DP WORLD

THE SMARTER TRADE REPORT

ANNUAL REPORT AND ACCOUNTS 2021

DP WORLD ANNUAL REPORT AND ACCOUNTS 2021

WE'RE CHANGING WHAT'S POSSIBLE FOR EVERYONE

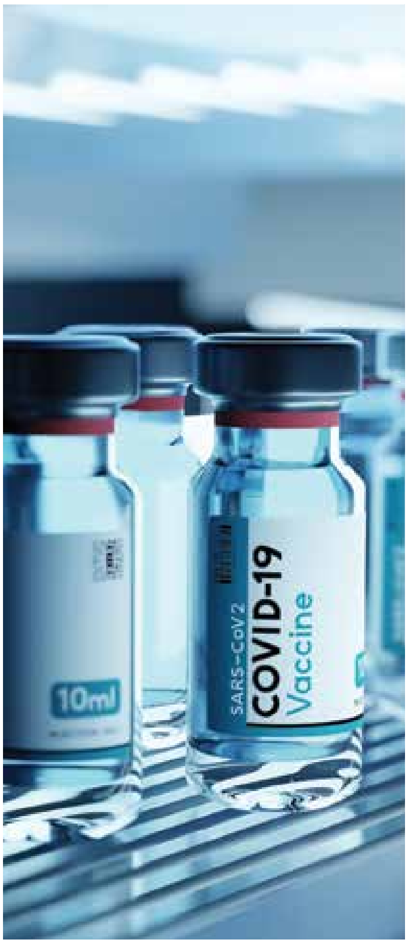
WHILE THE WORLD FOUND NEW WAYS TO ADAPT TO THE NEW NORMAL, WE TRANSFORMED OUR BUSINESS BY NAVIGATING UNEXPLORED TERRITORIES, DIGITALISING THE SUPPLY CHAIN, PARTNERING WITH THE WORLD'S GREATEST SHOW – EXPO 2020 DUBAI, AND EXPANDING OUR LOGISTICS NETWORK.

BY CONNECTING THE WORLD THROUGH TRADE, WE MADE 2021 THE YEAR WHERE WE TOOK ONE STEP CLOSER TO OUR VISION TO LEAD THE FUTURE OF WORLD TRADE.

CASE STUDY 1

See case study on pages 26 and 27

DP World is the leading provider of smart logistics solutions, enabling the flow of trade across the globe.

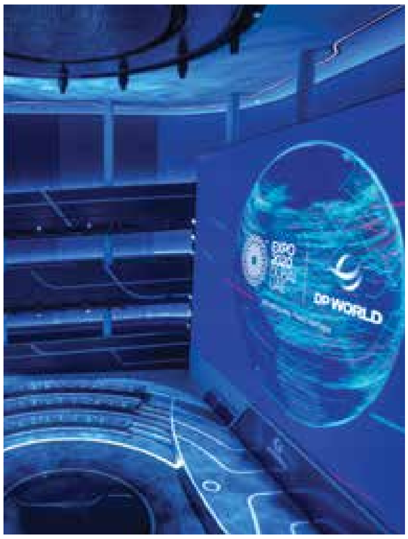


CASE STUDY 2

See case study on pages 28 and 29

With more than 71,000 employees worldwide, we are working towards creating the smartest, most efficient and innovative trade solutions, while ensuring a positive and sustainable impact on economies, societies and our planet.

See what we do on pages 4 and 5



CASE STUDY 3

See case study on pages 30 and 31

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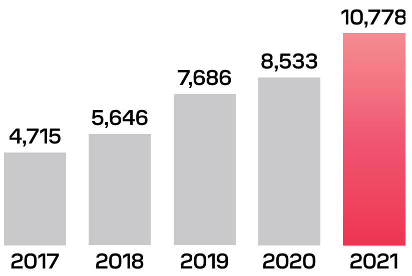
FINANCIAL HIGHLIGHTS

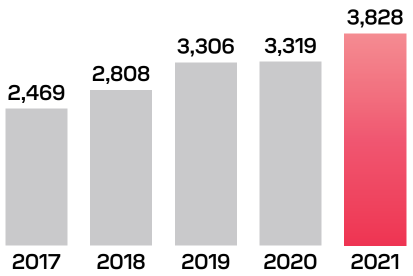
REVENUE (US$ MILLION)



US$ 10,778m

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 94.

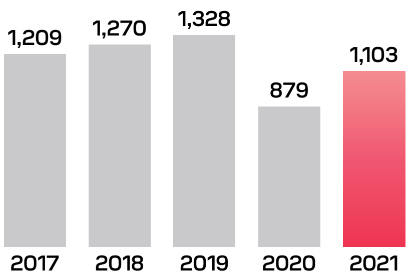
ADJUSTED EBITDA (US$ MILLION)



US$ 3,828m

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.

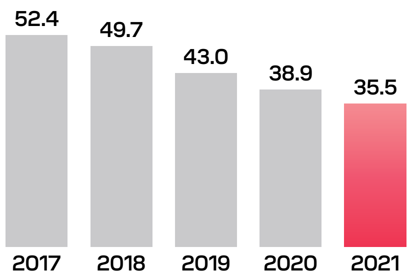
PROFIT ATTRIBUTABLE TO OWNERS (US$ MILLION)



US$ 1,103m

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

ADJUSTED EBITDA MARGIN (%)



35.5%

Adjusted EBITDA (Earnings Before Interest, Tax, Depreciation and amortisation) is a key measure of value delivered to shareholders. The adjusted EBITDA margin is calculated by dividing adjusted EBITDA by revenue.

OPERATIONAL AND STRATEGIC HIGHLIGHTS

TRANSFORMING OUR BRAND

This year saw a massive change. We launched our new logo and refreshed visual identity and strengthened our end-to-end supply chain services under a strong strategy-led architecture which powers the master brand.

OUR COMMITMENT TO HSE

We introduced the SIF (serious injury and fatality) prevention programme to improve our understanding of SIF incidences, to reduce risk and achieve our goal of zero harm. We launched the SafeLeader online and in person course to train leaders on safety expectations and to uphold a positive safety culture across our business. We have also implemented a strategic three pillar programme to achieve our HSE (Health, Safety and Environment) ambitions.

EXPEDITING THE GLOBAL DISTRIBUTION OF VACCINES

We joined hands with UNICEF in a partnership to support the COVID-19 vaccine distribution to developing countries worldwide through our logistics network. We also partnered with other major UAE organisations as part of the Vaccine Logistics Alliance to speed up vaccine distribution by land, air and sea.

SUPPORTING OUR COMMUNITIES

We hosted our annual Global Volunteer Week and encouraged colleagues to volunteer in activities such as mangrove planting, beach clean-ups, and toy-making for underprivileged children. Working with major global companies, we also initiated a Mangrove Forest Project aiming to plant 100,000 seedlings.

ENCOURAGING INNOVATION

We hosted our first-ever hackathon this year at DP World Flow Pavilion at Expo 2020 Dubai to encourage the youth to think more innovatively. We also partnered with Virgin Hyperloop to challenge students of ICE (Institution of Civil Engineers) MENA to design the future of transportation.

MAKING TRADE MORE DIGITAL

We expanded our technology solutions by launching CARGOES and DUBUY.com, connecting our physical offerings to our digital products and creating integrated solutions for our customers.

OUR COMMITMENT TO WOMEN EMPOWERMENT

We became the title sponsors of the iconic yacht Maiden's new world tour, managed by an all-female crew. This global voyage aims to encourage more women and girls to participate and enrol in STEM subjects. On International Women's Day, we launched *"Women Lead@DP World"*, an internal global development programme to encourage women leadership.

INTRODUCING THE DP WORLD TOUR

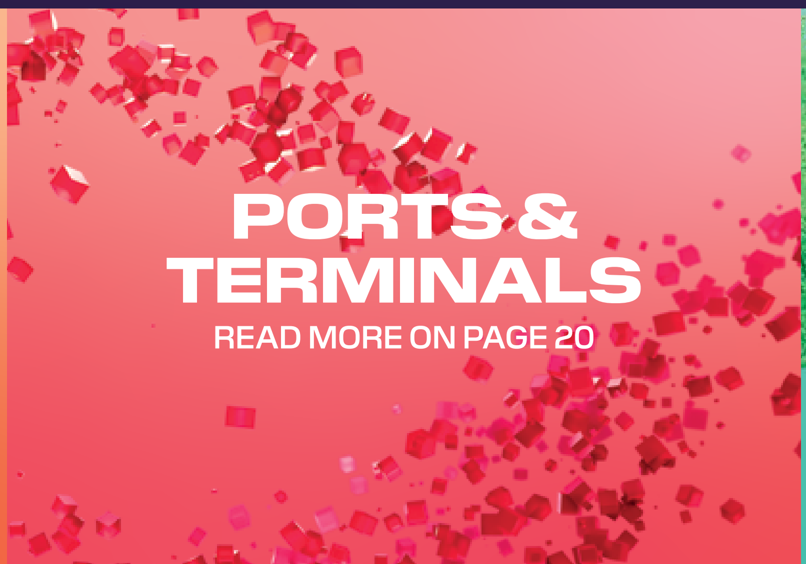
After a successful decade-long partnership with golf's prestigious European Tour, we became the title sponsors of the tour – renaming it to 'DP World Tour' from the 2021 season. This further reiterates our commitment to golf and the tour.

WHAT WE DO AND WHERE WE OPERATE

WE REIMAGINE, IMPLEMENT AND OPERATE THE GLOBAL TRADE INFRASTRUCTURE

With a vision to lead the future of world trade, we are working towards providing end-to-end supply chain solutions for our customers and partners. Our dedicated, diverse and professional team of more than 71,000 employees from 69 countries are committed to bringing every customer and partner unrivalled value.

We build long-lasting relationships with governments, shippers, traders, and other stakeholders along the global supply chain. This allows us to think ahead, anticipate change and deploy industry-leading technology to create the smartest, most efficient and innovative trade solutions, while ensuring a positive and sustainable impact on economies, societies and our planet.



GROUP CHAIRMAN AND CHIEF EXECUTIVE OFFICER'S STATEMENT

WE ARE NOW IN THE THIRD YEAR OF THE COVID-19 PANDEMIC AND THE RAPID DEVELOPMENT OF VACCINES IS A SCIENTIFIC ACHIEVEMENT FOR THE AGES

While the world continues to grapple the societal and economic shocks that impacted our way of life, our challenge was to help our customers to navigate their way through these unprecedented times.

Supply chains are being tested, reworked and reforged from moving vaccines to those in need – to vital food supplies and all the other goods that we come to use in the 21st century.

These uncertain economic conditions have shown that digital trade, speed of delivery and transparency for cargo owners to see where their products are at any one time are key in making sure that nations are able to serve their people in difficult times as well as good.

Supply chain congestion, which started at the end of 2020, worsened during the year and spread across all geographies, with North America, China and Europe hardest hit. Operations in our sector were affected globally by continued labour shortages as well as slower operations due to COVID-19 compliance, off-schedule vessel arrival, higher exchanges and yard congestion from longer dwelling empties.

Yet in the face of adversity, resilience and imagination are key. Supply chain disruption has resulted in greater demand from cargo owners for customised solutions and our logistics team have been working closely with customers to provide improved transport connectivity.

We have been proactively managing the flow at our facilities and implemented various initiatives, working closely with customers to better plan and manage berth hours and container exchange. This has resulted in limited disruption at our terminals and allowed for cargo to move efficiently.

In parallel, the industry experienced a worsening of carrier schedule reliability. Schedule reliability dropped to a record low in the 3rd quarter 2021, and in the current operating environment, improvements remain elusive. Data shows that only around 34% of vessels arrived on time (within a day) and those that were late, were on average 7.3 days delayed. This marked a new record and to improve reliability, carriers omitted congested ports and hub locations, often diverting cargo to smaller ports.

Our remedy for that was the fact that our ports and terminals are strategically located with close access and strong connectivity to key inland markets. As carriers moved away from congested hubs, our locations often benefitted, with London Gateway attracting new services at the expense of other ports in the UK, and Prince Rupert and Vancouver offering an alternative to transpacific cargo in lieu of the heavily congested US West Coast ports.

My faith in the future is undimmed and is backed by our annual survey "Trade In Transition" that seeks the views of over 3,000 supply chain professionals around the world each year. The report showed that 70% of businesses predict trade will recover to pre-pandemic levels more quickly than recovery following the financial crisis of 2008. Some 83% indicated that they are in the process of reconfiguring their supply chains by switching or adding new suppliers, using different logistics providers and/or changing production or purchasing locations.

BUSINESS STRATEGY BEYOND THE HORIZON

In the face of these trends, our long-term business strategy still holds good and we are on the right path. Our success will depend on how we make trade faster, more controllable, more sustainable and efficient through developments in infrastructure, logistics and innovative applications of digital technology.

Building direct customer relationships with cargo owners, building our capabilities as a data-driven logistics solutions provider and delivering customer value propositions which leverage our unique network of physical assets and comprehensive digital platforms will enable us to offer cargo owners improved visibility, enhanced operational efficiency and reduced waste across their supply chains.

LEVERAGING LOGISTICS CAPABILITY

To further improve our logistics services and capability we acquired a new company, syncreon, a US-based global logistics provider that specialises in the design and operation of complex supply chains for the high growth automotive and technology industries through value added warehousing and distribution and a variety of export packaging, transport management and fulfilment services with 91 sites in 19 countries.

We announced the acquisition of Imperial Logistics (Imperial), an integrated logistics company with operations across Africa and Europe. Imperial focuses on fast growing industries including healthcare, consumer, automotive, chemicals, industrial and other commodities with a presence in 32 markets. This acquisition will help us improve connectivity between African producers along fast-growing trade lanes to the rest of the world and creating the continent's best network of inland logistics, ports and terminals, economic zones and marine logistics.

GROUP CHAIRMAN AND CHIEF EXECUTIVE OFFICER'S STATEMENT

Supporting these bold moves, we continued to grow our digital platforms through the World Logistics Passport (WLP) – the first-ever global freight loyalty programme aimed at increasing trade opportunities between emerging markets. To date, the WLP has expanded into a global network of trade mega-hubs in over 11 countries with several major businesses taking part.

On other fronts, our freight rate marketplace, SeaRates, saw a rapid growth in revenue, 18 months after its acquisition by the Group. We also saw our independent freight forwarding membership network, the Digital Freight Alliance (DFA), hit a membership of over 2,000 since its foundation, and we launched our CARGOES suite of enterprise services and products to help businesses book freight through our locations, raise finance, track intermodal shipments and run their back office operations more efficiently.

All of these examples underline our commitment to help cargo owners and freight forwarders prosper during these difficult times.

THE EXPO EXPERIENCE – ONE FOR ALL AGES

A major highlight of the year was the opening of the DP World Flow Pavilion at Expo 2020 Dubai, designed to show the power of flow in international trade. Over 600,000 visitors and 100 delegations from governments and organisations around the world came to our pavilion and experienced the movement of commerce and how it drives the global economy, providing a unique insight into the innovative technology of supply chains.

The opening also saw the unveiling of our refreshed brand which symbolises our

transformation into a global leader with ports and terminals, economic zones, logistics and marine services, moving 10% of global trade. Our new visual identity will represent the most visible signs of the changes which are transforming our business.

Expo 2020 Dubai signals change, modernity and a sense of the dynamism that inspires us. It will bring global consistency and coherence across our diverse businesses, products and services. It will emphasis the connectedness between our businesses which enables the promise of logistics solutions and supports the repositioning of our brand.

Visitors could experience how DP World is leading innovation, including the development of Boxbay and Hyperloop as well as using data to develop platforms and services that offer more visibility, control and efficiency.

After Expo 2020 Dubai, the pavilion will be transformed into an educational institute, becoming a permanent feature of the Expo 2020 legacy district and reinforcing Dubai's position as a knowledge-based economy.

PROSPER THROUGH PARTNERSHIP

As part of our partnership efforts with other organisations, we joined forces with UNICEF to support the global distribution of COVID-19 vaccines and related immunisation supplies in lower income countries. The partnership was the largest to support UNICEF's lead role in procuring and supplying 2 billion doses of vaccines on behalf of the COVAX facility. We also began to collaborate on other global programmes as part of the agreement in support of education, health, women's empowerment, water and sanitation.

Partnerships were forged in other ways too, such as in the sporting arena as the European Golf Tour was renamed the DP World Tour, which was a ground-breaking announcement in the world of golf. Our unprecedented commitment has enabled the Tour to invest in long-term strategic growth that will elevate the Tour in every way, grow the game globally and drive positive community impact.

CONTINUING SUSTAINABILITY

Our people are our greatest asset. Therefore my primary concern, each and every day is to ensure that our work environment and our processes and practices are safe for our staff. This is and always will be my highest daily priority.

We are strongly committed to being a world leader in sustainability and demonstrating this through reporting on the environmental, social and governance (ESG) impacts on our business, and for the first time this year, we released our own ESG report on all our operations. Be it through reducing carbon emissions and energy use, promoting renewable energy and the responsible use of natural resources and waste management. Our social impact focuses on safety, gender equality, education, supporting the communities we operate in, employee wellbeing, people development, education and human rights.

The 'Our World, Our Future' sustainability strategy aligns with the United Nations' Sustainable Development Goals, and we work with a range of partners and institutions to deliver progress by 2030. In addition, we have set a Company target to achieve net zero carbon emissions across our operations by 2040.

During the year, we signed a three-year partnership with the Jane Goodall institute to support the growth of its international humanitarian and environmental youth programme, "Roots and Shoots". We will support the expansion of existing Roots and Shoots groups around the world and the development of new ones, providing schools outreach and teaching resources focusing on the marine ecosystem. Alongside this, we launched a three-year agreement with The Maiden Factor to promote women's empowerment in the UAE and across the Group.

CORPORATE GOVERNANCE AND BOARD

We remain committed to the development of best-in-class governance practice contributing to our operations, and performance as a whole, enabling us to tackle the challenges and risks arising both now and in the future. I would like to thank our Board members once again for their support, wisdom, and contribution to DP World's success.

Our Board possess an extraordinary wealth of skills, experience and talent helping to steer our future during these unusual times. The full biographies of our Board members and information on their roles and responsibilities and the various committees can be found on page 68.

PRESENT AND FUTURE

In the run up to the biggest retail period of 2021, broken supply chains were headline news. The issue is complex, and I believe disruption will continue until 2023 with restrictions across the world having a lasting effect. There will undoubtedly be a material impact on trade and our business, but we will continue to evolve to enable us to help create a world that is not just rebuilt but built better.

Yet the outlook for 2022 still remains encouraging. From developed economies to emerging markets, we need a connected ecosystem of partners to share knowledge and resources, and to pioneer new solutions. A strong 2021 leaves us well-placed to focus on delivering our 2022 targets, and by working together, we will forge a path to a sustainable future.

Global trade has lifted large parts of the world out of poverty and expanding it in emerging markets will continue to be part of our focus. It has brought prosperity to many developing economies and given millions of people access to jobs, better education and healthcare.

For example, we remain committed to our role as a trade enabler in Latin America. We are developing terminals to handle a wider range of cargo and to continue improvements – from dredging to increase access for larger vessels to more competitive port costs to looking for opportunities in new logistics technologies for bulk cargo in fertilisers and energy projects.

WORKING WITH GOVERNMENTS TO CREATE IMPROVED INFRASTRUCTURE

The Suez Canal blockage last year was a wake-up call. It showed everybody that to keep cargo flowing around the world, we are all incredibly reliant on key infrastructure along just a few vital trade routes. We have also learned from the challenges now being faced by some of the major US ports. We will be working with governments to build infrastructure that has future demands firmly in mind. Through infrastructure investment, coupled with improved customs procedures, we will lower the cost of trade and transport, enabling the growth of existing and future businesses.

I am a great believer in solutions and throughout human history we have shown that "where there's a will, there's a way". In this age of the mind, I am confident we have many ways to pursue and explore further.

SULTAN AHMED BIN SULAYEM
GROUP CHAIRMAN AND CHIEF EXECUTIVE OFFICER
17 March 2022

OUR YEAR IN REVIEW

JANUARY

At the beginning of 2021, we partnered with UNICEF to support the distribution of COVID-19 vaccines to lower-income countries worldwide. We also joined hands with major players in global air routes and logistics networks to speed up vaccine distribution as part of Dubai's Vaccine Logistics Alliance.

We signed an agreement with the government of Angola to operate and manage the first multipurpose port terminal on the western coast of Southern Africa in Luanda.

FEBRUARY

Our port in Limassol, Cyprus, enhanced its capability by going digital and adopting our CARGOES TOS+ operating system. This provides all supply chain users with real-time information on their cargo.

India, South Africa, Indonesia, and the Federation of Israeli Chambers of Commerce also joined our World Logistics Passport (WLP) in February.

MARCH

Along with Caisse de dépôt et placement du Québec (CDPQ), a global investment group, we signed a long-term agreement with Maspion Group to start the construction of an international container port and industrial logistics park in Gresik, Indonesia.

We proudly announced the findings of our "Trade in Transition" study, giving a deeper understanding of the private sector sentiment on international trade. Gearing towards Expo 2020 Dubai, we signed an agreement with Zayed University, Dubai, to showcase their students' work in our Flow Pavilion to visitors coming from around the world to Expo 2020 Dubai.

APRIL

We launched DUBUY.com, a B2B e-commerce portal that will connect African businesses to regional and international markets – ensuring goods are delivered safely, reliably and on time. It was launched in Rwanda, with plans to expand across Africa and beyond.

MAY

We signed a memorandum of understanding (MoU) with the Ministry of Ethiopia to develop a road linking Ethiopia to Somaliland into one of the major trade and logistics corridors of the country's international trade routes.

We extended our WLP portfolio in Asia by welcoming Vietnam as a member.

JUNE

Our UK ports, Southampton and London Gateway, became the first in the country to handle Freightliner's new 775m intermodal container trains – further cementing the critical role of smart logistics hubs in the UK's international supply chain.

We expanded our portfolio in Somaliland by opening a new terminal at Berbera port that will offer an annual capacity of 500,000 TEU and we broke ground for an economic zone to be near our port.

JULY

July saw the announcement of two major acquisitions – syncreon and Imperial Logistics. syncreon is a US-based company with strong logistics solutions capability across 91 sites in 19 countries. Imperial Logistics is an integrated logistics company with a presence across Europe and Africa.

AUGUST

CARGOES Finance was launched to connect companies in need of trade finance solutions with financial institutions.

Uzbekistan joined the WLP, connecting it to the network of the world's first freight loyalty scheme across Europe, Asia, Africa and Latin America.

SEPTEMBER

We announced an investment of £300 million in a fourth berth at our UK port, London Gateway.

Our subsidiary, Drydocks World, announced the opening of South Yard – a development aimed at providing world-class facilities for oil and gas renewable energy segments.

OCTOBER

We revealed our new corporate logo and refreshed visual identity at the opening ceremony of DP World Flow Pavilion at Expo 2020 Dubai.

We announced partnerships with Dubai Culture to work together to boost Dubai's cultural and creative economy.

We also announced partnerships with the CDC Group to create a new investment platform in Africa to increase trade, creates new job opportunities and broaden access to essential goods in the region.

DP WORLD

NOVEMBER

Along with Virgin Hyperloop, we partnered with the Institution of Civil Engineers (ICE), Class of Your Own (COYO), Bentley Systems and Cadventure to launch the DEC Future Infrastructure Challenge. This programme is designed to inspire future professionals to innovate solutions that strengthen the UAE's transportation infrastructure of the future.

DECEMBER

Our WLP initiative expanded into China for the first time. Fujian Port Group from China joined as a WLP Partner, enabling local businesses to increase annual trade by an average of 5-10%.

MARKET OVERVIEW

MACRO-ECONOMICS – GLOBAL ECONOMY REBOUNDS

The global economic recovery that started in the second half of 2020 continued during 2021, but a resurgence of the pandemic towards the end of the year resulted in weakening momentum. Risks to economic prospects have increased – stemming from inflation concerns, continued supply chain disruptions and the impact of new COVID-19 variants. Global GDP grew 5.9%[1] in 2021, spurred on by strong monetary policy support, and by the resumption of economic activity in countries that were successful in rolling out vaccinations at scale. Gaps in prospects across economic groups have widened, with low-income developing countries faring worse as a consequence of the large disparities in vaccine access and policy support. GDP for emerging market countries grew 6.5%[1], whilst advanced economies recorded GDP growth of 5.0%[1] during the year, as supply disruptions impacted activity.

MERCHANDISE TRADE VOLUMES – DOUBLE-DIGIT TRADE GROWTH

World merchandise trade volumes grew 10.8%[2] in 2021, as service trade continued to lag trade of goods, particularly in travel and leisure sectors. Strong global economic activity in the first half of the year resulted in merchandise trade growing above its pre-pandemic peak. Raw material and component scarcity, in addition to supply chain bottlenecks, weighed on trade in the second half of 2021. A significant divergence across countries remains, with some developing regions falling well short of the global average. In particular, the Middle East and Africa had the weakest recoveries on the import and export side. Mid-term growth is expected to moderate, as merchandise trade approaches its pre-pandemic long-run trend.

LOGISTICS – FREIGHT FORWARDING EXPANDS BY 12%

The increase in demand for physical goods, following the reopening of the global economy in 2021, resulted in greater demand for logistics services with the market growing by more than 10%[3] in the year. The global freight forwarding market grew by 12%[3] in 2021, with almost all regions seeing double-digit growth, led by North America and Asia Pacific. The air forwarding market experienced faster growth, expanding at 15.8%[3] over the period, while the sea forwarding market saw slower growth of 7.4%[3]. Unexpected levels of high demand led to low inventory levels, which boosted demand for air freight as shippers rushed to replenish inventories amidst rising sales. The air freight market also continued to benefit from improved cost-competitiveness relative to sea freight, despite historically high air freight rates. The average price to move air cargo was 12.5[4] times more expensive than sea shipping before the COVID-19 crisis, whereas in September 2021 it was only three times more expensive. The rise of e-commerce sales combined with supply chain disruptions have resulted in greater demand for warehousing solutions as cargo owners move to a more decentralised inventory model. The contract logistics market grew by 8.4%[3], while road transportation grew by 8.6%[3] in 2021, despite the driver shortage issue in developed markets.

WORLD PORT HANDLING

Global port handling increased 6.5%[5] in 2021 to 848.6 million TEU as global GDP rebounded. However, after a strong start to the year with first half volumes increasing by 11.9%[5], volume growth slowed in the second half due to supply chain disruptions and higher inflation.

KEY REGIONS

AMERICAS

US imports were the main driver of demand growth, which saw volumes rise by 13.3%[5], and caused supply chain congestion, as consumers continued to disproportionately spend on goods. The tapering of the monthly bond-buying programme at the end of 2021 and interest rate increases in 2022 to stem rising inflation, could see a let-up in spending going forward.

Latin America benefitted from a rebound in raw material prices and an increased rate of vaccination across the region during the second half of the year. Volumes grew 10.0%[5], but a slowdown is expected in 2022 as consumer price hikes affect demand.

EUROPE & RUSSIA

Europe has seen a much stronger return of service spending, including travel and eating out, as lockdowns were lifted during the summer and people engaged in more activities outside of the home. This came to the detriment of a below-average throughput growth of 4.6%[5] and with Q3 2021 only growing 0.8%[5]. The lower growth is also a reflection of port congestion, which impacted the main North European and UK ports, with Rotterdam (Netherlands), Antwerp (Belgium) and Felixstowe (UK) hit hardest and experiencing several service omissions and port changes.

SUBCONTINENT

India's economic activity rebounded sharply with container throughput increasing by 16.6%[5]. The recovery is, however, facing challenges, including rising prices for fuel and food, which are hurting consumers, and coal shortages that could impact industrial output. But proactive measures to boost investment, including stepping up government spending, should support a firmer recovery.

MIDDLE EAST & AFRICA

The Middle East has seen a divergence in recovery, with most GCC countries rebounding from the initial impact of the pandemic, but countries such as Egypt are entering a fourth wave. Across the region, tourism and transport remained subdued.

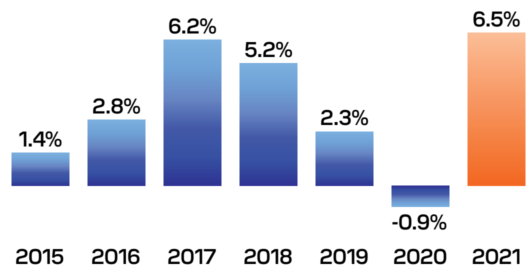
The strong recovery in Africa, following a deep recession in 2020, was supported by rising commodity prices, but low vaccination rates across the continent could adversely affect manufacturing, service spending and broader demand for goods.

ASIA PACIFIC & OCEANIA

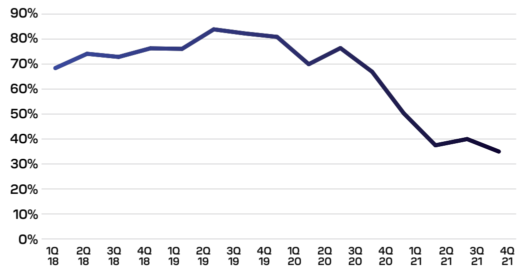
China had a strong start to 2021 but the impact of US port congestion, COVID-19 outbreaks, typhoon-related port shutdowns and a softening of domestic demand resulted in below-average port growth of 5.2%[5]. Both South East Asia and North Asia fared slightly better with port throughput of 5.7%[5] and 5.6%[5], respectively. However, manufacturing output in South East Asia was impacted by prolonged factory closures in the wake of further COVID-19 outbreaks.

Australia and New Zealand saw a strong recovery in port throughput, up 8.3%[5], due to increased import flow as well as demand for its mineral products. Ongoing industrial action impacted port operations, resulting in congestion and vessel delays on this trade lane.

