp focus how our robust supply chains continued to connect people, markets and nations.

Whether directly or indirectly, the global pandemic of 2020 impacted all our lives, at work and at play. It also forced every business to reinvent much of what they do. In the global trade sector, this meant manufacturers, importers and exporters reassessing their supply chains and points of production.

Although I do not believe this has led to globalisation going into reverse, the world may be changing. If anything, the pandemic is spurring on businesses around the world to further diversify their international supply chains, double-down on risk and focus on growth opportunities. For many, production closer to home may well be on their agenda.

In this different world, our focus on innovation and technology has made our business more resilient than ever. As we continue to develop into a major, data-driven global logistics business, we couple this with considerable physical assets. With 136 businesses across 61 countries, powered by a skilled workforce of over 53,000 people, we aim to handle 10% of the world's trade.

Logistics gets a digital makeover

The investment in our digital platforms and automation to move cargo intelligently is delivering significant returns, and making life easier for businesses.

In 2020, we launched leading-edge online logistics tools and services, covering sea, land and air shipping around the world, and now offer a new generation of products and services to cargo owners and freight forwarders worldwide. Our connected ecosystem of platforms enables freight forwarders and indeed any business to book shipments of cargo from anywhere, to anywhere.

We also created the Digital Freight Alliance, an online association that brings freight forwarders globally onto one platform, giving them access to an array of new tools, routes and services.

The pandemic caused us to accelerate the already-planned roll-out of these new platforms. This meant we were well placed to help our customers meet the sudden challenge of the crisis and, critically, to keep vital food and medical supplies flowing.

We are also investing in technology in a very different sphere: the hyperloop pod. This took a remarkable step forward during the year as it transported its first passengers. I had the pleasure of seeing history made before my very eyes, witnessing the first new mode of mass transportation in over 100 years come to life in the Nevada Desert. We want to be involved in the potential this mode of transport presents, to connect markets and economies and help build the global economy.

Accelerating transformation

We explore all avenues as we look to grow our business, and during the year this led to the Board deciding to de-list the Company. We see a return to private ownership will better serve our aspiration to become the world's leading end-to-end logistics provider.

The move frees us from the short-termism that characterises the public market and which is incompatible with the nature of our industry. We will be able to focus on implementing our long-term plans to become a data-driven logistics leader.

We will continue to integrate acquisitions with our network of interconnected ports, logistics businesses and economic zones. Our global footprint puts us in a strong position to lead the disruption of the industry, creating a better future for all cargo owners through smarter trade.

The reporting year also saw good progress in our continuing commitment to develop our existing network. We invested US$ 1,076 million and volumes grew +0.2% on a like-for-like basis. We acquired Fraser Surrey Docks in Vancouver, Canada, and a controlling stake in a terminal in the Port of Yuzhny, Ukraine. We also acquired UNICO Logistics in South Korea to entrench our logistics capability in that vibrant regional market (which will be consolidated into the Group Accounts from 1 January 2021).

We expanded our global investment platform with CDPQ (Caisse de Dépôt et Placement du Québec), a global institution, to US$ 8.2 billion from US$ 4.5 billion, to fund ports and terminal projects across North America, Latin America and Asia Pacific.

A more sustainable world

While we continue to flex and shape our business to address the ongoing impacts of the pandemic, health and safety is always at the heart of our thinking with rigorous efforts being made to protect people. This extends not just to our own locations and communities, but everywhere we operate. During the COVID-19 pandemic, we supported local communities around the world with the most pressing needs in relation to food aid, medical supplies, healthcare and education.

In a wider context, we are a signatory to the United Nations Global Compact (UNGC). This means we are committed to supporting and aligning our strategy and operations with the UNGC 10 principles, which promote human rights, labour standards, the environment and anti-corruption. We have also embarked on a decade-long mission to contribute to relevant UN Sustainable Development Goals ("SDGs").

Continues →

GROUP CHAIRMAN AND CHIEF EXECUTIVE OFFICER'S STATEMENT (CONTINUED)

As part of our commitment to governance, sustainability and community engagement, and in line with our strategic vision, a new Governance and Sustainability Committee and a Charity Committee were established during the year.

Corporate Governance and Board

We remain committed to the development and adoption of strong and robust corporate governance practices, which add value to our performance and strategic vision, and enable us to continue to operate effectively and address the current challenges and risks that we face.

Being at the centre of DP World's corporate governance framework, our Board possesses an exceptional mix of skills, experience and diversity to continue to achieve our goals and strategic objectives, and has led DP World effectively during this challenging period. I would like to thank our Board members for their support, dedication and contribution to DP World's success.

The full biographies of our Board members, and information on the roles and responsibilities of the Board and various committees, can be found in the Corporate Governance Report on page 80.

Present and future

During this challenging period, I am proud of how we have successfully maintained efficient supply chains of critical cargo, including food and vaccines. Our strategy to provide solutions to cargo owners has served us well, and our aim is to continue to build on this momentum.

We launched a vaccine logistics alliance with Emirates Airlines and Dubai Airports to speed up the distribution of COVID-19 vaccines around the world. The Group has offered assistance and expertise to UNICEF and aims to use its presence and infrastructure in emerging markets to distribute vaccine to the developing world.

I have said this a lot, especially during the last year, the safety and wellbeing of our people is my number one priority. We must achieve goal zero – no harm to the people who work at DP World or for DP World. We continue to make great strides forwards, but I will not be satisfied until we have a zero harm outcome.

As I write, we see a resolution to the pandemic in sight, but there are other challenges to address. Geopolitical uncertainty persists and there is a lack of progress being made in trade wars. Nevertheless, our drive to develop technologies, digital capacity and logistics expertise, coupled with an inherent resilience in global trade, means that our optimism on the medium to long-term outlook for the industry remains undimmed.

SULTAN AHMED BIN SULAYEM
GROUP CHAIRMAN AND CHIEF EXECUTIVE OFFICER
18 March 2021

During this challenging period, I am proud of how we have successfully maintained efficient supply chains of critical cargo, including food and vaccines.

OUR COVID-19 RESPONSE

The COVID-19 pandemic highlighted the pivotal role played by the supply chain, not just in ensuring the smooth movement of goods but in keeping the world connected; economically, politically and socially.

This power of connectivity, for the benefit of economies and people alike, is something that we are committed to continue enhancing in ever-smarter ways.

Our response to the pandemic was rapid and resolute in continuing to provide our services, maintain operations and protect our customers, employees and our host communities. We continue to achieve this, with no compromise in safety. Around the world, we have established dedicated teams to monitor, implement, educate and communicate control measures. We also monitor, and act on, every health measure laid down by local government regulations and the World Health Organization (WHO).

We continue to ensure vital trade continues to flow, so that societies have what they need to face the crisis. At the start of the pandemic, the world suffered a production shock in China, followed by a demand shock in Europe and North America. After an initial significant dip in volumes, traffic recovered at our port in China.

All the while, we stood with our communities in numerous ways. They included: converting a pier into a temporary hospital in the Philippines; providing communities in India with hygiene products; donating ventilators in Mozambique; and organising a blood donation drive in South Korea. And this work carries on: as regions, countries and states emerge from lockdown at different speeds, we will continue to use our global reach to make meaningful interventions in our local communities.

Although globalisation has not gone into reverse, now is a period of taking stock, shifting course and re-calibrating supply chains and trade flows. DP World stands ready to help businesses and governments to make the most of the shifting gravities in our increasingly regionalised, post-COVID-19 era.

THE YEAR IN REVIEW

January
We started the year with a clear statement of intent, closing the acquisition of one of the largest online freight search engines in the world: SeaRates.com. This key addition further strengthens our vision of enabling smarter trade by digitalising the supply chain.

February
The focus turned to North America and the expansion of our footprint there. We announced the acquisition of the largest multi-purpose deep-sea marine terminal in Canada by welcoming DP World Fraser Surrey to the family.

March
Who exemplifies the need for global logistics better than Formula 1? We became the Global Logistics Partner and Title Partner of the new Renault DP World F1 Team, starting from the 2020 season. We are working with Renault Services Roumanie and Groupe Renault to explore opportunities to increase the efficiency of their supply chains. Our shared learnings will benefit the customers of both businesses, and indeed the wider automotive industry.

April
Our digital agenda saw the launch of two digital platforms. DF Alliance is an independent freight forwarders' association, covering more than 150 countries. Manasah.com is an online marketplace in the UAE, developed to support local artisans and help small businesses to accelerate trade online during the pandemic.

May
We completed the early stages of integration with TradeLens, a blockchain-based digital container logistics platform, jointly developed by A.P. Moller, Maersk and IBM. This platform accelerates the digitalisation of global supply chains. TradeLens provides visibility across the entire supply chain, from booking to clearance to payments, and is built on a wealth of input from the industry. This includes more than 100 ports and terminals, over 15 customs authorities around the world and an increasing number of intermodal providers.

June
We acquired a majority 51% stake in the TIS Container Terminal in the Port of Yuzhny. This move strengthens our position as the market-leading terminal in Ukraine and achieves our aim to connect directly with customers. We aim to be a key player in the region and will look to expand the catchment of the terminal using its unrivalled rail connectivity.

July
In July, we became a private Company once again and de-listed our shares.

We also expanded our logistics operations by announcing the acquisition of UNICO Logistics Co. Ltd., one of the largest independent NVOCCs (non-vessel operating common carriers) in Asia, with a growing transcontinental rail freight market between East-Asia, Central-Asia and Russia.

August
Unifeeder, a 100%-owned subsidiary of DP World, announced the acquisition of three of the five business units of Transworld Group. A leading independent feeder and NVOCC operator, it offers container feedering services and regional trade solutions across the Middle East, Indian subcontinent and the Far East.

September
We are passionate about the many benefits of sport and announced one of our biggest sports sponsorships to date. DP World became the Global Logistics Partner of the Royal Challengers Bangalore (RCB) T20 cricket team in the IPL (Indian Premier League). Together with RCB, we are seeking to build long-term relationships that help showcase DP World's position as a leading provider of logistics solutions in India.

October
Together with Expo 2020 Dubai, we became a Global Alliance Founding Partner of The Earthshot Prize. The prize is centred on five 'Earthshots': to protect and restore nature; to clean our air; to revive our oceans; to build a waste-free world; and to fix our climate. Established by HRH Prince William as an initiative by the Royal Foundation of the Duke and Duchess of Cambridge, this is being seen as the most prestigious environmental prize in history. The aim is to provide at least 50 solutions to the world's greatest problems by 2030.

Separately, our subsidiary Drydocks World expanded into the Eastern Mediterranean, joining Dubai Consortium to transform the Bijela Shipyard into a world-class superyacht service, maintenance, repair and refit facility.

November
Our Group Chairman and CEO, Sultan Ahmed Bin Sulayem, signed a framework agreement with Senegal to boost its position as a trade hub for Africa by joining the World Logistics Passport. This major initiative by Dubai links nations around the world and increases South-South trade.

December
We signed an agreement with Senegal to develop Ndayane port, our biggest investment in African ports to date. This new project will further reinforce Dakar's role as a major logistics hub and gateway to West and Northwest Africa.

MARKET OVERVIEW

An unprecedented year marked by record highs and lows, and a strong year-end recovery.

Macro-economics

Economic activity turned negative in 2020; indeed, it dropped to record lows during Q2 as the world came to a COVID-19-induced standstill. However, an unexpectedly rapid recovery in H2 reduced the depth of the economic depression.

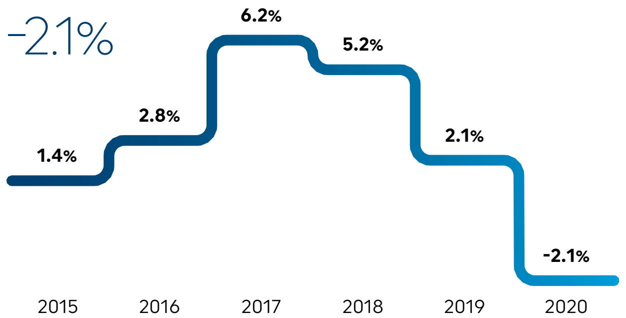
Global GDP declined by 3.5%[1], compared with a gloomier initial forecast at the height of the pandemic of 5.2%[1]. Emerging markets ("EM") were harder hit by the pandemic than initially estimated, as demand for commodities and manufactured goods dropped significantly during the first half. Whilst GDP data only shows a 2.4%[1] decline for EM economies, this was largely due to China's 2.3%[1] expansion during the year – the only G20 country to report economic growth in 2020. GDP in advanced economies contracted by 4.9%[1] in 2020.

Merchandise trade growth

World merchandise trade volumes likely fell in 2020, but they outperformed trade in services as consumption patterns drastically shifted. Service spending was replaced by physical goods as travel restrictions, restaurant/bar closures and cancelled live events left consumers with more disposable funds, which were further supported by stimulus packages.

In addition, working from home drove electronic, office supply and home furniture purchases. This strong demand growth continued into the start of 2021 and is causing supply chain bottlenecks, with vessel space and equipment shortages adding to port congestion and hinterland transport challenges. The mid-term outlook is largely dependent on the speed of the COVID-19 vaccine roll-out and the expected return to pre-pandemic consumer patterns.

World Port Handling (including empties and transhipment)



Source: Drewry, Container Forecaster Quarter 4 December 2020.

1 IMF World Economic Outlook Update January 2021.
2 Drewry Container Forecaster Quarter 4 2020.
3 Alphaliner Monthly Monitor January 2021.

World port handling

The dire prediction of a double-digit drop, made at the beginning of the year by industry analysts, did not materialise and global port throughput only declined by 2.1%[2] in 2020. Monthly containerised volumes reached their nadir in April, but by July were on par with 2019 before climbing for the rest of the year. Significant regional variations remain, with Asia, the Middle East and Oceania faring much better than the rest of the markets.

2020 developments

Shipping lines had a stand-out year with regards to profitability as they successfully managed capacity during the demand downturn. In addition, much lower bunker fuel prices, operational savings from blanked sailings and strong demand in the second half of 2020 combined to turn around a potential US$ 20 billion loss into a record annual industry operating profit in excess of US$ 20 billion.

Despite volumes dropping to their lowest level during the year in Q2, it was the first year since 2010 in which all the ten carriers that publish financial results posted positive EBIT/TEU and a combined profit of US$ 2.7 billion. As volumes started to pick up in Q3, profits received a further boost, totalling US$ 5.1 billion. Carriers proved during the year that tightly managing capacity and aligning supply with forward-looking demand patterns can generate profits, even in a market downturn.

HMM joined The Alliance as a full member in April 2020, helping it to improve its financial performance and to report a positive operating profit for the first time in nine years.

The pandemic has not just accelerated logistics and supply chain trends that were already taking place. It has also proved that technology is the strongest lever in helping navigate disruptions caused by economic uncertainties.

The Digital Container Shipping Association published data and process standards for an electronic bill of lading (eBL). This is part of a wider drive to standardise documentation and digitise trade. Cargo booking and tracking now rely heavily on online transactions, and digital platforms saw greater uptake during 2020.

MSC, Evergreen and ZIM were the latest carriers to launch their online booking platforms in 2020, while Maersk reported almost 50% of its total loaded short-term volumes were booked on its Spot platform in Q3 2020. Hapag Lloyd, the front runner in this field, and CMA CGM also offer online quotations and bookings.

Combining these digital capabilities with physical infrastructure assets is allowing port operators and shipping lines to become much more connected within the entire supply chain. To achieve its plan of becoming an integrated transport and logistics company, Maersk merged Damco's Air and LCL business with its logistics product. The move addresses evolving supply chain needs and aims to improve end-to-end service delivery and scale. The Company also acquired several trucking and warehousing businesses in 2020 to enhance its land-based service offerings.

Vessel capacity

Fleet capacity increased by 2.6%[3] during 2020, as 856,000 TEU of new orders were delivered during the year. HMM was responsible for adding 34% of the newly delivered capacity to the global fleet, lifting its ranking from tenth to eighth place. The below-average capacity addition helped carriers to manage their fleet during the demand slump in Q2.

Around 12% of vessel capacity was idled at the height of the pandemic, comprising more than 2.7 million TEU – almost double the inactive capacity seen during the financial crisis. Until Q4 2020, order activity had been subdued due to high levels of economic uncertainty during the year as well as concerns over new fuels and vessel technologies. In Q4, a total of 25 vessel orders for almost 591,000 TEU capacity were placed, with OOCL, Hapag Lloyd, ONE and MSC, all adding 23,000+ TEU units to their fleet over the next two to three years.

Key regions:

Americas

Despite record high unemployment caused by the pandemic, massive stimulus packages were successful in boosting US consumer spending on durable goods. US ports saw significant cargo increases in the second half of the year, leading to major port congestion, particularly on the West Coast. Overall port throughput declined by 4.5%[2].

Latin America was hit much later by the pandemic and implemented prolonged containment measures, impacting port operations, with throughputs down 4.2%[2] in 2020. Reduced demand for commodities impacted South America but a recent bounce-back promises a more positive 2021.

Europe & Russia

Overall port volumes were down 4.6%[2] compared with 2019, with some regional variations. North Europe saw a smaller decline during the year than the West Mediterranean and Baltic & Scandinavian ports. The uncertainty and lack of visibility over demand at the start of the pandemic benefitted some of the large transhipment hubs. The carriers favoured transhipment over direct sailings between two points because they were looking for increased service flexibility and efficiency. The demand surge towards the end of the year resulted in higher than usual volume exchanges. Coupled with weather-related schedule delays, this contributed to port congestion in the North European range.

Subcontinent

Compared with most of the world's major economies, India has experienced a deeper recession due to the extended COVID-19 lockdown. GDP contracted by 8.0%[1]. A sharp reduction in container handling to -4.5%[2] followed, as port operations were halted during March and April. During the recovery in the latter part of 2020, equipment shortages additionally hampered India's full export potential. A double-digit growth recovery is expected in 2021.

Middle East & Africa

Middle East markets largely escaped the negative fallout of COVID-19, with container volumes showing a nominal year-on-year decline of 0.3%[2]. However, the last five years have not been kind to the region, with annual throughput broadly staying flat, as sanctions against Iran weighed down overall regional volumes. Jeddah Port, witnessing strong growth, continued to assert its supremacy in the Red Sea, while Khalifa Port also posted gains during 2020.

Port throughput in Africa declined 4.0%[2] as South Africa was badly affected due to extended lockdowns, while West Africa ports benefitted from more transhipment activity.

Asia Pacific

Container handling was only slightly down (by 0.6%[2]) as the Chinese economy staged a complete turnaround during the year. Although COVID-19 led to factory closures and challenges at the start of the year, export activity picked up strongly in H2 as momentum grew month-on-month.

It was a mixed picture for ASEAN economies with Vietnam and Malaysia enjoying strong export growth, while the Philippines struggled with lockdowns. The Asian and Pacific economies came together to sign the Regional Comprehensive Economic Partnership (RCEP). This is slated to be the world's biggest trade pact, covering up to one-third of the world's population and 29% of global GDP. RCEP is expected to eliminate a range of tariffs between member countries and promote intra-regional trade and supply chain.

Oceania

Industrial action hampered port activity in Australia, with congestion continuing through the year and some shipping lines having to resort to a temporary suspension of bookings to affected ports. Although there was a partial improvement in Q4, shipping schedules were left in complete disarray, with a backlog of eight to ten weeks and a surplus of empty containers that shipping lines were unable to clear due to high vessel utilisation. Capacity constraint in both sea and air freight, the latter due to the loss of passenger plane belly cargo capacity, meant a decline in Australian exports. Port handling is set to decline 2.3%[2] in 2020 before staging a strong recovery in 2021.

MARKET OVERVIEW (CONTINUED)

1. Supply and demand continues to be much better balanced in 2020 and into 2021.

The global container fleet grew at its lowest rate since 2016, making new supply fairly muted. Merchandise trade volumes fell but recovered strongly in H2, and all indications suggest an evenly balanced market in 2021.

What this means for DP World

- As vaccinations continue to be rolled out, there is growing optimism and confidence in a rebound and likely return to normality. WTO expects merchandise growth to pick up to 7.2%[4] in 2021. The opening up of economies, travel, leisure and hospitality venues though may slow down the growth in container traffic in 2021.
- Forward-looking cargo bookings suggest the rebound is continuing beyond the Chinese New Year holiday, with COVID-19 infections, government monetary policies and vaccination progress likely to dictate demand for the remainder of the year.
- Port investments stayed subdued throughout this period, and with trade volumes staying buoyant capacity utilisation is set to improve.
- DP World should benefit from stronger utilisation levels, higher yields on existing investments and attractive valuations on greenfield and brownfield projects.

2. Carrier relations and strategy take centre stage.

The market continues to consolidate, with the top 12 carriers controlling 88% of the capacity, and the 'Big 4' alone accounting for 59%. Vertical integration efforts also continue to differ, with Maersk and CMA nurturing ambitions to be part of the entire supply chain, while carriers such as ONE and Hapag Lloyd focused on growing their core business.

What this means for DP World

- DP World has outlined a robust commercial process to foster a strong, mutually beneficial relationship with our shipping line customers and introduced a key account management system.
- Given their varying strategies, our approach is tailored to each carrier and alliance member, in line with their individual requirements.

3. COVID-19 affected port operations.

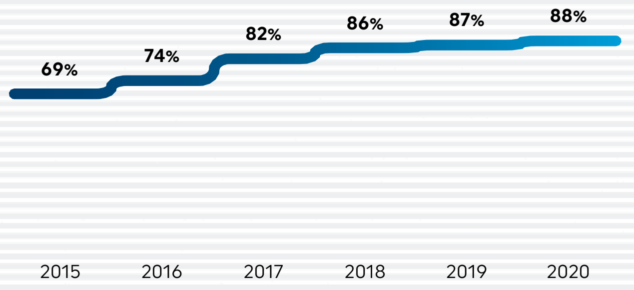
Ports globally were affected by operational disruptions due to COVID-19-compliant work practices. In addition, they were challenged with curfews, labour shortages, absenteeism, slow customs and the lack of truckers and suppliers.

What this means for DP World

- DP World ports showed incredible resilience through the depth of the pandemic, staying open to facilitate the movement of goods, and allowing countries to secure access to vital food and medical supplies.
- DP World managed a business continuity programme throughout the pandemic, ensuring that even in locations affected by COVID-19, operations were uninterrupted.
- Throughout, the Company adopted COVID-19-compliant work practices, prioritising the safety of employees and ensuring adequate sanitisation, segregation and social distancing to contain the pandemic.

Top 12 Carrier Capacity Share Evolution

88%



Source: Alphaliner.

4 World Trade Organization Outlook October 2020.

4. Ports faced increased congestion in H2.

After a slow start to the year, volumes rebounded strongly. Ports in the US, Europe and China suffered severe congestion towards the end of 2020 due to the unexpected surge in demand. This coincided with the Christmas cargo peak-season as well as some front-loading of orders.

What this means for DP World

- DP World ports ramped up activity to clear cargo backlogs and facilitate seamless cargo flows.
- In many locations, DP World terminals stepped in to support nearby congested terminals; serviced ad hoc vessels and empty loaders; offloaded cargo; and supported de-congestion and equipment rebalancing efforts.

5. Carriers demanded increased flexibility to manage supply chain uncertainties.

To manage volume peaks and troughs, carriers initially blanked nearly a third of the sailings coming out of Asia, and offered to slow down the supply chain by initiating unique detention in transit products. In contrast, in H2 they scrambled to deploy extra loaders, re-routed equipment and offered priority services with guaranteed loading and priority discharge.

What this means for DP World

- The uncertainty and lack of visibility over demand at the start of the pandemic intensified the use of hubs, and the re-routing of cargo via hub locations.
- This trend benefitted a number of DP World terminals in hub locations where transshipment increased during 2020, including Jeddah, Rotterdam WG & Antwerp GW.
- DP World stepped in to support carriers and alleviate congestion in nearby terminals in the UK, Australia and US East coast. We also collaborated with carriers to investigate new solutions to offer increased cargo flexibility.

6. Schedule reliability hits rock bottom.

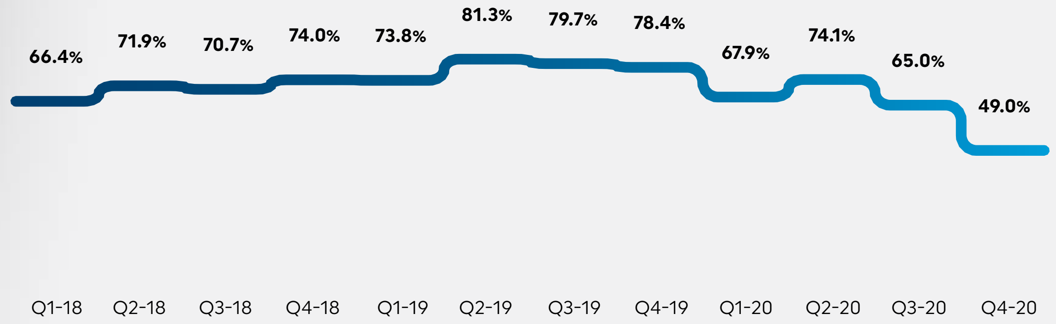
The end of the year was marked by the lowest schedule reliability ever recorded. Vessels were delayed by an average of over five days[5]. After an initial improvement during the height of the pandemic, with on-time arrival reaching a 2020 peak of 77.7%[5] in June, schedule reliability plummeted to 44.6%[5] in December. It was the fifth month in a row that container line reliability dropped by double digits compared with both 2018 and 2019. However, this was not only caused by carriers' lack of discipline but congestion and extended port layovers.

What this means for DP World

- Vessel capacity additions on the major trade lanes, and higher vessel utilisation due to the surge in demand, resulted in greater volume exchanges at ports and therefore longer turnaround times.
- Container lines have responded by announcing longer sailing schedules with extended port buffers to reduce congestion and to recover schedules.
- As a global port operator, DP World has also taken initiatives to improve communication, internally, as well as with customers; to have up-to-date information on vessel arrivals; to optimise berth time and costs; and to minimise delays.

Global Schedule Reliability

49.0%



Source: SeaIntel.

5 Sea Intelligence Schedule Reliability report.

MARKET OVERVIEW (CONTINUED)

7.
Container imbalance soars.

The sudden jump in demand, following the raft of blanked sailings during H1, caused a shortage of empties in the manufacturing hubs of Asia. As empty equipment was rushed back to cash in on soaring rates, carriers started to refuse lower-paying backhaul cargo. Some carriers even suspended bookings of exports, including agricultural products from North America, to prioritise repositioning equipment to the higher-yield Asian export markets. This perturbed authorities and prompted the US Federal Maritime Commission to launch a formal investigation.

What this means for DP World

- DP World continues to support cargo flow through our locations and endeavours to provide easy access to empty containers in all our locations. Shipping lines' insistence on carrying empty cargo adversely affects DP World as tariffs on empty handling are often much lower than for laden cargo.
- DP World initiated new solutions to provide shippers and carriers alike with visibility on their cargo and empty containers.

8.
Digitisation takes a stronger foothold in the container market.

Supply chains continue to digitalise, with growing traction of electronic booking platforms; agreements on a broad range of standards; and a growing participation on the TradeLens platform.

What this means for DP World

- DP World is taking major strides towards digitalisation. New products such as SeaRates and Cargoes & DF Alliance are set to provide increased visibility, promote collaboration, and offer shippers and cargo owners more flexibility and control over their goods.
- DP World is also collaborating with trade platforms such as TradeLens to get early visibility on container flows, improve operational efficiency and enable better yard planning and management.

9.
New regional blocks come into force.

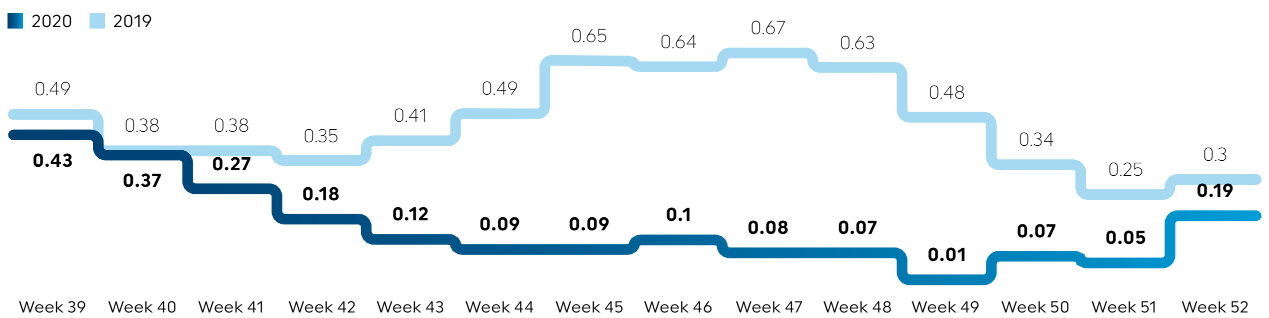
The emerging markets of Asia and Africa saw the signing and culmination of new trade deals. The Africa Continental Free Trade Area came in effect on 1 January 2021. The Regional Comprehensive Economic Partnership ("RCEP") between Asia and Pacific economies was signed in November 2020 and is expected to be ratified and come into effect in the next few months.

What this means for DP World

- DP World's portfolio is heavily weighted towards the higher-growth emerging markets of Asia and Africa. Free trade agreements in these areas are expected to boost intra-regional volumes and provide a further lift to our ports and logistics business.
- DP World continues to seek opportunities in these markets and recent investment in Angola, Senegal and a stake in UNICO Logistics, South Korea, are testament to DP World's interest and confidence in their growth prospects.

Container Availability Index

CAx compares the availability of containers per location, an example is for Shanghai for 40HC (high cube) container. Above 0.5 indicates a surplus and below 0.5 indicates a deficit of containers.



Source: https://container-xchange.com/features/cax/

A BUSINESS MODEL FOR A SUSTAINABLE FUTURE

Our commitment to creating a sustainable future for our business and the world around us is key to our success.

We lead our business through:

Customer relationships and operational excellence
- Customer satisfaction is central to our success.
- Always striving for excellence and operational efficiency.

People, culture and safety
- Training and development programmes for employees and supply chain through DP World Hub.
- Our Principles sit at the core of our diverse and innovative culture.
- Fully committed to zero harm to people with a safety culture throughout the Group.

Community and environment
- Committed to creating a better future for everyone through our sustainability strategy Our World, Our Future.
- Driving best practice and fostering innovation in sustainability around the world to build a vibrant, secure and resilient society.

Finance, governance and risk
- Highest standards of ethical behaviour.
- Robust best practice governance frameworks.
- Solid risk management that maintains our leading position.

Technology and innovation
- Delivering the best experience for customers through technology and innovation which sets us apart and is transformative in terms of performance using big data and analytics, robotics, and artificial intelligence.

We are guided through:

Our Principles
Our Principles define our culture, what we do and who we are.

Create Growth
Adapt & Evolve
Drive Results
Make Others Excel

For more details on our **Our Principles**, see **page 51** →

We create smarter trade through:

Transport from origin to port

Seller/exporter warehouse

Logistics
Warehouse management, trucking, freight forwarding, barge operations, stuffing/de-stuffing containers, inland cargo depots and terminals.

Pre-carriage to destination for value-add or port of loading

Economic Zones
Free and special economic zones, industrial and logistic parks.

Terminal handling (source)

Sea journey

Marine Services
Premier marine and off-shore vessel support, technological marine services, feedering.

Deep Sea Ports and Marine Terminals

Terminal handling (Destination)

Deep Sea Ports and Marine Terminals

On-carriage to destination for value-add or port of loading

Logistics

Economic Zones

Buyer/importer warehouse

Transport from port to destination

Technology-led solutions to reduce inefficiencies across the supply chain
Visibility and transparency, automated planning, digital rates, instant access and control, trade finance and insurance, enterprise IT solutions and systems, b2b e-commerce.

We deliver value through:

Environment
- Climate change
- Oceans

Social
- Wellbeing
- Community engagement
- People development
- Women
- Education

Governance
- Safety
- Security
- Ethics

Guiding every step we take is 'Our World, Our Future', our sustainability and impact strategy.

It helps us to work in a responsible way, prioritising sustainable and inclusive economic growth, and creates positive impacts for the people, communities and environments in which we operate.

For more details on our **Sustainability and Impact strategy**, see **page 52** →

EFFECTIVE STRATEGY FOR SMARTER TRADE

"Our objective is to keep surprising and delighting our customers, whilst we continue to increase our profitability, by investing in our people and technology."

SULTAN AHMED BIN SULAYEM, GROUP CHAIRMAN AND CEO

Our strategic objectives	2020 Activity	2021 Outlook	KPIs	Risks
① Drive profitable and sustainable growth through a world-class portfolio of assets and services • Focus on origin and destination cargo. • Grow our value-adding services, encompassing marine and inland terminals and maritime services. • Be known as a trusted brand that can be relied on by our customers globally. • Leverage our global portfolio to bring about economies of scale on all fronts. • Drive productivity, efficiency and safety improvements through continuous innovation. • Recruit, retain and train the best employee talent globally. • Enhance value through optimal acquisitions and divestments. Maintain a strong balance sheet with disciplined capital allocation to deliver the right capacity to meet customer requirements.	• Acquired one of the largest online freight search engines in the world: SeaRates.com to connect directly with customers. • Announced the acquisition of a 60% stake in UNICO Logistics and three of five business units of the Transworld Group. • Full integration of Topaz Energy and Marine with P&O Maritime to create P&O Maritime Logistics (POML). • Acquired the largest multipurpose deep-sea marine terminal in Canada, Fraser Surrey Docks. • Acquired a 51% stake in the TIS Container Terminal in the Port of Yuzhny to strengthen our position as the market-leading terminal in Ukraine.	• To start to change the DP World dialogue with shipping lines. • To focus in the medium and longer term on innovations right across the supply chain. • To continue to be a trusted brand that can be relied on by our customers globally, recruiting, retaining and training the best talent globally.	• Return on Capital Employed ("ROCE") % • Profit attributable to owners of the Company (US$m) • Gross Capacity mTEU/Gross Capacity Utilisation % • Capital expenditure in 2020 • DP World Hub training programme participants in 2020 • DP World Hub e-learning module completion in 2020 • Increase in berth productivity 'BMPH' % • Reportable injury frequency rate ("RIFR")	• Macroeconomic instability • Financial risks • Industry capacity and competition • Major projects – planning and project management • Geopolitical • IT systems and cyber threat • Health & safety • Environmental • Compliance • Leadership and talent • Labour unrest • Legal and regulatory
② Develop new revenue streams through acquiring new customer segments and service portfolios • Acquire new customers and cross-sell our portfolio of services. • Forge strong partnerships with customers, governments and local communities. • Expand our service portfolio around ports by providing services across industrial parks, economic zones, and logistics services. • Target under-served growth markets. • Balance operations in both growing and mature markets, diversifying geographical risks.	• Became Global Logistics Partner and Title Partner of Renault DP World F1 Team, working with Renault Services Roumanie and Groupe Renault on their supply chain efficiency. • Became Global Logistics Partner of Royal Challengers Bangalore T20 Indian Premier League cricket team. • Drydocks World expanded into Eastern Mediterranean, joining Dubai Consortium to transform Bijela Shipyard into a world-class superyacht service, maintenance, repair and refit facility. • Attracted global logistics organisation DHL to London Gateway (UK) who are building a 482,000sqft automated warehousing facility.	• To re-shape our investment strategy around known customer needs. • Continue to diversify our revenue base and look at opportunities to connect directly with cargo owners.	• Return on Capital Employed ("ROCE") % • Profit attributable to owners of the Company (US$m) • Gross Capacity mTEU/Gross Capacity Utilisation % • Capital expenditure in 2020	• Macroeconomic instability • Financial risks • Industry capacity and competition • Major projects – planning and project management • Geopolitical • Environmental • Leadership and talent • Legal and regulatory
③ Maintain strategic advantage through investing in digital and innovative opportunities • Invest in innovative ideas and businesses to maintain strategic advantage. • Develop innovative businesses to generate new revenue streams. • Harness cutting-edge technologies to develop our enterprise and operations.	• Launched leading digital logistics tools, products and services to cargo owners and freight forwarders worldwide. • Launched Digital Freight Alliance, an independent freight forwarders' association. • Launched UAE online marketplace Manasah.com to support local artisans and small businesses accelerate trade online. • Completed early stages of integration with blockchain-based digital container logistics platform TradeLens. • Signed agreement with Senegal to boost its position as a trade hub for Africa by joining World Logistics Passport. • First passengers transported on hyperloop pod.	• To focus in the short term on innovations in logistics led solutions for cargo owners, that maximise return on investments made and fill latent capacity in port and terminals. • To champion Dubai as a key hub in the changing nature of global trade.	• Return on Capital Employed ("ROCE") % • Profit attributable to owners of the Company (US$m) • Gross Capacity mTEU/Gross Capacity Utilisation % • Capital expenditure in 2020 • DP World Hub training programme participants in 2020 • DP World Hub e-learning module completion in 2020 • Increase in berth productivity 'BMPH' % • Reportable injury frequency rate ("RIFR") **See KPIs on pages 44 and 45** →	• Industry capacity and competition • Major projects–planning and project management • IT systems and cyber threat • Environmental • Leadership and talent • Labour unrest • Legal and regulatory Details of our **Risk Management Strategy** can be found on **pages 32 to 43** →

BUSINESS REVIEW

A CLOSER LOOK AT OUR BUSINESS

Logistics

With global manufacturers looking to get closer to their customers, improve logistics and expand into new markets, we create production and distribution centres in strategically attractive locations close to sea, air, road and rail connections.

This multi-modal approach boosts cargo volumes while reducing transit times. We focus on developing these projects in diverse locations, bringing with us jobs for local people, a ripple effect for the local economy and encouragement for other regional investors to follow suit. We also own, operate and invest in logistics services that move cargo and keep trade flowing.

In recent years, we have built up our logistics capability mainly through acquisitions as we extended our core operations to offer end-to-end capability.

In 2020, we focused on consolidating and integrating these acquisitions while adding a digital overlay on our product offering. We are now offering an integrated supply chain solutions product that provides efficiency and transparency, and feedback from customers has been encouraging.

In India, we provide a full solution from port connectivity to inland logistics, cold-chain capability and short sea connectivity. In Europe, our Unifeeder business continues to provide connectivity from major hubs to smaller ports and we continue to look to expand the business in new markets.

Overall, we are well placed to remove inefficiencies in the supply chain and deliver great value add for all cargo owners. Our growing revenue mix directly with cargo owners illustrates that our strategy is gaining traction.

Deep Sea Ports and Marine Terminals

Customers look to us to handle their cargo movement in the most efficient way possible, managing their costs effectively as they consolidate gains in an established market, or target growth in an emerging region. Since the 2000s, we have expanded our global network of ports and marine terminals with a company culture that relishes change. We are deeply committed to investing in innovation to enhance our efficiency and maintain state-of-the-art safety and security practices.

DP World handled 70.3 million containers in 2020, matching the performance in 2019 and outperforming an industry which had declined. This performance is quite remarkable given that some forecasts were suggesting a possible 30%+ decline for the industry at the start of the pandemic. The resilience demonstrated by our ports and terminals once again highlights that our strategy of building best-in-class infrastructure in key markets continues to deliver value for all stakeholders.

Whilst the overall volume outcome was pleasing, our priority during the year was to keep cargo moving by ensuring our ports remained operational 24/7. With air freight capacity severely restricted, the movement of sea cargo became ever-more critical and by keeping our workforce agile, we were able to sustain the transportation of essential cargo even during the most challenging periods of lockdown.

Economic Zones

As the dynamics of global trade have changed, the need for focused zones of developed infrastructure, with ready access to international shipping, has increased. Global manufacturing operations have sought out such locations, looking for ways to get closer to their customers, improve their logistics and expand into new markets.

In response, we have drawn on our unique experience of developing and managing the massive Jebel Ali Free Zone (JAFZA), replicating it in key international locations. Indeed, we now own, develop and operate industrial parks, special economic zones and specialist facilities around the world that help enable trade.

Our value proposition to our customers is to provide high-quality infrastructure with an ecosystem that allows trade to thrive. The business also benefits from long-term leases and despite the more challenging environment, our business has remained stable. Our customers have benefitted from being in close proximity to a port that has remain fully operational during this period. Our team has also spent 2020 laying the ground-work for greater expansion. Recently, we attracted DHL, a global logistics organisation, to London Gateway Park (UK) who are building a 482k square foot-automated warehousing facility.

Furthermore, we aim to add capacity in the coming years that will accelerate trade and drive volumes at our locations. In the UK, we continue to explore options for a freeport, which will allow easier trade following Brexit. We have started construction of a freezone facility in Mumbai (India) and we are exploring various growth opportunities in the Americas.

Marine Services

Ours is a comprehensive portfolio of specialist vessels, bespoke solutions and port services. As such, we are a premier maritime services provider to governments, businesses and organisations across six continents, combining world-class logistics and the highest safety and environmental standards.

Our specialist vessel management and operational skills have been deployed everywhere from cargo ports to specialised industry locations. We bring world-class global experience to bear in helping to keep any maritime facility running smoothly and efficiently. We also continue to enhance our provision of support services and develop several world-class marinas.

In 2020, we fully integrated the acquisition of Topaz Energy and Marine with our existing maritime services business P&O Maritime to create P&O Maritime Logistics (POML), which is geared to serving solutions mainly to the energy sector. Overall, the business, has delivered a resilient performance, which is encouraging given the energy sector has gone through a challenging period. The sector is expected to go through a large transition in the coming years as there will be a greater shift towards renewable clean energy and POML has built capability to offer dynamic logistics solutions to our customers to assist them through this journey.

WHAT WE DID

COVID-19: ADAPTING TRADE TO THE 'NEW NORMAL'

WHAT WAS THE IMPACT?

The global pandemic has undoubtedly had a seismic effect on the way we live our lives. Like many crises, however, it also became a catalyst for lateral thinking in our industry; an incubator of digital solutions to maintain the flow of trade.

The impact

With the closure of traditional customer-facing outlets, the pressure intensified on supply chains and logistics to deliver goods efficiently. At DP World, we duly innovated to help our customers to keep cargo flowing in a number of ways.

- We launched a B2C online marketplace, called Manasah in the UAE, that enabled local businesses to take their trade online in a relatively short space of time. No longer did traders need footfall – we created a presence for them online, complete with last-mile logistics capability.
- DUBUY's ambition is to become an integrated B2B e-commerce platform for cargo owners looking to break into, and trade beyond, borders across Africa with trusted partners.
- CARGOES is our hero brand, housing digital and IT solutions to help large-scale organisations and governments tackle inefficiencies in the supply chain. From tracking and visibility to ERP, regulatory, infrastructure management and financial service products, these solutions allow our customers to take make better, more informed decisions about their business across the supply chain.

Another adjustment by traders was the rising trend in nearshoring, as companies sought to move production centres closer to markets, or to find alternative and closer suppliers. With our combination of physical global assets and technologies, we brought to our customers a new dimension of agility to manage their supply chains.

"At DP World, we duly innovated to help our customers to keep cargo flowing."

WHAT WE DID

EXPANDING A GLOBAL NETWORK

WHAT WAS THE IMPACT?

In recent years, we have made strategic inorganic investments in companies with a track record of growth and customer relationships, and who can increase our logistical network and capability to move and feed cargo.

The impact

In 2020, we announced the acquisition of a 60% stake in UNICO Logistics and three of five business units of the Transworld Group. This will extend our network capability and reach, from Central and Western Europe through to East Africa, the Gulf, the Indian subcontinent and South-East Asia.

The Transworld acquisition was made via our subsidiary Unifeeder. Transworld is a leading independent feeder operator that handles approximately 1.2 million TEU a year, with comprehensive coverage of all main ports, terminals and inland destinations via its logistics arms. Inland logistics services include first and last-mile delivery solutions within the Indian domestic market.

UNICO Logistics is a multi-modal transport specialist with a strong market position in the transcontinental rail freight market between East and Central Asia and Russia; in particular, on the trans-Siberian and trans-China railways. Its expertise in handling automotive logistics is aligned with our strategic focus on this sector.

These two acquisitions further strengthen our solutions capabilities, and the ability to combine our significant network of ports and inland logistics to deliver compelling supply chain solutions.

We will continue to build on our strategic vision to connect directly with end-customers, and cargo owners with end-to-end solutions that remove inefficiencies and accelerate trade growth.

"These two acquisitions further strengthen our solutions capabilities."

WHAT WE DID

THE SPIRIT OF SPORT

WHAT WAS THE IMPACT?

One of our strategic objectives has been to bring innovative logistics to the automotive sector.

The impact
Early in 2020, we announced an exciting agreement that takes us into the world of Formula 1. We teamed up with Renault as their Global Logistics and Title Partner, to create the Renault DP World F1 Team.

This partnership is a first step in exploring how to make the global automotive supply chain more efficient by lowering costs, increasing speed and transparency, and mitigating the environmental impact.

We followed this with our entry into cricket. In September, we became Global Logistics Partner to the Royal Challengers Bangalore (RCB), leading contenders in the pulsating India Premier League (IPL). The fit is a natural one: DP World is one of the largest logistics players in India, handling a quarter of the country's total container trade volumes. With an overall viewership of 462 million, the IPL's T20 tournament is one of the largest sporting stages in the world, allowing us to boost brand awareness across the Indian subcontinent and indeed globally.

These new partnerships complement our existing sporting relationship with golf and the European Tour. We are proud of our ten-year flagship association with the DP World Tour Championship, a world-class tournament that has played a significant part in putting Dubai at the centre of the international sporting world. In 2019, we announced our first global ambassador from sport: Ian Poulter, an inspirational figure and Ryder Cup hero. Our relationship with him has helped us engage with our partners and stakeholders, and work with the Emirates Golf Federation (EGF) to coach young stars as we help to raise the profile of the game in the region.

Behind the scenes, we already support the business of sport. We provide smart logistics solutions that help move the equipment and infrastructure needed for major sporting events and ensure that consumer sporting goods are traded across global markets. With these powerful global partnerships, we share a winning mindset and a bold, collaborative approach with the goal of reshaping the future of our businesses, disrupting our industries and leading in our respective fields.

GROUP CHIEF FINANCIAL, STRATEGY AND BUSINESS OFFICER'S REVIEW

YUVRAJ NARAYAN
GROUP CHIEF FINANCIAL, STRATEGY AND BUSINESS OFFICER

DP World has once again delivered a robust set of financial results in 2020 with continued solid cash generation.

Our adjusted EBITDA of US$ 3,319 million, is broadly flat both on a reported and like-for-like basis excluding the one-off 2019 land sale, while our adjusted EBITDA margin, as expected, diluted to 38.9% due to a change in mix effect. Reported revenue grew by 11.0% to US$ 8,533 million, aided by acquisitions. Overall, delivering stable EBITDA given the challenging environment demonstrates the resilience of our business.

The Group is confident of meeting its 2022 combined (DPW & PFZW) leverage target of below 4.0x Net/Debt to EBITDA on a pre-IFRS 16 basis and remains committed to a strong investment grade rating in the medium term. The business continued to generate high levels of cash flow with free-cashflow post maintenance capex improving 19.0% year on year to US$ 2,447 million. The strong cash generation combined with more disciplined investment and potential capital recycling, provides enough flexibility to maintain a strong balance sheet.

In September 2020, we expanded our global investment platform with Caisse de dépôt et placement du Québec (CDPQ) to US$ 8.2 billion from US$ 3.7 billion. This platform combined with our partnership with the National Investment and Infrastructure Fund ("NIIF") of India give us further financial flexibility.

Importantly, DP World's credit rating remains investment grade at BBB- with Stable Outlook by Fitch and Baa3 with Stable Outlook by Moody's.

Regional review

Middle East, Europe and Africa

Results before separately disclosed items US$ million	2020	2019	% change	Like-for-like at constant currency % change
Consolidated throughput (TEU '000)	23,161	23,246	(0.4%)	(0.9%)
Revenue	6,026	5,669	6.3%	(9.5%)
Share of profit from equity-accounted investees	30	20	49.9%	41.8%
Adjusted EBITDA	2,596	2,726	(4.8%)	(1.1%)

Consolidated throughput was down marginally on a reported basis but excluding Jebel Ali (UAE), volumes grew by 5.9%, with Africa being the key driver of growth. In Europe, volumes recovered strongly in the second half of 2020 after a severe lockdown in 2Q2020. Performance in the UAE was soft due to the loss of lower margin cargo but volumes stabilised in 4Q2020 (up 0.3%).

Overall, revenue in the region grew 6.3% to US$ 6,026 million on a reported basis, benefitting from the acquisition of Topaz Energy and Marine. Adjusted EBITDA was US$ 2,596 million, down 4.8% on a reported basis and down 1.1% on a like-for-like basis (excluding the one-off land sale in 2019) as the business focused on cost management.

We invested US$ 664 million in the region, mainly focused on capacity expansions in UAE, Sokhna (Egypt), Berbera (Somaliland) and London Gateway (UK).

Asia Pacific and India

Results before separately disclosed items US$ million	2020	2019	% change	Like-for-like at constant currency % change
Consolidated throughput (TEU '000)	8,766	9,316	(5.9%)	(5.9%)
Revenue	793	616	28.9%	(1.2%)
Share of profit from equity-accounted investees	84	108	(22.1%)	(9.8%)
Adjusted EBITDA	363	347	4.4%	(1.9%)

Market conditions in Asia Pacific and India have been relatively robust despite the volume pressure. Reported volumes are down due to a combination of lower temporary capacity in Pusan (South Korea) and severe COVID-19 related lockdowns in India. However, there has been a strong volume recovery in India in 2H2020 and like-for-like revenues have outperformed the volume decline due to pricing growth. Reported revenue growth of 28.9% was aided by the acquisition of Feedertech and KRIL. Share of profit from equity-accounted investees declined by 9.8% on like-for-like basis mainly due to a weaker performance in ATI (Philippines).

Adjusted EBITDA of US$ 363 million declined by 1.9% on a like-for-like basis.

Capital expenditure in this region during the year was US$ 162 million, mainly focused in Mumbai (India) and Pusan (South Korea).

Australia and Americas

Results before separately disclosed items US$ million	2020	2019	% change	Like-for-like at constant currency % change
Consolidated throughput (TEU '000)	9,821	7,368	33.3%	0.3%
Revenue	1,713	1,402	22.2%	(0.6%)
Share of profit from equity-accounted investees	8	26	(69.3%)	54.5%
Adjusted EBITDA	590	437	35.0%	(5.8%)

After a challenging 1H2020, markets in Australia and Americas recovered to end the year broadly flat. Overall, the reported strong volume growth is mainly due acquisition of Fraser Surrey Docks (Canada), consolidation of Caucedo (Dominican Republic) in 2020 and full year contributions from the acquisitions of terminals in Chile and consolidation of Australia in 2019.

Reported revenues rose 22.2% to US$ 1,713 million and adjusted EBITDA increased by 35.0% to US$ 590 million. On a like-for-like basis, adjusted EBITDA increased by 5.8% due to an improved performance at Santos (Brazil). Profit from equity-accounted investees dropped to US$ 8 million due to consolidation of Caucedo (Dominican Republic).

We invested US$ 191 million capital expenditure in this region mainly focused on Caucedo (Dominican Republic), Posorja (Ecuador) and Vancouver (Canada).

Cash flow and balance sheet

Adjusted gross debt (excluding loans from non-controlling shareholders) stands at US$ 16.3 billion compared to US$ 15.8 billion as of 31 December 2019. Lease and concession fee liabilities account for US$ 3.2 billion with interest bearing debt of US$ 13.1 billion as of 31 December 2020. Cash on balance sheet stood at US$ 2.1 billion resulting in net debt of US$ 14.1 billion or US$ 11.0 billion (pre IFRS 16). Our net leverage (adjusted net debt to adjusted EBITDA) stands at 4.3 times post IFRS 16 and would be 3.7x pre-IFRS 16 basis. Cash generation remained solid with net cash from operations standing at US$ 2.7 billion.

