

# 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 reformed 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.

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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 emphasise 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  
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