GLOBAL PORT HANDLING GROWTH (INCLUDING EMPTIES AND TRANSHIPMENT) (DREWRY)



GLOBAL SCHEDULE RELIABILITY (SEAINTEL)



KEY TRENDS AND IMPACTS

Event	What this means for DP World
CONTINUED SUPPLY CHAIN DISRUPTION Supply chain congestion worsened during the year and spread across all geographies, with North America, China and Europe hardest hit. Supply chain operations have been affected globally by the continued impact of COVID-19 such as labour shortage, lack of empty containers, lower vessel reliability and port congestion.	• Supply chain disruption has resulted in greater demand from cargo owners for customised solutions and DP World's logistics team has been working closely with customers to provide improved transport connectivity. • DP World has been proactively managing the flow at its facilities – it implemented various initiatives and worked closely with customers to better plan and manage berth hours and container exchange. This has resulted in limited disruption at DP World terminals and allowed cargo to move efficiently.
STRONG CARGO DEMAND OUTSTRIPPED VESSEL SUPPLY The low number of new vessel deliveries, adding around 1 million TEU[6] to the fleet, saw demand grow ahead of supply during 2021. Effective capacity was even more limited as excessive vessel waiting times at ports around the world absorbed as much as 12%[7] of the global fleet. With the forecast for 2022 also expecting muted fleet growth, the under-supplied market will likely extend until 2023, when current orders will start being delivered. The majority of units will, however, only join the active fleet in 2024.	• Many locations witnessed double-digit growth during the year, off the back of strong cargo demand. • DP World enjoyed strong pricing power in some locations, with Group revenues growing in excess of container throughput. • Low levels of investment into ports over the past decade meant that demand growth has rapidly caught up with available capacity. • DP World invested more than the overall industry in the past few years and with new developments in Indonesia, the Democratic Republic of Congo and Senegal coming online, strong traction for these projects is expected.
CARRIER SCHEDULE RELIABILITY WORSENED Schedule reliability dropped to a record low in the 4th quarter of 2021. Only 33.2%[8] of vessels arrived on time (within a day). For FY 2021, schedule reliability stood at 35.1%[8], down from 63.9%[8] in 2020, and vessels that were late, recorded an average delay of 6.86[8] days. To improve reliability, carriers are omitting congested ports and hub locations and often diverting cargo to smaller ports.	• DP World's ports and terminals are strategically located with close access and strong connectivity to key inland markets. • As carriers moved away from congested hubs, DP World locations often benefitted, with London Gateway attracting new services at the expense of other ports in the UK. Prince Rupert and Vancouver offered an alternative to transpacific cargo in lieu of the heavily congested US West Coast ports.
CARRIER EARNINGS REACHED RECORD-HIGH LEVELS Primarily driven by the capacity imbalance, freight rates rocketed during the year and stabilised at these elevated levels. Carrier earnings were subsequently bolstered and ended the year at double the profits made by shipping lines in the past 20 years.	• Carriers' strong earnings are a positive for DP World. The focus is on ensuring DP World is adequately compensated for the activities it performs and to improve yield for future investment into existing and new facilities. • DP World introduced a variety of new initiatives, including priority delivery and improved exception handling. Providing these quality services offers additional revenue opportunities. • Going forward, the financial stability will drive more strategic interaction with carriers, be it long-term efficiency gains or broader commercial initiatives.

Sources:
1 IMF World Economic Outlook Update, January 2022
2 World Trade Organisation Outlook October 2021
3 Transport Intelligence, Total Logistics 2021
4 IATA Forecasts
5 Drewry Container Forecaster Quarter 4 2021
6 Alphaliner Monthly Monitor December 2021
7 SeaIntel Sunday Spotlight # 542
8 SeaIntel Schedule Reliability Report

BUSINESS MODEL

WE ARE COMMITTED TO INTEGRATING SUSTAINABILITY AND RESPONSIBLE CORPORATE CITIZENSHIP WITHIN OUR BUSINESS MODEL

WE LEAD OUR BUSINESS THROUGH:

CUSTOMER RELATIONSHIPS AND OPERATIONAL EXCELLENCE
- Customer satisfaction is central to our success.
- We strive for excellence and operational efficiency.

PEOPLE, CULTURE AND SAFETY
- Training and development programmes for employees and supply chain through The Hub, which is our global centre of excellence for learning, leadership and talent management.
- We are guided through Our Principles that are at the core of our diverse and innovative culture.
- Fully committed to zero harm to people with a culture of safety throughout the Group.

COMMUNITY AND ENVIRONMENT
- Committed to changing what's possible for everyone through our sustainability strategy, 'Our World, Our Future'.
- Driving best practices and foster 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
There are four principles that are fundamental to the ongoing success of our organisation. Our Principles are central to every decision we make in our business and are the foundation of our Company's culture.

For more on our **Our Principles**, see **page 53**

WE CHANGE WHAT'S POSSIBLE FOR EVERYONE:

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, and industrial and logistic parks.

TERMINAL HANDLING (SOURCE)

SEA JOURNEY

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

Ports & Terminals
Cargo movement, from points of production to points of sale, innovating new ways or working and embracing new ideas.

TERMINAL HANDLING (DESTINATION)

ON-CARRIAGE TO DESTINATION FOR VALUE-ADD OR PORT OF LOADING

Ports & Terminals

LOGISTICS

Economic Zones

Logistics

BUYER/IMPORTER WAREHOUSE

Logistics

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 and B2B e-commerce.

WE DELIVER VALUE THROUGH:

ENVIRONMENT
- Oceans
- Climate change

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

GOVERNANCE
- Safety
- Security
- Ethics

Our sustainability and impact strategy implements the use of 'Our World, Our Future' as a guide to working responsibly and sustainably.

It helps us in prioritising sustainable and inclusive economic growth while creating positive impact for the people, communities and environments in which we operate.

OUR STRATEGY

OUR STRATEGIC OBJECTIVES		2021 ACTIVITY	2022 OUTLOOK	KPIs	RISKS
TO START TO CHANGE THE DP WORLD DIALOGUE WITH SHIPPING LINES	• A new narrative based on DP World's determination to offer cargo owners significant supply chain improvements and interest in partnerships with shipping lines to deliver these improvements. • A new emphasis on working with shipping lines to better meet the needs of cargo owners. • In a rapidly changing marketplace, focusing on those shipping lines who recognise the strengths of DP World and are willing to build 'mutually beneficial' relationships which recognise and respect the contributions (and commercial requirements) of both parties.	• Launched our new visual identity that aligns better with our new narrative and evolving business and aims to offer end-to-end logistics solutions. • Signed an agreement with the government of Angola to operate and manage the first multipurpose seaport terminal in Luanda to better meet the needs of the cargo owners. • Along with Caisse de depot et placement du Quebec (CDPQ), signed a long-term agreement with Maspion Group to start the construction of an international container port and industrial logistics park in Gresik. • Signed a memorandum of understanding (MoU) with the Ministry of Ethiopia to develop a road linking Ethiopia to Somaliland, into one of the major trade and logistics corridors of the country.	• To position ourselves as a leading global provider of end-to-end logistics solutions. • To continue to be a trusted global brand that can be relied on by our customers and recruit, retain and train the best talent. • Continue to expand through acquisitions and partnerships to diversify our revenue base and engage 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 2021 • DP World Hub training programme participants in 2021 • DP World Hub e-learning module completion in 2021 • Increase in berth productivity 'BMPH' % • Reportable injury frequency rate (RIFR)	• Macroeconomic instability • Customer attraction and retention • Geopolitical • Health and safety • Environment and climate change • Compliance • Leadership and talent • Labour unrest • Legal and regulatory
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 PORTS AND TERMINALS	• DP World is most credible and able to deliver new products and services in and around ports and terminals. In many parts of the world, some of the most significant problems and 'choke-points' for cargo owners today arise at ports and terminals. • Spearhead business-building with cargo owners through 'port-centric' innovations which improve performance in and around the global network of ports and terminals, which are at the heart of DP World's uniqueness and competitive advantage. • In the short term, deliver solutions for customers that take advantage of the capacity available in our current asset base, while at the same time address the challenges the customers have. Fit-for-purpose solutions that address the realities of current capabilities.	• Acquired syncreon and announced the acquisition of Imperial Logistics, expanding our logistics reach across Europe and Africa. • Launched a B2B e-commerce portal, DUBUY.com, a logistics-led solution for cargo owners which connects African businesses to regional and international markets. • Launched CARGOES Finance, a new solution that connects companies needing trade finance solutions with financial institutions. • Partnered with UNICEF to address challenges and support the distribution of COVID-19 vaccines to countries worldwide.	• To focus on digitally-led solutions that connect our physical infrastructure into an efficient digital space reaching directly to the cargo owners. • Diversify offerings to connect different points in a trade journey to ensure optimum customer benefits. • Expand our logistics reach to meet our aim of providing end-to-end supply chain solutions.	• Return on Capital Employed (ROCE) % • Profit attributable to owners of the Company (US$m) • Gross Capacity mTEU/Gross Capacity Utilisation % • Capital expenditure in 2021	• Macroeconomic instability • Financial risks • Customer attraction and retention • Major projects – planning and project management • Geopolitical • IT systems and cyber threat • Health and safety • Environment and climate change • Compliance • Leadership and talent • Labour unrest • Legal and regulatory
TO FOCUS IN THE MEDIUM AND LONGER TERM ON INNOVATIONS ACROSS THE SUPPLY CHAIN	• Key target customers are cargo owners willing to engage with DP World to conduct data-based analyses of their supply chains on an end-to-end basis, to establish where innovations can deliver significant improvements (in control, transparency, reduction of waste and delay, etc). • A number of these relationships already exist and there is a lot of existing information and intelligence on the sectors and companies which is of long-term interest to DP World. This strand of strategic development should be progressed in parallel with the short-term focus on 'port-centric' innovation.	• Aiming towards strategic relationships and improvements, added over ten countries to our World Logistics Passport (WLP) this year. • Using information and intelligence, announced the findings of our 'Trade in Transition' study giving a deeper understanding of the private sector sentiment on international trade.	• Look at wide-ranging opportunities to connect directly with cargo owners. • To concentrate on innovations that help move trade across the supply chain. • To understand customers' needs better to align our infrastructure and services.	• Return on Capital Employed (ROCE) % • Profit attributable to owners of the Company (US$m) • Gross Capacity mTEU/Gross Capacity Utilisation % • Capital expenditure in 2021 • DP World Hub training programme participants in 2021 • DP World Hub e-learning module completion in 2021 • Increase in berth productivity 'BMPH' % • Reportable injury frequency rate (RIFR) See **KPIs** on **pages 34 and 35** →	• Macroeconomic instability • Financial risks • Customer attraction and retention • Major projects – planning and project management • Geopolitical • IT systems and cyber threat • Health and safety • Environment and climate change • Leadership and talent Details of our **Risk Management** can be found **on pages 36 to 49** →

LOGISTICS

WE ARE WELL PLACED TO REMOVE INEFFICIENCIES IN THE SUPPLY CHAIN AND DELIVER GREAT VALUE FOR ALL CARGO OWNERS

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.

Our multi-modal approach boosts cargo volumes while reducing transit times. We focus on developing projects in diverse locations, creating jobs for local people and a positive ripple effect for local economies – encouraging 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 extended our core operations to offer end-to-end capability and have built up our logistics capability mainly through acquisitions.

In 2021, we focused on consolidating and integrating these acquisitions while expanding our digital presence to connect it to our physical infrastructure. We provide integrated supply chain solutions that are efficient and transparent. Feedback from our customers has been encouraging.

The acquisition of syncreon and Imperial Logistics adds a significant strategic value to our offerings owing to both the companies' logistics capabilities and reach.

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

PORTS & TERMINALS

WE HAVE EXPANDED OUR GLOBAL NETWORK OF PORTS AND MARINE TERMINALS WITH A CORPORATE CULTURE THAT RELISHES CHANGE

Customers look to us to handle their cargo movement in the most efficient way possible – it is therefore very important that we manage 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 corporate 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 77.9 million TEU in 2021, with volumes increasing by 8.9% versus industry growth of 6.5%. This outperformance is due to our continued investment in high quality assets in the right locations and the delivery of our strategy to offer integrated supply chain solutions to beneficial cargo owners.

Our priority has been to keep trade moving but with more connected service offerings that tie into our ports. For example, the development of new free zones helps us offer an integrated trade solution to our beneficial cargo owners. The customers who would simply come to us for a port-to-port transaction can have an end-to-end supply chain solution with our integrated service offering.

ECONOMIC ZONES

OUR VALUE PROPOSITION TO CUSTOMERS IS TO PROVIDE HIGH-QUALITY INFRASTRUCTURE WITH AN ECOSYSTEM THAT ALLOWS TRADE TO THRIVE

As the dynamics of global trade keep evolving, 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) in Dubai and applied it to other international locations. We now own, develop and operate industrial parks, economic zones and specialist facilities around the world that help keep trade flowing.

Our value proposition to customers is to provide high-quality infrastructure with an ecosystem that allows trade to thrive. We also benefit from long-term leases and our business has remained stable despite the challenging environment. Customers have benefitted from being near a port. This year, we broke new ground to develop the economic zone in Berbera, Somaliland, while adding one more terminal to our port that offers 500,000 TEUs capacity, further enhancing our integrated offering.

We have also started construction of a free zone facility in Mumbai, India, and we are exploring various growth opportunities in the Americas.

MARINE SERVICES

WE BRING WORLD-CLASS GLOBAL EXPERIENCE TO KEEP ANY MARINE FACILITY RUNNING SMOOTHLY AND EFFICIENTLY

We are a premier marine services provider to governments, businesses and organisations across six continents, combining world-class logistics and the highest safety and environmental standards. Our comprehensive portfolio consists of specialist vessels, bespoke solutions and port services.

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

A NEW LOOK AND FEEL FOR A NEW AGE OF TRANSFORMATION

OUR BUSINESS HAS BEEN CHANGING RAPIDLY AND WE'RE ON A JOURNEY TO BECOME A DATA-DRIVEN LOGISTICS BUSINESS, MOVING CARGO FROM FACTORY FLOOR TO SHOP DOOR

Our purpose is to make the world flow and change what's possible for everyone. We want to achieve this through a single platform for trade. And to make this change possible and align our business goals with our brand, we launched our new visual identity in October.

Strategic acquisitions and new product innovations are rapidly changing the reach and scope of DP World. In a complex world, it can be difficult to keep fully abreast of important changes. So, we are evolving to ensure that all our businesses are instantly recognisable as a member of the DP World family and to emphasise the connectedness across our businesses and around the world. Though operating at different stages of the supply chain, all our businesses share a common commitment to improve end-to-end performance in moving cargo around the world.

While retaining the continuity of our brand name, we have updated all elements of the way our brand presents itself to bring a new sense of dynamism and to reflect the age of digital transformation in which we are all operating.

This refreshed identity has already prompted the transition of our businesses globally into four sub-brands that represent what we do:

Our new logo is an evolution of our old. We are staying true to our roots and heritage, whilst also representing our global reach. The new DP World logo has energy and movement – it appears as if it is in a constant state of flow. The removal of the sailor's knot and rope is a signal of us breaking away from being seen as just a port operator and marks our shift to a global logistics company.

Our long-term ambition is that the DP World logo is what comes to mind when people think of trade.

THE BIGGEST LOGISTICAL CHALLENGE OF THE PANDEMIC

DURING THE LOCKDOWN PERIODS OF THE PANDEMIC, THE LOGISTICS INDUSTRY PLAYED A CRUCIAL ROLE IN THE DISTRIBUTION OF ESSENTIAL GOODS. FRONTLINE TRADE HEROES OVERPERFORMED TO MEET DEMANDS TO KEEP THE WORLD MOVING

The pandemic was an incubator for innovation across industries. For medicine and pharmaceuticals, it was the advent of COVID-19 vaccines. The breakthrough vaccines helped transition our world to the new normal, but the distribution of this sensitive cargo at scale with urgent timelines raised fresh challenges.

COVID-19 vaccines have delicate transportation and storage requirements. To remain stable, they must be kept in temperature-controlled environments. This is especially important for vaccines with m-RNA technology, which requires temperatures to be colder than -70°c.

The cold supply chain was tested beyond its limits across geographies. From transport and storage through to last-mile distribution. DP World has a range of integrated supply chain solutions, especially cold-chain facilities across Africa, Asia and the Americas. We were proud to offer our global network to help solve one of the world's biggest logistical problems.

OUR PARTNERSHIP WITH UNICEF
UNICEF made a commitment to help provide vaccines for all, reaching many communities with the procurement and delivery of 2 billion doses to more than 100 countries.

We joined forces with UNICEF to support its global operation in the distribution of COVID-19 vaccines and medical supplies. By utilising our home base of Dubai as a key hub, we are committed to providing our global logistics infrastructure and services of logistics, ports, storage and warehousing at no cost, so that supplies reach all corners of the world. We will use our expertise to create solutions that will enable equal vaccine distribution globally, with a particular focus on supporting countries in the developing world.

THE SURGE OF CASES IN INDIA
We supported UNICEF, with a strong and strategic response to send supplies to India, when the nation saw a surge of COVID-19 cases in its second wave towards the beginning of 2021. Dispatching critical supplies from UNICEF's facilities in Dubai using our network of end-to-end logistics, to New Delhi for distribution throughout India.

DELIVERING MILLIONS OF VACCINES TO THE DOMINICAN REPUBLIC
It became extremely important for our facility at Caucedo to keep operating during the pandemic. Being an island nation, keeping trade flowing was essential to bring critical supplies into the country.

We also helped secure more than 8 million COVID-19 vaccines. Working with the government of the Dominican Republic, we collaborated our port and economic zone in Caucedo to procure and import the vaccines. The first doses began to arrive at the port in March 2021.

DP WORLD AT THE WORLD'S GREATEST SHOW

THE LARGEST EVENT EVER STAGED IN THE ARAB WORLD – EXPO 2020 DUBAI WENT LIVE ON 1 OCTOBER. EXPO 2020 DUBAI AIMS TO BUILD PARTNERSHIPS AND INSPIRE IDEAS THAT WILL FORGE THE WORLD OF TOMORROW

The concept of trade and cargo seems far away from our daily lives, but the truth is, we are all closely linked to it. It's about the things we want, need and use, and which sometimes come to us from another country or place. Behind the scenes, there is a set of complex global operations. The DP World Flow Pavilion at Expo 2020 Dubai helps visitors step into and understand the world of trade, in easy, fun and interactive ways.

Our Flow Pavilion is divided into four levels, that bring to life what we do and why we do it, in immersive and interactive ways.

Connectivity Gallery: charts the history of our roots, and the journey of trade then, now and in the future. It also features an interactive showcase of Virgin Hyperloop technology.

Mobility Gallery: showcases journeys and stories along the trade route, with interactive and playful experiences for visitors.

Opportunity Gallery: offers an immersive experience, revealing inspiring stories of people whose lives are transformed by our digital revolution.

Sustainability Gallery: unearths how we foster the balance between economic, social and environmental sustainability through real-world projects that protect our environment.

We have collaborated with Expo 2020 Dubai to become a Global Alliance Founding Partner of The Earthshot Prize (established by Prince William and an initiative by the Royal Foundation of the Duke and Duchess of Cambridge), the most prestigious environmental prize in history, incentivising worldwide change with a decade of action to repair our planet. We also collaborated with Zayed University to showcase their students' artworks across our Flow Pavilion.

THE LEGACY OF EDUCATION

After Expo 2020 Dubai, our Pavilion will transform into a legacy academy to benefit future generations. It will open the minds of youth to career opportunities in logistics and partner with academic institutions around the globe to offer world-class education.

"THE DP WORLD FLOW PAVILION WILL BECOME A PERMANENT FEATURE OF EXPO 2020 DUBAI'S LEGACY AT DISTRICT 2020, REINFORCING THE EMIRATE'S REPUTATION AS A KNOWLEDGE-BASED ECONOMY. IT WILL BENEFIT FUTURE GENERATIONS FOR YEARS TO COME LONG AFTER THE EVENT HAS ENDED BY INTRODUCING YOUNG MINDS TO CAREER OPPORTUNITIES IN LOGISTICS AND TRADE COUPLED WITH INSIGHTS INTO THEIR VITAL ROLE IN KEEPING THE WORLD MOVING."

SULTAN AHMED BIN SULAYEM,
GROUP CHAIRMAN AND CHIEF EXECUTIVE OFFICER

DEPUTY CHIEF EXECUTIVE OFFICER AND GROUP CHIEF FINANCIAL OFFICER REVIEW

YUVRAJ NARAYAN
DEPUTY CHIEF EXECUTIVE OFFICER
AND GROUP CHIEF FINANCIAL OFFICER

DP WORLD HAS DELIVERED A STRONG SET OF FINANCIAL RESULTS IN 2021 WITH SIGNIFICANTLY IMPROVED CASH GENERATION.

Our adjusted EBITDA of US$ 3,828 million, is up 8.2% on like-for-like basis, while our adjusted EBITDA margin has remained broadly stable at a healthy 35.5%. Reported revenue grew by 26.3% to US$ 10,778 million and attributable income rose by 25.6%.

The Group continues to target 2022 combined (DPW & PFZW) leverage of below 4.0x Net/Debt to adjusted 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 operating cash flow increasing by 27.3% year-on-year to US$ 3,692 million. The strong cash generation combined with the well progressing capital recycling program, leaves us well placed to meet our 2022 leverage target.

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

MIDDLE EAST, EUROPE AND AFRICA

Results before separately disclosed items US$ million	2021	2020	% change	Like-for-like at constant currency % change
Consolidated throughput (TEU '000)	24,310	23,161	5.0%	3.8%
Containerised Revenue	2,499	2,157	15.8%	11.6%
Non-Containerised Revenue	4,143	3,869	7.1%	2.7%
Total Revenue	6,642	6,026	10.2%	5.9%
Share of profit from equity-accounted investees	52	30	77.5%	72.2%
Adjusted EBITDA	2,740	2,596	5.6%	4.3%
Adjusted EBITDA margin	41.2%	43.1%	(1.8%)	42.2%
Profit After Tax	1,777	1,682	5.7%	

Market conditions were broadly positive across these regions with Middle East and Europe being key drivers of growth. Jebel Ali (UAE) delivered steady volume growth of 1.9%. Like for like containerised revenue growth of 11.6% was ahead of like for like volume growth of 3.8% mainly due to higher other containerised revenue. Non-container revenue grew 7.1% driven by Unifeeder and Drydocks World.

Overall, revenue in the region grew 10.2% to US$ 6,642 million and adjusted EBITDA increased 5.6% to US$ 2,740 million, On a like for like basis, adjusted EBITDA improved by 4.3%.

We invested US$ 945 million in the region, mainly focused on UAE, Sokhna (Egypt), Berbera (Somaliland), Jeddah (Saudi Arabia) and London Gateway (UK).

ASIA PACIFIC AND INDIA

Results before separately disclosed items US$ million	2021	2020	% change	Like-for-like at constant currency % change
Consolidated throughput (TEU '000)	10,232	8,766	16.7%	16.7%
Containerised Revenue	532	427	24.8%	22.8%
Non-Containerised Revenue	1,389	367	278.7%	70.0%
Total Revenue	1,921	793	142.1%	44.4%
Share of profit from equity-accounted investees	92	84	9.6%	3.8%
Adjusted EBITDA	729	363	100.9%	63.4%
Adjusted EBITDA Margin	37.9%	45.7%	(7.8%)	52.5%
Profit After Tax	509	247	106.5%	

Market conditions were strong particularly in India. Container volumes grew strongly which resulted in containerised revenue growth of 22.8% on a like-for-like basis.

Reported non-containerised revenue growth was boosted by the acquisition of Unico (South Korea) and Transworld. Like-for-like non containerised revenue growth was driven by Feedertech.

Total reported revenues rose 142.1% to US$ 1,921 million and adjusted EBITDA increased by 100.9% to US$ 729 million due to the addition of Unico, solid rebound in container volumes in India and strong growth in Feedertech. On a like-for-like basis, adjusted EBITDA increased by 63.4%. Adjusted EBITDA margin declined due to mix change as we consolidated lower margin logistics businesses. Profit from equity-accounted investees increased to US$ 92 million.

Capital expenditure in this region during the year was US$ 137 million, mainly focused in Pusan (South Korea) and India.

AUSTRALIA AND AMERICAS

Results before separately disclosed items US$ million	2021	2020	% change	Like-for-like at constant currency % change
Consolidated throughput (TEU '000)	10,881	9,821	10.8%	10.4%
Containerised Revenue	1,623	1,317	23.2%	17.3%
Non-Containerised Revenue	593	396	49.6%	15.5%
Total Revenue	2,215	1,713	29.3%	16.9%
Share of profit from equity-accounted investees	7	8	(6.8%)	(27.2%)
Adjusted EBITDA	807	590	36.7%	23.8%
Adjusted EBITDA Margin	36.4%	34.5%	2.0%	37.7%
Profit After Tax	509	319	59.5%	

Container volumes rebounded strongly in both Americas and Australia and this resulted in like-for-like containerised revenue growth of 17.3%, driven by other containerised revenue.

Reported Non containerised revenue growth of 49.6% was mostly due to the acquisition of syncreon while like-for-like growth was driven by higher breakbulk and general cargo revenue in America region.

Total reported revenues rose 29.3% to US$ 2,215 million and adjusted EBITDA increased by 36.7% to US$ 807 million. On a like-for-like basis, adjusted EBITDA increased by 23.8% reflecting the higher top line.

We invested US$ 228 million capital expenditure in this region mainly focused on Prince Rupert, Vancouver (Canada), and Callao (Peru).

CASH FLOW AND BALANCE SHEET

Adjusted gross debt (excluding loans from non-controlling shareholders) stands at US$ 19.1 billion compared to US$ 16.3 billion as of 31 December 2020. Lease and concession fee liabilities account for US$ 3.9 billion with interest bearing debt of US$ 15.2 billion as of 31 December 2021. Cash and cash equivalents on balance sheet stood at US$ 3.0 billion resulting in net debt of US$ 16.1 billion or US$ 12.2 billion (pre-IFRS 16). Our net leverage (adjusted net debt to adjusted EBITDA) stands at 4.2 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$ 3.7 billion.

CAPITAL EXPENDITURE

Consolidated capital expenditure in 2021 was US$ 1,393 million (FY2020: US$ 1,076 million), with maintenance capital expenditure of US$ 230 million. We expect the full year 2022 capital expenditure to be up to US$ 1.4 billion to be invested in UAE, Jeddah (Saudi Arabia), London Gateway (UK), Berbera (Somaliland), Sokhna (Egypt), Indonesia and Callao (Peru).

NET FINANCE COSTS BEFORE SEPARATELY DISCLOSED ITEMS

Net finance cost in 2021 was lower than the prior period at US$ 747 million (FY2020: US$ 838 million) mainly due to higher interest income and lower net FX loss.

TAXATION

DP World is not currently 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 2021, DP World's income tax expense before separately disclosed items was US$ 238 million (2020: US$ 195 million).

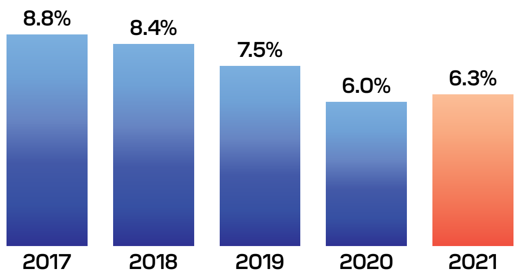
PROFIT ATTRIBUTABLE TO NON-CONTROLLING INTERESTS (MINORITY INTEREST)

Profit attributable to non-controlling interests (minority interest) before separately disclosed items was US$ 250 million against FY2020 of US$ 101 million mainly due to improved performance of Americas and Australia as well as from Feedertech and Unico.

KEY PERFORMANCE INDICATORS

FINANCIAL

RETURN ON CAPITAL EMPLOYED (ROCE) %

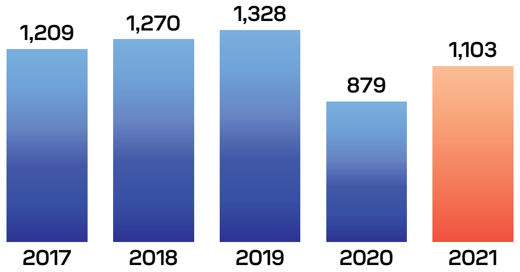


6.3%

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 and in 2021 our ROCE improved to 6.3% from 6.0% in 2020. The increase is explained by the improvement in our profitability but growth in ROCE was curtailed by timing of acquisitions. We expect our ROCE to continue to increase as our portfolio matures. Currently, the average life of our port concession stands at 33 years.

PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY (US$M)



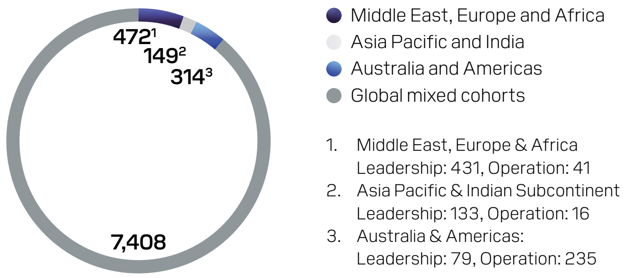
US$ 1,103m

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 increased by 25.6% in 2021 on stronger revenue and EBITDA growth.

