UNBOXING THE FUTURE

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2022 Aramex Annual Integrated Report

40
YEARS

We measure this time in commitment, energy and purpose.

When we look back at our history, we see the people who've made Aramex the giant it is today. Without this incredible workforce, who have demonstrated a relentless resolve in personifying our early mantra 'In the Middle East of it all', we would not be looking ahead with such confidence and determination. Because from humble beginnings as express wholesaler to global supply chain management and logistics partner, Aramex is now truly **unboxing the future.**

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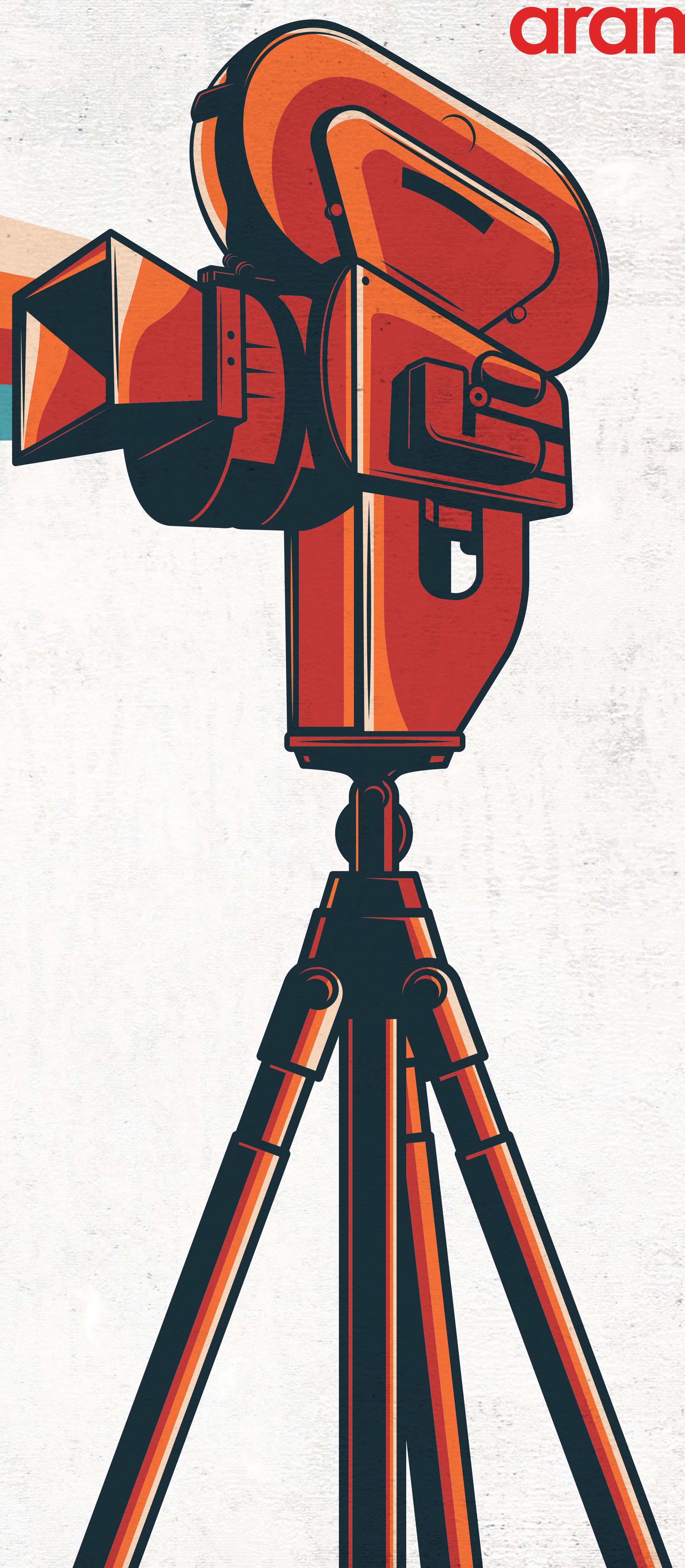

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GROUP CEO LETTER

Dear valued stakeholders,

Aramex has been changing the way we move goods globally and domestically for the past 40 years. And this has become more evident in recent years as we continue to play an important role in peoples' and businesses' daily lives. People are depending more heavily on us to purchase all types of goods and products with the increasing expectation of receiving them almost instantaneously. For businesses we are a strategic partner - our business provides their business with growth opportunities. In 2022, we moved products reliably while navigating challenging supply chains and providing a seamless, transparent, and trackable first-to-last mile experience.

Othman Aljeda
Chief Executive Officer

Aramex has been changing the way we move goods globally and domestically for the past 40 years. And this has become more evident in recent years as we continue to play an important role in peoples' and businesses' daily lives.

Our success is owed to our laser-sharp focus on customer service excellence. We invested in front and back-end technology to boost our operations and customer interface. We expanded geographically to reach more cities and more remote locations. We automated our operations so that there is a seamless ebb and flow of packages moving from the first to the last mile efficiently and at reduced costs. We also invested in our people by upskilling them and hiring the right talent that can help us deliver on our promise to our customers. We did all that while also delivering value to our shareholders, being an active corporate citizen and further embedding sustainability into our core operations and caring for the health of our planet.

40

Our Forte

Our commitment to our people is the one constant over our 40 years of operations. Since our founding, we knew that the formula to success lies with the people. Innovative ideas, solutions, and good customer service can only come from an energized, connected, and motivated workforce. And that is why we dedicated 2022 to celebrating our accomplishments over the past four decades and building more meaningful ties with our 16,000+ global and diverse workforce. Feeling connected to the Aramex brand and its values is how we build a global company that can better drive our vision - to deliver what our customers value most everywhere, on time, every time. I am very proud to lead a team of passionate, hardworking, and entrepreneurial Aramexians, and I look forward to celebrating more moments – big or small – in the coming years with them.

Our Performance

For the Full Year 2022, our top line was relatively unchanged from the previous year at AED 5.9 billion. However, the makeup of our revenue has changed. We are seeing greater contribution from our B2B offering, specifically Freight-Forwarding. Collectively the B2B segment, which includes Freight-Forwarding and Logistics & Supply Chain Solutions, made up 36% of our revenue in 2022, compared to 29% in 2021.

We also have less customer concentration risk, with no single customer making up more than 7% of our revenue. Our more balanced and diversified top line will serve us well as we enter a period of global economic tepid growth and as we continue to capitalize on growth opportunities in our home markets, specifically GCC and other MENAT countries.

Normalized Net Profit for the Full Year was up 9% YoY to AED 173 Million

In October 2022 we concluded the acquisition of MyUS, a global technology-driven platform that enables cross-border e-commerce, and our largest acquisition to date. A profitable business with superior cash conversion, MyUS complements Aramex's Shop & Ship offering and expands coverage of new destinations.

Our profitability margins have held firm despite an inflationary cost environment, with Normalized[1] Gross Profit Margin and EBITDA Margin for Full Year 2022 at 24% and 11% respectively. Importantly, we stabilized our Group SG&A which means we have a leaner organization that is more cost efficient, agile, and ready to sustain future growth.

Normalized Net Profit for the Full Year was up 9% YoY to AED 173 million compared to Normalized[2] Net Profit of AED 158 million in Full Year 2021. This is predominantly attributed to the realization of cost and operating efficiency enhancements in our business as well as the strong contribution of our Freight-Forwarding business to the topline and bottom line.

The booming GCC economies contributed to our performance in 2022. We benefitted from improving consumer sentiment in that region as well as an increase in business activity, predominately driven by the oil and gas and other industrial and manufacturing sectors. The Purchasing Managers Index (PMI) readings for all GCC economies pointed to expansionary business conditions, while consumer spending has also increased, especially through online channels. According to Saudi Central Bank statistics, the number of e-commerce transactions in KSA in 2022 was almost double compared to 2021 and more than tripled compared to 2020, demonstrating the boom in online shopping. In the UAE, the e-commerce market has been performing exceptionally and is expected to reach USD 9.2 billion in 2026 according to analysis by the Dubai Chamber of Commerce, with mobile retail sales expected to record a CAGR of 15.6% over the 2022-2026 period to reach USD 4.6 billion.

In terms of sectors, e-commerce and industrials remain our key growth drivers and will continue to fuel our long-term growth. Other industry verticals were also strong contributors to our performance including retail, healthcare, and SMEs.

Our Champion

The Express products have been our bread and butter since 1982 and continue to be the top contributor to our business and financial performance. While we have seen some softness in volumes compared to 2021, however, we are encouraged by the still relatively high volumes on both the International and Domestic front.
This year our focus in the Express products was two-fold: optimize and digitize our operations and improve our offering and customer interface. On the optimization and digitization front, we adopted a fleet management platform to help optimize our fleet performance, we also continued the rollout of the semi-automated hubs initiative as well as digitizing storage methods. We invested in our IT and data systems, leveraging AI to help us better manage busy seasons and optimize routes.

We are also very excited about the successful testing of the drone and roadside bot deliveries conducted in Dubai and Oman. This is part of our "Future Delivery Program" aimed at enhancing last-mile logistics using smarter, greener and faster shipping solutions. Our collective efforts helped us realize more efficiencies for these products and translated to a 10% improvement in the productivity of our Champion couriers for average daily pick-ups and drop-offs while 96% of our customer care cases in the fourth quarter 2022 were handled by our new chatbots. We expect to continue benefitting from those performance enhancement and digitization measures over the mid to long term.

In response to customer trends, in 2022 we launched new products including premium services in the GCC with faster delivery times. We also introduced new solutions including paperless returns and e-commerce fulfilment solutions. We have doubled our PUDO network in the GCC in 2022 vs 2021.

Our ability to further deliver on our growth ambitions this year was enabled by our strategic shareholder GeoPost / DPDgroup. More specifically, the relationship with Europe's largest parcel delivery network, GeoPost / DPDgroup, has helped us add more trade lanes to our network, including Italy, France, Germany, Netherlands, and Czech Republic.

In the last two and half months of the year, the International Express product benefitted from the MyUS combination. So far, we are pleased with the results, and we look forward to unlocking further value for our business, customers and shareholders from this acquisition over the long-term realizing revenue and cost synergies.

Our Rising Stars

The Freight-Forwarding and Logistics & Supply Chain Solutions products performance was strong throughout the year. The Freight-Forwarding business witnessed a 27% YoY increase in revenue to AED 1.7 billion with Gross Profit Margin coming in at 14%, a 2-percentage point improvement from 2021 predominately driven by an increase in air and land freight volumes throughout the year. The Logistics & Supply Chain Solutions has also benefitted from our focus on cost optimization and driving quality earnings, with the gross profit margin jumping to 15% in 2022 from 10% in 2021.

[1] Normalizations for 2022 include financials results generated by MyUS following the acquisition; costs and fees related to the acquisition of MyUS and other extraordinary items mostly associated with the logistics product.

[2] For 2021, normalizations include the gain from the sale of InfoFort and other extraordinary items. This normalization provides a like-for-like comparison for the reporting periods Q4 & FY 2022 to Q4 and FY 2021.