Capital expenditure

Consolidated capital expenditure in 2020 was US$ 1,076 million (FY2019: US$ 1,146 million), with maintenance capital expenditure of US$ 237 million. We expect the full year 2021 capital expenditure to be up to US$ 1.2 billion to be invested in UAE, Jeddah (KSA), Berbera (Somaliland), Sokhna (Egypt), Caucedo (Dominican Republic), London Gateway (UK), Luanda (Angola), Dakar (Senegal) and Vancouver (Canada).

Net finance costs before separately disclosed items

Net finance cost in 2020 was higher than the prior period at US$ 838 million (FY2019: US$ 716 million) mainly due to higher debt and FX losses.

Taxation

DP World is not subject to income tax on its UAE operations. The tax expense relates to the tax payable on the profit earned by overseas subsidiaries, as adjusted in accordance with the taxation laws and regulations of the countries in which they operate. For 2020, DP World's income tax expense before separately disclosed items was US$ 195 million (2019: US$ 186 million).

Profit attributable to non-controlling interests (minority interest)

Profit attributable to non-controlling interests (minority interest) before separately disclosed items was US$ 101 million against FY2019 of US$ 13.5 million mainly due to improved performance of Australia and Caucedo business post acquiring control.

EFFECTIVE RISK MANAGEMENT

We are exposed to a variety of uncertainties that could have a material adverse effect on the Company's financial condition, operational results and reputation.

As the global risk landscape continues to evolve, we are committed to ensure that we constantly monitor the potential threats and opportunities that we could face in order to help ensure that we remain resilient and thrive.

Our Board recognises that effective risk management is critical to enable us to meet our strategic objectives. The Board establishes the control environment, sets the risk appetite, approves the policies, and delegates responsibilities under our Enterprise Risk Management framework ("ERM"). The Audit and Risk Committee, under delegation from the Board, monitors the nature and extent of risk exposure for our principal risks. Details of the activities of the Audit and Risk Committee are in the Corporate Governance section of this report, commencing on page 80.

Our ERM Framework incorporates a continuous exercise of "bottom-up" risk review and reporting as well as "top-down" risk review and oversight, designed to support the delivery of our vision and strategy as described on pages 20 and 21 of this report.

Bottom-up operational risk management

The bottom-up risk management exercise is performed by businesses across our Group. They identify significant risks to achieving their objectives and specify mitigation strategies to manage these risks. The risks are assessed on the basis of impact and likelihood, enabling prioritisation of major and significant risks.

This is a continual process and may be associated with a variety of strategic, financial, operational and compliance matters, including business strategies, health, safety and protection, environment, operational disruptions, technology threats, competition, and regulatory requirements.

These risks are collated in risk profiles and are reported at local, regional and Group levels.

Top-down strategic risk management

The top-down exercise includes interviews with Senior Management Executives to overlay the strategic considerations of DP World's global strategy. In addition to this, the Board defines the overall risk appetite for the Group and associated indicators to provide guidance on the Board's willingness to accept risk in pursuit of the strategic objectives of the Group.

The output from the aggregated results of the top-down and bottom-up exercises forms DP World's risk profile, which is reported and discussed at the ERM Committee, Audit and Risk Committee and the Board. This culminates in a list of principal risks, which are agreed with the Group ERM Committee, prior to review by the Audit and Risk Committee.

Top-down: oversight, review and challenge	Responsibility
Board Audit and Risk Committee	The Board is ultimately responsible for risk management and promoting the Group Risk Management Framework, as well as the review and approval of DP World's risk appetite. Under delegation from the Board, the Audit and Risk Committee oversees the implementation of risk management, including policy-setting and application of the framework.
Enterprise Risk Management Committee	The Enterprise Risk Management Committee assists the Audit and Risk Committee in the discharge of its duties of risk management. It consists of Senior Executives from across the Group who meet on a regular basis to provide more detailed oversight and challenge on the key corporate and emerging risks that may impact our Group.
Enterprise Risk & Resilience	The Group Head of Enterprise Risk & Resilience works to establish and implement the Enterprise Risk Management policy, independently reviews and challenges risk information, compiles and analyses risk profiles, monitors risk management processes within the Group, and regularly reports on risks to our oversight bodies, including the Board.
Deep Sea Ports and Marine Terminals, Logistics, Marine Services and Economic Zones — First line of defence: Risk ownership and control Regions and Corporate Functions — Second line of defence: Risk monitoring and compliance Internal Audit — Third line of defence: Control validation	Corporate oversight mechanisms monitor our significant risks. Regional management and corporate functions develop policies and procedures and undertake other activities to mitigate a wide range of risks, including operational, financial, compliance and strategic risks. Business units across our core lines of business have responsibility for the identification and management of risks, developing appropriate mitigating actions and the maintenance of risk profiles. Internal Audit provides assurance on the key risk-mitigating controls.

Bottom-up: risk identification, assessment and reporting

Risk oversight & accountability

Ultimate accountability for risk management lies with the Board, which delegates the oversight of implementation and effectiveness to the Audit and Risk Committee, including policy-setting and application of the framework. The timely flow of risk intelligence and reporting lines that we have in place across our three lines of defence enable more informed decisions to be made throughout the Group. DP World's Three Lines of Defence model and key risk responsibilities have been outlined on the previous page.

Our risk management approach

DP World adopts a Group-wide approach to the identification, assessment and prioritisation of risks, including the way in which they are managed, monitored and reported. Management within our business units, regions and corporate functions constantly review, challenge and monitor our risks on an ongoing basis through their day-to-day business activities. This is then formalised into our risk reporting cycle through allocated Risk Champions who capture and report on their risks through risk profiles.

1. Risk identification

A robust methodology is used, and a broad spectrum of risks are considered, to identify key risks at local, regional and Group level, as well as for major projects. This is consistently applied through the development and ongoing implementation of the ERM Framework.

2. Risk assessment and prioritisation

Once risks are identified, they are evaluated to establish root causes, financial and non-financial impacts and likelihood of occurrence. Consideration of risk treatment is taken into account to enable the creation of a prioritised risk profile.

3. Risk treatment and response

The risk mitigation strategy is based upon the assessment of potential risk exposure and the acceptable risk tolerance levels. Management controls are designed to mitigate risks, and their effectiveness and adequacy are assessed. If additional controls are required, these are identified and responsibilities assigned.

4. Risk monitoring and reporting

Management is responsible for monitoring progress of actions to treat key risks and is supported through the Group's Internal Audit programme, which evaluates the design and effectiveness of controls. The risk management process is continuous and key risks are reported to the Audit and Risk Committee.

COVID-19

"DP World was quick to act in protecting the health, safety and wellbeing of our people in response to the outbreak of COVID-19 across the globe. Despite the uncertain environment, we believe appropriate measures were put in place to protect our people whilst ensuring that our operations remained resilient."

COVID-19 has had a significant economic, medical and social impact across the globe. DP World has been proactive in protecting the health, safety and wellbeing of its people, making them the centre of key decision-making, whilst not losing sight of the potential disruption to operations that need managing and mitigating where possible. Robust and dynamic risk & resilience activities have played a key role in managing the pandemic.

From the outset, a COVID-19 Crisis Committee was established with membership consisting of the Senior Leadership team, to provide top-down oversight, guidance and steer in protecting our people and our operations. In addition, a Group-wide Pandemic Response and Action Plan and Covid Resource Centre was put in place for our employees during the early stages of the pandemic to ensure that sufficient support was available for our people.

To support our businesses assess their respective risk landscapes, a COVID-19 risk deep-dive was distributed to help determine whether adequate responses were in place, both in the short term, as well as if the pandemic was to continue longer term. Business risk profiles were updated to reflect key themes that emerged from the risk deep-dives, and ongoing reviews have continued to ensure potential exposures can be closely monitored.

COVID-19 is not an isolated risk, it is enterprise-wide and is a key consideration that needs to be reflected in our business unit, regional and corporate risks. Accordingly, the associated impacts, trends and responses have been incorporated across our principal risks that can be seen on pages 34 to 43.

In addition to this, all business continuity plans were evaluated in each of our locations to assess whether key COVID-19-specific disruption threats were covered. Particular focus was placed on our:

- people;
- critical technology/equipment;
- critical sites/access; and
- third parties/suppliers.

Lessons learned were shared across the Group so that good practices could be passed on to others, helping all our businesses protect their people and maintain an effective state of operational readiness.

As the pandemic continues to unfold, our supporting risk & resilience activities will continue to evolve accordingly.

OUR PRINCIPAL RISKS

The nature of our business is long term, which means that many of our risks are enduring in nature. However, risks can develop and evolve over time and their potential impact or likelihood may vary in response to internal and external events.

Our ERM Framework and methodology is aimed at identifying the principal risks that could:

- hinder the achievement of the DP World's strategic objectives and financial targets;
- adversely impact the safety or security of the Group's employees, customers, assets, and the surrounding ecosystem;
- have a significant impact on the financial/operational performance of the Group; and/or
- negatively impact the Group's reputation or stakeholder requirements.

While other risks exist outside those listed above, we have made a conscious effort to disclose those of greatest importance to our business. A summary of our principal risks and how these could affect our strategic objectives is included below. The nature and management of these risks is further described on pages 35 to 43.

Accepting that it is not possible to identify, anticipate or eliminate every risk that may arise, and that risk is an inherent part of doing business, our risk management process aims to provide reasonable assurance that we understand, monitor and manage the principal risks we face in delivering our strategic objectives.

We employ controls and mitigation strategies to reduce these inherent risks to an acceptable level. Our principal risks will evolve as these controls and mitigating activities succeed in reducing the residual risk over time, or as new risks emerge.

Many risk factors remain beyond our direct control. The Enterprise Risk Management Framework can only provide reasonable but not absolute assurance that key risks are managed to an acceptable level.

Strategic objectives

1 **Drive profitable and sustainable growth through a world-class portfolio of assets and services.**

2 **Develop new revenue streams through acquiring new customer segments and service portfolio.**

3 **Maintain strategic advantage through investing in digital and innovative opportunities.**

2020 principal risks	Trend	1	2	3
Macroeconomic instability	↗	●	●	
Financial risks	→	●	●	
Industry capacity and competition	→	●	●	●
Major projects–planning and project management	→	●	●	●
Geopolitical	↗	●	●	
IT systems and cyber threat	↗	●		●
Health & safety	↗	●		
Environmental	→	●	●	●
Compliance	→	●		
Leadership and talent	→	●	●	●
Labour unrest	→	●		●
Legal and regulatory	→	●	●	●

MACROECONOMIC INSTABILITY

Linked strategic objectives: 1 2

Nature and impact

Throughput correlates with GDP growth of the global economy. Market conditions in many of the geographies where we operate can be challenging due to macroeconomic or geopolitical issues, which can potentially impact our volume growth and profitability.

Trend ↗

According to the International Monetary Fund ("IMF"), in 2020 the global economy contracted by 4.4%. The outlook for 2021 remains uncertain with economies impacted by continued lockdowns due to COVID-19, unresolved trade wars and post-Brexit ambiguity. However, IMF is forecasting a GDP recovery of 5.1%.

How we manage our risk

- Our business remains focused on origin and destination cargo, which is less susceptible to economic instability. Although our focus on faster-growing emerging markets may result in volume volatility in the short term, we believe that the medium to long-term prospects remain robust. We aim to deliver high levels of service to meet our customers' expectations and continue to proactively manage costs. Despite the very challenging market conditions in 2020, DP World container volumes remained flat year-on-year. Drewry expects that industry volumes to recover by 9% in 2021[1].
- Multiple sources of funding have been arranged through bank loans, revolving facilities, bonds, sukuks and private placements to help ensure that the Group is able to meet short and long-term liquidity requirements, facilitating our growth/diversification aspirations.
- We have a well-diversified global portfolio of investments across a number of jurisdictions, spreading our concentration risk due to a geographical spread of our business activity. Increasingly, we are investing in port-related assets, which further diversify our risks.
- Cost control measures were introduced globally in 2020 to minimise the EBITDA impact of the global economic decline.

FINANCIAL RISKS

Linked strategic objectives: 1 2

Nature and impact

Our Group operates in many geographies around the world. Within the scope of our normal business activities, we are exposed to financial risks that affect our access to liquidity, availability of capital to achieve our growth objectives, foreign currency and interest rate volatility.

Trend →

Despite the associated threat from COVID-19 and increased debt from the de-listing, this risk has remained stable due to the Group's consistently strong balance sheet and available financing arrangements in place.

How we manage our risk

- Our balance sheet remains strong, with a net debt to adjusted EBITDA of 3.73 times in 2020.
- The Group has a committed revolving credit facility of US$ 2 billion, which remains largely undrawn as of 31 December 2020.
- Our tariffs are predominantly US dollar-based, providing us with a natural hedge against foreign exchange risk. Our internal policy is to mitigate all asset-liability mismatch risk where possible and hedge against interest rate risk.
- The issuance of the Hybrid transaction and the terms of the debt relating to the de-listing exercise, which has been hedged as per policy, ensure minimal effect on the Group's interest rate and refinancing risk exposure.

1 Drewry Maritime Research, Dec 2020.

OUR PRINCIPAL RISKS (CONTINUED)

INDUSTRY CAPACITY AND COMPETITION

Linked strategic objectives: 1 2 3

Nature and impact

The utilisation within our ports and terminals business is influenced by any available capacity to handle container volumes. In some jurisdictions, port authorities tender many projects simultaneously and create capacity beyond medium-term demand, which will lead to overcapacity in that market. An increase in capacity can lead to intensified competition between terminal operators, resulting in weak pricing power, loss of revenue and low return on investment.

Additionally, the Group may be subject to increasing competition as part of our strategy to develop port-centric logistics businesses to complement our core.

Trend →

COVID-19 has negatively affected port volumes in many geographies. While volume trends have recovered in 2020 across our businesses, the outlook remains uncertain, given the possibility of new lockdowns due to future COVID-19 waves.

How we manage our risk

- Barriers to entry are typically high in the container terminal industry due to the capital-intensive nature of the business. However, in many jurisdictions, where there are ramp-up risks associated with new capacity, we seek terms with the port authorities to restrict the granting of additional capacity until a reasonable level of ramp-up has been achieved.
- We bring on capacity in line with demand with a view to avoiding overcapacity.
- Our portfolio continues to have a focus towards emerging markets that continue to show resilience and growth. We repurpose and refit our ports and terminals in line with market demand and use technology as much as possible to improve efficiency and drive new revenue streams, increasing the return on investment in our existing assets.
- We have global contractual agreements with customers to leverage the global footprint that we have, enabling improved efficiencies for both parties.
- Developing port-centric logistics by adding landside value to our customers.
- With diversification into logistics parks and economic zones, these investments complement container terminals and contribute lease revenue, which is part of our non-container revenue.
- Investments in digital assets that will deliver DP World's vision to become a trade enabler by taking our customers operations online and reduce paper-based complexities involved in existing processes.
- We focus on high levels of customer service and develop sustainable, high-value and trusted customer relationships throughout our portfolio.
- We operate customer engagement projects to improve and extend supply chain relationships. Senior executive sponsors are in constant dialogue with our customers and we maintain a watching brief on all markets. We partner with customers to identify efficiencies and optimise costs wherever possible.

MAJOR PROJECTS PLANNING AND PROJECT MANAGEMENT

Linked strategic objectives: 1 2 3

Nature and impact

Major capital construction projects and programmes of works contribute significantly to reshaping our portfolio and delivering our strategy. DP World is managing several high-value, long-term projects that can take months or years to complete. These programmes and projects, due to their nature, are exposed to geopolitical events, forces of nature, unforeseen site conditions, technology development, equipment delivery issues and other external factors, which can result in delays, quality issues or cost overruns. Failure to deliver these major programmes and projects can expose the Group to the risk of reduced profitability and potential losses.

Trend →

As a result of COVID-19, a number of construction projects were put on hold until the situation stabilised. For projects that were already in progress, the associated impact has been minimised, thanks to the strength of our contract documents, strong relationships with our supply chain and close monitoring and mitigation of any potential impacts.

How we manage our risk

- Our Group Procurement Policy supports in pre-qualifying our vendors, standardising procurement activities (e.g. tendering, evaluation, awarding), standardising and constantly updating the contractual documentation to cater for the Group's interest when procuring products or services from third-party vendors.
- Project risks are periodically assessed, mitigated, managed and controlled during the project implementation stage.
- Several levels of approval are in place for large-scale contracts up to the level of our Board. Multi-discipline committees have been established to validate vendor selection and the awarding process for all large-scale projects.
- Our Group Planning and Project Policy ensures full oversight of all capital construction projects and programmes for all Group companies. Key stakeholders across the Group are regularly provided with status update reports on the progress of projects to ensure clear visibility and accountability.
- The Project Implementation Manual continues to be enhanced to reflect latest process, procedures, tools and techniques in project management.
- As the Group continues to diversify and add different companies under its umbrella, the Group Planning & Project Management department has expanded its competencies and expertise to be ready for any new project type (for products or services).

OUR PRINCIPAL RISKS (CONTINUED)

GEOPOLITICAL

Linked strategic objectives: 1 2

Nature and impact

The Group seeks new opportunities and operates across a large number of jurisdictions, resulting in exposure to a broad spectrum of economies, political and social frameworks. Political instability, changes to the regulatory environment or taxation, international sanctions, expropriation of property, civil strife and acts of war can disrupt the Group's operations, increase costs, or negatively impact existing operations, service, revenues and volumes.

Trend ↗

This risk has increased due to the ongoing geopolitical tensions and escalations in the Middle East as well as civil unrest across Latin America and Asia. Increased protests have also been seen as a result of COVID-19 and how governments have responded.

How we manage our risk

- We have a well-diversified global portfolio of investments across a number of geographical jurisdictions, which spreads our risk. We also actively maintain a mix in investments between emerging markets and developed markets to balance our risk return profile.
- We are also increasingly investing in port-related assets across the wider supply chain, which further diversifies our potential risk exposure should undesired geopolitical events occur.
- Our focus on the more resilient origin and destination cargo also lowers the risk of volatility.
- Our experienced business development team undertakes initial due diligence, and we analyse current and emerging issues.
- Business continuity plans are in place to respond to threats and safeguard our operations and assets.
- Authoritative and timely intervention is made at both national and international levels in response to legislative, fiscal and regulatory proposals that we feel are disproportionate and not in our interests.
- Ongoing security assessments and continuous monitoring of geopolitical developments, along with engagement with local authorities and joint venture partners, ensure we are well-positioned to respond to changes in political environments.

IT SYSTEMS AND CYBER THREAT

Linked strategic objectives: 1 3

Nature and impact

DP World focuses on utilising technologies and data to give us a competitive advantage. It helps us drive efficiencies by ensuring that we understand and operate all our assets to their maximum potential, automating key processes and activities where possible.

As we continue to embed greater digitalisation into the DP World strategy, we continue to realise significant advantages with regard to customer experience, revenue, and cost. This will enable DP World to achieve growth targets in an evolving landscape.

However, this, coupled with the increased use of mobile devices, Internet of Things, cloud applications, social media and the evolving sophistication of cyber threats, lead to corporations being targets for malicious and unauthorised attempts to access their IT systems for information and intelligence. Our Group could be compromised by an incident that breaches our IT security. This could result in business disruption, liabilities, claims, loss of revenue, litigation and harm to the Group's reputation.

Trend ↗

The sophistication and frequency at which cyber attacks and information security incidents are occurring within global organisations continues to increase. Hackers are exploiting COVID-19, targeting unsuspecting staff in phishing attacks. Since working from home has become a popular way of working, we could see different and more sophisticated methods of attacks. As such, this requires us to remain constantly vigilant and prepared.

How we manage our risk

- We have developed IT strategies that are aligned with business objectives.
- Our Group IT Governance Framework is based on COBIT5, ISO 27001, TOGAF, PMI and ITIL.
- Our information security policies, procedures and frameworks are frequently reviewed to mitigate risks and ensure compliance. These are based on international industry standards, such as ISO27001, NIST and CIS.
- We regularly review, update and evaluate all software, applications, systems, infrastructure and security. This includes regular vulnerability assessment and penetration testing.
- All software and systems are upgraded or patched regularly to ensure that we minimise our vulnerabilities.
- Strong authentication mechanisms are implemented to maintain confidential, integrity and availability.
- Our security approach protects confidentiality, integrity and availability of information in all layers of IT infrastructure.
- Our principle is to follow 'Zero Trust Model' before granting access and use least privileged access.
- Data back-up practices are in place across business units to ensure data availability during unforeseen events.
- Each of our business units have IT disaster recovery plans to support business continuity.
- Our IT infrastructure is regularly updated or refreshed to keep pace with changing and growing threats and support business applications.
- We have online training and awareness courses for our employees to ensure they remain aware of proper use of our computer systems and on cyber security.

OUR PRINCIPAL RISKS (CONTINUED)

HEALTH & SAFETY

Linked strategic objectives: 1

Nature and impact

The industry we operate in has a considerable interaction between people and heavy equipment/loads and falls from heights, which expose us to a range of health and safety hazards. In addition to this, COVID-19 has posed a real threat to the health and wellbeing of our people. The potential impacts could include harm to our people, regulatory action, legal liability, increased costs and damage to our reputation. Our ultimate goal is zero harm to our employees, third parties and communities near our operations.

These impacts are compounded in emerging markets where fundamental safety cultures may not exist or where regulations are not consistently enforced.

In addition, we see the further acquisitions of existing businesses that do not have the same level of standards and culture that DP World requires.

Trend ↗

As we continue to diversify and grow our business, this risk will increase and as such requires a high amount of prioritisation and focus to achieve our 'zero harm' target. COVID-19 increased the threat of health concerns for our employees that needed careful treatment and monitoring. Further details can be seen on page 56.

How we manage our risk

- Our Board of Directors is fully committed to creating a safety culture throughout the Group. We regularly monitor the implementation of our safety strategy within our business units, which includes employee training, regular audits and management objectives in relation to the safety of our people.
- Extensive work took place across our businesses to protect our people from the threat of COVID-19, including PPE, temperature checks, close monitoring of staffing levels, quarantining, increased social distancing, new working practices to minimise contact and ongoing awareness.
- We maintain up-to-date HSE standards, guidelines and targeted field-based risk programmes, along with extensive safety promotion activities.
- We have in place a comprehensive five-year HSE strategy backed by robust annual plans for all levels of the organisation.
- We continue to record and report on all safety impacts within our businesses to the Board and senior management. This includes collecting, analysing, reporting and monitoring data on a monthly basis in order to measure the safety performance of our business units.
- We investigate all incidents and have a working group in place to highlight trends, reduce risk factors and identify and implement measures aimed at eliminating future incidents.
- Business unit management is responsible for local terminal safety risks and is supported by safety guides, operational manuals, procedures and oversight from our local, regional and global safety teams, which coordinate consistent approaches to safety risks.
- A Vendor Code of Conduct has been established to ensure contractor selection criteria is aligned with our safety policies prior to commencing work at our business units.

ENVIRONMENTAL

Linked strategic objectives: 1 2 3

Nature and impact

There is a growing portfolio of legislation and government regulations aimed at tackling climate change, which could have consequences on our operations at national or regional level. New legislation and other evolving practices could impact our operations and increase the cost of compliance. A breach in any of these regulations may result in the Group facing regulatory action and legal liability, including considerable financial penalties, disruption to business, personal and corporate liability and damage to our reputation.

Environmental assessments required by external parties now commonly require the business to meet international standards that exceed local requirements, particularly in emerging markets.

Similarly, any spillage or release of a harmful substance may have devastating consequences on the environment and numerous implications for our business. Major incidents related to oil or chemical release may result in the Group being held liable to financial compensation, clean-up costs and potentially have our corporate image permanently damaged.

Trend →

This risk has remained stable in 2020 as we continue to focus on reducing our carbon footprint. Further details can be seen on page 66.

How we manage our risk

- We have a dedicated team responsible for continually reviewing environmental regulatory risks, which actively engages with policymakers and governments to assist in managing and mitigating any risks associated with regulatory changes.
- We are constantly reviewing and updating our standards to ensure leading and best practices are applied.
- We have short-term and long-term carbon and environmental management strategies.
- Operational terminals, executives, managers and technical leaders play an important role in developing strategies and actions to combat the adverse potential effects of climate change through planning, modification of infrastructure and retrofitting, etc.
- We continue to monitor and report our carbon emissions to the Board, senior management, and globally to stakeholders.
- DP World purchasing procedures for new equipment is geared to eco-friendly equipment. All new RTGs purchased are eco-RTG and all terminal tractors are energy efficient.
- Further information on our environmental initiatives and performance is in the Sustainability and Impact section of this report, commencing on page 52.
- We review the cargo and chemicals that we handle prior to their arrival and take appropriate action and care when handling dangerous materials to prevent incidents.
- We have developed targeted controls, guidance and training to prepare our terminals for response to any release, large or small, should an incident occur.
- We investigate all environmental incidents and have a working group in place to highlight trends, reduce risk factors and identify and implement measures aimed at eliminating future incidents.

OUR PRINCIPAL RISKS (CONTINUED)

COMPLIANCE

Linked strategic objectives: 1

Nature and impact
DP World demonstrates high standards of business integrity and ensures compliance with applicable laws and regulations, including but not limited to, anti-bribery and corruption, fraud, data privacy, trade sanctions and anti-trust.

As our business spreads geographically, we are increasingly operating in countries identified as having a higher risk of exposure to these areas of regulation. Failure to comply with these regulations could result in substantial penalties, prosecution and significant damage to our reputation. This could, in turn, impact our future revenue and cash flow. Allegations of corruption or bribery, or violation of sanctions regulations, could also lead to reputation and brand damage with investors, regulators and customers.

Trend →
As we grow our operations and expand into new areas, we have continued to enforce our high standards of business integrity. Our compliance framework remains robust and aligned with the growth and development of the Group's operations globally, ensuring that we effectively manage our compliance risks.

How we manage our risk
- DP World has a Code of Ethics and dedicated policies and procedures in place to address bribery, modern slavery and human rights, and adopts a zero-tolerance approach to these areas of risk. Online training and fraud risk awareness workshops have been rolled out across the Group to raise awareness and promote compliance.
- We have an Anti-Fraud Policy and framework in place for preventing, detecting and responding to fraud to meet the stringent requirements of the UK Bribery Act. This is particularly focused on higher-risk regions to ensure the Group's policies are understood and enforced.
- We have an externally administered whistleblowing hotline for reporting any concerns. These are investigated and reported to the Audit and Risk Committee on a quarterly basis.
- We provide new starters and existing employees with training on anti-bribery and corruption as part of the induction process.
- Our Group compliance function focuses on ensuring that we understand and comply with the applicable laws and regulations.
- We have a Vendor Code of Conduct to ensure vendors comply with our ethical standards and values. We will only engage vendors who agree to adopt and adhere to the Code.
- All business units submit an annual self-assessment to confirm compliance to global policies. Policy compliance is independently assessed by Internal Audit during planned business audits undertaken as part of a risk-based approach. Results are reported to the DP World Limited Board Audit and Risk Committee.

LEADERSHIP AND TALENT

Linked strategic objectives: 1 2 3

Nature and impact
The leadership and talent risk are inherent to all businesses and failure to effectively attract, develop and retain talent in key areas could impact our ability to achieve growth ambitions and operate effectively.

To achieve our goal in becoming a data-driven logistics solutions provider, it is essential we have the right leadership and capabilities in place, across all levels and businesses within the Group.

DP World's People strategy strives to mitigate these risks by creating an environment where people can thrive and grow as part of a dynamic business.

Trend →
This risk continues to remain stable due to the continued efforts and focus that we place on developing our people.

How we manage our risk
- Attraction and retention strategies are in place for identified scarce skills.
- We promote a safe working environment for our employees and operate a global health and wellbeing programme.
- We continuously monitor and benchmark our remuneration packages in order to attract and retain employees of a suitable calibre and skill set.
- The DP World Hub develops and delivers training programmes across all levels, focused on improving operational and managerial competencies.
- We partner with some of the most reputable learning institutions, such as London Business School, Harvard, Erasmus and MIT for the development of our leaders.
- We have entered into agreements with leading global recruitment and executive search firms to support us when needed and are currently enhancing our social media sourcing channels.
- Effective performance management remains a high priority. Our global approach and tools are evolving to drive optimal performance, from aligning strategic goals to recognising and developing our talent.
- We have in place a succession planning strategy for critical roles in the business, which forms part of our talent management process.

LABOUR UNREST

Linked strategic objectives: 1 3

Nature and impact
Labour strikes and unrest, or other industrial disputes, pose a risk to our operational and financial results. In 2020, COVID-19 could have caused significant unrest within our workforce if we didn't quickly respond and manage the situation carefully.

Unions are now communicating trans-nationally and co-ordinating actions against multi-national companies.

Some of our Group's employees are represented by labour unions under collective labour agreements. The Group may not be able to renegotiate agreements satisfactorily when they expire and may face industrial action. In addition, labour agreements may not be able to prevent a strike or work stoppage, and labour disputes may arise even in circumstances where the Group's employees are not represented by labour unions.

Trend →
Despite the associated threats and impacts on our workforce from COVID-19, due to our quick response in protecting our employees, this risk has remained stable. The positive relationships that we maintain with unions and employees has minimised the threat of disruptions.

How we manage our risk
- We have an engagement strategy with unions and employees in those areas most affected by disputes. This includes multi-year agreements and clearly assigned responsibilities for maintaining close relationships with unions locally, nationally, and internationally.
- We are proactive and timely in our responses to the needs of the unions. A senior management representative holds a membership role on the European Works Council, which provides a forum to interact directly with union representatives on a timely and continuous basis.
- COVID-19-specific HSE measures were quickly introduced at the start of the pandemic to support in mitigating the threat of labour unrest and disruption.
- We continue to monitor operational downtime arising from local disputes.
- We conduct employee engagement surveys with a formal process for following up on employee concerns.
- We continue to develop a response capability to address and offset the impact of work stoppages as a result of labour disputes within the local regulatory and legal framework we operate under.

LEGAL AND REGULATORY

Linked strategic objectives: 1 2 3

Nature and impact
Our Group is subject to local, regional and global laws and regulations across different jurisdictions. These laws and regulations are becoming more complex, increasingly stringent and, as such, we are subject to various legal and regulatory obligations. We are expanding geographically and therefore we are exposed to an increasing number of laws and regulations when operating our businesses. New legislation and other evolving practices (e.g. data protection, competition law and merger control rules) could impact our operations and increase the cost of compliance.

We must ensure that we fully comply with all these rules, both within our existing operations as well as in our business development opportunities. This is even more critical in our industry that has few players, competitors and customers. Regulators across the world exchange data and scrutinise companies on a global level. Failure to comply with legislation could lead to substantial financial penalties, disruption to business, personal and corporate liability and loss of reputation.

Trend →
This risk has remained stable as we continue to monitor and comply with our legal and regulatory requirements in the countries that we operate.

How we manage our risk
- The Group monitors changes to regulations across its portfolio to ensure that the effect of any changes is minimised, and compliance is continually managed.
- Comprehensive policies, procedures and training are in place to promote legal and regulatory compliance.
- Our legal team has ongoing dialogue with external lawyers to maintain knowledge of relevant legal developments in the markets where we operate.
- There are regular discussions with regions and businesses to proactively be aware of changes in the legal and regulatory environment and be in a position to advise accordingly.
- A Group compliance function has been established to further consolidate compliance with laws and regulations.

KEY PERFORMANCE INDICATORS

Key to strategic linkage

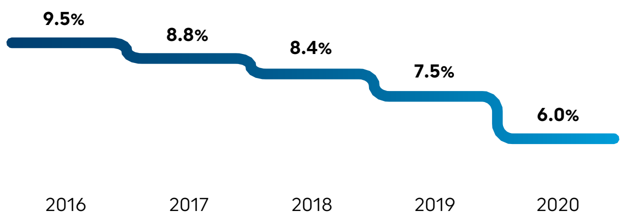
1. Drive profitable and sustainable growth through a world-class portfolio of assets and services
2. Develop new revenue streams through acquiring new customer segments and service portfolio
3. Maintain strategic advantage through investing in digital and innovative opportunities

FINANCIAL

Strategic links: 1 2 3

Return on Capital Employed ("ROCE") %

6.0%



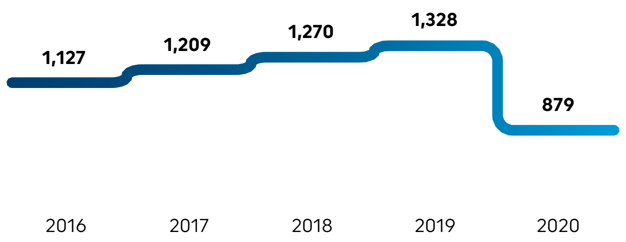
Definition
ROCE is earnings before interest and tax, and before separately disclosed items ("SDI"), as a percentage of total assets less current liabilities.

Comment
ROCE is a key measure of how well our investment strategy is delivering value to shareholders and in 2020 our ROCE was at 6.0% from 7.5% in 2019. The year-on-year decline in ROCE is mostly explained by the timing of acquisitions, which increased the asset base. We expect our ROCE to continue to increase as our portfolio matures. Currently, the average life of our port concession stands at 35 years.

Strategic links: 1 2 3

Profit attributable to owners of the Company (US$m)

US$ 879m



Definition
Profit attributable to owners of the Company is before taking separately disclosed items into account and after minority interest.

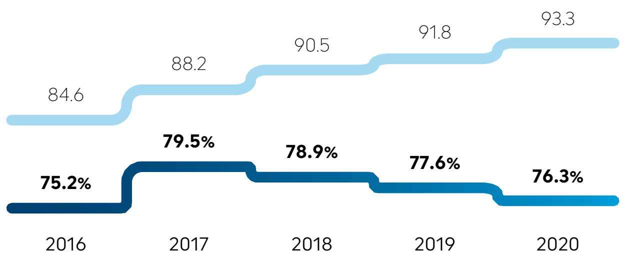
Comment
Profit attributable to owners of the Company has declined due to the non-recurrence of Emaar Land sale in 2019, higher depreciation and finance charges.

CUSTOMERS

Strategic links: 1 2 3

Gross Capacity mTEU / Gross Capacity Utilisation %

93.3 76.3%



Definition
Gross capacity is the total capacity of our global portfolio of terminals. Gross capacity utilisation is the total throughput in the year divided by the total capacity.

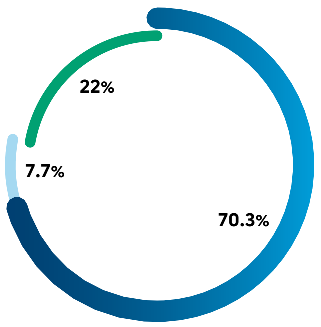
Comment
Gross capacity increased by 1.5 million TEU to 93.3 million TEU at the year end, reflecting our continued investment in additional capacity across the Group. Our utilisation remains high and above the industry average.

Strategic links: 1 2 3

Capital expenditure in 2020

US$ 1,076m

- Expansion – existing facilities
- Expansion – new facilities
- Maintenance



Definition
Capital expenditure is the total cost of property, plant, equipment and port concession rights added during the year.

Comment
Capital Expenditure totalled US$ 1,076 million during the year and was predominantly related to expansion of existing facilities and their maintenance.

PEOPLE

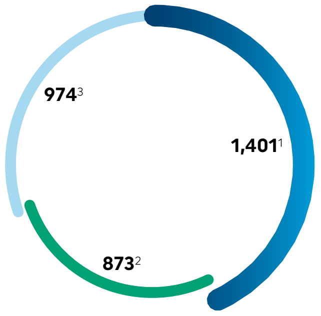
Strategic links: 1 3

DP World Hub training programme participants in 2020

Total: 3,248

- Middle East, Europe and Africa
- Asia Pacific and India
- Australia and Americas

1. Middle East, Europe & Africa Leadership: 794, Operation: 607
2. Asia Pacific & Indian Subcontinent Leadership: 611, Operation: 262
3. Australia & Americas Leadership: 601, Operation: 373



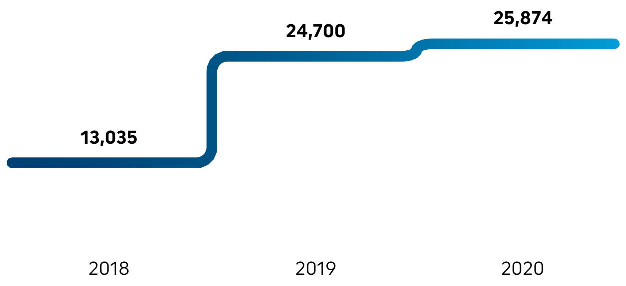
Definition
The number of participants who took part in face to face and virtual training programmes run by the DP World Hub across the Group.

Comment
The DP World Hub continued to deliver a wide range of operational and leadership training with high levels of engagement across the Group.

Strategic links: 1 3

DP World Hub e-learning module completion in 2020

Total: 25,874



Definition
The number of modules completed on the DP World e-learning platform during 2020.

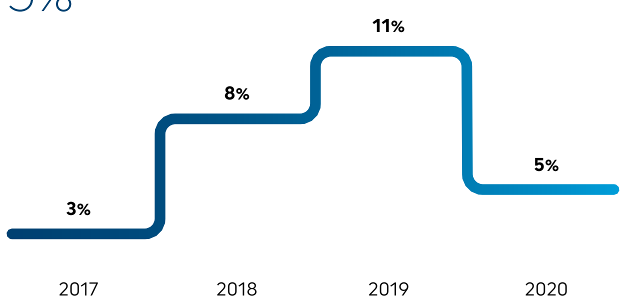
Comment
The DP World Hub continues to deliver a wide range of programmes via our e-learning platform. We expect this trend to continue as further e-learning programmes are developed and released.

OPERATIONS

Strategic links: 1 3

Increase in berth productivity 'BMPH' %

5%



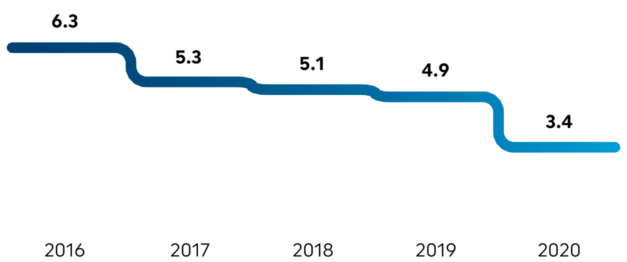
Definition
Berth moves per hour "BMPH" is measured as the actual number of containers moved over the quay wall from and to vessels divided by gross berth hours for all vessels from first line to last line.

Comment
The graph shows our BMPH improvement as a percentage against our 2016 baseline. BMPH has declined in 2020 compared to 2019 due to COVID-19 impact on our operations.

Strategic links: 1 3

Reportable injury frequency rate ('RIFR')

3.4



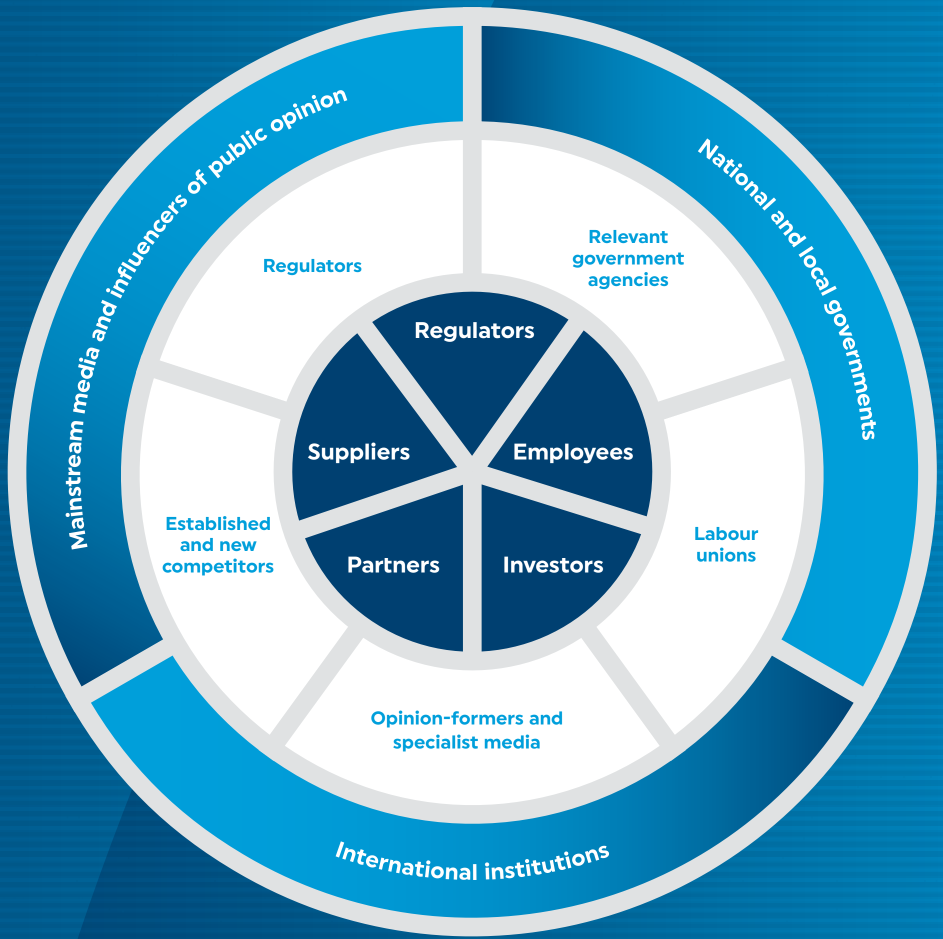
Definition
RIFR is the sum total of Employee and Contractor, Lost Time and Medical Treatment Injuries and Fatalities divided by the total hours worked and then multiplied by 1 million.

Comment
Our reportable injury frequency rate reduced by 30% from 4.9 in 2019 to 3.4 in 2020, our lowest reportable injury frequency rate in seven years. This improvement has been achieved along with significant growth in operations.

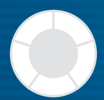
ENGAGING WITH OUR STAKEHOLDERS

At DP World, we are committed to conducting our business in ways that are responsible and sustainable, across every facet of economic, social and environmental considerations.

OUR STAKEHOLDER GROUPS



At the very heart of our stakeholder map, we have those groups who are directly involved in our business.



At the next level, we have the broader group of parties who comprise our industry sector.

At the broadest level, we have the communities and societies within which our businesses operate.

This demands effective policies and processes of engagement with the full range of stakeholders who influence, and/or are impacted by, our business operations.

By 'engagement' we mean meaningful two-way dialogue which enables us to listen and respond to stakeholder views and concerns. The central goal is to foster a positive climate of stakeholder opinion and full interaction, based on a shared belief in mutually beneficial outcomes.

As a growing global business, our stakeholder base becomes ever-more diverse, with international, regional and local nuances adding to the complexity. The proliferation of social and other digital media has also added to the challenge, but also the opportunity. Meeting these demands requires both organisational discipline and innovation in adopting well-proven best practices in stakeholder engagement.

The articulation of the DP World brand purpose reached a significant milestone in encouraging and enabling our employees to speak with 'one voice' and create a shared sense of what our organisation stands for. Critically, our brand and communications strategies, structures and processes are designed with key stakeholder relationships in mind.

Our approach is based on regular interactions with essential stakeholder groups to understand and respond to legitimate concerns and inputs. It is designed to be pro-active, rather than reactive. It is learning-oriented to cope with the dynamic pace of trade generally, and our industry in particular. It exploits professional methodologies and specialist skillsets. Finally, it increasingly involves objective metrics to enhance robustness and credibility, using relevant KPIs to establish a benchmark for assessing our progress.

Importantly, our disparate global business means that one size will not fit all. Although we adhere to an overarching strategy, we strive to be sensitive to the varying needs, interests and engagement styles of our stakeholder groups.

The importance of stakeholder engagement is such that the Chief Communications Officer is directly accountable to the Chairman and Chief Executive Officer.

PEOPLE

The reporting year has been an exciting and active period in our People function. Our people are at the core of what we do, and the function plays a key role in delivering our strategy.

Enabling our digital agenda
The year has seen our team immersed in building our capacity to deliver our agenda, designing a dedicated talent sourcing strategy for our Development Centre for Technology.

We have also partnered with specialist agencies to increase awareness of our employer brand, positioning DP World as an employer of choice, directly enhancing our ability to attract and hire high-calibre candidates. We have implemented a platform to improve our technical assessment and benchmarking, as well as developing campus-hiring strategies that build external talent pipelines.

In addition, the roll-out of the Oracle Recruitment Cloud system will provide recruitment and hiring tools globally across our businesses. Focusing on a positive user experience for candidates and hiring teams alike, the system was rolled out across several regions in 2020 with the global roll-out to be finalised throughout 2021. Similarly, we refreshed our external careers website to align with our global dotcom social media strategy.

We continue to advance our digitalisation, including the Oracle Performance Management system across our business. This facilitates annual performance reviews to discuss employee performance and career planning, ensuring the required training and development is available. We have also standardised HR forms for recruitment and onboarding, conflict of interest and exit interviews.

This is our structured three-step approach to digitally transform our internal organisations:

1.

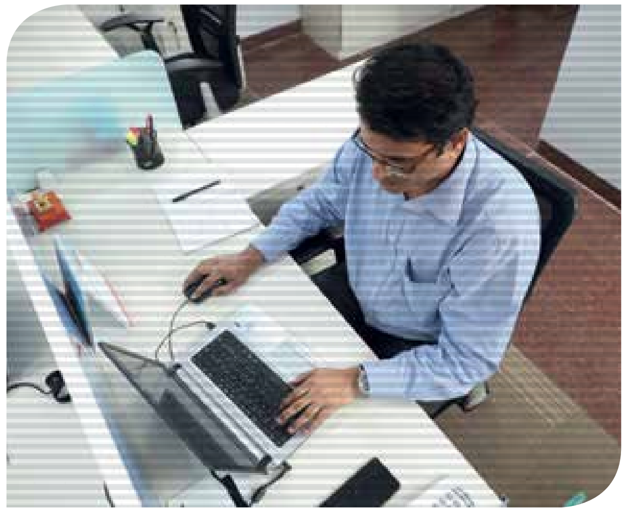
simplify & standardise our policies and processes;

2.

digitalise all our data and workflows; and

3.

automate repetitive and straightforward tasks.



Agile people management
In 2020, we continued our broadbanding journey, moving away from narrow grading to a broader and globally consistent banding structure.

This allows much greater flexibility and responsiveness to organisational structure changes, employees' mobility, career development and opportunities. Broadbanding consolidates pay grades into a broader structure where jobs with similar levels of responsibilities, skill requirements and value to the Company are classified by bands. This increases career advancement and pay opportunities, and the greater visibility of roles across DP World will be a catalyst for conversations on career options.

We also completed our job architecture implementation across our regions. This provides a globally consistent framework that describes the roles across the business and how they are organised. It allows jobs to be grouped and compared, supporting HR activities such as compensation benchmarking, career progression, workforce and talent planning.

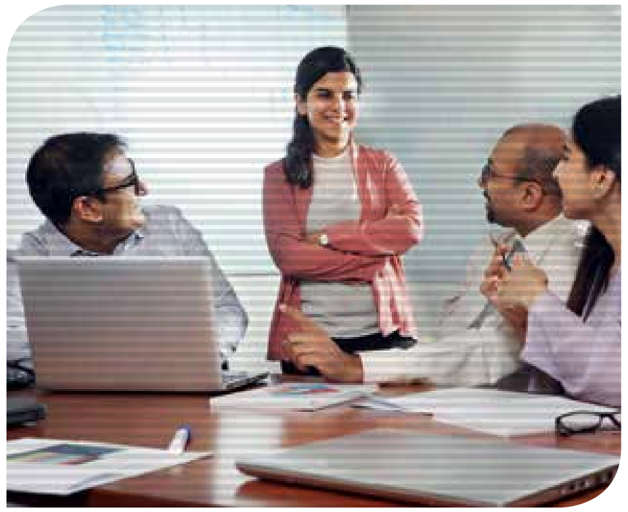
Our aim now is to develop a strong global foundation for all jobs. When integrated with a global HR technology platform, it will enable accurate manpower planning, fit-for-purpose talent development, competitive reward management and systematic people analytics.

PEOPLE (CONTINUED)

Engaging our people
During the first week of 2021, we completed another round of My World, our employee engagement survey, which is conducted every other year. The data and feedback this yields enables us to identify areas of strength, as well as opportunities to improve as an employer. In 2020, with the global challenges posed by the pandemic, hearing directly from our people was more important than ever.

Our businesses used all available technologies to ensure the necessary safety precautions and to encourage as many people as possible to participate. The 25-question survey was made available in 30 languages, and attracted over 35,000 DP World direct and indirect employees to participate. This represented an exceptionally high 86% engagement rate.

Overall employee favourability (positive responses) increased from 79% to 90% when compared to 2018, with favourability scores increasing in every category of the survey. Sustainable engagement, which considers the extent to which employees are engaged, enabled and energised in the workplace increased from a high of 89% in 2018 to an extraordinary 93%. *Employees understand how their work contributes to business objectives* and they *strongly believe in the goals and objectives of DP World* were the highest scoring items of the survey at 98% and 96% favourability, respectively.



Overall employee favourability (positive responses)
90%
(Increased from 79% in 2018)

Employees understand how their work contributes to business objectives
98%
(Increased from 96% in 2018)

Sustainable engagement[1]
93%
(Increased from 89% in 2018)

Employees strongly believe in the goals and objectives of DP World
96%
(Increased from 94% in 2018)

In the UAE
We launched our new digitalised job description portal, replacing paper-based job descriptions and bringing standardisation and efficiency across our businesses. We expect to implement it into other parts of our business in 2021.

We also centralised the HR back-office processes of all our UAE-based businesses (17 business units, employing more than 20,000 people) by creating our UAE Shared Service Centre.

Our paperless strategy has meant a 60% reduction in paper and toner ink, and has freed up thousands of office hours annually to focus on more value-added tasks. This is an important step on our journey to make DP World a highly effective organisation.

1 Extent to which employees are engaged, enabled and energised in the workplace.

OUR PURPOSE AND CULTURE

Our Principles define our culture, what we do and who we are. The shared values of our people centre around four pillars.

Enabling smarter trade to make a better future for everyone
We want to make trade faster, safer, more controllable, more sustainable and more cost-efficient, through developments in infrastructure, logistics and innovative applications of digital technology. This is our business. Combining the promise of more business value for customers and shareholders with benefit for society through economic growth and social progress.

Build a legacy in society
Smarter trade helps nations grow, supports business, creates jobs and raises living standards. We are in business for the long term, conducting ourselves in ways which are economically, socially and environmentally responsible.

Our culture is defined by growth
We operate and live by values and behaviours that have been fundamental to the ongoing success of DP World.

OUR PRINCIPLES

Create Growth
We create growth by seeing what is possible, especially when others don't. We are constantly searching for the next and the new and we are not satisfied with 'enough'.

Adapt & Evolve
While finding solutions, we are not confined by the past. We adapt and evolve to create the future.

Drive Results
We make things happen, often in the midst of adversity. When faced with obstacles, we find ways to deliver.