PEOPLE

DP WORLD HUB TRAINING PROGRAMME PARTICIPANTS IN 2021

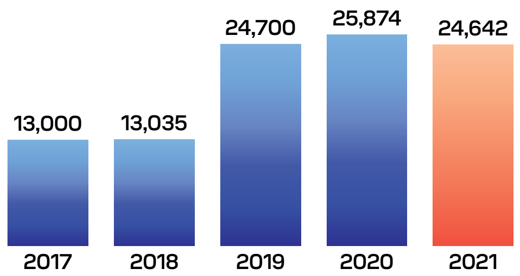


Total: 8,343

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 Hub is DP World's global centre of excellence for learning, leadership, and talent management. We consult and partner with the core business to provide learning opportunities that support our key strategic objectives and to continue to deliver a wide range of operational and leadership training with high levels of engagement across the Group.

DP WORLD HUB E-LEARNING MODULE COMPLETION IN 2021



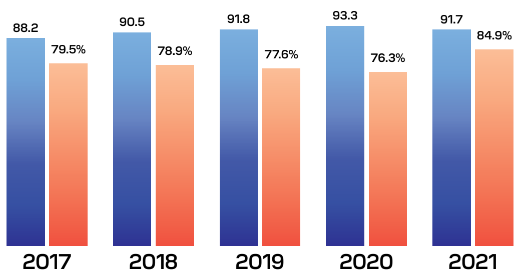
Total: 24,642

DEFINITION
The number of modules completed on the DP World e-learning platform during 2021.

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.

CUSTOMERS

GROSS CAPACITY MTEU
GROSS CAPACITY UTILISATION %

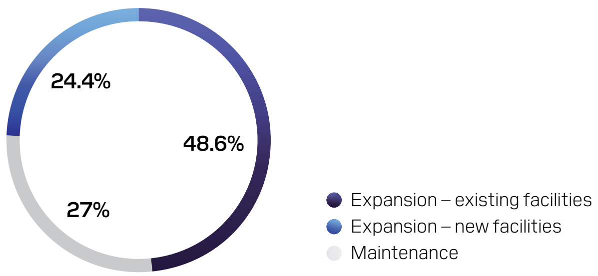


91.7 / 84.9%

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 reduced by 1.6 million TEU to 91.7 million TEU at the year end. Our utilisation remains high and above the industry average.

CAPITAL EXPENDITURE IN 2021



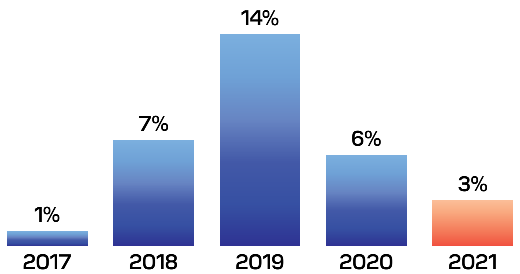
US$ 1,392.8m

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

COMMENT
Capital Expenditure totalled US$ 1,392.8 million during the year and was predominantly related to expansion of existing facilities and their maintenance.

OPERATIONS

INCREASE IN BERTH PRODUCTIVITY 'BMPH' %

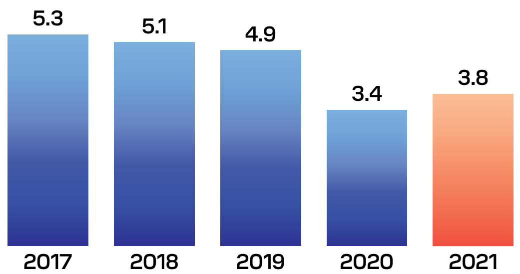


3%

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 2017 baseline. BMPH has declined in 2021 by 3% compared to 2020 due to the continuous impact of COVID-19 on our operations.

REPORTABLE INJURY FREQUENCY RATE ('RIFR')



3.8

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
RIFR increased as a result of a higher number of injuries being reported. Our number one objective is to have a SIF free workplace.

EFFECTIVE RISK MANAGEMENT

WE CONSTANTLY MONITOR THE POTENTIAL THREATS AND OPPORTUNITIES WE FACE TO ENSURE THAT WE REMAIN RESILIENT AND THRIVE, BOTH REPUTATIONALLY AND OPERATIONALLY

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 (ERM) framework. 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 83.

Our ERM framework incorporates a continuous exercise of "bottom-up" risk review that incorporates the Group's business units and reporting, as well as "top-down" risk review by the senior management executives and oversight, designed to support the delivery of our vision and strategy as described on pages 16 and 17 of this report.

OPERATIONAL RISK MANAGEMENT

This 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 based on 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.

STRATEGIC RISK MANAGEMENT

This top-down exercise includes interviews with senior management executives to overlay the strategic considerations of DP World's global strategy. In addition, the Board defines the overall risk appetite for the Group to guide the Board's willingness to accept risk in pursuit of the Group's strategic objectives.

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 Enterprise Risk Management Committee, Audit and Risk Committee and the Board.

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 and Resilience Function	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.
Logistics, Ports & Terminals, Economic Zones and Marine Services — **First line of defence** Risk ownership and control Regions, Divisions 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 and divisional 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 objective, independent assurance on the key risk-mitigating controls.
	BOTTOM-UP: RISK IDENTIFICATION, ASSESSMENT AND REPORTING

This culminates in a list of principal risks, which are reviewed by the Audit and Risk Committee.

RISK OVERSIGHT AND 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 how 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.

OUR APPROACH

1. RISK IDENTIFICATION

A robust methodology is used, and a broad spectrum of risks are considered to identify key risks at local, regional, divisional and Group levels 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 the likelihood of occurrence. Consideration of risk treatment enables the creation of a prioritised risk profile. Management controls are designed to mitigate risks, and their effectiveness and adequacy are assessed.

3. RISK TREATMENT AND RESPONSE

The risk mitigation strategy is based upon the assessment of potential risk exposure and the acceptable risk tolerance levels. If additional controls are required, these are identified, and responsibilities are assigned.

4. RISK MONITORING AND REPORTING

Management is responsible for monitoring the 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.

OPERATIONAL RESILIENCE

"DELIVERING FOR OUR CUSTOMERS DURING TIMES OF STRESS"

The COVID-19 pandemic has shone a new light on the resilience of organisations, as many have had their ability to continue operations placed under extreme stress. This was exacerbated by a year that also saw operational disruptions including the Suez Canal blocking, widespread truck driver and semi-conductor chip shortages, trade wars, cyber-attacks and geopolitical tensions. This reinforced the importance of having business plans and processes in place to mitigate external challenges and to be able to thrive during periods of extreme pressure.

Particular emphasis is currently being placed on the resilience of supply chains. As a leading provider of smart logistics solutions, our ability to continue to operate during times of stress is increasingly important. We are at the heart of the supply chain for our customers and the communities in which we operate – we need to be resilient so we can continue to meet their needs.

OPERATIONAL RESILIENCE APPROACH

We aim to prevent, withstand and adapt to threats to our people, business and reputation – with continuity of service to our customers placed at the heart of our people. Led by a solid foundation of risk management, our approach is designed to increase coordination across second-line defence teams in corporate functions and to provide greater support to the first line of defence teams in our business units across our divisions.

Aligning to best practices in ISO 22301, ISO 22316:2017 and NCEMA 7000:2021, DP World takes a top-down approach to operational resilience delivery. The operational resilience policy links directly to the business continuity and crisis management policies, as well as those of other corporate functions across the Group. It is designed to drive coordination between activities and those teams that have a role in prevention, preparation and response to all forms of incidents and crises.

Through a strong business continuity approach, including business impact assessments, planning and testing, we continue to deliver products and services to our customers. We have a robust crisis management approach, including planning and crisis simulations so we can respond efficiently, effectively and safely to strategic challenges whether they be known risks or black-swan events.

Our business continuity programme has evolved with business impact assessments, planning and review continuing to form a central theme. In 2021, we introduced continuity testing designed to scrutinise and improve capability. These exercises directly contributed to the prevention of, and preparations for, disruption in technology and operations. They have left the business in a more robust position to meet our customer's needs.

Developing our crisis management capability has been a primary focus. Crisis teams have been established across the business and are participating in a programme of crisis management exercises to train our senior leadership in how to respond to a crisis. The exercises have led to several direct capability improvements that leave the business better prepared should crises occur.

Our teams, plans, processes and procedures are stress-tested so we can understand the areas where we are strong and the areas which need improving. Our priority is to protect our core business to facilitate future growth.

In 2021, we remained adaptive and dynamic in our delivery of resilience improvements. We continued to develop a strategy to instil a resilient culture within our organisation.

OUR PRINCIPAL RISKS

OUR ERM FRAMEWORK ENABLES US TO MONITOR, MITIGATE AND MANAGE THE INTERNAL AND EXTERNAL RISKS THAT CAN DEVELOP AND EVOLVE OVER TIME

Our Enterprise Risk Management (ERM) framework and methodology is aimed at identifying the principal risks that could:
- hinder the achievement of 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 are further described on pages 39 to 49.

Risk is an inherent part of doing business and It is not possible to identify, anticipate or eliminate every risk that may arise. As such, 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 ERM framework can only provide reasonable but not absolute assurance that key risks are managed to an acceptable level.

STRATEGIC OBJECTIVES

To start to change the DP World dialogue with shipping lines

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 focus in the medium and longer term on innovations across the supply chain

2021 principal risks	Trend	Objective 1	Objective 2	Objective 3
Macroeconomic instability	︿	○	○	○
Financial risks	〉		○	○
Customer attraction and retention	〉	○	○	○
Major projects – planning and project management	〉		○	○
Geopolitical	︿	○	○	○
IT systems and cyber threat	︿		○	○
Health and safety	︿	○	○	○
Environment and climate change	︿	○	○	○
Compliance	〉	○	○	
Leadership and talent	〉	○	○	○
Labour unrest	〉	○	○	
Legal and regulatory	〉	○	○	

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MACROECONOMIC INSTABILITY

LINKED STRATEGIC OBJECTIVES:

NATURE AND IMPACT

Throughput correlates with the 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

INCREASING

According to the International Monetary Fund (IMF), in 2021 the global economy grew by 5.9%. The outlook for 2022 remains positive with the IMF forecasting a GDP growth of 4.4% as of January 2022.

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.
- Multiple sources of funding have been arranged through bank loans, revolving facilities, bonds, sukuks and private placements to help ensure that the Group can meet short and long-term liquidity requirements, facilitating our growth and diversification aspirations.
- We have a well-diversified global portfolio of investments across several jurisdictions, spreading our geographical concentration risk. Increasingly, we are investing in logistics, which further diversify our risks.

FINANCIAL RISKS

LINKED STRATEGIC OBJECTIVES:

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

STEADY

Despite the associated threat from COVID-19 and increased debt from de-listing, this risk has remained stable due to the Group's consistently strong balance sheet and improving operational performance during 2021.

HOW WE MANAGE OUR RISK

- Our balance sheet remains strong, with a net debt to adjusted EBITDA of 3.1 times in 2021.
- The Group has a committed revolving credit facility of US$ 2 billion.
- 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 bonds 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.

OUR PRINCIPAL RISKS

CUSTOMER ATTRACTION AND RETENTION

LINKED STRATEGIC OBJECTIVES:

NATURE AND IMPACT

As DP World executes its strategy of developing and growing port-centric logistics and marine services businesses, customer attraction and retention risk must be mitigated. We are also operating in new areas of the supply chain.

In addition, the utilisation within our ports and terminals business (our core business area) is influenced by the capacity available 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.

TREND

STEADY

Throughout 2021, COVID-19 has affected carrier schedules, increased dwell times and caused volatile volume performance. Although we have seen a negative impact on volumes in certain locations, this has been offset by growth in the majority of others.

HOW WE MANAGE OUR RISK

- Developing port-centric logistics by adding landside value to our customers. Such investments complement container terminals by increasing our leverage while at the same time independently contributing sustainable revenue addition.
- Investing in digital assets that will deliver DP World's vision to become a trade enabler by taking our customers operations online and reducing paper-based complexities involved in existing processes.
- Developing end-to-end logistics solutions that integrate road, rail, non-vessel owning common carriers; managing businesses and systems to deliver customer-focused solutions.
- Focusing on high levels of customer service to develop sustainable, high-value and trusted customer relationships throughout our portfolio.
- Client management programme in place to build and maintain close relationships with carriers.
- The capital-intensive nature of the container terminal industry means that barriers to entry are typically high. 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 increase capacity in line with demand to avoid overcapacity.
- Our portfolio continues to have a focus on emerging markets that show resilience and growth. We repurpose and refit our ports and terminals in line with market demand. We use technology to improve efficiency and drive new revenue streams, increasing the return on investment in our existing assets.
- We have medium to long-term global contractual agreements with customers to leverage the global footprint that we have, enabling improved efficiencies for both parties. Where necessary, these are reviewed to include additional services that are being provided.

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MAJOR PROJECTS – PLANNING AND PROJECT MANAGEMENT

LINKED STRATEGIC OBJECTIVES:

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

STEADY

As a result of COVID-19, several 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 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.
- Our Group Procurement Policy supports in pre-qualifying our vendors, standardising procurement activities (e.g. tendering, evaluation, awarding) and 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.
- We apply international standards (e.g. ISO9001, PMI PMBOK) which ensures consistency in delivering projects and high customer satisfaction.
- The Project Implementation Manual continues to be enhanced to reflect the 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 and Project Management department has expanded its competencies and expertise to be ready for any new project type (for products or services).

OUR PRINCIPAL RISKS

GEOPOLITICAL

LINKED STRATEGIC OBJECTIVES:

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 and 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

INCREASING

This risk has increased due to the ongoing geopolitical tensions and escalations in the Middle East and Africa, the Russian and Ukraine conflict, as well as civil unrest across Latin America and Asia.

HOW WE MANAGE OUR RISK

- We have a well-diversified global portfolio of investments across several geographical jurisdictions, which spreads our risk. We also actively maintain a mix of investments between emerging markets and developed markets to balance our risk-return profile.
- We are also increasingly investing in logistics assets, 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, analysing 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 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.

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IT SYSTEMS AND CYBER THREAT

LINKED STRATEGIC OBJECTIVES:

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 concerning 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, the Internet of Things, cloud applications, social media and the evolving sophistication of cyber threats, leads 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

INCREASING

The sophistication and frequency at which cyber-attacks and information security incidents are occurring within global organisations continue to increase. Phishing, ransomware and denial-of-service (DoS) attacks are prevalent and, as such, we must remain vigilant and be prepared.

HOW WE MANAGE OUR RISK

- We have developed technology strategies that are aligned with business objectives.
- Our Group Technology Governance framework is based on COBIT5, ISO 27001, TOGA F, PMI and ITIL frameworks.
- 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 confidentiality, integrity and availability.
- Our security approach protects confidentiality, integrity and availability of information in all layers of IT infrastructure.
- We follow a 'Zero Trust Model' before granting access and use the principle of least privileged access level.
- Data backup and periodic restoration practices are in place across business units to ensure data availability during unforeseen events.
- Each of our business units has IT disaster recovery plans to support business continuity and conduct regular disaster recovery drills to verify effectiveness.
- Our IT infrastructure is regularly updated or refreshed to keep pace with changing and growing threats and support business applications.
- We conduct cyber-attack simulations to assess awareness of our employees. We provide regular training and awareness courses to ensure employees remain vigilant on cybersecurity when using our computer systems.
- Our infrastructure is monitored 24/7 by third-party Security Operations Centre providers and we also perform threat hunting activities as part of our incident management process.

OUR PRINCIPAL RISKS

HEALTH AND SAFETY

LINKED STRATEGIC OBJECTIVES:

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. The potential impacts 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, communities in which we work and stakeholder partners.

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

TREND

INCREASING

As we continue to diversify and grow our business, this risk will increase, and as such, it 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 58.

HOW WE MANAGE OUR RISK

- Our Board of Directors is fully committed to creating a safe 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 concerning the safety of our people.
- Ongoing activities and controls to help protect our people during the pandemic. These have included the development of an occupational health programme that details specific controls to reduce health risks and improve pandemic response.
- We maintain up to date Health, Safety and Environment (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 have implemented the HSE Pillars covering Leadership and Engagement, Risk Reduction and Improvement, and Commitments We Live By, which provide the framework to support and influence our work culture and reduce risk. The pillars encompass our vision to eliminate serious injuries and fatalities (SIFs) from our businesses. The pillars also seek a culture of zero harm to sure everyone goes home safe.
- We continue to record and report on all safety impacts within our businesses to the Board and senior management.
- Annual HSE profiling to identify and rate high, medium and low-risk entities across the portfolio.
- Centralised and integrated online HSE management system for live HSE performance tracking and real-time management notifications, including PowerBi dashboards and predictive analytics.
- 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 on-site safety risks and is supported by safety guidelines, 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 are aligned with our safety policies before commencing work at our business units.

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ENVIRONMENT AND CLIMATE CHANGE

LINKED STRATEGIC OBJECTIVES:

NATURE AND IMPACT

Our key stakeholders, including investors, customers and regulators continue to place high priority and focus on how we are improving our environmental footprint. If we do not take appropriate steps towards addressing climate change, this could cause reputational damage as well as the potential for loss of customers and access to funding.

There is a growing portfolio of legislation and government regulations aimed at tackling climate change, which could have consequences on our operations at a 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.

With climate change causing sea levels to rise, increased temperatures and more extreme weather changes, this could have an impact on our physical assets, equipment and infrastructure, resulting in operational disruptions if left untreated.

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

INCREASING

We have seen our carbon intensity reduce for our Ports & Terminals businesses by equipment electrification, supply of renewable electricity and operational efficiencies.

However, we are continuing to bring onboard new businesses, with environmental practices that are not necessarily up to our standards, increasing our environmental footprint. In addition we have continued to see new emissions regulation, including the IMO2020 Regulation for sulphur, impacting our ferries and feedering vessels. As such, improvements to our environment and climate change footprint will continue to be a focus and priority for DP World.

Further details can be seen on page 63.

HOW WE MANAGE OUR RISK

- Group Environmental Guidelines are in place and implemented across all of our operating entities. We take into account any local legal requirements, to ensure environmental impacts are identified, assessed and escalated as required.
- We have a dedicated team responsible for reviewing environmental regulatory risks. It actively engages with policymakers and governments to assist in managing and mitigating any risks associated with regulatory changes.
- We constantly review and update our standards to ensure leading and best practices are applied.
- We have short-term and long-term carbon and environmental management strategies.
- We are committed to the Science-Based Targets initiative, a collaboration between CDP, the United Nations Global Compact, the World Resources Institute and the World Wide Fund for Nature to set emission reduction targets in line with climate science and Paris Agreement goals.
- An asset resilience working group is in place to establish mitigations and solutions for minimising the impact that climate change will have on our assets, equipment and infrastructure.
- 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.
- 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. Where possible, and depending on local conditions, new rubber tyred gantry (GTGs) purchased are eco-RTG and terminal tractors are energy efficient.
- Further information on our environmental initiatives and performance can be found in the Sustainability and Impact section of this report, commencing on page 54.
- We review the cargo and chemicals that we handle before 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. We 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

COMPLIANCE

LINKED STRATEGIC OBJECTIVES:

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 and breach of data privacy which is becoming more relative to the industry, could also lead to reputation and brand damage with investors, regulators and customers.

TREND

STEADY

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.

We will continue to monitor any new sanctions that are introduced closely to ensure compliance.

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.
- Data privacy concerns are reviewed by Group Compliance on a case-by-case basis. Global training to understand personal data, privacy laws, and their implications are conducted with the relevant teams.
- 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 every quarter.
- 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 with 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 Audit and Risk Committee.

To start to change the DP World dialogue with shipping lines

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 focus in the medium and longer term on innovations across the supply chain

LEADERSHIP AND TALENT

LINKED STRATEGIC OBJECTIVES:

NATURE AND IMPACT

Leadership and talent risks are inherent to all businesses. 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 of becoming a data-driven logistics solutions provider, it is essential to 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

STEADY

This risk continues to remain stable due to the continued efforts and focus 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 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 Massachusetts Institute of Technology (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 continuing to enhance our social media sourcing channels as well as ensuring meaningful content is shared with various communities across the globe.
- 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.

OUR PRINCIPAL RISKS

LABOUR UNREST

LINKED STRATEGIC OBJECTIVES:

NATURE AND IMPACT

Labour strikes and unrest, or other industrial disputes, pose a risk to our operational and financial results. In 2021, COVID-19 had the potential to cause significant unrest within our workforce if we didn't continue to quickly respond and manage the situation carefully.

Unions are now communicating trans-nationally and coordinating 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

STEADY

Despite the associated threats and impacts on our workforce from COVID-19, due to our careful management and quick responses in protecting our employees, this risk has remained stable. The positive relationships that we maintain with unions and employees have 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 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 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.

To start to change the DP World dialogue with shipping lines

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 focus in the medium and longer term on innovations across the supply chain

LEGAL AND REGULATORY

LINKED STRATEGIC OBJECTIVES:

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 and 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 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

STEADY

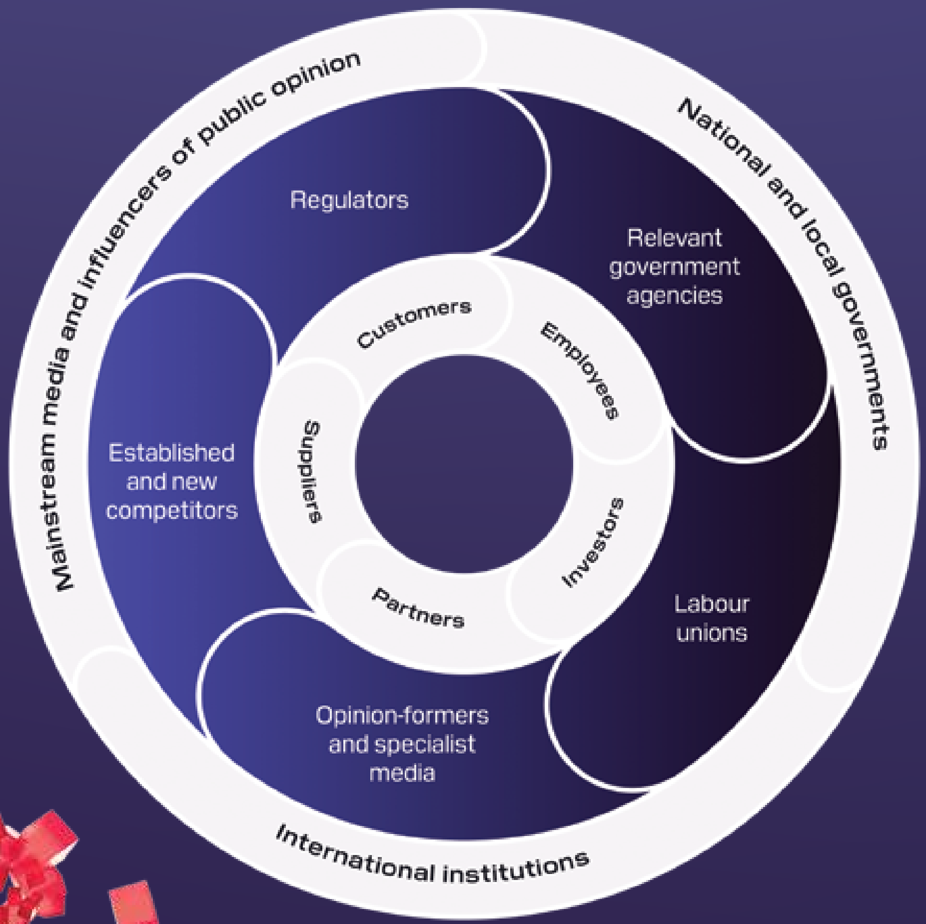
This risk has remained stable as we continue to monitor and comply with our legal and regulatory requirements in the countries that we operate.

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 an 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.
- A compliance roadmap is in place to better support our evolving business and improves our overall control environment.

ENGAGING WITH OUR STAKEHOLDERS

2021 HAS SEEN SIGNIFICANT PROGRESS IN ENGAGING OUR KEY STAKEHOLDERS WITH OUR BRAND PURPOSE NARRATIVE, SUMMARISED AS 'WE MAKE TRADE FLOW TO CHANGE WHAT'S POSSIBLE FOR EVERYONE'



Both major opportunities, like Expo 2020 Dubai, and critical challenges, like COVID-19 vaccine distribution, have served to strengthen our dialogue across the full spectrum of our stakeholder groups.

The DP World Flow Pavilion at Expo 2020 Dubai has offered truly unique opportunities to connect with stakeholders – both face-to-face with millions of important visitors and through digital media platforms around the globe.

Our innovative exhibits have enabled stakeholders to better understand the transformation of 'what we do' and 'how we do it', as we evolve from simply port operations to the provision of end-to-end supply chain solutions. Most importantly, we have been able to involve our stakeholders in the 'why' that drives our vision of the future. To share perspectives on how our responsible and sustainable approach is delivering benefits for individuals, communities, businesses, society at large and indeed for the planet itself.

Nowhere has the importance of our purpose been better demonstrated than in our responses to the challenges of COVID-19 vaccine distribution. The international scope and urgency of the need for vaccines has dramatically underlined the importance and relevance of our contributions to supply chain transformation. Our collaborative partnership with UNICEF and work with the Vaccines Logistics Alliance has powerfully and emotively demonstrated the value of better 'trade flows that change what's possible for everyone.'

Commitment to open, inclusive and responsive stakeholder engagement remains a high priority for DP World.

In a progressively more connected and transparent world, success means more than simply the traditional commitment to communicating Corporate Social Responsibility:

- it means placing the needs of people, society and the planet at the very heart of our business model (through the 'Our World, Our Future' sustainability and impact strategy);
- it means recognising differences in stakeholder requirements across different groups and geographies but providing a coherent overall vision of what we stand for which can be shared by all; and
- it means monitoring and measuring our performance on issues of importance to our stakeholders (through the Sustainability Scorecard) and the strength of our relationships with stakeholders (through research, such as our annual survey of 'trust in DP World').

The importance of stakeholder engagement is reflected in the fact that these activities continue to be led by the DP World Chief Communications Officer, reporting directly to the Group Chairman and Chief Executive Officer.

PEOPLE

IN A YEAR WHERE THE WORLD CONTINUES TO MANAGE UNPRECEDENTED CIRCUMSTANCES, OUR PEOPLE DEPARTMENT WAS RECOGNISED BY GREAT PLACE TO WORK, GAINING ACCREDITATION IN EGYPT, UNITED ARAB EMIRATES, ARGENTINA, INDIA, PERU AND BRAZIL. THIS ALLOWS US ACCESS TO THEIR GLOBAL ACCREDITATION BADGE, PROVIDING EXTERNAL RECOGNITION OF OUR EFFORTS IN THE ORGANISATION TO BE PEOPLE-CENTRIC

DIGITAL AGENDA AND INNOVATION

As our drive to develop digital expertise and innovation across the supply chain continues, talent acquisition continues to be at the heart of creating digital capability. We have amplified our presence in the technology community, increasing the awareness of the opportunities DP World provides to our people. Insightful content on our products and services, including 'a day in the life of' tech team members and live video job descriptions, have been well received by the community. We are perceived as an employer of choice in a challenging talent market populated by large international technology players and start-ups.

Our Campus Hiring strategy has been very successful, hiring 91 top tier students from premium institutions across India. We are also harnessing the power of employee satisfaction through our competitive Referral Programme, generating more than 1,600 referrals as we ramp up our efforts to recruit best-in-class talent. We use a technical assessment platform as part of the interview process to raise the bar on the technical skillset for hiring best-in-class candidates.

Leading on our internal innovation, we recently launched ONE app, in the Americas, Asia Pacific and Australia, Europe, Middle East and Africa, Subcontinent and Dubai Dry Docks, allowing our employees to manage their performance and learning from their mobiles, and directly connect with any colleague around the world to request and give feedback as well as view and apply for internal vacancies. Our Performance and Productivity team successfully deployed our Cargoes Rostering solution in five business units. This will help to optimise people productivity via efficient labour planning and rostering of thousands of workers to ensure the right people are assigned the right tasks at the right time, reducing idle and non-value-add overtime.

Additionally, we continued to centralise and automate several HR and administration processes for more than 20,000 employees.

GLOBAL MOBILITY

Our commitment to achieving operational excellence and exceeding stakeholder expectations by building effective teams across the globe is strong. This year we launched our Global Mobility framework, which aims to support the seamless deployment and management of our global mobile talent.

Our Global Mobility portal was launched in Q1 2021 and covers guiding principles, mobility segmentation, assignment types and cycle, policy, remuneration structure, operating model and RACI matrix.

CRACK THE CODE

In September, we organised a global hackathon and more than 8,500 coders registered to participate in our challenge. The challenge was to design, implement, test, deploy and maintain innovative software solutions to transform service performance, durability, cost and security. It also intended to use software engineering best practices to ensure a high standard of quality for all of the team deliverables, write high quality distributed system software and work in an agile, startup-like development environment. Participants were allowed to autonomously deliver the technical direction of the service and the feature roadmap.

A total of 85 participants won. We have more than 300 coders and programmers working for us.