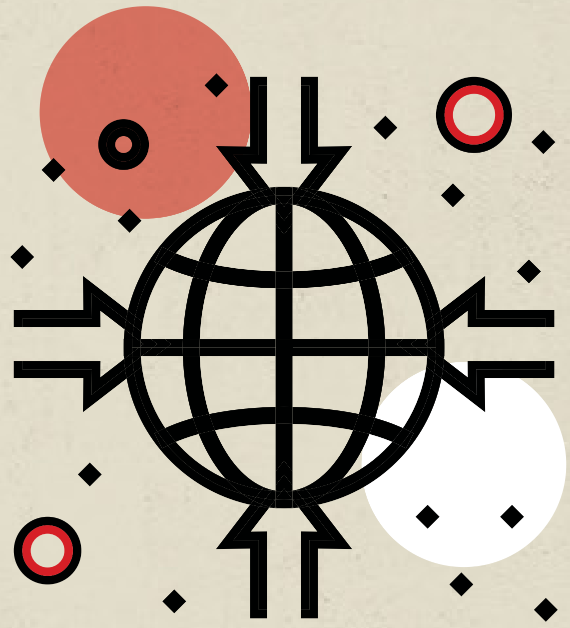
Today, 53% of the Group revenue originates from our home markets in the GCC and other MENAT countries.

The strategic investment in scaling this business has paid off. Over the course of the year we won new customers, expanded into high-growth potential verticals including SMEs, and gained significant market share across major industry verticals such as industrials, retail and healthcare. We also increased our warehousing space in key markets to more than 800,000 sqm across owned, managed and leased warehouses. We also invested in automating several facilities in key markets to increase efficiency. Importantly, we focused on quality revenue to help us drive quality earnings.

Our success is owed to our expertise, operational capabilities, and customer-oriented approach underpinned by superior digital solutions and a knowledgeable workforce. We know that while our customers value a seamless experience, transparency and real-time monitoring of their shipments, we believe that it is our personalized and tailored approach that has enabled us to grow our customer base in our home markets, especially in UAE and Saudi Arabia. As mentioned at the start of this letter, we are moving from being a service provider to valued strategic partner.

Our Global Appeal
40 years ago, when we first started operations, we were connecting the Middle East to the United States, and we were focused on a niche customer base. Today, we have a global network that reaches over 70 countries and territories, and we operate on major international trade lanes. With a clear strategic roadmap for growth, we are seeking to further connect the world and facilitate global trade.

In 2022, our global appeal expanded beyond geographic territories. We became the first UAE onshore, DFM-listed company to allow 100% foreign investor ownership of our listed shares. The decision to remove the foreign ownership limit on our shares is in line with our global growth ambitions and commitment to unlock greater value for all shareholders, and was enabled by the landmark UAE Commercial Companies reform. As a constituent of the FTSE Emerging Market Index, the FTSE4Good Index and the MSCI Small Cap Emerging Market Index, we witnessed an increase of the stock's weight in these indices, followed by an increase in passive money flows during 2022.



Our Impact
Sustainability and Environmental, Social, and Governance (ESG) have been part of our DNA for forty years – since we started to scale our operations in Jordan and beyond. From early on, we recognized the need to build a business based on sustainable practices, to create value and positive impact in our communities. This continues to be embedded in our day-to-day business practices and efforts across our network.

On the Environmental front, we are proactively taking steps to measure, manage and mitigate the impact our business has on the environment. To support us in achieving our Science Based Targets Initiative (SBTi) targets, which we have committed to since 2021, we are undergoing a climate risk assessment conducted by a third party, which will provide us with a comprehensive plan for managing our environmental and climate impacts, further solidifying our commitments to mitigate our emissions. This will help us achieve the measured SBTi at 1.5 degrees Celsius for both scope 1 and scope 2 emissions, and 2-degrees Celsius for scope 3[3] emissions by 2030. We are confident in our ability to deliver on those commitments and have been shifting to different environmentally friendly technologies – such as including electric vehicles as part of our fleet in Amman - Jordan, and exploring and testing drone and roadside robotic delivery services– as well as investing in renewable energy to achieve our targets with zero compromise on customer expectations and quality of service.

On the Social front, in 2022, we continued to build on our partnerships with local and international community and youth organizations as part of our "Delivering Good" Program and our sustainability strategy. This year we focused on enhancing our social partnerships and investment model to support our commitment and contribution to our sustainability pillars; Education and Youth Empowerment and Entrepreneurship. We also continued to strengthen our existing partnerships and supporting our extensive base of beneficiaries and organizations to ensure that we build sustainable and transformative projects and programs in close collaboration with our stakeholders and communities. In doing so, this will help us achieve our goal of increasing the number of beneficiaries by 5% every year. In addition to our social projects, we are committed to leveraging our operations and capabilities to respond to emergencies and provide community relief when needed and possible.

To strengthen the Governance of our sustainability strategy, we continually conduct training on human and labor rights, along with our compliance and code of conduct training. We are proud to receive the Dubai Chamber SMART CSR Label for 2022, which is the first CSR Label in the region that builds on international sustainability and responsible business standards, while considering local relevance and context.

Our Long-term Focus
Looking ahead, our 5-year business strategy provides us with a clear roadmap to grow our business and deliver long term value for all our stakeholders. We have earmarked AED 2.4 billion in capital expenditure over the next five years to sustain our organic growth plans for our four product lines.

We want to boost volume capacity, increase activity along key trade lanes, and scale the Logistics & Supply Chain Solutions product by doubling our specialist warehousing space by 2027. We also want to hire more talent to focus on further building our competencies in the Freight-Forwarding business. We aim to further expand and diversify our customer base by focusing on high growth industry verticals such as e-commerce, SMEs, retail and industrials.

To remain lean and green, we will invest in technology that will lower our emissions, increase our efficiencies and enhance our superior customer service levels. We also have several M&A opportunities in the pipeline, as inorganic growth remains a key component of our growth strategy. We have a strong balance sheet and are well prepared to execute on these opportunities.

Today, 53% of the Group revenue originates from our home markets in the GCC and other MENAT countries. With the projected continued strong economic growth in the region, driven in large part by pro-growth and pro-trade government initiatives as well as buoyant consumer sentiment, we are optimistic in our ability to further increase our market leadership position across our four products.

We have a very busy five years ahead, but we are ready to deliver on our growth plans and unlock greater value for all our stakeholders.

I would like to thank our Board of Directors for their ongoing support and guidance; and thank you, our shareholders, for your trust in the Aramex brand. I would also like to thank my team and all Aramexians for their valuable contributions to the business, and our partners and customers for their support.

Sincerely,

Othman Aljeda
Group CEO
Aramex

[3] Scope 3 is highly dependent on our suppliers' CO_2 reduction efforts

Since its foundation 40 years ago, Aramex has grown to become a global leader in the logistics and transportation industry, recognized for its customized and innovative services for businesses and consumers.

INTRODUCTION

UNBOXING THE FUTURE

ABOUT ARAMEX

We live in an era where technology transforms and influences our daily lives more than ever before.

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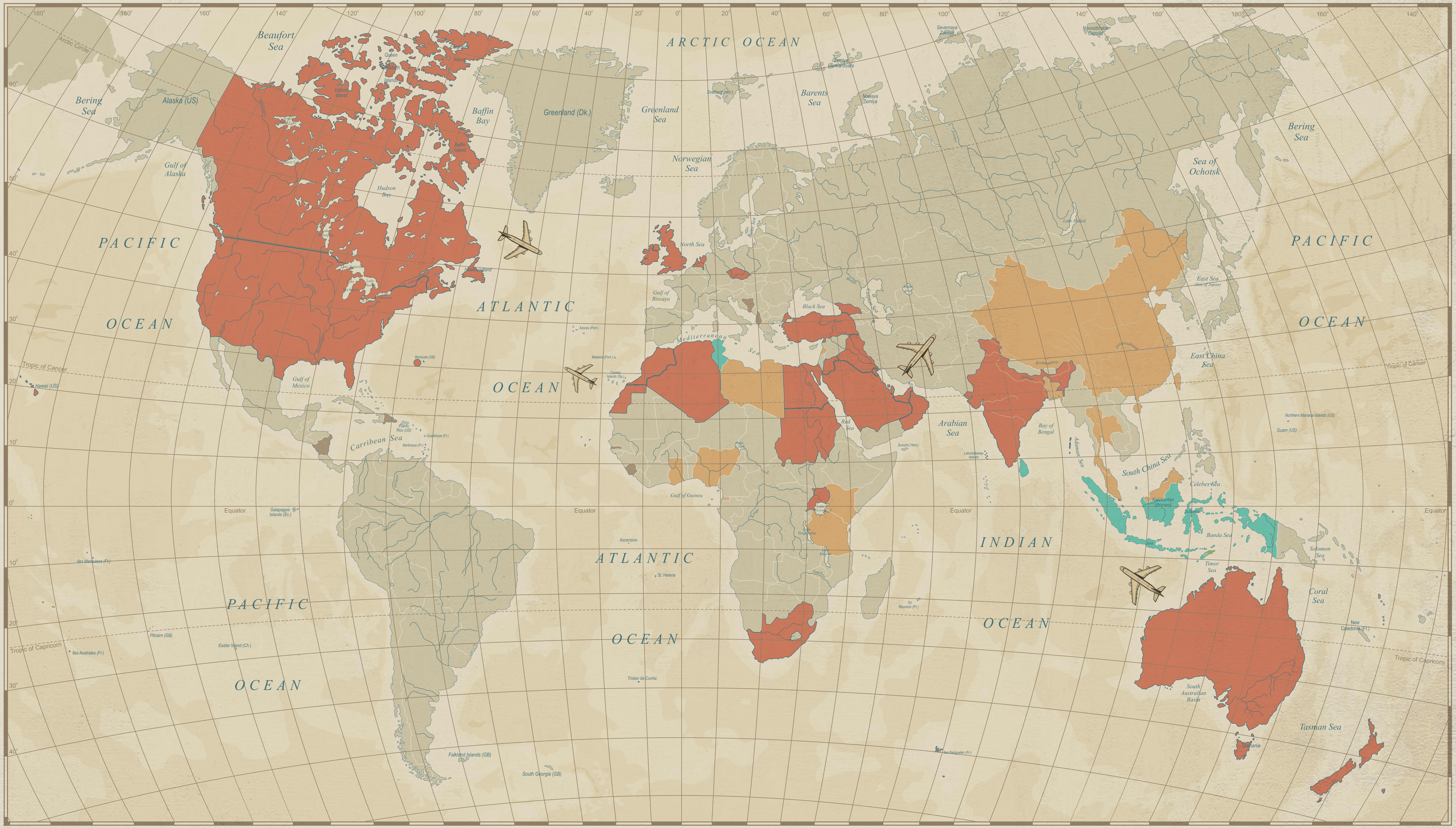

Aramex stations

Joint ventures

Aramex stations / Joint ventures

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We currently have business operations in **600+** cities across more than **70** countries worldwide and employ over **16,000** professionals.

Since its foundation 40 years ago, Aramex has grown to become a global leader in the logistics and transportation industry, recognized for its customized and innovative services for businesses and consumers.

Listed on the Dubai Financial Market (DFM) and headquartered in the UAE, our location bridges the path between East and West, enabling our reach to more customers with the provision of effective and innovative logistics solutions worldwide.

We currently have business operations in 600+ cities across more than 70 countries worldwide and employ over 16,000 professionals. Aramex operates through four well-defined business products which offer scale, diversification and an end-to-end service offering for customers, and also support the Company's efforts to capture greater global market share within both the B2C and B2B customer segments. These products are:

1. International Express, which includes Aramex's Parcel Forwarding Business (Shop & Ship and MyUS).
2. Domestic Express
3. Freight-Forwarding
4. Logistics & Supply Chain Solutions.

Aramex's Vision is to "Deliver what our customers value most everywhere, on time, every time!", and its Mission is to "Connect people & businesses, reliably & responsibly".

Sustainability is core to achieving our vision and mission. We believe that in order to grow a truly sustainable business, it is crucial that we utilize our main competencies to enhance our positive impact as active citizens in the communities in which we operate. This is how we create and preserve value for all our stakeholders, ensuring that we safeguard and develop our Human, Social and Relationship Capitals, leverage our Intellectual, Manufactured, and Financial Capitals, and safeguard our Natural Capital. Sustainability is not only something we do, it is who Aramex is.