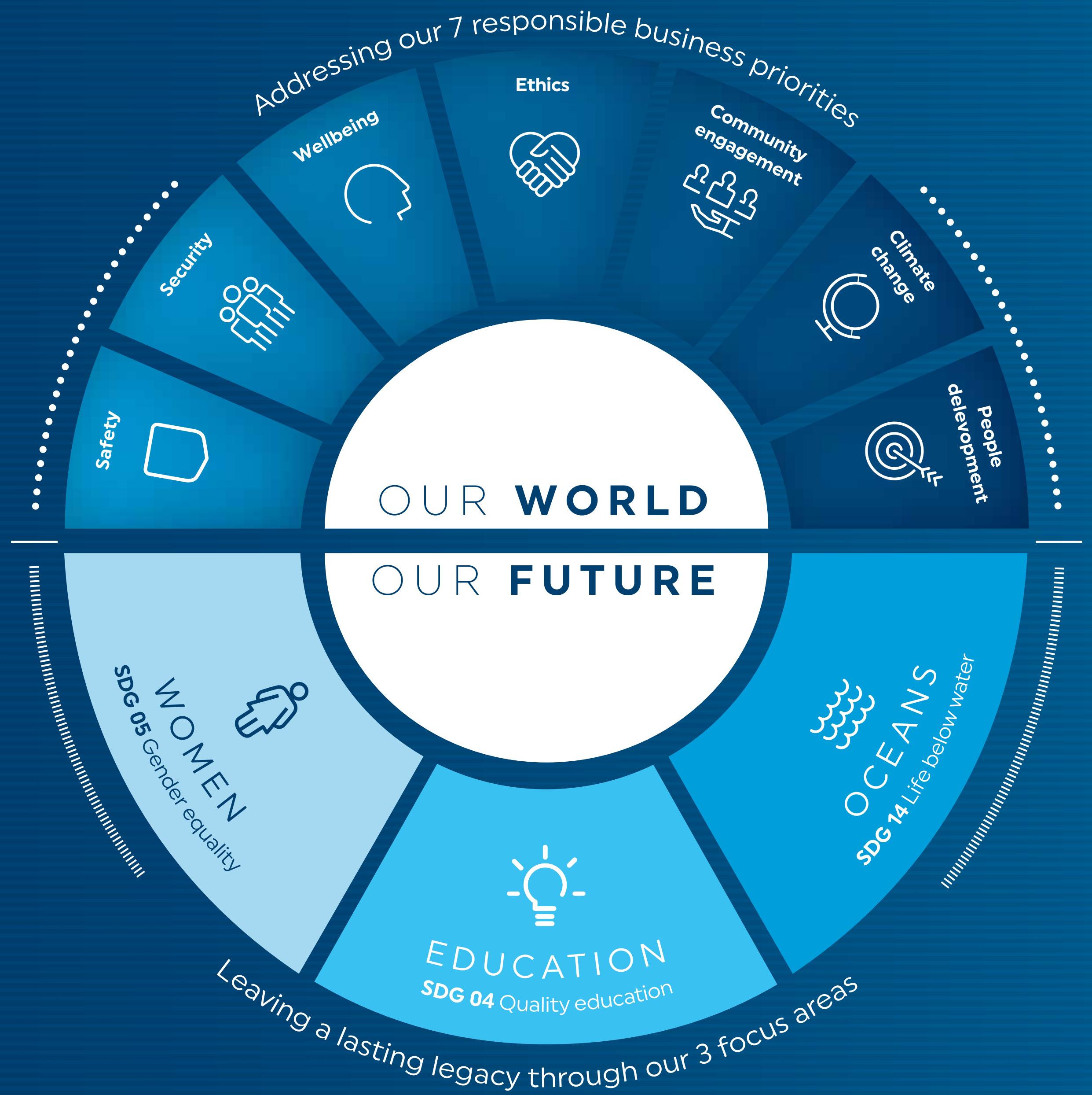
Make Others Excel
We create an environment where others succeed. We help people to improve by helping them to achieve more. Learning and growth are part of everyday life at DP World.

SMARTER TRADE, BETTER FUTURE

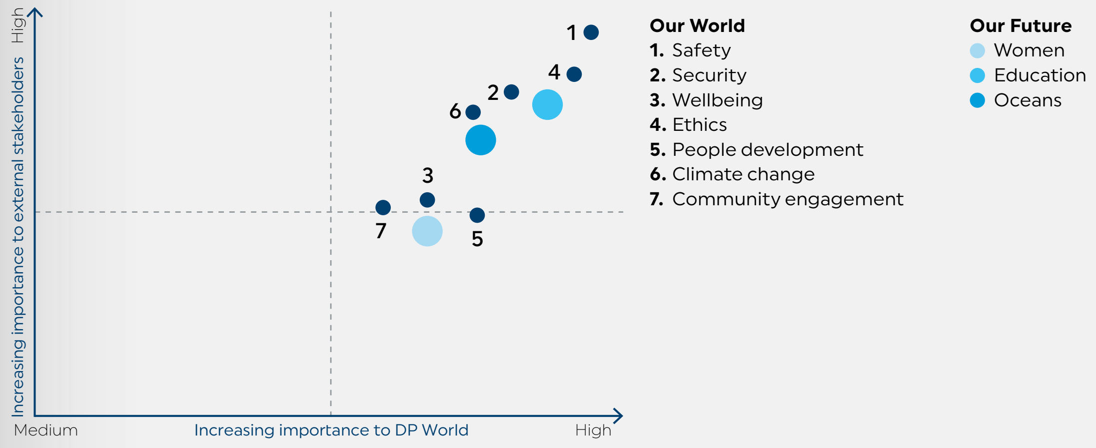
DP World is in the business of enabling smarter trade and, in the process, creating a better future for all.

Guiding every step we take is 'Our World, Our Future', our sustainability and impact strategy. It helps us to work in a responsible way, prioritising sustainable and inclusive economic growth, and creates positive impacts for the people, communities and environments in which we operate.

'OUR WORLD, OUR FUTURE' SUSTAINABILITY AND IMPACT STRATEGY



MATERIALITY MATRIX



ENVIRONMENTAL, SOCIO-ECONOMIC & GOVERNANCE ISSUES

E
- Climate change
- Oceans

S
- Wellbeing
- Community engagement
- People development
- Women
- Education

G
- Safety
- Security
- Ethics

KEY HIGHLIGHTS AND ACHIEVEMENTS IN 2020

- A diverse workforce of over 53,000 employees from 137 different nationalities.
- Achieved strong ESG ratings scores (Sustainalytics – 9.3/100, CDP score A-).
- Published our first Human Rights Policy and Statement.
- Developed a long-term carbon and energy strategy to 2050.
- 36,102 learning hours delivered to employees.
- US$ 8.4 million invested in communities.
- Over US$ 1.6 million invested for community support during COVID-19.
- 9,684 volunteering hours delivered by our people.
- 125 women mentored as part of DP World's employee MentorHer programme.

PARTNERSHIPS & MEMBERSHIPS

OUR WORLD, OUR FUTURE

Our World, Our Future strategy
This revised strategy was developed in 2019 in response to feedback from our stakeholders. It is aligned with the United Nations' Sustainable Development Goals ("SDGs"), and sets out a clear agenda: we will spend the next decade delivering against these goals and leveraging our business to achieve a better, more sustainable future for all.

The COVID-19 pandemic further highlighted the importance of having a comprehensive business strategy in place that embeds sustainability within its core operations. This enabled DP World to address the needs of our stakeholders, manage risks and respond to the crisis effectively.

Our material issues
The ten material issues for our business are presented in the materiality matrix (page 53), and in our 'Our World, Our Future' strategy wheel. These were identified and finalised in 2019, based on feedback from our internal and external stakeholders, and they remain relevant and important.

Our strategy has two component parts. The first, 'Our World', focuses on the efforts DP World makes today to operate as a responsible business across seven priority areas. The second, 'Our Future', looks at the lasting legacy the Company creates for industry and society. It focuses on three areas where we can make a positive difference for future generations: education, women and oceans.

2020 progress
In 2020, we focused on embedding and integrating the 'Our World, Our Future' sustainability strategy across the Group. Our sustainability priorities and framework were updated in line with the new strategy, and we developed new procedures and processes for our community investment and education programmes.

We also developed an onboarding programme so that newly acquired entities can be immersed in our strategy through an induction process. We want to ensure that sustainability champions are appointed across our business regions to assist with strategy implementation and training. Clearly, against the backdrop of the pandemic it was a challenging time to roll out programmes, but we succeeded in driving the sustainability agenda across the Group. Regular communication, virtual knowledge-sharing and a new 'login and learn' programme were all instrumental in putting our strategy front and centre, with the support of our 123 sustainability champions worldwide.

A critical part of the task ahead is to deliver our strategy in line with the UN SDGs, and to achieve this we engage with external stakeholders, organisations, partners, individuals and institutions. At the end of 2019, we also became a signatory to the UN Global Compact and its ten principles. Delivering on this further commitment means ensuring our strategies and operational areas align with the UNGC principles in relation to human rights, labour, the environment and anti-corruption.

Additionally, we have committed to platforms at the World Economic Forum to take collaborative steps for growth and development. We created new initiatives with our existing partners Blue Marine Foundation, United for Wildlife, Logistics Emergency Team and IMPACT2030; and formed new partnerships with the Zoological Society of London (ZSL), Space for Giants, Ifraj Zanzibar Foundation; and became a Global Alliance Founding Partner for the Earthshot Prize, launched by the Royal Foundation.

Policies
A Group-wide Sustainability and Impact Policy sets out DP World's approach to sustainability and our key priorities and focus areas. It also outlines how our own people can engage with and support DP World's commitment to sustainability.

A key part of our policies is to set targets and KPIs to track our operational performance and environmental and social impacts. We outline these in our Sustainability Scorecard on pages 76 to 79. We are also going further by setting out a series of pledges to be delivered by 2030, in line with the UN SDGs. We will be focusing on these targets and on relevant environmental, social and governance ("ESG") criteria and KPIs, as drivers of positive change for the world and the planet.

Sustainability governance & risk management
Sustainability is represented at Board level through a new Governance and Sustainability Committee, created in 2020. The Committee is responsible for setting, reviewing, approving and overseeing the Company's sustainability strategy, and for managing environmental, social, and governance ("ESG") matters.

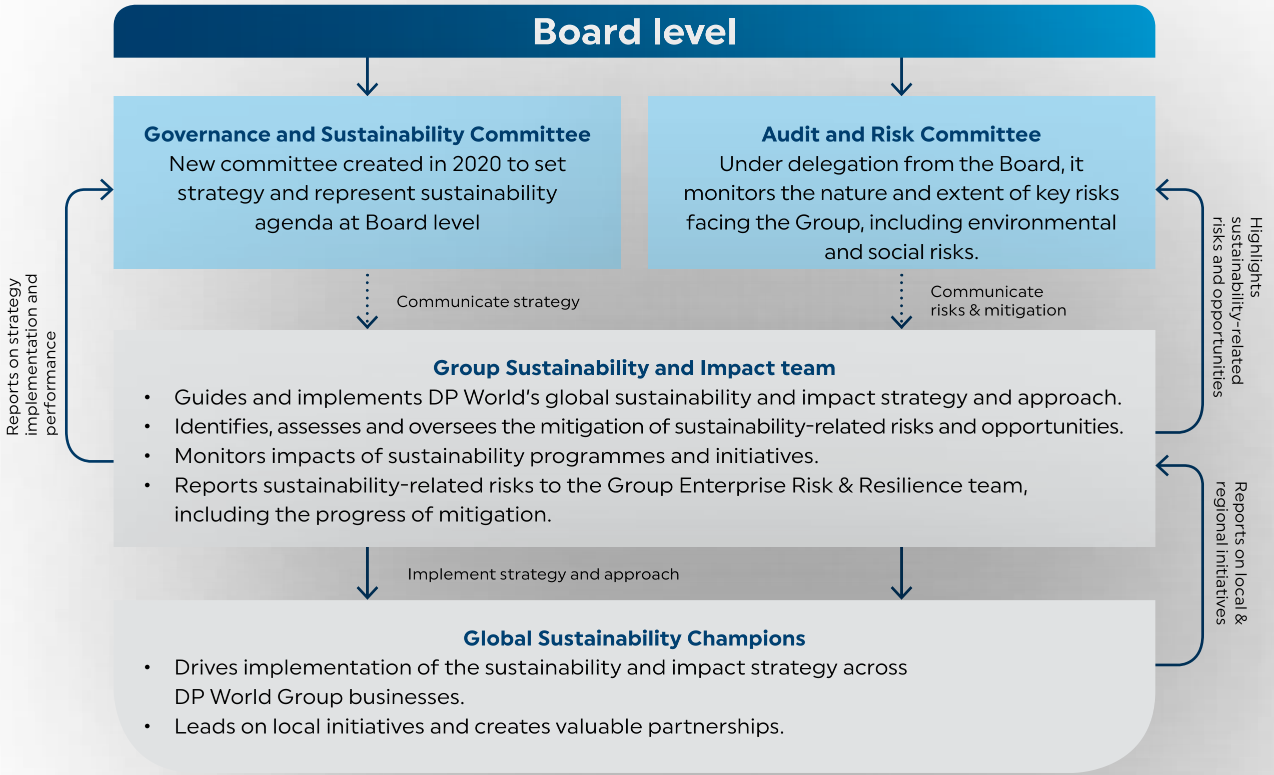
The Group Sustainability and Impact team, based at Head Office, guides and implements DP World's global sustainability and impact strategy and approach, supported by regional business units and their sustainability champions.

These champions play a vital role in supporting the Group Sustainability and Impact team, driving implementation of the sustainability and impact strategy across DP World Group businesses.

By implementing our sustainability strategy and creating valuable partnerships, they enable us to operate sustainably and make a positive impact on the health, wellbeing, environment, education and the economies of our host communities.

Risk management also receives a Group-wide approach to identifying, assessing and prioritising risks, and the way they are managed, monitored and reported. The Group Sustainability and Impact team identifies, assesses and supports in the mitigation of sustainability-related risks and opportunities. These are reported to the Group Enterprise Risk & Resilience team who are responsible for rolling out a consistent approach to risk management across the Group. The Audit and Risk Committee, under delegation from the Board, monitors the nature and extent of key risks facing the Group, including environmental and social risks.

Sustainability Management Framework



OUR WORLD

UNSDGs
8 DECENT WORK AND ECONOMIC GROWTH

UNGC Principles
Principle 1
Principle 2

SAFETY

Why is it important?
At DP World, we care. Our goal is to make sure everyone goes home safe and we accomplish this with a zero harm approach in our business. We continue to implement our five-year HSE Strategy. The strategy is a unified call to action by the whole organisation and is founded on DP World's:

- HSE Pillars;
- HSE management system; and
- Assurance programmes.

Ambitions
Our objective is to achieve a serious injury and fatality ("SIF") free workplace, and we expect our management teams, people and contractors to work towards this goal every day.

Introduction

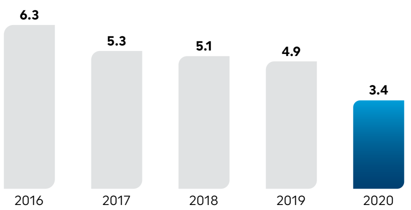
Our continuing growth, and diversification from traditional ports and terminal operations has presented new and unique risks to the safety and health of our people. We care and constantly push ourselves to be better, and regard new challenges as opportunities to increase and enhance our safety culture in all areas of our business.

Our approach

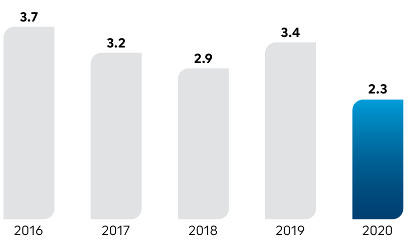
We are focusing on operational scope, trending and analytical capabilities to be more predictive in identifying potential sources of harm and associated risks.

Our Group HSE management system applies to employees and contractors in entities that are under our operational control. Its processes include emergency preparedness and response, operational safety, and audit programmes to measure and report potential issues.

RIFR



LTIFR



"We care and constantly push ourselves to be better, and regard new challenges as opportunities to increase and enhance our safety culture in all areas of our business."

Policies and committees

Our HSE Policy includes the HSE Pillars that cover: Leadership and Engagement, Risk Reduction and Improvement and Commitments We Live By. The Policy is central to the Group HSE management system and establishes a framework for the actions that we implement in order to protect people and the environment.

The Group Executive Safety and Environment Committee ("GESEC") comprises the most senior leaders of the organisation. Its primary role is to ensure the accountability, effectiveness and continual development of the Company's HSE programmes. GESEC operates in accordance with a defined charter.

Through the Leadership and Engagement HSE Pillar, our people are empowered to take action to reduce risk, guided by the philosophy that we are stronger when we work SafeTogether.

2020 progress

- We developed and revised a range of programmes to target critical risk areas. Despite these initiatives, we were deeply saddened to record three fatalities during the year, in our security, marine and ports and terminals operations.
- We completed significant development work on our standards, systems, tools and supporting programmes. This is designed to benefit and support the business as well as set clear expectations on HSE performance.
- We launched our Take Time and Stop Work Authority programmes globally to provide a simple form of hazard identification, as well as establish responsibility to stop any task that presents an unacceptable level of risk.
- We launched our SafeLeader training in February, although a full roll-out was hindered by COVID-19 restrictions. This training is an integral component of the Leadership and Engagement HSE Pillar, and outlines expectations and behaviours of highly effective leaders in reducing risk and empowering people. We have started work on an online version of the course to ensure key content is widely available to stakeholders in the event of further COVID-19 restrictions.

2021 targets

In 2021, our approach is to review, analyse and revise our various initiatives from the first two years of the Group HSE Strategy.

Key initiatives for 2021 include:

- launching a new comprehensive digital application with more than ten HSE modules for both desktop and mobile devices;
- continuing to roll out SafeLeader training in online and classroom settings;
- launching online training for incident investigation;
- developing and launching Human Factors training to better understand "at risk behaviour" and leadership coaching requirements;
- conducting a global employee survey to engage employees' feedback on HSE performance; and
- developing a unified audit programme to provide efficiencies and integrated performance feedback to management.

OUR WORLD

SECURITY

Why is it important?
As a leading global logistics provider, securing our supply chain is critical to keep trade operating safely and securely. This means managing, reviewing and updating our security management systems to ensure long-term protection and resilience. This is achieved through the efficient integration and application of people, processes and technology in our security operations.

Ambitions
Our key objective is to keep our people, assets and business secure. We seek to provide a secure environment where our people and stakeholders can undertake seamless and uninterrupted business operations.

Introduction

Securing the supply chain is a fundamental business imperative to keep our people and trade operations secure.

We achieve this through robust risk management programmes, global security initiatives, compliance with regulatory requirements, and by being hard-wired to ongoing security awareness programmes.

In 2020, the supply chain was placed under greater strain than ever before. With extreme fluctuations in commercial demand and a fast-spreading pandemic, the risks faced by our global security teams escalated. This was partly due to trade restrictions and curfews imposed by authorities, and subsequent restrictions in terms of manpower deployment, physical contact and controls.

Nevertheless, we are proud of how we were able to adapt and react to the market dynamics created by the COVID-19 crisis.

Our approach

We have established and implemented a well-documented security management system in line with ISO 28000 (the international standard for Security of the Supply Chain). The system provides a broad framework on the critical elements of security, comprising standards and principles relating to risk management, compliance and emergency response, to which all our business units must comply.

Incident reporting and security profiling are two security applications used by our business units to report and share information. These are monitored by the Group security team.

Robust governance runs across the Group, through compliance with mandatory regulatory requirements such as the International Ship and Port Facility Security ("ISPS") Code and participation with established voluntary programmes and security initiatives. We also conduct regular onsite and remote audits of the business units to ensure ISPS Code and ISO 28000 compliance, as part of our annual audit programme.

In addition, our focus on digitisation and smart trade requires us to adopt a rigorous approach to cyber security and data protection. We have robust and clearly defined Information Security ("IT") policies and systems in place, which are endorsed by our Chairman and are reviewed periodically to mitigate new risks and ensure compliance.

Policies

Our security policy is top-down in approach. Published by DP World Group Security, it is dynamic and regularly reviewed to address the current threats and regulatory requirements in force. All business units comply with the Group Security Policy; however, there is flexibility to add their own considerations when framing and implementing their own security policy. We encourage our business units to introduce continual improvements as part of their annual objectives.

The Group IT Security and security policies apply to all employees and other stakeholders including contractors, suppliers, consultants and service providers, and any breach may lead to disciplinary action.

"Securing the supply chain is a fundamental business imperative to keep our people and trade operations secure."

UNSDGs
16 PEACE, JUSTICE AND STRONG INSTITUTIONS
17 PARTNERSHIPS FOR THE GOALS

UNGC Principles
Principle 1
Principle 2
Principle 10

Partnerships and memberships

We continue to build and maintain strong relationships with global, regional and national security organisations such as customs, law enforcement and anti-narcotics agencies. We also partner with bodies including Customs Trade Partnership Against Terrorism (CTPAT), Authorised Economic Operator (AEO) and Container Security Initiative (CSI).

Group Security also supports DP World's commitment to the Royal Foundation's United for Wildlife (UFW) initiative, which works with the transport and financial industries to break the chain in the illegal wildlife trade ("IWT") between suppliers and consumers, by disrupting and restricting criminal networks.

2020 progress

As we continue to expand and diversify our operations, new business units are continually incorporated within our portfolio. This means that our security approaches need to be continually assessed to address new challenges. We identify common threats and risks, and implement standardised risk management tools that enable business units to identify, assess, manage and communicate their risks and adhere to higher-level enterprise risk management.

In 2020, DP World:

- updated and published the Group Security Policy and objectives, to align with the evolving security threats;
- developed and rolled out global Group Security standards;
- supported global teams in implementation of security management systems and technology;
- engaged with and shared best practice with other major port operators through the Global Port Group programme;
- supported global security operations in their response to the global pandemic;
- conducted security awareness training for Head Office staff;
- participated in 'log in and learn' sessions for DP World's sustainability champions, to raise awareness of our global security efforts to combat IWT; and
- established global security KPIs to monitor the performance of our regions and business units, which are audited twice a year.

2021 targets

- To enhance security applications and tools for incident reporting and auditing, and expand outreach and accessibility across the security teams globally.
- Standardise risk management tools across the Group to ensure all threats are considered and assessed, and enable us to drill down to individual risks including human trafficking, drugs, wildlife trafficking and contraband.
- Conduct global security training for our regional security representatives to enable them to train security teams within their business units.
- Implement and obtain ISO 28000 certification for two additional business units.
- Continue to support the UFW programme, by conducting awareness sessions for our global security teams and champions.

OUR WORLD

WELLBEING

Why is it important?
'Wellbeing' is a broad term. At DP World, we believe it entails not just good physical health, but also the emotional, financial and social wellbeing that enables people to thrive. We see creating an environment of wellbeing as not just a moral imperative but a critical component of business success. Studies show that wellbeing leads to greater engagement, motivation and productivity.

Ambitions
Our ambition is to develop a culture that prioritises wellbeing in all aspects of work and life. To this end, we are rolling out a comprehensive and holistic strategy with programmes to support our employees' overall health and wellbeing

Introduction

Around the world, over 53,000 employees are part of our corporate family.

We have a fundamental duty of care to ensure the wellbeing of all employees. From consultations with our stakeholders, it is clear that this is a key expectation for any responsible business.

We encourage open communication where employees feel supported and can seek help when required. We have an employee grievance mechanism whereby employees can raise concerns through our whistleblowing hotline. Our compensation system reflects local practice in each of the geographies where DP World operates but is also set against common market policy positions. We provide comprehensive benefits for our employees, including medical and life insurance, and pension and retirement schemes.

Our approach

Our global approach to wellbeing is defined by DP World's 'Our World, Our Future' strategy and Group Sustainability and Impact Policy, which have been endorsed by our Chairman. We continued to build on our wellbeing approach in 2020, based on stakeholder feedback and leadership perspectives.

2020 progress

We believe that the most effective wellbeing initiatives are those tailored to each business location and its particular needs. We guide our business units in terms of global programmes and standards to establish minimum best practice.

- A baseline assessment and consultation exercise was conducted to assess the level of support required by our business units. Our interviewees were unanimous that COVID-19 had taken a physical, financial and emotional toll.
- We initiated a self-assessment tool to help each business unit to identify gaps and opportunities for wellbeing measures. We are also developing an emotional health toolkit to be launched globally in 2021.
- Our Global Health, Safety and Environment ("GHSE") team developed a Coronavirus Response & Prevention Plan, installing preventive measures and developing remote working options to minimise exposure. Regular communication and updates were provided on safety aspects relating to the pandemic.
- Our global business units implemented successful initiatives to support employees during the crisis. For example, DP World Australia organised an "R U OK?" day, reaching out to employees to speak up about mental health issues.
- Many of our business units continued their volunteering activities online during the pandemic. For example, in Peru, an 'Entrepreneurs' Virtual Programme' was launched to provide SMEs with advice on finance, accounting and business management.

> **"We believe that the most effective wellbeing initiatives are those tailored to each business location and its particular needs. We guide our business units in terms of global programmes and standards to establish minimum best practice."**

UNSDGs: 3 Good Health and Well-Being

UNGC Principles: Principle 1, Principle 2

- Our Group People Department hosted monthly 'StayConnected' virtual sessions to engage with employees, share information and address employee-related concerns.

2021 targets

During 2021, we will:
- conduct wellbeing campaigns for all employees;
- launch the wellbeing self-assessment tool for all business units globally; and
- launch an emotional health toolkit for all business units globally.

CASE STUDY: DP World Dakar, Senegal and MPDC (Port of Maputo), Mozambique

As a response to the COVID-19 pandemic, DP World Dakar launched a dedicated mental health programme to provide psychological support for employees who were infected with the virus, or who were in quarantine. Awareness sessions on stress management and promoting positive mental health were conducted for these employees.

Similarly, in Maputo, a 24-hour hotline was provided through an external supplier, to enable employees to consult with a doctor for medical advice in relation to the virus. The programme enabled employees to undertake COVID-19 testing at home and provided guidance and advice if they tested positive. Fifty-four calls were received through this hotline and 29 tests were carried out. Employees were also given access to a psychologist for counselling and support with feelings of depression, stress and anxiety.

OUR WORLD

UNSDGs

UNGC Principles

Principle 1 | Principle 5
Principle 2 | Principle 6
Principle 3 | Principle 10
Principle 4

ETHICS

Why is it important?
DP World believes that human rights are inherent to all human beings.

In the business space, sustainable growth can only be achieved acceptably with prosperous, thriving communities where these rights are upheld.

Stakeholder expectations from our materiality analysis have also cited business ethics, integrity and human rights as critical areas of focus for any organisation.

Ambitions
Our ambition is to put human rights front and centre of our actions, identifying and preventing risks and addressing any negative impacts associated with our operations.

Introduction

At DP World, we regard it as a moral imperative to bring the highest level of governance to bear on protecting human rights. In particular, we are committed to fight the scourge of modern slavery, human trafficking and child labour.

Being a signatory to the United Nations Global Compact (UNGC) and its ten principles means committing to align our strategies and operations with these principles, and to conduct our business in a responsible and ethical way. We outline our commitments and actions to uphold and respect human rights in this section. Information on how we tackle anti-corruption is detailed in the Risk Management section on page 42 and in the Governance section on pages 93 and 94 of this report.

Our approach

At DP World, we advance a culture that respects and promotes the human rights of our employees, our extended supply chain and the communities in which we operate. As a global operation in the front line of enabling movement and trade, it is essential that our actions address human rights issues and go above and beyond regulation alone.

> **"At DP World, we advance a culture that respects and promotes the human rights of our employees, our extended supply chain and the communities in which we operate."**

We recognise and support the principles of the Universal Declaration of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work and the UN Guiding Principles on Business and Human Rights.

In 2019, we established an internal Human Rights Working Group to safeguard human rights across our global business operations. The group reports to DP World's Governance and Sustainability Committee on policies, initiatives and progress.

Policies

Our employees are essential to our success, and the way we treat our staff is fundamental to the way we do business. This begins by ensuring that we respect human rights and implement appropriate labour standards in the countries where we operate. In the development of our labour policies as a minimum, we ensure compliance with national and local laws in the countries where we operate and seek to exceed these where possible.

We are committed to creating a working environment where our workforce feels valued. Our commitment to ensure the fair treatment of our employees is reflected in our Group policies which encompass guidelines in relation to equal opportunities and anti-discrimination, anti-corruption, anti-bullying and harassment, working hours, working from home, employee grievance mechanisms and recruitment and selection.

In July 2020, we issued our Group Human Rights Policy and Human Rights Statement, which were endorsed by our Chairman. The policy is applicable to all entities under the operational control of the Group and to all DP World Group employees. In addition, DP World expects its suppliers and contractors both to uphold the key principles and adopt similar policies of their own.

The purpose of this policy is to establish a framework for the actions that DP World will implement through its commitment to human rights. The policy sets out for our stakeholders our position on human rights and defines the business practices that support them.

Similarly, a further policy sets out our zero-tolerance of modern slavery, human trafficking and child labour. This applies to both our own organisation and to our suppliers. The policy upholds workers' rights to freedom of association in jurisdictions where it is legal. It outlines details of how our employees can report any concerns they may have in relation to human rights. Our modern slavery and human trafficking statement is available on our website (**www.dpworld.com/modern-slavery**), and outlines details of additional key policies which include provisions on modern slavery, human trafficking, child labour and forced labour.

We have established a supplier self-assessment system on modern slavery and human trafficking as part of our vendor screening process. We also publish a vendor code of conduct, with any risk attached to a prospective vendor over modern slavery or human trafficking being factored into our procurement decisions.

Compliance with our policies is monitored internally and independently assessed by our Internal Audit department during planned business audits.

2020 progress

- We developed and published our Group Human Rights Policy and Statement for all DP World employees. Our Human Rights Statement is also available on our website.
- We conducted a dedicated human rights virtual awareness session ('login and learn') to share our approach with our global sustainability champions and enhance awareness of human rights.
- We finalised our human rights due diligence programme to conduct a country risk mapping exercise, develop a roadmap to prioritise actions and assess global training requirements.
- We updated our Modern Slavery and Human Trafficking Policy and Statement, which is revised annually.

2021 targets

- Conduct a human rights due diligence and global risk-mapping exercise to understand the main risks and salient issues in our countries of operation.
- Align our internal processes with our Human Rights Policy Framework and international best practice. This includes the UN Guiding Principles on Business and Human Rights to ensure the prevention, mitigation and, if applicable, remediation of any adverse human rights risks, impacts and violations.
- Assess training requirements, and develop a human rights training and awareness programme to be implemented globally. We intend to review our human rights risks and conduct a risk-mapping exercise every two years.

UNSDGs: 3 Good health and well-being; 4 Quality education; 5 Gender equality; 6 Clean water and sanitation; 11 Sustainable cities and communities; 14 Life below water; 15 Life on land

UNGC Principles
Principle 1
Principle 2
Principle 7
Principle 8

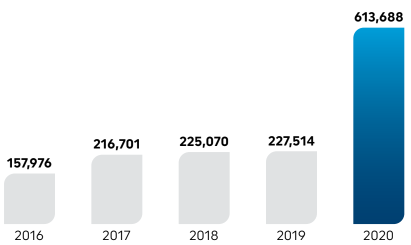
OUR WORLD

COMMUNITY ENGAGEMENT

Why is it important?
As a global organisation, we recognise the important role we play in the communities in which we operate. Our aim is to build strong relationships with our communities to improve social outcomes.

Ambitions
Since 2014, our business as an end-to-end logistics provider has continually evolved, and along that journey our employee numbers have almost doubled. This gives real momentum to advancing our goal of actively engaging with all our host communities, and involving our people to make a positive impact on health, education, oceans, emergency relief and wildlife. We aim to invest in, and improve, the communities in which we operate.

Total direct beneficiaries per year



Introduction

We engage with our communities through multiple activities, but always with a common thread: our aim is to be a good corporate citizen, working in a sustainable and responsible way. This is essential in building a strong business for all our stakeholders, who range from our own people and customers to our host communities and their environments.

Our community strategy is focused on supporting areas that are most relevant to our business. These include our five focus areas of education, health, oceans, emergency relief and wildlife.

In all these focus areas, and indeed beyond, we look to ensure that gender equality is always fully integrated. We apply a 'gender lens' to determine exactly how women are supported in terms of benefits and inclusion.

In these activities, we seek to form enduring partnerships with our community partners, rather than simply make charitable contributions and donations.

Our approach

We drive integrity in our community investment measurement processes. Since 2014, we have used the Business for Societal Impact (B4SI) framework (formerly the LBG framework). B4SI is the global standard in measuring and managing corporate community investment, and our investment data is reviewed and assured annually against this standard. We are also represented on the B4SI steering committee.

Our digital data management tool is used by our sustainability champions globally; indeed, over 30 have been trained by B4SI to become Certified Community Practitioners.

Policies and committees

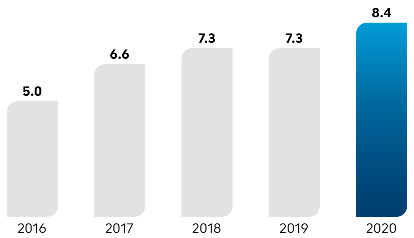
During the reporting year, and as part of our commitment to good governance, we established a Charity Committee. Its task is to oversee the global process for DP World's charitable donations and to review and support the investments made by Head Office and our businesses globally. We have also rewritten our community strategy in line with our 2030 community vision; refreshed our Sustainability and Impact Policy; and updated our Community Investment Framework.

Partnerships and memberships

We are proud to be active partners in a wide range of community initiatives, including the Logistics Emergency Team (LET) that supports the United Nations World Food Programme and United for Wildlife (UFW). We have partnered with the Royal Foundation's UFW initiative since 2015, and in 2020 became its Principal Partner. The initiative works with the transport and financial industries to break the chain in illegal wildlife trade ("IWT") between suppliers and consumers, by disrupting and restricting criminal networks. DP World is part of a transport industry taskforce to help eliminate IWT.

"Our community strategy is focused on supporting areas that are most relevant to our business."

Community investment total, US$ millions



In 2020, we also supported over 825 community organisations, as well as establishing new partnerships, including:

The Zoological Society of London (ZSL) and Expo 2020 Dubai, to drive meaningful global action that will have a measurable impact on animal and habitat conservation, to help safeguard our planet.

The Earthshot Prize and Expo 2020 Dubai. DP World is a Global Alliance Founding Partner to support HRH Prince William in incentivising worldwide change through a decade of action to repair our planet.

Space for Giants, supporting the protection of Africa's remaining ecosystems and their animal populations from poaching, habitat loss and human-wildlife conflict.

Ifraj Zanzibar Foundation, conducting a complete structural rebuild of the Birikau road in Pemba, Tanzania. This three-year project will provide over 420 households with access to basic services and markets.

2020 progress

- During the COVID-19 pandemic, our business units supported government authorities and charities in the distribution of medical supplies and food aid. They provided students with tools to help them continue their learning from home; equipped hospitals and patients with medical provisions and equipment; and conducted COVID-19 awareness campaigns in rural communities.
- DP World spent over US$ 1.6 million in 2020 across our 30 business units to help over 350,000 people during the pandemic.
- Published a report highlighting our community investment and direct support of over 1 million people globally since 2014.
- During Global Volunteer Week, we recorded 39 volunteering initiatives across 18 countries. Over 350 volunteers contributed approximately 1,200 working hours to projects within their communities.
- We recorded more than 9,500 hours of employee volunteering this year.
- We supported over 825 partners and NGOs.
- This is the first year we have been able to report beneficiaries by gender. 46% of beneficiaries recorded were female.

2021 targets

- Increase reporting of community impacts against the UN Sustainable Development Goals ("SDGs").
- Support 100,000 women and girls through our community projects.
- Reach 200,000 students through our community education projects.
- Develop community consultation guidance for business units in order to increase stakeholder engagement.

OUR WORLD

UNSDGs: 13 Climate Action

UNGC Principles
Principle 7
Principle 8
Principle 9

CLIMATE CHANGE

Why is it important?
DP World aspires to lead the industry as a smart, door-to-door trade enabler, and to be seen as a global leader in carbon reduction while developing its global business portfolio.

Ambitions
To decarbonise our operations, we will:
- reduce diesel and marine fuel consumption;
- introduce innovative low-carbon technologies across our operations portfolio and maximise efficiency in processes;
- procure electricity and heat from renewable energy sources;
- procure low- or zero-carbon fuels to replace diesel and marine fuel; and
- adopt carbon compensation options for parts of the portfolio where decarbonisation is not feasible.

Introduction
Environmental stewardship at DP World means playing our part to preserve our planet for future generations, by reducing emissions across our global portfolio, protecting ecosystems and enhancing and restoring oceans.

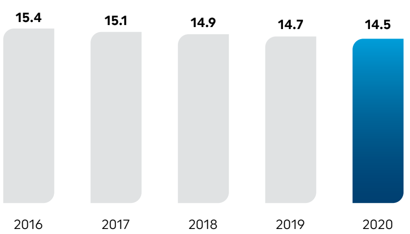
Our approach
Our Group environmental management standards are based on, and benchmarked to, the principles of ISO 14001: Environmental Management Systems, and refer to our highest environmental risks. The standards clearly describe the key tasks, measures and actions that our teams in business units and facilities are required to implement.

Policies and committees
Information on relevant HSE policies and committees is included in the Safety section on page 56.

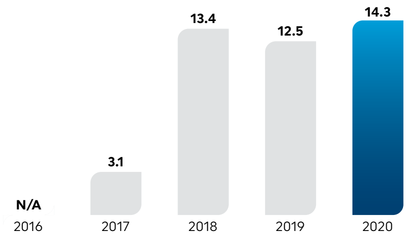
Long-term carbon & energy strategy
DP World has committed to a zero-carbon future by 2050. To this end, we have developed a dedicated decarbonisation strategy that includes detailed action plans to achieve defined targets and related emission-intensity KPIs. Our approach is to decarbonise current operations through implementing applicable reduction measures, driven by technical, economic and regulatory feasibility. This includes carbon compensation through the blue carbon initiatives under DP World's Ocean Enhancement Programme, as well as tailored reduction measures for each division.

2020 progress
- The development of our long-term carbon and energy strategy has enabled us to set ambitious targets and identify action plans to decarbonise our operations.
- We continued to participate in the CDP (formerly the Carbon Disclosure Project) this year and achieved a leadership score of A- for our 2020 CDP climate change response. Our GHG emissions inventory is verified annually by a third party, in accordance with ISO 14054-3.
- We focused on reducing the energy output per unit of movement across our operations. We have achieved this by increasing efficiency and promoting clean energy. As a result, in 2020 we were able to offset more than 74,882 tonnes of CO_2e emissions.

Kg CO_2e/Mod TEU



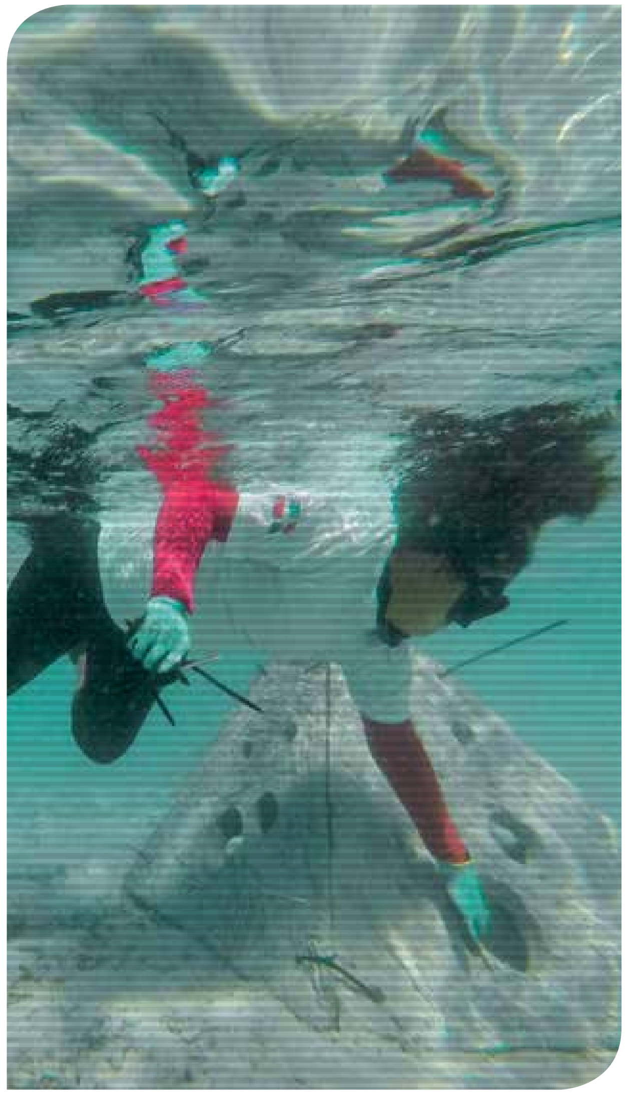
% share of Renewable Energy



"Environmental stewardship at DP World means playing our part to preserve our planet for future generations, by reducing emissions across our global portfolio, protecting ecosystems and enhancing and restoring oceans."

- Our waste management strategy was developed to prevent and reduce the amount of waste we generate; re-use what we can; and recycle and recover the remaining waste.
- Our Ocean Restoration Toolkit was launched in November for our global business units to implement. Our global approach is to invest in ocean restoration projects, conserve marine and coastal biodiversity, promote coastal clean-ups and develop ocean-related educational programmes.

2021 targets
Key initiatives for 2021 include:
- developing and launching a water management strategy and KPI;
- implementing the waste management strategy and roadmap;
- initiating an elimination plan to achieve zero single-use plastic bottles by 2023;
- creating a carbon and energy strategy education pack for external and internal stakeholders; and
- launching priority decarbonisation programmes.



OUR WORLD

UNSDGs
4 QUALITY EDUCATION

UNGC Principles
Principle 1
Principle 2

PEOPLE DEVELOPMENT

Why is it important?
Every year, we're looking to deliver more than the last. Smarter solutions. Better technologies. Operational firsts. Deeper customer insights and service levels. Offering continuous development opportunities sets us on those paths as we equip our talent with new knowledge and skills.

Ambitions
- Align: we align our end-users with the DP World business strategy, and Our Principles.
- Connect: we connect our colleagues through learning communities across functions and geographies.
- Accelerate: we accelerate the development of key skills and capabilities that are necessary for today, and will power the future of DP World.

Number of employees who attended DP World Hub programme
3,248
(+123% from 2019)

Total number of online courses completed
25,874
(+25% from 2019)

Total number of online learning hours
36,102
(+20% from 2019)

"At DP World, learning has no end-point. It is a continual and career-long journey which is embedded into our culture."

Introduction

DP World thrives through the talent, passion and creativity of its people.

It follows, then, that people development is a business imperative and sits at the heart of our People strategy. Our people includes everyone who works at DP World either through full time, part time or contractual employment. Our goal is clear: to attract and retain the best talent in the market by offering continual personal development opportunities to enable our people to grow and succeed. In turn, our major investment in functional training, digital learning and operational training partnerships gives us a competitive advantage as we help shape the future of smart trade.

In an industry that moves in every sense, the DP World Hub delivers continually updated training for everyone across every level of operational and managerial competences. Our Business Learning team continues to design and develop business-enabling programmes with experts across our organisation, as well as from universities and technical schools. Leadership development is about fuelling 'Ignite', our cultural transformation initiative. Our flagship Lead@DPWorld programmes equip leaders at all levels with the knowledge and skills to live and breathe Our Principles, and act as role models. We also use annual performance reviews to discuss career planning, and to identify fresh training and developmental needs.

Our approach

At DP World, learning has no end-point. It is a continual and career-long journey which is embedded into our culture. Make Others Excel is one of Our Principles, with learning interventions tailored to support our business objectives and strategies. With operations in 61 countries, we are also alert to the need for flexibility. We continuously partner with our business leaders to ensure our portfolio adapts to unique localised challenges across the geographies and markets we cover.

2020 progress

- **Inclusion and diversity ("I&D").** We conducted I&D training for employees as part of I&D month, reaching 515 people in 24 countries As part of our continued efforts to enhance awareness and ensure accessibility and inclusivity for all employees, we successfully piloted an anti-bribery training solution adapted for mobile devices, targeting staff in non-desk based jobs in the UAE region. This training solution is now available for other regions to implement.
- **Going bigger, wider & faster with technology.** We leveraged new technology and formats that allow us to connect to more people, more closely and more quickly.
- **Tailored leadership capabilities for the 'new reality'.** New sessions were delivered on topics such as delivering in a crisis, authentic leadership, disruptive leadership, leading in a digital world and inclusive leadership in a virtual workspace.
- **Redesigned programmes.** We redesigned our programme content and delivery to adapt to virtual working, enabling our people to continue with their learning and development.
- **Embedded talent frameworks that result in action led by the business.** Leaders and HR business partners have been trained in our talent frameworks, guidelines and processes, improving the quality of our talent conversations.
- **Empowered leaders & teams to drive their own development.** We created a new format to support leader feedback, Real Talk, which is a key input for people development.

2021 targets

- Continue to develop relevant business content that supports strategic functions such as operations, commercial and sales, and IT.
- Support DP World's Inclusion and Diversity (I&D) agenda by providing global learning solutions designed specifically for women.
- Reinforce the performance culture by implementing just-in-time performance management learning modules.
- Ensure we continue to embed our talent agenda and support the business to identify talent.

New digital formats

HUB unboxed

Number of sessions delivered	Total number of attendees
13	8,989

Business Insights and Lean Round Table

Number of sessions	Total number of attendees
11	5,388

UNSDGs
5 GENDER EQUALITY

UNGC Principles
Principle 1
Principle 2
Principle 6

OUR FUTURE

WOMEN

Why is it important?
The trade and logistics industry continues to face an annual skills shortage, particularly in the face of rapid technological advancement. There is, therefore, a highly talented and skilled proportion of the global population which is not being accessed.

DP World is determined to create an environment where women find high-quality career opportunities, and employment equality, alongside their male counterparts. Over recent years, we have taken various steps to welcome and promote women across our various operations.

In 2015, we signed the UN Women Empowerment Principles (UNWEP), and in 2018 we launched a global MentorHer programme for the career development of female colleagues. In 2019, we published our Gender Equality Statement. We also established the DP World Women's Council in 2019, to provide sponsorship, guidance and support for ongoing initiatives.

Ambitions
Our ambition is to drive gender equality as a key legacy area. We are committed to make a positive impact for women in our industry, and girls in our communities, by 2030, in line with the UN Sustainable Development Goals.

2020 progress
We are making good progress as female employee representation across the Group rose from 5.8% in 2018 to 8.9% in June 2020. This rate of improvement has been supported with the addition of new entities to the DP World portfolio. However, there is clearly a large proportion of the global population with talents and skills that we are not accessing, and we will continue to redress the balance.

MentorHer: our annual Global Mentoring programme gives women in the business access to senior mentors, to help advance their careers. In 2020, 125 mentees and 97 mentors from across the Group participated in the programme.

- 94% said it enhanced their knowledge and skills for their current and future roles;
- 97% of mentees would recommend the programme to colleagues;
- 96% felt that as a business DP World will benefit from this programme; and
- 99% of mentors said they would recommend the programme to colleagues.

Women Lead @ DP World: we launched our first structured development programme for female leaders within the Company. The programme was piloted in Europe with 20 participants.

Women's Networking Groups:
12 groups have been established across the Group in local business units with a total of 35 activities conducted between November 2019 and June 2020, including workshops, meetings, volunteering, roadshows and events. Over 2,000 women took part.

Inclusion and Diversity ("I&D") Month: In November 2020, we launched our revised approach to I&D in recognition of the fact that we are a global organisation, with the opportunity to build a positive, inclusive environment that embraces diversity.

2021 targets
- We aim to ensure 120 female mentees complete the Global Mentoring programme successfully.
- In 2021, we will roll out the Women Lead @ DP World programme globally in all our regions and increase the number of female participants. We will also launch a similar programme for senior women.
- We will continue to apply the UN Women's Empowerment Gender Gap Analysis Tool to conduct a self-assessment of our performance, with the aim to increase our performance score by 10%.
- We will launch a support programme to drive the Women's Networking Group initiatives globally.

MentorHer programme
Mentors
97
Mentees
125

Percentage of mentors who recommend the programme
99%

Percentage of mentees who recommend the programme
97%

Women's Networking Group participants
2,000

DP World Australia celebrates International Women's Day 2020

To mark International Women's Day 2020, male and female colleagues from across DP World Australia's four locations, came together to mark and celebrate gender equality. This also built on the DPWORLD4WOMEN' Networking Groups ("WNG") set up in November 2019 as part of Inclusion & Diversity month and the businesses commitment to ensure a diverse and inclusive workplace. A champion from the WNGs from each terminal was selected to manage events locally and support was obtained from the CEO and terminal management team.

Key female achievements were recognised and celebrated, including:
- the first all-female cargo lashing team at our Port Botany terminal;
- Naomi Cain (a female Stevedore from the Sydney Terminal) being the only woman in the first all-Indigenous crew to compete in the Sydney to Hobart boat race; and
- Jacquie Wilby making history by being the first female to ever complete a Supervisor shift at our Melbourne terminal.

The purpose of the WNG was to create a forum where both men and women can contribute to a working culture that supports women at DP World. The objectives were to:
- openly discuss challenges women face and propose solutions to overcome these;
- identify how we can actively seek to attract women to our industry;
- share personal experiences and use them to create a better environment; and
- use the forum to inform and assist with an Inclusion & Diversity strategy for DP World Australia.

"Gender equality in the workplace is associated with improvements in productivity, economic growth and organisational performance and reputation. Equality is a business issue, and it is key to DP World's success." – Glen Hilton, CEO and Managing Director, DP World Australia

UNSDGs

4 QUALITY EDUCATION

5 GENDER EQUALITY

UNGC Principles
Principle 1
Principle 2

OUR FUTURE

EDUCATION

Why is it important?
Around 103 million young people lack basic literacy skills, and more than 60% are female; while six out of ten children and adolescents are not reaching minimum proficiency levels of reading and maths skills.

As digitalisation revolutionises the world, current and future generations need to develop skills across many disciplines and sectors, including one that drives us: smarter trade. Our aim is to engage and inspire students on global trade and logistics, harnessing technology to better educate young people, increasing digital literacy and encouraging collaborative learning.

Ambitions
- Leverage our expertise in logistics to equip two million young people with the skills our sector needs by 2030.
- To address the needs around educational infrastructure, industry exposure and logistics opportunities, for people between the ages of 8-25.
- Wherever possible, and by 2030, we want to help young people to access high-quality education, inspiring them to pursue careers in logistics and join our talent pipeline.
- Focus on the inclusion of female students, digital skills, innovation and the talent pipeline.

2020 progress
In 2019, we developed a new education strategy to inspire and equip young people to follow a career in logistics. The new strategy was rolled out in 2020 and focuses on educational infrastructure, industry exposure and logistics opportunities. We are targeting students aged 16-25 and will develop further links with universities to build and support a talent pipeline for the sector.

Our initial Global Education Programme continued to reach 8-14 year-old students in all our regions of operation. Due to the COVID-19 restrictions, the programme was delivered virtually by employee volunteers from across our business units. By the end of the year, we could report that the five-year global education programme:
- welcomed over 28,000 students;
- 97% said it opened their eyes to global trade;
- over 865 volunteers in 25 countries completed the education modules; and
- 87% of employees said that taking part had increased their motivation and job satisfaction.

We launched our long-term global strategy for education, with KPIs spanning the next ten years. Its aim is to inspire and equip the future workforce to follow a career in logistics. As we pursue our targets, we have:
- supported around 25,000 students who have benefitted from our educational projects;
- invested c. US$ 1.2 million on educational projects;
- allocated over 1,500 hours of employee volunteering time for educational initiatives;
- assisted 740 students around the world to receive scholarships through our programmes;
- focused on supporting our business units in delivering our Global Education Programme online; and
- conducted 15 workshops for 445 students at the Expo Visitor Centre.

2021 targets
Education is a key legacy area for us, and as our five-year Global Education Programme comes to a close, we are now embarking on a new and ambitious ten-year global education strategy, with targets in line with the UN SDGs.

- We are launching a DP World Global Work Experience Programme aimed at young people aged 16-22.
- We aim to achieve a 50/50 gender split of participants in all our education initiatives.
- We are targeting 80% of students to perceive us as a desirable employer.
- We are targeting 90% of students to improve their interpersonal and digital skills.
- We are targeting 1,000 students a day to visit our Flowlab at the 2020 Dubai Expo, where education will be a central part of our pavilion.

Investment in educational projects
US$ 1.2m

Students welcomed as part of the five-year global education programme
+28,000

Total volunteers completed education modules
865

DP World Berbera's Scholarship Programmes in Somaliland

As part of this initiative, DP World Berbera has embarked on an ambitious partnership with Abaarso School, to enhance educational opportunities for youths in Somaliland, where DP World Berbera manages and is currently expanding the multi-purpose port of Berbera.