300+
coders and programmers

91
top tier students hired through our Campus Hiring strategy

OUR PRINCIPLES

READ OUR ESG REPORT AT WWW.DPWORLD.COM/SUSTAINABILITY

SUSTAINABILITY AND IMPACT

AS A LEADING PROVIDER OF SMART LOGISTICS SOLUTIONS, WE HELP TRADE FLOW ACROSS THE GLOBE, CREATING A BETTER FUTURE FOR ALL. GUIDING EVERY STEP IS 'OUR WORLD, OUR FUTURE' SUSTAINABILITY AND IMPACT STRATEGY

IT HELPS US TO WORK RESPONSIBLY, PRIORITISING SUSTAINABLE AND INCLUSIVE ECONOMIC GROWTH TO CREATE POSITIVE IMPACTS FOR THE PEOPLE, COMMUNITIES AND ENVIRONMENT IN WHICH WE OPERATE

KEY ESG HIGHLIGHTS AND ACHIEVEMENTS IN 2021:

+71,000
A diverse workforce of employees from over 150 nationalities

US$ 13.2m
invested in communities

10,058
volunteering hours delivered by our people

204 women
mentored as part of DP World's MentorHer programme

41,229
centrally-delivered DP World Hub learning hours to 8,343 employees

US$ 11.8m
spend on people training and development

+160,000
women and girls supported through our community projects

US$ 4.2m
invested in global education projects

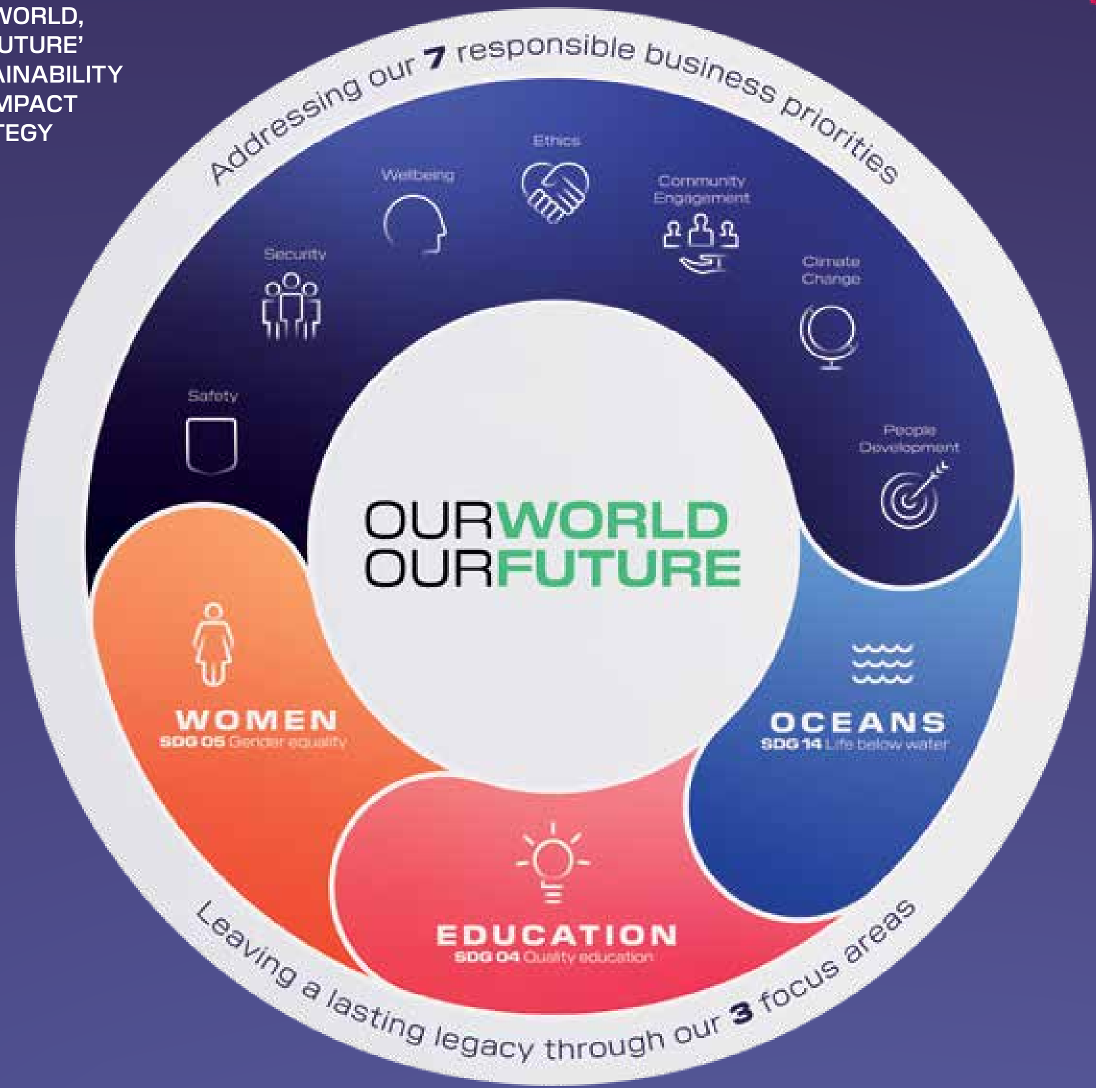
13.3
Kg CO_2e/ModTEU from our Ports & Terminals business

18%
renewable electricity share at Group level, +5.6% in 2021 from 2020

A-
score achieved for our 2021 CDP climate change response

46
countries conducted a human rights risk mapping exercise and a human rights awareness campaign was delivered

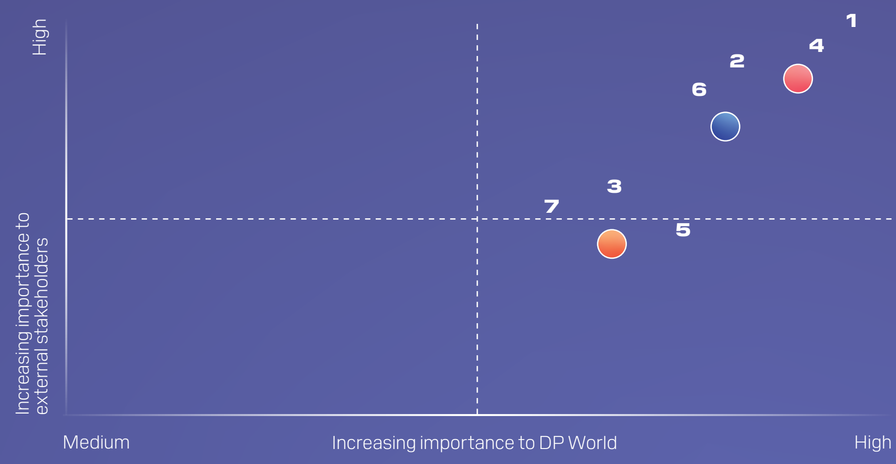
'OUR WORLD, OUR FUTURE' SUSTAINABILITY AND IMPACT STRATEGY



MATERIALITY MATRIX

OUR WORLD
1. Safety
2. Security
3. Wellbeing
4. Ethics
5. People Development
6. Climate Change
7. Community Engagement

OUR FUTURE
- Women
- Education
- Oceans



READ OUR ESG REPORT AT WWW.DPWORLD.COM/SUSTAINABILITY

‘OUR WORLD, OUR FUTURE’ STRATEGY

WE FOCUS ON CREATING POSITIVE ECONOMIC AND SOCIETAL IMPACTS WHEREVER WE WORK. WE LEVERAGE OUR POSITION AS A LEADER IN GLOBAL SMART LOGISTICS TO CREATE SOLUTIONS THAT WILL MAKE A POSITIVE IMPACT NOW, AND FOR FUTURE GENERATIONS TO COME

We think ahead, anticipate change and deploy industry-leading technology to create innovative trade solutions while ensuring a positive impact on economies, societies and our planet.

The ‘Our World, Our Future’ sustainability strategy was developed in 2019 based on a materiality analysis conducted at Group level, in line with global best practices. The ten material issues for our business remain relevant and important. They are presented in the materiality matrix and our ‘Our World, Our Future’ strategy wheel.

Our strategy has two parts. First, ‘Our World’, focuses on the efforts DP World makes today to operate as a responsible business across seven priority areas. Second, ‘Our Future’, looks at the lasting legacy we create for industry and society. We focus on three areas where we can make a positive difference for future generations: education, women and oceans.

The ‘Our World, Our Future’ strategy is woven into everything we do to support the United Nations’ Sustainable Development Goals (SDGs) across safety, climate change, security, community engagement, people development, ethics and wellbeing, and our three chosen legacy areas of focus. The strategy 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.

It is designed to deliver responsible operations. At the same time, it prepares DP World to respond to a radical shift in how business in general, and logistics in particular, respond to the great challenges of climate change, environmental concerns and social inequality. We have embedded this strategy in concrete actions that can be taken throughout our global operations for maximum local impact. To help demonstrate our impact, we have adopted the framework of ESG (Environmental, Social and Governance) factors when describing our sustainability achievements. Our 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 people can engage with and support DP World’s commitment to sustainability. A key part of this policy is to set targets and KPIs to track our ESG performance and environmental and social impacts across our business operations.

PROGRESS IN 2021

We have continued our focus on embedding and integrating our sustainability strategy globally. We achieve this by engaging with external stakeholders, organisations, partners, individuals and institutions. We have taken on more partnerships than ever before and built stronger relations with existing partners. Our four new global partnerships this year include the Tusk Trust, Jane Goodall Institute, Zoological Society of London (ZSL) and The Maiden Factor.

We are a signatory to the UN Global Compact (UNGC) and its ten principles. We continue to ensure that our strategy and operational areas are aligned with the UNGC principles in relation to human rights, labour, the environment and anti-corruption.

Making sure we deliver at the local level in line with our global sustainability objectives is also important to us. We have capitalised on our involvement and presence at Expo 2020 Dubai this year to showcase several of our global sustainability initiatives and enhance awareness of these.

The ongoing COVID-19 pandemic globally has emphasised the importance of having a resilient and comprehensive business strategy that embeds sustainability within its core operations. We are conscious that finding the right balance between maintaining operating capacity and prioritising employee welfare is paramount. We continued to deploy additional resources, as we did in 2020, to help our global workforce cope with the stress and strain of the pandemic.

As our strategy has evolved, and our global commitments increased, we believe the time has come to create a dedicated, standalone annual ESG report for our stakeholders, providing information on our sustainability efforts and progress.

Subsequently, we are proud to publish our ESG Report, which provides evidence of our ongoing efforts to implement the ‘Our World, Our Future’ strategy globally – and highlights our progress and achievements with examples and case studies. Our ESG performance and environmental and social impacts are tracked and monitored through relevant ESG criteria and KPIs outlined in the ESG Scorecard of DP World’s ESG Report 2021. We will be focusing on these targets and KPIs, as drivers of positive change for the world and our planet.

PARTNERSHIPS & MEMBERSHIPS

OUR WORLD, SAFETY

AT DP WORLD, WE CARE. OUR GOAL IS TO MAKE SURE EVERYONE GOES HOME SAFE BY EMBRACING A ZERO-HARM APPROACH IN OUR BUSINESS

READ OUR ESG REPORT AT WWW.DPWORLD.COM/SUSTAINABILITY

WHAT THIS MEANS TO US

DP World cares about its people. We have put in place a multi-year strategy founded on our Health, Safety and Environment (HSE) Pillars – and our Group HSE management system applies to all employees and contractors in entities that are under our operational control. The Group HSE processes include emergency preparedness and response, operational safety, and audit programmes to measure and report potential issues.

In spite of our efforts, 2021 was a difficult year for our business as we mourned the passing of eight colleagues. We are extremely saddened by this outcome and are especially sensitive to the long term impact such loss has on the affected families as well as on our people, who have lost colleagues and friends.

HOW WE ADD VALUE

DP World's ongoing ambition is to achieve a workplace free of serious injury and fatalities (SIF). Our leadership at the highest level is committed to eliminating fatalities from our business and safety remains our top commitment.

WHAT WE DID IN 2021

- We have continued the roll out of our 'Safe Leader' training programme, with over 3,500 managers and supervisors trained online and a further 265 trained in 19 face-to-face sessions. This level of ongoing training is core to our efforts to reduce adverse impacts for our employees in the future, and DP World is committed to maintain this level of investment of training in order to help us achieve our overall safety objectives.
- We implemented the marine industry's most integrated and mobile management system for live HSE performance tracking and real-time management notifications. They provide senior management with dashboards and predictive analytics to effectively manage risk.
- Through our internal HSE audit programme, we conducted 23 audits, providing assurance and identifying opportunities for continual improvement.

PLANS FOR 2022

- The implementation of systems, programmes and initiatives already developed as part of our five-year HSE strategy.
- Ensure leadership engagement and accountability in strategy implementation.
- Conduct progress reporting and monitoring through established governance and assurance mechanisms.

UN SDGs

8 DECENT WORK AND ECONOMIC GROWTH

UNGC PRINCIPLES

- Principle 1
- Principle 2

OUR WORLD, SECURITY

SECURING THE SUPPLY CHAIN IS A BUSINESS IMPERATIVE TO KEEP OUR PEOPLE AND TRADE OPERATIONS SECURE

WHAT THIS MEANS TO US

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. Our key objective is to keep our people, assets and stakeholders secure to maintain seamless and uninterrupted business operations.

HOW WE ADD VALUE

With the world set to reopen in 2022, security is of paramount importance. We achieve this through our robust risk management programmes developed around recognised international standards, memberships with global security initiatives, compliance with regulatory requirements, and by raising security awareness globally.

WHAT WE DID IN 2021

- Rolled out a new incident reporting application that streamlines information collection and allows for in-depth location-based information to be displayed.
- Standardised risk management tools to allow business units to quickly identify relevant and applicable risks.
- A global virtual conference was held for best practice and knowledge sharing across the entire security management team.
- Due to travel restrictions, ISO certification for selected business units was delayed – however, additional business units (BUs) communicated their desire to conduct ISO 28000 certification in 2022.
- Continued to liaise with and share information with United for Wildlife (UFW) representatives as part of ongoing commitments to tackle the illegal wildlife trade.

PLANS FOR 2022

- Integration of new businesses into the Group security management system.
- Enhance our risk management tools to cover new businesses to ensure all threats are considered and assessed and mitigation strategies are in place at each BU level.
- Implement and obtain ISO 28000 certification for three additional BUs.
- Increase engagement with global security agencies to enhance our knowledge and share best practices.
- To continue supporting our partnership with UFW by conducting awareness and engagement sessions for our global security teams.
- Increase security awareness, provide training and share knowledge within the security group.

UN SDGs

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

17 PARTNERSHIPS FOR THE GOALS

UNGC PRINCIPLES

- Principle 1
- Principle 2
- Principle 10

OUR WORLD, WELLBEING

WE HAVE A DUTY OF CARE FOR THE WELFARE OF OUR EMPLOYEES AND WOULD LIKE TO ENSURE THAT THEIR WELLBEING IS PRIORITISED IN ALL ASPECTS OF THEIR WORK AND LIFE

READ OUR ESG REPORT AT WWW.DPWORLD.COM/SUSTAINABILITY

WHAT THIS MEANS TO US

We believe 'wellbeing' entails not just good physical health, but also the emotional, financial and social aspects for people to thrive. We also believe that businesses can only be successful if they prioritise their biggest competitive advantage – their people. We have more than 71,000 employees around the world who are part of our corporate family and we have a duty of care towards them so that they are able to provide their best at work.

HOW WE ADD VALUE

We encourage open communication, where employees feel supported and able to seek help when they need to. Our confidential whistleblowing hotline allows employees to raise concerns they may have. Our compensation system reflects local practice in each of the geographies in which we operate, set against common market policy positions, ensuring equal pay practices. We provide comprehensive benefits for our employees, including medical and life insurance, and pension and retirement schemes, based on local legislative mandates. Our medical insurances also provide mental health benefits in certain regions.

WHAT WE DID IN 2021

- The Group Internal Audit department implemented 'Project Bounce-Back', a unique and innovative departmental personal resilience programme introduced mid-pandemic to provide awareness, tools and techniques for their team members to nurture and further develop personal resilience.
- UAE region held sessions on financial wellbeing and women's health.
- DP World Limassol participated in the 'Movember' campaign to raise men's health awareness, together with P&O, in addition to several other physical and mental health initiatives.
- Offices in Romania and Yarmica implemented several initiatives on mental health, nutrition and posture.
- P&O Ferries and P&O Ferrymasters hosted bespoke sessions on several physical and mental health topics like mindfulness, depression, burnout and suicide awareness.
- Our Subcontinent (SCO) region partnered with several local companies to launch a holistic wellbeing programme for the region, Fit Sprint.
- DP World Dakar held a wellness day for staff and their families.
- DP World Kigali implemented its first mental health awareness month in October 2021.
- Middle East and Africa region launched the wellbeing month campaign in May 2021.

PLANS FOR 2022

- Outline the Group wellbeing strategy and framework for the next three years.
- Develop policies and procedures that support wellbeing at work.
- Develop and implement wellbeing initiatives and toolkits at the Group level.

UN SDGs

8 GOOD HEALTH AND WELL-BEING

UNGC PRINCIPLES

- Principle 1
- Principle 2

OUR WORLD, ETHICS

WE ARE BUILDING AN INCLUSIVE CULTURE BASED ON THE RESPECT FOR RIGHTS OF OUR PEOPLE, OUR EXTENDED SUPPLY CHAIN AND OUR COMMUNITIES

WHAT THIS MEANS TO US

As a global leader and provider of smart logistics solutions, we aim to have the highest level of governance and to eliminate corruption, modern slavery and human rights abuses. Sustainable and inclusive growth can only be achieved with prosperous, thriving communities where these rights are upheld. Our ambition is to put human rights at the centre of our actions, identifying and preventing risks and addressing any negative impacts associated with our operations.

HOW WE ADD VALUE

We are committed to maintaining a culture that respects and promotes the human rights of our employees, our extended supply chain and the communities in which we operate. It is important for us to address human rights issues and go beyond regulations to respect human rights. Being a signatory to the UNGC and its ten principles demonstrates our commitment to align our strategies and operations with these principles and conduct our business ethically and responsibly.

WHAT WE DID IN 2021

- Conducted a global risk mapping exercise to assess human rights risks across our business and undertook a gap analysis of our policies and procedures against international best practice.
- Developed a mandatory human rights training module, to be rolled out globally in 2022.
- Implemented a global human rights awareness campaign for our employees.
- Our ESG commitment is now one of the key strategic risks that is regularly monitored and reported to senior management, the Audit and Risk Committee and the Board. Human rights is a component of this risk, along with ensuring that we conduct ethical business practices.

PLANS FOR 2022

- Continue to embed human rights considerations within our business and operations.
- Roll out the human rights training module globally and assess additional training requirements.
- Update internal policies, procedures and guidance to support implementation of the human rights programme.

UN SDGs

8 DECENT WORK AND ECONOMIC GROWTH

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

17 PARTNERSHIPS FOR THE GOALS

UNGC PRINCIPLES

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

OUR WORLD, COMMUNITY ENGAGEMENT

AS A GLOBAL ORGANISATION, WE SEEK TO DELIVER IMPROVED SOCIAL OUTCOMES AND POSITIVE IMPACTS IN THE COMMUNITIES IN WHICH WE OPERATE

READ OUR ESG REPORT AT WWW.DPWORLD.COM/SUSTAINABILITY

WHAT THIS MEANS TO US

DP World's Community Strategy guides how we invest in our communities through partnership and engagement with stakeholders in alignment with the UN SDGs. Under the Community Strategy, we work with our communities on five thematic areas, namely oceans, wildlife protection, education, emergency relief and health. We apply a 'gender lens' to determine how women are supported. Tracking and measuring social impact, using our Community Data System, we work with the Business for Societal Impact (B4SI) framework.

HOW WE ADD VALUE

We strive to build strong relationships with our communities to improve social outcomes. Through our network of global Sustainability Champions, we ensure the Community Strategy is delivered locally, supporting the unique needs of every community. We seek to form enduring partnerships with our community partners, rather than simply making charitable donations. This is not only our duty as a responsible company but essential to building a robust business for the future.

WHAT WE DID IN 2021

- Hired our first Community Investment Manager to support the growth of our Community Strategy and global partnerships.
- Provided an opportunity for our partners to use EXPO 2020 Dubai as a platform to present and create awareness around global sustainability challenges and solutions they seek to address.
- Developed four new major global partnerships in addition to existing ones; UFW, Space for Giants and The Earthshot Prize. Our new partners are the Tusk Trust, Jane Goodall Institute, ZSL and The Maiden Factor.

PLANS FOR 2022

- Plan to boost our investment across the community themes and leverage our existing partnerships to drive community impact.
- Expand into new partnerships to support women's equality and the digital divide in education.
- Develop a training programme to support upskilling efforts of our global Sustainability Champions.
- To reach 100,000 more women with our projects.

UN SDGs

UNGC PRINCIPLES
- Principle 1
- Principle 2
- Principle 7
- Principle 8

OUR WORLD, CLIMATE CHANGE

AT DP WORLD, WE CARE. OUR GOAL IS TO MAKE SURE THE ENVIRONMENT IS PROTECTED AND ENHANCED WHEREVER POSSIBLE

WHAT THIS MEANS TO US

DP World aspires to be not only the leader in global smart trade logistics, but also to contribute meaningfully to the fight against climate change. We have made specific commitments to be a net zero carbon enterprise by 2040, and also have ongoing environmental stewardship initiatives across our global business.

HOW WE ADD VALUE

DP World's commitment towards carbon reduction is anchored by a science-based approach, whereby we measure and monitor our greenhouse gas (GHG) emissions and seek efficient ways to reduce them across our portfolio. It is only once we have reached the maximum amount of voluntary carbon reductions that we turn to the offset market for additional reduction of our net overall carbon footprint. This is exactly the strategic path followed by our Rotterdam port business, which we are proud to report achieved net zero operational status in 2021.

From a broader environmental perspective, our Group environmental management standards are based on, and benchmarked to, the principles of ISO 14001: Environmental Management Systems. Our standards mandate the implementation of environmental controls and monitoring for each operational entity under the operational control of DP World, to protect and enhance the environment.

WHAT WE DID IN 2021

- Launched priority decarbonisation programmes in line with the Science Based Targets initiative (SBTi).
- Developed a customer platform for carbon footprint calculations that will enable them to track their emissions and enhance their own reporting.
- Prepared a renewable energy register to map all electricity sources to identify where renewable energy is utilised.
- Continued our equipment electrification programme at three sites.
- Entered a strategic partnership with Mærsk Mc-Kinney Møller Center for Zero Carbon Shipping.
- Introduced a waste management strategy to prevent and reduce the amount of waste we generate; and reuse, recycle and recover the remaining waste.
- Established plans to eliminate the use of single use plastic bottles (where feasible) by 2023.

PLANS FOR 2022

- Include carbon intensity and environmental footprint considerations in investment decisions and embed "grow green" principles in investment planning stages.
- Develop a water management strategy with associated KPIs.
- Monitor and report on implementation of energy-related projects.
- Development of global Power Purchase Agreement (PPA) programmes for bulk, long-term purchase of renewable electricity.
- Develop a long-term decarbonisation strategy for the Marine Services division.

UN SDGs

UNGC PRINCIPLES
- Principle 7
- Principle 8
- Principle 9

OUR WORLD, PEOPLE DEVELOPMENT

DP WORLD IS COMMITTED TO INVESTING IN ITS PEOPLE, TO ENABLE THE GROUP TO DEVELOP AND MAINTAIN EMPLOYEES' CUTTING-EDGE KNOWLEDGE

READ OUR ESG REPORT AT WWW.DPWORLD.COM/SUSTAINABILITY

WHAT THIS MEANS TO US

Our goal is to attract and retain the best talent and to offer continuous personal development opportunities to enable our people to grow, acquire new skills, build knowledge and thrive. Smarter solutions. Better technologies. Operational firsts. Deeper customer insights and service levels.

HOW WE ADD VALUE

We invest heavily in leadership and talent development as well as functional and operational training partnerships to give us a competitive advantage as we contribute to shaping the future of smart trade. Learning is a career-long journey. In an industry always in flux, DP World Hub delivers continually updated development opportunities for everyone across every level of operational and managerial competences. We also use annual performance reviews to discuss career planning, and to identify fresh training and developmental needs.

WHAT WE DID IN 2021

- Delivered a record number of sessions for employees as part of Inclusion and Diversity (I&D) Month, reaching 1,758 people in over 40 countries.
- Continued to leverage technology and new formats that allow us to connect our colleagues across the globe.
- Through our ongoing global webinar series, DP World colleagues continued to be exposed to topics such as delivering in a crisis, authentic leadership, disruptive leadership, leading in a digital world and inclusive leadership in a virtual workspace.
- Embedded talent frameworks to ensure Leaders and HR business partners understand and lead improving the quality of our talent conversations.
- Empowered leaders and teams to drive their own development by delivering new materials supporting managers in leading meaningful performance conversations.

PLANS FOR 2022

- Enhance our I&D efforts significantly, including the potential launch of internal KPIs to track our progress against goals, as well as the global launch of employee training on unconscious bias.
- Our Business Learning team will continue to design and develop key functional programmes with experts across our organisation, as well as from universities and technical schools.
- Provide more development opportunities across our business, improving our employees ability to proactively shape their careers in DP World.

UN SDGs

4 QUALITY EDUCATION

UNGC PRINCIPLES

- Principle 1
- Principle 2

OUR FUTURE, WOMEN

GENDER EQUALITY IS A KEY LEGACY AREA – WE ARE COMMITTED TO MAKING A POSITIVE IMPACT FOR WOMEN IN OUR INDUSTRY AND COMMUNITIES

WHAT THIS MEANS TO US

DP World is committed to creating a culture free from any form of discrimination and harassment. We are nurturing a working environment where women find high-quality career opportunities. In line with the UN SDGs, we aim to have made a positive impact for women in our industry and girls in our communities by 2030. Our ambition is to drive gender equality as a key legacy area and our pledge to the UN SDG 5: Gender Equality is unwavering.

HOW WE ADD VALUE

Our Gender Equality Statement provides a clear vision for every BU on how to approach gender equality and drive progress on a global scale. In 2015, we signed the UN's Women's Empowerment Principles (WEPs), and in 2018 we launched a global 'MentorHer' programme for the career development of female colleagues. We also currently have 12 active women's networking groups across the Company.

WHAT WE DID IN 2021

- Delivered an 'Own your power' global training for female employees with 453 participants.
- Conducted our annual global MentorHer programme for women to help advance their careers. This year we had 204 mentees and 147 mentors who participated.
- Rolled out our global *Women Lead@DP World* development programmes for our female leaders.

PLANS FOR 2022

- Sign the gender balance pledge in partnership with the UAE Gender Balance Council to commit to having 30% female representation in the senior management cohort in the UAE.
- Continue to apply the WEPs Gender Gap Analysis Tool with the aim to further increase our performance score.
- Launch our 'Women on Board' training programme, designed to expand our global Board talent pool pipeline.
- Publish relevant global I&D policies.
- Support additional female-oriented employee resource groups and invest in alternate hiring channels to support female recruitment in partnership with our talent acquisition teams.
- Develop global KPIs for female recruitment, representation and retention in partnership with the regions.

UN SDGs

5 GENDER EQUALITY

UNGC PRINCIPLES

- Principle 1
- Principle 2
- Principle 6

OUR FUTURE, EDUCATION

DP WORLD INVESTS IN EDUCATION TO INSPIRE AND EQUIP OUR PEOPLE. AS DIGITALISATION CONTINUES TO TRANSFORM THE WAY WE WORK, CURRENT AND FUTURE EMPLOYEES NEED TO DEVELOP SKILLS ACROSS THE SECTOR THAT DRIVES US

READ OUR ESG REPORT AT WWW.DPWORLD.COM/SUSTAINABILITY

WHAT THIS MEANS TO US

We aim to engage and inspire students on global trade and logistics, harnessing social and emotional learning (SEL) as well as technology to better educate young people, increase digital literacy and encourage collaborative learning. We want to help young people access high-quality education and join our talent pipeline. The goal is to leverage our expertise in logistics to equip two million young people with the skills our sector needs by 2030.

HOW WE ADD VALUE

We regularly showcase our successful social impact through our global and local partnerships around education – further positioning the Group as a thought leader in the education space through partnerships, events and leadership opportunities. This strategy supports the development of digital and human skills, alongside Science, Technology, Engineering, Arts and Mathematics (STEAM) and will ensure gender equality is embedded across these areas. We believe everyone should have access to quality education – gender should never be a determinant of success or capability.

WHAT WE DID IN 2021

- Launched a global partnership with the Jane Goodall Institute, supporting its 'Roots and Shoots' programme that involves 700,000 young people across 50 countries.
- Developed a global partnership with The Maiden Factor, supporting its mission to raise awareness about millions of girls worldwide, who are unable to access education.
- Hosted local schools and universities at Expo 2020 Dubai at our DP World Pavilion. Our FlowLab educational initiative was developed for schools, providing students with an immersive experience using technology and special effects to depict the future of DP World. A total of 355 school groups and over 7,000 students participated in our education programme at Expo 2020 Dubai between October and December 2021.

PLANS FOR 2022

- Create an interactive digital platform incorporating our new educational website that will house content from partners such as The Maiden Factor and UFW.
- Continue our focus on SEL, which fosters invaluable skill sets and attributes such as leadership, persistence, curiosity, creativity and confidence.
- Roll out education modules across the Jane Goodall Institutes Roots and Shoots programme.
- Launch the Global Education Programme V2.0 to reach 200,000 students.
- Develop a new global partnership to focus on education and digital literacy/IT skills.

UN SDGs

4 QUALITY EDUCATION

5 GENDER EQUALITY

UNGC PRINCIPLES

- Principle 1
- Principle 2

OUR FUTURE, OCEANS

WITH A MAJOR COASTAL PRESENCE THROUGH OUR PORTS, TERMINALS AND OTHER ASSETS, WE HAVE A KEY ROLE TO PLAY IN MAINTAINING CLEAN OCEANS AND CONTRIBUTING TO BIODIVERSITY PRESERVATION

WHAT THIS MEANS TO US

Our business, and the prosperity of our people and communities, is largely borne on the world's oceans. The blue economy is estimated to be worth around US$ 3 trillion, and home to over 200,000 species. Through our coastal presence, we are in the vanguard of ensuring we support ocean health and the communities that depend on the world's marine and coastal ecosystems.

HOW WE ADD VALUE

We are committed to making ocean enhancement a part of our legacy. We will safeguard blue carbon ecosystems and combat climate change through carbon capture, preservation and resilience building. Over the next decade, our aim is to restore and enhance the oceans in line with the UN's Decade on Ecosystem Restoration campaign. Our areas of focus include ocean restoration projects, coastal clean ups and education programmes. Mangrove and coral reef projects are central to our ocean restoration efforts. These are recognised as nature-based solutions (NBS) that can enhance the carbon sink resilience of global oceans.

