



## **Tax Integrity Policy**

**Approved by:** DP World CEO

**Department:** Group Tax

**Revision Number:** 001

**Revision Date:** March 2018

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## 1. Introduction

1.1 As stated in the Group Tax Policy, DP World Limited and its group companies (together “the Group” or “DP World”) are committed to complying with all tax laws and regulations in each jurisdiction where it holds business interests. At the same time, the Group has a responsibility to its shareholders to manage its global tax position effectively and efficiently, in a manner that legitimately reduces its tax obligations.

1.2 In contrast to the above, “Tax Evasion” is a serious criminal offence in all of the countries in which the Group operates.

1.3 Being audited, investigated or prosecuted by tax authorities is time-consuming and expensive, even if DP World are ultimately shown to have acted correctly. Consequently, the long-term value of DP World is best protected by pursuing conservative tax arrangements that comply with local laws and regulations.

1.4 Tax Evasion undermines the ability of governments to invest in infrastructure and provide services. This inhibits economic growth, increases social instability, and increases the risk to our assets.

1.5 The Founder’s Principles emphasise the continued growth of our business. However, we will never seek to operate or grow our business in a way that is unlawful or creates hidden risks. Consequently, we will protect the long-term value of DP World by identifying risks around Tax Evasion and taking practical steps to exclude those risks from our business.

## 2. Purpose

2.1 This Policy explains how DP World will seek to exclude any instances of Tax Evasion, or facilitating Tax Evasion, from its business.

## 3. Scope

3.1 This Policy applies to all DP World Staff, at all times.

3.2 The Group has developed internal procedures to ensure proper implementation of the associated controls. These Procedures do not require CEO/board approval and may be updated by the group Tax Department from time to time. Each Regional Office and Business Unit must comply with each Procedure unless it has opted out of a procedure and adopted an alternative procedure that achieves the same objective.

## 4. Policy

4.1 DP World expressly prohibits Tax Evasion and facilitating Tax Evasion. This includes being involved in, proposing, requesting, arranging, allowing, ignoring or being willfully blind to Tax Evasion.

4.2 DP World has zero tolerance for Tax Evasion in relation to its business. This is true even if Tax Evasion:

- is common practice in the market in which we operate;
- is done by someone else;
- is disguised, hidden or given a special name;
- would lead to higher profits or similar short-term gains to DP World; or
- is known to members of Staff more senior than you.

4.3 Every company in every sector around the world faces risks related to Tax Evasion in the course of its business. The following are practical examples of issues which could arise inside DP World:

- DP World is buying diesel-powered straddle carriers from abroad. DP World's customs broker suggests that DP World should describe the straddle carriers as being electric-powered, and that way DP World will have to pay less in import duty. He says that "everyone does it this way here".
- DP World is buying a company. The sellers of the company request that instead of being paid the full sale price directly, DP World should pay off a fake loan to an offshore company which the sellers secretly control. The sellers say that this won't increase the amount DP World has to pay.
- A senior employee is sent to manage a terminal overseas. He asks that only half of his salary is paid into a local bank account and declared to the local tax agency, while the other half is paid into an offshore account in his home country. He tells you "don't worry, the big boss said it's fine".
- DP World operates a logistics park in partnership with a local company. A tax inspection has identified that \$2,000,000 of land tax was underpaid by the logistics park as the result of a genuine mistake. The CEO of DP World's joint venture partner tells DP World that he is going to pay the tax inspector \$50,000 to "make the whole problem go away".
- DP World provides VAT-bearing services to a local customer and is supposed to collect VAT on those invoices. The customer asks for its offshore parent to be invoiced and requests the description on the invoices to be changed so that it looks like the services were not subject to VAT. The customer says that if DP World won't do this, it will move all its business to our competitor.

## 5. Policy Compliance

### 5.1 Actions to be undertaken by DP World

DP World will act to identify, prevent and mitigate Tax Evasion. This will include:

- Assessing and monitoring Tax Evasion risks;
- Maintaining proportionate and practical Tax Evasion procedures;
- Raising awareness of Tax Evasion issues within DP World;
- Choosing its Business Partners carefully;
- Internally and externally communicating its top-level commitment to excluding Tax Evasion from its business;
- Appropriately briefing its Staff and Business Partners on Tax Evasion; and
- Responding proportionately to concerns about Tax Evasion in its business

#### 5.1.1 Risk Assessment

In 2017-2018, DP World conducted a risk assessment to identify the risks that Tax Evasion and the facilitation of Tax Evasion pose to its business worldwide. This risk assessment will be reviewed and (if necessary) updated from time to time. The 2017-2018 risk assessment paid particular attention to minimising the risk of prosecution under the Criminal Finances Act 2017 in the United Kingdom. As other jurisdictions introduce similar or even stricter laws, the focus may shift in future risk assessments as appropriate.

### 5.1.2 Business Development

DP World must ensure that it does not inadvertently acquire or build businesses that engage in Tax Evasion, and must ensure that mergers & acquisition activity is free from Tax Evasion. It does this by educating Staff involved in business development on the risks of Tax Evasion in business development, by obtaining formal Tax advice from qualified persons at appropriate moments, and by addressing tax compliance in due diligence processes.

### 5.1.3 Business Partners

DP World must ensure that its Business Partners share its fundamental values and will work to exclude Tax Evasion from the Group's business. We face legal, reputational and operational risks if our Business Partners engage in those activities: in particular, DP World can be prosecuted under the criminal law for failing to prevent our Business Partners engaging in Tax Evasion. DP World conducts due diligence on its Business Partners, explains its values to them clearly through proactive awareness raising, and where appropriate makes compliance with Tax laws an essential term of their contract with DP World.