In line with the first scholarship programme, DP World has sponsored the education of the top ten performers in the Abaarso School of Science and Technology over the next six years, with an investment of US$ 126,000. This school is the only American-accredited school in the country and is widely recognised for the quality of its education programme.

The second scholarship programme with Barwaaqo University's School of Education commenced in January 2020. Barwaaqo University was founded by Abaarso in 2017, and is the first all-female boarding university in Somaliland. DP World's aim is to sponsor eight scholarships on an annual basis over nine years, with a total investment of US$ 345,000. The programme targets high potential female students from the Sahil Region. Eight female students were sponsored in 2020 and the programme is scheduled to continue until 2031, when the last batch of students complete their graduation.

The aim of this scholarship is to equip young female graduates with skills to significantly improve the quality of education in the Sahil Region. To this end, DP World Berbera plans to partner with Abaarso and the city of Berbera to support the creation of a new K-12 school in Berbera – the DP World Berbera Kaabe School.

UNSDGs
14 LIFE BELOW WATER

UNGC Principles
Principle 7
Principle 8
Principle 9

OUR FUTURE

OCEANS

Why is it important?
Our business, and the prosperity of our people and other stakeholders, is largely borne on the world's oceans. We have a major coastal presence through our ports and other assets, and it is fitting that DP World should be in the vanguard of ensuring our oceans are both healthy and sustainable.

As well as being key to our business, the ocean is a major economic driver – it generates US$ 3 trillion in economic value globally each year. It is home to over 200,000 species and sustains the livelihood of over three billion people, providing 140 million jobs in fishing and aquaculture.

Yet, despite being vital to the wellbeing and prosperity of the world, human activities and climate change are threatening ocean health through increasing temperatures, acidification, depletion of natural resources and pollution. Indeed, the rate of loss of these blue carbon ecosystems is the highest of all ecosystems.

Ambitions
Over the next ten years, our aim is to restore and enhance the oceans in line with the UN's Decade on Ecosystem Restoration campaign. We are committed to making ocean restoration a part of our legacy, to safeguard blue carbon ecosystems and combat climate change through carbon capture, preservation, and resilience building.

2020 progress
At DP World, we seek to strike the necessary balance between unlocking the potential of the blue economy while also protecting its marine environment. Our efforts will be focused on:

1. **Investing in restoration** of blue carbon ecosystems (mangroves, salt marshes and seagrasses) and coral reefs; the establishment of oyster/clam habitats to reduce ocean acidification; and the conservation of marine and coastal areas which protect biodiversity.
2. **Coastal clean-ups**, giving our people the opportunity to engage in volunteering activities and to support communities, while learning more about protecting and preserving our oceans.
3. **Educational programmes** that inspire the next generation with ocean-related learning and resources.

We have continued to work with our partners, the World Ocean Council (WOC) and Blue Marine Foundation (BLUE), to support ocean health and the communities that depend on marine and coastal biodiversity around the world.

DP World also developed and launched an Oceans Toolkit to support our global business units and sustainability champions. The toolkit serves as their framework for implementation and measurement, with guidelines on how they can participate on a local level.

2021 targets
- Continue to work with our partners and invest in projects that support ocean enhancement, reduce water use and promote climate mitigation and resilience through carbon sequestration.
- Implement at least one project or initiative for our ocean restoration programme in each operational region, where applicable.
- Conduct employee volunteering activities to clean coastal areas and waterways.
- Launch an oceans education and communications programme, including an online training course.
- Through our Zoological Society of London (ZSL) partnership, we will host thought leadership and educational events at Dubai Expo 2020 (2021), on topics relating to climate, biodiversity and oceanic health. The aim will be to educate audiences on the importance of these ecosystems, and on the restoration of oceans, coastal areas and wetlands.

DP World Sokhna's Nile River Clean-up Campaign

DP World Sokhna participated in Global Volunteer Week and collaborated with the 'Very Nile' campaign to clean the Nile River waterway. With the help of 30 participants, over 600 kg of plastic and waste was removed from the banks of the Nile.

The Nile river is the essence of life in Egypt. As a result of the pollution and impacts caused by human activities, DP World Sokhna wanted to create awareness of the importance of protecting this invaluable natural resource. The campaign also focused on sustainable initiatives to aid the heavily-stressed waterway through recycling and upcycling of solid waste with local stakeholders, reducing water pollution and avoiding the use of single-use plastics.

"We know the importance of the ocean in mitigating the impacts of climate change and with our experience and expertise in marine environments, we can make a positive contribution to ocean restoration and climate change. This is a key part of the 'Our World, Our Future' sustainability programme and our commitment to the UN Decade on Ecosystem Restoration."

SULTAN AHMED BIN SULAYEM, GROUP CHAIRMAN AND CEO

OUR **SUSTAINABILITY SCORECARD**

Sustainability Scorecard

Through our sustainability scorecard, we measure our ESG performance annually against specific metrics and key performance indicators ("KPIs"). As we aim to enhance the level of public disclosure in relation to our ESG performance, our sustainability scorecard includes a mix of performance metrics relating to our material issues (identified in our materiality assessment and matrix) and additional ESG metrics that we measure. The relevant KPIs have been outlined in Tables 1 to 3 below. Table 4 outlines our ESG ratings provided by ESG rating agencies Sustainalytics and CDP.

Table 1 – Environment

		Units	Target	2018	2019	2020
Climate Change[1]						
Carbon						
Carbon emissions[2]	Scope 1	Tonnes CO_2e	3% reduction in total emission (YoY)	563,112	621,725	1,583,297
	Scope 2	Tonnes CO_2e		541,362	617,302	555,847
	Biodiesel	Tonnes CO_2e		1,745	21,646	25,427
	Total emissions			**1,106,219**	**1,260,673**	**2,164,571**
	Other indirect GHG emissions (Scope 3) (employee air travel)	Tonnes CO_2e	–	2,345	3,701	2,118
Carbon emissions offset through renewable energy sources and alternative fuels		Tonnes CO_2e	–	≤ 55,738	≤ 66,002	≤ 74,882
Energy Consumption						
Energy consumption[3]	Diesel	Giga joules (GJ)	–	6,204,581	6,618,120	6,624,007
	Electricity	Giga joules (GJ)		3,345,730	3,774,937	4,028,157
	Total	Giga joules (GJ)		**9,552,328**	**10,393,057**	**10,652,164**
Total renewable energy[4]	Total	MWh	–	122,460	128,582	159,670
% share of renewable energy[5]	Total	MWh	minimum 2% improvement YoY	13%	13%	14%
Total emissions intensity (Ports & Terminals)						
Total emissions intensity		Kg CO_2e/ TEU[6]	5% reduction in total emissions intensity YoY	14.9	14.7	14.5

1 Climate Change (GHG emission Inventory) data has been verified by Lloyds Register, in accordance with ISO 14054-3.
2 DP World Group carbon dioxide equivalent emissions in tonnes by scope.
3 DP World Group energy consumption in giga joules (GJ) by source.
4 Wind, solar, biomass, hydroelectric, geothermal, etc purchased or generated.
5 Total kWh of electricity from renewable energy sources/total kWh of grid electricity.
6 Carbon intensity per modified TEU (kilograms of carbon dioxide equivalent per twenty-foot equivalent unit).

Table 2 – Social

	Units	2018	2019	2020
Labour Practices				
Total workforce (direct and indirect hires)				
Number of employees	FTEs	46,605	56,157	53,367
Number of nationalities represented in our workforce	FTEs	120	134	137
Number of male employees	FTEs	43,617	51,492	48,625
Number of female employees	FTEs	2,988	4,665	4,742
Workforce by contract type				
Employees on indefinite or permanent contracts	FTEs	39,676	50,035	48,077
Employees on fixed term or temporary contracts	Part time employees	2,793	4,704	3,993
Total new employee hires	FTEs	3,653	7,828	4,951
Workforce by age				
Age 18-30	FTEs	7,224	9,976	8,424
Age 31-50	FTEs	28,095	35,500	34,612
Age 51+	FTEs	5,898	8,965	8,922
Workforce by job category				
Senior management	FTEs	1,557	1,470	2,015
Middle management	FTEs	5,765	7,394	8,407
Non-management	FTEs	39,283	47,287	42,945
People training and development				
Hub Training Participants[7]	FTEs	1,109	1,457	3,248
E-learning modules completed[8]	FTEs	13,035	24,700	36,702
Spend on people training and development	Total spend (US$ million)	11.3	15.8	10.6
Employee engagement				
Biennial Employee engagement survey (My World)[9]	% of total employees who participated in the survey	84%	N/A	86%
	% sustainable engagement[10]	89%	N/A	93%
Employee Retention				
Voluntary attrition/ Employee turnover	Percentage FTEs	–	4.4%	5.2%

7 The number of participants who took part in face to face training programmes run by DP World Hub across the Group.
8 The number of modules completed on the DP World e-learning platform.
9 We run employee engagement surveys every other year to collect useful feedback globally and prepare strong action plans that allow us to track true progress. Our target is 100% employee engagement.
10 Part of the employee engagement survey, which considers the extent to which employees are engaged, enabled and energised in the workplace.

OUR **SUSTAINABILITY SCORECARD** (CONTINUED)

Table 2 – Social continued

	Units	2018	2019	2020
Diversity				
Women				
Female share of total workforce – women	Percentage	6.1%	8.3%	8.9%
Females in top management positions[11]	Percentage	–	5.0%	6.6%
Females in junior management positions[12]	Percentage	3.7%	4.9%	5.7%
Females employees (mentees) in mentoring programme[13]	No. of female employees	45	112	125
Community Engagement[14]				
Financial contribution				
Community contribution (cash, time and in-kind)[15]	US$ million	7.3	7.3	8.4
Beneficiaries				
Total direct beneficiaries	No. of people	225,070	227,514	613,688
Organisations Supported	No. of organisations	691	931	825
Employee involvement[16]				
Skills-based volunteering	No. of hours	2,807	5,007	2,413
Employees volunteering in paid time	No. of people	6,180	5,930	2,169
Working hours contributed	No. of hours	27,154	24,093	9,684

Table 3 – Governance

	Units	Target	2018	2019	2020
Safety					
Work-related injuries and fatalities (employees)					
Lost Time Injuries (LTIs)	Lost Time Injuries (LTIs)	10% year-on-year reduction	452	455	481
Reportable Injuries (RIs)	Reportable Injuries (RIs)	10% year-on-year reduction	783	628	701
Lost Time Injury Frequency Rate (LTIFR)	No. of LTIs divided by total hours worked multiplied by 1 million	10% year-on-year reduction	2.9	3.95	2.6
Reportable Injury Frequency Rate (RIFR)	No. of employee and contractor fatalities, LTIs and MTIs divided by total hours worked multiplied by 1 million[17]	10% year-on-year reduction	5.1	5.45	3.8
Work-related fatalities (employees)	Work-related fatal injuries (number)	Zero fatalities	3	1	2

11 Maximum two levels away from the CEO or comparable positions (as a % of total top management positions).
12 Refers to first level of management (as % of total junior management positions).
13 Our target is 1,000 female mentees by 2030.
14 Data assured by B4SI.
15 Measured according to B4SI, including calculating in-kind contributions on an engagement basis.
16 Employee volunteering was reduced in 2020 due to the global pandemic.
17 The sum total of Employees and Contractor Fatalities, Lost Time and Medical Treatment injuries divided by the total hours worked and multiplied by one million.

Table 3 – Governance continued

	Units	Target	2018	2019	2020
Work-related injuries and fatalities (contractors)					
Lost Time Injury Frequency Rate (LTIFR)	No. of LTIs divided by total hours worked multiplied by 1 million	10% year-on-year reduction	1.0	2.09	1.4
Work-related fatalities (contractors)	Work-related fatal injuries (number)	Zero fatalities	0	2	1

	Units	2018	2019	2020
Security				
Security systems[18]				
Security Management system (aligned to ISO 28000)	No. of business units	40	40	40
CTPAT Accreditation	No. of business units	40	40	40
Authorised Economic Operator (AEO) Compliance	No. of business units	8	8	8
Container Security Initiative (CSI) Compliance	No. of business units	12	12	12
Megaports Compliance	No. of business units	3	3	3
Ethics				
Total number of alleged incidents of corruption[19]	No. of incidents	48	54	56
Number of incidents reported and resolved during the year	No. of incidents	27	31	39
% reported and resolved during the year	Percentage of incidents	56%	57%	69%
Total number of employee grievances (non-fraud)[19]	No. of grievances	130	91	102
Number of grievances reported and resolved during the year	No. of grievances	77	70	70
% reported and resolved during the year	Percentage of grievances	59%	77%	68%
Training on fraud awareness	No. of employees trained	1,452	619	3,020
Board Diversity				
Female representation on the Company's Board of Directors	No. of females	1	1	1[20]
Information security[21]				
Information security breaches or cybersecurity incidents	No. of breaches or incidents	0	8	6
Information security breaches involving customers' identifiable information	No. of breaches	0	0	0
Fines/penalties paid in relation to breaches or incidents	Total amount (US$)	0	0	0

Table 4 – ESG Ratings

DP World scores by ESG Rating Agencies

	2018	2019	2020
CDP	A	A-	A-
CDP SER[22]	–	B	A-
Sustainalytics	16.6/100	14.8/100 ('Low risk')	9.3/100 ('Negligible Risk')
Sustainalytics ranking in Transportation Sector	–	21/118	6/156

18 Covers BUs under the Ports & Terminal (P&T) Division. Our aim is to maintain compliance and increase the implementation of these security systems.
19 Reported to the whistleblowing hotline.
20 Retired from the Board on 19 July 2020.
21 Our target is zero breaches, incidents and fines/penalties in relation to information security.
22 Supplier Engagement Rating.

BOARD OF DIRECTORS

Committee Membership Key

- AR Audit and Risk Committee
- NR Nominations and Remuneration Committee
- GS Governance and Sustainability Committee
- Indicates Committee Chair

Sultan Ahmed Bin Sulayem
Group Chairman and Chief Executive Officer

Skills and experience

With a career spanning three decades across a wide range of industries, Sultan Ahmed Bin Sulayem brings a wealth of leadership experience to the Boardroom. In his previous role as Chairman of Dubai World, he established and led diverse businesses, including: Nakheel, a real estate and tourism property development firm; and Istithmar World, a major global private equity investment house.

He oversaw the rapid development of the Jebel Ali Free Zone into an unrivalled business park of more than 7,500 companies, and pioneered the Dubai Multi Commodities Centre.

As Chairman of DP World, he has been at the forefront of the Company's international expansion, including the US$ 6.85 billion acquisition of P&O Group. Mr Bin Sulayem holds a BS in Economics from Temple University, USA.

Date appointed

Appointed to the Board as Chairman on 30 May 2007. Appointed as Group Chairman and Chief Executive Officer on 8 February 2016.

External appointments

Member of the Executive Council of Dubai, Member of the UAE Federal Tax Authority Board, Member of the Dubai Free Zones Council, Chairman of Ports, Customs and Free Zone Corporation (PCFC), Non-Executive Chairman of Virgin Hyperloop One, Board member of Nakheel PJSC.

Committee membership

Yuvraj Narayan
Group Chief Financial, Strategy and Business Officer

Skills and experience

Mr Narayan has an extensive senior executive career with more than 24 years of experience in ports and international banking sectors. Prior to joining DP World, he held executive positions with ANZ Group, as Head of Corporate and Project Finance for South Asia and Salalah Port Services in Oman, as Chief Financial Officer. He has also served as Non-Executive Director of Istithmar World and IDFC Securities. As Group Chief Financial, Strategy and Business Officer of DP World, he has been instrumental in ensuring the success of a number of the Group's strategic and transformational initiatives. He is a qualified Chartered Accountant.

Date appointed

Served as Group Chief Financial Officer since 2005 and appointed to the Board as an Executive Director on 9 August 2006.

Appointed as Group Chief Financial, Strategy and Business Officer in February 2020.

External appointments

Non-Executive Director of HDFC International Life and Re Company Limited, Director of Virgin Hyperloop One, Director of Through Transport Mutual Insurance Association Ltd, Audit Committee Chairman of the International Cricket Council.

Committee membership

Deepak Parekh
Senior Independent Non-Executive Director

Skills and experience

Mr Parekh has an extensive and highly commended executive career, including serving on the Boards of several Indian and international corporations. He has been a member of Indian Government-appointed advisory committees and task forces on matters ranging from infrastructure reform to capital markets and financial services. His contributions to business have been recognised on numerous occasions and he was the first international recipient of the Outstanding Achievement Award from the Institute of Chartered Accountants in England and Wales, in 2010.

Date appointed

Appointed to the Board as an Independent Non-Executive Director on 22 March 2011.

Appointed to the Board as a Senior Independent Non-Executive Director on 1 July 2015.

External appointments

Non-Executive Chairman of HDFC Ltd and its group companies, i.e. HDFC Life Insurance Co Ltd, HDFC Asset Management Company Ltd, HDFC Ergo General Insurance Co Ltd., Non-Executive Chairman of Siemens India, Director of Vedanta Resources PLC and Fairfax India Holdings Corporation, Canada.

Committee membership

NR (Chair) AR

Patrice Trovoada
Independent Non-Executive Director

Skills and experience

Mr Trovoada is an economist and has served as Prime Minister of Sao Tome and Principe with three stints between 2008 and 2018. Prior to his Premiership, Mr Trovoada served as Special Advisor for International Affairs in 1992, as advisor to the Board of Banco Comercial Português between 1996 and 1997, as Minister of Foreign Affairs in 2001, and as Oil Special Advisor to former President Fradique de Menezes until May 2005.

Since January 2019, Mr Trovoada has engaged with the African Union and Organisation Internationale de la Francophonie to monitor elections and prevent regional conflicts in Africa. He is also focused on developing e-governance and infrastructure in Africa.

Date appointed

Appointed to the Board as an Independent Non-Executive Director on 5 August 2020.

External appointments

Former Prime Minister of Sao Tome and Principe, Special Advisor for International Affairs, Oil Special Advisor to former President Fradique de Menezes.

Committee membership

H.E. Sultan Bin Saeed Al Mansoori
Independent Non-Executive Director

Skills and experience

H.E. Al Mansoori was the Minister of Economy in the UAE during the period of 2008-2020. Prior to his position as the Minister of Economy, H.E. Al Mansoori was the Minister of Government Sector Development in the UAE during the period of 2006-2008 and the Minister of Transport and Communications in the UAE during the period of 2004-2006.

H.E. Al Mansoori was the Chairman of the General Civil Aviation Authority, Chairman of the Securities and Commodities Authority, Chairman of the Insurance Authority and Chairman of the Emirates Authority for Standardization and Metrology. H.E. Al Mansoori holds a Bachelor's degree in Industrial Engineering and Management Systems from Arizona State University, USA, and a Diploma in Computer System Analysis from the Institute of Computer Technology, Los Angeles, California, USA.

Date appointed

Appointed to the Board as an Independent Non-Executive Director on 5 August 2020.

External appointments

Chairman of the Dubai Islamic Economy Development Centre.

Committee membership

GS

Mohamed Al Suwaidi
Independent Non-Executive Director

Skills and experience

Mr Al Suwaidi has extensive experience working across a diverse range of industries, including agriculture, banking and construction. He holds a number of Executive and Non-Executive positions across the United Arab Emirates. He holds a BSc in Business Administration from California Baptist University.

Date appointed

Appointed to the Board as an Independent Non-Executive Director on 28 April 2016.

External appointments

Director General of the Abu Dhabi Fund for Development, Vice Chairman of Arab Bank for Investment and Foreign Trade, Vice Chairman of Emirates Steel Industries Company, Board member of First Abu Dhabi Bank, Raysut Cement (SAOG), Al Jazira Sport & Cultural Club and Emirates Development Bank.

Committee membership

AR NR GS (Chair)

Mark Russell
Independent Non-Executive Director

Skills and experience

Mr Russell has had an extensive career in corporate finance, including as Partner in the corporate finance departments of KPMG in London and Frankfurt, and held senior positions at PwC Corporate Finance, Robert Fleming, Lazard Brothers and A.T. Kearney.

He was appointed Chair of Defence Equipment and Support ('DE&S'), the procurement body of the UK's Ministry of Defence and Vice Chair of UK Government Investments ('UKGI') in November 2019, having been Chief Executive of UKGI (and its predecessor body, the Shareholder Executive) since 2013. Mr Russell joined the Shareholder Executive as head of its Corporate Finance Practice in November 2004 and was appointed Deputy Chief Executive in April 2008. He was also formerly a Non-Executive Director of the Submarine Delivery Agency, Non-Executive Director and Chairman of the Audit Committee of Eurostar International Limited and Senior Independent Director of LCR.

Date appointed

Appointed to the Board as an Independent Non-Executive Director on 11 August 2014.

External appointments

Chair of Defence Equipment and Support ('DE&S') and Vice Chair of UK Government Investments ('UKGI').

Committee membership

AR (Chair)

Robert Woods
Independent Non-Executive Director

Skills and experience

Mr Woods has over 50 years' experience in the shipping and port industry. He is the Chairman of P&O Ferries, and Chairman of the UK Boards comprising DP World Southampton and DP World London Gateway.

He was formerly the Chief Executive of The Peninsular and Oriental Steam Navigation Company, and a Non-Executive Director of Cathay Pacific Airways, Tilbury Container Services Limited and John Swire & Sons. He was also a past President of the UK Chamber of Shipping.

In 2012, he was appointed President of the Chartered Institute of Shipbrokers and he is an Honorary Captain of the Royal Naval Reserve.

Date appointed

Appointed to the Board as an Independent Non-Executive Director on 1 January 2014.

External appointments

Director at the Chamber of Shipping of the United Kingdom, the Greenham Common Trust, St. George's House Trust (Windsor Castle), Chairman of the Navy League, Chairman of the Sea Cadet Association and Chairman of the Mission to Seafarers.

Committee membership

NR GS

REPORT OF THE DIRECTORS

The Directors present their report and accounts for the year ended 31 December 2020.

The Corporate Governance section, commencing on page 80, and the Audit and Risk Committee Report, commencing on page 96, form part of this Directors' Report. Disclosures elsewhere in the Annual Report and Accounts are cross-referenced where appropriate. Taken together, they fulfil disclosure requirements as discussed in the Corporate Governance section, commencing on page 80.

The Strategic Report, commencing on page 1, describes the principal activities, operations, performance and financial position of DP World Limited (the "Company")[1] and its subsidiaries (collectively, the "Group"). The results of the Group are set out in detail in the Consolidated Financial Statements and accompanying notes, commencing on page 107.

The principal subsidiaries, joint ventures and associates are listed on pages 163 to 166.

Directors

The Directors of the Company as at 31 December 2020 are detailed on pages 80 to 81. These pages contain their biographical details, along with the details of their Board Committee memberships.

The Corporate Governance Report, which commences on page 80, includes details of the Board and Committee membership changes that occurred during the financial year ending 31 December 2020.

The Corporate Governance section of this report contains details of the Directors' remuneration and their interests in the Company's shares; this information can be found on page 105.

Financial instruments

Details regarding the use of financial instruments and financial risk management are included in the Notes to the Consolidated Financial Statements, commencing on page 117.

Results

The Group's Consolidated Financial Statements for the year ending 31 December 2020 are shown on pages 112 to 116.

Events after the reporting period

In January 2021, the Group completed the acquisition of 60% shareholding in UNICO Logistics Co. Ltd. Headquartered in South Korea, UNICO Logistics has a global footprint of 25 subsidiaries in 20 countries and is one of the largest independent NVOCC (Non-Vessel Operating Common Carriers) operators in South Korea. UNICO Logistics is a multimodal transport specialist with strong market position in the fast-growing transcontinental rail freight market between East-Asia and Central-Asia and Russia, in particular on the strategically important Trans-Siberian Railway and Trans China Railway.

1 The Company converted to a private company, and the name of the Company changed from DP World PLC to DP World Limited, on 5 July 2020.

On 25 January 2021, the Group signed a 20-year concession agreement with the Government of Angola to operate the multipurpose terminal at the Port of Luanda, Angola and started operations on 1 March 2021.

On 6 March 2021, the Group, alongside its partner Caisse de dépôt et placement du Québec (CDPQ), a global investment group, signed a 35-year concession agreement to partner with Indonesia's leading conglomerate Maspion Group to develop and operate an integrated container port, and industrial and logistics park in Gresik (Java), Indonesia. The first phase of the greenfield project, with an estimated initial investment of US$ 435 million, will add container capacity of 1 million TEU (twenty-foot equivalent units) and a 110 hectare industrial and logistics park. Following completion of legal and regulatory condition precedents, construction is expected to start in the third quarter of 2021 and take approximately 24 months to complete. The initial investment of US$ 435 million will be spread over 24 months and the total project cost of more than US$ 1 billion, over three phases, will be dependent on market demand for the port and park.

See note 39 to the Consolidated Financial Statements.

Sustainability

The Group is committed to integrating responsible business practices in all aspects of our operations. Further information regarding our approach to sustainability is contained in the Sustainability and Impact section of this report, commencing on page 52. This section of the report outlines our commitment to invest in our people, protect our environment, ensure the highest safety standards and build a vibrant, secure and resilient society.

Board diversity

The Company recognises and embraces the benefits of having a diverse Board and seeks to increase diversity at Board-level, which it sees as an essential element in maintaining the Company's competitive advantage. A Diversity Policy was developed for the Board, which recognises that a truly diverse Board includes and makes good use of differences in the skills, regional and industry experience, background, race, gender and other qualities of Directors. These differences are considered in determining the optimum composition of the Board. The Board considered its diversity as part of the annual evaluation of the performance and effectiveness of the Board and Board Committees.

The Nominations and Remuneration Committee reviews and assesses Board composition on behalf of the Board and recommends the appointment of new Directors. In reviewing Board composition, the Nominations and Remuneration Committee considers the benefits of all aspects of diversity including, but not limited to, those described above, in order to maintain an appropriate range and balance of skills, experience and background on the Board. In identifying suitable candidates for appointment to the Board, the Nominations and Remuneration Committee considers candidates on merit against objective criteria and with due regard to the benefits of maintaining a balanced and diverse Board.

Substantial shareholdings

As at the date of this report, the Company has been notified that the following entity has an interest in the Company's shares amounting to 5% or more.

	Class	Shares	Percentage of class
Port & Free Zone World FZE	Ordinary	830,000,000	100.00%

Going concern

The Directors, having made enquiries, consider that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future and therefore they consider it appropriate to adopt the going concern basis in preparing the accounts. Further details can be found under note 2 to the Consolidated Financial Statements.

Audit information

Having made the required enquiries, so far as the Directors in office at the date of signing this report are aware, there is no relevant audit information of which the auditors are unaware and each Director has taken all reasonable steps to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Articles of Association

The Articles set out the internal regulation of the Company and cover such matters as the rights of shareholders, the appointment and removal of Directors and the conduct of the Board and general meetings. Subject to DIFC Companies Law and the Articles, the Directors may exercise all the powers of the Company and may delegate authorities to Committees and day-to-day management and decision-making to individual Executive Directors. Details of the main Board Committees can be found on pages 96 to 101.

Indemnity

All Directors are entitled to indemnification from the Company, to the extent permitted by the law, against claims and legal expenses incurred in the course of their duties.

Authority to purchase shares

At the Company's AGM on 23 April 2020, the Company was authorised to make market purchases of up to 29,050,000 ordinary shares (representing approximately 3.5% of the Company's issued shares). No such purchases were made during 2020[1].

Auditors

The auditors, KPMG LLP, have indicated their willingness to continue in office. A resolution to re-appoint them as auditors has been approved by the Board of Directors.

Share capital

As at 31 December 2020, the Company's issued share capital was US$ 1,660,000,000 comprising 830,000,000 ordinary shares of US$ 2.00 each.

By order of the Board

MOHAMMAD AL HASHIMY
DEPUTY GROUP GENERAL COUNSEL & COMPANY SECRETARY
18 March 2021

CHAIRMAN'S INTRODUCTION

"The implementation of good governance practices adds value to our performance, improves our strategic thinking, and allows us to run our business more effectively and better monitor the risks we face."

Good governance and risk management are core to our business achieving its objectives. The DP World business model integrates best practice in these areas and is the blueprint to achieving our vision as a Group: to lead the future of world trade.

The implementation of good governance practices adds value to our performance, improves our strategic thinking, and allows us to run our business more effectively and better monitor the risks we face.

The Corporate Governance Report has been structured to align with the principles set out in the Corporate Governance Best Practice Standards, as detailed in the Dubai Financial Services Authority (the "DFSA") Markets Rules. It sets out the actions that we have taken in 2020 to implement these practices.

Leadership

A balanced Board with the necessary skills, knowledge and industry experience to lead our Group is key to achieving our strategic objectives and long-term goals. Details of the role of the Board, the Directors' responsibilities, the Board composition and activities during the year are given in the Corporate Governance section on pages 86 to 91. The membership and work of the Board Committees are included on pages 96 to 101.

The Board remains committed to effectively leading the Company, ensuring that our business is managed prudently and soundly to drive sustained long-term value for our shareholders. The balance of skills and expertise on our Board will allow us to continue creating value as we expand our horizons and lead the future of world trade.

Accountability

Our corporate governance practices lay down the framework for creating long-term trust between us and all our stakeholders – our shareholders, customers, employees, suppliers, governments and communities. We will continue to engage with our stakeholders and encourage effective dialogue with our shareholders.

As the Board, we are ultimately responsible for determining the Group's risk appetite and its willingness to accept certain risks in pursuit of achieving the Group's strategic objectives. The Board is also responsible for maintaining appropriate risk management and internal control systems. During 2020, we continued to review the Group's principal risks that could have material effects on our business, financial condition and reputation. The principal risks and our approach to managing them are discussed on pages 32 to 43 of the Strategic Report and an outline of our internal controls and compliance procedures is contained on pages 92 to 94 in this Corporate Governance section.

We also report on the remuneration structures and their alignment with the long-term interests of the Group on pages 103 to 104 in the Nominations and Remuneration Committee Report.

We look forward to another prosperous year as we strive to be leaders in world trade by undertaking our business with the highest standards of good governance.

SULTAN AHMED BIN SULAYEM
GROUP CHAIRMAN AND CHIEF EXECUTIVE OFFICER
18 March 2021

OVERVIEW

DP World Limited (the "Company") is incorporated in the Dubai International Financial Centre (the "DIFC") and was admitted in 2007 to the official list of securities on Nasdaq Dubai[1].

The Company must therefore comply with the regulatory obligations of the DIFC Markets Law and the various rules made by the DFSA thereunder (together with DIFC Markets Law, the "Nasdaq Dubai Rules"). The Board reviewed and monitored the policies and procedures in place during the year to ensure compliance with the Corporate Governance Principles of the Nasdaq Dubai Rules, as briefly summarised on the right.

The Directors believe that these rules, including the mandatory corporate governance principles enshrined in them and the best practice standards which support the principles, provide a robust basis on which to maintain corporate governance best practice for the benefit of the Company's shareholders.

Board Committees' reports

A separate section of a company's Annual Report should, under the Nasdaq Dubai Rules, describe the work carried out by each of the Audit and Risk Committee, the Nominations and Remuneration Committee and the Governance and Sustainability Committee in discharging their responsibilities.

See **page 96** for the **Audit and Risk Committee** report.

See **page 100** for the **Governance and Sustainability Committee** report.

See **page 101** for the **Nominations and Remuneration Committee** report.

1 The cancellation of listing of the Company's shares on Nasdaq Dubai took effect on 23 June 2020. The Company converted to a private company, and the name of the Company changed from DP World PLC to DP World Limited, on 5 July 2020.

Leadership

Principle 1
Requires an effective Board of Directors which is collectively accountable for ensuring that the reporting entity's business is managed prudently and soundly.

Principle 2
Requires a clear division between the responsibilities of the Board and senior management.

Principle 3
The Board and its Committees must have an appropriate balance of knowledge, experience and adequate resources.

To read more about our **Board's Leadership**, see **page 86**.

Accountability

Principle 4
The Board must ensure that there is an adequate, effective, well-defined and well-integrated risk management, internal control and compliance framework.

Principle 5
The Board must ensure that the rights of shareholders are properly safeguarded and that there is effective dialogue between the Board and the Company's shareholders.

To read more about our **internal controls** and **compliance framework**, see **pages 92 to 94**.

To read more about our **shareholder engagement**, see **page 95**.

Principle 6
The Board must ensure that any reports present an accurate, balanced and understandable assessment of the Company's financial position and prospects.

To read more, see our **Statement of Directors' Responsibilities** on **page 106**.

Remuneration

Principle 7
The Board must ensure that the Company's remuneration structures and strategies are well aligned with the long-term interests of the Company.

To read more, see our **Nominations and Remuneration Committee report** on **page 101**.

LEADERSHIP

The Company's Board of Directors ensures that the business of the Company and its subsidiaries (the "Group") is managed prudently and soundly. The Board's primary responsibility is to foster the long-term success of the Group.

Effective Board leadership requires a clear division between the Board's responsibilities and those responsibilities which the Board has delegated to management.

Matters reserved for Board decision include:

- setting the strategic objectives of the Group;
- declaring dividends;
- approving major transactions;
- setting the annual budget for the Group;
- approving safety and environment policies; and
- insurance, risk management and internal controls.

The Board has delegated the following responsibilities to management:

- the development and recommendation of strategic plans for consideration by the Board that reflect the long-term objectives and priorities established by the Board;
- implementation of the Group's strategies and policies as determined by the Board;
- monitoring the operating and financial results against plans and budgets;
- monitoring the quality of the investment process against objectives, prioritising the allocation of capital and technical resources; and
- developing and implementing risk management systems, subject to the continued oversight of the Board and the Audit and Risk Committee as set out on page 96.

A full description of the matters reserved for Board decision are available on the Company's website, **www.dpworld.com**.

In accordance with the Company's Articles of Association (the "Articles"), all Directors offer themselves annually for re-election.

Details of the Directors of the Company are given on pages 80 to 81.

Roles and responsibilities of the Directors and officers of the Company

Group Chairman and Chief Executive Officer

The roles of Group Chairman and Chief Executive Officer are held by the same individual. The Group Chairman and Chief Executive Officer is responsible for the leadership of the Board, in conjunction with the Senior Independent Non-Executive Director. As leader of the executive team, he is also responsible for the day-to-day management of the Group and the execution of its strategy as approved by the Board, and facilitates the flow of information to and from the Board and the management committees of the Group. He is also Chairman of the Executive Committee.

When acting as Chairman of the Board, the Group Chairman and Chief Executive Officer ensures, with the support of the Senior Independent Non-Executive Director and the Deputy Group General Counsel & Company Secretary: that the agendas are forward-looking; that relevant business is brought to the Board for consideration in accordance with the schedule of matters reserved for the Board; and that each Director has the opportunity to consider the matters brought to the meeting and to contribute accordingly.

Group Chief Financial, Strategy and Business Officer

The Group Chief Financial, Strategy and Business Officer is responsible for ensuring that objective financial, statutory and management information is provided to the Board, and that the accounts and accounting principles of the Company are of the highest standards and integrity. Reporting responsibilities also include updating the Board on the progress made by the Company in achieving its financial objectives.

The Group Chief Financial, Strategy and Business Officer's operational responsibilities include working closely with the Company's auditors, financial advisors and banks to manage the financial planning and risks of the Company.

Senior Independent Non-Executive Director

The Senior Independent Non-Executive Director (the "SID") is a Non-Executive Director appointed by the Board to provide support for the Chairman in leading the Board, and serves as an intermediary for the other Directors where this is required to help them challenge and contribute effectively.

In addition, the SID is required to work closely with the Chairman to ensure effective communication with shareholders and meet with the Independent Non-Executive Directors at least once a year to appraise the Chairman's performance. Together with the Chairman, Deepak Parekh leads the Board on governance matters and the annual performance review of the Board and its Committees. The Board believes that the support of the SID ensures that robust governance is maintained and that appropriate challenge to the Executive Directors is in place.

Independent Non-Executive Director

An Independent Non-Executive Director is a member of the Board who is not an employee of the Company or affiliated with it such that they bring to the Board qualities of independence and impartiality. They are often appointed due to their wide executive and industry experience, specialist knowledge and personal attributes that add value to the effectiveness of the Board.

In compliance with the Corporate Governance Best Practice Standards in the Nasdaq Dubai Rules, at least one-third of the Board was comprised of Non-Executive Directors and more than the required minimum of two were considered by the Company to be independent. The independence of the Independent Non-Executive Directors is considered annually, and the Board believes that they have retained their independent character and judgement. The Board considers that the varied and relevant experience of all the Independent Non-Executive Directors provides an exceptional balance of skills and knowledge, which is of great benefit to the Group.

The Board increased the number of Independent Non-Executive Directors during 2016, and believes that the Group continues to benefit from the breadth of experience represented by its existing balance of Independent and Non-Independent Directors. The Company will continue to review the composition of the Board from time to time to ensure that an appropriate balance of Independent and Non-Independent Directors is maintained.

Deputy Group General Counsel & Company Secretary

The Deputy Group General Counsel & Company Secretary advises the Board, through the Group Chairman and Chief Executive Officer and Senior Independent Non-Executive Director, on all governance matters affecting the Company. He is responsible for supporting the Group Chairman and Chief Executive Officer with the setting of the Board's agenda and facilitating the flow of information to and from the Board. He is also responsible for the efficient administration of the Company, particularly with regards to ensuring compliance with statutory and regulatory requirements, and for ensuring that decisions of the Board are implemented.

All Directors have access to the Deputy Group General Counsel & Company Secretary, and independent professional advice at the Company's expense, if required.

LEADERSHIP (CONTINUED)

Corporate governance framework

The Board is at the centre of our corporate governance framework.

It is supported by a number of committees to which certain Board responsibilities are delegated. These committees, in turn, formally report to the Board following each meeting to ensure that the Board remains fully updated on their activities. The Board has considered the current structure and composition of its existing Board Committees in line with the best practices and the Company's strategic vision[1]. The Board Committees currently include the Audit and Risk Committee, Nominations and Remuneration Committee, and the Governance and Sustainability Committee, with formally delegated duties and responsibilities and written terms of reference. From time to time, the Board may set up additional committees to consider specific issues when the need arises. Reports on the activities of the Board Committees can be found on the following pages of this report and their terms of reference are available on the Company's website, **www.dpworld.com**. The Deputy Group General Counsel & Company Secretary provides support as the secretary for the Board Committees.

The Board considers that the corporate governance framework promotes the prudent and sound management of the Company in the long-term interest of the Company and its shareholders, and is effective in promoting compliance with the Corporate Governance Principles of the Nasdaq Dubai Rules.

BOARD OF DIRECTORS

Owners/Shareholders
Provide oversight by electing the Board of Directors to oversee the management of the Company and approving major transactions in accordance with the Nasdaq Dubai Rules.

Audit and Risk Committee
Assists the Board in discharging its responsibilities with regards to financial reporting, external and internal audits, internal controls and risk management.

Disclosure Panel
Assists the Board in reviewing its disclosure obligations with regards to Inside Information and providing recommendations on announcements when required.

Nominations and Remuneration Committee
Assists the Board in reviewing the Board structure, identifying candidate Directors when the need arises and determining the framework and Board policy for the remuneration of the Executive Directors and other members of senior management.

Governance and Sustainability Committee
Assists the Board in reviewing the Company's corporate governance framework, reviewing and approving the Company's sustainability strategy, policies, programmes, targets and performance.

Group Executive Safety and Environment Committee
Ensures the accountability, effectiveness, and continual development of the Company's health, safety and environment programs to ensure a culture of zero harm.

GROUP CHAIRMAN & CEO

Enterprise Risk Management Committee
Assists the Board in fulfilling its oversight responsibilities in relation to the Principal Risks faced by the Group.

Executive Committee
Primarily responsible for the day-to-day management of DP World's operations and strategic policy implementation, such policies being established and approved by the Board.

Charity Committee
Primarily responsible for overseeing and endorsing requests, proposals and the process for DP World's charitable donations and partnerships.

Women's Council
Oversees the implementation of the DP World women empowerment vision and strategy to drive gender equality across all aspects of the Company's portfolio.

Tender Committee
Primarily responsible for reviewing and endorsing tender award recommendations.

Vendor Selection Committee
Primarily responsible for reviewing and endorsing the vendor selection process.

1 The 'Nominations and Governance Committee' was replaced with the 'Governance and Sustainability Committee', and the 'Remuneration Committee' was replaced with the 'Nominations and Remuneration Committee', on 3 August 2020.

Board meetings

Although there is a prescribed pattern of presentation to the Board, including matters specifically reserved for the Board's decision, all Board meetings tend to have further subjects for discussion and decision-making. Board papers, including an agenda, are sent out in advance of the meetings. Board meetings are discursive in style and all Directors are encouraged to offer their opinions.

The Board met seven times during the year, either in person, via telephone or video conference. In addition, written resolutions (as permitted by the Company's Articles of Association) were used as required for the approval of decisions that exceeded the delegated authorities provided to Executive Directors and Committees.

The Board has considered its current structure and composition of its existing Board Committees in line with the best practices and the Company's strategic vision. The table below sets out the attendance of the Directors at the Board and Committee meetings during the year.

Director	Board	Audit and Risk	Governance and Sustainability*	Nominations and Remuneration*
Sultan Ahmed Bin Sulayem**	7(7)	–	–	–
Yuvraj Narayan	7(7)	–	–	–
Deepak Parekh	6(7)	2(3)	–	1(1)
Robert Woods***	7(7)	–	1(1)	1(1)
Mark Russell****	7(7)	3(3)	–	–
Mohamed Al Suwaidi*****	7(7)	3(3)	1(1)	1(1)
Patrice Trovoada (appointed on 5 August 2020)	3(7)	–	–	–
Sultan Bin Saeed Al Mansoori (appointed on 5 August 2020)	3(7)	–	1(1)	–
Nadya Kamali****** (retired on 19 July 2020)	4(7)	–	–	–
Abdulla Ghobash****** (retired on 19 July 2020)	4(7)	–	–	–

* The 'Nominations and Governance Committee' was replaced with the 'Governance and Sustainability Committee', and the 'Remuneration Committee' was replaced with the 'Nominations and Remuneration Committee', on 3 August 2020. The attendance and figures in brackets shown in the table above for the 'Governance and Sustainability Committee' and the 'Nominations and Remuneration Committee' are based on the current structure of the Board Committees with effect from 3 August 2020.

** Sultan Ahmed Bin Sulayem attended one meeting of the former 'Nominations and Governance Committee' before the re-structuring of the Board Committees on 3 August 2020.

*** Robert Woods attended one meeting of each of the former 'Remuneration Committee' and the 'Nominations and Governance Committee' before the re-structuring of the Board Committees on 3 August 2020.

**** Mark Russell attended one meeting of the former 'Remuneration Committee' before the re-structuring of the Board Committees on 3 August 2020.

***** Mohamed Al Suwaidi attended one meeting of the former 'Remuneration Committee' before the re-structuring of the Board Committees on 3 August 2020.

****** Nadya Kamali and Abdullah Gobash attended one meeting of the former 'Nominations and Governance Committee' before their retirement on 19 July 2020.

Figures in brackets denote the total number of meetings held during the year.

LEADERSHIP (CONTINUED)

2020 Board activities

Matters considered at all Board meetings

- Report on safety and environment performance and developments.
- Report on strategic and business developments from the Group Chairman and Chief Executive Officer.
- Report on the financial performance of the Group, including budgeting and financing updates.
- Report on corporate governance, including governance developments across the Group and regulatory updates.

Matters considered during the year

Leadership

- Reviewed and approved the re-structuring, size and composition of the Board's Committees.
- Reviewed and approved the appointment of two new Independent Non-Executive Directors.

Financial reporting and controls

- Considered results and declared dividends.
- Approved Group budget.
- Considered and approved major capital projects, including new acquisitions and increases in the Company's holdings.
- The new acquisitions included: 77% controlling stake in Feedertech in Singapore; 55% stake in Fraser Surrey Docks in Canada; 46.24% stake in Kribhco Infrastructure Limited (KRIL) in India; 51% controlling stake in TIS Container Terminal in Ukraine; and change of control in Caucedo Investment Inc in the Dominican Republic.

Strategy and management

- Received detailed regional presentations on performance against strategic objectives and key performance.
- Received reports outlining projects under current consideration of the Group.

Risk management

- Received the risk reviews, as considered by the Audit and Risk Committee.
- Monitored the status of legal claims.
- Received updates on insurance matters and approved the renewal of the Directors' and Officers' insurance.

Corporate governance

- Reviewed and approved the terms of reference of the Board Committees.
- Approved a revised Modern Slavery and Human Trafficking Statement.

Shareholders

- Reviewed and approved throughput announcements released during the year.
- Reviewed and approved preliminary, full and half-year results announcements.
- Approved the Company's Annual Report and Accounts.
- Received Annual General Meeting briefing, approved the notice and ancillary documents to be sent to shareholders and attended the meeting.

Board performance evaluation

An evaluation to assess the performance of the Board and its Committees is conducted annually. To follow best practice, the evaluation should be conducted by an external facilitator every three years. In 2020, Independent Audit Limited ("Independent Audit") was engaged to undertake an externally-facilitated review following a tender process. Independent Audit has no other connection with the Company or its Directors.

Evaluation process

A scoping exercise between Independent Audit and the Company Secretariat team was conducted to agree the priority areas to be addressed in the review. All Directors completed an online questionnaire together with several members of the management team. This covered many aspects of Board effectiveness. Some limited examples include how the Board has been working during the COVID-19 pandemic, its approach to strategic leadership and performance assessment, strategic risk oversight, information flows, succession planning and oversight of management development, and the focus of the Committees and how they are operating. This year the review did not include observation of meetings or review of Board papers by the external reviewer.

A report summarising the results of the questionnaire-based self-assessment was written by Independent Audit and discussed in draft with the Company Secretary. A copy of the full and final report was provided to the Directors. The Independent Audit report and suggestions will be used as a basis for an action plan to be agreed by the Board.

The review concluded that the Board strengths include:

- a good mix of skills and experience;
- Directors understand their duties;
- relationships with management; and
- well-structured Board papers.

The Board identified the following areas in which it would like to develop further its approach as it looks to maximise its effectiveness:

- focus on the impact of technology;
- consideration of ESG; and
- think through pressure points relating to risk.

The Board is determined to make sure that it is working effectively in meeting good governance standards and in line with the expectations of its stakeholders. To this end, although it is not required to do so under regulatory norms, the Directors chose to review the effectiveness of the Board, the Board Committees and individual Directors annually. Following the externally-facilitated review by Independent Audit for 2020, the Board will set out a plan for a combination of internal review and further external review over each of the next three years.

ACCOUNTABILITY

The Board is responsible for the Group's system of internal control and for reviewing its effectiveness. The internal control system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

Enterprise Risk Management Framework
Risk management is the responsibility of the Board and is integral to the achievement of DP World's strategic objectives. The Board is responsible for establishing the system of risk management, setting the risk appetite of the Group and for maintaining a sound internal control system. Certain elements of this responsibility are overseen on behalf of the Board by the Audit and Risk Committee and the Enterprise Risk Management Committee.

The Group's risk management and internal control processes, which have been in place throughout the period under review, identify, measure, manage, monitor and report the key risks facing the Group. The risks that are considered to be material are reviewed by the Audit and Risk Committee and Enterprise Risk Management Committee then, together with their associated controls, are summarised in the risk profile and presented to the Board for review.

At the year-end, regional management certifies that the risk management process is in place, that an assessment has been conducted throughout their businesses, and that appropriate internal control procedures are in place or in hand to manage the risks identified.

During the year, the Enterprise Risk Management Committee met to provide a greater degree of oversight on the principal risks that may impact our Group. Recommendations arising from these meetings are presented to the Audit and Risk Committee for their review and consideration. A description of the process for managing enterprise risk, together with a summary of risks that could have a material impact on the Group and actions in place to mitigate those risks, are given on pages 32 to 43.

Internal controls
The Board is responsible for establishing and maintaining an effective system of internal control and has established a control framework within which the Group operates. This system of internal control is embedded in all key operations and is designed to provide reasonable assurance that the Group's business objectives will be achieved. The Audit and Risk Committee has reviewed the effectiveness of the system of internal controls and the risk management framework in accordance with its remit.

Compliance Statement
DP World Limited (the "Company")[1] is incorporated in the Dubai International Financial Centre ("DIFC") and was admitted in 2007 to the official list of securities on Nasdaq Dubai. During the financial year, the Company was subject to the regulatory obligations of the DIFC Markets Law and the various rules made by the Dubai Financial Services Authority thereunder (together with DIFC Markets Law, the "Nasdaq Dubai Rules"). The Board reviewed and monitored the policies and procedures that were in place during the year to ensure compliance with the Corporate Governance Principles of the Nasdaq Dubai Rules.

For the year ended 31 December 2020, the Company complied with the provisions of the Nasdaq Dubai Rules other than:

- Paragraph 16 of App 4 to the Nasdaq Dubai Rules ("App 4") – the roles of Chairman and of Chief Executive Officer were held by the same individual. The appointment of the Chairman, Sultan Ahmed Bin Sulayem, as Chief Executive Officer was approved by the shareholders at the Company's Annual General Meeting in April 2016. Furthermore, in accordance with paragraph 17 of App 4, the Board has established measures to ensure that it can properly discharge its function of providing effective oversight of the management of the Company:
  - the Board comprises a majority of Independent Non-Executive Directors;
  - the Executive Directors and senior managers have objectives and their performance against these objectives is reviewed by the Nominations and Remuneration Committee, which entirely comprises Independent Non-Executive Directors.

1 The Company converted to a private company, and the name of the Company changed from DP World PLC to DP World Limited, on 5 July 2020.

The risk management process and the system of internal controls are subject to continuous improvement

Organisational structure
A clearly defined organisational structure that provides clear roles, responsibilities and delegated levels of authority to enable effective decision-making across the Group.

Code of Ethics
DP World maintains the highest standards of business integrity, which are formalised in its Code of Ethics. This is published on the Company's website, and covers topics such as anti-bribery, anti-fraud, conflicts of interest, gifts and hospitality and confidentiality, and outlines the process for reporting suspected infractions. The Code of Ethics applies to all Group employees and entities globally. Any non-compliance with the Code of Ethics and all applicable policies may lead to disciplinary action.

Whistleblowing Policy
A whistleblowing programme for employees to report complaints and concerns about conduct that is considered to be contrary to DP World's values. The programme is monitored by the Audit and Risk Committee.

Anti-Bribery Policy
An Anti-Bribery Policy implemented by DP World, supported by online training that is directed and proportionate to the identified areas of risk.

Strategy and financial management
Clear strategy and financial management that is consistent throughout the organisation and can be actively translated into practical measures. Comprehensive reporting systems include monthly results, annual budgets and periodic forecasts. These are monitored by the Board, with key performance indicators produced to summarise and monitor business activity. Annual budgeting and strategic planning processes are in place, along with evaluation and approval procedures for major capital expenditure and significant treasury transactions.

Policies and procedures
Documented policies and procedures that are communicated to all Group functions and business units.

Management reporting and self-certification
The Board receives regular management reporting and annual management self-certification, which provides a balanced assessment of key risks and controls and is an important component of the Board's assurance.

Risk management and performance
Risk-profiling is completed for all business units and the Group to identify, monitor and manage significant risks which could affect the achievement of the Group's objectives.

Information and communication
Board meetings take place regularly throughout the year and include a review of Group performance against budget and Group strategy, and a review of monthly management accounts and financial reports. Financial forecasts are prepared every quarter. Actual performance is compared with budget, latest forecast and prior year on a monthly basis. Significant variances are investigated and explained through normal monthly reporting channels.

Assurance
The Group's assurance activities cover key business risks and contribute to the overall assurance framework. They include an independent Group Internal Audit function responsible for reporting to the Audit and Risk Committee on the evaluation of the adequacy of the internal control systems in place. The Board receives updates from the Audit and Risk Committee, based on regular information provided by both internal and external audit reports on the Group's risks and internal controls. Other assurance functions include Safety, Security, Operations, Legal, and Company Secretariat.