Our "Delivering Good" sustainability platform is active in over 100 projects worldwide across three well-defined key themes (1) Education and Youth Empowerment, (2) Entrepreneurship, and (3) Environment. Therefore, we continue to partner with international and local organizations dedicated to similar causes to reach more beneficiaries every year through targeted programs and initiatives.

As part of our efforts to protect the environment and mitigate climate change risks, we signed up for the globally renowned Science Based Targets initiative (SBTi), to further accelerate our climate action goals toward achieving Carbon-Neutrality by 2030 and Net-Zero by 2050.

We live in an era where technology transforms and influences our daily lives more than ever before; as a result, we continue to strategically leverage the latest technologies for higher operational efficiencies, to satisfy customers' evolving needs and to deliver maximum value to all our stakeholders.

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OUR SERVICES

Aramex has four well-defined business products which offer scale, diversification and an end-to-end service offering for the B2B and B2C customers.

International Express

The International Express product, which includes Aramex's Parcel Forwarding Business (Shop & Ship and the recently acquired business MyUS), provides cross-border door-to-door shipping and delivery solutions for time-sensitive documents and packages to customers across all business sectors. We offer a range of international express solutions to suit customer needs in terms of cost and speed, automatic delivery notifications, real-time online tracking updates, as well as a variety of import, export, and customs clearance services. While we operate globally, our key trading lanes are US, Europe and China into GCC and wider MEA region as well as intra GCC trading lanes.

In 2022, we continued to build on our strategic partnership and collaboration with DPDgroup's network across Europe through direct injection into key European countries, serving our B2B and B2C customers with optimized last-mile delivery rates. We also upgraded our facility in the Czech Republic to serve as a hub for certain European countries.

In response to market needs, we rolled out a new premium service from certain key origins and intra-GCC, offering a time-definite express delivery service to customers. Moreover, additional Australian gateways have been enabled from different network hubs, improving the service provision to Australian cities.

An enhanced and well-structured setup for Import Express services has been rolled out across key stations in the United States, China, India, and Europe into the Middle East, to further improve the service levels and generate more revenue streams.

In October 2022, we finalized the acquisition of MyUS– our largest acquisition to date, expanding Aramex's cross-border operations, complementing our Shop & Ship solution, while capitalizing on the attractive growth opportunities in the fast-growing global e-commerce sector. MyUS provides a subscription-based service that allows global consumers to shop from US, UK and China-based websites. This acquisition considerably expands the coverage of new destinations and complements Aramex's position for Middle East flows.

To further support the growth of Shop & Ship, we launched new origins in Africa and Southeast Asia, and added multiple new destinations to the existing network. We plan to continue to introduce more origins into the S&S network, solidifying our position as a truly global delivery platform for online shoppers.

Shop & Ship facilitates global online shopping by providing customers with a PO box in **34 countries** across the world, offering them a seamless online shopping and shipping experience. It has two subscription plans (1) Basic Lifetime membership, which gives lifetime access to convenient online shopping with competitive shipping rates; and (2) FLEX, an annual membership offering additional benefits like lower shipping rates calculated per 100 grams.

Domestic Express

Domestic Express provides nationwide door-to-door deliveries for parcels and packages, with options of same-day or next-business-day deliveries, cash-on-delivery as well as package collection and returns services.

In 2022, we focused our efforts on improving cost and operational efficiencies through more modernized core systems and infrastructure, enhanced capacity planning, warehouse automation, AI solutions across the entire value chain, and enhancing our sortation systems in different countries, including Egypt, Lebanon, Oman, and Morocco, with plans to extend this optimization in 2023.

We also invested in scaling up our presence across the GCC to increase last-mile operational efficiency by expanding our network of Pick-Up and Drop-Off (PUDO) locations. We added new micro hubs in the GCC and continued to utilize Aramex FLEET, a crowd-based delivery platform that connects individuals to flexible employment opportunities and working hours in last-mile delivery. To read more about how micro hubs are increasing our efficiency, please refer to page 34.

This year, we successfully completed the pilot phase of our drone delivery in Muscat, Oman. The drone testing is part of Aramex's "Future Delivery Program," aimed at leveraging the next generation of last-mile delivery solutions, including drones and autonomous vehicles, to boost delivery efficiencies, improve customer satisfaction, and generate cost savings in last-mile delivery.

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Freight-Forwarding

Throughout 2022, Aramex strengthened its Freight-Forwarding business with more competencies and specialism across operations and sales, as well as better systems to support the growth of this product.

Aramex was also focused on strategically investing in expanding operations and boosting capabilities by capitalizing on verticals where the Company has a dominant position, while adopting a solutions-oriented customer approach to attract new customers. The Freight-Forwarding business delivered outstanding growth across the board, driven by strong demand from industrials and other high-growth verticals such as retail and SME businesses across Aramex's network.

Air Freight: Aramex's worldwide Air Freight network offers a range of rapid and cost-effective delivery solutions to match customers' business needs. We ensure complete door-to-door transportation and smooth customs clearance from the moment the order is placed to when it reaches its final destination.

With an asset light operating model for the Air Freight product, in 2022, we further built our strategic partnerships with all leading commercial airlines and expanded our space agreements and rate advantage with the main airlines serving our core markets. In addition, we invested in expanding our presence in air chartering as a response to the high demand from our industrial accounts. We continued to work aggressively towards achieving our consolidation programs on major trade lanes.

Land Freight: Aramex operates one of the largest and most advanced land freight networks in the MENA region, UK, and Ireland, made up of modern fleets equipped with GPS-tracking technology. Our diversified Less than Truck Load shipping (LTL) and Full Truck Load shipping (FTL) solutions, coupled with strategically placed hubs, result in time-definite and reliable transportation for our customers.

In 2022, we increased our capacity all over the GCC as a response to the increased peak season volumes. We also worked on improving our costing model to ensure our dominance and leadership in the GCC LTL market. We also implemented several sustainable initiatives in collaboration with local authorities, such as introducing double-tail trucks movement across the GCC and evaluating the introduction of autonomous and electric trucks to our land freight fleet where regulations allow.

Sea Freight: Supported by our global network, highly skilled team of experts, and fully equipped technology systems, we cover key shipping lines and trade routes worldwide. We are dedicated to fully managing our customers' cargo throughout the entire shipping process, from collection, through to customs to final delivery.

In 2022, we continued to invest in expanding our presence and leveraging our deep expertise and knowledge in sea chartering due to high demand from our industrial accounts for specialized solutions. We enhanced our consolidation program, where we move containers from major origins to the GCC, a project that we will continue to enhance and upgrade in 2023. We also partnered with new specialized sea freight operators in major countries to further enhance our sea freight offering and take the service to the next level. In addition, we advanced our discussions with major carriers to build on our long-standing partnerships and upgrade the services we offer our customers.

Aramex's Freight-Forwarding product includes Air Freight, Land Freight, and Sea Freight, serving a customer base across multiple industries and verticals.

Logistics and Supply Chain Solutions

The total warehousing footprint reached **more than 800,000 square** meters **in 2022**

Aramex offers tailor-made logistics services to its clients through its globally standardized solutions in warehousing, distribution, and value-added services. Our end-to-end logistics solutions ensure the efficient transfer, storage, and distribution of products, and transparency throughout the supply chain - from the moment our customer's inventory leaves their suppliers or factories, to the point it reaches retailers or end-users. Our logistics centers are strategically located in key areas across the GCC, Middle East, North Africa, South and West Africa, Western Europe, and Asia. Powered by cutting-edge technology, we ensure high-quality standards of operation and security of the facilities.

We offer pick and pack, storage, e-commerce fulfillment, returns management and spare parts management, and many more.

We have a strong portfolio of services offering best-in-class warehousing solutions to several industries which include retail, e-commerce, industrial, energy, and many others. Our services tailored to the retail and e-commerce industries have seen the highest growth, which benefited from synergies between our warehousing and last-mile solutions, followed by our industrial segment, which offers a one-stop-shop to our clients for freight forwarding, warehousing, customs, and last-mile.

The total warehousing footprint reached more than 800,000 square meters in 2022.

Throughout the year, we continued to invest in expanding our footprint mainly in KSA, UAE, India, the United States, and Singapore. We also expanded this year to the United States with the first facility in Houston, Texas. In the GCC, we grew our 4PL facility management operations to 24 sites. We are expanding four logistics services in KSA and Egypt by setting up two new large new best-in-class warehouses. Equipped with thousands of shelf storage locations, packing stations, conveyor belts, and high-security standards, we differentiate ourselves in the quality of our infrastructure.

Technology has always been a key enabler in delivering service excellence; therefore, we have continued rolling out our best-in-market cloud-based warehouse management system (INFOR) globally to all our warehouse facilities. In parallel, Aramex is deploying Radio-Frequency Identification (RFID) and voice-picking technology in key areas around its network to boost productivity and enhance the customer experience.

About Our Integrated Report

It is our pleasure to share with you, our stakeholders, our integrated sustainability report.

This is our 13th integrated report and the 17th year in which we report on our sustainability and corporate activities. The report is the culmination of rigorous monitoring and evaluation of our activities across the entirety of our operations, business units, and sustainability efforts. In line with our vision, we embed integrated thinking into our operations, management, and decision-making across all levels, including our reporting. As such, we aim to create and preserve value while working towards our mission.

This report covers our financials, operational, and ESG (Environmental, Social, and Governance) activities and progress, along with our Green House Gas (GHG) emissions footprint for 2022 from January 1st to December 31st, it follows our 2021 report.

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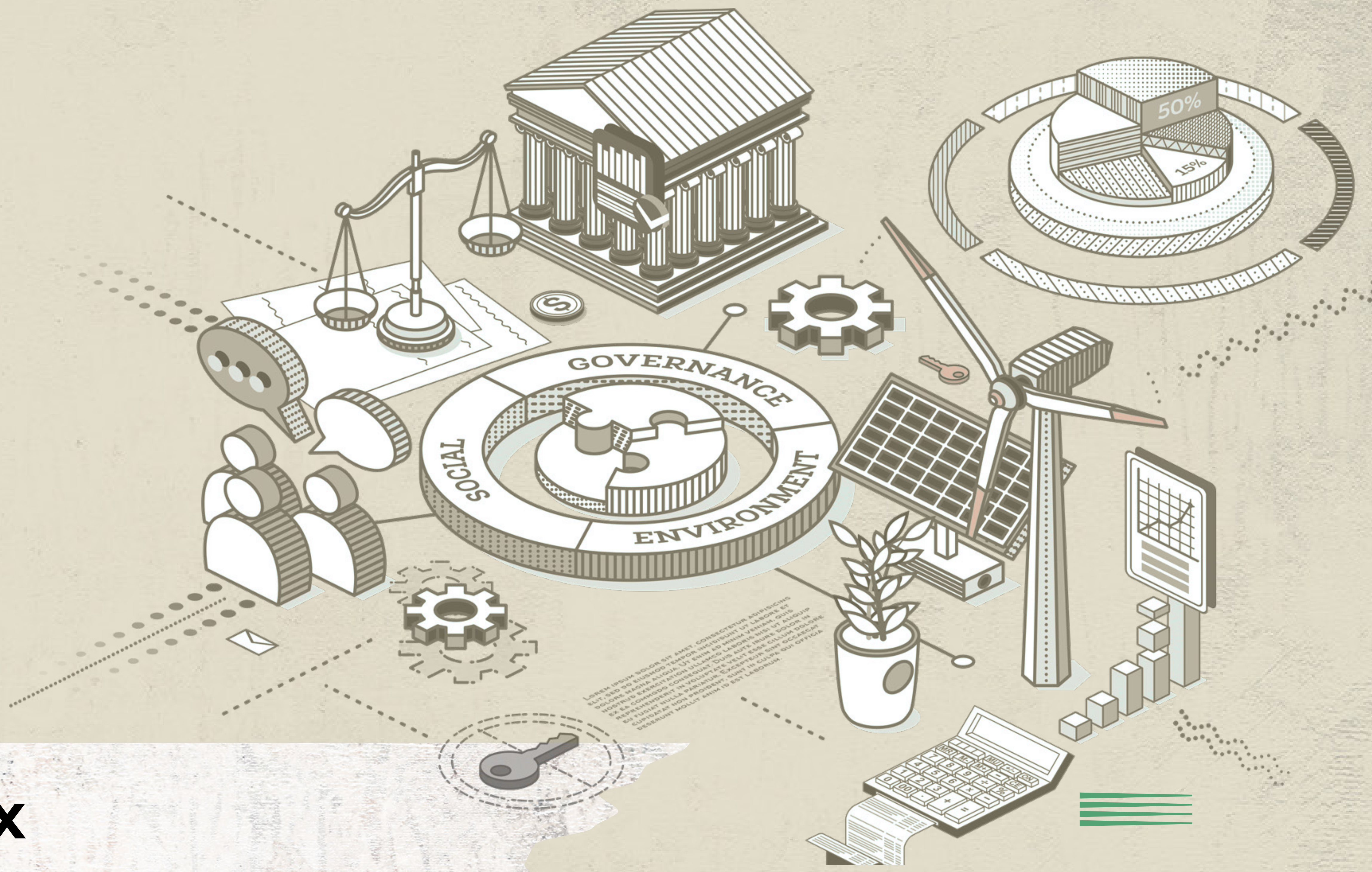
Sustainability coverage map