WHAT WE DID IN 2021

- Partnered with the Zoological Society of London (ZSL) to focus on mangrove restoration in the Philippines.
- Implemented ocean restoration projects globally, including mangrove restoration and coral reef transplantation.
- Conducted employee volunteering activities to clean coastal areas and waterways.
- Organised an oceans toolkit feedback session for the Group Health Safety and Environment (GHSE) team and Sustainability Champions to align on strategy and communication.
- Developed an oceans data collection checklist for ocean-related projects for integration within our Community Investment data system.
- Together with ZSL, Expo 2020 Dubai and Edinburgh Science, we hosted a Conservation for Hope event on 'Advancing Best Practice in Wildlife & Biodiversity Conservation' at Expo 2020 Dubai.

PLANS FOR 2022

- Refresh the DP World Ocean Restoration strategy and enhance Group-wide guidance to support its implementation.
- Implement blue carbon development programmes and achieve carbon accreditation where practicable.
- Outline plans for strategic ocean enhancement projects for regions/Group entities.
- Develop and replicate community engagement programmes for ocean restoration.
- Join the UNGC's Ocean Stewardship Coalition and become a signatory to the UNGC Sustainable Ocean Principles.
- Assess a transition and expansion from our 'oceans' legacy pillar to 'water' to better address stakeholder needs.

UN SDGs

14 LIFE BELOW WATER

UNGC PRINCIPLES

- Principle 7
- Principle 8
- Principle 9

BOARD OF DIRECTORS

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.

YUVRAJ NARAYAN

Deputy Chief Executive Officer and Group Chief Financial Officer

Skills and Experience

Mr Narayan has an extensive senior executive career with more than 24 years of experience at ports and in 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 as Chief Financial Officer at Salalah Port Services in Oman.

He has also served as Non-Executive Director of Istithmar World and IDFC Securities. As Deputy Chief Executive Officer and Group Chief Financial 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 was appointed to the Board as an Executive Director on 9 August 2006.

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

Appointed as Deputy Chief Executive Officer and Group Chief Financial Officer in November 2021.

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 and Board member of the Dubai Financial Market.

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 was a member of Indian Government-appointed advisory committees and task forces on matters ranging from infrastructure reform to capital markets and financial services for over two decades.

His contributions to business have been recognised on numerous occasions and he is the recipient of Padma Bhushan from the Government of India.

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 National Investment and Infrastructure Fund (NIIF) and Fairfax India Holdings Corporation, Canada.

Committee Membership

Nominations and Remuneration Committee Chair

Audit and Risk Committee member

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 an adviser 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.

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 from 2008 to 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

Board member of Investment Corporation of Dubai ('ICD'), Board member of EMAAR, Board member of Commercial Bank of Dubai and Chair of Emirati Human Resources Development Council.

Committee Membership

Governance and Sustainability Committee member

H.E. MOHAMED SAIF AL SUWAIDI

Independent Non-Executive Director

Skills and Experience

H.E. Al Suwaidi has extensive experience working in finance, business management, infrastructure development and administration of institutional activities. H.E. Al Suwaidi holds several Executive and Non-Executive positions across the United Arab Emirates. H.E. Al Suwaidi 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

Governance and Sustainability Committee Chair

Audit and Risk Committee, and Nominations and Remuneration Committee member

MARK RUSSELL

Independent Non-Executive Director

Skills and Experience

Mr Russell is Chair of Defence Equipment and Support ('DE&S'), Chair of Angel Trains, and Vice-Chair of UK Government Investments ('UKGI').

He was appointed Chair of Angel Trains in February 2021, 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 UK Government Investments (and its predecessor body, the Shareholder Executive) from April 2013 to October 2019. 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.

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

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'), Chair of Angel Trains and Vice-Chair of UK Government Investments ('UKGI').

Committee Membership

Audit and Risk Committee Chair

ROBERT WOODS

Independent Non-Executive Director

Skills and Experience

Mr Woods has over 50 years of experience in the shipping and port industry. He is the Chairman of the UK boards comprising DP World Southampton and DP World London Gateway.

He has held many senior positions within notable companies and was formerly the Chairman of P&O Ferries, 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, Chairman of the Mission to Seafarers and a Director at the Chamber of Shipping of the UK.

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

Member of the Greenham Common Trust, St. George's House Trust (Windsor Castle), Chairman of the Navy League and Chairman of the Sea Cadet Association.

Committee Membership

Nominations and Remuneration Committee, and Governance and Sustainability Committee member

REPORT OF THE DIRECTORS

THE DIRECTORS PRESENT THEIR REPORT AND ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2021.

The Corporate Governance section, commencing on page 68, and the Audit and Risk Committee Report, commencing on page 83, 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 68.

The Strategic Report, commencing on page 1, describes the principal activities, operations, performance and financial position of DP World Limited (the "Company") 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 94.

The principal subsidiaries, joint ventures and associates are listed on pages 145 to 148.

DIRECTORS

The Directors of the Company as at 31 December 2021 are detailed on pages 68 to 69. These pages contain their biographical details, along with the details of their Board Committee memberships.

The Corporate Governance Report, which commences on page 68, includes details of the Board and Committee membership changes that occurred during the financial year ending 31 December 2021.

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 104.

RESULTS

The Group's Consolidated Financial Statements for the year ending 31 December 2021 are shown on pages 99 to 103.

EVENTS AFTER THE REPORTING PERIOD

On 10 February 2022, the Group has disposed 26% equity interest in Visakha Container Terminals Private Limited, India.

The Group announced the acquisition of 100% equity interest in Imperial Logistics Limited, an integrated logistics and market access company with operations mainly across the African continent and in Europe. The transaction is now unconditional and will be implemented on 14 March 2022 for a purchase consideration of approximately ZAR 12.7 billion. Imperial Logistics is listed on the Johannesburg Stock Exchange (JSE).

The acquisition will enhance the Group's capabilities building on its extensive infrastructure of ports, terminals and economic zones. It will also significantly accelerate the Group's transformation into an advanced logistics company offering end to end supply chain services to the owners of cargo.

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 54. 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, 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 (Dubai International Finance Centre) 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 83 to 89.

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.

AUDITORS

The auditor, KPMG LLP, has indicated its willingness to continue in office. A resolution to re-appoint it as auditor has been approved by the Board of Directors.

SHARE CAPITAL

As at 31 December 2021, 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
GROUP GENERAL COUNSEL, GOVERNANCE AND COMPANY SECRETARY
17 March 2022

CHAIRMAN'S INTRODUCTION

GOOD GOVERNANCE AND RISK MANAGEMENT ARE CORE TO OUR BUSINESS ACHIEVING ITS OBJECTIVES. THE DP WORLD BUSINESS MODEL INTEGRATES BEST PRACTICE 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 2021 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 74 to 78. The membership and work of the Board Committees are included on pages 83 to 89.

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 a 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 2021, 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 36 to 49 of the Strategic Report and an outline of our internal controls and compliance procedures is contained on pages 79 to 81 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 90 to 91 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
17 March 2022

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.

The Company must 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 83** for the
Audit and Risk Committee report →

See **page 87** for the
Governance and Sustainability Committee report →

See **page 88** for the
Nominations and Remuneration Committee report →

LEADERSHIP

Principle 1
Requires an effective Board of Directors that 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 74 →

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 79 to 81 →

To read more about relations with capital markets, see page 82 →

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 92 →

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 88 →

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 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 83.

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

Details of the Directors of the Company are given on pages 68 to 69.

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 the 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 ensure, with the support of the Senior Independent Non-Executive Director and the Group General Counsel, Governance and 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.

DEPUTY CHIEF EXECUTIVE OFFICER AND GROUP CHIEF FINANCIAL OFFICER

The Deputy Chief Executive Officer and Group Chief Financial 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 Deputy Chief Executive Officer and Group Chief Financial Officer's operational responsibilities include working closely with the Company's auditors, financial advisers 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 comprised 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. It 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.

GROUP GENERAL COUNSEL, GOVERNANCE AND COMPANY SECRETARY

The Group General Counsel, Governance and 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 Group General Counsel, Governance and Company Secretary, and independent professional advice at the Company's expense, if required.

LEADERSHIP

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 Committees include the Audit and Risk Committee, Nominations and Remuneration Committee, and 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 Group General Counsel, Governance and 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 appointing 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 programmes to ensure a culture of zero harm.

GROUP CHAIRMAN AND CHIEF EXECUTIVE OFFICER

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's 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.

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 five 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 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	5(5)	–	–	–
Yuvraj Narayan	5(5)	–	–	–
Deepak Parekh	4(5)	2(3)	–	2(2)
Robert Woods	5(5)	–	2(2)	2(2)
Mark Russell	5(5)	3(3)	–	–
Mohamed Al Suwaidi	5(5)	3(3)	2(2)	2(2)
Patrice Trovoada	4(5)	–	–	–
Sultan Bin Saeed Al Mansoori	5(5)	–	2(2)	–

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

2021 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 structure, size and composition of the Board's Committees.

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: 60% controlling stake in UNICO Logistics Co. Ltd, South Korea; 72.9% controlling stake in Transworld Feeders FZCO and Avana Global FZCO, United Arab Emirates; 100% assets of National Industries Park, Dubai Auto Zone and Dubai Textile City, United Arab Emirates; and 100% stake in syncreon, United States of America.

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 and approved the notice and ancillary documents to be sent to shareholders and attended the meeting.

LEADERSHIP

BOARD PERFORMANCE EVALUATION

The Board undertakes a formal and rigorous annual evaluation of its performance and that of its Committees and individual Directors. The evaluation of the Board and its Committees is a key component of effective corporate governance. It is a vital tool to ensure that the Board discharges its responsibilities effectively and assists in identifying possible ways for improving the performance of the Board. For the financial year ended 31 December 2021, the Board evaluation was facilitated internally by the Group General Counsel, Governance and Company Secretary in accordance with the opposite process.

The evaluation process covered a wide range of issues including leadership, Board meeting dynamics, competency of Board members, succession planning, information quality and flow, relationship with senior management, quality of Board supervision and decision making with emphasis on the Board's role in strategic decisions.

The Committee evaluations focused on the following areas:

- assessing the balance and skills within each Committee;
- identifying attributes required for any new appointments;
- reviewing practice and process to improve efficiency and effectiveness;
- considering the effectiveness of each Committee's decision-making processes; and
- recognising each Committee's outputs and achievements.

EVALUATION PROCESS

STEP 1
Self-evaluation.
Questionnaire completed by each Director to review Board and Committee performance.

STEP 2
Interview with Senior Independent Non-Executive Director and Chairman.
Individual meetings held with Chairman and Senior Independent Non-Executive Director to review responses.

STEP 3
Consolidate and report.
Group General Counsel, Governance and Company Secretary consolidates responses and presents results to the Board for its consideration.

STEP 4
Review and plan.
The Board reviews the evaluation results and prepares an action plan for the following year.

TRACKING FROM PREVIOUS EVALUATION AND ACTION FOR 2022

As a result of the evaluation of the Board's performance for the year and the action plan that was subsequently developed, the Company reviewed the Board composition to ensure that it included the optimum balance of skills, experience and diversity and reviewed the succession planning and Board training programme.

The table below illustrates the findings from the 2020 performance review, the actions taken by the Board and principal Committees during 2021, and the actions identified for 2022 as a result of the 2021 performance review.

FINDINGS IN 2020	The following were identified during the review as areas for potential improvement: • review the Board composition to ensure the Board has the optimum balance of skills, experience and diversity; • review the Company's succession planning and improve the Board's interaction with members of senior management; • continue to focus on communication with institutional investors; and • continue to develop further the Board's approach to maximise its effectiveness by focusing on new emerging areas affecting the business.
PROGRESS IN 2021	• Increased focus on the impact of technology and consideration of ESG. • Reviewed and improved the Company's corporate governance practices pursuant to its continuing regulatory obligations and best industry practice. • The Company has an ongoing commitment to open communications with institutional investors – see the "Relations with capital markets" section starting on page 82.
ACTIONS FOR 2022	• Continue to optimise the Board's exposure to and familiarity with senior management. • Enhance succession planning and talent development to build a generation of future leaders and directors. • Optimise the strategic and market review to gain further competitive advantage.

During the year, and as part of the performance evaluation cycle, the composition of each of the Board's main Committees was reviewed. For further details about the membership and activities of each Committee please refer to the Committees' reports.

See **page 83** for the **Audit and Risk Committee report** →
See **page 87** for the **Governance and Sustainability Committee report** →
See **page 88** for the **Nominations and Remuneration Committee report** →

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. IT 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 36 to 49.

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") 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 2021, 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 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.

ACCOUNTABILITY

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, covering 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 stakeholders 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 financial management and strategy are consistent throughout the organisation which 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, every month. 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.

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 that 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 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 2021, DP World continued to enhance 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 to 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 which 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 practice; 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 practices in this area.

WHISTLEBLOWING

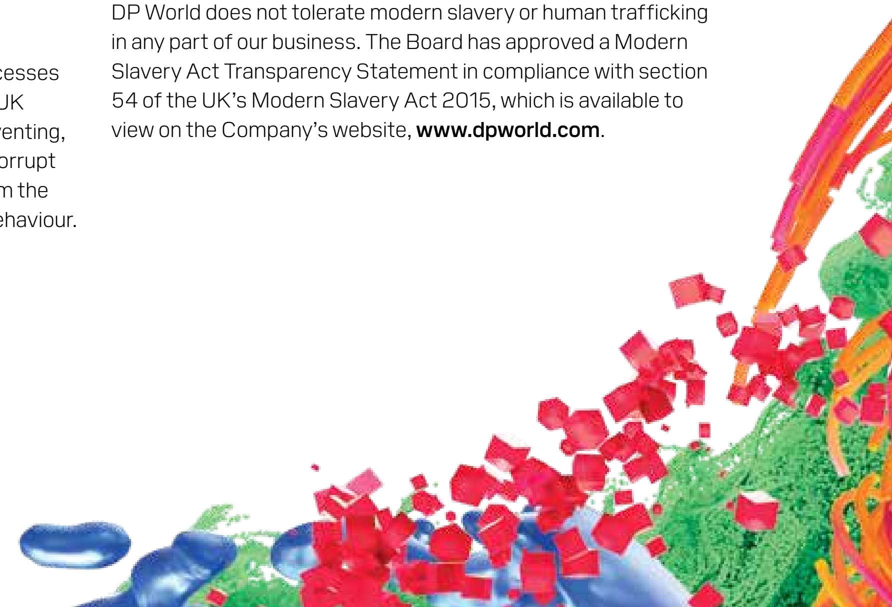
DP World's Whistleblowing Policy applies globally and is supplemented by country-specific policies wherever local law requires. Protection of whistleblowers is of paramount importance and DP World's framework and policies guarantee this within the limits of local laws.

DP World actively encourages its stakeholders 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 CAPITAL MARKETS

INVESTOR ENGAGEMENT CALENDAR FOR 2021

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 Deputy Chief Executive Officer and Group Chief Financial Officer, Deputy Chief Financial Officer, and the Investor Relations team.

In 2021, we continued to proactively engage with the investor community and held more than 100 meetings, met over 150 institutions, and attended eight conferences and two roadshows (both held virtually). Investor queries continued to be focused around progress on DP World strategy, the uncertainty of COVID-19 pandemic, rising demand for trade, supply chain disruptions and increasing freight rates.

JANUARY TO MARCH

- DP World Full-Year 2020 Throughput Announcement with Investor Call (Dubai, UAE)
- DP World Full-Year 2020 Results Announcement with Investor Call (Dubai, UAE)
- Citi's Global Container Shipping & Port Trends (Virtual)
- DFM Dubai Sustainable Finance Webinar (Virtual)
- JP Morgan 2021 Global Emerging Markets Corporates (Virtual)
- Citi's Non-Deal Roadshow (Virtual)

JULY TO SEPTEMBER

- Barclays ESG Emerging Market Corporate Day (Virtual)
- DP World 2021 Half-Year Throughput Announcement (Dubai, UAE)
- DP World 2021 Half-Year Results Announcement with Investor Call (Dubai, UAE)
- JP Morgan Emerging Markets Conference (Virtual)

APRIL TO JUNE

- DP World Q1 2021 Throughput Announcement (Dubai, UAE)
- Goldman Sachs DFM International Investors Roadshow 2021 (Virtual)
- Bank of America Emerging Markets Debt & Equity Conference (Virtual)

OCTOBER TO DECEMBER

- 2021 MEIRA Annual Conference and Award (Hybrid)
- DP World 9M 2021 Throughput Announcement (Dubai, UAE)
- Bank of America MENA Conference (Virtual)
- DFM/HSBC International Investor Roadshow (Virtual)

The Board receives regular updates on investor views through briefings from the Group Chairman and Chief Executive Officer and Deputy Chief Executive Officer and Group Chief Financial 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 2021, 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, GROUP GENERAL COUNSEL, GOVERNANCE AND 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 77.

2021 ACTIVITIES

See page 84 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	

AUDIT AND RISK COMMITTEE

SIGNIFICANT ISSUES

We identified the issues below as significant in the context of the 2021 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 15 TO THE FINANCIAL STATEMENTS)

AREA OF FOCUS

An impairment review is carried out annually by management to identify cash-generating units (CGUs) (the 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 CGUs 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 concerning the appropriateness of the approach, the key sensitivities in determining the recoverable amount and the 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 of goodwill 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 2021, the Group acquired 60% controlling stake in UNICO Logistics Co. Ltd, South Korea;
- on 1 July 2021, the Group acquired 72.9% controlling stake in Transworld Feeders FZCO and Avana Global FZCO, United Arab Emirates;
- on 30 September 2021, the Group acquired 100% assets of National Industries Park, Dubai Auto Zone and Dubai Textile City, United Arab Emirates; and
- on 30 November 2021, the Group acquired 100% stake in syncreon, United States of America.

COMMITTEE ACTION

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. The Group engages independent third-party specialists to prepare valuation reports, which are then subject to external auditors' review.

We reviewed the assumptions and judgements made by management in the valuation and purchase price allocation process.

CONTINGENCIES (SEE NOTE 38 TO THE FINANCIAL STATEMENTS)

AREA OF FOCUS

Various factors could result in a contingent liability being disclosed if the probability of any outflow in a 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 of 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. 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 several 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.

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 upon and considered appropriate. The appropriateness of the transactions separately identified as Separately Disclosed Items (SDI) in the financial statements to highlight the underlying performance for the period was 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 (GIA) is monitored and reviewed at each Audit and Risk Committee meeting. An annual plan was agreed by the Audit and Risk Committee in December 2020 which covers the activities performed by the function during the year ended 31 December 2021.

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 periodically to discuss progress and received reports on the function's work every month.

The Audit and Risk Committee discussed and reviewed the Chief Internal Auditor's progress in improving the effectiveness of the function. During 2021, beyond completing the approved audit plan, key highlights included:

- Global Guest Auditor Programme re-engineered to offer virtual opportunities to DP World employees with subject-matter expertise to support audits remotely;
- external quality assessment of GIA's dedicated Fraud Risk Services team of anti-fraud experts;
- Group-wide roll out of fraud awareness activities and tools to employees to support International Fraud Awareness Week in November 2021;
- GIA's dedicated intranet site offering all DP World employees access to tools, training, insights, articles and advice on internal controls, risk management and governance;
- placement of eight interns during the year, supporting GIA's Technology Audit, Digital Assurance Solutions and Corporate Audit teams;
- roll out of a central project management office – Audit Services, Quality and Excellence within GIA to help set, maintain and monitor standards, governance, reporting, excellence and quality in the work that GIA performs;
- GIA's participation in the first-ever Institute of Internal Auditors Global benchmarking event based in the United Arab Emirates; and
- new Collaboration series 'AuditConnect' with corporate teams to help solve business challenges.

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

AUDIT AND RISK COMMITTEE

RISK MANAGEMENT

The Enterprise Risk Management (ERM) 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 2021, 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 38 to 49. The principal 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 2021, August 2021 and December 2021. 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 2021, the Audit and Risk Committee reviewed the effectiveness of the Group's overall 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 2021.

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 a 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 how the risk management and internal control processes are applied and details 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 2021 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, 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 is the Company's external auditor. 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 auditor of its internal quality procedures. It also received assurances from the auditors regarding their independence. Based on 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 2021, THE GOVERNANCE AND SUSTAINABILITY COMMITTEE COMPRISED THREE MEMBERS, ALL OF WHOM ARE INDEPENDENT NON-EXECUTIVE DIRECTORS. THE SECRETARY TO THE COMMITTEE IS MOHAMMAD AL HASHIMY, GROUP GENERAL COUNSEL, GOVERNANCE AND 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 77.

2021 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, to ensure 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 the 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:

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

NOMINATIONS AND REMUNERATION COMMITTEE

DURING 2021, THE NOMINATIONS AND REMUNERATION COMMITTEE COMPRISED THREE MEMBERS, ALL OF WHOM ARE INDEPENDENT NON-EXECUTIVE DIRECTORS. THE SECRETARY TO THE COMMITTEE IS MOHAMMAD AL HASHIMY, GROUP GENERAL COUNSEL, GOVERNANCE AND 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 77.

2021 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.

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 Chairman and Chief Executive Officer, Deputy Chief Executive Officer and Group Chief Financial 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:

Deepak Parekh (Committee Chair)	
Robert Woods	
Mohamed Al Suwaidi	

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 a 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.

DESCRIPTION	2021 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 2021 (award to be paid in 2022) and 2020 (award paid in 2021) 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 Our 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 2019-2021 (award to be paid in 2022), 2020-2022 (award to be paid in 2023) and 2021-2023 (award to be paid in 2024) 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.

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 TO DISTINGUISH THE RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND 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 (IFRS) 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 that 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.

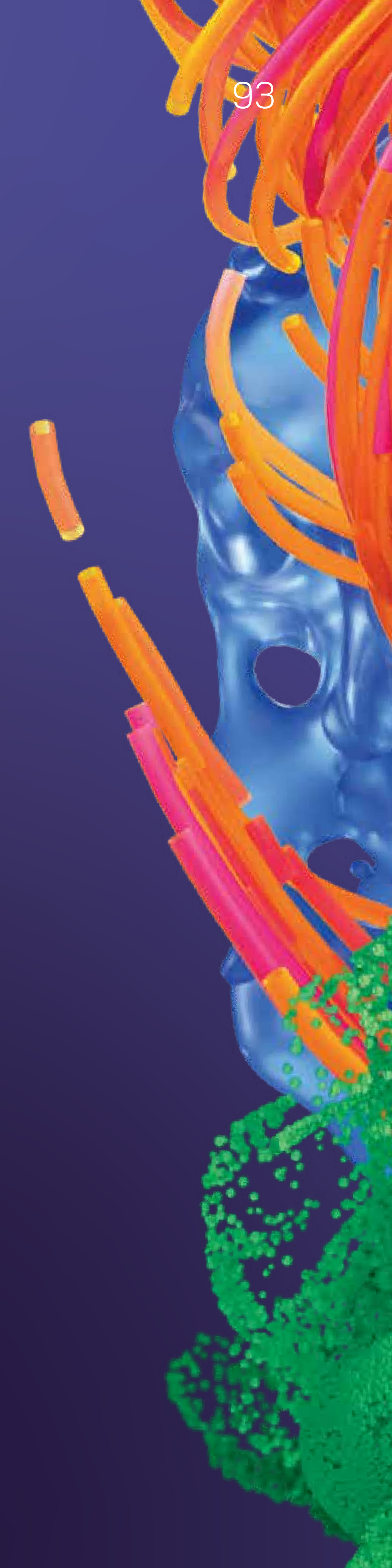
The Directors have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

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
GROUP GENERAL COUNSEL, GOVERNANCE AND COMPANY SECRETARY
17 March 2022



INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF DP WORLD LIMITED

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 2021, 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 2021, 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 AND INTANGIBLE ASSETS WITH INDEFINITE USEFUL LIVES

Refer to notes 3 and 15 of the consolidated financial statements.

The Group has significant goodwill and intangible assets arising from the acquisition of businesses. The Group's annual impairment testing on goodwill and 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.

ACCOUNTING FOR BUSINESS ACQUISITIONS

Refer to notes 3 and 26 of the consolidated financial statements.

During the year, the Group made a number of business acquisitions including Unico Logistics Co. Ltd., Transworld Group and syncreon Newco B.V.

For the acquisitions, in accordance with IFRS 3 – Business Combinations, the Group evaluates whether the acquisition meets the criteria of a business or an asset acquisition. For business acquisition, 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. 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 business acquisition.

OUR RESPONSE TO ADDRESS THE KEY AUDIT MATTER

Our procedures included:

We reviewed the assessment performed by the Group to conclude if the acquisition meets the criteria of a business or an asset acquisition. For the business 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.

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 have checked that the purchase consideration is in accordance with the signed share purchase agreement. We agreed the consideration paid by comparing relevant amounts to bank records and considered the appropriateness of costs associated with the purchase. Furthermore, for contingent and deferred consideration, we have involved our specialists to assess the valuation of contingent consideration, whilst for deferred consideration we have reviewed the calculation of present value for reasonableness, including the discount rates used.

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, discussed significant legal matters with Group management and obtained confirmations from the Group's 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.

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF DP WORLD LIMITED

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 and 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 judgement and technical expertise in making 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 and 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 estimated salary increases, discount and inflation rates used in calculating the pension scheme obligations 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.

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.

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. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 judgment 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 the 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.
- 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 or 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.

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF DP WORLD LIMITED

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
DFSA reference Number: I012468
Dubai, United Arab Emirates

10 March 2022

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

		Year ended 31 December 2021			Year ended 31 December 2020		
	Note	Before separately disclosed items USD'000	Separately disclosed items (Note 9) USD'000	Total USD'000	Before separately disclosed items USD'000	Separately disclosed items (Note 9) USD'000	Total USD'000
Revenue	5	10,777,988	–	10,777,988	8,532,563	–	8,532,563
Cost of sales		(6,899,159)	(92,240)	(6,991,399)	(5,491,500)	–	(5,491,500)
Gross profit		3,878,829	(92,240)	3,786,589	3,041,063	–	3,041,063
General and administrative expenses		(1,759,439)	(44,847)	(1,804,286)	(1,208,947)	(77,520)	(1,286,467)
Other income		66,868	–	66,868	59,033	3,265	62,298
(Loss)/gain on disposal and change in ownership	9	–	(9,908)	(9,908)	–	115,089	115,089
Share of profit/(loss) from equity-accounted investees (net of tax)	17	152,017	(86,077)	65,940	121,551	(97,435)	24,116
Results from operating activities		2,338,275	(233,072)	2,105,203	2,012,700	(56,601)	1,956,099
Finance income	7	193,972	8,425	202,397	144,624	9,773	154,397
Finance costs	7	(941,284)	(20,746)	(962,030)	(982,865)	(44,433)	(1,027,298)
Net finance costs		(747,312)	(12,321)	(759,633)	(838,241)	(34,660)	(872,901)
Profit before tax		1,590,963	(245,393)	1,345,570	1,174,459	(91,261)	1,083,198
Income tax expense	8	(237,682)	53,706	(183,976)	(194,759)	53,563	(141,196)
Profit for the year		1,353,281	(191,687)	1,161,594	979,700	(37,698)	942,002
Profit attributable to:							
Owners of the Company		1,103,270	(207,270)	896,000	878,629	(32,238)	846,391
Non-controlling interests		250,011	15,583	265,594	101,071	(5,460)	95,611
		1,353,281	(191,687)	1,161,594	979,700	(37,698)	942,002

The accompanying notes form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

	Note	2021 USD'000	2020 USD'000
Profit for the year		1,161,594	942,002
Other comprehensive income (OCI)			
Items that are or may be reclassified to profit or loss:			
Foreign exchange translation differences – foreign operations*		(228,305)	298,673
Foreign exchange translation differences recycled to profit or loss due to change in ownership resulting in control		–	837
Share of other comprehensive (loss)/income of equity-accounted investees	17	(1,901)	7,823
Cash flow hedges – effective portion of changes in fair value		54,980	(83,489)
Cash flow hedges – reclassified to profit or loss		919	7,984
Related tax on other comprehensive income		(12,478)	4,837
Items that will never be reclassified to profit or loss:			
Re-measurements of post-employment benefit obligations and employees' end of service benefits		59,833	(33,265)
Related tax		(4,524)	178
Other comprehensive income for the year, net of tax		(131,476)	203,578
Total comprehensive income for the year		1,030,118	1,145,580
Total comprehensive income attributable to:			
Owners of the Company		772,345	1,054,568
Non-controlling interests		257,773	91,012

* 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	2021 USD'000	2020 USD'000
Assets			
Non-current assets			
Property, plant and equipment	11	13,052,932	13,063,653
Right-of-use assets	12	2,966,682	2,287,314
Investment properties	13	1,702,802	1,656,446
Intangible assets and goodwill	14	12,447,145	11,213,488
Investment in equity-accounted investees	17	2,249,442	2,253,538
Other investments		20,911	20,487
Deferred tax assets	8	115,149	51,107
Due from Parent Company	19	1,643,747	1,545,511
Accounts receivable and prepayments	20	892,627	754,821
Total non-current assets		35,091,437	32,846,365
Current assets			
Inventories	18	225,049	182,649
Properties held for development and sale	16	117,135	138,210
Due from Parent Company	19	3,295	962
Accounts receivable and prepayments	20	2,820,716	2,009,472
Bank balances and cash	21	3,917,739	2,142,110
Asset held for sale		8,642	22,590
Total current assets		7,092,576	4,495,993
Total assets		42,184,013	37,342,358
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		9,230,010	8,691,836
Translation reserve		(1,819,594)	(1,614,333)
Other reserves	31	(593,152)	(674,758)
Equity attributable to owners of the Company		12,949,919	12,535,400
Hybrid equity instrument	32	1,476,686	1,476,686
Non-controlling interests	25	1,676,973	1,388,423
Total equity		16,103,578	15,400,509
Liabilities			
Non-current liabilities			
Loans and borrowings	33	14,834,941	12,617,341
Lease and service concession liabilities	34	3,376,165	2,970,202
Loans from non-controlling shareholders	35	739,624	810,366
Accounts payable and accruals	24	406,748	306,451
Deferred tax liabilities	8	1,107,172	998,382
Employees' end of service benefits	22	213,833	191,395
Pension and post-employment benefits	23	258,184	353,252
Total non-current liabilities		20,936,667	18,247,389
Current liabilities			
Loans and borrowings	33	366,148	498,014
Lease and service concession liabilities	34	502,670	194,240
Loans from non-controlling shareholders	35	1,067	1,000
Accounts payable and accruals	24	4,026,887	2,758,892
Income tax liabilities	8	138,270	119,367
Pension and post-employment benefits	23	108,726	122,947
Total current liabilities		5,143,768	3,694,460
Total liabilities		26,080,435	21,941,849
Total equity and liabilities		42,184,013	37,342,358

The accompanying notes form an integral part of these consolidated financial statements.

