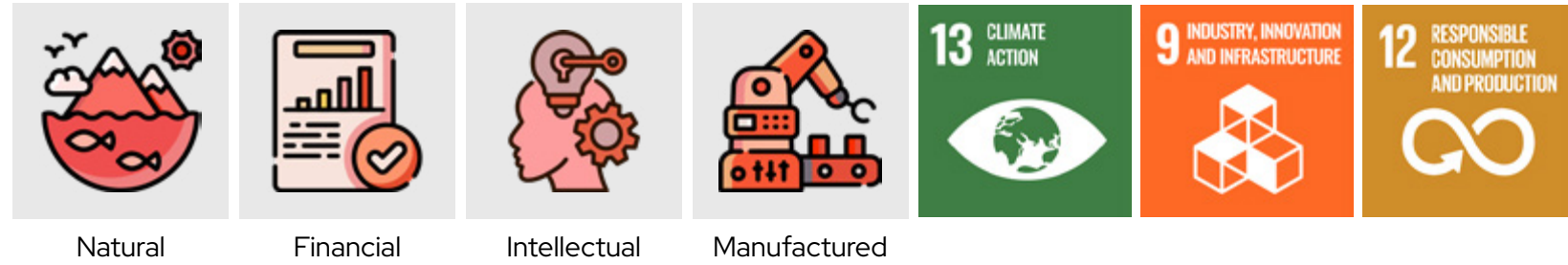


# Environmental Stewardship and Climate Change Mitigation



At Aramex we take our commitment to environmental stewardship, mitigating climate change, and safeguarding the environment seriously, and 2023 was no exception. This year we continued to make progress on our commitments to reducing our emissions as per our goal to reach Carbon Neutrality by 2030 and Net Zero by 2050, as well as our science-based reduction targets set at 1.5 degrees for both scope 1 and 2 and at 2.0 degrees for scope 3<sup>[1]</sup>. We finalized our climate risk assessment (for more on the process, refer to our 2022 annual report pages 38-39), developed action plans to address prioritized risks and opportunities, and continued to invest in renewable energy, fleet electrification, and other initiatives.


Our goal is to consistently establish and exceed benchmarks within our industry and beyond, serving as a guiding force by exemplifying sustainable practices. As a part of the shipping and logistics industry, our biggest environmental impact stems from our emissions, as well as packaging and material use, as such we prioritize these matters as part of our business and sustainability strategy and our value creation.

**Our Natural Capital is defined as all renewable and non-renewable environmental goods and services that support our current, short-, medium-, and long-term ability to operate and prosper, and it includes all the resource inputs that we use, as well as the resources that our operations may impact, positively or negatively.**



Our environmental and climate change mitigation strategy and management involves comprehensively monitoring our material inputs and outputs, evaluating operational and process efficiencies and addressing any gaps, identifying potential for improvements, managing and accessing climate risks, and screening our supply chain for environmental impacts. Part of this strategy is to drive collaboration and partnerships, raise awareness, provide capacity building opportunities, and leverage our expertise and resources for environmentally conscious innovations. We actively engage with our employees and stakeholders as part of our environmental strategy and activities.

We are aware that climate risks, along with scenario analyses are rapidly evolving, therefore we are continually assessing, analyzing, and managing the changes in regulations, risks, business, stakeholder needs, and environmental conditions. As such, we are committed to continual learning and improvement in terms of our methodological and analytical tools in this realm. By finalizing our Climate Risk Assessment and Framework (2022 report pages 38 and 39), we have followed the Task Force on Climate Related Financial Disclosures (TCFD) recommendations as an important step in our climate response, and it represents a learning tool as well as a communication and engagement channel with our key stakeholders. This is an iterative and continual process that we are committed to as part of our environmental stewardship and climate mitigation efforts.