Sustainability at Aramex

ESG



What is ESG and Why is it Important for Aramex

Environment
Covering metrics and issues related to our impact on the natural world. Related to flows and value creation and preservation related to our Natural Capital. Our Environmental Stewardship activities minimize and mitigate our carbon footprint and proactively optimize our operations toward green energy and efficiency.

Social
Our people-related impacts are relevant to our Human and Social and Relationship Capitals and their flows. We approach social engagement and impact through grassroots and global partnerships and leverage local human capital to create value for customers and enhance our impact.

Governance
Covers our decision making, policies, and procedures, our compliance, and operational controls. Relevant across all six capitals to create and preserve value sustainably and responsibly. We work towards good governance through robust risk and compliance measures and policies across our operations.

This approach allows us to center sustainability and forward thinking across our work, and focus on innovation and competitiveness, while proactively managing risks and seizing opportunities effectively, to improve our resiliency to long-term, industry material environmental, social and governance (ESG) risks.

Defining Sustainability

Sustainability the Aramex way involves a proactive, integrated, and stakeholder-centric approach to ESG and value creation across our six Capitals keeping in mind our global footprint and impact within our communities. We strive to nurture our Human and Social and Relationship Capitals, develop our Intellectual Capitals, and leverage our Manufactured and Financial Capitals while striving to safeguard our Natural Capitals..

Management Approach to Sustainability

We apply a stakeholder-centric approach to determining our material issues, both in terms of financial and business materiality as well as impact materiality and the intersections within the two. Through engaging with our internal and external stakeholders, assessing best practices, reporting standards, and industry norms, and considering our strategic direction, our approach ensures we are responsive and proactive in continually and comprehensively monitoring, measuring, and evaluating our capital flows, practices, procedures, and impacts. This enables a holistic approach in tackling sustainability opportunities and challenges to create, preserve, and deliver value. For more details on our management approach please refer to pages 115-116.

Our Approach to Materiality Determination

We consider the concept of double materiality in our reporting, as such, our integrated reports include financial and non-financial performance, opportunities, outcomes, risks, and impacts. We assess, evaluate, and report on material financial and nonfinancial topics that relate to our business activities, involve our key stakeholder groups, and have a significant impact on our ability to sustainably create and preserve value, maintain a positive flow among our interrelated capitals, and reduce the erosion of value and related negative impacts.

Stakeholder engagement and consultation

▽

Identification of issues that have an impact on our operations, sustainability, and our ability to create and preserve value for our stakeholders and mitigate relevant risks and negative impacts.

▽

Inform our strategy based on material matters, our six capitals, and financial and non-financial targets.

▽

Continually evaluate our efforts, progress, and operations to ensure alignment with our strategic goals and targets.

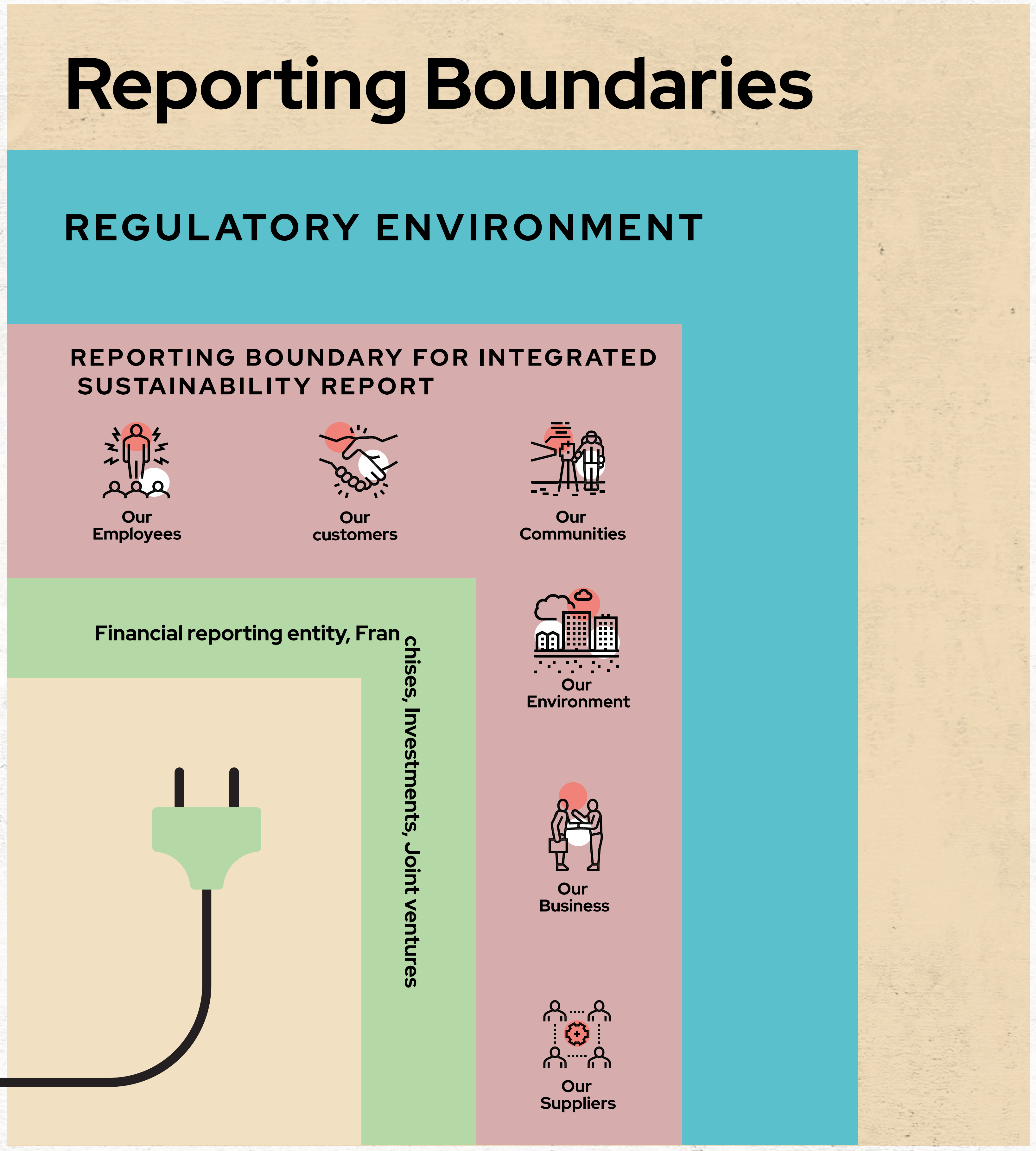
Responsible Business and the Precautionary Principle

Being a responsible and sustainable business means being proactive in mitigating any negative impacts, therefore we apply the precautionary approach in mitigating negative environmental damage that may result from any of our business activities.

We are committed to taking proactive and early action to safeguard our environment, especially in mitigating the impacts of climate change which is challenging as an asset light company with significant implications from our supply chain specifically related to scope 3, which puts a great challenge on us to meet our targets as a significant proportion of them falls outside our control.

However, our application of the precautionary principle extends beyond the environment and refers to our approach to the proactive management of health and safety matters, preservation of human rights and upholding labor rights, anti-corruption, and our code of conduct.

Throughout this report, we highlight how we apply the precautionary principle within different areas of our business through a multitude of policies, controls, and procedures. For more information, refer to our environmental, social, and governance sections.



Using Integrated Thinking for Sustainability and Business Goals

As part of our sustainability, we utilize and advocate for the use of integrated thinking within Aramex which engrains the discipline of making a deliberate and coordinated effort of connecting the organization's strategy, governance, performance, and opportunities.

As such, this perspective not only meets our sustainability strategic interests, but also allows for the proactive consideration of the relationships between our different operations and functional units to create value in the financial, social, and environmental realms over the short, medium, and long term. Building on this approach allows us to improve decision-making, accountability, and communication. It is therefore essential to the development and implementation of strategy through collaboration towards common goals and provides a valuable connection to shareholders, business clients, and critical stakeholders.

The role of the sustainability function is to engage and integrate efforts based on vision, research, and development to facilitate projects that are integrated into operational and sustainability goals.

Entities and boundaries included in our financial reporting

Aspects and boundaries included in our integrated sustainability report

The regulatory environment and boundaries in which we operate

Navigating Our Report

Our integrated report follows several International Standards to ensure that our stakeholders can comprehensively obtain information about our business operations, sustainability efforts, and governance.

The International Integrated Reporting <IIR> Framework

United Nation Global Compact (UNGC)

Sustainable Development Goals (SDGs)

International Financial Reporting Standards (IFRS) of the International Accounting Standards Board (IASB) and are reported in line with the regulatory requirements of the Securities and commodities Authority (SCA) of the United Arab Emirates

We also report in accordance to:

- SASB
- TCFD and CDP
- AA1000
- SA8000

Global Reporting Initiative (GRI) Sustainability Reporting Standards

Our report is in line with the GRI standards, and therefore, we report on several material topics using disclosures spanning Economic, Environmental, and Social concerns listed in our materiality matrix on page 114. Since we report on GRI in accordance options, the disclosures related to our material topics can be found highlighted with the GRI Index on page 117.

International Integrated Reporting Framework (IIR)

We aim to report in line with the International Integrated Reporting Council (IIRC) Framework, led by the IFRS Foundation, underscoring the flow and value creating activities as they relate to our Six Capitals, defined below. Throughout this report, you will find the below icons referring to respective capitals in action in the relevant sections.