The consolidated financial statements were authorised for issue on 10 March 2022.

SULTAN AHMED BIN SULAYEM
Chairman and Chief Executive Officer

YUVRAJ NARAYAN
Deputy Chief Executive Officer and Group Chief Financial Officer

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to equity holders of the Company								
	Share capital and premium USD'000	Shareholders' 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 2020	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 ownership of subsidiaries without loss of control	–	–	(2,334)	–	–	(2,334)	–	2,234	(100)
Transactions with non-controlling interests, recognised directly in equity									
Dividends paid	–	–	–	–	–	–	–	(120,709)	(120,709)
Contributions by non-controlling interests	–	–	–	–	–	–	–	45,591	45,591
Non-controlling interests created on acquisition of subsidiaries	–	–	–	–	–	–	–	338,243	338,243
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
Balance as at 1 January 2021	**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**
Profit for the period	–	–	**896,000**	–	–	**896,000**	–	**265,594**	**1,161,594**
Other comprehensive income, net of tax	–	–	–	**(205,261)**	**81,606**	**(123,655)**	–	**(7,821)**	**(131,476)**
Transactions with owners, recognised directly in equity									
Dividends declared (refer to note 10)	–	–	**(219,700)**	–	–	**(219,700)**	–	–	**(219,700)**
Change in ownership of subsidiaries without loss of control	–	–	**(6,303)**	–	–	**(6,303)**	–	**6,303**	–
Transactions with non-controlling interests, recognised directly in equity									
Dividends paid	–	–	–	–	–	–	–	**(70,214)**	**(70,214)**
Contributions by non-controlling interests	–	–	–	–	–	–	–	**11,045**	**11,045**
Non-controlling interests created on acquisition of subsidiaries	–	–	–	–	–	–	–	**83,643**	**83,643**
Put option arrangement recognised (refer to note 26 (a))	–	–	**(41,823)**	–	–	**(41,823)**	–	–	**(41,823)**
Hybrid equity instruments									
Distribution to hybrid equity instrument holders	–	–	**(90,000)**	–	–	**(90,000)**	–	–	**(90,000)**
Balance as at 31 December 2021	**4,132,655**	**2,000,000**	**9,230,010**	**(1,819,594)**	**(593,152)**	**12,949,919**	**1,476,686**	**1,676,973**	**16,103,578**

The accompanying notes form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	2021 USD'000	2020 USD'000
Cash flows from operating activities			
Profit for the year		**1,161,594**	942,002
Adjustments for:			
Depreciation and amortisation	6	**1,489,282**	1,306,755
Impairment loss	6	**107,842**	7,782
Share of profit from equity-accounted investees (net of tax)		**(65,940)**	(24,116)
Finance costs	7	**962,030**	1,027,298
Gain on sale of property, plant and equipment		**(22,852)**	(2,417)
Loss/(gain) on disposal and change in ownership	9	**9,908**	(115,088)
Finance income	7	**(202,397)**	(154,397)
Income tax expense	8	**183,976**	141,196
Gross cash flows from operations		**3,623,443**	3,129,015
Changes in:			
Inventories		**(25,799)**	(20,403)
Accounts receivable and prepayments		**(412,247)**	(34,299)
Accounts payable and accruals		**514,993**	(218,060)
Properties held for development and sale		**122**	3,363
Provisions, pensions and post-employment benefits		**(8,679)**	41,411
Cash generated from operating activities		**3,691,833**	2,901,027
Income taxes paid		**(245,859)**	(216,665)
Net cash from operating activities		**3,445,974**	2,684,362
Cash flows from investing activities			
Additions to property, plant and equipment	11	**(1,092,024)**	(945,149)
Additions to investment properties	13	**(23,949)**	(66,452)
Additions to port concession assets	14	**(276,858)**	(64,428)
Proceeds from disposal of assets		**222,351**	33,309
Proceeds from disposal of shares in subsidiary		**3,350**	–
Net cash outflow on acquisition of subsidiaries		**(1,000,856)**	(276,585)
Advance proceeds from sale of non-controlling interest in a subsidiary	27	**204,481**	–
Advance paid for purchase of investments		**–**	(59,604)
Net cash outflow on acquisition of group of assets from related parties		**(199,192)**	–
Interest received		**37,427**	45,190
Dividends received from equity-accounted investees	17	**122,600**	57,466
Additional investment in equity-accounted investees		**(94,027)**	(108,151)
Loans repaid by equity-accounted investees		**10,418**	–
(Increase)/decrease in restricted cash		**(858,202)**	12,922
Net cash used in investing activities		**(2,944,481)**	(1,371,482)
Cash flows from financing activities			
Repayment of loans and borrowings	33	**(828,016)**	(2,522,039)
Drawdown of loans and borrowings	33	**2,742,542**	1,870,540
Repayment of loan from non-controlling shareholders		**(58,574)**	(46,014)
Drawdown of loan from non-controlling shareholders		**16,986**	89,379
Net proceeds from issuance of hybrid equity instrument		**–**	1,476,686
Distribution to hybrid equity instrument holders		**(90,000)**	–
Loan given to Parent Company		**–**	(1,500,000)
Payment of lease liabilities	34(a)	**(539,098)**	(379,825)
Interest paid		**(678,114)**	(697,685)
Dividends paid to the owners of the Company	10	**(44,100)**	(332,000)
Net cash outflow on acquisition of additional interest in subsidiaries		**–**	(100)
Contribution by non-controlling interests		**11,045**	45,591
Dividend paid to non-controlling interests		**(70,214)**	(120,709)
Net cash from/(used in) financing activities		**462,457**	(2,116,176)
Net increase/(decrease) in cash and cash equivalents		**963,950**	(803,296)
Cash and cash equivalents as at 1 January		**2,091,766**	2,880,093
Effect of exchange rate fluctuations on cash held		**(46,523)**	14,969
Cash and cash equivalents as at 31 December	21	**3,009,193**	2,091,766

The accompanying notes form an integral part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

DP World Limited ("the Company", 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 2021 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, supply chain solutions, 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 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.
ii. 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.
iii. 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.
iv. 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.
v. Estimate to measure expected credit losses for financial assets.
vi. Estimate required by actuaries in respect of discount rates, future salary increments, mortality rates and inflation rate used for computation of defined benefit liability.
vii. Judgement in calculating the appropriate discount rate and lease term.
viiii. Judgement is required in determine whether or not a contract contains a lease.
ix. 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.
x. 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.

2. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

A) USE OF ESTIMATES AND JUDGEMENTS CONTINUED

Management has also reassessed significant judgements, estimates and assumptions primarily due to the current economic uncertainties arising from the outbreak of the Novel Coronavirus (COVID-19) as outlined below:

COVID-19

Supply chain congestion, which started at the end of 2020, worsened during the year and spread across all geographies, with North America, China and Europe hardest hit. This impacted operators in most sectors globally, including continued labour shortages, slower operations due to COVID-19 compliance, off-schedule vessel arrival, higher exchanges and yard congestion from longer dwelling empties. 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.

Yet in the face of adversity, resilience and imagination are key. Supply chain disruption has resulted in greater demand from cargo owners for customised solutions and the Group's logistics team worked closely with customers to provide improved transport connectivity. The Group has been proactively managing the flow at its facilities and implemented various initiatives, working closely with customers to better plan and manage berth hours and container exchange. This has resulted in limited disruption at the Group's terminals and allowed for cargo to move efficiently. As part of the 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.

There has been no significant direct impact observed 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.

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 15 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 2021 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.

PHASE 2 AMENDMENTS TO IFRS 9, IAS 39, IFRS 7, IFRS 4 AND IFRS 16 – INTEREST RATE BENCHMARK (IBOR) REFORM

A fundamental reform of major interest rate benchmarks is being undertaken globally, including the replacement of some interbank offered rates (IBORs) with alternative nearly risk-free rates (referred to as 'IBOR reform'). The Group has exposures to IBORs on its financial instruments that will be reformed as part of these market-wide initiatives. The Group has put in place a plan to oversee the approach to LIBOR transition in coordination with international developments. The transition has implications for the Group's borrowing and its stakeholders ranging from legal, financial, technical and operational considerations. The Group has undertaken IBOR transition and have applied the Phase 2 amendments in 2021.

Other amendments to IAS 39, IFRS 7, IFRS 4 and IFRS 16 which are effective from 1 January 2021 did not result in any change to Group's accounting policies or accounting adjustments. The Group has not early adopted any new amended standards that are not yet effective as at 31 December 2021.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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.

V. NON-CONTROLLING INTERESTS

For each business combination, the Group elects to measure any non-controlling interests (NCI) 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.

3. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

A) BASIS OF CONSOLIDATION CONTINUED

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.

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 derecognition 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

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.

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.

3. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

C) FINANCIAL INSTRUMENTS CONTINUED

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 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.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

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(L)(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.

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	1 – 25
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.

3. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

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.

Goodwill is measured at cost less accumulated impairment losses (refer to note *3(l)(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 AND OTHER INTANGIBLE ASSETS

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).

I. PORT CONCESSION RIGHTS CONSIST OF:

a. 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

H) PORT CONCESSION RIGHTS AND OTHER INTANGIBLE ASSETS CONTINUED

I. PORT CONCESSION RIGHTS CONSIST OF: CONTINUED

a. Port concession rights arising on business combinations continued

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.

b. Port concession rights arising on entering into concession contracts

Any amounts paid by the operator to the grantor as a consideration for obtaining the rights relating to concession arrangements are accounted as part of service concession assets, and they are amortised over the life of the concession period on straight line basis.

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.

II. ASSETS ARISING FROM SERVICE CONCESSION ARRANGEMENTS *(IFRIC 12)*

The Group recognises assets 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 controls any significant residual interest in the infrastructure such as property, plant and equipment, existing infrastructure of the grantor, the infrastructure constructed or purchased by the Group as part of the service concession arrangement. Nine of the Group's seaport terminals in emerging markets are accounted as service concession arrangements.

Any amounts paid by the operator to the grantor as a consideration for obtaining the rights relating to concession arrangements are accounted as part of service concession assets, and they are amortised over the life of the concession period on straight line basis.

Service concession assets 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 service concession assets 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 service concession assets range within a period of 15 – 50 years.

III. CUSTOMER RELATIONSHIPS

Customer relationships are recognized at fair value in business combinations at the date of acquisition. Customer relationships are amortised on a straight-line basis over the useful economic life and assessed for impairment, whenever there is an indication for impairment. The amortisation period and amortisation method are reviewed at least once every financial year.

The estimated useful lives for customer relationships range within a period of 15 – 20 years.

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.

3. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

I) PROPERTIES HELD FOR DEVELOPMENT AND SALE CONTINUED

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.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

K) LEASES CONTINUED

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.

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 bank balances and cash.

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.

3. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

L) IMPAIRMENT CONTINUED

II. IMPAIRMENT OF NON-DERIVATIVE FINANCIAL ASSETS CONTINUED

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.

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.

Judgment is required in determining whether uncertainty in pension schemes results in recognition of liability or contingent liability.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

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.

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.

3. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

P) REVENUE CONTINUED

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 represents the amounts derived from the operation of ferry services, voyage freight income, freight forwarding income, road transport services, warehousing revenue, marine charter revenue and income from mobilisation or demobilisation of marine vessels.

Revenue from ferrying tourists and ferry freight traffic is recognised on disembarkment of the relevant sailing. Road transport revenue is recognised at the point of delivery of the load.

Voyage freight income is recognised as the freight services are rendered and is determined using the load to-discharge method based on the percentage of the estimated duration of the voyage completed at the reporting date.

Freight forwarding revenue is recognised over time as the performance obligation is satisfied, including a share of revenue from incomplete voyages at the balance sheet date.

Road transport services and warehousing revenue are recognized over a period of time as the performance obligation is satisfied, percentage completion method is used to determine the progress of asset being transferred to the customer.

Revenue from marine charter is recognised on a straight line basis over the period of the lease. Income generated from the mobilisation or demobilisation of the vessel, under the vessel charter agreement, is recognised over the period of the related charter party contract.

Transaction price and payment terms are based on the contracts with the customers.

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.

Finance income and costs also include realised and unrealised exchange gains and losses on monetary assets and liabilities (refer to note 3(B)*(II)*).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

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 realised.

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.

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.

4. SEGMENT INFORMATION CONTINUED

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	
	2021 USD'000	2020 USD'000	**2021 USD'000**	2020 USD'000	**2021 USD'000**	2020 USD'000	**2021 USD'000**	2020 USD'000	**2021 USD'000**	2020 USD'000
Revenue	**1,920,817**	793,250	**2,215,346**	1,713,277	**6,641,825**	6,026,036	**–**	–	**10,777,988**	8,532,563
Adjusted EBITDA	**728,668**	362,782	**806,818**	590,228	**2,739,647**	2,595,521	**(447,576)**	(229,076)	**3,827,557**	3,319,455
Finance income*	**–**	–	**–**	–	**–**	–	**193,972**	144,624	**193,972**	144,624
Finance costs*	**–**	–	**–**	–	**–**	–	**(941,284)**	(982,865)	**(941,284)**	(982,865)
Tax expense*	**–**	–	**–**	–	**–**	–	**(237,682)**	(194,759)	**(237,682)**	(194,759)
Depreciation and amortisation	**(219,380)**	(116,196)	**(297,751)**	(270,965)	**(962,318)**	(913,277)	**(9,833)**	(6,317)	**(1,489,282)**	(1,306,755)
Adjusted net profit/(loss) before separately disclosed items	**509,288**	246,586	**509,067**	319,263	**1,777,329**	1,682,244	**(1,442,403)**	(1,268,393)	**1,353,281**	979,700
Adjusted for separately disclosed items	**(6,122)**	(2,425)	**(106,795)**	8,425	**(120,155)**	(58,497)	**41,385**	14,799	**(191,687)**	(37,698)
Profit/(loss) for the year	**503,166**	244,161	**402,272**	327,688	**1,657,174**	1,623,747	**(1,401,018)**	(1,253,594)	**1,161,594**	942,002

* Net finance cost and tax expense (before separately disclosed items) from various geographical locations and head office have been grouped under head office.

	Asia Pacific and India		Australia and Americas		Middle East, Europe and Africa		Head office		Inter-segment		Total	
	2021 USD'000	2020 USD'000	**2021 USD'000**	2020 USD'000	**2021 USD'000**	2020 USD'000	**2021 USD'000**	2020 USD'000	**2021 USD'000**	2020 USD'000	**2021 USD'000**	2020 USD'000
Segment assets	**5,357,164**	4,670,735	**9,106,039**	7,144,104	**25,419,756**	25,248,987	**22,418,393**	17,219,567	**(20,117,339)**	(16,941,035)	**42,184,013**	37,342,358
Segment liabilities	**1,183,298**	600,719	**3,472,570**	2,693,965	**12,761,353**	10,020,425	**17,003,481**	13,853,444	**(9,585,709)**	(6,344,453)	**24,834,993**	20,824,100
Tax liabilities*	**–**	–	**–**	–	**–**	–	**1,245,442**	1,117,749	**–**	–	**1,245,442**	1,117,749
Total liabilities	**1,183,298**	600,719	**3,472,570**	2,693,965	**12,761,353**	10,020,425	**18,248,923**	14,971,193	**(9,585,709)**	(6,344,453)	**26,080,435**	21,941,849
Capital expenditure	**136,788**	162,485	**228,326**	190,812	**944,945**	663,850	**82,772**	58,882	**–**	–	**1,392,831**	1,076,029
Share of profit of equity-accounted investees before separately disclosed items	**92,279**	84,178	**7,293**	7,825	**52,445**	29,548	**–**	–	**–**	–	**152,017**	121,551
Revenue (refer to note 5)												
Revenue from ports and terminals	**577,191**	433,976	**1,907,267**	1,489,360	**3,058,475**	2,577,515	**–**	–	**–**	–	**5,542,933**	4,500,851
Drydocking, maritime and logistics services	**1,343,626**	359,274	**308,079**	223,917	**2,968,668**	2,796,919	**–**	–	**–**	–	**4,620,373**	3,380,110
Lease rentals and services from economic zones	**–**	–	**–**	–	**569,757**	558,984	**–**	–	**–**	–	**569,757**	558,984
Revenue from sale of plots of land	**–**	–	**–**	–	**44,925**	92,618	**–**	–	**–**	–	**44,925**	92,618
Total revenue	**1,920,817**	793,250	**2,215,346**	1,713,277	**6,641,825**	6,026,036	**–**	–	**–**	–	**10,777,988**	8,532,563
Timing of revenue recognition												
At a point in time	**543,166**	412,745	**1,748,709**	1,387,670	**2,897,167**	2,535,147	**–**	–	**–**	–	**5,189,042**	4,335,562
Over time	**1,377,651**	380,505	**466,637**	325,607	**3,744,658**	3,490,889	**–**	–	**–**	–	**5,588,946**	4,197,001
Total revenue	**1,920,817**	793,250	**2,215,346**	1,713,277	**6,641,825**	6,026,036	**–**	–	**–**	–	**10,777,988**	8,532,563

* Tax liabilities from various geographical locations have been grouped under head office.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

5. REVENUE

	2021 USD'000	2020 USD'000
Revenue consists of:		
Revenue from ports and terminals	5,542,933	4,500,851
Drydocking, maritime and logistics services	4,620,373	3,380,110
Lease rentals and services from economic zones	569,757	558,984
Revenue from sale of plots of land	44,925	92,618
Total	10,777,988	8,532,563

For geographical segmentation of revenue refer to note 4.

The above revenue includes revenue from contracts with customers under IFRS 15 amounting to USD 9,010,737 thousand (2020: USD 7,338,919 thousand).

26.8% (2020: 29.3%) of the Group's revenue is derived from the top ten customers. All the customers in the Group individually contribute less than 10 per cent of the Group's total revenue.

6. PROFIT FOR THE YEAR

	2021 USD'000	2020 USD'000
Profit for the year is stated after charging the following costs:		
Staff costs	2,137,381	1,920,038
Depreciation and amortisation	1,489,282	1,306,755
Impairment loss (refer to note 9)	107,842	7,782

7. FINANCE INCOME AND COSTS

	2021 USD'000	2020 USD'000
Finance income		
Interest income*	153,824	115,230
Exchange gains	40,148	29,394
Finance income before separately disclosed items	193,972	144,624
Separately disclosed items (refer to note 9)	8,425	9,773
Finance income after separately disclosed items	202,397	154,397
Finance costs		
Interest expense on loans and borrowings**	(685,675)	(710,415)
Interest expense on lease liabilities	(186,816)	(168,562)
Exchange losses	(64,107)	(97,048)
Other net financing expense in respect of pension plans	(4,686)	(6,840)
Finance costs before separately disclosed items	(941,284)	(982,865)
Separately disclosed items (refer to note 9)	(20,746)	(44,433)
Finance costs after separately disclosed items	(962,030)	(1,027,298)
Net finance costs before separately disclosed items	(747,312)	(838,241)
Separately disclosed items	(12,321)	(34,660)
Net finance costs after separately disclosed items	(759,633)	(872,901)

* This includes interest income of USD 98,252 thousand (2020: USD 45,774 thousand) on loan given to Parent Company.
** This includes interest expense of USD 30,837 thousand (2020: USD 43,626 thousand) on loans from non-controlling shareholders.

8. INCOME TAX

The major components of income tax expense for the year ended 31 December:

	2021 USD'000	2020 USD'000
Current tax expense		
Current year	271,696	211,793
Change in estimates related to prior years	1,217	(7,359)
	272,913	204,434
Deferred tax credit	(88,937)	(63,238)
Income tax expense	183,976	141,196
Share of income tax of equity-accounted investees	51,646	52,051
Total tax expense	235,622	193,247
Tax recognised in statement of other comprehensive income and retained earnings		
Current tax in OCI	832	891
Deferred tax in OCI	(17,834)	5,963
Total	(17,002)	6,854
Income tax balances included in the consolidated statement of financial position:		
Income tax receivable (included within accounts receivable and prepayments)	25,387	10,351
Income tax liabilities	138,270	119,367

The relationship between the total tax expense and the accounting profit can be explained as follows:

		2021 USD'000	2020 USD'000
Net profit before tax		1,345,570	1,083,198
Tax at the Company's domestic rate of 0% (2020: 0%)		–	–
Effect of tax rates in foreign jurisdictions		280,720	190,887
Net tax losses (utilized)/incurred, on which deferred tax is not recognised		(66,788)	19,878
Tax charge of equity-accounted investees		51,646	52,051
Effect of tax rate changes on deferred tax		74,982	20,990
Deferred tax in respect of fair value adjustments		(64,671)	(21,536)
Others		9,056	(21,223)
Tax expense before prior year adjustments		284,945	241,047
Change in estimates related to prior years:			
– current tax		1,217	(7,359)
– deferred tax		(50,540)	(40,441)
Total tax expense	(A)	235,622	193,247
Adjustment for separately disclosed items (refer to note 9)		53,706	53,563
Total tax expense from operations before separately disclosed items	(B)	289,328	246,810
Net profit before tax		1,345,570	1,083,198
Adjustment for share of income tax of equity-accounted investees		51,646	52,051
Adjusted profit before tax	(C)	1,397,216	1,135,249
Adjustment for separately disclosed items		245,393	91,261
Adjusted profit before tax and before separately disclosed items	(D)	1,642,609	1,226,510
Effective tax rate	(A/C)	16.86%	17.02%
Effective tax rate before separately disclosed items	(B/D)	17.61%	20.12%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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 2021 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 2021 USD'000
Deferred tax liabilities					
Property, plant and equipment	240,964	39,473	3,002	(5,657)	277,782
Investment in equity-accounted investees	26,173	2,397	101	(248)	28,423
Fair value of acquired intangibles	596,626	(4,992)	101,044	(9,111)	683,567
Financial instruments	(7,173)	(5,150)	15,249	3,944	6,870
Others	216,995	14,746	(2,903)	10,757	239,595
Total before set off	1,073,585	46,474	116,493	(315)	1,236,237
Set off of deferred tax asset against liabilities	(75,203)				(129,065)
Net deferred tax liabilities	998,382				1,107,172
Deferred tax assets					
Pension and post-employment benefits	32,389	2,899	170	(7,308)	28,150
Provisions	13,947	4,523	1,129	460	20,059
Tax value of losses carried forward recognised	79,974	123,978	5,326	(13,273)	196,005
Total before set off	126,310	131,400	6,625	(20,121)	244,214
Set off of deferred tax asset against liabilities	(75,203)				(129,065)
Net deferred tax assets	51,107				115,149

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 there is insufficient certainty as to their utilisation, either because they have not been agreed with tax authorities, or uncertainties of future profits or the impact of tax holidays. The Group continuously reviews these unrecognised tax losses and will consider recognising them as deferred tax asset in future depending on the assessed likelihood of utilisation.

	2021			2020		
	Gross amount USD'000	Tax effect USD'000	Expiry date	Gross amount USD'000	Tax effect USD'000	Expiry date
Trading losses – expire	76,546	12,896	2022 – 2027	77,120	18,493	2021 – 2026
	85,605	13,812	2028 – 2039	64,446	17,556	2027 – 2038
	5,318	1,524	2040 – 2041	4,749	1,377	2039 – 2040
Trading losses – never expire	1,144,117	302,532		1,431,067	401,581	
Capital losses – never expire	278,423	53,944		231,128	43,930	

9. SEPARATELY DISCLOSED ITEMS

	2021 USD'000	2020 USD'000
Cost of sales		
Impairment of assets	(92,240)	–
General and administrative expenses		
Restructuring costs	(2,497)	(57,361)
Acquisition costs	(26,748)	(8,272)
Impairment of assets	(15,602)	(7,782)
Guaranteed minimum pension costs	–	(4,105)
Other income	–	3,265
Share of loss from equity-accounted investees	(86,077)	(97,435)
(Loss)/gain on disposal and change in ownership	(9,908)	115,089
Finance income	8,425	9,773
Finance costs	(20,746)	(44,433)
Income tax	53,706	53,563
Total	(191,687)	(37,698)

- **Cost of sales** includes impairment of assets in a subsidiary in the 'Middle East, Europe and Africa' region, mainly relating to port equipment due to change in the business model.

GENERAL AND ADMINISTRATIVE EXPENSES:

- Restructuring costs mainly relate to severance pay associated with redundancies in a subsidiary in 'Australia and Americas' region. (2020: mainly related to severance pay associated with redundancies resulting from the impact of COVID-19 on tourist business in a subsidiary in the 'Middle East, Europe and Africa' region and in the 'Australia and Americas' region).
- Acquisition costs represent USD 26,748 thousand (2020: USD 8,272 thousand) of advisory, legal, valuation, professional consulting, general and administrative costs directly related to various business acquisitions in the Group.
- Impairment of assets relates to USD 15,602 thousand in subsidiaries in the 'Middle East, Europe and Africa' region (2020: USD 7,782 thousand in the 'Middle East, Europe and Africa' region and 'Australia and Americas' region).
- Guaranteed minimum pension (GMP) costs 2021: Nil. (2020: related 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 2021: Nil. (2020: mainly represented 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. (2020: related to ineffective hedge in an investee in the 'Middle East, Europe and Africa' region, in addition to the Group's share of expenses in technology ventures in the 'Australia and Americas' region.)

(Loss)/gain on disposal and change in ownership relates to the loss on sale of a subsidiary in the 'Australia and Americas' region. (2020: Profit on disposal and change in ownership related to the gain of USD 118,406 thousand 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 and loss of USD 4,314 thousand on sale of a subsidiary in the 'Middle East, Europe and Africa' region).

FINANCE INCOME:

a) USD 8,425 thousand mainly relates to hedge ineffectiveness in the 'Middle East, Europe and Africa' region and 'Asia Pacific and India' region. (2020: USD 9,773 thousand in the 'Middle East, Europe and Africa' region).

FINANCE COSTS:

a) USD 6,583 thousand relates to hedge ineffectiveness in the 'Middle East, Europe and Africa' region. (2020: USD 14,149 thousand in the 'Asia Pacific and India' region and 'Middle East, Europe and Africa' region).
b) USD 14,163 thousand (2020: Nil) loss on termination of swaps and unamortised transaction costs written off on termination of loans in the 'Australia and Americas' region.
c) 2021: Nil. (2020: 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).
d) 2021: Nil. (2020: USD 17,784 thousand represents interest accretion and loss on buy-back of convertible bonds).

Income tax mainly relates to deferred tax liability reversal arising from tax restructuring undertaken in a subsidiary in the 'Australia and Americas' region. (2020 mainly related 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).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

10. DIVIDENDS

	2021 USD'000	2020 USD'000
Final dividend paid	**44,100**	332,000
Proposed for approval at the annual general meeting		
(not recognised as a liability as at 31 December):		
Final dividend	**275,800**	219,700

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 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	68,186	99,529	41,138	736,296	945,149
Transfers	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	–	–	(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
As at 1 January 2021	**6,775,290**	**7,171,625**	**2,280,169**	**1,210,834**	**17,437,918**
Acquired through business combination	**949**	**87,307**	**–**	**8,365**	**96,621**
Additions	**20,887**	**230,891**	**96,908**	**743,338**	**1,092,024**
Transfers	**255,314**	**490,386**	**11,055**	**(756,755)**	**–**
Transfer from/(to) intangible assets (refer to note 14)	**–**	**(14,225)**	**–**	**(103,860)**	**(118,085)**
Transfer from investment properties (refer to note 13)	**16,721**	**1,530**	**–**	**–**	**18,251**
Transfer from right-of-use assets (refer to note 12)	**487**	**–**	**–**	**–**	**487**
Disposal of subsidiary	**(2,716)**	**(5,732)**	**(7,916)**	**–**	**(16,364)**
Disposals	**(81,235)**	**(81,234)**	**(12,216)**	**(21,450)**	**(196,135)**
Translation adjustment	**(51,318)**	**(125,821)**	**(32,284)**	**(9,509)**	**(218,932)**
As at 31 December 2021	**6,934,379**	**7,754,727**	**2,335,716**	**1,070,963**	**18,095,785**
Depreciation and impairment					
As at 1 January 2020	1,289,079	2,378,160	245,836	7,000	3,920,075
Charges	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	–	–	(278,188)	–	(278,188)
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
As at 1 January 2021	**1,484,464**	**2,747,577**	**135,224**	**7,000**	**4,374,265**
Charges	**189,012**	**433,263**	**182,710**	**–**	**804,985**
Impairment loss	**–**	**91,458**	**–**	**–**	**91,458**
Transfer to intangible assets (refer to note 14)	**–**	**(21,608)**	**–**	**–**	**(21,608)**
Disposal of subsidiary	**(524)**	**(3,717)**	**(4,183)**	**–**	**(8,424)**
Disposals	**(8,216)**	**(72,340)**	**(11,925)**	**–**	**(92,481)**
Translation adjustment	**(19,280)**	**(66,096)**	**(19,966)**	**–**	**(105,342)**
As at 31 December 2021	**1,645,456**	**3,108,537**	**281,860**	**7,000**	**5,042,853**
Net book value					
At 31 December 2020	5,290,826	4,424,048	2,144,945	1,203,834	13,063,653
At 31 December 2021	**5,288,923**	**4,646,190**	**2,053,856**	**1,063,963**	**13,052,932**

11. PROPERTY, PLANT AND EQUIPMENT CONTINUED

At 31 December 2021, property, plant and equipment with a carrying amount of USD 2,308,149 (2020: USD 3,083,867 thousand) are pledged as security for bank loans (refer to note 33).