ACCOUNTABILITY (CONTINUED)

Guidelines regarding insider trading
The Group takes all reasonable steps to avoid the risk of insider trading. It has adopted processes to keep all members of staff informed about their duties with respect to the handling of inside information, as well as dealings in the Company's securities.

The Group has a Securities Dealing Code which sets out the restrictions and 'close' periods applicable to trading in securities. Memoranda and guidelines regarding dealings in securities (either selling or buying) have been circulated within the Group.

Anti-fraud
DP World has a zero-tolerance approach to all forms of corruption. The Company has a Fraud Policy and has introduced a comprehensive Fraud Management Framework, which includes a dedicated Fraud Risk Services (FRS) team and a Fraud Advisory Panel with members from executive management. The panel has been set up to advise FRS in fulfilling its duties in handling and reporting of fraud incidents that may cause loss to DP World. Fraud Risk Assessments are conducted across various business units and functions across the Group to identify potential fraud risk scenarios in core business processes and to monitor the internal controls in place to mitigate such risks.

DP World is committed to educating and training its employees (including part-time employees and contractors) in multiple ways. These include face-to-face seminars in local languages conducted by specialists in the FRS team, by fraud risk champions making presentations either in person or virtually at the local level, and through online interactive training modules, available in different languages. These training sessions are conducted annually and as required on an ad hoc basis.

In 2020, DP World enhanced its capability to tackle fraud through the appointment and training of additional fraud risk champions in many business units across multiple regions. DP World will continue its efforts to emphasise its zero-tolerance approach to all forms of corruption, and encourage a collective willingness to report incidents without fear of retribution.

Anti-bribery
DP World has an Anti-Bribery Policy with supporting processes and procedures that implement the requirements of the UK Bribery Act 2010 and underpin its commitment to preventing, detecting and responding to fraud, bribery and all other corrupt practices. The Group promotes and expects from its team the highest standards of personal and professional ethical behaviour.

To strengthen the Group's zero tolerance to fraud, bribery and corrupt practices, an online anti-bribery and corruption training course (available in multiple languages) has been rolled out to targeted employees, Directors and new joiners. The course provides an overview of the Group's anti-corruption policies and procedures, the importance of having an anti-bribery culture and its place in the Group's business practices, the consequences of breaching anti-bribery legislation, and how employees can report any suspicions of fraud and breaches of anti-bribery legislation.

DP World will continue to review its policies, processes and procedures, and is networking with other international businesses to share best practice in this area.

Whistleblowing
DP World's Whistleblowing Policy applies globally and is supplemented by country-specific policies wherever local law requires. Protection of whistleblowers is of paramount importance and DP World's framework and policies guarantee this within the limits of local laws.

DP World actively encourages its employees to report any ethics violations or incidents to their supervisors, or via the whistleblowing hotline, accessible through a web-based reporting app or phone number. The Company also encourages grievance reporting to line managers, People departments or the whistleblowing hotline. Confidentiality for employees is assured. The hotline is independently administered and globally available, and therefore supports multiple languages. All reports are thoroughly investigated to their conclusion and securely documented, together with any corrective actions taken.

The Audit and Risk Committee receives an update at each meeting on all reported allegations. The Audit and Risk Committee has reviewed the Group's whistleblowing procedures to ensure that arrangements are in place to enable employees to confidentially raise concerns about possible improprieties.

Modern Slavery Act
DP World does not tolerate modern slavery or human trafficking in any part of our business. The Board has approved a Modern Slavery Act Transparency Statement in compliance with section 54 of the UK's Modern Slavery Act 2015, which is available to view on the Company's website, **www.dpworld.com**.

RELATIONS WITH SHAREHOLDERS

Investor engagement calendar for 2020
The Board is committed to communicating its strategy and activities clearly to its investors, and maintains an active dialogue with investors through a planned programme of Investor Relations activities. Contact with investors is largely managed by the Group Chief Financial, Strategy and Business Officer, Deputy CFO, and Investor Relations team.

2020 was a significant year for investor communication as the Group had to manage investor queries on the uncertainty of COVID-19 on the outlook, but also the stock market de-listing.

The rationale for the de-listing was explained in a series of group and one-on-one meetings. Access was given to the Company's Independent Non-Executive Directors active on the de-listing to all significant investors. The Company opened a dedicated telephone and email helpline for any investor queries on the de-listing process, while the Investor Relations team were available to answer any shareholder questions throughout the entire process. Looking ahead, despite the de-listing the Board has stated that it will maintain disclosure policy and an active Investor Relations programme that is best-in-class for a private company with listed bonds.

In addition to the above, the Company continued with the regular investor activity which included the Company's full and half-year results and quarterly throughput announcements. These are done through a combination of presentations and conference calls.

In 2020, we held over 150 meetings including virtual calls, met over 200 institutions, and attended five local and international virtual conferences.

January to March

- Full-Year 2019 Throughput Announcement with Investor Call (Dubai, UAE)
- Full-Year 2019 Results Announcement with Investor Call (Dubai, UAE)
- DP World Shareholder Update (Virtual)

April to June

- 1Q 2020 Throughput Announcement (Dubai, UAE)
- Annual General Meeting (Virtual)

July to September

- 2020 Half-Year Throughput Announcement (Dubai, UAE)
- 2020 Half-Year Results Announcement with Investor Call (Dubai, UAE)
- Citi Investor Conference (Virtual)
- J. P. Morgan Emerging Markets Credit Conference (Virtual)
- 2020 MEIRA Conference and Awards (Virtual)

October to December

- Standard Chartered Bank – Sustainable Financing in Emerging Markets Conference (Virtual)
- 2020 HSBC Global Emerging Markets Forum (Virtual)
- 9M 2020 Throughput Announcement (Dubai, UAE)
- DFM Roadshow (Virtual)
- Citi Taiwan Investor Day (Virtual)

The Board receives regular updates on investor views through briefings from the Group Chairman and Chief Executive Officer and Group Chief Financial, Strategy and Business Officer, as well as reports from the Investor Relations team.

Visit our dedicated Investors page on our corporate website, **www.dpworld.com/investors**

Contact our Investor Relations team:
Redwan Ahmed, VP – Investor Relations
Email: **Investor.Relations@dpworld.com**
Phone: +971 (0)4 881 1110

AUDIT AND RISK COMMITTEE

During 2020, the Audit and Risk Committee comprised three members, all of whom are Independent Non-Executive Directors. The secretary to the Audit and Risk Committee is Mohammad Al Hashimy, Deputy Group General Counsel & Company Secretary.

Committee meetings

The Audit and Risk Committee meets formally at appropriate times in the reporting and audit cycle during the year, and as otherwise required. Attendance at the Audit and Risk Committee meetings is set out in the table on page 89.

2020 activities

See page 97 for detailed activities of the Audit and Risk Committee during the year.

Role of the Committee

The primary role of the Audit and Risk Committee is to ensure the integrity of the financial reporting and audit process, and to oversee the maintenance of sound internal control and risk management systems. This includes the responsibility to:

- make recommendations to the Board on the appointment and remuneration of the external auditors, review and monitor the external auditors' performance, expertise, independence and objectivity along with the effectiveness of the audit process and its scope;
- review and monitor the integrity of the Group's financial statements and the significant reporting judgements contained in them;
- monitor the appropriateness of accounting policies and practices;
- review the adequacy and effectiveness of financial reporting and internal control policies, and procedures and risk management systems;
- monitor and review the activities and effectiveness of the Internal Audit function;
- review the effectiveness of the Group's Whistleblowing Policy; and
- monitor risks and compliance procedures across the Group.

External and internal auditors are invited to attend the Audit and Risk Committee meetings, along with any other Director or member of staff considered necessary by the Committee to complete its work. The Committee meets with external auditors and internal auditors without Executive Directors or members of staff present at least once a year, and additionally as it considers appropriate.

The full terms of reference of the Audit and Risk Committee can be found on DP World's website, **www.dpworld.com**.

Members:

Mark Russell (Committee Chair)
Deepak Parekh
Mohamed Al Suwaidi

Meetings attended:

Mark Russell (Committee Chair)

Deepak Parekh

Mohamed Al Suwaidi

Significant issues

We identified the issues below as significant in the context of the 2020 financial statements. We consider these areas to be significant, taking into account the level of materiality and the degree of judgement exercised by management. We debated the issues in detail to ensure that the approaches taken were appropriate.

Impairment testing (see note 16 to the Financial Statements)

Area of focus

An impairment review is carried out annually by management to identify cash generating units (CGU – smallest group of assets that generates cash inflows from continuing use) in which the recoverable amount of the CGU is less than the value of the assets carried in the Group's accounts. Impairment results in a charge to the Group income statement.

Key judgements and assumptions need to be made when valuing the assets of the cash generating units and the quantum of potential future cash flows arising from those assets.

Committee action

We considered the significant judgements, assumptions and estimates made by management in preparing the impairment review to ensure that they were appropriate. In particular, the cash flow projections, budgeted margins, discount rates, inflation, perpetuity growth rates and sensitivity analysis were reviewed. We obtained the external auditors' view in relation to the appropriateness of the approach, the key sensitivities in determining the recoverable amount and outcome of the review. Taking this into account, together with the documentation presented and the explanations given by management, we were satisfied with the thoroughness of the approach and judgements taken. The review did not result in any significant impairment during the year.

Business acquisition & disposal accounting

Area of focus

During the year, the Group acquired the following entities which are consolidated in the Group's financial statements:

- on 1 January 2020, the Group acquired control in Caucedo Investments Inc. (Caucedo), retaining the previously held equity interest at 50%, through the Group's investment platform with Caisse de dépôt et placement du Québec (CDPQ), one of North America's largest pension fund managers. Caucedo Development Corporation, the previous equity partner, divested 45% of its stake in Caucedo to CDPQ, as a result of which the Group acquired control;
- on 1 January 2020, the Group acquired 77% controlling stake in Feedertech Group based in Singapore;
- on 20 February 2020, the Group acquired 55% stake in Fraser Surrey Docks in Canada;
- on 16 April 2020, the Group acquired 46.24% controlling stake in Kribhco Infrastructure Limited (KRIL), India; and
- on 5 June 2020, the Group acquired 51% controlling stake in TIS Container Terminal in the Port of Yuzhny, Ukraine.

Acquisition and disposal accounting involves estimating the fair value of assets and liabilities at the acquisition/disposal date, including the identification and valuation of intangible assets and goodwill and calculating the profit/loss on disposal. Significant judgement is involved in relation to the assumptions used in the valuation and purchase price allocation process. The Group engages independent third-party specialists to prepare valuation reports, which are then subject to external auditors' review.

Committee action

We considered the significant judgements made by senior management in concluding the classification of Caucedo Investments Inc (Caucedo) as a subsidiary of the Group. We reviewed senior management's assumptions and also obtained external auditors' comments with respect to the key areas outlined in the third-party valuation reports in relation to the valuation and allocation of purchase price on the said acquisitions, based on valuation reports and were satisfied with the assumptions, judgements and conclusions reached.

Contingencies (see note 38 to the Financial Statements)

Area of focus

There are various factors that could result in a contingent liability being disclosed if the probability of any outflow in settlement is not remote. The assessment of the outcome and financial effect is based upon management's best knowledge and judgement of current facts as at the reporting date.

Committee action

We focused on the potential liabilities arising from litigation claims. To determine whether the level of provisioning in the balance sheet or disclosure in the financial statements was appropriate, we considered inputs from the Group's legal counsel and external lawyers. We obtained external auditors' comments on this area and concluded that the approach taken in respect of provisioning and disclosure continued to be appropriate.

Tax provision

Area of focus

The Group is subject to income taxes in numerous jurisdictions. Significant judgement is required in determining the worldwide provision for income taxes.

Committee action

We reviewed the updates from the Tax Director and reports from the external auditors' tax specialists. We considered the appropriateness of tax provisions in relation to the updates and reports received and concluded that the treatment adopted was fair and reasonable.

Post-employment obligations (pensions)

Area of focus

Determining the current value of the Group's future pension obligations requires a number of assumptions. These assumptions relate principally to life expectancy, discount rates applied to future cash flows and rates of inflation and future salary increases.

Committee action

Valuation assumptions, prepared by external actuaries and adopted by management, were considered in light of prevailing economic indicators and the view of the external auditors. These were accepted as appropriate.

AUDIT AND RISK COMMITTEE (CONTINUED)

Financial reporting

The Audit and Risk Committee reviewed the annual update to the Group's Accounting Policy. The significant accounting judgements and policies adopted in respect of the Group's financial statements were agreed and considered appropriate. The appropriateness of the transactions separately identified as Separately Disclosed Items ("SDI") in the financial statements in order to highlight the underlying performance for the period were discussed and approved. The Committee also reviewed external auditors' reports and documentation prepared to support the going concern judgement.

Internal audit

The scope of activity of Group Internal Audit is monitored and reviewed at each Audit and Risk Committee meeting. An annual plan was agreed by the Audit and Risk Committee in December 2019 which covers the activities performed by the function during the year ended 31 December 2020.

During the year, the Chief Internal Auditor attended all Audit and Risk Committee meetings and provided the Committee with a detailed report on internal audit activities, which the Committee reviewed and discussed in detail. The Audit and Risk Committee considered the matters raised and the adequacy of management's response to them, including the time taken to resolve any such matters. The Chair of the Audit and Risk Committee met with the Chief Internal Auditor on a periodic basis to discuss progress and received reports on the function's work on a monthly basis.

The Audit and Risk Committee discussed and reviewed the Chief Internal Auditor's progress in improving the effectiveness of the function including its digital transformation initiatives. During 2020, key highlights included the roll-out of:

- digital bots using robotic process automation to perform routine and repetitive audit tasks, which was recognised with the 2020 Institute of Internal Auditors UAE Chapter Award for 'Leading Practices in Internal Audit';
- remote IT security testing and advanced data analytics across the Group using tools from the team's in-house Technology Audit Lab;
- an audit intelligence tool which taps into multiple IT systems with pre-defined risk algorithms that flag risk insights for follow-up by the audit team on a real-time basis;
- a Future Internal Auditor ("FIA") competency training programme to upskill internal audit team members in new and emerging technologies to ensure its continued ability to provide effective assurance in these areas; and
- a Centres of Excellence ("COE") programme designed to provide an immersive, agile and innovative knowledge-management practice to help the team stay abreast of Company and industry developments, and continue to be a valued business partner to our stakeholders.

Based on its ongoing review, the Committee was satisfied with the effectiveness of the Group's Internal Audit function.

Risk management

The Enterprise Risk Management Framework is designed to identify, measure, manage, monitor and report the principal risks to the Group in achieving its business objectives and is embedded throughout the Group.

During 2020, we continued to monitor and review the principal risks relating to the Group's business performance that could materially affect our business, financial performance and reputation. A summary of our principal risks can be found on pages 34 to 43. The principle committees that oversee risk management are the Enterprise Risk Management Committee and the Audit and Risk Committee. The Audit and Risk Committee works closely with the Enterprise Risk Management Committee and is responsible for assisting the Board in its oversight of risk and risk management across the Group.

Risk management reports, prepared by the Group Head of Enterprise Risk & Resilience, were submitted to the Audit and Risk Committee in March 2020, August 2020 and December 2020. These reports summarise submissions from all areas of the Group and were also reviewed by senior management. The reports highlight the risk mitigation strategies that are employed to reduce potential risk exposure to the acceptable risk tolerance levels.

In December 2020, the Audit and Risk Committee reviewed the effectiveness of the Group's overall Enterprise Risk Management ("ERM") Policy and Framework, including the Group-wide approach to the identification, assessment, mitigation, monitoring and reporting of risks for the year ended 31 December 2020.

Internal controls

During the year, the Audit and Risk Committee monitored and reviewed the effectiveness of the Group's internal control systems, accounting policies and practices, standards of risk management and risk management procedures and compliance controls, as well as the Company's statements on internal controls, before they were agreed by the Board for this Annual Report.

The Group's internal control systems are designed to manage rather than eliminate business risk. They provide reasonable but not absolute assurance against material misstatement or loss. Such systems are necessary to safeguard shareholders' investment and the Company's assets, and depend on regular evaluation of the extent of the risks to which the Company is exposed.

The Audit and Risk Committee can confirm that the Company's systems and their effectiveness have been in place for the full financial year and up to the date on which the financial statements were approved, and are regularly reviewed by the Board. The Audit and Risk Committee is of the view that the Company has a well-designed system of internal control. The Chair of the Audit and Risk Committee reports any matters arising from the Audit and Risk Committee's review to the Board following each meeting. This update covers the way in which the risk management and internal control processes are applied and on any breakdowns in, or exceptions to, these processes. There were no significant failings or weaknesses identified. These processes have been in place throughout the year ended 31 December 2020 and have continued to the date of this report.

Whistleblowing and fraud

DP World's Whistleblowing Policy, which supports the Group-wide Code of Ethics, is monitored by the Audit and Risk Committee. A copy of the Group's Code of Ethics is available on DP World's website, **www.dpworld.com**.

The Audit and Risk Committee received and considered, at each Audit and Risk Committee meeting, all matters reported through the Group's global confidential whistleblowing reporting mechanism (telephone, email, web application), which is operated on its behalf by an independent third party. All fraud matters reported are investigated by DP World's Fraud Risk Services team and, where appropriate, reported to the Committee, together with details of any corrective action taken. The Committee also received reports at each meeting providing details of fraud known losses in each quarter.

External audit

Throughout the year, the Audit and Risk Committee monitored the cost and nature of non-audit work undertaken by the auditors and was in a position to take action if it believed that there was a threat to the auditors' independence through the award of this work.

KPMG LLP are the Company's external auditors. The Audit and Risk Committee's Chair meets the lead audit partner before each meeting and the whole Audit and Risk Committee meets with KPMG in private at least once a year.

The Audit and Risk Committee has undertaken an annual review of the independence and objectivity of the auditors and an assessment of the effectiveness of the audit process, which included a report from the external auditors of their own internal quality procedures. It also received assurances from the auditors regarding their independence. On the basis of this review, the Audit and Risk Committee recommended to the Board that it supports the re-appointment of the auditors.

GOVERNANCE AND SUSTAINABILITY COMMITTEE

During 2020, the Governance and Sustainability Committee[1] comprised three members, all of whom are Independent Non-Executive Directors. The secretary to the Committee is Mohammad Al Hashimy, Deputy Group General Counsel & Company Secretary.

Committee meetings

The Governance and Sustainability Committee meets formally during the year as required for the purpose of discharging its duties. Attendance at the Governance and Sustainability Committee meetings is set out in the table on page 89.

2020 activities

During the year, the Governance and Sustainability Committee:

- reviewed the Company's corporate governance framework; and
- reviewed the Company's sustainability policies and strategy.

Role of the Committee

The Governance and Sustainability Committee is responsible for:

- making recommendations to the Board with regards to any adjustments that the Committee considers necessary;
- ensuring that the Company's corporate governance structure complies with the applicable corporate governance principles and the best governance practices, with a view to ensuring that the Company implements the highest governance standards;
- setting, reviewing, approving and overseeing the Company's sustainability strategy and management of environmental, social, and governance matters;
- reviewing and approving the Company's sustainability policies, programmes, targets and performance;
- receiving reports on the progress and effectiveness of the Company's sustainability approach, initiatives and activities, including but not limited to, reporting from management committees such as the Health & Safety Committee, Women's Council, Charity Committee, and the Human Rights Working Group;
- guiding sustainability reporting that prioritises the needs of stakeholders and aligns sustainability to business strategy, to ensure meaningful disclosure and strong corporate reputation; and
- reviewing and approving budget for the Company's sustainability activities.

The full terms of reference of the Governance and Sustainability Committee can be found on DP World's website, **www.dpworld.com**.

Members:

Mohamed Al Suwaidi (Committee Chair)
Sultan Bin Saeed Al Mansoori
Robert Woods

Meetings attended[2]:

Mohamed Al Suwaidi (Committee Chair)

Sultan Bin Saeed Al Mansoori

Robert Woods

1 The 'Nominations and Governance Committee' was replaced with the 'Governance and Sustainability Committee', on 3 August 2020.
2 The attendance shown above is based on the current structure of the Board Committees with effect from 3 August 2020.

NOMINATIONS AND REMUNERATION COMMITTEE

During 2020, the Nominations and Remuneration Committee[1] comprised three members, all of whom are Independent Non-Executive Directors. The secretary to the Committee is Mohammad Al Hashimy, Deputy Group General Counsel & Company Secretary.

Committee meetings

The Nominations and Remuneration Committee meets formally during the year as required for the purpose of discharging its duties. Attendance at the Nominations and Remuneration Committee meetings is set out in the table on page 89.

2020 activities

During the year, the Nominations and Remuneration Committee:

- considered the current composition of the Board and the mix of skills, knowledge and experience;
- reviewed the cash allowances, salary structures and total remuneration competitiveness of DP World's Executive Directors and senior management;
- reviewed the Company's Performance Delivery Plan and Long Term Incentive Plan design and rules; and
- reviewed the performance against objectives of Executive Directors and senior managers.

Role of the Committee

The Nominations and Remuneration Committee is responsible for evaluating the balance of skills, knowledge, experience and diversity of the Board and, in particular:

- recommending individuals to be considered to fill vacancies; and
- preparing a description of the role and capabilities required for a particular appointment.

The Nominations and Remuneration Committee is also responsible for periodically reviewing the Board's structure and identifying potential candidates to be appointed as Directors.

As an initial stage in the Director appointment process, the Company collects and reviews potential candidates' CVs against an established set of appointment criteria, following which the chosen candidate meets with the Company's Senior Independent Non-Executive Director, the Chair of the Nominations and Remuneration Committee, as well as with other Board members as appropriate. Alongside this, the Company collects detailed background information regarding the chosen candidate, including their professional experience and qualifications, through the completion of a pre-appointment questionnaire.

Following the completion of this process, the candidate is put forward to the Nominations and Remuneration Committee for consideration. If the Nominations and Remuneration Committee recommends the candidate's appointment, the appointment is put to the Board for consideration and, if appropriate, approval.

1 The 'Remuneration Committee' was replaced with the 'Nominations and Remuneration Committee', on 03 August 2020.

NOMINATIONS AND REMUNERATION COMMITTEE (CONTINUED)

Role of the Committee continued

The Nominations and Remuneration Committee's responsibilities include:

- reviewing and providing the Board with a recommendation for a suitable remuneration framework for the Company;
- monitoring the level and structure of remuneration for senior management and recommending adjustments where appropriate;
- keeping under review its own performance, constitution and terms of reference; and
- considering other matters as referred to it by the Board.

The Nominations and Remuneration Committee also determines and agrees with the Board the framework and broad policy for the remuneration of the Group Chief Executive Officer and Group Chief Financial, Strategy and Business Officer and other members of senior management.

The Nominations and Remuneration Committee's policy is to review remuneration based on independent assessment and market practice.

The remuneration of Independent Non-Executive Directors is a matter for the Chairman and executive members of the Board. No Director is involved in any decisions as to their own remuneration.

The full terms of reference of the Nominations and Remuneration Committee can be found on DP World's website, **www.dpworld.com**.

Members:

Deepak Parekh (Committee Chair)
Robert Woods
Mohamed Al Suwaidi

Meetings attended[1]:

Deepak Parekh (Committee Chair)

Robert Woods

Mohamed Al Suwaidi

1 The attendance shown above is based on the current structure of the Board Committees with effect from 03 August 2020.

REMUNERATION

Executive reward policy

The reward policy for Executive Directors and senior management (Executive Committee and other experienced managers) is guided by the following key principles:

- business strategy support: aligned with our business strategy with focus on both short-term goals and the creation of long-term value, ensuring alignment to shareholders' interests;
- competitive pay: ensures competitiveness against our target market;
- fair pay: ensures consistent, equitable and fair treatment within the organisation; and
- performance-related pay: linked to performance targets via short and long-term incentive plans and the pay review process.

The reward policy for Executive Directors and senior management consists of the following key components:

1. Market benchmark:

- the target market position is between median and upper quartile on a total remuneration basis;
- for Executive Directors and senior management based in Dubai, practice and policy reflect the structure of the Dubai pay market, whilst at the same time ensuring competitiveness on an international basis. Variable pay is also reviewed and balanced against the total remuneration package; and
- DP World engages the services of Korn Ferry Hay Group as the main provider of market information and as advisers on particular remuneration matters. This is subject to periodic review.

2. Base salary:

- fixed cash compensation based on level of responsibility as determined by applying a formal job evaluation methodology;
- reflects local practice in each of the geographies in which DP World operates, but is also set against common market policy positions; and
- reviewed annually on 1 April to take into account market pay movements, individual performance, relativity to market on an individual basis and DP World's ability to pay.

Allowances and benefits

- Can either be cash or non-cash elements based on the level of responsibility as determined by applying a formal job evaluation methodology.
- Reflect local practice in each of the geographies in which DP World operates, but are also set against common market policy positions.
- For Executive Directors and senior management based in Dubai, cash allowances are a normal component of the package and typically cover accommodation, utility, transport and club elements in line with Dubai market practice. Benefits include providing children's education assistance, travel assistance, medical and dental insurance and post-retirement benefits.
- Reviewed annually to ensure that DP World remains competitive within the marketplace and that it continues to provide the reward mechanisms to aid retention in line with its ability to pay.

Incentive plans

The Company has adopted a short-term Performance Delivery Plan and a Long Term Incentive Plan for its Executive Directors and senior managers. Details of these plans are outlined on the next page.

REMUNERATION (CONTINUED)

Description	2020 implementation
Performance Delivery Plan ("PDP")	
Cash-based incentive plan to motivate, drive and reward performance over an operating cycle of one year. The PDP combines business financial performance and individual performance objectives. Levels of awards, financial and personal measures and weightings will vary depending on the individual's role, geography and level of responsibility. For individuals outside the Executive Directors and senior management category, the principle is then typically cascaded throughout the terminals' organisational levels in line with local policies. Appropriateness of the levels of awards, financial and personal measures and weightings are reviewed on an annual basis to ensure they continue to support our business strategy. Payment is in cash and is expected to be made in April each year for performance over the previous financial year, subject to review and sign-off by the Nominations and Remuneration Committee.	The PDP for the financial year ended 2020 (award to be paid in 2021) and 2019 (award paid in 2020) is worth a maximum of 150% of annual base salary. It is made up of two components: a financial component worth 70% of the overall award value and a personal component worth 30% of the overall award value. The financial component is based on performance assessed against a budgeted Profit After Tax ("PAT") measure. Payout on the financial component is triggered if the Company achieves 95% of its target. Maximum payout on the financial component will occur if the Company achieves 105% of its target. The payout for performance between 95% and 105% of target is on a straight-line basis. The personal component is based on performance assessed against Specific, Measurable, Attainable, Relevant and Timebound ("SMART") objectives for 70% of the personal award and against the Founder's Principles for 30% of the personal award. The objectives are particular to each individual role and can include financial-based objectives and more qualitative ones.
Long Term Incentive Plan ("LTIP")	
Cash-based rolling incentive plan to motivate, drive and reward sustained performance over the long-term operating cycle of three years. The LTIP reflects business financial performance only. Levels of awards, financial measures and weightings will vary depending on the individual's role, geography and levels of responsibility. In addition to the Executive Directors and senior managers, employees performing the top 100 jobs (as determined by job size) are also eligible to participate in the LTIP in line with the same financial metrics as described for Executive Directors and senior managers with varying levels of award in line with their job size. Appropriateness of the levels of awards, financial measures and weightings are reviewed on an annual basis to ensure they continue to support our business strategy. Payment is in cash and is expected to be made in April each year for performance over the previous three financial years, subject to review and sign-off by the Nominations and Remuneration Committee.	The LTIP for the 2018-2020 (award to be paid in 2021), 2019-2021 (award to be paid in 2022) and 2020-2022 (award to be paid in 2023) performance cycles is based on performance over three years assessed against two budgeted measures, with 70% of the award linked to a Return On Capital Employed measure and 30% linked to an Earnings Per Share measure. The LTIP for the cycles described above is worth a maximum of 100% of average annual base salary for the Executive Directors and a maximum of 75% of average annual base salary for other senior managers.

Executive Directors' service contracts and remuneration as at 31 December 2020

As mentioned above, the Executive Directors' remuneration structure follows the market practice in the UAE, and all payments are made tax-free reflecting the UAE's status.

Each of the Executive Directors is employed pursuant to a service agreement.

Sultan Ahmed Bin Sulayem

Sultan Ahmed Bin Sulayem's service agreement is with DP World FZE. It can be terminated on six months' notice by either party. In addition, DP World FZE can terminate the agreement, without notice, on payment of six months' base salary.

Sultan Ahmed Bin Sulayem is entitled to receive a base salary and certain other benefits under his service agreement.

He was also granted a Performance Delivery Plan award of 150% (out of a maximum of 150%) for performance linked to the 2019 financial year and a Long Term Incentive Plan award of 150% (out of a maximum of 150%) for performance linked to the 2017-2019 cycle.

His total remuneration for the year ended 31 December 2020 (which includes his base salary and these other benefits) was US$ 7,413,211.

Yuvraj Narayan

Yuvraj Narayan's service agreement is with DP World FZE. It can be terminated on six months' notice by either party. In addition, DP World FZE can terminate the agreement, without notice, on payment of six months' base salary.

Yuvraj Narayan is entitled to receive a base salary and certain other benefits under his service agreement.

He was also granted a Performance Delivery Plan award of 100% (out of a maximum of 100%) for performance linked to the 2019 financial year and a Long Term Incentive Plan award of 100% (out of a maximum of 100%) for performance linked to the 2017-2019 cycle.

His total remuneration for the year ended 31 December 2020 (which includes his base salary and these other benefits) was US$ 2,292,302.

Post-retirement benefits

Sultan Ahmed Bin Sulayem participates in the Government pension scheme in accordance with local labour law. Yuvraj Narayan participates in an end of service benefit scheme in accordance with local labour law.

Non-Executive Directors' letters of appointment and fees

The Non-Executive Directors do not have service contracts with the Company. Their terms of appointment are governed by letters of appointment. The Company has no contractual obligation to provide any benefits to any of the Non-Executive Directors upon termination of their directorship.

Each Non-Executive Director's letter of appointment is with the Company and is envisaged to be for a period of three years. It can be terminated on six months' notice by either party.

For the year ended 31 December 2020, the fees and other remuneration payable to each of the Non-Executive Directors, which includes remuneration for their services in being a member of, or chairing, a Board Committee are set out below:

- Deepak Parekh received a Non-Executive Director fee of US$ 215,000.00
- Robert Woods received a Non-Executive Director fee of US$ 199,441.00
- Mark Russell received a Non-Executive Director fee of US$ 199,441.00
- Mohamed Al Suwaidi received a Non-Executive Director fee of US$ 199,999.00
- Sultan Bin Saeed Al Mansoori[1] received a Non-Executive Director fee of US$ 81,182.00
- Patrice Trovoada[2] received a Non-Executive Director fee of US$ 81,182.00

Interests in shares

The following is a table of the Directors' shareholdings:

	US$ 2.00 ordinary shares held as at 1 January 2020	US$ 2.00 ordinary shares held as at 31 December 2020	Change
Yuvraj Narayan	13,864	00	-13,864
Robert Woods	2,700	00	-2,700

1 Sultan Bin Saeed Al Mansoori was remunerated on a pro-rata basis as of the date of his appointment, 5 August 2020.
2 Patrice Trovoada was remunerated on a pro-rata basis as of the date of his appointment, 5 August 2020.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The following statement, which should be read in conjunction with the auditors' responsibility section of the Independent Auditors' Report, is made with a view to distinguishing the respective responsibilities of the Directors and of the auditors in relation to the Consolidated Financial Statements.

The Directors are required to prepare Consolidated Financial Statements for each financial year which present fairly the state of affairs of DP World Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") as at the end of the financial year and of the profit and loss for the financial year.

The Consolidated Financial Statements are prepared in accordance with International Financial Reporting Standards and the applicable provisions of the DIFC Companies Law. In preparing the Consolidated Financial Statements, the Directors are required to select appropriate accounting policies and then apply them consistently, make judgements and estimates that are reasonable and prudent, and state whether all accounting standards which they consider to be applicable have been followed, subject to any material departures disclosed and explained in the Consolidated Financial Statements. The Directors also use a going concern basis in preparing the Consolidated Financial Statements unless this is inappropriate.

The Directors have responsibility for ensuring that the Company keeps accounting records which disclose with reasonable accuracy at any time the financial position of the Company and which enable them to ensure that the Consolidated Financial Statements comply with the applicable laws in the relevant jurisdiction.

The Directors have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

The Directors are also responsible for preparing a Directors' report and corporate governance statement in accordance with applicable law and regulations.

The Directors consider the Annual Report and the Consolidated Financial Statements, taken as a whole, to be fair, balanced and understandable, and provide necessary information for shareholders to assess the Company's performance, business model and strategy.

By order of the Board

MOHAMMAD AL HASHIMY
DEPUTY GROUP GENERAL COUNSEL & COMPANY SECRETARY
18 March 2021

INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDER OF DP WORLD LIMITED (FORMERLY DP WORLD PLC)

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of DP World Limited ("the Company") and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position as at 31 December 2020, the consolidated statements of profit or loss, other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2020, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in the Dubai International Financial Centre ("DIFC"), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Impairment assessment of carrying value of goodwill, port concession rights and other intangible assets with indefinite useful lives

Refer to notes 3 and 16 of the consolidated financial statements.

The Group has significant goodwill, port concession rights and other intangible assets arising from the acquisition of businesses. The Group's annual impairment testing on goodwill, port concession rights and other intangible assets with indefinite useful lives is performed using free cash flow projections based on three year financial budgets approved by the Board and a further five year future forecasts estimated by the Group's management. Due to the inherent uncertainty involved in forecasting and discounting future cash flows, which forms the basis of the assessment of recoverability, these are the key areas that our audit concentrated on.

Our response to address the key audit matter

Our procedures included:

In respect of the cash flows: We considered the Group's procedures used to develop the forecasts and the principles and integrity of the Group's discounted cash flow model and re-performed the calculations of the model results to test their mathematical accuracy. To challenge the reasonableness of those cash flow estimates, we assessed the historical accuracy of the Group's forecasting activities and corroborated the forecasts with reference to publicly available information and other evidence that has been made available during the course of the audit. We also challenged other key inputs, such as the projected growth rate and terminal value growth rate.

In respect of the discount rates: We compared the Group's assumptions to externally derived data (for example, bond yields and inflation statistics) where appropriate. We used our valuation specialists to assist us in assessing the reasonableness of the significant assumptions used in arriving at the discount rates.

In respect of the sensitivity to key assumptions: We assessed the impact to the calculated recoverable amount of the cash generating units by changing discount rates and forecast future cash flows.

We assessed the adequacy of the Group's disclosure in these respects.

INDEPENDENT AUDITORS' REPORT
CONTINUED
TO THE SHAREHOLDER OF DP WORLD LIMITED (FORMERLY DP WORLD PLC)

Key Audit Matters continued

Accounting for business acquisitions

Refer to notes 3 and 26 of the consolidated financial statements.

During the year, the Group made a number of acquisitions including Fraser Surrey Docks, Feedertech Group, TIS Container Terminal, KRIBHCO Infrastructure Limited. The Group also acquired control of Caucedo Investments Inc.

For the acquisitions, in accordance with IFRS 3 – Business Combinations, the accounting involves estimating the fair value of the assets and liabilities at the acquisition date, the identification and valuation of intangible assets and recognition of goodwill. These details are included in the purchase price allocation report provided by the management. Furthermore, the accounting also involves fair valuing the existing stake when acquiring control of an existing investment. Due to the inherent uncertainty involved in estimating and discounting future cash flows, there is a risk that these assumptions are inappropriate.

An assessment is required to be made as to the classification of an investment as a subsidiary, joint venture or associate based on whether the Group has determined to have control, joint control or significant influence respectively. This is particularly relevant at the time of each acquisition. Furthermore, the remaining stake will need to fair valued at the time of acquiring control of an existing investment and difference between the carrying amount and fair value to be recognised in the consolidated statement of profit or loss.

Our response to address the key audit matter

Our procedures included:

For the acquisitions, we challenged the Group's critical assumptions in relation to the identification and recognition of the assets and liabilities acquired and the associated fair values by involving our valuation specialists to assess the reasonableness of the assumptions used in the fair value and purchase price allocation process as determined by the Group. Furthermore, we assessed the reasonableness of the method used in recognition of non-controlling interest as per IFRS 3 – Business Combinations.

For the conversion from joint venture to subsidiary, we checked that the carrying value of existing stake is re-measured to fair value at the date of acquisition with resulting gain or loss recognised in consolidated statement of profit or loss.

We inspected the key terms in the share purchase agreements to assess the control classification of the investments as per IFRS 10 – Consolidated Financial Statements. We agreed the consideration paid by comparing relevant amounts to bank records and considered the appropriateness of costs associated with the purchase.

We assessed the adequacy of the Group's disclosure in these respects.

Provisions in respect of litigation and claims

Refer to notes 3 and 27 of the consolidated financial statements.

The Group enters into individually significant contracts which may extend to many years and are often directly or indirectly associated with governments. As a result, the Group is subject to a number of potentially material ongoing litigation actions and claims. Therefore, the recognition and measurement of provisions and the measurement and disclosure of contingent liabilities in respect of litigation and claims requires significant judgement and accordingly is a key audit focus areas.

Our response to address the key audit matter

Our procedures included:

We obtained written representations from the Group's legal counsel, made independent enquiries, discuss significant legal matters with Group management and obtained confirmations from external lawyers to understand the legal positions and exposure to the Group.

The outcome of our evaluation was used as a basis to determine the adequacy of the level of provisioning and disclosure in the consolidated financial statements.

Key Audit Matters continued

Taxation provisions

Refer to notes 3 and 8 of the consolidated financial statements.

The Group operates in a number of tax jurisdictions whereby the Group has to estimate the tax effect of applying local legislation in light of the practices of the respective tax authorities, including the impact of cross border transactions and transfer pricing arrangements, which can be complex, uncertain and therefore involve significant judgment.

Tax provisions have been estimated by the Group with respect to the tax exposures identified but there is the potential risk that the eventual resolution of a matter with the tax authorities are at an amount materially different to the provision recognised.

Our response to address the key audit matter

Our procedures included:

We have considered any large and/or unusual items affecting the effective tax rate and whether any current year items would result in an increased or reduced provision. We tested the Group's deferred tax provisions including the tax rates applied, for reasonableness.

In considering the judgements and estimates of tax provisions, we used our tax specialists to assess the Group's tax positions including assessing correspondence with the relevant tax authorities. We challenged the positions taken by the Group based on our knowledge and experience of the jurisdiction in which the Group operates specifically relating to the adequacy of provisions and disclosure within the consolidated financial statements.

Pensions

Refer to notes 3 and 23 of the consolidated financial statements.

The Group operates a number of defined benefit pension schemes. In accordance with IAS 19 – Employee Benefits, the valuation of the pension deficit requires significant levels of judgement and technical expertise in choosing the appropriate assumptions. Changes in a number of the key assumptions including estimated salary increases, inflation, discount rates and mortality assumptions can have a material impact on the calculation of the net pension position. Due to the significance of the pension scheme obligations, the estimates and judgements inherent in the actuarial assumptions underpinning their valuation, we considered this to be an area of focus.

Our response to address the key audit matter

Our procedures included:

The Group engages independent external actuaries to assist them in calculating the appropriate pension scheme position. We obtained the actuaries reports and, with the assistance of our pension specialists, assessed the discount and inflation rates used in calculating the pension deficit to our internally developed benchmarks, which are based on externally available data to assess whether these assumptions were within our expected range. We compared the mortality assumption to national and industry averages to assess that these were reasonable.

We also compared the assumptions with those used in previous years, to assess whether the methodology used in arriving at the assumptions year on year was consistent.

We agreed the material assets of the scheme to third party confirmations and where applicable, recalculated asset valuations based on the quoted prices.

We assessed the adequacy of the disclosures in this area.

INDEPENDENT AUDITORS' REPORT CONTINUED
TO THE SHAREHOLDER OF DP WORLD LIMITED (FORMERLY DP WORLD PLC)

Other Information
Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditors' report thereon. The Annual report is expected to be made available to us after the date of this auditors' report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions in accordance with ISAs.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements
Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and their preparation in compliance with the applicable provisions of the Companies Law pursuant to DIFC Law No. 5 of 2018 and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements
Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements continued

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements
We further report that the consolidated financial statements comply, in all material respects, with the applicable provisions of the Companies Law pursuant to DIFC Law No. 5 of 2018.

KPMG LLP

RICHARD ACKLAND
DUBAI, UNITED ARAB EMIRATES

Date: 18 March 2021

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Note	Year ended 31 December 2020 Before separately disclosed items USD'000	Separately disclosed items (Note 9) USD'000	Total USD'000	Year ended 31 December 2019 Before separately disclosed items USD'000	Separately disclosed items (Note 9) USD'000	Total USD'000
Revenue	5	**8,532,563**	**–**	**8,532,563**	7,685,938	–	7,685,938
Cost of sales		**(5,491,500)**	**–**	**(5,491,500)**	(4,636,867)	–	(4,636,867)
Gross profit		**3,041,063**	**–**	**3,041,063**	3,049,071	–	3,049,071
General and administrative expenses		**(1,208,947)**	**(77,520)**	**(1,286,467)**	(1,002,456)	(60,427)	(1,062,883)
Other income		**59,033**	**3,265**	**62,298**	43,210	–	43,210
Gain/ (loss) on disposal and change in ownership	9	**–**	**115,089**	**115,089**	–	(55,622)	(55,622)
Share of profit/ (loss) from equity-accounted investees (net of tax)	17	**121,551**	**(97,435)**	**24,116**	153,301	(42,652)	110,649
Results from operating activities		**2,012,700**	**(56,601)**	**1,956,099**	2,243,126	(158,701)	2,084,425
Finance income	7	**144,624**	**9,773**	**154,397**	103,422	43,026	146,448
Finance costs	7	**(982,865)**	**(44,433)**	**(1,027,298)**	(818,965)	(31,205)	(850,170)
Net finance costs		**(838,241)**	**(34,660)**	**(872,901)**	(715,543)	11,821	(703,722)
Profit before tax		**1,174,459**	**(91,261)**	**1,083,198**	1,527,583	(146,880)	1,380,703
Income tax expense	8	**(194,759)**	**53,563**	**(141,196)**	(186,150)	–	(186,150)
Profit for the year	6	**979,700**	**(37,698)**	**942,002**	1,341,433	(146,880)	1,194,553
Profit attributable to:							
Owners of the Company		**878,629**	**(32,238)**	**846,391**	1,327,932	(139,086)	1,188,846
Non-controlling interests		**101,071**	**(5,460)**	**95,611**	13,501	(7,794)	5,707
		979,700	**(37,698)**	**942,002**	1,341,433	(146,880)	1,194,553

The accompanying notes form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

	Note	2020 USD'000	2019 USD'000
Profit for the year		**942,002**	1,194,553
Other comprehensive income (OCI)			
Items that are or may be reclassified to profit or loss:			
Foreign exchange translation differences – foreign operations*		**298,673**	105,716
Foreign exchange translation differences recycled to profit or loss due to change in ownership resulting in control		**837**	38,277
Share of other comprehensive income of equity-accounted investees	17	**7,823**	(3,002)
Cash flow hedges – effective portion of changes in fair value		**(83,489)**	(32,946)
Cash flow hedges – reclassified to profit or loss		**7,984**	2,180
Related tax on changes in fair value of cash flow hedges		**4,837**	1,443
Items that will never be reclassified to profit or loss:			
Re-measurements of post-employment benefit obligations		**(33,265)**	(3,812)
Related tax		**178**	712
Other comprehensive income for the year, net of tax		**203,578**	108,568
Total comprehensive income for the year		**1,145,580**	1,303,121
Total comprehensive income attributable to:			
Owners of the Company		**1,054,568**	1,225,819
Non-controlling interests		**91,012**	77,302

* A significant portion of this includes foreign exchange translation differences arising from the translation of goodwill and purchase price adjustments which are denominated in foreign currencies at the Group level. The translation differences arising on account of translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency are also reflected here. There are no differences on translation from the Company's functional to presentation currency as it is pegged to the presentation currency.

The accompanying notes form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	2020 USD'000	2019 USD'000
Assets			
Non-current assets			
Property, plant and equipment	11	**13,063,653**	12,226,735
Right-of-use assets	12	**2,287,314**	2,080,908
Investment properties	13	**1,656,446**	1,672,911
Intangible assets and goodwill	14	**11,213,488**	10,054,701
Investment in equity-accounted investees	17	**2,253,538**	2,200,252
Other investments		**20,487**	20,009
Deferred tax assets	8	**51,107**	–
Due from Parent Company	19(a)	**1,545,511**	–
Accounts receivable and prepayments	19(b)	**754,821**	675,845
Total non-current assets		**32,846,365**	28,931,361
Current assets			
Inventories	18	**182,649**	156,393
Properties held for development and sale	15	**138,210**	194,612
Due from Parent Company	19(a)	**962**	30
Accounts receivable and prepayments	19(b)	**2,009,472**	1,836,765
Cash and cash equivalents	20	**2,142,110**	2,943,359
Asset held for sale	21	**22,590**	–
Total current assets		**4,495,993**	5,131,159
Total assets		**37,342,358**	34,062,520
Equity			
Share capital	30	**1,660,000**	1,660,000
Share premium		**2,472,655**	2,472,655
Shareholders' reserve		**2,000,000**	2,000,000
Retained earnings		**8,691,836**	8,179,779
Translation reserve		**(1,614,333)**	(1,904,817)
Other reserves	31	**(674,758)**	(592,451)
Equity attributable to owners of the Company		**12,535,400**	11,815,166
Hybrid equity instrument	32	**1,476,686**	–
Non-controlling interests	25	**1,388,423**	1,032,052
Total equity		**15,400,509**	12,847,218
Liabilities			
Non-current liabilities			
Loans and borrowings	33	**12,617,341**	12,185,472
Lease and service concession liabilities	34	**2,970,202**	2,287,655
Loans from non-controlling shareholders	35	**810,366**	688,017
Accounts payable and accruals	24	**306,451**	379,271
Deferred tax liabilities	8	**998,382**	937,967
Employees' end of service benefits	22	**191,395**	176,227
Pension and post-employment benefits	23	**353,252**	347,406
Total non-current liabilities		**18,247,389**	17,002,015
Current liabilities			
Loans and borrowings	33	**498,014**	1,095,412
Lease and service concession liabilities	34	**194,240**	225,535
Loans from non-controlling shareholders	35	**1,000**	1,000
Accounts payable and accruals	24	**2,758,892**	2,663,660
Income tax liabilities	8	**119,367**	120,888
Pension and post-employment benefits	23	**122,947**	106,792
Total current liabilities		**3,694,460**	4,213,287
Total liabilities		**21,941,849**	21,215,302
Total equity and liabilities		**37,342,358**	34,062,520

The accompanying notes form an integral part of these consolidated financial statements.

The consolidated financial statements were authorised for issue on 18 March 2021.

SULTAN AHMED BIN SULAYEM
CHAIRMAN AND CHIEF EXECUTIVE OFFICER

YUVRAJ NARAYAN
CHIEF FINANCIAL, STRATEGY AND BUSINESS OFFICER

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to equity holders of the Company								
	Share capital and premium USD'000	Share holders' reserve USD'000	Retained earnings USD'000	Translation reserve USD'000	Other reserves USD'000	Total USD'000	Hybrid equity instrument USD'000	Non-controlling interests USD'000	Total equity USD'000
Balance as at 1 January 2019	4,132,655	2,000,000	7,712,784	(1,976,051)	(558,190)	11,311,198	–	687,720	11,998,918
Adjustment on initial application of IFRS 16 (net of tax) (refer to note 2(c)*(iv)*)	–	–	(385,263)	–	–	(385,263)	–	(14,312)	(399,575)
Adjusted balance as at 1 January 2019	4,132,655	2,000,000	7,327,521	(1,976,051)	(558,190)	10,925,935	–	673,408	11,599,343
Profit for the period	–	–	1,188,846	–	–	1,188,846	–	5,707	1,194,553
Other comprehensive income, net of tax	–	–	–	71,234	(34,261)	36,973	–	71,595	108,568
Transactions with owners, recognised directly in equity									
Dividends paid (refer to note 10)	–	–	(356,900)	–	–	(356,900)	–	–	(356,900)
Change in non-controlling interests without change in control	–	–	20,312	–	–	20,312	–	100,993	121,305
Transactions with non-controlling interests, recognised directly in equity									
Contributions by non-controlling interests	–	–	–	–	–	–	–	42,597	42,597
Acquisition of subsidiary with non-controlling interests	–	–	–	–	–	–	–	256,917	256,917
Dividends paid	–	–	–	–	–	–	–	(119,165)	(119,165)
Balance as at 31 December 2019	**4,132,655**	**2,000,000**	**8,179,779**	**(1,904,817)**	**(592,451)**	**11,815,166**	**–**	**1,032,052**	**12,847,218**
Profit for the period	**–**	**–**	**846,391**	**–**	**–**	**846,391**	**–**	**95,611**	**942,002**
Other comprehensive income, net of tax	**–**	**–**	**–**	**290,484**	**(82,307)**	**208,177**	**–**	**(4,599)**	**203,578**
Transactions with owners, recognised directly in equity									
Dividends paid (refer to note 10)	**–**	**–**	**(332,000)**	**–**	**–**	**(332,000)**	**–**	**–**	**(332,000)**
Change in non-controlling interests without change in control	**–**	**–**	**(2,334)**	**–**	**–**	**(2,334)**	**–**	**2,234**	**(100)**
Transactions with non-controlling interests, recognised directly in equity									
Contributions by non-controlling interests	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**45,591**	**45,591**
Acquisition of subsidiary with non-controlling interests	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**338,243**	**338,243**
Dividends paid	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(120,709)**	**(120,709)**
Hybrid equity instruments									
Net proceeds from issuance (refer to note 32)	**–**	**–**	**–**	**–**	**–**	**–**	**1,476,686**	**–**	**1,476,686**
Balance as at 31 December 2020	**4,132,655**	**2,000,000**	**8,691,836**	**(1,614,333)**	**(674,758)**	**12,535,400**	**1,476,686**	**1,388,423**	**15,400,509**

The accompanying notes form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	2020 USD'000	2019 USD'000
Cash flows from operating activities			
Profit for the year		**942,002**	1,194,553
Adjustments for:			
Depreciation and amortisation	6	**1,306,755**	1,062,454
Impairment loss	6	**7,782**	32,092
Share of profit from equity-accounted investees (net of tax)		**(24,116)**	(110,649)
Finance costs	7	**1,027,298**	850,170
(Gain)/loss on sale of property, plant and equipment		**(2,417)**	1,793
(Gain)/loss on disposal and change in ownership of business	9	**(115,088)**	55,622
Finance income	7	**(154,397)**	(146,448)
Income tax expense	8	**141,196**	186,150
Gross cash flows from operations		**3,129,015**	3,125,737
Changes in:			
Inventories		**(20,403)**	(17,611)
Accounts receivable and prepayments		**(34,299)**	(385,599)
Accounts payable and accruals		**(218,060)**	(429,913)
Properties held for development and sale		**3,363**	4,650
Provisions, pensions and post-employment benefits		**41,411**	164,728
Cash generated from operating activities		**2,901,027**	2,461,992
Income taxes paid		**(216,665)**	(208,236)
Net cash from operating activities		**2,684,362**	2,253,756
Cash flows from investing activities			
Additions to property, plant and equipment	11	**(945,149)**	(1,032,128)
Additions to investment properties	13	**(66,452)**	(105,255)
Additions to port concession assets	14	**(64,428)**	(8,969)
Additional investment in equity-accounted investees		**(108,151)**	(85,000)
Return of capital from other investments		**–**	13,495
Advance paid for purchase of investments		**(59,604)**	–
Proceeds from disposal of assets		**33,309**	17,327
Proceeds from disposal of shares in equity-accounted investees		**–**	41,337
Net cash outflow on acquisition of subsidiaries		**(276,585)**	(1,234,286)
Interest received		**45,190**	76,170
Dividends received from equity-accounted investees	17	**57,466**	124,146
Net cash used in investing activities		**(1,384,404)**	(2,193,163)
Cash flows from financing activities			
Repayment of loans and borrowings		**(2,522,039)**	(1,446,158)
Drawdown of loans and borrowings		**1,870,540**	3,146,195
Repayment of shareholder loans		**(46,014)**	–
Drawdown of shareholder loans		**89,379**	–
Net proceeds from issuance of hybrid equity instrument		**1,476,686**	–
Loan given to Parent company		**(1,500,000)**	–
Repayment of lease liabilities	34(a)	**(379,825)**	(302,831)
Redemption of Sukuk	33	**–**	(232,014)
Interest paid		**(697,685)**	(605,333)
Dividends paid to the owners of the Company		**(332,000)**	(356,900)
Proceeds from disposal of non-controlling interest in subsidiaries		**–**	227,533
Net cash outflow on acquisition of additional interest in subsidiaries		**(100)**	(90,564)
Contribution by non-controlling interests		**45,591**	42,597
Dividend paid to non-controlling interests		**(120,709)**	(119,165)
Net cash (used in)/ from financing activities		**(2,116,176)**	263,360
Net (decrease)/ increase in cash and cash equivalents		**(816,218)**	323,953
Cash and cash equivalents as at 1 January		**2,943,359**	2,614,710
Effect of exchange rate fluctuations on cash held		**14,969**	4,696
Cash and cash equivalents as at 31 December	20	**2,142,110**	2,943,359

The accompanying notes form an integral part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Corporate information

DP World Limited (formerly DP World PLC) was incorporated on 9 August 2006 as a Company Limited by Shares with the Registrar of Companies of the Dubai International Financial Centre ("DIFC") under the DIFC Companies Law. The consolidated financial statements for the year ended 31 December 2020 comprise the Company and its subsidiaries (collectively referred to as "the Group") and the Group's interests in equity-accounted investees. The Group is engaged in the business of development and management of international marine and inland terminal operations, maritime services, maritime transport, industrial parks, economic zones, logistics services, associated land development and investment in innovative technology-driven trade solutions.