### Measuring Our Environmental Impact

When measuring and calculating our carbon footprint, we adhere to the principles of the Greenhouse Gas (GHG) Protocol accounting tool developed by the World Business Council for Sustainability Development (WBCSD) and World Resources Institute (WRI). We utilize an operational control approach to measure our emissions. We also use International Energy Agency (IEA) tools and emission factors to calculate our Scope 2 emissions. Our emissions data and calculation methodology are audited and assured by external parties. Our GHG calculations cover all our locations and geographies that are under our operational control, excluding franchisees and agents. More on our data measurement techniques, boundaries, and reporting approaches on page 108.

As a light-asset company, Aramex utilizes the services of transportation providers, such as airlines, sea lines, and vehicle leasing companies for our operations. Resulting emissions are captured in our Scope 3 calculations (freight which includes air, sea, and road, and express). Additionally, we rely on local subcontractors for the pickup and delivery of express packages in certain markets – most notably India. We calculate our fuel consumption from the leased vehicles and from the owner operator vehicles.

Emissions (tCO2)	2019	2020	2021	2022	2023
Scope 1 <sup>[2]</sup>	56,769	59,334	64,414	63,268	55,314
Scope 2	42,501	39,326	31,008	23,643	27,337
Scope 3	651,747	628,684	573,836	502,210	441,682
• Freight	390,745	364,680	314,718	297,698	239,906
• Express	233,891	251,438	231,642	177,110	175,191
• Rail	-	0	78		-
• Commuting	26,522	12,430	27,236	27,236	26,310
• Business Travel	589	136	162	166	274
<b>Total Emissions</b>	<b>751,017</b>	<b>727,344</b>	<b>669,258</b>	<b>589,121</b>	<b>524,332</b>

Figure 8: Carbon Emission over 5 years

<sup>[1]</sup> Our Scope 3 emission reductions are dependent on the performance of our suppliers and the availability of low carbon/ alternative transportation, technologies, and fuel options in the markets and locations in which we operate

<sup>[2]</sup> Refrigerant emissions are not included in our Scope 1 calculation

**11% Reduction in total GHG Emissions since 2022**

We are pleased to share that our direct emissions were reduced by 11%, largely as a result of our environmental projects and investments. We also note a 14% reduction from our scope 3/ indirect emissions attributed to changes in routes and transportation modes, and efficiency enhancements done on behalf of our suppliers. These reductions are in line with our short-, medium-, and long-term commitments to reduce our carbon footprint.

**Year over Year Performance**

Year	2019	2020 New Baseline	2021	2022	2023
KgCo2e/ Shipment	7.50	5.7	5.1	4.8	4.2
Electricity (kwh)/ Shipment	0.65	0.50	0.41	0.35	0.41
Fuel/ Shipment	0.28	0.20	0.19	0.21	0.18
Electricity (kwh)	65,664,723	61,276,783	55,024,089	43,350,256	50,167,734
Fuel	22,854,060	24,267,172	25,715,644	25,438,603	22,362,950
<b>Total Emissions</b>	<b>751,017</b>	<b>727,344</b>	<b>669,258</b>	<b>589,121</b>	<b>524,332</b>

Figure 9: Emissions, Electricity and Fuel Data

Increase in electricity consumption is due to several factors, including new facilities, additional office and warehouse space, and enhancement in electricity usage measurement and reporting.