During 2021, depreciation of USD 671,442 thousand (2020: USD 667,053 thousand) was included in cost of sales and USD 133,543 thousand (2020: USD 89,406 thousand) was included in general and administrative expenses.

The fair value of property, plant and equipment recognised as a result of business combination was determined using the income approach model.

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					
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	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	–	(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
As at 1 January 2021	**1,675,644**	**582,202**	**225,671**	**93,936**	**2,577,453**
Acquired through business combinations	**–**	**40,299**	**48,857**	**116,821**	**205,977**
Additions	**70,054**	**29,169**	**764,089**	**18,352**	**881,664**
Lease modifications	**(5,612)**	**552**	**854**	**4,613**	**407**
Transfers	**13,942**	**(3,895)**	**–**	**(10,047)**	**–**
Transfers to property, plant and equipment (refer to note 11)	**–**	**–**	**–**	**(487)**	**(487)**
Derecognition	**(221)**	**(21,241)**	**(8,215)**	**(1,889)**	**(31,566)**
Translation adjustment	**(42,524)**	**(2,335)**	**(11,992)**	**(6,152)**	**(63,003)**
As at 31 December 2021	**1,711,283**	**624,751**	**1,019,264**	**215,147**	**3,570,445**
Depreciation					
As at 1 January 2020	34,475	22,563	81,258	6,835	145,131
Charges	60,877	27,885	96,748	11,909	197,419
Lease modifications	(488)	(1,812)	442	1,271	(587)
Derecognition	–	(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**
As at 1 January 2021	**100,509**	**40,513**	**130,159**	**18,958**	**290,139**
Charges	**69,744**	**34,972**	**219,971**	**16,786**	**341,473**
Lease modifications	**8,734**	**(1,338)**	**(166)**	**1,665**	**8,895**
Derecognition	**(221)**	**(20,311)**	**(8,215)**	**(1,889)**	**(30,636)**
Translation adjustment	**(4,135)**	**(862)**	**(75)**	**(1,036)**	**(6,108)**
As at 31 December 2021	**174,631**	**52,974**	**341,674**	**34,484**	**603,763**
Net book value					
At 31 December 2020	1,575,135	541,689	95,512	74,978	2,287,314
At 31 December 2021	**1,536,652**	**571,777**	**677,590**	**180,663**	**2,966,682**

Refer to note 34 for underlying lease liabilities with respect to above right-of-use assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

12. RIGHT-OF-USE ASSETS CONTINUED

Following are the amounts which are recognised in consolidated statement of profit or loss and consolidated statement of cash flows:

	2021 USD'000	2020 USD'000
Amount recognised in consolidated statement of profit or loss		
Depreciation included in cost of sales	320,462	176,100
Depreciation included in general & administrative expenses	21,011	21,319
Interest on lease liabilities	187,425	168,562
Expense relating to short-term leases, leases of low value assets and variable leases	285,748	229,843
Amount recognised in consolidated statement of cash flows		
Lease payments made during the year (included under financing activities)	539,098	379,825

13. INVESTMENT PROPERTIES

	Land USD'000	Buildings and infrastructure USD'000	Under development USD'000	Total USD'000
Cost				
As at 1 January 2020	235,173	1,349,462	303,572	1,888,207
Additions	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
As at 1 January 2021	211,266	1,639,821	75,051	1,926,138
Additions	–	252	23,697	23,949
Acquisition of group of assets#	–	165,129	28,114	193,243
Transfers to property, plant and equipment (refer to note 11)	(16,721)	–	(1,530)	(18,251)
Transfers	–	15,004	(15,004)	–
Disposal	(65)	(100,430)	–	(100,495)
Translation adjustment	(1,446)	1,277	(911)	(1,080)
As at 31 December 2021	193,034	1,721,053	109,417	2,023,504
Depreciation and impairment				
As at 1 January 2020	1,492	213,804	–	215,296
Depreciation charge	–	54,822	–	54,822
Impairment charge	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
As at 1 January 2021	–	269,692	–	269,692
Depreciation charge	–	56,144	–	56,144
Disposal	–	(6,374)	–	(6,374)
Translation adjustment	–	1,240	–	1,240
As at 31 December 2021	–	320,702	–	320,702
Net book value				
As at 31 December 2020	211,266	1,370,129	75,051	1,656,446
As at 31 December 2021	193,034	1,400,351	109,417	1,702,802

\# On 30 September 2021, the Group acquired a group of assets from a related party. This includes purchase of usufruct fee rights of USD 258,679 thousand. The consideration paid partially upfront and remaining deferred. Usufruct fee (present value) recognised as land use rights, building and infrastructure (refer to note 28(a)).

13. INVESTMENT PROPERTIES CONTINUED

Revenue on lease rentals from investment properties recognised in profit or loss amounted to USD 485,487 thousand (2020: USD 478,984 thousand) while associated costs related to these investment properties amounted to USD 57,323 thousand (2020: USD 63,673 thousand).

LAND:

At 31 December 2021, the fair value of land was estimated to be USD 193,181 thousand (2020: USD 212,907 thousand) compared to the carrying value of USD 193,034 thousand (2020: USD 211,266 thousand).

BUILDINGS AND INFRASTRUCTURE:

At 31 December 2021, the fair value of buildings and infrastructure was estimated to be USD 2,476,589 thousand (2020: USD 2,194,181 thousand) compared to the carrying value of USD 1,400,351 thousand (2020: USD 1,370,129 thousand).

During 2021, depreciation of USD 55,756 thousand (2020: USD 54,551 thousand) was included in cost of sales and USD 388 thousand (2020: USD 271 thousand) was included in general and administrative expenses.

INVESTMENT PROPERTIES UNDER DEVELOPMENT:

Investment properties under development mainly include infrastructure development, staff accommodation and office buildings 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 10 to USD 1,000 per square metre per annum (2020: USD 7 to USD 1,237 per square metre per annum).
- Rent growth per annum in the range of 0% to 1.5% (2020: 0% to 3.0%).
- Historical and estimated long term occupancy rate in the range of 70% to 90% (2020: 60% to 100%).
- Yields rates in the range of 6.5% to 13.5% per annum (2020: 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

14. INTANGIBLE ASSETS AND GOODWILL

	Goodwill USD'000	Land use rights USD'000	Port concession rights and other intangible assets USD'000	Service concession assets (IFRIC12)* USD'000	Customer relationships USD'000	Total USD'000
Cost						
As at 1 January 2020	2,581,717	2,677,717	5,582,588	886,582	239,127	11,967,731
Acquired through business combinations	238,544	5,679	418,979	–	6,677	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	108,562	167	124,184	16,737	20,461	270,111
As at 31 December 2020	2,928,823	2,683,563	6,148,460	1,337,810	266,265	13,364,921
As at 1 January 2021	**2,928,823**	**2,683,563**	**6,148,460**	**1,337,810**	**266,265**	**13,364,921**
Acquired through business combinations	**731,799**	–	**10,024**	–	**562,411**	**1,304,234**
Acquisition of group of assets#	–	–	**13,615**	–	–	**13,615**
Additions	–	–	**7,509**	**292,631**	–	**300,140**
Transfer from/(to) property, plant and equipment (refer to note 11)	–	**76,631**	**(267,255)**	**308,709**	–	**118,085**
Disposals	–	–	**(28)**	**(7,286)**	–	**(7,314)**
Disposal of subsidiary	**(1,185)**	–	–	–	–	**(1,185)**
Translation adjustment	**(71,416)**	**(569)**	**(145,483)**	**(35,914)**	**(16,113)**	**(269,495)**
As at 31 December 2021	**3,588,021**	**2,759,625**	**5,766,842**	**1,895,950**	**812,563**	**14,823,001**
Amortisation and impairment						
As at 1 January 2020	–	139,908	1,243,309	496,429	33,384	1,913,030
Charges	–	29,315	133,084	56,339	18,031	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)	29,601	6,957	2,589	39,095
As at 31 December 2020	–	169,171	1,416,576	511,682	54,004	2,151,433
As at 1 January 2021	–	**169,171**	**1,416,576**	**511,682**	**54,004**	**2,151,433**
Charges	–	**31,069**	**127,483**	**84,010**	**23,166**	**265,728**
Transfer (to)/from property, plant and equipment (refer to note 11)	–	–	**(89,201)**	**110,809**	–	**21,608**
Disposals	–	–	**(26)**	**(5,564)**	–	**(5,590)**
Translation adjustment	–	**(12)**	**(37,421)**	**(17,297)**	**(2,593)**	**(57,323)**
As at 31 December 2021	–	**200,228**	**1,417,411**	**683,640**	**74,577**	**2,375,856**
Net book value:						
As at 31 December 2020	2,928,823	2,514,392	4,731,884	826,128	212,261	11,213,488
As at 31 December 2021	**3,588,021**	**2,559,397**	**4,349,431**	**1,212,310**	**737,986**	**12,447,145**

* Service concession asset include non-cash additions of USD 23,282 thousand (2020: USD 412,730) refer to note 34.
# On 30 September 2021, the Group acquired a group of assets from a related party. This includes purchase of concession fee of USD 13,615 thousand (refer to note 28(a)).

During 2021, the amortisation of USD 261,287 thousand (2020: USD 235,284 thousand) was included in cost of sales and USD 4,441 thousand (2020: USD 1,485 thousand) was included in general and administrative expenses.

15. 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 business (or group of businesses) 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			
	2021 USD'000	2020 USD'000	**2021 USD'000**	2020 USD'000	Discount rates	Terminal value growth rate
Cash-generating units aggregated by operating segment						
Asia Pacific and India	**485,429**	394,550	–	–	6.00% – 11.50%	2.50%
Australia and Americas	**1,374,729**	759,777	**128,253**	137,725	5.25% – 19.50%	2.50%
Middle East, Europe and Africa	**1,727,863**	1,774,496	**843,063**	854,451	4.75% – 14.75%	1.00% – 2.50%
Total	**3,588,021**	2,928,823	**971,316**	992,176		

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

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.

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 0.20% in discount rate and decrease of 0.20% in terminal value growth rate would not result in impairment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

16. PROPERTIES HELD FOR DEVELOPMENT AND SALE

	2021 USD'000	2020 USD'000
As at 1 January	138,210	194,612
Charges	(27,839)	(70,131)
Additions	6,764	5,482
Impairment reversals	–	8,247
As at 31 December	**117,135**	138,210

Properties held for development and sale consist of cost of land and related improvements in commercial precincts.

The Group has future commitments towards infrastructure development of USD 159,580 thousand (2020: USD 170,466 thousand) to be incurred over a period of 16 years in respect of 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.

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	
	2021 USD'000	2020 USD'000	2021 USD'000	2020 USD'000	2021 USD'000	2020 USD'000	2021 USD'000	2020 USD'000
Bank balances and cash	485,576	387,425	56,501	84,916	306,202	219,007	848,279	691,348
Other current assets	203,863	203,623	89,110	75,828	363,237	311,494	656,210	590,945
Non-current assets	6,054,496	6,138,310	375,602	390,810	3,774,586	3,985,428	10,204,684	10,514,548
Total assets	6,743,935	6,729,358	521,213	551,554	4,444,025	4,515,929	11,709,173	11,796,841
Current financial liabilities	19,099	53,982	22,009	71,384	112,408	60,144	153,516	185,510
Other current liabilities	356,047	453,541	47,445	47,665	360,496	330,605	763,988	831,811
Non-current financial liabilities	965,074	791,962	144,792	99,516	1,658,253	1,807,547	2,768,119	2,699,025
Other non-current liabilities	397,279	528,378	39,937	36,723	391,929	443,453	829,145	1,008,554
Total liabilities	1,737,499	1,827,863	254,183	255,288	2,523,086	2,641,749	4,514,768	4,724,900
Net assets (100%)	5,006,436	4,901,495	267,030	296,266	1,920,939	1,874,180	7,194,405	7,071,941
Group's share of net assets in equity-accounted investees							2,249,442	2,253,538
Revenue	1,314,370	1,148,556	158,646	156,628	1,115,126	917,525	2,588,142	2,222,709
Depreciation and amortisation	(304,693)	(290,134)	(34,092)	(41,690)	(187,901)	(169,271)	(526,686)	(501,095)
Other expenses	(514,475)	(397,041)	(183,185)	(198,281)	(660,287)	(583,181)	(1,357,947)	(1,178,503)
Finance cost	(78,930)	(65,817)	(24,341)	(21,258)	(81,161)	(81,735)	(184,432)	(168,810)
Finance income	12,318	14,326	1,473	1,302	1,967	1,451	15,758	17,079
Income tax expense	(92,651)	(114,211)	(10,926)	(7,505)	(40,151)	(15,704)	(143,728)	(137,420)
Net profit/(loss) (100%)	335,939	295,679	(92,425)	(110,804)	147,593	69,085	391,107	253,960
Group's share of profit (before separately disclosed items)	92,279	84,178	7,293	7,825	52,445	29,548	152,017	121,551
Group's share of dividends received							122,600	57,466
Group's share of other comprehensive income							(1,901)	7,823

17. INVESTMENT IN EQUITY-ACCOUNTED INVESTEES CONTINUED

The below table represents the carrying amounts of investment in equity-accounted investees recognised and the related movements during the year:

	2021 USD'000	2020 USD'000
As at 1 January	2,253,538	2,200,252
Additional investments	94,027	108,151
Acquired through business combination	–	3,680
Conversion to subsidiaries though acquisition of control	–	(132,523)
Share of profit (net of tax)	65,940	24,116
Dividends received	(122,600)	(57,466)
Share of comprehensive income	(1,901)	7,823
Translation adjustment	(39,562)	99,505
As at 31 December	**2,249,442**	2,253,538

18. INVENTORIES

	2021 USD'000	2020 USD'000
Spare parts and consumables	203,588	174,121
Fuel	33,717	15,839
Total	**237,305**	189,960
Provision for obsolete and slow-moving items	(12,256)	(7,311)
Net inventories	**225,049**	182,649

In 2021, inventories of USD 405,526 thousand (2020:USD 394,387 thousand) were recognised as an expense during the year and recorded in the consolidated statement of profit or loss.

19. DUE FROM PARENT COMPANY

	2021 Non-current USD'000	2021 Current USD'000	2020 Non-current USD'000	2020 Current USD'000
Due from Parent Company (refer to note 28)	1,643,747	3,295	1,545,511	962

The Group has advanced a loan of USD 1,500,000 thousand to the Parent Company for a period of 5.5 years at the interest rate of 6.125% per annum.

20. ACCOUNTS RECEIVABLE AND PREPAYMENTS

	2021 Non-current USD'000	2021 Current USD'000	2020 Non-current USD'000	2020 Current USD'000
Trade receivables (net)	393,526	1,645,192	360,038	1,084,918
Advances paid to suppliers	39,994	95,130	12,612	55,051
Unbilled revenue	–	288,667	–	162,996
Deposits receivable	11,475	10,228	15,570	4,661
Other receivables and prepayments	335,844	732,720	269,754	619,044
Due from related parties (refer to note 28)	111,788	48,779	96,847	82,802
Total	**892,627**	**2,820,716**	754,821	2,009,472

The Group's exposure to credit and currency risks are disclosed in note 29.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

21. BANK BALANCES AND CASH

	2021 USD'000	2020 USD'000
Cash at banks and in hand	2,147,336	1,400,045
Short-term deposits	861,857	691,721
Cash and cash equivalents for consolidated statement of cash flows	3,009,193	2,091,766
Restricted cash#	908,546	50,344
Bank balances and cash	3,917,739	2,142,110

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 restricted cash was placed under an obligation to pay the consideration for acquisition of Imperial Logistics Limited (refer to note 39 (b)) and to collateralise some of the borrowings of the Company's subsidiaries.

22. EMPLOYEES' END OF SERVICE BENEFITS

Movements in the provision recognised in the consolidated statement of financial position are as follows:

	2021 USD'000	2020 USD'000
As at 1 January	191,395	176,227
Acquired through business combinations	904	–
Provisions	35,450	30,384
Payments	(17,149)	(27,462)
Actuarial loss on defined benefit plan	3,587	12,916
Translation adjustments	(354)	(670)
As at 31 December	213,833	191,395

In accordance with the provisions of IAS 19, management has carried out an exercise to assess the present value of its defined benefit obligations at 31 December 2021 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 3.05% per annum (2020: 2.75% per annum).

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.

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.

23. PENSION AND POST-EMPLOYMENT BENEFITS CONTINUED

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 132,339 thousand. For the Group, outstanding contributions from these valuations are payable as follows:

- From 1 Jan 2022 to 31 March 2025: USD 1,742 thousand per month.

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 2020, using the projected unit method.

At this date, the market value of the P&O Ferries Scheme's assets were USD 267,109 thousand and the value of accrued benefits to members allowing for future increases in earnings was USD 344,217 thousand giving a deficit of USD 77,108 thousand and a funding ratio of 78%.

The agreed deficit payments from these valuations are payable as follows:

- From 2022 to 2029: USD 2,701 thousand per annum
- 2030: USD 675 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 2021. This resulted in a surplus of USD 78,323 thousand. As there were sufficient assets to cover the Fund's technical provisions at the valuation date, no new contributions were required.

Following earlier actuarial valuations in 2009, 2012, 2015 and 2018 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 earlier valuations are payable as follows:

- 2022: USD 608 thousand
- 2023: USD 608 thousand.

The Group's share of the net deficit of the MNOPF Scheme at 31 December 2021 is estimated at 18.81%.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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 2020. The deficit contributions arising from the valuation totalled USD 129,638 thousand. This deficit included an estimated sum of USD 94,528 thousand in respect of the expected settlement for the Ill-Health Early Retirement Court case, including the administration costs for the rectification. The Trustee Board believe their investment strategy will meet the shortfall deficit and did not request further contributions from Employers in respect of this valuation. The Court hearing to consider approval of the settlement in the ill-health early retirement case took place on 24 February 2022 and the Court has approved the settlement, which is subject to appeal.

For the Group, aggregated outstanding contributions from these valuations are payable as follows:
- 2022: USD 18,190 thousand *
- 2023: USD 21,504 thousand *
- 2024: USD 20,256 thousand *

* The contributions due payable by P&O Ferries would be the higher of their respective outstanding contributions or a percentage of the free operational cash flow.

The Trustee set the payment terms for each participating employer in accordance with the Trustee's Contribution Collection Policy which includes credit vetting.

The Group's share of the net deficit of the MNRPF at 31 December 2021 is estimated at 46.49%.

23. PENSION AND POST-EMPLOYMENT BENEFITS CONTINUED

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

	2021 USD'000	2020 USD'000
Non-current		
Defined benefit schemes net liabilities	**248,271**	346,190
Liability in respect of long service leave	**4,800**	4,381
Liability for other non-current deferred compensation	**5,113**	2,681
	258,184	353,252
Current		
Defined benefit schemes net liabilities	**14,250**	36,778
Liability for current deferred compensation	**94,476**	86,169
	108,726	122,947
Net liabilities	**366,910**	476,199

Long term employee benefit expense recognised in consolidated statement of profit and loss consist of following:

	2021 USD'000	2020 USD'000
Defined benefit schemes *	**23,760**	22,658
Defined contribution schemes	**59,353**	48,494
Other employee benefits	**23,827**	25,887
Total	**106,940**	97,039

* 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:

	2021 USD'000	2020 USD'000
Actuarial gain recognised in the year	**(228,244)**	345,849
Return on plan assets lesser than the discount rate	**87,453**	(333,801)
Change in share in multi-employer scheme	**573**	(521)
Movement in minimum funding liability	**76,798**	8,822
Total	**(63,420)**	20,349

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

23. PENSION AND POST-EMPLOYMENT BENEFITS CONTINUED

ACTUARIAL VALUATIONS AND ASSUMPTIONS

The latest valuations of the defined benefit schemes have been updated to 31 December 2021 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 2021	P&O Ferries scheme 2021	MNOPF scheme 2021	MNRPF scheme 2021	Other schemes 2021	P&O UK scheme 2020	P&O Ferries scheme 2020	MNOPF scheme 2020	MNRPF scheme 2020	Other schemes 2020
Discount rates	1.90%	1.90%	1.90%	1.90%	1.76%	1.25%	1.25%	1.25%	1.25%	1.41%
Discount rates bulk annuity asset	1.90%	–	–	–	–	1.15%	–	–	–	–
Expected rates of salary increases	–*	–*	–*	–*	2.50%	–*	–*	–*	–*	1.87%
Pension increases:										
deferment	3.00%	3.00%	2.60%	2.60%	2.07%	2.80%	2.60%	2.00%	2.00%	2.01%
payment	3.00%	2.90%	3.20%	3.20%	1.26%	2.80%	2.50%	2.75%	2.75%	2.02%
Inflation	3.30%	3.30%	3.30%	3.30%	2.08%	2.80%	2.80%	2.80%	2.80%	2.01%

* 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.

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
2021				
P&O UK scheme	22.9	24.5	25.2	26.9
P&O Ferries scheme	22.9	24.5	25.4	27.1
MNOPF scheme	21.9	24.1	24.0	26.2
MNRPF scheme	20.2	22.1	23.5	25.5
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

At 31 December 2021, the weighted average duration of the defined benefit obligation was 13.6 years (2020: 14.3 years).

23. PENSION AND POST-EMPLOYMENT BENEFITS CONTINUED

ACTUARIAL VALUATIONS AND ASSUMPTIONS CONTINUED

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 2021 by the amounts shown below:

	USD'000
0.1% reduction in discount rate	24,816
0.1% increase in inflation assumption and related assumptions	10,443
0.25% p.a. increase in the long-term rate of mortality improvement	18,323

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

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
2021						
Equities	187,976	94,660	165,154	97,094	64,778	609,662
Bonds	701,776	63,346	608,490	580,031	164,016	2,117,659
Other	120,321	168,183	–	–	95,062	383,566
Value of insured pensioner liability	875,869	–	–	–	2,451	878,320
Total	1,885,942	326,189	773,644	677,125	326,307	3,989,207
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

With the exception of the insured pensioner liability, all material investments have quoted prices in active market.

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23. PENSION AND POST-EMPLOYMENT BENEFITS CONTINUED

Reconciliation of the opening and closing present value of defined benefit obligations for the period ended 31 December 2021 and 31 December 2020:

	P&O UK scheme 2021 USD'000	P&O Ferries scheme 2021 USD'000	MNOPF scheme 2021 USD'000	MNRPF scheme 2021 USD'000	Other schemes 2021 USD'000	Total group schemes 2021 USD'000	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
Present value of obligation at 1 January	(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)
Employer's interest cost	(24,608)	(4,265)	(9,905)	(10,180)	(4,600)	(53,558)	(34,251)	(5,721)	(13,854)	(13,854)	(6,170)	(73,850)
Employer's current service cost	–	–	–	–	(8,403)	(8,403)	–	–	(128)	(128)	(8,579)	(8,835)
Employer's past service cost*	–	–	–	–	–	–	(4,105)	–	–	–	–	(4,105)
Gain due to settlements	–	–	–	–	–	–	–	–	–	–	62,708	62,708
Acquired through business combinations	–	–	–	–	(3,003)	(3,003)	–	–	–	–	–	–
Contributions by scheme participants	–	–	–	–	(1,501)	(1,501)	–	–	–	–	(1,505)	(1,505)
Effect of movement in exchange rates	18,371	3,179	7,224	7,340	9,347	45,461	(66,759)	(11,549)	(26,083)	(27,709)	(31,208)	(163,308)
Benefits paid	91,210	8,529	41,134	35,218	11,674	187,765	87,487	7,569	40,921	31,429	10,343	177,749
Experience gains/(losses) on scheme liabilities	–	4,540	4,402	11,418	(3,152)	17,208	–	4,746	6,542	(5,516)	2,380	8,152
Change in share in multi-employer scheme	–	–	–	–	(573)	(573)	–	–	(128)	(641)	1,290	521
Actuarial gain on scheme liabilities due to change in demographic assumptions	(1,376)	757	–	(9,080)	(1,358)	(11,057)	(39,783)	(5,426)	(3,207)	(8,467)	141	(56,742)
Actuarial gains/(losses) on scheme liabilities due to change in financial assumptions	92,448	15,243	35,631	51,727	27,044	222,093	(127,639)	(24,514)	(50,799)	(53,878)	(40,429)	(297,259)
Present value of obligation at 31 December	(1,819,529)	(313,009)	(722,194)	(738,669)	(333,824)	(3,927,225)	(1,995,574)	(340,992)	(800,680)	(825,112)	(359,299)	(4,321,657)

* 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 2021 and 31 December 2020:

	P&O UK scheme 2021 USD'000	P&O Ferries scheme 2021 USD'000	MNOPF scheme 2021 USD'000	MNRPF 2021 USD'000	Other schemes 2021 USD'000	Total group schemes 2021 USD'000	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
Fair value of scheme assets at 1 January	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
Interest income on assets	24,350	3,962	10,455	9,217	4,097	52,081	33,225	5,272	14,624	12,315	5,294	70,730
Return on plan assets (lesser)/greater than the discount rate	(12,794)	14,816	(49,663)	(43,885)	4,073	(87,453)	154,835	27,747	47,592	66,834	36,793	333,801
Loss due to settlements	–	–	–	–	–	–	–	–	–	–	(62,708)	(62,708)
Acquired through business combinations	–	–	–	–	2,989	2,989	–	–	–	–	–	–
Contributions by employer	26,249	1,376	16,096	24,447	13,546	81,714	36,816	269	–	5,735	10,646	53,466
Contributions by scheme participants	–	–	–	–	1,501	1,501	–	–	–	–	1,505	1,505
Effect of movement in exchange rates	(19,880)	(3,602)	(7,821)	(6,863)	(7,825)	(45,991)	66,474	10,899	27,538	24,951	27,273	157,135
Benefits paid	(91,210)	(8,529)	(41,134)	(35,218)	(11,674)	(187,765)	(87,487)	(7,569)	(40,921)	(31,429)	(10,343)	(177,749)
Administration costs incurred during the year	(2,889)	(523)	(1,513)	(9,905)	(527)	(15,357)	(2,052)	(410)	(1,411)	(5,644)	(201)	(9,718)
Fair value of scheme assets at 31 December	1,885,942	326,189	773,644	677,125	326,307	3,989,207	1,962,116	318,689	847,224	739,332	320,127	4,187,488
Defined benefit schemes net liabilities	66,413	13,180	51,450	(61,544)	(7,517)	61,982	(33,458)	(22,303)	46,544	(85,780)	(39,172)	(134,169)
Minimum funding liability	(132,339)	–	(52,666)	(139,498)	–	(324,503)	(58,966)	–	(63,197)	(126,636)	–	(248,799)
Net liability recognised in the consolidated statement of financial position at 31 Dec	(65,926)	13,180	(1,216)	(201,042)	(7,517)	(262,521)	(92,424)	(22,303)	(16,653)	(212,416)	(39,172)	(382,968)

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23. PENSION AND POST-EMPLOYMENT BENEFITS CONTINUED

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.