Capital Icon	Definition
Financial	The pool of funds that is available for us to use in the production of goods and services, obtained through financing or generated through operations and/ or investments.
Manufactured	Manufactured physical objects that are available for our use in the provision of our services, including buildings, vehicles, equipment, infra-structure (owned or used by Aramex).
Intellectual	Our organizational and tacit knowledge, systems, procedures, and protocols. Brand value and reputation.
Human	The competencies, capabilities, and experience, as well as training and innovation of our people. The alignment with and support for our governance framework, as well as our risk management approach and ethical values. Our recognition of human rights. This includes the ability to implement our strategy, and the motivations of our people to improve our services along with their ability to lead, manage, and collaborate in delivering value to stakeholders.
Social and Relationship	Key partnerships and relationships established with the community, stakeholders, and other relevant networks with the goal to improve well-being and share information. This includes our culture and values that strive to build and protect customers, employees, suppliers, partners, community members, and other stakeholders.
Natural	All renewable and non-renewable environmental resources that provide goods and services supporting current and future prosperity.

United Nations Global Compact

We report on our adherence to and efforts towards the United Nations Global Compact Principles and have been signatories to the compact since 2007. You can find information on each corresponding principle in the sections indicated.

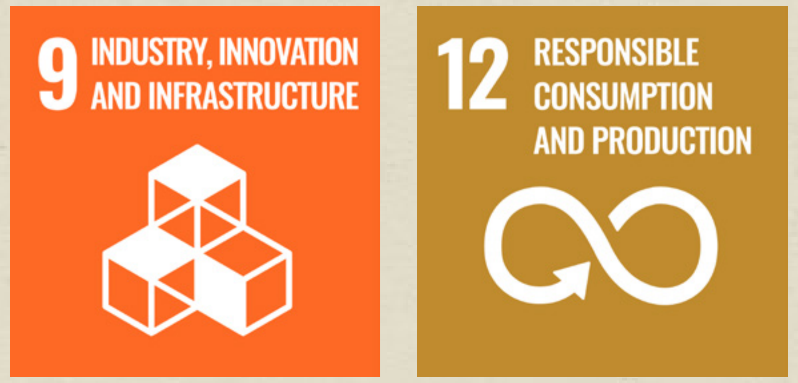
Principle	Title	Section
Principle 1	Businesses should support and respect the protection of internationally proclaimed human rights	• Risk and Compliance
Principle 2	Make sure that they are not complicit in human rights abuses.	• Risk and Compliance
Principle 3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;	• Our people/ Annex
Principle 4	The elimination of all forms of forced and compulsory labour	• Risk and Compliance
Principle 5	The effective abolition of child labour	• Risk and Compliance
Principle 6	The elimination of discrimination in respect of employment and occupation.	• Our people • Risk and Compliance
Principle 7	Businesses should support a precautionary approach to environmental challenges	• Sustainability at Aramex • Environment
Principle 8	Undertake initiatives to promote greater environmental responsibility	• Environment
Principle 9	Encourage the development and diffusion of environmentally friendly technologies	• Environment
Principle 10	Businesses should work against corruption in all its forms, including extortion and bribery	• Risk and Compliance

Sustainable Development Goals

Aramex continues its efforts towards the achievement of the United Nations Sustainable Development Goals and touches on all SDGs whether directly or indirectly through our operations and impact on all stakeholders. Our sustainability efforts involve a strategic approach to the SDGs, especially Goals 1, 4, 5, 8, 9, 12, 13, and 17, while also contributing to others. This is a non-binding and voluntary initiative taken on Aramex's behalf is driven by our belief in the value of this work.

Strategic focus and material

Business responsibility



Impact

aramex

01 RESOURCE INPUTS

Financial

Total Assets:
AED 6,093 Million

Total Revenues:
AED 5,926 Million

Maintaining a strong Financial Capital

Geographical Presence

Maintaining a strong global network and operational base to serve our diverse customer base

Technology & Innovation

Conducting research and development as well as Strategic technology investments to leverage our Intellectual Capital and build innovative solutions

People

Applying a holistic approach to our Human Capital and managing our +16,000 employees who represent over 95 nationalities

Investing in employee learning and development

Corporate Citizenship

Engaging with our communities through partnerships across our 3 sustainability pillars

Natural

Safeguarding our Natural Capital through 5 renewable energy projects, recycling programs, enhancing efficiency and route optimization, and 39 ISO14001 certified facilities

Mission:
Connect people& businesses, reliably & responsibly.

Vision:
Deliver what our customers value most everywhere, on time, every time!

02 VALUE OUTPUTS

Financial

Growth of freight product by 27% while increasing its gross profit by 51%

Increased gross profit of logistics product by 58%

Geographical Presence

Presence in over 70 countries

Acquisition of MyUS

Technology & Innovation

Expanded Pickup and drop-off (PUDO) solutions

Piloted Drone deliveries and Autonomous BOT deliveries

Launched Aramex Command Center

People

7,500 Shipments per Employee

AED 1,301 Million Salaries and Benefits

7 Training hours per employee

Corporate Citizenship

87% Sustainability Coverage

+140,000 Number of Beneficiaries

Natural

12% reduction in emissions

6% reduction in KgCo2/ Shipment

03 IMPACT

Financial: Driving long-term value for all stakeholders

Geographical Presence: Meeting our customers' needs effectively and responsibly Ensuring connectivity and the flow of commerce and goods while creating and preserving value across all Capitals.

Technology & Innovation: Fostering an environment of innovation in response to changing needs and demands, enabling progress and positive digital transformation globally

People: Creating an inclusive, inspiring, and safe work place where our people are empowered to excel, innovate, and develop.

Corporate Citizenship: Working closely with our networks and leveraging our human and financial capitals across the globe for the betterment and empowerment of our communities.

Natural: Proactively responding to the climate crisis and managing our environmental footprint and preserving our natural capital.
Carbon Neutral by 2030 (in scope 1 and 2)

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Stakeholder Mapping

Our relationship with our stakeholders is a key enabler to create and safeguard value. These dynamic relationships include consistent engagement with our diverse stakeholder groups, ensuring that we meet their expectations and needs, enhance value creation and minimize negative impacts across all Six Capitals.

	Employees	Customers	Shareholders and the Investment Community	Government and Regulators	Business Partners and Suppliers	Our Communities
Highlights	In 2022, we had +16,000 employees, spanning over 95 nationalities. 94% of our workforce are full-time employees.	In 2022, Aramex recorded 46,785 active customers including 12,578 new customers.	In 2022, we had 19,884 shareholders, with the top 27 shareholders owning 74% of the Company. Our shareholders are a mix of local, regional, and foreign institutional and retail investors. Aramex has a clear set of disclosure principles, policies and practices to ensure its disclosure and communications with the investment community are relevant, transparent, simultaneous, accurate and timely. These are summarized in the Investor Relations ("IR") Policy and published on our IR website.	We have continuously engaged with government and regulators to ensure adhering to requirements and addressing key issues that arise.	98% of our suppliers were local, and in 2022, all our new suppliers were evaluated based on our supplier evaluation criteria (page 66)	In 2022, we had more than 140,000 beneficiaries through different partnerships.
How we manage the relationship	Our people centered philosophy, guides our relationship with our employees. We have a dedicated HR center of excellence as well as a Regional HR Structure of Directors and associated Business Partner teams, that manage and set the strategies related to our local and Global HR agendas. We engage and collect feedback from our employees through several channels, including regular performance quarterly check-in conversations, Bi-annual Aramex Pulse Survey, and Town Hall meetings (including Global Strategy Townhalls). We use internal communication channels such as our intranet, Yammer, and emails to share information on events, circulars, and other relevant communication.	We have several engagement channels to ensure that we proactively manage our relationship with our customers. We continually work with our employees to implement the best practices related to customer service. We employ different communication channels on different platforms ensuring that we are reachable for our customers concerns. Our customer teams conduct frequent check ins to gather feedback on our services. We use of Social Media, WhatsApp Business, Chatbots, to increase responsiveness. We regularly conduct customer service and call center training and KPIs to ensure faster response times.	**Aramex is committed to adhering to and implementing best practices in investor relations. Therefore, Aramex aims to:** • Proactively engage with the investment community to communicate a clear and accurate representation of Aramex's investment proposition, including our past and current performance as well as our growth prospects and strategy plans. • Maintain an open dialogue with the investment community and regularly request feedback on company IR communications and practices with the aim of improving these to satisfy the requirements of our stakeholders. • Provide the investment community with equal and regular access to Aramex material information through published materials on the IR website, and through meetings or conferences with senior management and the investor relations department. • Ensure all investor communications abide by regulatory disclosure obligations.	A core part if our engagement with regulators and governmental organizations is to ensure our compliance with all relevant local and international laws and regulations. We conduct frequent assessments and training to ensure that we are up to date with any relevant policies and regulations.	In 2022 we continued our robust due diligence efforts with third parties including training programs. We conducted online and offline engagement and meetings as necessary. We also conduct site visits and stakeholder engagement sessions. We conduct trainings for our suppliers through Ariba, additionally we onboard our new suppliers and they are subject to our and due diligence process. All suppliers must also fill out our Supplier evaluation questionnaires.	We manage our relationship with our communities through our social projects, partnerships with community organizations, and stakeholder engagement. Additionally, we conduct assessments to understand our social impacts and set strategies to ensure that we are adding value to the communities in which we operate. We have regular meetings with our partners to track project progress and updates related to impacts. We also continually conduct research into best practices and approaches for community engagement, youth empowerment and education, and entrepreneurship.
What are their needs and expectations?	Our employees' most pressing needs are competitive compensation, rewards and recognition, career advancement, effective engagement, learning and development, and work and life balance.	Our customers express that ease of communication, ensuring timely service delivery and effective handling of complaints, along with safeguarding privacy and security are top issues of concern.	Our shareholders' needs and expectations center on good company governance, shareholder value creation, transparent and timely disclosure of material information, including accessibility and a direct line of communication with the Company through the investor relations department.	Adherence and compliance with laws and upholding data security and privacy are the most pressing concerns for regulators.	For our major business partners and suppliers ensuring compliance and fair supplier selection and procurement were priority areas, along with ensuring effective procedures and process, including supplier assessments on ethical practices and ensuring reputational assessment.	Through discussions with community-based organizations and NGOs we have come to understand the priority issues that we need to focus our social projects on. Organizations have expressed the need for projects that focus on education and women and youth empowerment, both being areas that we currently work on and keep expanding. Additionally, ensuring ethical business conduct is a priority for our community stakeholders as well.
Key objectives and metrics we track	• Employee Engagement • Diversity • Female inclusion • Learning and development	• Customer satisfaction • Number of new customers • Net Promoter score (NPS) • Tenders winning ratio • Customer retention	Aramex measures shareholder value creation through several metrics including, but not limited to; • Net profit attributable to shareholders, • Earnings per share • Total shareholder returns • Return on equity • Return on invested capital	• Compliance training	• Number of suppliers trained • Number of local suppliers	• Number of beneficiaries • Project goals and impact • Partnerships per geographical location
Relevant Sections	Our People (Page 41)	• Our Services (page 11) • Information security (page 58) • Innovation (59) • Communication channels (page 47)	• Governance (page 70) • Our Financial Performance (page 136) • Strategic Outlook (page 26)	Risk and Compliance (Page 106) Annex 3 (Page 180)	• Procurement and Supplier Relations (page 66) • Compliance (Page 106) • Disclosures on Management Approaches (Page 115)	• Social Projects (page 63) • Compliance (page 106) • Sustainability at Aramex (Page 19)
Capitals impacted	Human Social and Relationship	Social and Relationship Financial Intellectual	Social and Relationship Financial	Social and Relationship Intellectual	Social and Relationship Intellectual Financial	Social and Relationship

Strategic Outlook

Strategic context and market environment

Over the last few years, our growth has been driven by our international and domestic express business, representing approximately 70% of group revenues, while the logistics and freight business contributed approximately 30% to group revenues. The international express product benefitted from e-commerce volumes from the US, UK and Asia into the Middle East and Africa, while growth in the domestic express product came from our home markets in the region, also driven by the boom in e-commerce. While we expect a continuing positive macro-outlook in this part of our business, Aramex is currently at an inflection point in its journey of growth.