Port & Free Zone World FZE ("PFZW" or "the Parent Company"), which originally held 100% of the Company's issued and outstanding share capital, made an initial public offer of 19.55% of its share capital to the public and the Company was listed on the Nasdaq Dubai with effect from 26 November 2007. The Company was further admitted to trade on the London Stock Exchange with effect from 1 June 2011 and voluntarily delisted from the London Stock Exchange on 21 January 2015.

On 23 March 2020, the Company published a scheme circular in connection with the recommended cash offer by Port & Free Zone World FZE for the entire issued and to be issued ordinary share capital of the Company, other than the Company shares already owned by or on behalf of the Parent Company to be implemented by means of a scheme of arrangement. On 22 June 2020, the scheme became effective and DP World PLC was delisted from Nasdaq Dubai on 23 June 2020. Effective 5 July 2020, DP World PLC has been re-registered as a private company and the name of the company has been changed to "DP World Limited". DP World Limited is now 100% owned by Port & Free Zone World FZE.

Port & Free Zone World FZE is a wholly owned subsidiary of Dubai World Corporation ("the Ultimate Parent Company").

The Company's registered office address is P.O. Box 17000, Dubai, United Arab Emirates.

2. Basis of preparation of the consolidated financial statements

The consolidated financial statements have been prepared on going concern basis in accordance with International Financial Reporting Standards ("IFRS") as published by International Accounting Standards Board (IASB) and the applicable provisions of the DIFC Companies Law.

The consolidated financial statements have been prepared on the historical cost basis, except for financial instruments, contingent consideration and plan assets in defined pension plans which are measured at fair value.

a) Use of estimates and judgements

The management makes estimates and judgements affecting the application of accounting policies and reported numbers in the consolidated financial statements. The significant estimates and judgements are listed below:

i. Estimate of useful lives of property, plant and equipment and port concession rights with finite lives.
ii. Estimate of expected future cash flows and discount rates for calculating present value of such cash flows used to compute value-in-use of cash-generating units.
iii. Estimate of fair value of derivatives for which an active market is not available, is computed using various generally accepted valuation techniques. Such techniques require inputs from observable markets and judgements on market risk and credit risk.
iv. Estimates of cost to complete the projects for the purpose of valuation of the properties held for development and sale and investment properties under construction.
v. Estimate of level of probability of a contingent liability becoming an actual liability and resulting cash outflow based on the information available on the reporting date.
vi. Estimate to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.
vii. Estimate to measure expected credit losses for financial assets.
viii. Estimate required by actuaries in respect of discount rates, future salary increments, mortality rates and inflation rate used for computation of defined benefit liability.
ix. Judgement in calculating the appropriate discount rate and lease term.
x. Judgement is required in determine whether or not a contract contains a lease.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

2. Basis of preparation of the consolidated financial statements continued

a) Use of estimates and judgements continued

xi. Judgement is required on recognition of an identifiable intangible asset separate from goodwill in case of business combination at its estimated fair value. This is based on information available and management's expectations on the date of acquisition.

xii. Judgement is required for consolidation of entities in which the Group holds less than 50% shareholding and non-consolidation of entities in which the Group holds more than 50% shareholding (refer to note 27).

xiii. Judgement is required to determine whether or not the Group has significant influence over an investee.

xiv. Judgement is required in determining the worldwide provision for income taxes.

The actual results may differ from the estimates and judgements made by the management in the above matters. Revisions to the accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Management has also reassessed significant judgements, estimates and assumptions primarily due to the current economic uncertainties arising from the recent outbreak of the Novel Coronavirus (COVID-19) as outlined below:

COVID-19

At the start of the pandemic, the world suffered a production shock in China, followed by a demand shock in Europe and North America. After an initial significant dip in volumes, traffic recovered at Group's port in China. The Group's early investment in digital technology and automation ensured the Group faced minimal disruption at its locations. The Group's response to the pandemic was rapid and resolute in continuing to provide our services, maintain operations and protect customers, employees and host communities without compromising on safety. Around the world, the Group has established dedicated teams to monitor, implement, educate and communicate control measures. The Group also monitors, and acts on, every health measure laid down by local government regulations and the WHO, whilst ensuring vital trade continues to flow so that societies have what they need to face the crisis.

As part of Group's strategy to participate across the supply chain to reduce inefficiencies and connect directly with owners of cargo, the Group continued to invest in Logistics and Maritime sector during the year. By integrating the new acquisitions and investing in innovation and technology, the Group continued to assist customers who were struggling with logistics amid the COVID-19 pandemic.

The Ferries business has faced a challenging trading environment during the year given the lockdown in UK and Europe, resulting in reduced passenger activity, but we continue to transport critical cargo for consumers. As indicated in note 9, certain restructuring costs were incurred mainly relating to severance pay associated with redundancies resulting from the impact of COVID-19 on tourist part of our business in a subsidiary in 'Middle East, Europe and Africa' region. Apart from these costs there has been no significant impact on the Group's profitability attributed specifically to COVID-19 in the current period.

The Group is monitoring all capex closely, has implemented expansive cost control initiatives across all units, is seeking all possible revenue opportunities throughout the business to promote cash preservation and keeping a close watch on receivables. The Group has not observed any significant changes to debtor days as compared to the previous year.

Note on impairment review

IAS 36 Impairment of Assets requires that goodwill and intangible assets with indefinite lives are tested for impairment at a minimum every year and other non-financial assets are tested only when there are indicators of impairment that these assets might be impaired.

In the current year, given the impact of COVID-19 pandemic, the Group has updated the assumptions (discount rates and growth rates) and future cash flow projections to test for impairment reflecting the increased level of risk and uncertainty. The value in use of each cash-generating units ("CGU") is compared to the carrying amount to assess any probable impairment.

2. Basis of preparation of the consolidated financial statements continued

a) Use of estimates and judgements continued

Note on impairment review continued

The value in use is calculated using cash flow projections based on the revised financial budgets covering a three year period and a further outlook for five years, which is considered appropriate in view of the outlook for the industry and the long-term nature of the concession agreements held i.e. generally for a period of 25-50 years.

Refer note 16 for further details.

b) New standards and interpretations not yet effective

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2020 reporting periods and have not been early adopted by the group. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

3. Significant accounting policies

The following significant accounting policies have been consistently applied in the preparation of these consolidated financial statements throughout the Group to all the years presented, unless otherwise stated.

a) Basis of consolidation

i. Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The Group accounts for business combinations (including common control transactions) using the acquisition method when the acquired set of activities and assets meets the definition of a 'business' and 'control' is transferred to the Group.

The consideration (including contingent consideration) transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Transaction costs incurred for business combinations are expensed as incurred.

For each significant business combination, the Group engages external, independent and qualified valuers who have the relevant experiences to carry out the fair valuation exercise of the net assets based on market related assumptions and weighted average cost of capital.

ii. Business combination achieved in stages

On business combination achieved in stages, the acquirer's previously held interest in the acquiree is remeasured to fair value at the date of acquisition with any resulting gain or loss recognised in the consolidated statement of profit or loss.

iii. Change in ownership interests in subsidiaries without loss of control

Changes in the Group's interests in a subsidiary that does not result in a loss of control are accounted for as transactions with owners in their capacity as owners and therefore no goodwill is recognised as a result of such transactions. The difference between the fair value of any consideration paid or received and relevant shares acquired or disposed off in the carrying value of net assets of the subsidiary is recorded in equity under retained earnings.

iv. Disposal of subsidiaries (loss of control)

On the loss of control, the Group derecognises the subsidiary and recognises any surplus or deficit arising on the loss of control in the consolidated statement of profit or loss. Any retained interest is re-measured at fair value on the date control is lost and is subsequently accounted as an equity-accounted investee or as a Fair Value through other comprehensive income (FVOCI) equity instrument depending on the level of influence retained.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

3. Significant accounting policies continued
a) Basis of consolidation continued
v. Non-controlling interests
For each business combination, the Group elects to measure any non-controlling interests either at their proportionate share of the acquiree's identifiable net assets at the date of acquisition or at its fair value.

Where a put option is held by a non-controlling interest in a subsidiary, whereby that party can require the Group to acquire the NCI's shareholding in the subsidiary at a future date, but the NCI retain present access to the results of the subsidiary, the Group applies the present access method of accounting to this arrangement. The Group recognises a put option liability at its discounted fair value, being the Group's estimate of the amount required to settle that liability with a corresponding reserve in equity. Any subsequent remeasurements of put option liability due to changes in the fair value of the put liability estimation are recognised in the equity and not in the consolidated statement of profit or loss.

vi. Structured entities
Structured entities are those entities that have been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity and the relevant activities of these entities are directed by means of contractual arrangements. The Group has established various structured entities for issuing various sukuk certificates and subordinated perpetual certificates. The Group does not have any direct or indirect shareholding in these entities. The Group controls and consolidates these structured entities as it is exposed to, or has rights to, variable returns from its involvement with these entities and has the ability to affect those returns through its power over these entities.

vii. Investments in associates and joint ventures
The Group's interest in equity-accounted investees comprise interest in associates and joint ventures. An associate is an entity over which the Group has significant influence. A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture.

Investments in equity-accounted investees are accounted for using the equity method and are initially recorded at cost including transaction costs. The Group's investment includes fair value adjustments (including goodwill) net of any accumulated impairment losses.

At each reporting date, the Group determines whether there is any objective evidence that the investments in the equity-accounted investees are impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the equity-accounted investees and its carrying value and recognises the same in the consolidated statement of profit or loss.

viii. Transactions eliminated on consolidation
Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from the transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

b) Foreign currency
i. Functional and presentation currency
The functional currency of the Company is UAE Dirhams. Items included in the financial statements of each of the Group's entities are measured using the currency of the primary environment in which it operates (functional currency). These consolidated financial statements are presented in US dollar ("USD"), which is the Group's presentation currency. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

ii. Foreign currency transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in the consolidated statement of profit or loss.

3. Significant accounting policies continued
b) Foreign currency continued
ii. Foreign currency transactions and balances continued
Non-monetary assets and liabilities denominated in foreign currency are translated to the functional currency of each entity at the foreign exchange rate ruling at the date of transaction with no further re-measurement in future.

iii. Foreign operations
For the preparation of consolidated financial statements, the differences arising on translation of financial statements of foreign operations into USD are recognised in other comprehensive income and accumulated in the translation reserve except to the extent of share of non-controlling interests in such differences. Accumulated translation differences are recycled to profit or loss on de-recognition of foreign operations as part of the gain or loss on such derecognition. In case of partial derecognition, accumulated differences proportionate to the stake derecognised are recycled.

If the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, then foreign currency differences arising from such item form part of the net investment in the foreign operation. Accordingly, such differences are recognised in the consolidated statement of other comprehensive income and accumulated in the translation reserve.

Foreign currency differences arising on the retranslation of a financial liability designated as a hedge of a net investment in a foreign operation are recognised in the consolidated statement of other comprehensive income, to the extent that the hedge is effective.

c) Financial instruments
i. Non-derivative financial assets
Classification, initial recognition and measurement
Under IFRS 9 *Financial Instruments*, on initial recognition, a financial asset is classified and measured at:
- Amortised cost;
- Fair value through other comprehensive income ('FVOCI') – debt instrument;
- FVOCI – equity instrument; or
- Fair value through profit or loss ('FVTPL').

The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and also on the basis of the contractual cash flows characteristics of the financial instrument.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:
- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:
- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Derecognition of financial assets
The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred and it does not retain control of the financial asset.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

3. Significant accounting policies continued

c) Financial instruments continued

ii. Non-derivative financial liabilities

Classification, initial recognition and measurement

Under IFRS 9, financial liabilities at inception can be classified either at amortised cost or FVTPL.

The Group's non-derivative financial liabilities consist of loans and borrowings, lease liabilities, bank overdrafts, amounts due to related parties, and trade and other payables. All non-derivative financial liabilities are recognised initially at fair value less any directly attributable transaction costs. The Group classifies all its non-derivative financial liabilities as financial liabilities to be carried at amortised cost using effective interest method.

The subsequent measurement of non-derivative financial liabilities are carried at their amortised cost using the effective interest method.

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expired. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

Convertible bond

Convertible bonds issued by the Group are denominated in USD and can be converted into ordinary shares. Convertible bonds are split into two components: a debt component and a component representing the embedded derivative in the convertible bond. The debt component represents a non-derivative financial liability for future coupon payments and the redemption of the principal amount. The embedded derivative, a financial derivative liability, represents the value of the option that bond holders can convert into ordinary shares. The Group has not recorded the embedded derivative within equity due to the existence of cash settlement terms with the Company.

iii. Derivative financial instruments and hedge accounting

The Group holds derivative financial instruments such as forward currency contracts and interest rate swaps to hedge its cash flows exposed to risk of fluctuations in foreign currencies and interest rates.

The Group has elected to adopt the new general hedge accounting model in IFRS 9. This requires the Group to ensure that hedge accounting relationships are aligned with its risk management objectives and strategy and to apply a more qualitative and forward-looking approach to assessing hedge effectiveness.

Initial recognition

Derivatives are recognised initially at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are either recognised in the consolidated statement of profit or loss or in the consolidated statement of other comprehensive income.

The Group designates certain derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in foreign exchange rates and interest rates and certain derivatives and non-derivative financial liabilities as hedges of foreign exchange risk on a net investment in a foreign operation.

On initial designation of the derivatives as the hedging instrument, the Group formally documents the risk management objective and strategy for undertaking the hedge. The Group also documents the economic relationship between the hedging instrument and hedged item, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other together with the methods that will be used to assess the effectiveness of the hedging relationship.

Subsequent measurement

Changes in the fair value of the derivative hedging instrument designated as a cash flow hedge are recognised directly in consolidated statement of other comprehensive income to the extent that the hedge is effective and presented in the hedging reserve in equity. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in the consolidated statement of profit or loss.

3. Significant accounting policies continued

c) Financial instruments continued

iii. Derivative financial instruments and hedge accounting continued

Subsequent measurement continued

When the hedged item is a non-financial asset, the amount recognised in the consolidated statement of other comprehensive income is transferred to the carrying amount of the asset when it is recognised. In other cases, the amount recognised in consolidated statement of other comprehensive income is transferred to the consolidated statement of profit or loss in the same period that the hedged item affects the consolidated statement of profit or loss.

When a derivative instrument or a non-derivative financial liability is designated as the hedging instrument in a hedge of a net investment in a foreign operation, the effective portion of, for a derivative, changes in the fair value of the hedging instrument or, for a non-derivative, foreign exchange gains and losses is recognised in OCI and presented in the translation reserve within equity. Any ineffective portion of the changes in the fair value of the derivative or foreign exchange gains and losses on the non-derivative is recognised immediately in profit or loss. The amount recognised in OCI is reclassified to profit or loss as a reclassification adjustment on disposal of the foreign operation.

Derivative instruments that are not designated as hedging instruments in hedge relationships are classified as financial liabilities or assets at fair value through profit or loss.

Derecognition

If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, or the designation is revoked, then hedge accounting is discontinued prospectively. The cumulative gain or loss previously recognised in consolidated statement of other comprehensive income remains there until the forecast transaction or firm commitment occurs. If the forecast transaction or firm commitment is no longer expected to occur, then the balance in equity is reclassified to the consolidated statement of profit or loss.

d) Property, plant and equipment

i. Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses (refer to note 3(j)*(i)*).

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of a self-constructed asset includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use and the cost of dismantling and removing the items and restoring the site on which they are located. Such property, plant and equipment does not directly increase the future economic benefits of any particular existing item of property, plant and equipment, but may be necessary for an entity to obtain the future economic benefits from its other assets.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

Capital work-in-progress is measured at cost less impairment losses and not depreciated until such time the assets are ready for intended use and transferred to the respective category under property, plant and equipment.

Dredging

Dredging expenditure is categorised into capital dredging and major maintenance dredging. Capital dredging is expenditure which includes creation of a new harbour, deepening or extension of the channel berths or waterways in order to allow access to larger ships which will result in future economic benefits for the Group. This expenditure is capitalised and amortised over the expected period of the relevant concession agreement. Major maintenance dredging is expenditure incurred to restore the channel to its previous condition and depth. Maintenance dredging is regarded as a separate component of the asset and is capitalised and amortised evenly over 10 years.

ii. Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

3. Significant accounting policies continued
d) Property, plant and equipment continued
iii. Depreciation
Land and capital work in progress are not depreciated. Depreciation on other assets is recognised in the consolidated statement of profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment and is based on cost less residual value. Leased assets are depreciated on straight-line basis over their estimated useful lives or lease term whichever is shorter.

The estimated useful lives of assets are as follows:

Assets	Useful life (years)
Buildings	5 – 50
Plant and equipment	3 – 30
Vessels	5 – 30
Dredging (included in land and buildings)	10 – 99

Dredging costs are depreciated on a straight line basis based on the lives of various components of dredging.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted prospectively, if appropriate.

iv. Borrowing costs
Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time, the assets are substantially ready for their intended use or sale.

e) Investment properties
Investment property is measured initially at cost, including related transaction costs and where applicable borrowing costs. After initial recognition, investment property is carried at cost less accumulated depreciation and impairment, if any. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably.

Investment property under construction is not depreciated until such time as the relevant assets are completed and commissioned.

Land is not depreciated. Depreciation is calculated using the straight-line method to allocate the cost to the residual values over the estimated useful lives, as follows:

Assets	Useful life (years)
Buildings	20 – 50
Infrastructure	5 – 50

The useful lives and depreciation methods are reviewed periodically to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from these assets.

f) Land use rights
Land use rights represents the prepaid lease payments of leasehold interests in land under operating lease arrangements. These rights are amortised using the straight-line method to allocate the cost over the term of rights of 99 years.

g) Goodwill
Goodwill arises on the acquisition of subsidiaries and equity-accounted investees. Goodwill represents the excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets and liabilities of the acquiree.

3. Significant accounting policies continued
g) Goodwill continued
Goodwill is measured at cost less accumulated impairment losses (refer to note 3(j)*(i)*). Goodwill is not amortised but is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired. An impairment loss in respect of goodwill is not reversed.

In respect of equity-accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment and is not tested for impairment separately.

h) Port concession rights
The Group classifies the port concession rights as intangible assets as the Group bears demand risk over the infrastructure assets. Substantially all of the Group's terminal operations are conducted pursuant to long-term operating concessions or leases entered into with the owner of a relevant port for terms generally between 25 and 50 years (excluding the port concession rights relating to equity-accounted investees). The Group commonly starts negotiations regarding renewal of concession agreements with approximately 5-10 years remaining on the term and often obtains renewals or extensions on the concession agreements in advance of their expiration in return for a commitment to make certain capital expenditures in respect of the subject terminal. In addition, such negotiations may result in the re-basing of rental charges to reflect prevailing market rates. However, based on the Group's experience, incumbent operators are typically granted renewal often because it can be costly for a port owner to switch operators, both administratively and due to interruptions to port operations and reduced productivity associated with such transactions. Port concession rights consist of:

i. Port concession rights arising on business combinations
The cost of port concession rights acquired in a business combination is the fair value as at the date of acquisition.

Following initial recognition, port concession rights are carried at cost less accumulated amortisation and any accumulated impairment losses (refer to note 3(l)*(i)*). The useful lives of port concession rights are assessed to be either finite or indefinite.

Port concession rights with finite lives are amortised on a straight-line basis over the useful economic life and assessed for impairment whenever there is an indication that the port concession rights may be impaired. The amortisation period and amortisation method for port concession rights with finite useful lives are reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the assets are accounted for by changing the amortisation period or method, as appropriate, and treated as changes in accounting estimates. The amortisation expenses on port concession rights with finite useful lives are recognised in the consolidated statement of profit or loss on a straight-line basis.

Port concession rights with indefinite lives (arising where freehold rights are granted) are not amortised and are tested for impairment at least on an annual basis or when the impairment indicator exists, either individually or at the cash-generating unit level. The useful life of port concession rights with an indefinite life is reviewed annually to determine whether the indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is made on a prospective basis.

ii. Port concession rights arising from Service Concession Arrangements (IFRIC 12)
The Group recognises port concession rights arising from a service concession arrangement, in which the grantor (government or port authorities) controls or regulates the services provided and the prices charged, and also controls any significant residual interest in the infrastructure such as property, plant and equipment, if the infrastructure is existing infrastructure of the grantor or the infrastructure is constructed or purchased by the Group as part of the service concession arrangement.

Any amounts paid by the operator to the grantor as a consideration for obtaining the rights relating to concession arrangements are also accounted as part of port concession rights. These port concession rights are amortised over the life of the concession period on straight line basis.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

3. Significant accounting policies continued

h) Port concession rights continued

ii. Port concession rights arising from Service Concession Arrangements (IFRIC 12) continued

Port concession rights also include certain property, plant and equipment which are reclassified as intangible assets in accordance with IFRIC 12 '*Service Concession Arrangements*'. These assets are amortised based on the lower of their useful lives or concession period.

Gains or losses arising from de-recognition of port concession rights are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the consolidated statement of profit or loss when the asset is derecognised.

The estimated useful lives for port concession rights range within a period of 15 – 50 years (including the concession rights relating to equity-accounted investees).

i) Properties held for development and sale

Properties acquired, constructed or in the course of construction for sale are classified as properties held for development and sale. Properties held for development and sale are stated at the lower of cost or net realisable value.

Cost includes the cost of right to reclaim the land, cost of infrastructure, construction and other related expenditure such as professional fees and engineering costs attributable to the project, which are capitalised as and when the activities, that are necessary to enable the assets to be ready for the intended use are in progress. Net realisable value represents the estimated selling price in the ordinary course of business, based on market prices at the reporting date discounted for the time value of money, if material, less costs to complete and costs to be incurred in selling the property.

The Group reviews the carrying values of the properties held for development and sale at each reporting date for any impairment.

j) Inventories

Inventories mainly consist of spare parts and consumables. Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on weighted average method and includes expenditure incurred in acquiring inventories and bringing them to their existing location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

k) Leases

i. Group as a lessee

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated over the shorter of the asset's useful life or the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in statement of profit or loss.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate.

3. Significant accounting policies continued

k) Leases continued

i. Group as a lessee continued

Lease payments included in the measurement of the lease liability comprise the following:
- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets and lease liabilities separately on statement of financial position.

Variable lease payments that depend on revenue and output are recognised in statement of profit or loss in the period in which the condition that triggers those payments occurs.

ii. Group as a lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of revenue (refer to note 3 (p)*(iii)*).

l) Impairment

i. Non-financial assets

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets are reviewed for impairment whenever there is an indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, the assets are grouped together into smallest group of assets (cash generating unit or "CGU") that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

Goodwill and port concession rights with infinite useful lives, as part of their respective cash-generating units, are also reviewed for impairment at each reporting date or at least once in a year regardless of any indicators of impairment. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash generating unit.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

3. Significant accounting policies continued

l) Impairment continued

i. Non-financial assets continued

Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro-rata basis.

In respect of non-financial assets (other than goodwill), impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount, which would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

ii. Impairment of non-derivative financial assets

IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' (ECL) model. The new impairment model applies to financial assets measured at amortised cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments. Under IFRS 9, credit losses are recognised earlier than under IAS 39.

The financial assets at amortised cost consist of trade receivables and cash and cash equivalents.

Under IFRS 9, loss allowances are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from possible default events within the 12 months after the reporting date; and
- lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

The Group measures loss allowances at an amount equal to lifetime ECLs. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The Group considers a financial asset to be in default when:

- the borrower is unlikely to pay credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any are held); or
- the financial asset is more than 180 days past due.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

m) Employee benefits

i. Pension and post-employment benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan in which the Company pays the fixed contribution to a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an expense in the consolidated statement of profit or loss during which the services are rendered by employees.

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.

The Group's net obligation in respect of defined benefit pension plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine the present value, and the fair value of any plan asset is deducted to arrive at net obligation. The calculation is performed annually by a qualified actuary using the projected unit credit method which attributes entitlement to benefits to the current period (to determine current service cost) and to the current and prior periods (to determine the present value of defined benefit obligation) and is based on actuarial advice.

3. Significant accounting policies continued

m) Employee benefits continued

i. Pension and post-employment benefits continued

Re-measurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest) are recognised directly in the consolidated statement of other comprehensive income. The cost of providing benefits under the defined benefit plans is determined separately for each plan.

Contributions, including lump sum payments, in respect of defined contribution pension schemes and multi-employer defined benefit schemes where it is not possible to identify the Group's share of the scheme, are charged to the consolidated statement of profit or loss as they fall due.

ii. Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

n) Provisions

Provisions for environmental restoration, restructuring costs and legal claims are recognised when: the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a finance cost in the consolidated statement of profit or loss.

o) Hybrid equity instrument

The subordinated perpetual certificates ("hybrid bond") issued by the Group incorporate options for redemption at the initiative of the Company. These options may be exercised after a minimum period that depends on the specific terms of the issue, and subsequently at each coupon date or in the event of highly specific circumstances. The annual coupon rate is fixed and reviewable based on contractual clauses that vary according to the specific terms of the issuance. There is no contractual obligation for the Company to make any profit payment, due to the existence of contractual clauses entitling it to defer payment indefinitely. However, those clauses stipulate that any deferred payments must be made in the event of a dividend distribution to the shareholders. All these features give the Company an unconditional right to avoid paying out cash or another financial asset for the principal or profit. Consequently, in compliance with IAS 32, these subordinated perpetual bonds are recorded as hybrid equity instrument, net of transaction costs and any coupon payment made is treated as dividends (refer to note 32).

p) Revenue

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

The Group's revenue mainly consists of port related services (containerised stevedoring, break bulk and general cargo), service concession revenue, lease rentals, drydocking, maritime and logistics services and revenue from sale of plots of land.

The following specific recognition criteria must also be met before revenue is recognised:

i. Rendering of port related services

The Group's revenue mainly consists of port related services (containerised stevedoring, break bulk, general cargo, and marine services) which are generally carried out in a short span of time. These port related services are contracted with the customers as a single transaction. These port related services have high degree of integration and accordingly, constitute a single distinct performance obligation for the Group. Revenue from these services is recognised at the point in time when the services are rendered to the customer and are usually payable within 30 to 45 days.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

3. Significant accounting policies continued
p) Revenue continued
i. Rendering of port related services continued
The Group also provides container storage services at the request of the customer based on the usage period in the storage yard which constitute a separate distinct performance obligation. Revenue from container storage services is recognised over a period of storage days and are usually payable within 30 to 45 days.

For revenue recognition, the Group determines the transaction price in accordance with the tariff rates published by the port authorities in certain jurisdictions or agreed rates with the customers.

ii. Service concession arrangements
Revenues relating to construction contracts which are entered into with government authorities for the construction of the infrastructure necessary for the provision of services are measured at the fair value of the consideration received or receivable. Revenue from service concession arrangements is recognised based on the fair value of construction work performed at the reporting date. The Group recognises revenue and costs relating to construction services over a period of time by reference to the stage of completion of the contract using the input method.

iii. Lease rentals and services from economic zones
A lease rental is recognised on a straight line basis over the lease term. Where the consideration for the lease is received for subsequent period, the attributable amount of revenue is deferred and recognised in the subsequent period. Unrecognised revenue is classified as deferred revenue under liabilities in the consolidated statement of financial position.

Revenue from administrative service, license and registration is recognised at the point in time when the services are rendered to the customer.

iv. Revenue from drydocking services
Revenue from drydocking services includes revenue from ship repair services, conversions, ship building, ship lifting, docking and undocking services.

Revenue from ship repair services, conversions and ship building is recognised over a period of time by reference to the stage of completion of the contract using the surveys of work performed and cost-to-cost method. Provisions for foreseeable losses are made in full, as soon as they are anticipated. When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that is probable will be recoverable. Advances received are included in contract liabilities.

Revenue from ship lifting, docking and undocking of vessels is recognised at the point in time when the customer consumes and takes the benefit of the services.

v. Revenue from maritime and logistics services
Revenue from maritime and logistics services is recognised over a period of time when the services are rendered to the customer.

vi. Revenue from sale of plots of land
Revenue from sale of plots of land is recognised when the control is transferred to the buyer. Control generally transfers when the customer has an ability to direct its use and obtains substantially all of its economic benefits.

q) Finance income and costs
Finance income comprises interest income on cash and cash equivalents and gains on hedging instruments that are recognised in the consolidated statement of profit or loss. Interest income is recognised as it accrues, using the effective interest method.

Finance costs comprises interest expense on borrowings, unwinding of discount on provisions, impairment losses recognised on financial assets, losses on hedging instruments and fair value changes of debt instruments that are recognised in the consolidated statement of profit or loss.

3. Significant accounting policies continued
q) Finance income and costs continued
Finance income and costs also include realised and unrealised exchange gains and losses on monetary assets and liabilities (refer to note 3 (b)*(ii)*).

r) Income tax
Income tax expense comprises current and deferred tax. Income tax expense is recognised in the consolidated statement of profit or loss except to the extent that it relates to a business combination, or items recognised directly in consolidated statement of other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income. It also includes any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax reflects the manner of recovery of underlying assets and is measured at the prevailing tax rates that are expected to be applied to the temporary differences when they reverse.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary differences can be utilized. Deferred tax assets are reviewed periodically and reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Current tax and deferred tax assets and liabilities are offset only if certain criteria are met.

s) Segment reporting
An operating segment is a component of the Group that engages in business activities from which it may earn revenue and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components for which discrete financial information is available. All operating segments' operating results are reviewed regularly by the Company's Board of Directors ('Chief Operating Decision Maker') to assess performance.

t) Separately disclosed items
The Group presents, as separately disclosed items on the face of the consolidated statement of profit or loss, those items of income and expense which, because of the nature and expected infrequency of the events giving rise to them, merit separate presentation to allow users to understand better, the elements of financial performance in the period, so as to facilitate a comparison with prior periods and a better assessment of trends in financial performance.

4. Segment information
The Group has identified the following geographic areas as its basis of segmentation.
- Asia Pacific and India
- Australia and Americas
- Middle East, Europe and Africa

In addition to the above reportable segments, the Group reports unallocated head office costs, finance costs, finance income and tax expense under the head office segment.

Each of these operating segments have an individual appointed as Segment Director responsible for these segments, who in turn reports to the Chief Operating Decision Maker.

The Group measures segment performance based on the earnings before separately disclosed items, interest, tax, depreciation and amortisation ("Adjusted EBITDA"). Although this is a non-IFRS measure, this will provide additional information to the users of the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4. Segment information continued

The Chief Operating Decision Maker also monitors certain key performance ratios from the perspective of capital management which are disclosed in note 36.

Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment, investment property, and port concession rights other than goodwill and right of assets added under IFRS 16 – Leases.

The following table presents certain results, assets and liabilities information regarding the Group's segments.

	Asia Pacific and India		Australia and Americas		Middle East, Europe and Africa		Head office		Total	
	2020 USD'000	2019 USD'000	**2020 USD'000**	2019 USD'000	**2020 USD'000**	2019 USD'000	**2020 USD'000**	2019 USD'000	**2020 USD'000**	2019 USD'000
Revenue	**793,250**	615,517	**1,713,277**	1,401,613	**6,026,036**	5,668,808	**–**	–	**8,532,563**	7,685,938
Adjusted EBITDA	**362,782**	347,478	**590,228**	437,195	**2,595,521**	2,725,980	**(229,076)**	(205,073)	**3,319,455**	3,305,580
Finance income*	**–**	–	**–**	–	**–**	–	**144,624**	103,422	**144,624**	103,422
Finance costs*	**–**	–	**–**	–	**–**	–	**(982,865)**	(818,965)	**(982,865)**	(818,965)
Tax expense*	**–**	–	**–**	–	**–**	–	**(194,759)**	(186,150)	**(194,759)**	(186,150)
Depreciation and amortisation	**(116,196)**	(93,528)	**(270,965)**	(214,047)	**(913,277)**	(746,826)	**(6,317)**	(8,053)	**(1,306,755)**	(1,062,454)
Adjusted net profit/ (loss) before separately disclosed items	**246,586**	253,950	**319,263**	223,148	**1,682,244**	1,979,154	**(1,268,393)**	(1,114,819)	**979,700**	1,341,433
Adjusted for separately disclosed items	**(2,425)**	(31,112)	**8,425**	(79,780)	**(58,497)**	(47,810)	**14,799**	11,822	**(37,698)**	(146,880)
Profit/ (loss) for the year	**244,161**	222,838	**327,688**	143,368	**1,623,747**	1,931,344	**(1,253,594)**	(1,102,997)	**942,002**	1,194,553

*Net finance cost and tax expense from various geographical locations and head office have been grouped under head office.

4. Segment information continued

	Asia Pacific and India		Australia and Americas		Middle East, Europe and Africa		Head office		Inter-segment		Total	
	2020 USD'000	2019 USD'000	**2020 USD'000**	2019 USD'000	**2020 USD'000**	2019 USD'000	**2020 USD'000**	2019 USD'000	**2020 USD'000**	2019 USD'000	**2020 USD'000**	2019 USD'000
Segment assets	**4,670,735**	4,182,808	**7,144,104**	6,020,083	**25,248,987**	24,497,625	**17,219,567**	16,385,259	**(16,941,035)**	(17,023,255)	**37,342,358**	34,062,520
Segment liabilities	**600,719**	499,314	**2,693,965**	2,159,692	**10,020,425**	10,133,693	**13,853,444**	14,125,189	**(6,344,453)**	(6,761,441)	**20,824,100**	20,156,447
Tax liabilities*	**–**	–	**–**	–	**–**	–	**1,117,749**	1,058,855	**–**	–	**1,117,749**	1,058,855
Total liabilities	**600,719**	499,314	**2,693,965**	2,159,692	**10,020,425**	10,133,693	**14,971,193**	15,184,044	**(6,344,453)**	(6,761,441)	**21,941,849**	21,215,302
Capital expenditure	**162,485**	69,406	**190,812**	301,013	**663,850**	731,179	**58,882**	44,754	**–**	–	**1,076,029**	1,146,352
Depreciation	**46,583**	44,528	**164,003**	132,553	**655,664**	516,840	**6,317**	7,860	**–**	–	**872,567**	701,781
Amortisation	**69,613**	49,000	**106,962**	81,494	**257,613**	229,986	**–**	193	**–**	–	**434,188**	360,673
Impairment loss	**–**	–	**894**	–	**6,888**	32,092	**–**	–	**–**	–	**7,782**	32,092
Share of profit/ (loss) of equity-accounted investees before separately disclosed items	**84,178**	108,065	**7,825**	25,528	**29,548**	19,708	**–**	–	**–**	–	**121,551**	153,301
Tax expense*	**–**	–	**–**	–	**–**	–	**141,196**	186,150	**–**	–	**141,196**	186,150
Revenue consists of:												
Revenue from ports and terminals	**433,976**	485,489	**1,489,360**	1,148,301	**2,577,515**	2,535,287	**–**	–	**–**	–	**4,500,851**	4,169,077
Drydocking, maritime and logistics services	**359,274**	130,028	**223,917**	253,312	**2,796,919**	2,153,852	**–**	–	**–**	–	**3,380,110**	2,537,192
Lease rentals and services from economic zones	**–**	–	**–**	–	**558,984**	578,951	**–**	–	**–**	–	**558,984**	578,951
Revenue from sale of plots of land	**–**	–	**–**	–	**92,618**	400,718	**–**	–	**–**	–	**92,618**	400,718
Total revenue	**793,250**	615,517	**1,713,277**	1,401,613	**6,026,036**	5,668,808	**–**	–	**–**	–	**8,532,563**	7,685,938
Timing of revenue recognition												
At a point in time	**412,745**	465,250	**1,387,670**	1,076,565	**2,535,147**	2,841,843	**–**	–	**–**	–	**4,335,562**	4,383,658
Over time	**380,505**	150,267	**325,607**	325,048	**3,490,889**	2,826,965	**–**	–	**–**	–	**4,197,001**	3,302,280
Total revenue	**793,250**	615,517	**1,713,277**	1,401,613	**6,026,036**	5,668,808	**–**	–	**–**	–	**8,532,563**	7,685,938

*Tax liabilities and tax expenses from various geographical locations have been grouped under head office.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. Revenue

	2020 USD'000	2019 USD'000
Revenue consists of:		
Revenue from ports and terminals	**4,500,851**	4,169,077
Drydocking, maritime and logistics services	**3,380,110**	2,537,192
Lease rentals and services from economic zones	**558,984**	578,951
Revenue from sale of plots of land*	**92,618**	400,718
Total	**8,532,563**	7,685,938

For geographical segmentation of above revenue refer to note 4.

The above revenue includes revenue from contracts with customers under IFRS 15 amounting to USD 7,338,919 thousand (2019: USD 6,606,456 thousand).

The above revenue includes revenue recognised over a period of time amounting to USD 4,197,001 thousand (2019: USD 3,302,280 thousand).

29.3% (2019: 29.2%) of the Group's revenue is derived from the top ten customers.

* 2019 includes sale of plot of land to Emaar Development PJSC ("Emaar") for a development project in Port Rashid in Dubai. Emaar will utilise this land for developing the Mina Rashid area and the Group will receive the agreed sales consideration between the fourth and ninth year after commencement of operations. The transaction was completed in June 2019 with the transfer of control of land to Emaar and accordingly the Group has recorded a revenue of USD 314,558 thousand (at discounted value of the deferred sales consideration).

6. Profit for the year

	2020 USD'000	2019 USD'000
Profit for the year is stated after charging the following costs:		
Staff costs	**1,920,038**	1,620,138
Depreciation and amortisation	**1,306,755**	1,062,454
Impairment loss (refer to note 9)	**7,782**	32,092

7. Finance income and costs

	2020 USD'000	2019 USD'000
Finance income		
Interest income*	**115,230**	82,990
Exchange gains	**29,394**	20,432
Finance income before separately disclosed items	**144,624**	103,422
Separately disclosed items (refer to note 9)	**9,773**	43,026
Finance income after separately disclosed items	**154,397**	146,448
Finance costs		
Interest expense on loans and borrowings **	**(710,415)**	(633,717)
Interest expense on lease liabilities	**(168,562)**	(138,749)
Exchange losses	**(97,048)**	(38,929)
Other net financing expense in respect of pension plans	**(6,840)**	(7,570)
Finance costs before separately disclosed items	**(982,865)**	(818,965)
Separately disclosed items (refer to note 9)	**(44,433)**	(31,205)
Finance costs after separately disclosed items	**(1,027,298)**	(850,170)
Net finance costs after separately disclosed items	**(872,901)**	(703,722)

* This includes interest income of USD 45,774 thousand (2019: Nil) on loan given to Parent Company.
** This includes interest expenses of USD 43,626 thousand (2019: 35,414 thousand) on loans from non-controlling shareholders.

8. Income tax

The major components of income tax expense for the year ended 31 December:

	2020 USD'000	2019 USD'000
Current tax expense		
Current year	**211,793**	215,600
Change in estimates related to prior years	**(7,359)**	(10,456)
	204,434	205,144
Deferred tax credit	**(63,238)**	(18,994)
Income tax expense	**141,196**	186,150
Share of income tax of equity-accounted investees	**52,051**	52,876
Total tax expense	**193,247**	239,026
Tax recognised in statement of other comprehensive income and retained earnings		
Current tax in OCI	**891**	1,323
Deferred tax in OCI	**5,963**	832
Current tax retained earnings adjustment on initial application of IFRS 16	**–**	193
Deferred tax retained earnings adjustment on initial application of IFRS 16	**–**	20,872
Total	**6,854**	23,220
Income tax balances included in the consolidated statement of financial position:		
Income tax receivable (included within accounts receivable and prepayments)	**10,351**	4,654
Income tax liabilities	**119,367**	120,888

The relationship between the total tax expense and the accounting profit can be explained as follows:

		2020 USD'000	2019 USD'000
Net profit before tax		**1,083,198**	1,380,703
Tax at the Company's domestic rate of 0% (2019: 0%)		**–**	–
Effect of tax rates in foreign jurisdictions		**190,887**	142,109
Net current year tax losses incurred, on which deferred tax is not recognised		**19,878**	38,450
Tax charge of equity-accounted investees		**52,051**	52,876
Effect of tax rate changes on deferred tax		**20,990**	5,267
Deferred tax in respect of fair value adjustments		**(21,536)**	(17,946)
Others		**(21,223)**	29,747
Tax expense before prior year adjustments		**241,047**	250,503
Change in estimates related to prior years:			
- current tax		**(7,359)**	(10,456)
- deferred tax		**(40,441)**	(1,021)
Total tax expense	**(A)**	**193,247**	239,026
Adjustment for separately disclosed items		**53,563**	–
Total tax expense from operations before separately disclosed items	**(B)**	**246,810**	239,026
Net profit before tax		**1,083,198**	1,380,703
Adjustment for share of income tax of equity-accounted investees		**52,051**	52,876
Adjusted profit before tax	**(C)**	**1,135,249**	1,433,579
Adjustment for separately disclosed items		**91,261**	146,880
Adjusted profit before tax and before separately disclosed items	**(D)**	**1,226,510**	1,580,459
Effective tax rate	**(A/C)**	**17.02%**	16.67%
Effective tax rate before separately disclosed items	**(B/D)**	**20.12%**	15.12%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

8. Income tax continued

Group tax rates

The Group is not subject to income tax on its UAE operations. The total tax expense relates to the tax payable on the profit earned by the overseas subsidiaries and equity-accounted investees as adjusted in accordance with the taxation laws and regulations of the countries in which they operate. The applicable tax rates in the regions in which the Group operates are set out below:

Geographical segments	Applicable corporate tax rate
Asia Pacific and India	10% to 34.9%
Australia and Americas	0% to 36.0%
Middle East, Europe and Africa	0% to 35.0%

Movement in temporary differences during the year:

	1 January 2020 USD'000	Recognised in consolidated statement of profit or loss USD'000	Acquisitions in the period USD'000	Translation and other movements USD'000	31 December 2020 USD'000
Deferred tax liabilities					
Property, plant and equipment	195,485	39,932	4,602	945	240,964
Investment in equity-accounted investees	23,076	2,376	–	721	26,173
Fair value of acquired intangibles	519,767	(6,717)	62,436	21,140	596,626
Others	291,885	(66,982)	(4)	(7,904)	216,995
Total before set off	1,030,213	(31,391)	67,034	14,902	1,080,758
Set off of deferred tax asset against liabilities	(92,246)				(82,376)
Net deferred tax liabilities	937,967				998,382
Deferred tax assets					
Pension and post-employment benefits	10,182	22,568	–	(361)	32,389
Financial instruments	6,729	339	–	105	7,173
Provisions	11,754	1,479	26	688	13,947
Tax value of losses carried forward recognised	63,581	12,307	9,025	(4,939)	79,974
Total before set off	92,246	36,693	9,051	(4,507)	133,483
Set off of deferred tax asset against liabilities	(92,246)				(82,376)
Net deferred tax assets	–				51,107

Deferred tax liabilities have been offset if certain criteria are met.

Deferred tax assets have not been recognised by some of the subsidiaries on their trading losses where utilisation is unclear, either because they have not been agreed with tax authorities, or because of uncertainties of future profits to offset against these losses, or because of the impact of tax holidays. The Group will continuously review/monitor these unrecognised tax losses and will consider recognising them as deferred tax asset in future if there are any significant changes to these assumptions.

	2020			2019		
	Gross amount USD'000	Tax effect USD'000	Expiry date	Gross amount USD'000	Tax effect USD'000	Expiry date
Trading losses – expire	77,120	18,493	2021-2026	93,660	21,286	2020 – 2023
	64,446	17,556	2027-2038	31,861	7,909	2024 – 2027
	4,749	1,377	2039-2040	17,763	4,513	2035 – 2039
Trading losses – never expire	1,431,067	401,581		1,160,682	341,888	
Capital losses – never expire	231,128	43,930		223,038	42,377	

9. Separately disclosed items

	2020 USD'000	2019 USD'000
General and administrative expenses		
Restructuring and redundancy costs	(57,361)	(9,575)
Acquisition costs	(8,272)	(18,760)
Impairment of assets	(7,782)	(32,092)
Guaranteed minimum pension costs	(4,105)	–
Other income	3,265	–
Share of loss from equity-accounted investees	(97,435)	(42,652)
Gain/ (loss) on disposal and change in ownership	115,089	(55,622)
Finance income	9,773	43,026
Finance costs	(44,433)	(31,205)
Income tax	53,563	–
Total	(37,698)	(146,880)

General and administrative expenses:

- Restructuring costs mainly prelate to severance pay associated with redundancies resulting from the impact of COVID-19 on tourist part of our business in a subsidiary in the 'Middle East, Europe and Africa' region and in the 'Australia and Americas' region.
- Acquisition cost represent advisory, legal, valuation, professional consulting, general and administrative costs directly related to various business acquisitions in the Group.
- Impairment of assets relates to subsidiaries in the 'Middle East, Europe and Africa' region and in the 'Australia and Americas' region in 2020 as well as 2019.
- Guaranteed minimum pension (GMP) costs relates to additional costs arising in respect of GMP based on a landmark High Court judgment confirming that UK pension schemes are required to equalise male and female members' benefits.

Other income mainly represents an insurance claim in the 'Middle East, Europe and Africa' region.

Share of loss from equity-accounted investees relates to the Group's share of expenses in technology ventures in the 'Australia and Americas' region and ineffective hedge in an investee in the 'Middle East, Europe and Africa' region in 2020 as well as 2019.

Gain/ (loss) on disposal and change in ownership relates to the gain of USD 119,402 thousand on re-measurement to fair value of the existing stake resulting from obtaining 'control' over an equity-accounted investees in the 'Australia and Americas' region offset by a loss of USD 4,314 thousand on sale of a subsidiary in the 'Middle East, Europe and Africa' region. (2019 related to loss on disposal of equity-accounted investees in the 'Asia Pacific and India' region and the loss on re-measurement to fair value of the existing stake resulting from the acquisition of a controlling stake in an equity-accounted investee in the 'Australia and Americas' region).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

9. Separately disclosed items continued

Finance income:

a) USD 2,452 thousand (2019: USD 12,496 thousand) relating to hedge ineffectiveness in the 'Middle East, Europe and Africa' region.
b) USD 7,321 thousand (2019: USD 592 thousand) relating to gain recognised on fair valuation of financial instruments in the 'Middle East, Europe and Africa' region.
c) 2020: Nil (2019: USD 29,938 thousand represents change in fair value of convertible bond option).

Finance costs:

a) USD 17,784 thousand (2019: USD 21,627 thousand) represents interest accretion and loss on buy-back of convertible bonds.
b) USD 10,117 thousand (2019: USD 9,578 thousand) relates to hedge ineffectiveness in the 'Middle East, Europe and Africa' region and 'Asia Pacific and India' region.
c) USD 4,032 thousand fair value loss on financial instruments in the 'Middle East, Europe and Africa' region.
d) USD 12,500 thousand of foreign exchange loss on reclassification of a non-monetary asset to monetary asset in the 'Middle East, Europe and Africa' region.

Income tax mainly relates to the release of historic tax risk provision in relation to gain on disposals. This release arises as a result of periodic review of worldwide tax provision position by the Group.

10. Dividends

	2020 USD'000	2019 USD'000
Declared and paid during the year:		
Final dividend	**332,000**	356,900
Proposed for approval at the annual general meeting *(not recognised as a liability as at 31 December):*		
Final dividend	**219,700**	332,000

11. Property, plant and equipment

	Land and buildings USD'000	Plant and equipment USD'000	Vessels USD'000	Capital work-in-progress USD'000	Total USD'000
Cost					
As at 1 January 2019	4,746,030	5,572,340	451,546	1,533,664	12,303,580
Acquired through business combination	271,747	511,209	1,990,727	10,285	2,783,968
Additions during the year	56,687	152,903	50,705	771,833	1,032,128
Transfers from capital work-in-progress	422,039	190,085	2,239	(614,363)	–
Transfer from intangible assets (refer to note 14)	965	42,162	–	–	43,127
Transfer from right-of-use assets (refer to note 12)	9,688	–	–	–	9,688
Transfers	(54,864)	54,864	–	–	–
Disposals	(30,769)	(66,451)	(22,258)	(1,154)	(120,632)
Translation adjustment	13,727	36,105	43,694	1,425	94,951
As at 31 December 2019	5,435,250	6,493,217	2,516,653	1,701,690	16,146,810
As at 1 January 2020	**5,435,250**	**6,493,217**	**2,516,653**	**1,701,690**	**16,146,810**
Acquired through business combination	**405,786**	**105,895**	**–**	**100,476**	**612,157**
Additions during the year	**68,186**	**99,529**	**41,138**	**736,296**	**945,149**
Transfers from capital work-in-progress	**814,159**	**529,137**	**18,796**	**(1,362,092)**	**–**
Transfer from/(to) intangible assets (refer to note 14)	**88**	**(28,761)**	**–**	**–**	**(28,673)**
Transfer from investment properties (refer to note 13)	**25,592**	**541**	**–**	**4,233**	**30,366**
Transfer to asset held for sale (refer to note 21)	**–**	**–**	**(300,778)**	**–**	**(300,778)**
Disposals	**(17,144)**	**(79,799)**	**(35,965)**	**(3,792)**	**(136,700)**
Translation adjustment	**43,373**	**51,866**	**40,325**	**34,023**	**169,587**
As at 31 December 2020	**6,775,290**	**7,171,625**	**2,280,169**	**1,210,834**	**17,437,918**
Depreciation and impairment					
As at 1 January 2019	1,168,299	2,012,100	162,399	–	3,342,798
Charge for the year	171,396	338,894	89,887	–	600,177
Impairment loss	–	3,474	3,185	7,000	13,659
Transfer from intangible assets (refer to note 14)	32	30,474	–	–	30,506
Transfers	(35,442)	35,442	–	–	–
On disposals	(17,452)	(58,663)	(25,397)	–	(101,512)
Translation adjustment	2,246	16,439	15,762	–	34,447
As at 31 December 2019	1,289,079	2,378,160	245,836	7,000	3,920,075
As at 1 January 2020	**1,289,079**	**2,378,160**	**245,836**	**7,000**	**3,920,075**
Charge for the year	**180,059**	**387,792**	**188,608**	**–**	**756,459**
Impairment loss	**10,262**	**895**	**–**	**–**	**11,157**
Transfer to intangible assets (refer to note 14)	**–**	**(10,584)**	**–**	**–**	**(10,584)**
Transfer to asset held for sale (refer to note 21)	**–**	**–**	**(278,188)**	**–**	**(278,188)**
On disposals	**(15,510)**	**(54,709)**	**(36,235)**	**–**	**(106,454)**
Translation adjustment	**20,574**	**46,023**	**15,203**	**–**	**81,800**
As at 31 December 2020	**1,484,464**	**2,747,577**	**135,224**	**7,000**	**4,374,265**
Net book value					
At 31 December 2019	4,146,171	4,115,057	2,270,817	1,694,690	12,226,735
At 31 December 2020	**5,290,826**	**4,424,048**	**2,144,945**	**1,203,834**	**13,063,653**

At 31 December 2020, property, plant and equipment with a carrying amount of USD 3,083,867 thousand (2019: USD 3,227,718 thousand) are pledged to bank loans (refer to note 33).