The below table shows the movement in minimum funding liability:

	2021 USD'000	2020 USD'000
Minimum funding liability as on 1 January	(248,799)	(227,968)
Employer's interest cost	(3,027)	(3,720)
Actuarial (loss)/gain during the year	(76,798)	(8,822)
Effect of movement in exchange rates	4,121	(8,289)
Minimum funding liability as on 31 December	(324,503)	(248,799)

It is anticipated that the Group will make the following contributions to the pension schemes in 2022:

	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	20,904	2,701	608	16,839	7,277	48,329

24. ACCOUNTS PAYABLE AND ACCRUALS

	2021 Non-current USD'000	2021 Current USD'000	2020 Non-current USD'000	2020 Current USD'000
Trade payables	–	792,121	–	475,441
Deferred revenue	63,927	244,120	39,884	171,717
Advances and deposits from customers	1,333	567,792	–	408,013
Other payables and accruals	129,484	2,096,533	137,712	1,550,518
Provisions*	9,270	80,441	3,140	90,546
Fair value of derivative financial instruments	89,137	33,357	125,715	19,566
Amounts due to related parties (refer to note 28)	113,597	212,523	–	43,091
As at 31 December	406,748	4,026,887	306,451	2,758,892

* During the current year, additional provision of USD 74,962 thousand (2020: USD 101,897 thousand) was recognised and an amount of USD 78,937 thousand (2020: USD 84,438 thousand) was utilised. 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 2021 USD'000	Asia Pacific and India 2021 USD'000	Australia and Americas 2021 USD'000	Other non-material subsidiaries 2021 USD'000	Total 2021 USD'000	Middle East, Europe and Africa 2020 USD'000	Asia Pacific and India 2020 USD'000	Australia and Americas 2020 USD'000	Other non-material subsidiaries 2020 USD'000	Total 2020 USD'000
Balance sheet information:										
Non-current assets	490,029	1,387,286	5,031,942			519,445	511,265	2,524,364		
Current assets	165,912	879,490	807,732			143,762	233,808	579,277		
Non-current liabilities	(198,773)	(338,378)	(4,312,690)			(239,155)	(41,598)	(2,015,313)		
Current liabilities	(37,192)	(553,607)	(598,394)			(37,124)	(46,431)	(409,184)		
Net assets (100%)	419,976	1,374,791	928,590			386,928	657,044	679,144		
Carrying amount of fair value adjustments excluding goodwill	172,319	343,917	660,302			178,797	288,358	640,411		
Total	592,295	1,718,708	1,588,892			565,725	945,402	1,319,555		
Carrying amount of NCI as at 31 December	183,200	611,581	771,067	111,125	1,676,973	176,209	465,533	618,038	128,643	1,388,423
Statement of profit or loss information:										
Revenue	150,483	1,543,519	1,423,335			142,997	218,757	656,361		
Profit after tax	45,467	269,270	266,350			52,676	57,298	90,391		
Other comprehensive income, net of tax	17,252	(89,412)	36,270			(3,436)	37,806	(24,221)		
Total comprehensive income (100%), net of tax	62,719	179,858	302,620			49,240	95,104	66,170		
Profit allocated to NCI	12,431	84,712	149,686	18,765	265,594	14,381	19,450	36,991	24,789	95,611
Other comprehensive income attributable to NCI	7,389	(31,633)	17,867	(1,444)	(7,821)	(1,684)	12,753	(11,445)	(4,223)	(4,599)
Total comprehensive income attributable to NCI	19,820	53,079	167,553	17,321	257,773	12,697	32,203	25,546	20,566	91,012
Cash flow statement information:										
Cash flows from operating activities	23,189	374,773	519,699			30,171	118,919	249,108		
Cash flows used in investing activities	(4,922)	(133,010)	(156,103)			(3,556)	(51,345)	(96,125)		
Cash flows used in financing activities	(23,284)	(79,187)	(155,407)			(13,352)	(24,920)	(246,065)		
Dividends paid to NCI	(8,510)	(27,248)	(862)			(3,206)	(14,169)	(63,255)		

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

26. BUSINESS COMBINATIONS

ACQUISITION OF SIGNIFICANT SUBSIDIARIES

(a) On 1 January 2021, the Group acquired 60% equity interest in Unico Logistics Co. Ltd. (Unico) for a purchase consideration of USD 70,077 thousand. It is one of the largest independently owned Non-Vessel Operating Common Carriers (NVOCC) in South Korea. Unico specializes in multimodal transport from South Korea via the Trans-Siberian and the Trans-China rail routes into Central Asia. It also provides freight forwarding (sea and air) and project cargo services globally.

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	12,793	12,793
Right of use asset	7,014	7,014
Intangible assets	1,062	20,662
Accounts receivables and prepayments	85,964	85,964
Inventories	1,970	1,970
Tax assets	5,505	5,505
Bank balances and cash	13,186	13,186
Liabilities		
Loans and borrowings	(5,674)	(5,674)
Lease liabilities	(6,767)	(6,767)
Accounts payable and accruals	(32,085)	(32,085)
Tax liabilities	(6,610)	(11,216)
End of service benefits	(14)	(14)
Net assets acquired	76,344	91,338
Less: non-controlling interest		(37,453)
Goodwill arising on acquisition		16,192
Total fair value of net assets acquired		70,077
For cash flow statement:		
Cash paid for acquisition		(70,077)
Advance paid in 2020		(59,604)
Balance paid in 2021		(10,473)
Cash acquired		13,186
Net cash acquired		2,713

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. The deferred tax liability relates to fair value adjustments on intangible assets.

Acquisition related costs of USD 1,137 thousand were expensed and included in general and administrative expenses.

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 556,018 thousand and gross profit of USD 104,304 thousand to the Group's results.

The Group has written a put option in favour of the seller for the reminder 40% equity interest. This is exercisable at end of 5 years from date of acquisition. The exercise price is determinable based on the shareholder agreement and will be settled in cash. The Group has recognised the present value of put option liability on the acquisition date and has remeasured to USD 41,823 thousand at the reporting date.

26. BUSINESS COMBINATIONS CONTINUED

ACQUISITION OF SIGNIFICANT SUBSIDIARIES CONTINUED

(b) On 1 July 2021, the Group through its subsidiary, Unifeeder ISC FZCO, acquired 100% stake in Transworld Group (Transworld) based in United Arab Emirates for a purchase consideration of USD 140,837 thousand. Transworld operates two businesses, Transworld, which is a feedering service and Avana, a container operating, multimodal service. They are leading independent feeder and NVOCC 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 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	12,336	12,336
Right of use asset	48,857	48,857
Other intangible assets	853	853
Accounts receivables and prepayments	63,262	63,262
Inventories	4,052	4,052
Tax assets	44	44
Bank balances and cash	16,593	16,593
Liabilities		
Loans and borrowings	(2,766)	(2,766)
Lease liabilities	(49,404)	(49,404)
Accounts payable and accruals	(33,352)	(33,352)
End of service benefits	(332)	(332)
Tax liabilities	(1,092)	(1,092)
Net assets acquired	59,051	59,051
Less: non-controlling interest recognised		(810)
Goodwill arising on acquisition		82,596
Total fair value of net assets acquired		140,837
Details of consideration:		
Deferred consideration		20,000
Consideration settled in shares of Unifeeder ISC FZCO		42,634
Cash consideration		78,203
For cash flow statement:		
Cash paid on acquisition		(78,203)
Cash acquired		16,593
Net cash paid on acquisition		(61,610)

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 4,080 thousand were expensed and included in general and administrative expenses.

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 183,819 thousand and gross profit of USD 61,104 thousand to the Group's results. If the acquisition had occurred on 1 January 2021, management estimates that consolidated revenue would have increased by USD 295,349 thousand and consolidated gross profit for the year would have increased by USD 83,698 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 2021.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

26. BUSINESS COMBINATIONS CONTINUED

ACQUISITION OF SIGNIFICANT SUBSIDIARIES CONTINUED

(c) On 1 December 2021, the Group acquired 100% equity interest in syncreon Newco B.V (syncreon), for a purchase consideration of USD 994,394 thousand. syncreon has strong contract logistics and fulfilment solutions capability, which adds significant strategic value to the Group and fits with the Group's vision to deliver end-to-end solutions to cargo owners. syncreon is US headquartered with operations throughout North America and Europe, and specialises in the design and operation of logistic solutions for the automotive and technology industries. syncreon has a global presence across 91 sites in 19 countries and services a large and diversified portfolio of customers with long standing partnerships and high contracts renewal rates.

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	Fair value recognised on acquisition USD'000
Assets		
Property, plant and equipment	71,373	71,373
Right of use asset	150,106	150,106
Intangible assets	194,206	550,911
Inventories	15,235	15,235
Accounts receivables and prepayments	306,561	306,561
Tax assets	3,668	3,668
Bank balances and cash	54,941	54,941
Liabilities		
Loans and borrowings	(272,946)	(272,946)
Lease liabilities	(155,026)	(155,026)
Accounts payable and accruals	(239,125)	(239,125)
Tax liabilities	(44,924)	(119,832)
Net assets acquired	84,069	365,866
Less: non-controlling interest		(2,272)
Goodwill arising on acquisition		630,800
Total fair value of net assets acquired		994,394
For cash flow statement:		
Cash paid on acquisition		(994,394)
Cash acquired on acquisition		54,941
Net cash paid on acquisition		(939,453)

The goodwill is attributable mainly to the syncreon's strong contract logistics & fulfilment solutions capability and syncreon's exposure to sizeable, fast-growing technology and automotive industries offering significant growth opportunities. None of the goodwill recognised is expected to be deductible for tax purposes. The deferred tax liability relates to fair value adjustments on intangible assets.

From the acquisition date, this acquisition has contributed revenues of USD 110,066 thousand and gross profit of USD 12,877 thousand to the Group's results. If the acquisition had occurred on 1 January 2021, management estimates that consolidated revenue would have increased by USD 1,275,202 thousand and consolidated gross profit for the year would have increased by USD 135,416 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 2021.

Acquisition related costs of USD 9,217 thousand were expensed and included in general and administrative expenses.

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

B) SIGNIFICANT SUBSIDIARIES – PORTS

Legal Name	Ownership interest	Country of incorporation	Principal activities
DP World MPL Servicos S.A.	100%	Angola	Multi-purpose terminal
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 Fraser Surrey Inc.	55%	Canada	Multi-purpose and general cargo terminal operations
DP World Nanaimo Inc.	55%	Canada	Container terminal operations
DP World Prince Rupert Inc.	55%	Canada	Container 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 and general cargo terminal operations
DPWorld Posorja S.A.	85.25%	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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

27. SIGNIFICANT GROUP ENTITIES CONTINUED

B) SIGNIFICANT SUBSIDIARIES – PORTS CONTINUED

Legal Name	Ownership interest	Country of incorporation	Principal activities
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 and general cargo 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
DP World TIS-Pivdennyi	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

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 S.A	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 (refer to note 39)	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

27. SIGNIFICANT GROUP ENTITIES CONTINUED

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	Charter of marine vessels and ship management
P&O Maritime Services (PNG) Limited	100%	Papua New Guinea	Maritime services
P&O Maritime Paraguay (Holdings) S.A.	100%	Paraguay	Maritime transport and logistics
DP World Logistics SRL	100%	Peru	Logistics and warehousing services
Port Secure FZCO#	40%	Republic of Djibouti	Port security services
DP World Novi Sad AD	100%	Republic of Serbia	Inland container terminal operations
Unico Logistics Co. Ltd##	60%	South Korea	Freight forwarding and project cargo services
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
P&O Maritime Ukraine LLC	51%	Ukraine	Maritime services
DP World Logistics FZE	100%	United Arab Emirates	Trade facilitation through integrated electronic 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 Auto Zone Management FZE	100%	United Arab Emirates	Leasing operations
Dubai Textile City Management FZE	100%	United Arab Emirates	Leasing operations
Dubai Trade FZE	100%	United Arab Emirates	Trade facilitation through integrated electronic services
Jebel Ali Free Zone FZE	100%	United Arab Emirates	Management, operation and development of free zones, economic zones and industrial zones
Maritime World LLC	100%	United Arab Emirates	Property development and leasing
National Industries Park Management FZE	100%	United Arab Emirates	Management, operation and development of 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
Unifeeder ISC FZCO##	72.9%	United Arab Emirates	Maritime transport and logistics
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 logistics operator
Hyperloop Technologies, Inc. *	80.02%	United States of America	Development of hyperloop transportation system
syncreon Newco B.V.##	100%	United States of America	Specialised logistics and supply chain solution

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

27. SIGNIFICANT GROUP ENTITIES CONTINUED

* 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.

\### The Group has received advance proceeds from sale of non-controlling interest in this entity. Change in shareholding will be effective on transfer of shares which is expected to complete in H1 2022.

28. RELATED PARTY TRANSACTIONS

OTHER RELATED PARTY TRANSACTIONS

Transactions with related parties included in the consolidated financial statements are as follows:

	Parent Company 2021 USD'000	Equity-accounted investees 2021 USD'000	Other related parties 2021 USD'000	Total 2021 USD'000	Parent Company 2020 USD'000	Equity-accounted investees 2020 USD'000	Other related parties 2020 USD'000	Total 2020 USD'000
Expenses charged:								
Concession fee	–	–	8,369	8,369	–	–	7,872	7,872
Shared services	–	–	205	205	–	–	247	247
Marine service fees	–	–	12,024	12,024	–	–	12,041	12,041
IT services fee	–	–	66	66	–	–	2,710	2,710
Other services	–	–	1,234	1,234	–	–	3,209	3,209
Interest expense	–	–	51,331	51,331	–	–	54,464	54,464
Revenue earned:								
Revenue	–	–	10,020	10,020	–	–	9,131	9,131
Management fee	–	12,538	15,987	28,525	–	11,205	17,379	28,584
Interest income	98,252	3,322	–	101,574	45,774	1,989	–	47,763

Balances with related parties included in the consolidated statement of financial position are as follows:

	Due from related parties 2021 USD'000	Due from related parties 2020 USD'000	Due to related parties 2021 USD'000	Due to related parties 2020 USD'000
Ultimate Parent Company	2,393	2,393	1,498	1,501
Parent Company	1,647,042	1,546,473	178,551	2
Equity-accounted investees	136,625	139,818	2,593	11,731
Other related parties	21,549	37,438	143,478	29,857
Total	1,807,609	1,726,122	326,120	43,091

The Group has also issued guarantees on behalf of equity-accounted investees which are disclosed in note 38.

(a) On 30 September 2021, the Group acquired a group of assets National Industries Park, the Al Aweer Free Zone for Cars and Dubai Textile City from Ports, Customs and Free Zone Corporation, a related party, for a gross consideration of USD 356,979 thousand and paid upfront consideration of USD 204,664 thousand. The deferred consideration of USD 152,316 thousand will be paid in equal instalments over 9 years.

(b) On 17 February 2020, the Group's Parent Company, 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 the Parent Company during the year. The remaining USD 1.1 billion facility has been acceded by the Group on 22 July 2020 and drawn down on 1 June 2021.

On 7 July 2020, the Group has advanced loan of USD 1.5 billion to the Parent Company for a period of 5.5 years at the interest rate of 6.125% per annum, which has been used by the Parent Company to prepay its syndicated loan facilities reducing its debt to USD 6.4 billion (refer to note 38).

28. RELATED PARTY TRANSACTIONS CONTINUED

COMPENSATION OF KEY MANAGEMENT PERSONNEL

The remuneration of directors and other key members of the management during the year were as follows:

	2021 USD'000	2020 USD'000
Short-term benefits and bonus	17,301	14,796
Post-retirement benefits	465	465
Total	17,766	15,261

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 2021 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

29. FINANCIAL RISK MANAGEMENT CONTINUED
OVERVIEW 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:

	2021 USD'000	2020 USD'000
Other investments	20,911	20,487
Trade and other receivables excluding prepayments	4,781,978	3,959,072
Bank balances and cash	3,917,739	2,142,110
Total	8,720,628	6,121,669

The maximum exposure to credit risk for current trade receivables (net) at the reporting date by operating segments are as follows:

	2021 USD'000	2020 USD'000
Asia Pacific and India	330,884	100,984
Australia and Americas	445,829	204,396
Middle East, Europe and Africa	868,479	779,538
Total	1,645,192	1,084,918

The ageing of current trade receivables (net) at the reporting date was:

	2021 USD'000	2020 USD'000
Neither past due nor impaired on the reporting date:	894,298	642,559
Past due on the reporting date		
Past due 0-30 days	408,579	209,545
Past due 31-60 days	152,880	82,988
Past due 61-90 days	65,585	29,571
Past due > 90 days	123,850	120,255
Total	1,645,192	1,084,918

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.

29. FINANCIAL RISK MANAGEMENT CONTINUED
A) **CREDIT RISK** CONTINUED

i. Exposure to credit risk continued
Movement in the allowance for impairment in respect of trade receivables during the year was:

	2021 USD'000	2020 USD'000
As at 1 January	170,106	150,963
Acquired through business combinations	2,262	2,318
Provision recognised during the year	28,306	16,825
As at 31 December	200,674	170,106

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 33.5% (2020: 36%) 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.

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						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	2,502,429	(2,538,617)	(2,364,717)	(71,936)	(13,888)	(88,076)
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)
Non derivative financial liabilities						**2021**
Issued bonds	8,550,470	(14,372,493)	(415,521)	(1,590,533)	(1,957,061)	(10,409,378)
Bank loans	6,650,619	(7,951,354)	(520,772)	(2,671,313)	(1,987,309)	(2,771,960)
Loans from non-controlling shareholders	740,691	(1,043,918)	(31,209)	(31,264)	(106,881)	(874,564)
Lease and service concession liabilities	3,878,835	(10,561,301)	(500,315)	(431,483)	(1,133,714)	(8,495,789)
Trade and other payables	3,533,370	(3,568,600)	(3,288,830)	(94,664)	(84,942)	(100,164)
Derivative financial liabilities						
Derivative instruments	122,494	(184,618)	(52,987)	(38,329)	(88,016)	(5,286)
Total	23,476,479	(37,682,284)	(4,809,634)	(4,857,586)	(5,357,923)	(22,657,141)

Also, refer to note 38 for further details on financial guarantees and letters of credit.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

29. FINANCIAL RISK MANAGEMENT CONTINUED

OVERVIEW CONTINUED

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 65% (2020: 57%) 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.

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.

29. FINANCIAL RISK MANAGEMENT CONTINUED

C) MARKET RISK CONTINUED

i. Currency risk continued

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	2020 Total USD'000
Bank balances and cash	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)

	USD* USD'000	**GBP USD'000**	**EUR USD'000**	**AUD USD'000**	**INR USD'000**	**CAD USD'000**	**KRW USD'000**	**Others USD'000**	**2021 Total USD'000**
Bank balances and cash	**2,669,938**	**335,728**	**305,542**	**110,018**	**105,010**	**66,408**	**180,016**	**145,079**	**3,917,739**
Trade receivables	**1,427,324**	**217,996**	**151,600**	**59,253**	**51,787**	**67,282**	**34,625**	**28,851**	**2,038,718**
Unbilled revenue	**233,943**	**30,784**	**7,719**	–	**11,123**	**3,489**	**853**	**756**	**288,667**
Deposits receivable	**9,337**	–	**2,245**	–	**5,375**	**2,210**	**1,762**	**774**	**21,703**
Bank loans	**(4,516,049)**	**(1,001,079)**	**(42,254)**	**(320,397)**	**(121,275)**	**(415,625)**	–	**(233,940)**	**(6,650,619)**
Loan from non-controlling shareholders	**(35,969)**	–	**(18,322)**	**(490,744)**	**(67)**	**(195,589)**	–	–	**(740,691)**
Unsecured bonds	**(7,237,692)**	**(467,725)**	**(845,053)**	–	–	–	–	–	**(8,550,470)**
Lease and service concession liabilities	**(2,116,335)**	**(503,600)**	**(358,404)**	**(546,969)**	**(27,121)**	**(248,526)**	**(38,581)**	**(39,299)**	**(3,878,835)**
Trade payables	**(410,847)**	**(168,236)**	**(129,970)**	**(11,623)**	**(27,669)**	**(15,442)**	**(2,483)**	**(25,851)**	**(792,121)**
Advances and deposits from customers	**(558,091)**	–	–	–	**(9,356)**	–	–	**(1,678)**	**(569,125)**
Net consolidated statement of financial position exposures	**(10,534,441)**	**(1,556,132)**	**(926,897)**	**(1,200,462)**	**(12,193)**	**(735,793)**	**176,192**	**(125,308)**	**(14,915,034)**

* 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

29. FINANCIAL RISK MANAGEMENT CONTINUED

C) MARKET RISK CONTINUED

i. Currency risk continued

Sensitivity analysis

A 10% weakening 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	
	2021 USD'000	2020 USD'000	2021 USD'000	2020 USD'000
GBP	(5,614)	(5,758)	(172,904)	(191,809)
EUR	(137)	(30)	(102,989)	(90,458)
AUD	(3,045)	(4,307)	(133,385)	(150,281)
INR	(929)	(751)	(1,516)	(126)
CAD	(975)	(2,565)	(81,755)	(81,726)
KRW	(165)	(45)	19,577	15,189

A 10% strengthening of the USD against the above currencies at 31 December would have had the equal but opposite effect 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 2021, after taking into account the effect of interest rate swaps, approximately 84% (2020:94%) 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	
	2021 USD'000	2020 USD'000
Fixed rate instruments		
Financial liabilities (includes loans and borrowings, loan from non-controlling shareholders and lease & concession liabilities)	(14,687,490)	(13,414,275)
Interest rate swaps hedging floating rate debt	(2,175,357)	(2,663,728)
Total	(16,862,847)	(16,078,003)
Variable rate instruments		
Financial assets (includes short term deposits and deposits under lien)	1,770,403	742,065
Financial liabilities (includes loans and borrowings, loan from non-controlling shareholders and lease & concession liabilities)	(5,133,125)	(3,676,888)
Interest rate swaps hedging floating rate debt	2,175,358	2,663,728
Total	(1,187,364)	(271,095)

29. FINANCIAL RISK MANAGEMENT CONTINUED

C) MARKET RISK CONTINUED

ii. Interest rate risk 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
2021				
Variable rate instruments	(11,874)	11,874	–	–
Interest rate swaps	(300)	300	21,454	(21,454)
Cash flow sensitivity (net)	(12,174)	12,174	21,454	(21,454)
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)

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	2021 Carrying amount USD'000	2021 Fair value USD'000	2020 Carrying amount USD'000	2020 Fair value USD'000
FVOCI – equity instruments	2	20,911	20,911	20,487	20,487
Financials assets carried at amortised cost					
Trade and other receivables**		4,781,978	4,781,978	3,959,072	3,959,072
Bank balances and cash*		3,917,739	3,917,739	2,142,110	2,142,110
Financial liabilities carried at fair value					
Derivative instruments	2	(164,317)	(164,317)	(145,281)	(145,281)
Financial liabilities carried at amortised cost					
Issued bonds	1	(8,550,470)	(9,703,460)	(8,618,876)	(10,019,708)
Bank loans*		(6,650,619)	(6,650,619)	(4,496,479)	(4,496,479)
Loans from non-controlling shareholders*		(740,691)	(740,691)	(811,366)	(811,366)
Lease and service concession liabilities*		(3,878,835)	(3,878,835)	(3,164,442)	(3,164,442)
Trade and other payables**		(3,491,547)	(3,491,547)	(2,502,429)	(2,502,429)

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.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

29. FINANCIAL RISK MANAGEMENT CONTINUED

OVERVIEW CONTINUED

D) FAIR VALUE CONTINUED

Fair value hierarchy continued

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:

	2021 USD'000	2020 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.

	Hedging and other reserves USD'000	Actuarial reserve USD'000	Total other reserves USD'000
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)
Balance as at 1 January 2021	(52,795)	(621,963)	(674,758)
Other comprehensive income, net of tax	27,839	53,767	81,606
Balance as at 31 December 2021	(24,956)	(568,196)	(593,152)

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 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

	2021 USD'000	2020 USD'000
Issued bonds	8,550,470	8,618,876
Bank loans*	6,650,619	4,496,479
	15,201,089	13,115,355
of which:		
Classified as non–current	14,834,941	12,617,341
Classified as current	366,148	498,014
of which:		
Secured loans and borrowings	3,502,056	3,393,881
Unsecured loans and borrowings	11,699,033	9,721,474

The below table provides movement of loans and borrowings:

	2021 USD'000	2020 USD'000
Balance at 1 January	13,115,355	13,280,884
Cash flow items		
Drawdown of borrowings	2,742,542	1,870,540
Repayment of borrowings	(828,016)	(2,267,639)
Repurchase of convertible bonds**	–	(254,400)
Other non-cash items		
Acquired through business combinations	281,427	334,954
Disposal of subsidiary	(2,857)	–
Interest accretion on convertible bonds	–	32,096
Transaction cost written off/amortised during the year	22,402	20,182
Translation adjustments	(129,764)	98,738
Balance at 31 December	15,201,089	13,115,355

The loans and borrowings carry interest rate in the range of 0.6 % to 10.75% per annum.

* On 1 June 2021, the Group has drawn USD 1.1 billion from the facility acceded from the Parent Company (refer to note 28).
** During 2020, the Group redeemed the remaining USD 254,400 thousand of 10 year USD 1 billion unsecured convertible bonds due 2024.

At 31 December 2021, the undrawn committed borrowing facilities of USD 1.5 billion (2020: USD 3.4 billion) were available to the Group, in respect of which all conditions precedent had been met.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

33. LOANS AND BORROWINGS CONTINUED

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
2022*	–	366,148	366,148
2023*	1,196,851	2,523,083	3,719,934
2024	–	344,156	344,156
2025	–	700,590	700,590
2026*	845,053	564,724	1,409,777
2027	7,979	287,541	295,520
2028	994,265	213,281	1,207,546
2029	986,650	101,336	1,087,986
2030	964,175	125,284	1,089,459
2031	–	109,315	109,315
2032-36	–	727,252	727,252
2037-46	1,740,876	587,909	2,328,785
Beyond 2047	1,814,621	–	1,814,621
Total	8,550,470	6,650,619	15,201,089

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 21).

Information about the Group's exposure to interest rate, foreign currency and liquidity risk are described in note 29.

* This includes loans and borrowings acquired through business combinations.

In March 2021, the ICE Benchmark Administration (the administrator of LIBOR), in conjunction with the UK's Financial Conduct Authority (FCA) announced that it will stop publishing the LIBOR settings (excluding USD LIBOR) after 31 December 2021. USD LIBOR settings will cease to be published based on panel bank submissions after 30 June 2023. During the year, the Group has undertaken IBOR transition and have applied the Phase 2 amendments. New benchmark rates are concluded as economically equivalent compared to old benchmark rate. The hedge is effective as there is no uncertainty attached to cashflow for both hedge item and hedge instrument and hedge is continued to be effective under the Phase 2 of the IBOR reforms issued by IASB.

34. LEASE AND SERVICE CONCESSION LIABILITIES

A) GROUP AS A LESSEE/CONCESSIONAIRE

	Lease liabilities (IFRS 16) 2021 USD'000	Service concession liabilities (IFRIC 12) 2021 USD'000	Total 2021 USD'000	Lease liabilities (IFRS 16) 2020 USD'000	Service concession liabilities (IFRIC 12) 2020 USD'000	Total 2020 USD'000
At 1 January	2,709,050	455,392	3,164,442	2,513,190	–	2,513,190
Acquired through business combination	211,232	–	211,232	103,313	–	103,313
Additions	881,664	23,282	904,946	262,287	412,730	675,017
Payments	(501,746)	(37,352)	(539,098)	(355,814)	(24,011)	(379,825)
Interest expense	150,727	36,698	187,425	142,666	25,896	168,562
Lease modifications	(1,019)	–	(1,019)	(35,571)	–	(35,571)
Reclassification from other liabilities	–	20,454	20,454	–	37,218	37,218
Translation adjustment	(65,872)	(3,675)	(69,547)	78,979	3,559	82,538
As at 31 December	3,384,036	494,799	3,878,835	2,709,050	455,392	3,164,442
Classified as:						
Non-current	2,887,712	488,453	3,376,165	2,520,438	449,764	2,970,202
Current	496,324	6,346	502,670	188,612	5,628	194,240
Total	3,384,036	494,799	3,878,835	2,709,050	455,392	3,164,442

Refer to note 12 for right-of-use assets and refer to 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:

	2021 USD'000	2020 USD'000
Within one year	606,533	624,000
Between one to five years	1,288,819	1,206,282
More than five years	1,397,500	1,093,383
Total	3,292,852	2,923,665

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

	2021 USD'000	2020 USD'000
Non-current portion	739,624	810,366
Current portion	1,067	1,000
Total	740,691	811,366

These non-current loans mainly include USD 689,581 thousand (2020: USD 775,172 thousand) granted by non-controlling shareholders of entities under 'Australia and Americas' region. These loans carry interest rate ranging between 2%-8.5% (2020: 5.5%-8.0% per annum) and repayable between 2022 and 2038.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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:

		2021* USD'000	2020* USD'000	2021 USD'000	2020 USD'000
Total loans and borrowings (refer to note 33)		15,201,089	13,115,355	15,201,089	13,115,355
Add: lease and concession liabilities (refer to note 34)		–	–	3,878,835	3,164,442
Less: cash and cash equivalents (refer to note 21)		(3,009,193)	(2,091,766)	(3,009,193)	(2,091,766)
Total adjusted net debt	A	12,191,896	11,023,589	16,070,731	14,188,031
Equity	B	16,103,578	15,400,509	16,103,578	15,400,509
Adjusted EBITDA		3,827,557	3,319,455	3,827,557	3,319,455
Less: leases and concession fee expense		(539,098)	(379,825)	–	–
Total	C	3,288,459	2,939,630	3,827,557	3,319,455
Adjusted net debt/adjusted equity	A/B	0.76	0.72	1.00	0.92
Adjusted net debt/adjusted EBITDA	A/C	3.71	3.75	4.20	4.27

* Ratios recomputed without considering the impacts of leases and concession liabilities.

37. CAPITAL COMMITMENTS

	2021 USD'000	2020 USD'000
Estimated capital expenditure contracted	1,222,103	698,935
Estimated capital expenditure contracted by equity-accounted investees	99,160	124,899
Total	1,321,263	823,834

38. CONTINGENCIES

The Group has the following contingent liabilities arising in the ordinary course of business at 31 December:

	2021 USD'000	2020 USD'000
Performance guarantees	149,785	131,726
Payment guarantees	74,233	67,116
Letters of credit	28,141	110,899
Guarantees issued on behalf of equity-accounted investees	39,379	41,985
Guarantees given on behalf of Parent company's external debt*	6,400,000	6,400,000
Total	6,691,538	6,751,726

* On 17 February 2020, the Group's Parent Company, 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 the Parent Company and the remaining USD 1.1 billion facility has been acceded by the Group on 22 July 2020, which was drawn down on 1 June 2021. On 7 July 2020, USD1.5 billion has been prepaid by the Parent Company 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) On 10 February 2022, the Group has disposed 26% equity interest in Visakha Container Terminals Private Limited, India.

b) The Group announced the acquisition of 100% equity interest in Imperial Logistics Limited, an integrated logistics and market access company with operations mainly across the African continent and in Europe. The transaction is now unconditional and will be implemented on 14 March 2022, for a purchase consideration of approximately ZAR 12.7 billion. Imperial Logistics is listed on the Johannesburg Stock Exchange (JSE).

The acquisition will enhance Group's capabilities building on its extensive infrastructure of ports, terminals and economic zones. It will also significantly accelerate the Group's transformation into an advanced logistics company offering end to end supply chain services to the owners of cargo.