2022 came with a set of global challenges and changes for our industry and the global business landscape at large. Aramex had to navigate a dynamic macro-economic environment, raising inflation and interest rates, as well as currency devaluation in certain markets. Our resilient performance in 2022 was supported by strong economic activity in our home markets in the Middle East – which also contributed to good demand in our outbound markets in the US and UK - bolstered by improving consumer sentiment and an increase in business activity, noting that GDP projections for our home markets remain attractive going forward.

While borders reopened and travel resumed to near pre-pandemic levels globally, lockdowns prevailed in certain markets such as China, impacting trade and supply chains. Unsurprisingly, our customer requirements are evolving in this dynamic operating environment, and their logistics and transportation needs are changing accordingly.

We therefore see a considerable opportunity in the market to diversify our business and leverage our strengths in the domestic and international express business, while further growing our freight and logistics operations across our network.

Furthermore, our integrated offering across these four products is a distinct competitive advantage and a unique end-to-end service capability in many of our key markets. This model provides cross selling opportunities for Aramex, with many customers looking for a partner with both express and logistics capabilities, or freight and warehousing capabilities, while others prefer to break down the supply chain and require bespoke and tailored solutions.

- Throughout 2022 we strengthened our four products, with more focus and investment in resources, capabilities and systems.
- We are a large domestic express player in key markets across MENA, South Africa, Australia and New Zealand, with a focus on further increasing market share to reach a dominant position in key growth markets.
- As a cross border specialist, we offer international express services in the Middle East and Africa (inbound regions), connecting these regions to important trade lanes out of the US, Europe, China, and Hong Kong (outbound regions). We also have a large international express operation intra-GCC and the wider MENA region.
- Our rapidly expanding freight forwarding services across air and sea freight are operational on lanes including Europe/US to Middle East and Africa; and land freight intra GCC and MENA, as well as Ireland to UK. We are focused on industrials, retail, e-commerce and healthcare verticals.
- The Logistics business consists of warehousing and supply chain solutions across key markets, boasting 800,000 sqm in facilities catering to customers in high growth verticals including e-commerce and retail, industrials and healthcare.

We aim to complement organic growth through selective acquisitions and partnerships that can add scale and know-how and help us consolidate our position in key markets while adding synergistic value.

Strategy in Focus

To maintain success and overall competitiveness, we conducted a rigorous companywide exercise in 2022 through several workshops and customer engagement sessions to recalibrate our strategy to propel Aramex forward and realize our growth aspirations. As part of this strategic review, we have identified several key focus areas that we have started to work on throughout 2022, and which are integral to our five-year strategic plan to 2027.

- Developing four strong products with dedicated resources and capabilities, by moving from an express driven organization to a more balanced portfolio of products with strong positioning across key markets.
- Increasing the focus on direct customers, SMEs, and B2B business as well as high margin verticals.
- Introducing new service offerings and products, including (but not limited to)
  - o Premium and Deferred services for International Express
  - o Same day and Next Day delivery for Domestic
  - o Micro-fulfillment and vertical specialization for Logistics, while doubling the warehousing space to accommodate the expected growth in business. Please see page 34.
  - o Vertical diversification and specialization for Freight with a strong focus on Industrial, Retail, and Pharma.
- Investing approximately USD 650 million over 5 years in CAPEX in our four products to drive our growth ambitions, improve IT & digital touchpoints, build high margin verticals, and strengthen competitiveness on key trade lanes and markets, with continuous ability to scale for growth.
- Expanding selectively into attractive growth markets, including via M&A and franchising, with a focus on leading the industry consolidation in the GCC/MENAT region where possible.
- Improving efficiency across all areas of operation by focusing on key initiatives to drive productivity, eliminate redundancy, and optimize and streamline processes.

Key Enablers

To be successful in realizing our efforts towards our strategy, we have commenced working toward further developing key enablers that ultimately form the foundation on which we will build our strategic aspirations.

Technology Strategic goals

On the technological side, our focus will be on the following:

- New Technology Revenue & Capabilities
- Core Technology Modernization
- Redefining Customer Journey
- Operational Efficiency
- Future-proofing Innovation

For more information, please refer to page 59.

Human Resources Strategic goals:

Effectively managing our Human Capital is another key strategic enabler, our goals for 2023-2027 are:

Strengthen and build our Talent Pipeline	Drive a High-Performance Culture	Improve Compensation & Benefits Offering
Fit for today & future - learning and development tools	Manage efficiency, drive productivity	Employee Engagement & Culture

For more information, please refer to page 50.

Sustainability and ESG goals

We recognize that our sustainability is a key enabler to achieving the above strategic goal, with that in mind, and driven by a keen understanding of current global challenges, ESG requirements, and responsible business practices, we have outlined the below sustainability strategic goals:

Environment and Climate change

Set a verifiable science-based targets at 1.5 degrees for both scope 1 and 2 and at 2.0 degrees for scope 3 [1]

Commit to Carbon Neutrality by 2030 and Net Zero by 2050

Governance

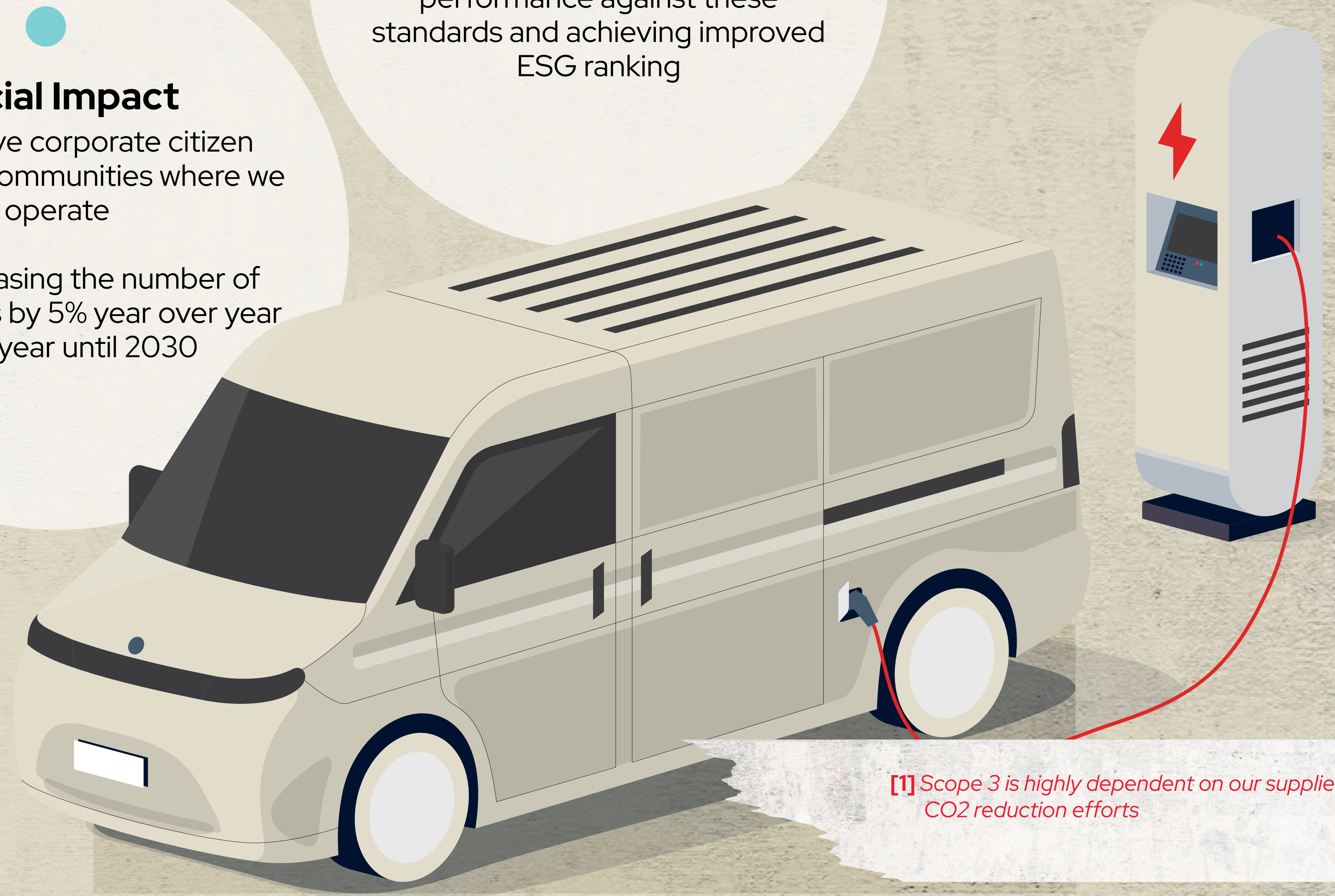
Comply with all national and international laws and regulations

Commit to measure our performance against these standards and achieving improved ESG ranking

Social Impact

Be an active corporate citizen supporting communities where we operate

Keep increasing the number of beneficiaries by 5% year over year every year until 2030



[1] *Scope 3 is highly dependent on our suppliers' CO2 reduction efforts*

Our Future Goals- 2023 and beyond

Economic

- Focus on revenue growth, stability and improvement in GP margins while maintaining a similar SG&A structure for the Group
- Invest USD 650 million in capex over the next five years to sustain organic business expansion and optimization
- Focus on value accretive acquisitions, adding topline growth, synergy values to our operations and driving ROIC improvement for the Group
- Enhance efficiency across the Group, through automation of facilities and processes, increase in courier productivity by reducing the driver area and increasing the PUDO network; as well as an optimized working capital.
- Prioritize spending on local suppliers in line with our aspiration to enhance our sustainable supply chain efforts

Environment

- Add five solar systems annually until 2030
- Continue introducing EVs into our fleet
- Reduce Aramex carbon emissions by 5% annually
- Expand ISO14001 certification.
- Implement Aramex Climate Risk framework from Climate Risk Assessment outcome

Social

- Maintain or increase ratio of female employees to 50% at Corporate Head Offices
- Achieve Nationalization targets (2% for UAE and 29% for KSA)
- Reduce the Lost time injury frequency rate (LTI) by 5%
- Continue to focus on local talent development and hiring
- Continue the annual employee survey and target an increase in participation rate (at 82% in 2022) and overall satisfaction score (at 75% in 2022)
- Increase the number of community beneficiaries by 5% annually.

Governance

- Increase or maintain 1-2 positions of female representation on the board.
- Continue enhancing our Risk Management and Compliance processes.
- Enhance corporate policies and frequency of employee training on compliance matters
- Conduct our second Human Rights Assessment in 2023

Discussion and Analysis of 2022 Financial Results

"We ended the year as a stronger and more agile business with four well defined products and a clear growth strategy for the next five years. In 2022 we stabilized our gross profit margin for the group, as well as for our domestic and international express products; we grew our freight product by 27% while increasing its gross profit by 51%, and for our logistics product, we focused on quality revenue and reached 85% utilization of our warehouses while increasing gross profit by 58%."

2022 Group Financial Results

Aramex's FY 2022 Revenue was broadly in line with 2021, at AED 5.93 billion. Growth in key regions including the GCC and other MENAT countries was offset by weaknesses in other markets, impacted by lockdowns in China, overall slower economic growth and lower consumer confidence as well as the global inflationary environment. Revenue was also impacted by currency devaluation in some operating countries, primarily in Lebanon and Egypt.