### 5.1.4 Public Officials

DP World exercises due caution when interacting and communicating with public officials in connection with Tax matters. We will make it clear that we will fully comply with our legal obligations but that we will also preserve our right to minimise our Tax obligations in a lawful and ethical manner. The Group will never attempt or imply to give private benefits or bribes to Tax officials to resolve Tax disputes or approve Tax arrangements, and the same must be made clear when faced with such scenarios. For more information on this topic, please read our Anti-Bribery Policy.

### 5.1.5 Remuneration

DP World is proud to be an innovative employer and our People function constantly reviews the remuneration packages we provide to Staff. In many countries, there are Tax incentives to structure Staff remuneration in certain ways – for example, by way of health, education or childcare benefits. The People team is responsible for advising on employment-related Tax issues and can consider arrangements that reduce Staff members' Tax obligations in a lawful and ethical manner. However, we will not allow or facilitate Tax Evasion by any member of Staff.

### 5.1.6 Financial Records

At all times, DP World will maintain financial records that are accurate and give a fair understanding of the true activity of DP World.

## 5.2 Advice available to Staff

Staff or Business Partners who have questions or require support on issues around Tax or Tax Evasion should contact their local finance department or the DP World Group Tax Department (+971 4 881 1110, [grouptax@dpworld.com](mailto:grouptax@dpworld.com)). Advice on the specific subject of Tax Evasion will also be available on the Functions > Tax page of the Connexions intranet site.

Issues around employment-related Tax are the responsibility of the People function. Consequently, Staff who have questions around income tax, social security contributions and so on should approach their local People team.

### 5.3 Reporting Tax Evasion concerns

Staff or Business Partners who suspect, know or are concerned that Tax Evasion is taking place in relation to DP World's business must immediately raise those concerns via the whistleblowing hotline. You can reach the whistleblowing hotline through the internet (click [here](#)); by email ([dpworld@expolink.co.uk](mailto:dpworld@expolink.co.uk)); or by phone (dial 8000 44 138 73 from the UAE; other global access numbers are available [here](#)). DP World supports whistleblowers and prohibits retaliation against them – for more information, read our Whistleblowing Policy [here](#).

### 5.4 Implications of breaching this policy

5.4.1 If DP World Staff breach this policy, they face serious personal consequences. They will be subject to disciplinary proceedings, and may be sued by DP World or anyone else that has suffered losses as a result of their misconduct. They may also be subject to arrest and prosecution. You can be convicted of a criminal offence even if you did not benefit personally from the Tax Evasion.

5.4.2 Tax Evasion is a serious criminal offence in all the countries in which DP World operates: someone convicted of Tax Evasion may be fined and imprisoned for a period to be determined by the court (United Arab Emirates<sup>1</sup>), imprisoned for 7 years (India<sup>2</sup>), imprisoned for life (United Kingdom<sup>3</sup>), or even sentenced to death (China<sup>4</sup>). DP World is not required to pay the legal fees or fines of Staff charged with Tax Evasion offences.

5.4.3 If DP World's Staff or Business Partners breach this policy, DP World faces serious consequences. DP World could be prosecuted in criminal court for failing to prevent its Staff or Business Partners from engaging in Tax Evasion and the facilitation of Tax Evasion. If the

prosecution raised was successful, DP World could be convicted of a criminal offence and face an unlimited fine. In some countries, DP World could be barred from public procurement, prevented from borrowing from international development banks, or temporarily or permanently closed.

5.4.4 If DP World's Business Partners breach this policy, they face significant consequences. DP World may terminate its business relationship with them, may choose not to do business with them in the future, may sue them for any losses caused to DP World, and/or may file a criminal complaint with the relevant authorities or bring a private criminal prosecution.

## 6. Related Standards, Policies and Processes

6.1 The following documents are related to anti-bribery and should also be referred to:

- Anti-Bribery Policy;
- Fraud Policy;
- Fraud Management Framework;
- Group Tax Policy; and
- Whistleblowing Policy.

## 7. Definitions and Terms

For the purpose of this Policy, the following terms have the following meanings:

**Business Partner:** means any person that provides services for or on behalf of DP World, including all advisors, agents, consultants,

<sup>1</sup> See Article 26 of Federal Law No. (7) of 2017 on Tax Procedures of the United Arab Emirates.

<sup>2</sup> See Article 276C of the Income Tax Act 1961 (India).

<sup>3</sup> The common law offence of cheating the public revenue carries a maximum life sentence. In addition, there are numerous other laws relevant to tax evasion that provide for a maximum sentence of 7 or 10 years.

<sup>4</sup> See Article 205 of the Criminal Law of the People's Republic of China.

vendors, subcontractors and, joint venture partners.

**Staff:** means all directors, officers, employees and workers of any member of the DP World group of companies, its affiliates or its subsidiaries.

**Tax:** means all forms of taxation, whether direct or indirect, and including all duties, imposts, levies and tolls imposed by law.

**Tax Evasion:** means dishonestly breaching a legal duty or obligation in relation to Tax, and/or entering into Tax arrangements without a good faith belief that they are legal.

**Tax Function:** refers to all parties within the Group who have responsibilities of managing

taxes, including Group Tax, Regional Finance and Local Finance.

## 8. Revision History

**Revision Number 001:** Approved February 2018. Creation of policy in response to introduction of the Criminal Finances Act 2017 in the United Kingdom.

## 9. Contact Information

All queries in relation to this policy should be directed to the Group Tax team, which can be contacted on [GroupTax@dpworld.com](mailto:GroupTax@dpworld.com).