Borrowing costs capitalised to property, plant and equipment amounted to USD 3,302 thousand (2019: USD 13,953 thousand), calculated using a capitalisation rate of 0.3% (2019: 3.0%).

*Certain assets with a net book value of USD 22,590 thousand were classified to asset held for sale (refer note 21)

The fair value of property, plant and equipment recognised as a result of business combination was determined using the income approach model.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

12. Right-of-use assets

The Group enters into long lease arrangements that provide the right to use port terminal infrastructure, plant, equipment, vessels and other related assets for carrying out its business operations. The below table represents the carrying amounts of right-of-use assets recognised and the related movements during the year:

	Port concession rights USD'000	Plant equipment and vehicles USD'000	Vessels USD'000	Land and buildings USD'000	Total USD'000
Cost					
Recognition on initial application of IFRS 16 as at 1 January 2019	1,398,767	65,761	30,769	67,064	1,562,361
Acquired through business combinations	–	469,526	74,912	–	544,438
Additions during the year	–	11,912	75,453	252	87,617
Transfer to property, plant and equipment (refer to note 11)	(9,688)	–	–	–	(9,688)
Derecognition during the year	(641)	(597)	(3,217)	–	(4,455)
Translation adjustment	30,298	7,380	7,644	444	45,766
As at 31 December 2019	1,418,736	553,982	185,561	67,760	2,226,039
As at 1 January 2020	**1,418,736**	**553,982**	**185,561**	**67,760**	**2,226,039**
Acquired through business combinations	**91,803**	**3,018**	**3,559**	**3,600**	**101,980**
Additions during the year	**105,781**	**34,641**	**100,365**	**21,818**	**262,605**
Lease modifications	**(17,227)**	**(7,142)**	**(13,121)**	**1,332**	**(36,158)**
Transfers	**493**	**5,007**	**(4,000)**	**(1,500)**	**–**
Derecognition during the year	**–**	**(10,660)**	**(52,328)**	**(2,737)**	**(65,725)**
Translation adjustment	**76,058**	**3,356**	**5,635**	**3,663**	**88,712**
As at 31 December 2020	**1,675,644**	**582,202**	**225,671**	**93,936**	**2,577,453**
Amortisation					
Charge for the year	34,897	23,129	81,879	6,351	146,256
Derecognition during the year	(641)	(597)	(3,217)	–	(4,455)
Translation adjustment	219	31	2,596	484	3,330
As at 31 December 2019	34,475	22,563	81,258	6,835	145,131
As at 1 January 2020	**34,475**	**22,563**	**81,258**	**6,835**	**145,131**
Charge for the year	**60,877**	**27,885**	**96,748**	**11,909**	**197,419**
Lease modifications	**(488)**	**(1,812)**	**442**	**1,271**	**(587)**
Derecognition during the year	**–**	**(10,660)**	**(52,328)**	**(2,737)**	**(65,725)**
Translation adjustment	**5,645**	**2,537**	**4,039**	**1,680**	**13,901**
As at 31 December 2020	**100,509**	**40,513**	**130,159**	**18,958**	**290,139**
Net book value					
At 31 December 2019	1,384,261	531,419	104,303	60,925	2,080,908
At 31 December 2020	**1,575,135**	**541,689**	**95,512**	**74,978**	**2,287,314**

Refer to note 34 for underlying lease liabilities with respect to above right-of-use assets.

Following are the amounts which are recognised in consolidated statement of profit or loss and consolidated statement of cash flows:

	2020 USD'000	2019 USD'000
Amount recognised in consolidated statement of profit or loss		
Depreciation of right-of-use assets	197,419	146,256
Interest on lease liabilities (included in finance cost)	168,562	138,749
Expense relating to short-term leases, leases of low value assets and variable lease payments	229,843	300,832
Amount recognised in consolidated statement of cash flows		
Lease payments made during the year (included under financing activities)	379,825	302,831

13. Investment properties

	Land USD'000	Buildings and infrastructure USD'000	Under development USD'000	Total USD'000
Cost				
As at 1 January 2019	230,803	1,462,878	86,170	1,779,851
Additions during the year	1,049	754	103,452	105,255
Acquired through business combination	3,594	–	–	3,594
Transfers	–	(114,134)	114,134	–
Translation adjustment	(273)	(36)	(184)	(493)
As at 31 December 2019	235,173	1,349,462	303,572	1,888,207
As at 1 January 2020	**235,173**	**1,349,462**	**303,572**	**1,888,207**
Additions during the year	**340**	**119**	**65,993**	**66,452**
Acquired through business combination	**–**	**8,531**	**59**	**8,590**
Transfers (from)/ to property, plant and equipment (refer to note 11)	**(21,702)**	**285,790**	**(294,454)**	**(30,366)**
Disposal	**(60)**	**(5,449)**	**–**	**(5,509)**
Translation adjustment	**(2,485)**	**1,368**	**(119)**	**(1,236)**
As at 31 December 2020	**211,266**	**1,639,821**	**75,051**	**1,926,138**
Depreciation and impairment				
As at 1 January 2019	1,492	156,229	–	157,721
Depreciation charge for the year	–	47,389	–	47,389
Impairment charge for the year	–	10,186	–	10,186
As at 31 December 2019	1,492	213,804	–	215,296
As at 1 January 2020	**1,492**	**213,804**	**–**	**215,296**
Depreciation charge for the year	**–**	**54,822**	**–**	**54,822**
Impairment charge for the year	**850**	**4,022**	**–**	**4,872**
Disposal	**–**	**(5,449)**	**–**	**(5,449)**
Transfers	**(2,342)**	**2,342**	**–**	**–**
Translation adjustment	**–**	**151**	**–**	**151**
As at 31 December 2020	**–**	**269,692**	**–**	**269,692**
Net book value				
As at 31 December 2019	233,681	1,135,658	303,572	1,672,911
As at 31 December 2020	**211,266**	**1,370,129**	**75,051**	**1,656,446**

Revenue on lease rentals from investment properties recognised in profit or loss amounted to USD 478,984 thousand (2019: USD 488,260 thousand) while associated costs related to these investment properties amounted to USD 63,673 thousand (2019: USD 67,148 thousand).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

13. Investment properties continued

Land:

At 31 December 2020, the fair value of land was estimated to be USD 212,907 thousand (2019: USD 266,918 thousand) compared to the carrying value of USD 211,266 thousand (2019: USD 233,681 thousand).

Buildings and infrastructure:

At 31 December 2020, the fair value of buildings and infrastructure was USD 2,194,181 thousand (2019: USD 2,106,085 thousand) compared to the carrying value of USD 1,370,129 thousand (2019: USD 1,135,658 thousand).

Investment properties under development:

Investment properties under development mainly include infrastructure development, staff accommodation and office building in Jebel Ali Free Zone and Dubai Maritime City. Based on management's assessment, the fair value of investment properties under development approximates their carrying value as at the reporting date.

Key assumptions used in determination of the fair value of investment properties

On an annual basis, the Group engages external, independent and qualified valuers who have the relevant experience to value such properties in order to determine the fair value of the Group's investment properties. The external valuation of the significant investment properties has been performed using income capitalisation, comparable and residual methods of valuation. The external valuers, in discussion with the Group's management, have determined these inputs based on the current lease rates, specific market conditions (taking into account the impact of COVID-19) and comparable benchmarking of rents and capital values and rentals in the wider corresponding market. The significant unobservable inputs used in the fair value measurement are as follows:

- Market rent including land (in the range of USD 7 to USD 1,237 per square metre per annum)
- Rent growth per annum (in the range of 0% to 3.0%)
- Historical and estimated long term occupancy rate (in the range of 60% to 100%)
- Yields rates (in the range of 6.5% to 13.5% per annum)

The fair value of investment properties is categorised under level 3 of fair value hierarchy and the Group considers the current use of these properties as their highest and best use.

Sensitivity to changes in assumptions

The estimated fair value would increase/ (decreases) due to increase/ (decrease) in market rent, occupancy rate and rent growth rates. The fair value would also (decrease)/ increase if there is an increase/ (decrease) in yield rates.

14. Intangible assets and goodwill

	Land use rights USD'000	Goodwill USD'000	Port concession rights and other intangible assets* USD'000	Service concession assets** USD'000	Total USD'000
Cost					
As at 1 January 2019	2,677,717	2,051,008	4,690,065	940,572	10,359,362
Acquired through business combinations	–	507,545	918,939	–	1,426,484
Additions	–	–	978	7,991	8,969
Transfer to property, plant and equipment (refer to note 11)	–	–	(1,757)	(41,370)	(43,127)
Translation adjustment	–	23,164	213,490	(20,611)	216,043
As at 31 December 2020	2,677,717	2,581,717	5,821,715	886,582	11,967,731
As at 1 January 2020	**2,677,717**	**2,581,717**	**5,821,715**	**886,582**	**11,967,731**
Acquired through business combinations	**5,679**	**238,544**	**425,656**	**–**	**669,879**
Additions**	**–**	**–**	**12,164**	**464,994**	**477,158**
Transfer from property, plant and equipment (refer to note 11)	**–**	**–**	**10,584**	**18,089**	**28,673**
Disposals	**–**	**–**	**(39)**	**(48,592)**	**(48,631)**
Translation adjustment	**167**	**108,562**	**144,645**	**16,737**	**270,111**
As at 31 December 2020	**2,683,563**	**2,928,823**	**6,414,725**	**1,337,810**	**13,364,921**
Amortisation and impairment					
As at 1 January 2019	110,708	–	922,248	493,255	1,526,211
Charge for the year	29,200	–	141,394	43,823	214,417
Transfer to property, plant and equipment (refer to note 11)	–	–	148	(30,654)	(30,506)
Translation adjustment	–	–	212,903	(9,995)	202,908
As at 31 December 2019	139,908	–	1,276,693	496,429	1,913,030
As at 1 January 2020	**139,908**	**–**	**1,276,693**	**496,429**	**1,913,030**
Charge for the year	**29,315**	**–**	**151,115**	**56,339**	**236,769**
Transfer from property, plant and equipment (refer to note 11)	**–**	**–**	**10,584**	**–**	**10,584**
Disposals	**–**	**–**	**(2)**	**(48,043)**	**(48,045)**
Translation adjustment	**(52)**	**–**	**31,190**	**6,957**	**39,095**
As at 31 December 2020	**169,171**	**–**	**1,470,580**	**511,682**	**2,151,433**
Net book value:					
As at 31 December 2019	2,537,809	2,581,717	4,545,022	390,153	10,054,701
As at 31 December 2020	**2,514,392**	**2,928,823**	**4,944,145**	**826,128**	**11,213,488**

* This mainly represents concession agreements which are identified and accounted as a part of business combinations. These concessions were determined to have finite and indefinite useful lives based on the terms of the respective concession agreements and the income approach model was used for the purpose of determining their fair values. This also include customer relationships with a net book value of USD 212,261 thousand (2019: USD 205,743 thousand) which is amortised over a period of 15 years.

** These represent assets arising on account of application of IFRIC 12 on service concession arrangements. Seven of the Group's deep seaport terminals in emerging markets are operated under certain restrictive price and service conditions. The grantor controls any significant residual interest in the infrastructure. The amounts paid by the Group as an operator to the grantor (government or port authorities) as a consideration for obtaining the rights relating to concession arrangements are accounted as part of port concession rights. In addition, Port concession rights also include certain property, plant and equipment which are reclassified as intangible assets in accordance with IFRIC 12 'Service Concession Arrangements'.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

15. Properties held for development and sale

	2020 USD'000	2019 USD'000
As at 1 January	**194,612**	261,724
Charge to profit or loss	**(70,131)**	(62,629)
Additions during the year	**5,482**	3,764
Impairment reversal/ (charge) for the year	**8,247**	(8,247)
As at 31 December	**138,210**	194,612

Properties held for development and sale consist of cost of land and related improvements comprising of certain plots of land in the commercial precinct located within Dubai Maritime City.

The Group has future commitments towards infrastructure development of USD 170,466 thousand (2019: USD 157,674 thousand) to be incurred over a period of 17 years in relation to these properties.

On an annual basis, the Group engages external, independent and qualified valuers who have the relevant experience for the purpose of estimating the net realisable value of properties held for development and sale.

16. Impairment testing

Goodwill acquired through business combinations and port concession rights with indefinite useful lives have been allocated to various cash-generating units, for the purpose of impairment testing.

Impairment testing is done at an operating port (or group of ports) level that represents an individual CGU. Details of the CGUs by operating segment are shown below:

	Carrying amount of goodwill		Carrying amount of port concession rights with indefinite useful life			
	2020 USD'000	2019 USD'000	2020 USD'000	2019 USD'000	Discount rates	Terminal value growth rate
Cash-generating units aggregated by operating segment						
Asia Pacific and India	**394,550**	284,804	**–**	–	5.75% – 9.50%	2.50%
Australia and Americas	**759,777**	645,335	**–**	–	5.25% – 14.00%	2.50%
Middle East, Europe and Africa	**1,774,496**	1,651,578	**854,451**	827,432	5.00% – 14.50%	1.00% – 2.50%
Total	**2,928,823**	2,581,717	**854,451**	827,432		

The recoverable amount of the CGU has been determined based on their value in use calculated using cash flow projections based on the financial budgets approved by management covering a three year period and a further outlook for five years, which is considered appropriate in view of the outlook for the industry and the long-term nature of the concession agreements held i.e. generally for a period of 25-50 years.

Key assumptions used in value in use calculations (adjusted for COVID-19 impact)

The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill and port concession rights with indefinite useful lives.

Budgeted margins – The basis used to determine the value assigned to the budgeted margin is the average gross margin achieved in the year immediately before the budgeted year, adjusted for expected efficiency improvements, price fluctuations and manpower costs.

16. Impairment testing continued

Key assumptions used in value in use calculations (adjusted for COVID-19 impact) continued

Discount rates – These represent the cost of capital adjusted for the respective location risk factors. The Group uses the post-tax industry average weighted average cost of capital based on the rate of 10 years default free US treasury bonds adjusted for country-specific risks.

Cost inflation – The forecast general price index is used to determine the cost inflation during the budget year for the relevant countries where the Group is operating which has been sourced from International Monetary Fund (IMF).

Terminal value growth rate – In management's view, the terminal growth rate is the minimum growth rate expected to be achieved beyond the eight-year period. This is based on the overall regional economic growth forecasted and the Group's existing internal capacity changes for a given region. The Group also takes into account competition and regional capacity growth to provide a comprehensive growth assumption for the entire portfolio. Based on the historical trend of growth in global trade, the long-term growth in the range of 1% to 2.5% is considered reasonable for the diversified businesses of the Group. The values assigned to key assumptions are consistent with the past experience of the management.

Sensitivity to changes in assumptions

The calculation of value in use for the CGU is sensitive to future earnings and therefore a sensitivity analysis was performed. A sensitivity analysis demonstrated that a 10% decrease in earnings for a future period of three years from the reporting date would not result in impairment. An increase of 0.10% in discount rate and decrease of 0.25% in terminal value growth rate would not result in impairment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

17. Investment in equity-accounted investees

The following table summarises the segment wise financial information for equity-accounted investees, adjusted for fair value adjustments (using income approach model) at acquisition together with the carrying amount of the Group's interest in equity-accounted investees as included in the consolidated statement of financial position:

	Asia Pacific and India		Australia and Americas		Middle East, Europe and Africa		Total	
	2020 USD'000	2019 USD'000	2020 USD'000	2019 USD'000	2020 USD'000	2019 USD'000	2020 USD'000	2019 USD'000
Cash and cash equivalents	**387,425**	353,961	**84,916**	226,825	**219,007**	230,074	**691,348**	810,860
Other current assets	**203,623**	222,762	**75,828**	106,550	**311,494**	217,567	**590,945**	546,879
Non-current assets	**6,138,310**	6,044,065	**390,810**	843,203	**3,985,428**	3,466,776	**10,514,548**	10,354,044
Total assets	**6,729,358**	6,620,788	**551,554**	1,176,578	**4,515,929**	3,914,417	**11,796,841**	11,711,783
Current financial liabilities	**53,982**	48,080	**71,384**	83,016	**60,144**	70,064	**185,510**	201,160
Other current liabilities	**453,541**	537,818	**47,665**	128,428	**330,605**	303,187	**831,811**	969,433
Non-current financial liabilities	**791,962**	866,826	**99,516**	356,504	**1,807,547**	1,456,328	**2,699,025**	2,679,658
Other non-current liabilities	**528,378**	486,709	**36,723**	37,097	**443,453**	377,523	**1,008,554**	901,329
Total liabilities	**1,827,863**	1,939,433	**255,288**	605,045	**2,641,749**	2,207,102	**4,724,900**	4,751,580
Net assets (100%)	**4,901,495**	4,681,355	**296,266**	571,533	**1,874,180**	1,707,315	**7,071,941**	6,960,203
Group's share of net assets in equity-accounted investees							**2,253,538**	2,200,252
Revenue	**1,148,556**	1,290,096	**156,628**	350,561	**917,525**	824,407	**2,222,709**	2,465,064
Depreciation and amortisation	**(290,134)**	(280,802)	**(41,690)**	(59,163)	**(169,271)**	(146,415)	**(501,095)**	(486,380)
Other expenses	**(397,041)**	(474,891)	**(198,281)**	(245,004)	**(583,181)**	(557,914)	**(1,178,503)**	(1,277,809)
Finance cost	**(65,817)**	(79,077)	**(21,258)**	(65,674)	**(81,735)**	(70,504)	**(168,810)**	(215,255)
Finance income	**14,326**	26,596	**1,302**	3,471	**1,451**	386	**17,079**	30,453
Income tax expense	**(114,211)**	(120,867)	**(7,505)**	(4,398)	**(15,704)**	(14,302)	**(137,420)**	(139,567)
Net profit/ (loss) (100%)	**295,679**	361,055	**(110,804)**	(20,207)	**69,085**	35,658	**253,960**	376,506
Group's share of profit (before separately disclosed items)	**84,178**	108,065	**7,825**	25,528	**29,548**	19,708	**121,551**	153,301
Group's share of dividends received							**57,466**	124,146
Group's share of other comprehensive income							**7,823**	(3,002)

18. Inventories

	2020 USD'000	2019 USD'000
Spare parts and consumables	**174,121**	153,062
Fuel	**15,839**	17,367
Total	**189,960**	170,429
Provision for obsolete and slow-moving items	**(7,311)**	(14,036)
Net inventories	**182,649**	156,393

In 2020, inventories of USD 394,387 thousand (2019: USD 426,153 thousand) were recognised as an expense during the year and recorded in the consolidated statement of profit or loss.

19 a) Due from Parent Company

	2020 Non-current USD'000	2020 Current USD'000	2019 Non-current USD'000	2019 Current USD'000
Due from Parent Company (refer to note 28)	**1,545,511**	**962**	–	30

On 7 July 2020 Group has advanced a loan of USD 1,500,000 thousand to the Parent Company, Port and Free Zone World (PFZW) for a period of 5.5 years at the interest rate of 6.125% per annum, which has been used by PFZW to prepay its syndicated loan facilities reducing its debt to USD 6.4 billion reducing the guarantee given by the Group to USD 6.4 billion now (refer to note 38).

19. b) Accounts receivable and prepayments

	2020 Non-current USD'000	2020 Current USD'000	2019 Non-current USD'000	2019 Current USD'000
Trade receivables (net)	**360,038**	**1,084,918**	329,674	994,056
Advances paid to suppliers	**12,612**	**55,051**	–	102,390
Unbilled revenue	**–**	**162,996**	–	193,487
Deposits receivable	**15,570**	**4,661**	57,545	8,914
Other receivables and prepayments	**269,754**	**619,044**	188,236	471,170
Due from related parties (refer to note 28)	**96,847**	**82,802**	100,390	66,748
Total	**754,821**	**2,009,472**	675,845	1,836,765

The Group's exposure to credit and currency risks are disclosed in note 29.

20. Cash and cash equivalents

	2020 USD'000	2019 USD'000
Cash at banks and in hand	**1,400,045**	1,056,487
Short-term deposits	**691,721**	1,823,606
Deposits under lien	**50,344**	63,266
Cash and cash equivalents for consolidated statement of cash flows	**2,142,110**	2,943,359

Short-term deposits are made for varying periods between one day and three months depending on the immediate cash requirements of the Group and earn interest at the respective short-term deposit market rates.

The deposits under lien are placed to collateralise some of the borrowings of the Company's subsidiaries.

21. Asset held for sale

Assets held for sale amounting to USD 22,590 thousand represents four vessels, which the Group is currently marketing for sale, as part of the restructuring of the Ferries business following COVID-19 impact on the Group's tourist business in a subsidiary in the 'Middle East, Europe and Africa' region.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

22. Employees' end of service benefits

Movements in the provision recognised in the consolidated statement of financial position are as follows:

	2020 USD'000	2019 USD'000
As at 1 January	**176,227**	159,233
Acquired through business combinations	**–**	4,515
Provision made during the year	**30,384**	28,197
Amounts paid during the year	**(27,462)**	(19,150)
Actuarial loss on defined benefit plan	**12,916**	1,697
Translation adjustments	**(670)**	1,735
As at 31 December	**191,395**	176,227

In accordance with the provisions of IAS 19, management has carried out an exercise to assess the present value of its obligations at 31 December 2020 in respect of employees' end of service benefits payable under relevant local regulations and contractual arrangements. The assessment assumed expected salary increases averaging 3.50% and a discount rate of 2.75% per annum (2019: 3.75% per annum). The present values of the defined benefit obligations at 31 December 2020 were computed using the actuarial assumptions set out above.

In addition to the above, the Group contributes 15% of the 'contribution calculation salary' in case of those employees who are UAE nationals. These employees are also required to contribute 5% of the 'contribution calculation salary' to the scheme. The Group's contribution is recognised as an expense in the consolidated statement of profit or loss as incurred.

23. Pension and post-employment benefits

The Group participates in a number of pension schemes throughout the world, mostly concentrated in the United Kingdom.

The board of a pension scheme in the UK is required by law to act in the best interests of the fund participants and is responsible for setting certain policies (e.g. investment, contributions and indexation policies) and determining recovery plans, if appropriate.

These defined benefit schemes expose the Group to actuarial risks, such as longevity risk, currency risk, interest rate risk and market (investment) risk. In addition, by participating in certain multi-employer industry schemes, the Group can be exposed to a pro-rata share of the credit risk of other participating employers.

a) P&O Pension Scheme

This principal scheme is located in the UK (the "P&O UK Scheme"). The P&O UK Scheme is a funded defined benefit scheme and was closed to routine new members on 1 January 2002 and to future accrual on 31 December 2015. The pension fund is legally separated from the Group and managed by a Trustee board. The assets of the scheme are managed on behalf of the Trustee by independent fund managers.

Formal actuarial valuations of the P&O UK scheme are normally carried out triennially by qualified independent actuaries, the most recent valuation was at 31 March 2019 on a market related basis. The deficit on a statutory funding objectives basis was USD 133,765 thousand. The Group agreed with the Trustee to a new monthly deficit payment plan effective from 1 April 2019 as follows:

Payment Dates	Monthly payments
From 1 April 2019 to 31 March 2020	USD 1,024 thousand
From 1 April 2020 to 31 May 2020	USD 1,761 thousand
In May 2020	USD 8,845 thousand (one off lump sum)
From 1 June 2020 to 31 March 2021	USD 3,399 thousand
From 1 April 2021 to 31 March 2025	USD 1,761 thousand

23. Pension and post-employment benefits continued

In December 2007, as part of a process developed with the Group to de-risk the pension scheme, the Trustee transferred USD 1,600,000 thousand of P&O UK Scheme assets to Paternoster (UK) Ltd, in exchange for a bulk annuity insurance policy to ensure that the assets (in the Company's statement of financial position and in the Scheme) will always be equal to the current value of the liability of the pensions in payment at 30 June 2007, thus removing the funding risks for these liabilities.

b) P&O Ferries Scheme

Formal actuarial valuations of the P&O Ferries Scheme will normally be carried out triennially by qualified independent actuaries, the latest completed regular valuation report for the scheme being at 1 April 2017, using the projected unit method.

At this date, the market value of the P&O Ferries Scheme's assets were USD 251,970 thousand and the value of accrued benefits to members allowing for future increases in earnings was USD 285,959 thousand giving a deficit of USD 33,987 thousand and a funding ratio of 88%.

As a result of this valuation P&O Ferries committed to deficit payments from April 2018 to March 2027 totalling USD 21,975 thousand.

c) Merchant Navy Officers' Pension Fund ("MNOPF Scheme")

The Group participates in various industry multi-employer schemes in the UK. These generally have assets held in separate trustee administered funds which are legally separated from the Group.

The MNOPF Scheme is an industry wide multi-employer defined benefit scheme in which officers employed by companies within the Group have participated. The scheme has been closed to further benefit accrual from 31 March 2016.

The most recent formal actuarial valuation of the New Section of MNOPF Scheme was carried out as at 31 March 2019. This resulted in a deficit of USD 24,085 thousand. The Trustee Board believe their investment strategy will address this deficit and therefore has not issued deficit contribution notices to employers in respect of the 2019 actuarial valuation.

Following earlier actuarial valuations in 2009, 2012 and 2015 the Trustee and Employers agreed contributions to be paid to the Section by participating employers over the period to 30 September 2023. These contributions included an allowance for the impact of irrecoverable contributions in respect of companies no longer in existence or not able to pay their share.

For the Group, aggregated outstanding contributions from these valuations are payable as follows:

- 2021: USD 15,500 thousand
- 2022 to 2023: USD 304 thousand per annum.

The Group's share of the net deficit of the MNOPF Scheme at 31 December 2020 is estimated at 18.81%.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

23. Pension and post-employment benefits continued

d) Merchant Navy Ratings' Pension Fund ("MNRPF Scheme")

The MNRPF Scheme is an industry wide multi-employer defined benefit pension scheme in which sea staff employed by companies within the Group have participated. The scheme has a significant funding deficit and has been closed to further benefit accrual from 2001.

Certain Group companies, which are no longer current employers in the MNRPF Scheme had settled their statutory debt obligation and were not considered to have any legal obligation with respect to the on-going deficit in the fund. However, following a legal challenge, by Stena Line Limited, the High Court decided that the Trustee could require all employers that had ever participated in the scheme to make contributions to fund the deficit. Although the Group appealed, the decision was not overturned.

The most recent formal actuarial valuation was carried out as at 31 March 2017. The deficit contributions arising from the valuation totalled USD 215,283 thousand. The contributions due to the Scheme in respect of this valuation will be paid over the period to 31 March 2025.

For the Group, aggregated outstanding contributions from these valuations are payable as follows:

- 2021: USD 32,445 thousand
- 2022 to 2025: USD 192,820 thousand

The Trustee set the payment terms for each participating employer in accordance with the Trustee's Contribution Collection Policy which includes credit vetting.

The outcome of the MNRPF Scheme's 2020 triennial actuarial valuation is still to be finalised.

During the year, MNRPF Scheme has sought direction for the UK Court regarding the correct benefit provision to its scheme members in respect of Ill Health Early Retirement. The Case was due to be heard in November 2020 but was adjourned until July 2021 whilst representatives from the Trustee Board, the Employers and the Members/employees considered a Settlement proposal. The outcome of either the Court direction or the Settlement proposal is unknown to the Group at the current time, but the Group's share of potential additional liability is estimated to be in the range of USD Nil to USD 190,370 thousand.

The Group's share of the net deficit of the MNRPF at 31 December 2020 is estimated at 46.49%.

e) Others

The Group also operates a number of other defined benefit and defined contribution schemes.

Reconciliation of assets and liabilities recognised in the consolidated statement of financial position

	2020 USD'000	2019 USD'000
Non-current		
Defined benefit schemes net liabilities	**346,190**	344,612
Liability in respect of long service leave	**4,381**	241
Liability for other non-current deferred compensation	**2,681**	2,553
	353,252	347,406
Current		
Defined benefit schemes net liabilities	**36,778**	27,513
Liability for current deferred compensation	**86,169**	79,279
	122,947	106,792
Net liabilities	**476,199**	454,198

23. Pension and post-employment benefits continued

e) Others continued

Long term employee benefit expense recognised in consolidated statement of profit and loss consist of following:

	2020 USD'000	2019 USD'000
Defined benefit schemes*	**22,658**	13,917
Defined contribution schemes	**48,494**	44,140
Other employee benefits	**25,887**	18,298
Total	**97,039**	76,355

* In 2020, this includes USD 4,105 thousand additional costs arising in respect of "guaranteed minimum pension" (GMP) based on a landmark High Court judgment in the UK (refer to note 9).

The re-measurements of the net defined benefit liability gross of tax recognised in the consolidated statement of other comprehensive income is as follows:

	2020 USD'000	2019 USD'000
Actuarial gain recognised in the year	**345,849**	283,958
Return on plan assets lesser than the discount rate	**(333,801)**	(236,412)
Change in share in multi-employer scheme	**(521)**	7,529
Movement in minimum funding liability	**8,822**	(52,960)
Total	**20,349**	2,115

Actuarial valuations and assumptions

The latest valuations of the defined benefit schemes have been updated to 31 December 2020 by qualified independent actuaries. The principal assumptions are included in the table below. The assumptions used by the actuaries are the best estimates chosen from a range of possible actuarial assumptions, which, due to the timescale covered, may not necessarily be borne out in practice.

	P&O UK scheme 2020	P&O Ferries scheme 2020	MNOPF scheme 2020	MNRPF scheme 2020	Other schemes 2020	P&O UK scheme 2019	P&O Ferries scheme 2019	MNOPF scheme 2019	MNRPF scheme 2019	Other schemes 2019
Discount rates	**1.25%**	**1.25%**	**1.25%**	**1.25%**	**1.41%**	1.95%	1.95%	1.95%	1.95%	1.92%
Discount rates bulk annuity asset	**1.15%**	**–**	**–**	**–**	**–**	1.85%	–	–	–	–
Expected rates of salary increases	**–***	**–***	**–***	**–***	**1.87%**	–*	–*	–*	–*	0.30%
Pension increases:										
deferment	**2.80%**	**2.60%**	**2.00%**	**2.00%**	**2.01%**	3.00%	2.90%	2.25%	2.25%	2.22%
payment	**2.80%**	**2.50%**	**2.75%**	**2.75%**	**2.02%**	3.00%	2.80%	3.15%	3.15%	2.98%
Inflation	**2.80%**	**2.80%**	**2.80%**	**2.80%**	**2.01%**	3.25%	3.25%	3.25%	3.25%	3.11%

* The P&O UK Scheme, MNOPF and MNRPF were closed to future accrual as at 31 March 2016, so future pay increases are not relevant.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

23. Pension and post-employment benefits continued

e) Others continued

The assumptions for pensioner longevity under both the P&O UK Scheme and the New Section of the MNOPF Scheme are based on an analysis of pensioner death trends under the respective schemes over many years.

For illustration, the life expectancies for the two schemes at age 65 now and in the future are detailed in the table below.

	Male		Female	
	Age 65 now	Age 65 in 20 years' time	Age 65 now	Age 65 in 20 years' time
2020				
P&O UK scheme	**22.8**	**24.5**	**25.0**	**26.7**
P&O Ferries scheme	**22.9**	**24.6**	**25.3**	**27.0**
MNOPF scheme	**21.9**	**24.0**	**24.0**	**26.2**
MNRPF scheme	**19.3**	**21.3**	**22.5**	**24.6**
2019				
P&O UK scheme	22.8	24.5	24.9	26.7
P&O Ferries scheme	22.5	24.2	24.4	26.3
MNOPF scheme	21.8	23.9	23.9	26.0
MNRPF scheme	19.2	21.2	22.4	24.5

At 31 December 2020, the weighted average duration of the defined benefit obligation was 14.3 years (2019: 14.9 years).

Reasonably possible changes to one of the actuarial assumptions, holding other assumptions constant (in practice, this is unlikely to occur, and changes in some of the assumptions may be correlated), would have increased the net defined benefit liability as at 31 December 2020 by the amounts shown below:

	USD'000
0.1% reduction in discount rate	**20,900**
0.1% increase in inflation assumption and related assumptions	**10,200**
0.25% p.a. increase in the long term rate of mortality improvement	**14,600**

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

23. Pension and post-employment benefits continued

e) Others continued

The schemes' strategic asset allocations across the sectors of the main asset classes are:

	P&O UK scheme USD'000	P&O Ferries scheme USD'000	MNOPF scheme USD'000	MNRPF scheme USD'000	Other schemes USD'000	Total group schemes fair value USD'000
2020						
Equities	**253,744**	**85,823**	**220,849**	**101,552**	**74,661**	**736,629**
Bonds	**583,789**	**69,283**	**626,375**	**637,780**	**189,640**	**2,106,867**
Other	**143,593**	**163,583**	**–**	**–**	**53,048**	**360,224**
Value of insured pensioner liability	**980,990**	**–**	**–**	**–**	**2,778**	**983,768**
Total	**1,962,116**	**318,689**	**847,224**	**739,332**	**320,127**	**4,187,488**
2019						
Equities	236,029	81,807	239,068	75,857	57,746	690,507
Bonds	289,155	66,524	560,734	590,713	200,480	1,707,606
Other	281,226	134,150	–	–	51,011	466,387
Value of insured pensioner liability	953,895	–	–	–	2,631	956,526
Total	1,760,305	282,481	799,802	666,570	311,868	3,821,026

With the exception of the insured pensioner liability, all material investments have quoted prices in active market.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

23. Pension and post-employment benefits continued

e) Others continued

Reconciliation of the opening and closing present value of defined benefit obligations for the period ended 31 December 2020 and 31 December 2019:

	P&O UK scheme 2020 USD'000	P&O Ferries scheme 2020 USD'000	MNOPF scheme 2020 USD'000	MNRPF scheme 2020 USD'000	Other schemes 2020 USD'000	Total group schemes 2020 USD'000	P&O UK scheme 2019 USD'000	P&O Ferries scheme 2019 USD'000	MNOPF scheme 2019 USD'000	MNRPF scheme 2019 USD'000	Other schemes 2019 USD'000	Total group schemes 2019 USD'000
Present value of obligation at 1 January	**(1,810,524)**	**(306,097)**	**(753,944)**	**(746,348)**	**(348,270)**	**(3,965,183)**	(1,635,201)	–	(201,140)	(104,853)	(209,451)	(2,150,645)
Employer's interest cost	**(34,251)**	**(5,721)**	**(13,854)**	**(13,854)**	**(6,170)**	**(73,850)**	(45,048)	(3,666)	(14,165)	(10,592)	(8,012)	(81,483)
Employer's current service cost	**–**	**–**	**(128)**	**(128)**	**(8,579)**	**(8,835)**	–	–	–	–	(7,097)	(7,097)
Employer's past service cost*	**(4,105)**	**–**	**–**	**–**	**–**	**(4,105)**	–	–	–	–	–	–
Gain due to settlements	**–**	**–**	**–**	**–**	**62,708**	**62,708**	–	–	–	–	–	–
Acquired through business combinations	**–**	**–**	**–**	**–**	**–**	**–**	–	(283,085)	(619,250)	(585,815)	(72,909)	(1,561,059)
Contributions by scheme participants	**–**	**–**	**–**	**–**	**(1,505)**	**(1,505)**	–	–	–	–	(1,250)	(1,250)
Effect of movement in exchange rates	**(66,759)**	**(11,549)**	**(26,083)**	**(27,709)**	**(31,208)**	**(163,308)**	(58,938)	(11,596)	(27,863)	(27,666)	(26,512)	(152,575)
Benefits paid	**87,487**	**7,569**	**40,921**	**31,429**	**10,343**	**177,749**	107,963	3,595	22,971	19,908	8,442	162,879
Experience gains/(losses) on scheme liabilities	**–**	**4,746**	**6,542**	**(5,516)**	**2,380**	**8,152**	23,609	(370)	2,935	(1,914)	4,637	28,897
Change in share in multi-employer scheme	**–**	**–**	**(128)**	**(641)**	**1,290**	**521**	–	–	110,005	–	–	110,005
Actuarial gain on scheme liabilities due to change in demographic assumptions	**(39,783)**	**(5,426)**	**(3,207)**	**(8,467)**	**141**	**(56,742)**	(20,036)	1,046	3,446	–	6,531	(9,013)
Actuarial gains/(losses) on scheme liabilities due to change in financial assumptions	**(127,639)**	**(24,514)**	**(50,799)**	**(53,878)**	**(40,429)**	**(297,259)**	(182,873)	(12,021)	(30,883)	(35,416)	(42,649)	(303,842)
Present value of obligation at 31 December	**(1,995,574)**	**(340,992)**	**(800,680)**	**(825,112)**	**(359,299)**	**(4,321,657)**	(1,810,524)	(306,097)	(753,944)	(746,348)	(348,270)	(3,965,183)

* In 2020, this relates to additional costs arising in respect of "guaranteed minimum pension" (GMP) based on a landmark High Court judgment in the UK (refer to note 9)

Reconciliation of the opening and closing present value of fair value of scheme assets for the period ended 31 December 2020 and 31 December 2019:

	P&O UK scheme 2020 USD'000	P&O Ferries scheme 2020 USD'000	MNOPF scheme 2020 USD'000	MNRPF 2020 USD'000	Other schemes 2020 USD'000	Total group schemes 2020 USD'000	P&O UK scheme 2019 USD'000	P&O Ferries scheme 2019 USD'000	MNOPF scheme 2019 USD'000	MNRPF scheme 2019 USD'000	Other schemes 2019 USD'000	Total group schemes 2019 USD'000
Fair value of scheme assets at 1 January	**1,760,305**	**282,481**	**799,802**	**666,570**	**311,868**	**3,821,026**	1,619,346	–	215,973	98,588	171,472	2,105,379
Interest income on assets	**33,225**	**5,272**	**14,624**	**12,315**	**5,294**	**70,730**	44,665	3,356	14,803	9,444	6,750	79,018
Return on plan assets (lesser)/greater than the discount rate	**154,835**	**27,747**	**47,592**	**66,834**	**36,793**	**333,801**	137,952	7,085	33,308	27,182	30,885	236,412
loss due to settlements	**–**	**–**	**–**	**–**	**(62,708)**	**(62,708)**	–	–	–	–	–	–
Acquired through business combinations	**–**	**–**	**–**	**–**	**–**	**–**	–	263,872	640,608	511,698	72,523	1,488,701
Contributions by employer	**36,816**	**269**	**–**	**5,735**	**10,646**	**53,466**	11,485	1,251	6,891	18,102	12,860	50,589
Contributions by scheme participants	**–**	**–**	**–**	**–**	**1,505**	**1,505**	–	–	–	–	1,250	1,250
Effect of movement in exchange rates	**66,474**	**10,899**	**27,538**	**24,951**	**27,273**	**157,135**	57,245	10,711	29,490	24,654	24,810	146,910
Benefits paid	**(87,487)**	**(7,569)**	**(40,921)**	**(31,429)**	**(10,343)**	**(177,749)**	(107,963)	(3,595)	(22,971)	(19,908)	(8,442)	(162,879)
Change in share in multi-employer scheme	**–**	**–**	**–**	**–**	**–**	**–**	–	–	(117,534)	–	–	(117,534)
Administration costs incurred during the year	**(2,052)**	**(410)**	**(1,411)**	**(5,644)**	**(201)**	**(9,718)**	(2,425)	(199)	(766)	(3,190)	(240)	(6,820)
Fair value of scheme assets at 31 December	**1,962,116**	**318,689**	**847,224**	**739,332**	**320,127**	**4,187,488**	1,760,305	282,481	799,802	666,570	311,868	3,821,026
Defined benefit schemes net liabilities	**(33,458)**	**(22,303)**	**46,544**	**(85,780)**	**(39,172)**	**(134,169)**	(50,219)	(23,616)	45,858	(79,778)	(36,402)	(144,157)
Minimum funding liability	**(58,966)**	**–**	**(63,197)**	**(126,636)**	**–**	**(248,799)**	(42,554)	–	(61,849)	(123,565)	–	(227,968)
Net liability recognised in the consolidated statement of financial position at 31 December	**(92,424)**	**(22,303)**	**(16,653)**	**(212,416)**	**(39,172)**	**(382,968)**	(92,773)	(23,616)	(15,991)	(203,343)	(36,402)	(372,125)

A minimum funding liability arises where the statutory funding requirements are such that future contributions in respect of past service will result in a future unrecognisable surplus.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

23. Pension and post-employment benefits continued

e) Others continued

The below table shows the movement in minimum funding liability:

	2020 USD'000	2019 USD'000
Minimum funding liability as on 1 January	**(227,968)**	(111,496)
Employer's interest cost	**(3,720)**	(5,105)
Acquired through business combinations	**–**	(156,243)
Actuarial (loss)/gain during the year	**(8,822)**	52,960
Effect of movement in exchange rates	**(8,289)**	(8,084)
Minimum funding liability as on 31 December	**(248,799)**	(227,968)

It is anticipated that the Group will make the following contributions to the pension schemes in 2021:

	P&O UK scheme USD'000	P&O Ferries scheme USD'000	MNOPF scheme USD'000	MNRPF scheme USD'000	Other schemes USD'000	Total group schemes USD'000
Pension scheme contributions	**26,043**	**1,638**	**15,501**	**35,119**	**8,439**	**86,740**

24. Accounts payable and accruals

	2020 Non-current USD'000	2020 Current USD'000	2019 Non-current USD'000	2019 Current USD'000
Trade payables	**–**	**475,441**	–	455,287
Deferred revenue	**39,884**	**171,717**	39,894	352,347
Advances and deposits from customers	**–**	**408,013**	75,203	374,359
Other payables and accruals	**137,712**	**1,550,518**	173,988	1,374,858
Provisions*	**3,140**	**90,546**	2,068	74,159
Fair value of derivative financial instruments	**125,715**	**19,566**	88,118	16,128
Amounts due to related parties (refer to note 28)	**–**	**43,091**	–	16,522
As at 31 December	**306,451**	**2,758,892**	379,271	2,663,660

* During the current year, additional provision of USD 101,897 thousand was made (2019: USD 101,258 thousand) and an amount of USD 84,438 thousand was utilised (2019: USD 75,601 thousand). The recognised provision reflects management's best estimate of the most likely outcome of various legal and other claims, which are subject to considerable uncertainty in terms of outcome and timing of settlement.

25. Non-controlling interests ('NCI')

The following table summarises the financial information for the material NCI of the Group:

	Middle East, Europe and Africa 2020 USD'000	Asia Pacific and India 2020 USD'000	Australia and Americas 2020 USD'000	Other sub-sidiaries* 2020 USD'000	Total 2020 USD'000	Middle East, Europe and Africa 2019 USD'000	Asia Pacific and India 2019 USD'000	Australia and Americas 2019 USD'000	Other subsidiaries* 2019 USD'000	Total 2019 USD'000
Balance sheet information:										
Non-current assets	**519,445**	**511,265**	**2,524,364**			434,078	690,409	1,512,831		
Current assets	**143,762**	**233,808**	**579,277**			51,551	335,612	523,247		
Non-current liabilities	**(239,155)**	**(41,598)**	**(2,015,313)**			(88,924)	(107,567)	(1,229,153)		
Current liabilities	**(37,124)**	**(46,431)**	**(409,184)**			(174,952)	(86,773)	(310,393)		
Net assets (100%)	**386,928**	**657,044**	**679,144**			221,753	831,681	496,532		
Carrying amount of fair value adjustments excluding goodwill	**178,797**	**288,358**	**640,411**			157,721	279,615	380,399		
Total	**565,725**	**945,402**	**1,319,555**			379,474	1,111,296	876,931		
Carrying amount of NCI as at 31 December	**176,209**	**465,533**	**618,038**	**128,643**	**1,388,423**	94,869	409,257	394,618	133,308	1,032,052
Statement of profit or loss information:										
Revenue	**142,997**	**218,757**	**656,361**			24,468	327,006	839,076		
Profit after tax	**52,676**	**57,298**	**90,391**			(1,616)	50,479	46,737		
Other comprehensive income, net of tax	**(3,436)**	**37,806**	**(24,221)**			–	(38,877)	(1,580)		
Total comprehensive income (100%), net of tax	**49,240**	**95,104**	**66,170**			(1,616)	11,602	45,157		
Profit allocated to NCI	**14,381**	**19,450**	**36,991**	**24,789**	**95,611**	(404)	16,099	21,031	(31,019)	5,707
Other comprehensive income attributable to NCI	**(1,684)**	**12,753**	**(11,445)**	**(4,223)**	**(4,599)**	–	(13,207)	(711)	85,513	71,595
Total comprehensive income attributable to NCI	**12,697**	**32,203**	**25,546**	**20,566**	**91,012**	(404)	2,892	20,320	54,494	77,302
Cash flow statement information:										
Cash flows from operating activities	**30,171**	**118,919**	**249,108**			9,379	92,090	125,348		
Cash flows (used in)/ from investing activities	**(3,556)**	**(51,345)**	**(96,125)**			(118)	(40,687)	28,444		
Cash flows used in financing activities	**(13,352)**	**(24,920)**	**(246,065)**			(9,261)	(28,745)	(148,454)		
Dividends paid to NCI	**(3,206)**	**(14,169)**	**(63,255)**			(63,000)	(17,979)	(24,244)		

* Represents other subsidiaries with NCI which are not material.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

26. Business combinations

Acquisition of new subsidiaries

(a) On 1 January 2020, the Group acquired control in Caucedo Investments Inc. (Caucedo), retaining the previously held equity interest at 50%, through the Group's investment platform with Caisse de dépôt et placement du Québec (CDPQ), one of North America's largest pension fund managers. Caucedo Development Corporation, the previous equity partner, divested 45% of its stake in Caucedo to CDPQ, as a result of which the Group acquired control.

Caucedo Investments Inc. operates a single marine cargo and container terminal named Puerto Multimodal Caucedo, located in Punta Caucedo, near the city of Santo Domingo, the political and commercial capital of the Dominican Republic. Taking control of this port will enable the Group to develop its container terminal operations across Dominican Republic. The Port's location allows for potential terminal operations via land, sea and air transportation.

The carrying value and fair value of the identifiable net assets and liabilities on the date of the acquisition were as follows:

	Acquiree's carrying amount USD'000	Fair value recognised on acquisition USD'000
Assets		
Property, plant and equipment	399,535	399,535
Port concession rights	–	239,400
Investment in equity-accounted investee	1,792	1,792
Inventories	7,320	7,320
Accounts receivables and prepayments	26,145	26,145
Bank balances and cash	132,979	132,979
Liabilities		
Loans and borrowings	(282,983)	(282,983)
Accounts payable and accruals	(42,384)	(42,384)
Net assets acquired	242,404	481,804
Less: non-controlling interest recognised on acquisition		(257,149)
Goodwill arising on acquisition		32,494
Total fair value of net assets acquired		257,149
For cash flow statement:		
Cash acquired on acquisition		132,979

The goodwill is attributable mainly to the skills and technical talent of Caucedo's work force, and the synergies expected to be achieved from integrating the company into the Group's existing business. None of the goodwill recognised is expected to be deductible for tax purposes.

The remeasurement to fair value of the Group's existing 50% interest in Caucedo to USD 257,150 thousand. has resulted in a gain of USD 118,406 thousand which includes derecognition of carrying amount of the existing equity-accounted investee of USD 132,523 thousand at the date of acquisition and recycling of OCI of USD 6,221 thousand to the statement of profit or loss (refer to note 9).

The Group has elected to measure the non-controlling interest in the acquiree at fair value including goodwill. The fair value was arrived using income approach model.

From the acquisition date, this acquisition has contributed revenues of USD 139,674 thousand and gross profit of USD 85,097 thousand to the Group's results.

(b) On 1 January 2020, the Group acquired 77% stake in Feedertech Group based in Singapore for a purchase consideration of USD 76,973 thousand. Feedertech operates two businesses, Feedertech, which is an independent feedering service and Perma, a regional short-sea network. Both operate in the same market and connect the fast-growing trade route of Asia-Middle East via the Indian subcontinent.

26. Business combinations continued

Acquisition of new subsidiaries continued

The carrying value and fair value of the identifiable net assets and liabilities on the date of the acquisition were as follows:

	Acquiree's carrying amount USD'000	Fair value recognised on acquisition USD'000
Assets		
Property, plant and equipment	7,793	7,793
Other intangible assets	91	91
Investment in equity-accounted investee	299	299
Right-of-use asset	3,559	3,559
Accounts receivables and prepayments	35,490	35,490
Inventories	3,784	3,784
Bank balances and cash	8,930	8,930
Liabilities		
Loans and borrowings	(325)	(325)
Lease debt	(3,527)	(3,527)
Accounts payable and accruals	(34,983)	(34,983)
Tax liabilities	(78)	(78)
Net assets acquired	21,033	21,033
Less: non-controlling interest recognised on acquisition		(22,992)
Goodwill arising on acquisition		78,932
Total fair value of net assets acquired		76,973
For cash flow statement:		
Cash paid on acquisition		(76,973)
Cash acquired on acquisition		8,930
Net cash paid on acquisition		(68,043)

The goodwill is attributable mainly to the skills and technical talent of the acquiree's work force, and the synergies expected to be achieved from integrating the company into the Group's existing business. None of the goodwill recognised is expected to be deductible for tax purposes.

Acquisition related costs of USD 2,815 thousand were expensed and included in general and administrative expenses in the prior year.

The Group has elected to measure the non-controlling interests in the acquiree at fair value including goodwill. The fair value was arrived using income approach model.

From the acquisition date, this acquisition has contributed revenues of USD 172,886 thousand and gross profit of USD 30,710 thousand to the Group's results.

(c) On 20 February 2020, the Group through one of its subsidiary, acquired 100% stake in Fraser Surrey Docks in Canada for a purchase consideration of USD 216,413 thousand. Fraser Surrey Docks is a large, multi-purpose marine terminal located in the greater Vancouver area of British Columbia, Canada. The acquisition of Fraser Surrey Docks complements the Group's footprint in Canada and provides an attractive platform to better serve our customers' break-bulk and dry bulk requirements. The Group's existing facilities at Vancouver and Prince Rupert have enjoyed strong growth in recent years and we believe that Fraser Surrey Docks will benefit from being part of the Group's terminal portfolio.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

26. Business combinations continued

Acquisition of new subsidiaries continued

The carrying value and fair value of the identifiable net assets and liabilities on the date of the acquisition were as follows:

	Acquiree's carrying amount USD'000	Fair value recognised on acquisition USD'000
Assets		
Property, plant and equipment	41,287	32,967
Port concession rights	36,765	175,931
Right-of-use asset	92,196	92,196
Accounts receivables and prepayments	17,746	17,746
Inventories	408	408
Bank balances and cash	296	296
Liabilities		
Lease liabilities	(93,750)	(93,750)
Accounts payable and accruals	(11,210)	(11,210)
Deferred tax liabilities	–	(51,239)
Net assets acquired	83,738	163,345
Goodwill arising on acquisition		53,068
Total fair value of net assets acquired		216,413
For cash flow statement:		
Cash paid on acquisition		(216,413)
Cash acquired on acquisition		296
Net cash paid on acquisition		(216,117)

The goodwill is attributable mainly to the skills and technical talent of acquiree's work force, and the synergies expected to be achieved from integrating the company into the Group's existing business. None of the goodwill recognised is expected to be deductible for tax purposes.