Financial results were normalized to provide a like-for-like comparison for the reporting periods FY 2022 and FY 2021; and therefore, normalizations for 2022 include financial results generated by MyUS following the acquisition; costs and fees related to the acquisition of MyUS and other extraordinary items mostly associated with the logistics product. For 2021, normalizations include the gain from the sale of InfoFort and other extraordinary items.

For the full year 2022 period, Normalized Gross Profit was down 2% YoY to AED 1.41 billion, while Reported Gross Profit was relatively unchanged from the prior period at AED 1.42 billion, driven by the Company's disciplined cost management approach and operational enhancement initiatives.

Normalized Net Profit for the full year was up 9% YoY to AED 173 million, owed in large part to the Company's efforts to drive operational efficiencies underpinned by expansionary GCC economies, increase in industrial activities in the region and resilient consumer spending. FY 2022 Reported Net Profit declined 27% YoY to AED 165.4 million, impacted by currency fluctuations in certain markets.

Important to note, we stabilized our Group SG&A in an inflationary environment which means that we have a leaner organization which is more cost efficient, more agile and ready to sustain future growth under a similar and stable SG&A structure.

Aramex ended the year with a strong cash balance of AED 768 million, which was stable compared to last year. We maintained a strong balance sheet with a Net Debt-to-EBITDA ratio of 2.32x, providing the Company with considerable opportunity to deliver on its growth agenda.

In Thousands of UAE Dirhams	FY 2022	FY 2021	Change % (YoY)
Revenues	**5,926,005**	**6,068,805**	**(2%)**
Gross Profit	**1,424,304**	**1,430,868**	**-**
Gross Profit Margin	24.0%	23.6%	0.4%
Normalized Gross Profit	1,407,011[1]	1,439,865[2]	(2%)
Normalized Gross Profit Margin	24.0%	23.7%	0.3%
EBIT	**245,331**	**305,674**	**(20%)**
EBIT Margin	4.1%	5.0%	(0.9%)
Normalized EBIT	279,184	269,988	3%
Normalized EBIT Margin	4.8%	4.4%	0.4%
EBITDA	**614,005**	**675,341**	**(9%)**
EBITDA Margin	10.4%	11.1%	(0.7%)
Normalized EBITDA	644,014	639,654	1%
Normalized EBITDA Margin	11.0%	10.5%	0.5%
Net Profit	**165,379**	**225,541**	**(27%)**
Net Profit Margin	2.8%	3.7%	(1.1%)
Normalized Net Profit	**172,995**[1]	**158,270**[2]	**9%**
Normalized Net Profit Margin	3.0%	2.6%	0.4%

1 Excluding MyUS combination and other extraordinary items

2 Excluding extraordinary items reported during FY 2021

Business Performance

International Express (Including Shop & Ship and MyUS)

In Thousands of UAE Dirhams	FY 2022	FY 2021	Change % (YoY)
Revenues	2,248,885	2,662,153	(16%)
Gross Profit	713,329	816,914	(13%)
Gross Profit Margin	32%	31%	1%

The International Express FY 2022 Revenue declined 16% YoY to AED 2.25 billion, driven by the softening of volumes due to COVID-induced lockdowns in China. This was partially offset by significant customer wins from local and international brands, as well as the robust growth of Shop and Ship business which benefitted from positive contributions from MyUS. Gross profit margin during the year increased to 32% driven by linehaul cost improvement and cost efficiency efforts.

Domestic Express

In Thousands of UAE Dirhams	FY 2022	FY 2021	Change % (YoY)
Revenues	1,501,196	1,607,576	(7%)
Gross Profit	372,292	385,133	(3%)
Gross Profit Margin	25%	24%	1%

The Domestic Express FY 2022 revenue declined 7% YoY to AED 1.5 billion driven by foreign exchange impact and lower volumes particularly in Australia. This was partially offset by an increase in volumes in home markets particularly in the GCC and MENA region. As a result of efficiency enhancement initiatives including digital optimization and the doubling of Pick-Up and Drop-Off (PUDO) network, FY 2022 gross profit margin increased to 25%.

Freight-Forwarding

In Thousands of UAE Dirhams	FY 2022	FY 2021	Change % (YoY)
Revenues	1,684,376	1,325,551	27%
Gross Profit	232,697	153,875	51%
Gross Profit Margin	14%	12%	2%

Aramex's Freight-Forwarding business recorded a strong FY 2022 performance with a 27% YoY increase in revenues to AED 1.68 billion, and a 51% YoY increase in gross profit to AED 232.7 million due the increased focus on freight capabilities and competencies. During the year, Aramex expanded its air and sea charters and increased its focus on core markets including UAE and KSA.

Logistics and Supply Chain Solutions

In Thousands of UAE Dirhams	FY 2022	FY 2021	Change % (YoY)
Revenues	445,294	434,856	2%
Gross Profit	67,019	42,477	58%
Gross Profit Margin	15%	10%	5%
Normalized Gross Profit	77,251	47,802	62%
Normalized Gross Profit Margin	17.3%	11.0%	6.3%

The **Logistics and Supply Chain Solutions** FY2022 revenue increased to AED 445.3 million, while utilization rate at warehouses reached 85% in FY 2022. Good cost management and automation helped reduce costs and deliver growth in gross profits. FY 2022 gross profit increased 58% YoY to reach AED 67 million, corresponding to an improved gross profit margin of 15% up from 10% in 2021.

Financial performance was impacted by the change in focus to quality revenue which resulted in certain provisions and extraordinary items. Excluding these extraordinary items, normalized gross profit shows a higher growth of 62% for the full year 2022, while the normalized gross profit margin significantly improved to 17.3% for the same period.

For full details, please visit "Our Financial Performance" section on page 136.

Environment

OUR NATURAL CAPITAL STRATEGY

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

We recognize that as part of the transportation and logistics industry, the biggest impact on our natural capital is our emissions, as well as our packaging and material use and is, therefore, one of our key material topics. Our natural capital strategy lies in holistically monitoring related inputs and outputs. We minimize our fuel needs and emissions through increased efficiency and renewable energy use and reduce our material and packaging use, along with our waste streams through continually evaluating our business needs and reducing, reusing, and recycling. Our employees and business partners are key to this strategy, and we ensure that we engage with them to raise awareness, train, and evaluate suppliers on their environmental impacts and sustainability.

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Environmental Stewardship and Climate Change Mitigation

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

Natural

The climate crisis is no longer a future risk, but one that is felt in the daily lives of millions across the globe. We realize the urgent need to address and mitigate the environmental and climactic impacts of the transportation and logistics industry and our operations within it.

Our track record, commitments, and progress toward being an environmentally conscious company are bolstered by more than 35 years of experience and steadfast effort toward safeguarding natural capital and minimizing and mitigating our negative impacts. By measuring our GHG emissions according to the best practices and global standards over the last 10+ years, we have been able to understand our footprint and make evidence-based efforts toward its reduction.

We follow a robust GHG Emission calculation approach which covers our network of operations to calculate our overall emissions following GHG protocol, International Energy Agency (IEA), and other best practices. Our emissions data and calculation methodology is audited and assured by external parties.

Surpassing our 2016 goal of reducing our emissions per shipment by 20% by 2020, we have set forth new targets in line with the Science Based Targets Initiative (SBTi). These targets are underscored by a rigorous scientific and data-driven approach to measuring and managing our impacts across the entirety of our operations, covering scopes 1, 2, and 3 guiding our decarbonization strategy.

Our agreement with the Science Based Targets initiative (SBTI) signed in 2021 set us on a path to reduce absolute Scope 1 and 2 GHG emissions by 42% by 2030 from our 2020 base year and Scope 3 by 25%, which is dependent on our suppliers to reduce their emissions and we work with them proactively. This is in line with the Paris Agreement's goals of curbing a rise in global temperature to well-below 2°C.

The Science Based Targets initiative (SBTi) is a collaboration between CDP, the United Nations Global Compact (UNGC), World Resources Institute (WRI), and the Worldwide Fund for Nature (WWF), and defines and promotes best practices in science-based target setting and independently assesses companies' targets.

SCIENCE BASED TARGETS

Science Based Targets initiative (SBTi) Commitments from 2020 base year

42%
reduction on scope 1 & 2

25%
reduction on scope 3, dependent on supplier commitment.

Our Natural Capital strategy follows a multi-faceted approach toward the environment and climate change, our key projects and initiatives are:

1. Renewable Energy- Solar Installations and Investment
We made commitments to invest in renewable energy projects where possible. We currently have Five solar energy systems installed, covering a part of our energy needs for our warehouse in Dubai, UAE and in Amman, Jordan covering part of our warehouses and office energy needs due to the regulations facilitating both wheeling and net-metering schemes. In 2022, we expanded two of our solar installation systems in Jordan.
Our goal is to install around 5 solar installations per year until 2030 where technology availability and regulations permit.

2. Sustainable Fleet
We aim to substantially increase the usage of electric and low-emission vehicles in our fleet. Converting our fleet is a great opportunity to reduce our negative impact on the environment. However, it also presents a challenge due to our asset-light model and the nature of our operations and geographies. We are bound to local regulations as well as available and feasible technologies in key markets. With that in mind, we continually and proactively seek suitable solutions and test vehicles to help the transition toward a more sustainable fleet.

Our goal is to convert our fleet to Low Emission and electrify our fleet based on availability of electric vehicles that meet our operations' needs in our markets

3. Energy Efficiency
We are committed to enhancing our energy efficiency to optimize and reduce our natural resource use and inputs. We are also committed to certifying our facilities according to the ISO 14001 standards, along with working to achieve LEED certification on our owned facilities, where feasible and possible. Please see page 110. Additionally, we conduct energy audits in different locations and facilities to understand our energy use and identify any possible energy savings.

LEED Certification

As part of our facilities management and energy efficiency efforts, we have four warehouse facilities that comply with LEED certification due for re-certification in 2023:

Country	Category
Dubai- 1	Gold
Dubai- 2	Platinum
Egypt	Silver
Jordan	Silver

4. Working across our Supply Chain to Mitigate Scope 3 of our emissions

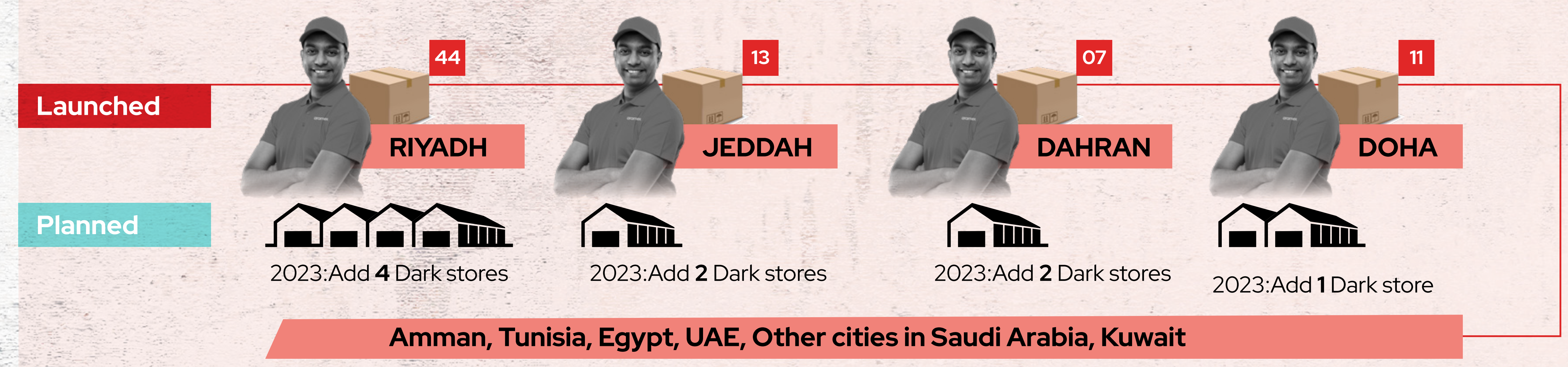
In 2021, we joined the Air France and KLM Corporate (AFLK) Sustainable Aviation Fuel (SAF) program. The program is part of ongoing efforts to manage and reduce emissions and carbon footprint across our industry and enhance our sustainability. This project is continuing, and we are finding ways to partner with airlines and other aviation companies to reduce the environmental impact of using airfreight and airliners in our operations.