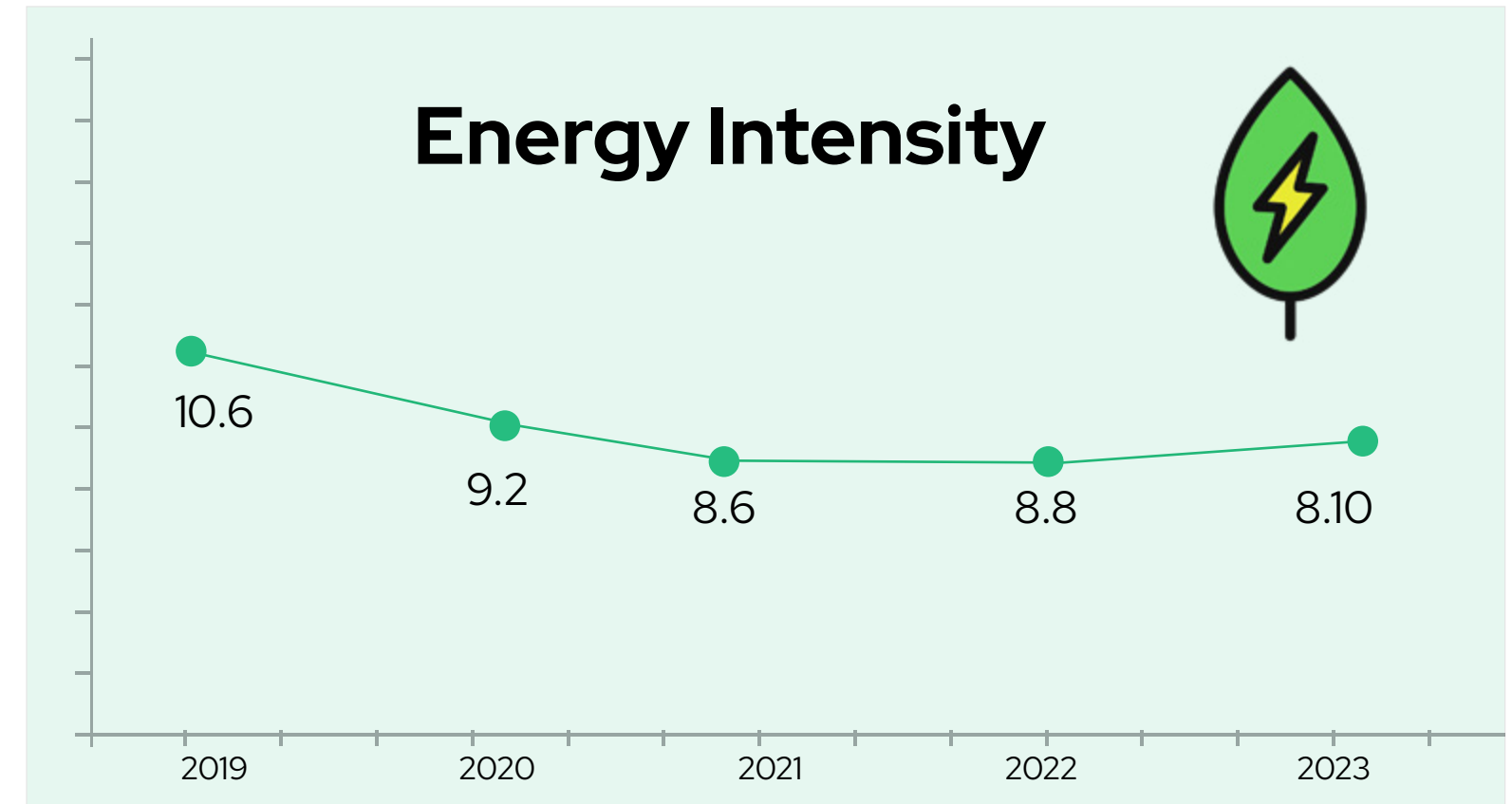
Fuel reduction is due to enhancement in route optimization, operational efficiency, fleet electrification, and introduction of LEVs. Detailed initiatives can be found on page 38.



**SOx and NOx for the last five years**

Year	SOx and NOx
2019	34,970
2020	33,146
2021	39,965
2022	38,182
2023	32,655

Figure 10: SOx and NOx



Overall, the energy intensity of our shipments has decreased this year, owing to enhancement in process and energy efficiency, such as our route optimization, investment in solar energy consumption, and fleet improvements. More details on our initiatives can be found on page 38.

Our asset-light model keeps us agile and enables us to adopt sustainable and environmentally friendly improvements when they become available. However, this also means that we often must rely on the estimates and data provided by our suppliers for our emissions that take place outside of our company boundaries resulting from our operations, mainly our Scope 3 emissions. We actively work with our suppliers and business partners to ensure and improve data completeness and accuracy. We are aware, however, that we face limitations in the availability of data from suppliers, and we are in a continual process to remedy this issue. The Aramex Sustainable procurement policy & Environment stewardship policy guides our approach in managing our environmental procedures internally as well as within our supply chain.