Acquisition related costs of USD 4,607 thousand were expensed and included in general and administrative expenses.

The deferred tax liability relates to fair value adjustments on port concession rights and property, plant and equipment.

The Group has elected to measure the non-controlling interests in the acquiree at the proportionate shares of its interest in the acquiree's identifiable net assets.

From the acquisition date, this acquisition has contributed revenues of USD 75,997 thousand and gross profit of USD 10,558 thousand to the Group's results. If the acquisition had occurred on 1 January 2020, management estimates that consolidated revenue would have increased by USD 10,857 thousand and consolidated gross profit for the year would have increased by USD 1,508 thousand. In determining these amounts, management has assumed that the fair value adjustments, that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 January 2020.

For the purpose of this acquisition, the Group obtained shareholder loan of USD 78,003 thousand from Caisse de dépôt et placement du Québec (CDPQ) in proportion to their shareholding of 45% in the acquirer. This has reduced the Group's effective ownership to 55%.

(d) On 16 April 2020, the Group acquired 76% stake in KRIBCHO Infrastructure Limited ("KRIL") from Krishak Bharati Cooperative Society for a purchase consideration of USD 60,948 thousand. KRIL is an integrated multi-modal logistics operator in various cities of India. This acquisition will allow the Group to integrate rail terminal and container train operators in India with an enhanced network to provide door-to-door connectivity to cargo owners. This acquisition was done through intermediary Group entities and accordingly, effective ownership of the Group is 46.24%.

26. Business combinations continued

Acquisition of new subsidiaries continued

This acquisition accounting was prepared on a provisional basis as final working capital adjustments impacting purchase consideration was not finalised at the date when financial statements were authorised for issue. The carrying value and provisional fair value of the identifiable net assets and liabilities on the date of the acquisition were as follows:

	Acquiree's carrying amount USD'000	Provisional Fair value recognised on acquisition USD'000
Assets		
Property, plant and equipment	38,477	68,471
Land use rights	2,287	5,679
Other intangible assets (customer contracts)	3,530	10,207
Right-of-use asset	3,028	3,028
Investment in equity-accounted investees	1,589	1,589
Accounts receivables and deferred tax assets	11,621	11,621
Bank balances and cash	479	479
Liabilities		
Loans and borrowings	(51,646)	(51,646)
Lease liabilities	(3,028)	(3,028)
Accounts payable and accruals	(4,998)	(4,998)
Deferred tax and income tax liabilities	–	(1,944)
Net assets acquired	1,339	39,458
Less: non-controlling interest recognised on acquisition		(9,470)
Goodwill arising on acquisition		30,960
Total fair value of net assets acquired		60,948
For cash flow statement:		
Cash paid on acquisition		(60,948)
Cash acquired on acquisition		479
Net cash paid on acquisition		(60,469)

The goodwill is attributable mainly to the synergies expected to be achieved from integrating the company into the Group's existing business. None of the goodwill recognised is expected to be deductible for tax purposes.

Acquisition related costs of USD 2,425 thousand were expensed and included in general and administrative expenses.

The deferred tax liability relates to fair value adjustments on intangible asset related to customer contracts.

The Group has elected to measure the non-controlling interests in the acquiree at the proportionate shares of its interest in the acquiree's identifiable net assets.

From the acquisition date, this acquisition has contributed revenues of USD 32,954 thousand and gross profit of USD 3,344 thousand to the Group's results. If the acquisition had occurred on 1 January 2020, management estimates that consolidated revenue would have increased by USD 13,569 thousand and consolidated gross profit for the year would have increased by USD 1,377 thousand. In determining these amounts, management has assumed that the fair value adjustments, that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 January 2020.

(e) On 5 June 2020, the Group acquired 51% stake in TIS-Container Terminal Ukraine for a purchase consideration of USD 93,706 thousand including a contingent consideration of USD 20,000 thousand. The principal activities to TIS-CT Ukraine includes providing stevedoring and other related services to foreign and domestic sea vessels moored to the company's trans-shipment terminal in Odesa Region, Ukraine. It is engaged in trans-shipment of containers and non-containerized cargo like coal, nickel and manganese ore, ilmenite and oil.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

26. Business combinations continued

Acquisition of new subsidiaries continued

The carrying value and fair value of the identifiable net assets and liabilities on the date of the acquisition were as follows:

	Acquiree's carrying amount USD'000	Fair value recognised on acquisition USD'000
Assets		
Property, plant and equipment	50,536	100,956
Other intangible assets	27	27
Right-of-use asset	3,197	3,197
Accounts receivables and deferred tax assets	6,424	6,424
Inventories	1,166	1,166
Bank balances and cash	8,771	8,771
Liabilities		
Lease liabilities	(3,009)	(3,009)
Accounts payable and accruals	(7,714)	(7,714)
Deferred tax and income tax liabilities	(1,495)	(10,570)
Net assets acquired	57,903	99,248
Less: non-controlling interest recognised on acquisition		(48,632)
Goodwill arising on acquisition		43,090
Total fair value of net assets acquired		93,706
For cash flow statement:		
Cash paid on acquisition		(73,706)
Cash acquired on acquisition		8,771
Net cash paid on acquisition		(64,935)

The goodwill is attributable mainly to the synergies expected to be achieved from integrating the company into the Group's existing business. None of the goodwill recognised is expected to be deductible for tax purposes.

Acquisition related costs of USD 1,236 thousand were expensed and included in general and administrative expenses.

The deferred tax liabilities relate to fair value adjustments on company's property, plant and equipment.

The Group has elected to measure the non-controlling interests in the acquiree at the proportionate shares of its interest in the acquiree's identifiable net assets.

The Group has agreed to pay the previous shareholders an additional contingent consideration based on meeting certain revenue performance targets and registration of certain leasehold properties in the name of acquiree in the next 12 months after the acquisition date. At acquisition date, the fair value of contingent consideration was USD 20,000 thousand which was not materially different at the reporting date as the amounts are likely to be settled within one year from the acquisition date. As at 31 December 2020, the key performance indicators of the acquired business show that it is highly probable that the required performance targets will be achieved, and contingent consideration will be discharged on the due date. The Group has determined that it has a contractual obligation to deliver cash to the seller upon meeting underlying conditions and therefore it has assessed contingent consideration as a financial liability in accordance with IAS 32.

26. Business combinations continued

Acquisition of new subsidiaries continued

From the acquisition date, this acquisition has contributed revenues of USD 21,153 thousand and gross profit of USD 7,045 thousand to the Group's results. If the acquisition had occurred on 1 January 2020, management estimates that consolidated revenue would have increased by USD 15,109 thousand and consolidated gross profit for the year would have increased by USD 5,032 thousand. In determining these amounts, management has assumed that the fair value adjustments, that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 January 2020.

(f) On 1 January 2020, the Group acquired 100% stake in Novi Sad for a purchase consideration of USD 9,103 thousand. The fair value of the identifiable net assets and liabilities on the date of the acquisition was USD 9,103 thousand resulting in no goodwill on the date of acquisition. From the acquisition date, this acquisition has contributed revenues of USD 10,153 thousand and gross profit of USD 5,194 thousand to the Group's results.

(g) On 19 August 2020, the Group announced the acquisition of 72% shareholding in Transworld Feeders FZCO, and Avana Global FZCO. Leading independent feeder and NVOCC (Non-Vessel Operating Common Carriers) operators, offering container feedering services and regional trade solutions connecting a wide range of ports in the Middle East, the Indian Subcontinent and Far East through their dense network. The transaction is subject to regulatory approvals and not consolidated in these accounts.

27. Significant group entities

The extent of the Group's ownership in its various subsidiaries, equity-accounted investees and their principal activities are as follows:

a) Significant holding companies

Legal Name	Ownership interest	Country of incorporation	Principal activities
DP World FZE	100%	United Arab Emirates	Development and management of international marine and inland terminal operations
Thunder FZE	100%	United Arab Emirates	Holding company
The Peninsular and Oriental Steam Navigation Company Limited ("P&O SNCo")	100%	United Kingdom	Management and operation of international marine terminal operations
Economic Zones World FZE	100%	United Arab Emirates	Development, management and operation of free zones, economic zones, industrial zones and logistics parks
DP World Australia (POSN) Pty Ltd	100%	Australia	Holding company
DPI Terminals Asia Holdings Limited	100%	British Virgin Islands	Holding company
DPI Terminals (BVI) Limited	100%	British Virgin Islands	Holding company
DPI Terminals Asia (BVI) Limited	100%	British Virgin Islands	Holding company
DP World Canada Investment Inc.	55%	Canada	Holding company
Hindustan Infralog Private Limited	65%	India	Holding company
Hindustan Ports Private Limited	100%	India	Holding company
DP World Ports Cooperatieve U.A.	100%	Netherlands	Holding company
DP World Maritime Cooperatieve U.A.	100%	Netherlands	Holding company
DP World International Investment BV	55%	Netherlands	Holding company
DP World Australia BV	55%	Netherlands	Holding company

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

27. Significant group entities

b) Significant subsidiaries – Ports

Legal Name	Ownership interest	Country of incorporation	Principal activities
Terminales Rio de la Plata SA	55.62%	Argentina	Container terminal operations
DP World Australia (Holding) Pty Ltd	33.14% ***	Australia	Container terminal operations
Empresa Brasileira de Terminais Portuarious S.A.	100%	Brazil	Container terminal operations
Caucedo Investments Inc.	50% ##	British Virgin Islands	Container terminal operations
Caucedo Services Inc.	50% ##	British Virgin Islands	Container terminal operations
DP World (Canada) Inc.	55%	Canada	Container terminal operations
DP World Prince Rupert Inc.	55%	Canada	Container terminal operations
DP World Fraser Surrey LP	55% ##	Canada	Multi-purpose and general cargo terminal operations
DP World Saint John, Inc.	100%	Canada	Container terminal operations
DP World Chile S.A.	54.89%	Chile	Container terminal operations
DP World Limassol Limited	75%	Cyprus	Multi-purpose and general cargo terminal operations
DP World Sokhna SAE	100%	Egypt	Container terminal operations
DPWorld Posorja S.A.	78%	Ecuador	Container terminal operations
Chennai Container Terminal Private Limited	100%	India	Container terminal operations
India Gateway Terminal Private Ltd	85.02%	India	Container terminal operations
Mundra International Container Terminal Private Limited	100%	India	Container terminal operations
Nhava Sheva International Container Terminal Private Limited	100%	India	Container terminal operations
Nhava Sheva (India) Gateway Terminal Private Limited	100%	India	Container terminal operations
DP World Middle East Limited	100%	Kingdom of Saudi Arabia	Container terminal operations
DP World Maputo S.A.	60%	Mozambique	Container terminal operations
Qasim International Container Terminal Pakistan Ltd	75%	Pakistan	Container terminal operations
DP World Callao S.R.L.	100%	Peru	Container terminal operations
Doraleh Container Terminal S.A. #	33.34% **	Republic of Djibouti	Container terminal operations
Integra Port Services N.V.	80%	Republic of Suriname	Container terminal operations
Suriname Port Services N.V.	80%	Republic of Suriname	General cargo terminal operations
Constanta South Container Terminal SRL	100%	Romania	Container terminal operations
DP World Dakar SA	90%	Senegal	Container terminal operations
DP World Berbera	65%	Somaliland	Container terminal operations
Pusan Newport Co., Ltd	66.03%	South Korea	Container terminal operations
DP World Tarragona SA	60%	Spain	Container terminal operations
DP World Yarımca Liman İşletmeleri AS	100%	Turkey	Container terminal operations
TIS-Container Terminal	51% ##	Ukraine	Multi-purpose terminal
DP World UAE Region FZE	100%	United Arab Emirates	Container terminal operations
London Gateway Port Limited	100%	United Kingdom	Container terminal operations
Southampton Container Terminals Limited	100%	United Kingdom	Container terminal operations
Saigon Premier Container Terminal	80%	Vietnam	Roll-on/ roll-off operations

27. Significant group entities continued

c) Associates and joint ventures – Ports

Legal Name	Ownership interest	Country of incorporation	Principal activities
Djazair Port World Spa	50%	Algeria	Container terminal operations
DP World DjenDjen Spa	50%	Algeria	Container terminal operations
Antwerp Gateway N.V	60% *	Belgium	Container terminal operations
Eurofos SARL	50%	France	Container terminal operations
Generale de Manutention Portuaire SA	50%	France	Container terminal operations
Goodman DP World Hong Kong Limited	25%	Hong Kong	Container terminal operations and warehouse operations
Visakha Container Terminals Private Limited	26%	India	Container terminal operations
Rotterdam World Gateway B.V.	30%	Netherlands	Container terminal operations
Qingdao Qianwan Container Terminal Co., Ltd	29%	People's Republic of China	Container terminal operations
Yantai International Container Terminals Ltd	12.50%	People's Republic of China	Container terminal operations
Terminales Portuarios Euroandinos Paita S.A.	50%	Peru	Container terminal operations
Asian Terminals Inc	50.54% *	Philippines	Container terminal operations
Laem Chabang International Terminal Co. Ltd	34.50%	Thailand	Container terminal operations

d) Other non-port business

Legal Name	Ownership interest	Country of incorporation	Principal activities
P&O Maritime Services Pty Ltd	100%	Australia	Maritime services
DP World Antwerp Terminals N.V.	100%	Belgium	Ancillary container services
Topaz Energy and Marine Limited	100%	Bermuda	Charter of marine vessels and ship management
Unifeeder A/S	100%	Denmark	Maritime transport and logistics
Unimed Feeder Services A/S	100%	Denmark	Maritime transport and logistics
DP World Germersheim GmbH and Co. KG	100%	Germany	Inland container terminal operations
Container Rail Road Services Pvt Limited	100%	India	Container rail freight operations
Continental Warehousing Corporation (Nhava Seva) Limited	60.84%	India	Logistics, warehousing and transportation services
KRIBHCO Infrastructure Limited	46.24% ##	India	Logistics, warehousing and transportation services
Nhava Sheva Business Park Private Limited	65.00%	India	Free trade warehousing zone
Winter Logistics Private Limited	59.29%	India	Cold chain logistics
Empresa de Dragagem do Porto de Maputo, SA	25.50%	Mozambique	Dredging services
Maputo Intermodal Container Depot, SA	50.00%	Mozambique	Inland container depot and warehousing
Sociedade de Desenvolvimento do Porto de Maputo, S.A.	24.74%	Mozambique	Port management and cargo handling
DP World Germany B.V.	100%	Netherlands	Inland container terminal operations
Base Marine Norway AS	51%	Norway	Maritime services
P&O Maritime Services (PNG) Limited	100%	Papua New Guinea	Maritime services
P&O Maritime Paraguay (Holdings) S.A.	100%	Paraguay	Maritime services
Cosmos Agencia Maritima S.A.C.	100%	Peru	Logistics, maritime and warehousing services
Neptunia S.A.	100%	Peru	Logistics and warehousing services
Triton Transports S.A.	100%	Peru	Logistics services
Port Secure FZCO #	40%	Republic of Djibouti	Port security services

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

27. Significant group entities continued

c) Associates and joint ventures – Ports continued

Legal Name	Ownership interest	Country of incorporation	Principal activities
DP World Novi Sad AD	100% ##	Republic of Serbia	Inland container terminal operations
Feedertech PTE. LTD.	77% ##	Singapore	Maritime transport and logistics
Perma Shipping Line PTE. LTD.	77% ##	Singapore	Maritime transport and logistics
Remolcadores de Puerto y Altura, S.A.	57.01%	Spain	Maritime services
Remolques y Servicios Marítimos, S.L.	93%	Spain	Maritime services
swissterminal Holding AG	44% ##	Switzerland	Inland container terminal operations
BurjTrade Ukraine LLC	100%	Ukraine	Trade facilitation through integrated electronic services
P&O Maritime Ukraine LLC	51%	Ukraine	Maritime services
Dubai International Djibouti FZE #	100%	United Arab Emirates	Port management and operation
Drydocks World LLC	100%	United Arab Emirates	Ship building, repairs and docking services
Dubai Trade FZE	100%	United Arab Emirates	Trade facilitation through integrated electronic services
Maritime World LLC	100%	United Arab Emirates	Property development and leasing
Jebel Ali Free Zone FZE	100%	United Arab Emirates	Management, operation and development of free zones, economic zones and industrial zones
P&O Maritime FZE	100%	United Arab Emirates	Maritime services
P&O Marinas FZE	100%	United Arab Emirates	Operating marinas and property leasing
World Security FZE	100%	United Arab Emirates	Security services
LG Park Freehold Limited	100%	United Kingdom	Management and operation of industrial parks
P&O Ferries Division Holdings Limited	100%	United Kingdom	Ferry services and harbour operator
Hyperloop Technologies, Inc.	76.26% *	United States of America	Development of hyperloop transportation system

* Although the Group has more than 50% effective ownership interest in these entities, they are not treated as subsidiaries, but instead treated as equity-accounted investees. The underlying shareholder agreements/ board composition do not provide control to the Group.

** Although the Group only has a 33.34% effective ownership interest in this entity, it was treated as a subsidiary until 22 February 2018, as the Group was able to govern the financial and operating policies of the company by virtue of an agreement with the other investor.

*** Although the Group only has a 33.14% effective ownership interest in this entity, it is treated as a subsidiary, as the Group is able to govern the financial and operating policies of the company by virtue of an agreement with the other investors.

\# On 22 February 2018, the Government of Djibouti illegally seized control of Djibouti operations and hence the Group has stopped consolidating this entity's operating results. The Group commenced arbitration proceedings before the London Court of International Arbitration to protect its rights, or to secure damages and compensation for breach or expropriation. The London Court of International Arbitration ruled Djibouti government's seizure of control of the terminal from the Group as illegal. The Group will continue to pursue all legal means to defend its rights as a shareholder.

\#\# Businesses acquired during the year; refer to note 26 for details.

28. Related party transactions

Other related party transactions

Transactions with related parties included in the consolidated financial statements are as follows:

	Parent Company 2020 USD'000	Equity-accounted investees 2020 USD'000	Other related parties 2020 USD'000	Total 2020 USD'000	Parent Company 2019 USD'000	Equity-accounted investees 2019 USD'000	Other related parties 2019 USD'000	Total 2019 USD'000
Expenses charged:								
Concession fee	–	–	7,872	7,872	–	–	8,175	8,175
Shared services	–	–	247	247	–	–	287	287
Marine service fees	–	–	12,041	12,041	–	–	13,043	13,043
IT services fee	–	–	2,710	2,710	–	–	4,794	4,794
Other services	–	–	3,209	3,209	–	–	9,234	9,234
Interest expense	–	–	54,464	54,464	–	–	57,395	57,395
Revenue earned:								
Revenue	–	–	9,131	9,131	–	–	14,284	14,284
Management fee	–	11,205	17,379	28,584	–	14,956	17,475	32,431
Interest income	45,774	1,989	–	47,763	–	6,817	–	6,817

Balances with related parties included in the consolidated statement of financial position are as follows:

	Due from related parties		Due to related parties	
	2020 USD'000	2019 USD'000	2020 USD'000	2019 USD'000
Ultimate Parent Company	2,393	2,396	1,501	1,499
Parent Company	1,546,473	30	2	3
Equity-accounted investees	139,818	128,725	11,731	1,840
Other related parties	37,438	36,017	29,857	13,180
Total	**1,726,122**	167,168	**43,091**	16,522

The Group has also issued guarantees on behalf of equity-accounted investees which are disclosed in note 38.

On 17 February 2020, the Group's parent company, Port & Free Zone World FZE (PFZW) entered into USD 9 billion syndicated loan facilities (3 to 5 years tenor) which is guaranteed by the Group. USD 7.9 billion was drawn down by PFZW during the year. The remaining USD 1.1 billion facility has been acceded by the Group on 22 July 2020, which remains undrawn.

On 7 July 2020, the Group has advanced USD 1.5 billion to PFZW as an inter-company loan, for a period of 5.5 years at the interest rate of 6.125% per annum, which has been used by PFZW to prepay its syndicated loan facilities reducing its debt to USD 6.4 billion. (refer to note 38).

Compensation of key management personnel

The remuneration of directors and other key members of the management during the year were as follows:

	2020 USD'000	2019 USD'000
Short-term benefits and bonus	14,796	15,090
Post-retirement benefits	465	364
Total	**15,261**	15,454

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

29 Financial risk management

Overview

The Group has exposure to the following risks from its use of financial instruments:
a) credit risk
b) liquidity risk
c) market risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk.

The Board of Directors have overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad-hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

The Group has exposure to the following risks arising from financial instruments:

a) Credit risk

Credit risk is the risk of financial loss to the Group if a customer fails to meet its contractual obligations, and arises principally from the Group's receivables from customers, amounts due from related parties and investment securities.

Trade and other receivables

The Group trades mainly with recognised and creditworthy third parties. It is the Group's policy that customers who wish to trade on credit terms are subject to credit verification procedures and are required to submit financial guarantees based on their creditworthiness. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant. The Group has not observed any significant changes to debtor days due to COVID-19, as compared to the previous year.

The Group applies IFRS 9 simplified approach to measure expected credit losses (ECLs) which uses a lifetime expected loss allowance for all trade receivables and contract assets. The Group uses an allowance matrix to measure the ECLs of trade receivables which comprise a very large number of small balances. These historical loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to write-off. Thus, expected credit loss rates are based on the payment profile of sales over a period of 60 months before 31 December 2020 and the corresponding historical credit losses experienced within this period. These historical rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of customers to settle the receivables. The Group identified gross domestic product (GDP), global supply/ demand index of container market, global freight rate index of container market, oil prices in international markets and consumer price index (CPI) to be the most relevant factors for performing macro level adjustments in expected credit loss financial model.

29 Financial risk management continued

a) Credit risk continued

Other financial assets

Credit risk arising from other financial assets of the Group comprises cash and cash equivalents and certain derivative instruments. The Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

The Group manages its credit risks with regard to bank deposits, throughout the Group, through a number of controls, which include assessing the credit rating of the bank either from public credit ratings, or internal analysis where public data is not available and consideration of the support for financial institutions from their central banks or other regulatory authorities.

Financial guarantees

The Group's policy is to consider the provision of a financial guarantee to wholly-owned subsidiaries or parent, where there is a commercial rationale to do so. Guarantees may also be provided to equity-accounted investees in very limited circumstances for the Group's share of obligation. The provision of guarantees always requires the approval of senior management.

i. Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure as at 31 December:

	2020 USD'000	2019 USD'000
FVOCI – equity instruments	20,487	20,009
Derivative assets	–	1,292
Trade and other receivables excluding prepayments	3,959,072	2,085,637
Cash and cash equivalents	2,142,110	2,943,359
Total	**6,121,669**	5,050,297

The maximum exposure to credit risk for current trade receivables (net) at the reporting date by operating segments are as follows:

	2020 USD'000	2019 USD'000
Asia Pacific and India	100,984	69,660
Australia and Americas	204,396	189,058
Middle East, Europe and Africa	779,538	735,338
Total	**1,084,918**	994,056

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

29 Financial risk management continued

a) Credit risk continued

The ageing of current trade receivables (net) at the reporting date was:

	2020 USD'000	2019 USD'000
Neither past due nor impaired on the reporting date:	**642,559**	617,140
Past due on the reporting date		
Past due 0-30 days	**209,545**	202,197
Past due 31-60 days	**82,988**	57,160
Past due 61-90 days	**29,571**	40,120
Past due > 90 days	**120,255**	77,439
Total	**1,084,918**	994,056

The Group believes that the unimpaired amounts that are past due by more than 30 days are still collectible, based on the historic collection trends.

Movement in the allowance for impairment in respect of trade receivables during the year was:

	2020 USD'000	2019 USD'000
As at 1 January	**150,963**	129,980
Acquired through business combinations	**2,318**	19,242
Provision recognised during the year	**16,825**	1,741
As at 31 December	**170,106**	150,963

Based on historic default rates, the Group believes that, apart from the above, no impairment allowance is necessary in respect of trade receivables not past due or past due.

Current trade receivables with the top ten customers represent 36% (2019: 34%) of the trade receivables.

b) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient cash to meet its liabilities as they fall due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank facilities and by ensuring adequate internally generated funds. The Group's terms of business require amounts to be paid within 60 days of the date of provision of the service. Trade payables are normally settled within 45 days of the date of purchase. COVID-19 has not impacted the Group's ability to maintain the normal payment cycle.

29 Financial risk management continued

b) Liquidity risk continued

The following are the undiscounted contractual maturities of financial liabilities, including estimated interest payments and the impact of netting agreements.

	Carrying amount USD'000	Contractual cash flows USD'000	Less than 1 year USD'000	1 – 2 years USD'000	2 – 5 years USD'000	More than 5 years USD'000
Non derivative financial liabilities						2019
Issued bonds	8,984,257	(15,658,089)	(896,915)	(414,258)	(2,371,418)	(11,975,498)
Convertible bonds	222,236	(274,730)	(4,551)	(4,501)	(265,678)	–
Bank loans	4,074,391	(5,550,965)	(770,426)	(325,914)	(1,767,353)	(2,687,272)
Loans from non-controlling shareholders	689,017	(808,577)	(24,976)	(23,896)	(91,050)	(668,655)
Lease and service concession liabilities	2,513,190	(7,866,780)	(311,468)	(339,915)	(675,968)	(6,539,429)
Trade and other payables	2,020,656	(2,065,788)	(1,846,667)	(59,227)	(20,208)	(139,686)
Derivative financial liabilities						
Interest rate swaps used for hedging	89,935	(97,368)	29	(46,072)	(36,888)	(14,437)
Embedded derivative option	14,311	–	–	–	–	–
Total	18,607,993	(32,322,297)	(3,854,974)	(1,213,783)	(5,228,563)	(22,024,977)
Non derivative financial liabilities						**2020**
Issued bonds	**8,618,876**	**(14,873,950)**	**(416,874)**	**(416,915)**	**(2,331,886)**	**(11,708,275)**
Bank loans	**4,496,479**	**(5,992,744)**	**(704,284)**	**(376,324)**	**(1,974,987)**	**(2,937,149)**
Loans from non-controlling shareholders	**811,366**	**(1,218,600)**	**(50,743)**	**(49,663)**	**(170,460)**	**(947,734)**
Lease and service concession liabilities	**3,164,442**	**(9,240,385)**	**(355,115)**	**(342,160)**	**(824,510)**	**(7,718,600)**
Trade and other payables	**2,482,429**	**(2,518,617)**	**(2,344,717)**	**(71,936)**	**(13,888)**	**(88,076)**
Contingent consideration payable	**20,000**	**(20,000)**	**(20,000)**	**–**	**–**	**–**
Derivative financial liabilities						
Interest rate swaps used for hedging	**145,281**	**(154,778)**	**(47,067)**	**(41,064)**	**(56,205)**	**(10,442)**
Total	**19,738,873**	**(34,019,074)**	**(3,938,800)**	**(1,298,062)**	**(5,371,936)**	**(23,410,276)**

Also, refer to note 38 for further details on financial guarantees and letters of credit.

c) Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates and interest rates will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Group enters into derivative contracts, in order to manage market risks. All such transactions are carried out within the guidelines set by the Board of Directors in the Group Treasury policy. Generally, the Group seeks to apply hedge accounting in order to manage the volatility in the consolidated statement of profit or loss.

During the year, COVID-19 had no significant impact on Group's exposure to foreign exchange and interest rate risks.

i. Currency risk

The proportion of the Group's net operating assets denominated in foreign currencies (i.e. other than the functional currency of the Company, UAE dirhams) is approximately 57% (2019: 66.5%) with the result that the Group's USD consolidated statement of financial position, and in particular shareholder's equity, can be affected by currency movements when it is retranslated at each year end rate. The Group partially mitigates the effect of such movements by borrowing in the same currencies as those in which the assets are denominated. Generally, borrowings are denominated in currencies that match the cash flows generated by the underlying foreign operations of the Group. This provides an economic hedge without derivatives being entered into and therefore hedge accounting is not applied in these circumstances. The impact of currency movements on operating profit is partially mitigated by interest costs being incurred in foreign currencies. The Group operates in some locations where the local currency is fixed to the Group's presentation currency of USD further reducing the risk of currency movements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

29 Financial risk management continued

i. Currency risk continued

A portion of the Group's activities generate part of their revenue and incur some costs outside their main functional currency. Due to the diverse number of locations in which the Group operates there is some natural hedging that occurs within the Group. When it is considered that currency volatility could have a material impact on the results of an operation, hedging using foreign currency forward exchange contracts is undertaken to reduce the short-term effect of currency movements.

When the Group's businesses enter into capital expenditure or lease commitments in currencies other than their main functional currency, these commitments are hedged in most instances using foreign currency forward exchange contracts in order to fix the cost when converted to the functional currency. The Group classifies its foreign currency forward exchange contracts hedging forecast transactions as cash flow hedges and states them at fair value.

Exposure to currency risk

The Group's financial instruments in different currencies were as follows:

	USD* USD'000	GBP USD'000	EUR USD'000	AUD USD'000	INR USD'000	CAD USD'000	KRW USD'000	Others USD'000	2019 Total USD'000
Cash and cash equivalents	1,933,119	202,619	250,813	68,445	175,791	118,399	119,965	74,208	2,943,359
Trade receivables	758,060	200,892	130,403	61,432	40,119	52,812	29,408	50,604	1,323,730
Unbilled revenue	147,441	20,020	12,559	1,314	8,141	600	545	2,867	193,487
Deposits receivable	10,759	1,190	49,780	80	1,786	–	702	2,162	66,459
Bank loans	(1,898,272)	(1,000,056)	(44,491)	(312,209)	(112,994)	(435,714)	–	(270,655)	(4,074,391)
Loan from non-controlling shareholders	(7,802)	–	(18,500)	(553,363)	–	(109,352)	–	–	(689,017)
Unsecured bonds	(7,915,930)	(456,500)	(834,063)	–	–	–	–	–	(9,206,493)
Lease and service concession liabilities	(1,012,228)	(575,945)	(211,153)	(493,771)	(14,755)	(163,427)	(19,867)	(22,044)	(2,513,190)
Trade payables	(146,744)	(110,776)	(98,487)	(13,601)	(21,843)	(3,864)	(11,243)	(48,729)	(455,287)
Advances and deposits from customers	(438,302)	–	–	–	(9,478)	–	–	(1,782)	(449,562)
Net consolidated statement of financial position exposures	(8,569,899)	(1,718,556)	(763,139)	(1,241,673)	66,767	(540,546)	119,510	(213,369)	(12,860,905)

	USD* USD'000	**GBP USD'000**	**EUR USD'000**	**AUD USD'000**	**INR USD'000**	**CAD USD'000**	**KRW USD'000**	**Others USD'000**	**2020 Total USD'000**
Cash and cash equivalents	**1,231,612**	**202,411**	**254,105**	**60,144**	**68,477**	**76,540**	**135,016**	**113,805**	**2,142,110**
Trade receivables	**846,159**	**226,776**	**118,235**	**57,517**	**54,796**	**62,563**	**27,184**	**51,726**	**1,444,956**
Unbilled revenue	**123,434**	**25,547**	**4,869**	**–**	**6,103**	**762**	**253**	**2,028**	**162,996**
Deposits receivable	**16,091**	**–**	**1,651**	**–**	**886**	**–**	**1,479**	**124**	**20,231**
Bank loans	**(2,335,858)**	**(1,017,029)**	**(44,468)**	**(341,616)**	**(95,929)**	**(411,244)**	**–**	**(250,335)**	**(4,496,479)**
Loan from non-controlling shareholders	**(20,622)**	**–**	**(17,455)**	**(578,179)**	**–**	**(195,110)**	**–**	**–**	**(811,366)**
Unsecured bonds	**(7,232,883)**	**(472,255)**	**(913,738)**	**–**	**–**	**–**	**–**	**–**	**(8,618,876)**
Lease and service concession liabilities	**(1,653,654)**	**(522,626)**	**(119,329)**	**(542,258)**	**(11,830)**	**(254,747)**	**(20,486)**	**(39,512)**	**(3,164,442)**
Trade payables	**(125,694)**	**(168,575)**	**(97,994)**	**(8,133)**	**(17,919)**	**(14,294)**	**(6,742)**	**(36,090)**	**(475,441)**
Advances and deposits from customers	**(402,068)**	**–**	**–**	**–**	**(5,714)**	**–**	**–**	**(231)**	**(408,013)**
Net consolidated statement of financial position exposures	**(9,553,483)**	**(1,725,751)**	**(814,124)**	**(1,352,525)**	**(1,130)**	**(735,530)**	**136,704**	**(158,485)**	**(14,204,324)**

* The functional currency of the Company is UAE dirham. UAE dirham is pegged to USD and therefore the Group has no foreign currency risk on these balances.

29 Financial risk management continued

Sensitivity analysis

A 10% strengthening of the USD against the following currencies at 31 December would have increased/ (decreased) the consolidated statement of profit or loss and the consolidated statement of other comprehensive income by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. Furthermore, as each entity in the Group has its own functional currency, the effect of translating financial assets and liabilities of the respective entity would mainly impact the consolidated statement of other comprehensive income.

	Consolidated statement of profit or loss		Consolidated statement of other comprehensive income	
	2020 USD'000	2019 USD'000	**2020 USD'000**	2019 USD'000
GBP	**(5,758)**	(5,428)	**(191,809)**	(190,951)
EUR	**(30)**	(189)	**(90,458)**	(84,793)
AUD	**(4,307)**	(3,750)	**(150,281)**	(137,964)
INR	**(751)**	(458)	**(126)**	(7,419)
CAD	**(2,565)**	(1,556)	**(81,726)**	(60,061)
KRW	**(45)**	(203)	**(15,189)**	(13,279)

A 10% weakening of the USD against the above currencies at 31 December would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

ii. Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with a fixed/ floating interest rate and bank deposits.

The Group's policy is to manage its interest cost by entering into interest rate swap agreements, in which the Group agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount. These swaps are designated to hedge underlying debt obligations.

At 31 December 2020, after taking into account the effect of interest rate swaps, approximately 94% (2019: 92%) of the Group's borrowings are at a fixed rate of interest.

Profile

At the reporting date the interest rate profile of the Group's interest bearing financial instruments was:

	Carrying amounts	
	2020 USD'000	2019 USD'000
Fixed rate instruments		
Financial liabilities (include loans and borrowings, loan from non-controlling shareholders and lease & concession liabilities)	**(13,414,275)**	(13,076,339)
Interest rate swaps hedging floating rate debt	**(2,663,728)**	(2,098,943)
Total	**(16,078,003)**	(15,175,282)
Variable rate instruments		
Financial assets (include short term deposits and deposits under lien)	**742,065**	1,886,872
Financial liabilities (include loans and borrowings, loan from non-controlling shareholders and lease & concession liabilities)	**(3,676,888)**	(3,406,752)
Interest rate swaps hedging floating rate debt	**2,663,728**	2,098,943
Total	**(271,095)**	579,063

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

29 Financial risk management continued

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points ("bp") in interest rates at the reporting date would have increased/ (decreased) consolidated statement of profit or loss and the consolidated statement of other comprehensive income by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

	Consolidated statement of profit or loss		Consolidated statement of other comprehensive income	
	100 bp increase USD'000	100 bp decrease USD'000	100 bp increase USD'000	100 bp Decrease USD'000
2020				
Variable rate instruments	**(2,711)**	**2,711**	**–**	**–**
Interest rate swaps	**(1,150)**	**1,150**	**25,487**	**(25,487)**
Cash flow sensitivity (net)	**(3,861)**	**3,861**	**25,487**	**(25,487)**
2019				
Variable rate instruments	5,791	(5,791)	–	–
Interest rate swaps	(1,350)	1,350	19,639	(19,639)
Cash flow sensitivity (net)	4,441	(4,441)	19,639	(19,639)

d) Fair value

Fair value versus carrying amount

The fair values of financial assets and liabilities, together with the carrying amounts shown in the consolidated statement of financial position are as follows:

	Fair value hierarchy	2020 Carrying amount USD'000	2020 Fair value USD'000	2019 Carrying amount USD'000	2019 Fair value USD'000
FVOCI – equity instruments	**2**	**20,487**	**20,487**	20,009	20,009
Financial assets at FVTPL					
Derivative instruments for hedging	**2**	**–**	**–**	1,292	1,292
Financials assets carried at amortised cost					
Trade and other receivables**		**3,959,072**	**3,959,072**	2,085,637	2,085,637
Cash and cash equivalents*		**2,142,110**	**2,142,110**	2,943,359	2,943,359
Financial liabilities carried at fair value					
Interest rate swaps used for hedging	**2**	**(145,281)**	**(145,281)**	(89,935)	(89,935)
Embedded derivative option	**2**	**–**	**–**	(14,311)	(14,311)
Financial liabilities carried at amortised cost					
Issued bonds	**1**	**(8,618,876)**	**(10,019,708)**	(8,984,257)	(10,086,366)
Convertible bonds (refer to note 33)	**2**	**–**	**–**	(222,236)	(228,246)
Bank loans*		**(4,496,479)**	**(4,496,479)**	(4,074,391)	(4,074,391)
Loans from non-controlling shareholders*		**(811,366)**	**(811,366)**	(689,017)	(689,017)
Lease and service concession liabilities*		**(3,164,442)**	**(3,164,442)**	(2,513,190)	(2,513,190)
Trade and other payables**		**(2,482,429)**	**(2,482,429)**	(2,020,656)	(2,020,656)
Contingent consideration payable**		**(20,000)**	**(20,000)**	–	–

Fair value hierarchy

The table above analyses assets and liabilities that require or permits fair value measurements or disclosure about fair value measurements.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

* These financial assets and liabilities carry a variable rate of interest and hence, the fair values reported approximate carrying values.
** These financial assets and liabilities have short term maturity and thus, the fair values reported approximate carrying values.

29 Financial risk management continued

d) Fair value continued

The fair value of foreign currency forward exchange contracts and interest rate swaps is based on the bank quotes at the reporting dates. Similar contracts are traded in an active market and the quotes reflect the actual transactions in similar instruments. The fair value of trade and other receivables and trade and other payables approximates to their carrying values.

The embedded derivative option liability of the convertible bond is fair valued at each reporting date based on the Black and Scholes option pricing model adjusted with market assumptions relating to share price, risk free rate and volatility. The fair value of the host liability component in the convertible bond is arrived at after deducting the fair value of the embedded derivative option liability from the stock exchange quoted closing bid price of the convertible bond as at the reporting date. These bonds have been redeemed during the year (refer to note 33).

The fair value for quoted bonds is based on their market price (including unpaid interest) as at the reporting date. Other loans include term loans and finance leases. These are largely at variable interest rates and therefore, the carrying value normally equates to the fair value.

30. Share capital

The share capital of the Company as at 31 December was as follows:

	2020 USD'000	2019 USD'000
Authorised		
1,250,000,000 of USD 2.00 each	**2,500,000**	2,500,000
Issued and fully paid		
830,000,000 of USD 2.00 each	**1,660,000**	1,660,000

31. Reserves

Share premium

Share premium represents surplus received over and above the nominal cost of the shares issued to the shareholders and forms part of the shareholder equity. The reserve is not available for distribution except in circumstances as stipulated by the DIFC Companies Law.

Shareholders' reserve

Shareholders' reserve forms part of the distributable reserves of the Group.

Other reserves

The following table shows a breakdown of 'other reserves' and the movements in these reserves during the year. A description of the nature and purpose of each reserve is provided below the table.

	Hedging and other reserves USD'000	Actuarial reserve USD'000	Total other reserves USD'000
Balance as at 1 January 2019	27,472	(585,662)	(558,190)
Other comprehensive income, net of tax	(31,075)	(3,186)	(34,261)
Balance as at 31 December 2019	(3,603)	(588,848)	(592,451)
Balance as at 1 January 2020	**(3,603)**	**(588,848)**	**(592,451)**
Other comprehensive income, net of tax	**(49,192)**	**(33,115)**	**(82,307)**
Balance as at 31 December 2020	**(52,795)**	**(621,963)**	**(674,758)**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

31. Reserves continued

Other reserves continued

Hedging and other reserves

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of the cash flow hedging instruments related to hedge transactions that have not yet occurred.

The other reserves mainly include statutory reserves of subsidiaries as required by applicable local legislations. This reserve also includes the unrealised fair value changes on FVOCI financial instruments.

Actuarial reserve

The actuarial reserve comprises the cumulative actuarial losses recognised in the consolidated statement of other comprehensive income.

Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency. It mainly includes foreign exchange translation differences arising from the translation of goodwill and purchase price adjustments which are denominated in foreign currencies at the Group level.

32. Hybrid equity instrument

Subordinated perpetual certificates

On 1 July 2020, the Group issued unsecured subordinated perpetual certificates ("hybrid bond") of USD 1,500,000 thousand which are listed on London stock exchange and Nasdaq Dubai. These bonds are deeply subordinated with no maturity date. The bonds have a fixed profit rate of 6% per annum payable semi-annually in arrears till the first call date on 1 October 2025 and will be reset thereafter every 5 years to a new fixed rate plus the margin.

The Group has an unconditional right to avoid paying out cash or another financial asset for the principal or profit as there is no contractual obligation to make any profit payment under the terms of the hybrid bond. Consequently, in compliance with IAS 32, these bonds are recorded as equity instruments and accordingly, these are accounted at net of transaction costs and discount of USD 23,314 thousand on their initial recognition.

33. Loans and borrowings

	2020 USD'000	2019 USD'000
Issued bonds	**8,618,876**	8,984,257
Bank loans	**4,496,479**	4,074,391
Convertible bonds*	**–**	222,236
	13,115,355	13,280,884
of which:		
Classified as non-current	**12,617,341**	12,185,472
Classified as current	**498,014**	1,095,412
of which:		
Secured loans and borrowings	**3,393,881**	3,529,257
Unsecured loans and borrowings	**9,721,474**	9,751,627

33. Loans and borrowings continued

The below table provides movement of loans and borrowings:

	2020 USD'000	2019 USD'000
Balance at 1 January	**13,280,884**	10,396,556
Cash flow items		
Proceeds from issue of bonds (net of transaction cost paid)	**–**	2,311,179
Drawdown of borrowings during the year	**1,870,540**	846,195
Repayment of borrowings during the year	**(2,267,639)**	(767,084)
Repurchase of convertible bonds*	**(254,400)**	(679,074)
Redemption of Sukuk	**–**	(232,014)
Other non-cash items		
Acquired through business combinations	**334,954**	1,528,293
Interest accretion on convertible bonds	**32,096**	18,776
Transaction cost written off/amortised during the year	**20,182**	10,358
Translation adjustments	**98,738**	(152,301)
Balance at 31 December	**13,115,355**	13,280,884

The loans and borrowings carry interest rate in the range of 0.6 % to 11.33% per annum.

* During 2020, the Group redeemed the remaining USD 254,400 thousand of 10 year USD 1 billion unsecured convertible bonds due 2024.

During the current year, the parent company (PFZW) has acceded USD 1.1 billion of its undrawn facility to the Group. (refer to note 38).

At 31 December 2020, the undrawn committed borrowing facilities of USD 3.4 billion (2019: USD 2 billion) were available to the Group, in respect of which all conditions precedent had been met. These include the undrawn facility of USD 1.1 billion acceded by PFZW.

The maturity profile of the Group's loans and borrowings (including acquired from business combinations) as of 31 December is as below:

Year of maturity	Bonds USD'000	Loans USD'000	Total USD'000
2021*	–	498,014	498,014
2022	–	181,096	181,096
2023	1,194,726	498,302	1,693,028
2024	–	330,893	330,893
2025*	–	703,632	703,632
2026	913,738	305,551	1,219,289
2027	7,972	485,258	493,230
2028	993,561	189,602	1,183,163
2029	985,101	67,823	1,052,924
2030*	968,258	91,051	1,059,309
2031	–	73,401	73,401
2032-38	1,740,554	752,361	2,492,915
Beyond 2038	1,814,966	319,495	2,134,461
Total	**8,618,876**	**4,496,479**	**13,115,355**

Certain property, plant and equipment and port concession rights are pledged against the facilities obtained from the banks (refer to note 11). The deposits under lien are placed to collateralise some of the borrowings of the Company's subsidiaries (refer to note 20).

Information about the Group's exposure to interest rate, foreign currency and liquidity risk are described in note 28.

* This includes loans and borrowings acquired through business combinations.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

34. Lease and service concession liabilities

a. Group as a lessee/concessionaire

	Lease liabilities (IFRS 16) 2020 USD'000	Service concession liabilities (IFRIC 12) 2020 USD'000	Total 2020 USD'000	Lease liabilities (IFRS 16) 2019 USD'000	Service concession liabilities (IFRIC 12) 2019 USD'000	Total 2019 USD'000
At 1 January	**2,513,190**	**–**	**2,513,190**	23,207	–	23,207
At 1 January 2019 upon adoption of IFRS 16	**–**	**–**	**–**	1,937,814	–	1,937,814
Acquired through business combination	**103,313**	**–**	**103,313**	554,602	–	554,602
Payments during the period	**(355,814)**	**(24,011)**	**(379,825)**	(302,831)	–	(302,831)
New leases/ service concessions entered during the period	**262,287**	**412,730**	**675,017**	87,617	–	87,617
Interest expense (refer to note 7)	**142,666**	**25,896**	**168,562**	138,749	–	138,749
Reassessment of leases during the period	**(35,571)**	**–**	**(35,571)**	–	–	–
Reclassified from other liabilities	**–**	**37,218**	**37,218**	31,879	–	31,879
Translation adjustment	**78,979**	**3,559**	**82,538**	42,153	–	42,153
As at 31 December	**2,709,050**	**455,392**	**3,164,442**	2,513,190	–	2,513,190
Lease and service concession liabilities classified as at 31 December:						
Non-current	**2,520,438**	**449,764**	**2,970,202**	2,287,655	–	2,287,655
Current	**188,612**	**5,628**	**194,240**	225,535	–	225,535
Total	**2,709,050**	**455,392**	**3,164,442**	2,513,190	–	2,513,190

Refer to note 12 for right-of-use assets and also refer note 29(b) for maturity profile of lease liabilities.

b. Group as a lessor

Future minimum rentals receivable under non-cancellable operating leases as at 31 December are as follows:

	2020 USD'000	2019 USD'000
Within one year	**624,000**	763,519
Between one to five years	**1,206,282**	1,415,853
More than five years	**1,093,383**	1,090,432
Total	**2,923,665**	3,269,804

The above operating leases (Group as a lessor) mainly consist of commercial properties leased consisting of land, office accommodation, warehouses and staff accommodation. Besides these, vessels and certain property, plant and equipment are also leased out by the Group. The leases contain renewal options for additional lease periods at rental rates based on negotiations or prevailing market rates.

35. Loans from non-controlling shareholders

	2020 USD'000	2019 USD'000
Non-current portion	**810,366**	688,017
Current portion	**1,000**	1,000
Total	**811,366**	689,017

These non-current loans mainly include USD 775,172 thousand (2019: USD 664,577 thousand) granted by non-controlling shareholders of entities under 'Australia and Americas' region. These loans carry interest rate ranging between 5.5%-8.0% per annum (2019: 5.5%-8.0% per annum) and repayable between 2023 and 2037.

36. Capital management

The Board's policy is to maintain a strong equity base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

Equity consists of share capital, share premium, shareholders' reserve, retained earnings, hedging and other reserves, actuarial reserve, translation reserve, hybrid equity instrument and non-controlling interests. The primary objective of the Group's capital management strategy is to ensure that it maintains a strong credit rating and healthy capital ratios such as adjusted net debt/ adjusted equity and adjusted net debt/ adjusted EBITDA in order to support its business and maximise shareholder value.

For calculating these ratios:

- Adjusted net debt is defined as total loans and borrowings including lease liabilities less cash and cash equivalents.
- Adjusted EBITDA is defined in note 4 *Segment information.*

The Board monitors these ratios without considering the impact of leases and concession liabilities which require further adjustments to adjusted EBITDA and equity. These modified ratios are also provided as an additional information.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements. The key performance ratios as at 31 December are as follows:

		2020* USD'000	2019* USD'000	2020 USD'000	2019 USD'000
Total loans and borrowings (refer to note 33)		**13,115,355**	**13,280,884**	13,115,355	13,280,884
Add: lease and concession liabilities (refer to note 34)		**–**	**–**	3,164,442	2,513,190
Less: cash and cash equivalents (refer to note 20)		**(2,142,110)**	**(2,943,359)**	(2,142,110)	(2,943,359)
Total adjusted net debt	**A**	**10,973,245**	**10,337,525**	14,137,687	12,850,715
Equity		**15,400,509**	**12,847,218**	15,400,509	12,847,218
Add: Impacts on retained earnings on initial application of IFRS 16		**–**	**446,280**	–	–
Total	**B**	**15,400,509**	**13,293,498**	15,400,509	12,847,218
Adjusted EBITDA		**3,319,455**	**3,305,580**	3,319,455	3,305,580
Less: leases and concession fee expense		**(379,825)**	**(302,831)**	–	–
Total	**C**	**2,939,630**	**3,002,749**	3,319,455	3,305,580
Adjusted net debt/adjusted equity	**A/B**	**0.71**	**0.78**	0.92	1.00
Adjusted net debt/adjusted EBITDA	**A/C**	**3.73**	**3.44**	4.26	3.89

* Ratios recomputed without considering the impacts of leases and concession liabilities.

37. Capital commitments

	2020 USD'000	2019 USD'000
Estimated capital expenditure contracted for as at 31 December	**823,834**	753,750

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

38. Contingencies

The Group has the following contingent liabilities arising in the ordinary course of business at 31 December:

	2020 USD'000	2019 USD'000
Performance guarantees	**131,726**	156,146
Payment guarantees	**67,116**	60,578
Letters of credit	**110,899**	15,595
Guarantees issued on behalf of equity-accounted investees	**41,985**	40,825
Guarantees given on behalf of Parent company's external debt*	**6,400,000**	–
Total	**6,751,726**	273,144

* On 17 February 2020, the Group's Parent Company, Port & Free Zone World FZE (PFZW) entered into USD 9 billion syndicated loan facilities (3 to 5 years tenor) which is guaranteed by the Group. USD 7.9 billion was drawn down by PFZW as at 30 June 2020. The remaining USD 1.1 billion facility has been acceded by the Group on 22 July 2020, which remains undrawn. On 7 July 2020, USD1.5 billion has been prepaid by PFZW under the syndicated loan facilities, reducing its debt to USD 6.4 billion.

The Group has entered into certain agreements with landlords and port authorities which may contain specific volume or payment commitments that could result in minimum concession/lease fees being payable on failure to meet those targets.

39. Subsequent events

a) In January 2021, the Group completed the acquisition of 60% shareholding in UNICO Logistics Co. Ltd, Headquartered in South Korea, UNICO has a global footprint of 25 subsidiaries in 20 countries and is one of the largest independent NVOCC (Non-Vessel Operating Common Carriers) operators in South Korea. UNICO is a multimodal transport specialist with strong market position in the fast-growing transcontinental rail freight market between East-Asia and Central-Asia and Russia, in particular on the strategically important Trans-Siberian Railway and Trans China Railway.

b) On 25 January 2021, the Group signed a 20-year concession agreement with the Government of Angola to operate the multipurpose terminal at the Port of Luanda, Angola and started operations on 1 March 2021.

c) On 6 March 2021, the Group, alongside its partner Caisse de dépôt et placement du Québec (CDPQ), a global investment group, signed a 35 year concession agreement to partner with Indonesia's leading conglomerate Maspion Group to develop and operate an integrated container port and industrial & logistics park in Gresik (Java), Indonesia. The first phase of the greenfield project, with an estimated initial investment of USD 435 million, will add container capacity of 1 million TEU (twenty-foot equivalent units) and 110 hectare of industrial & logistics park. Following completion of legal and regulatory condition precedents, construction is expected to start in the third quarter of 2021 and take approximately 24 months to complete. The initial investment of USD 435 million will be spread over 24 months and the total project cost of more than USD 1 billion over three phases will be dependent on market demand for the port and park.