Crosscutting Sustainability: Micro Hubs/ Distribution Centers / Routing Optimization Case Study

With the rising demand of last-mile operations and in efforts to reduce our impact on the natural capital, we have piloted the Micro Distribution Centers project. This project will help reduce the total distance moved by our couriers on the ground by consolidating business to Micro Distribution Centers and thus reduce our GHG emissions as well as cost.

This project is expected to have several impacts beyond the reduction of emissions and enhanced resource use. We expect to see improved productivity and efficiency by eliminating wasted time for couriers throughout their journey. We are also responding to customer behavior and demands for cheaper and faster services including same-day delivery, while also ensuring that we balance these demands while managing our emissions. As a result, we expect to see enhanced customer satisfaction and fulfillment, an increase in the available time for last-mile deliveries and collections and more digitized operations. This project highlights the intersection of our environmental and operational strategies and the embeddedness of sustainability in our business decisions.

15% efficiency	15% reduction in CO2 emissions



Safeguarding our Natural Capital

In addition to managing and reducing our emissions and working on mitigating our climate-related impacts and risks, we are actively working towards safeguarding our natural capital and minimizing our environmental footprint and negative impacts across different topics of our operations and supply chain, these efforts include:

Material Use	Recycling and Waste Management	Water Use	Sustainable Procurement	Employee Awareness and Training	Environmental and Sustainability Policies and
• Paperless office • Digitized internal process	• Expand recycling accross the network	• Conservation • Grey and black water	• Sustainable procurement policy • Supplier due diligence • Supplier Code of Conudct	• Environmental Awareness and sustainability training as part of our onboarding	• Enviormntal stewardship policy • Social responsibility policy • Sustainable water policy

Recycling and Going Paperless for the Planet

Throughout our operations, we encourage employees to limit the use of paper and to digitize where possible. Our material use is mainly domestic and related to our operations in warehouses and shipments. Where possible, we include recycling bins in our facilities and reuse wooden pallets in our warehouses. In 2022, we achieved 18% increase in recycling, and aim to continue improving this through our various initiatives and campaigns.

In the UAE, Aramex embarked on a project to digitalize all documents, as well as internal processes to become fully paperless, currently the progress has reached 99%. We are aiming to expand this across our network.

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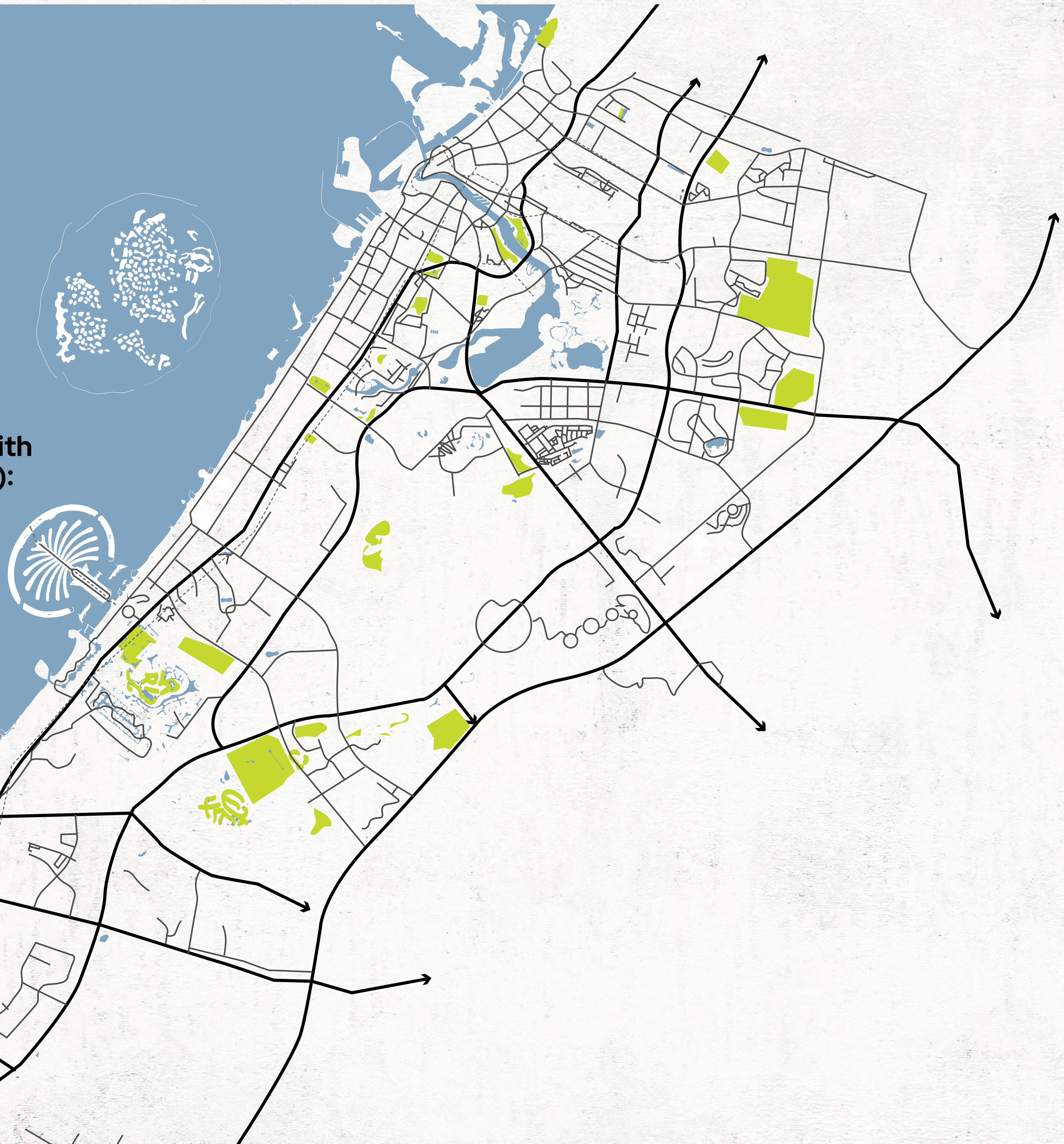
Spotlight

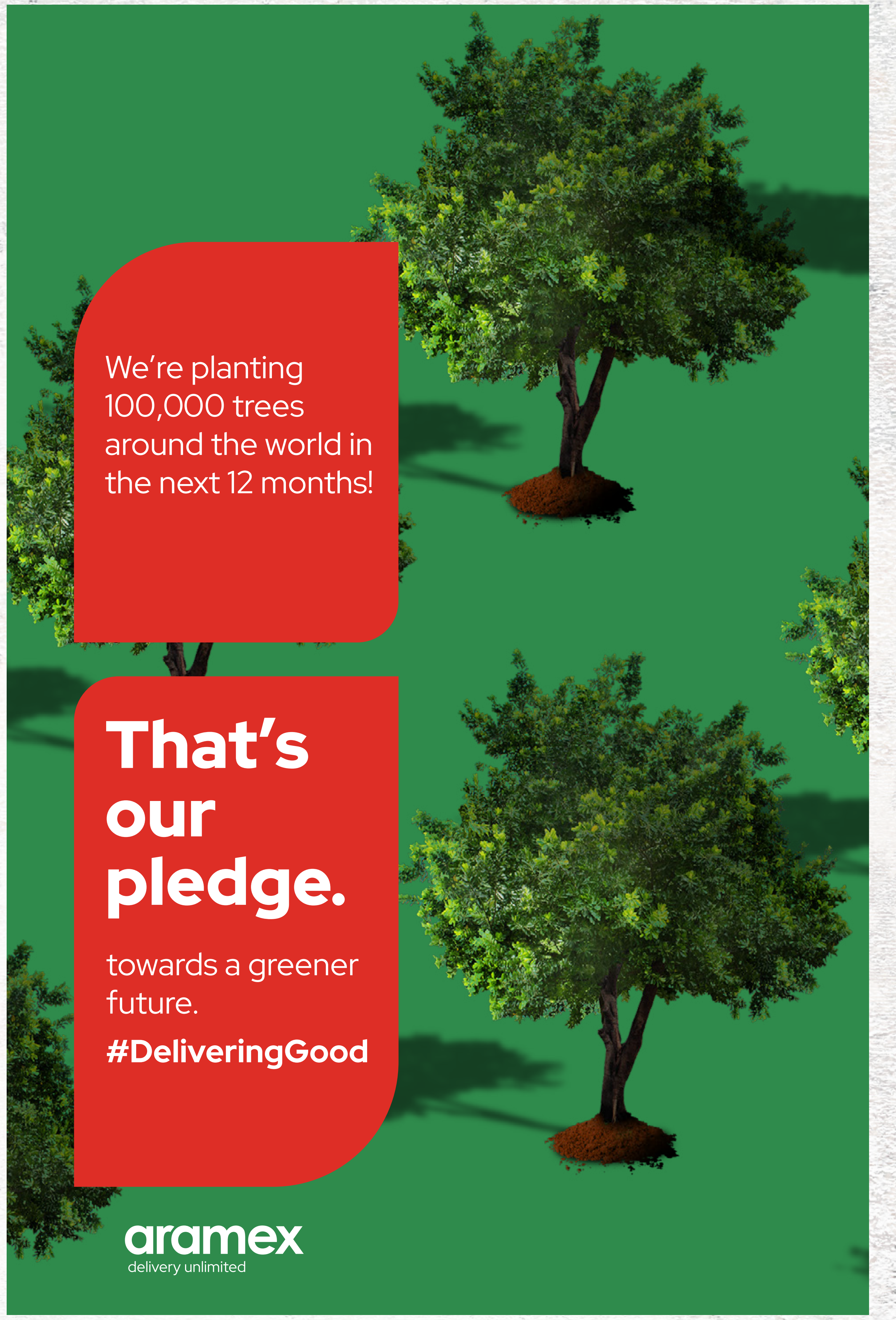
Black and Grey Water Treatment in Dubai

We recognize that water scarcity is a global concern that is exacerbated by the current climate crisis. While our water use is limited to municipal use in our offices, we still strive to conserve our domestic water consumption through different initiatives, awareness campaigns, and procedures. In line with these conservation efforts and as part of our interest in supporting circular economy efforts, we invested in black and grey water treatment in Dubai. We installed **3** Sewage Treatment Plants (STP) that enable us to treat both black and grey water from domestic use to be then reused for irrigation of our landscape which covers **11%** of our total **240,000 Square**.

3 Sewage Treatment Plants (STP) with total 666 Population Equivalent (PE):

450 PE installed in 2010
16 PE installed in 2010
200 PE installed in 2016





Our pledge to Plant Trees across our Network

In celebration of Aramex's 40th anniversary, we launched a companywide campaign at the end of 2022 pledging to plant 100,000 trees across our global network. This campaign also engages our employees who are encouraged to volunteer with their communities for these tree plantings. So far, over 500 trees were planted in Egypt, Nigeria and Bangladesh.

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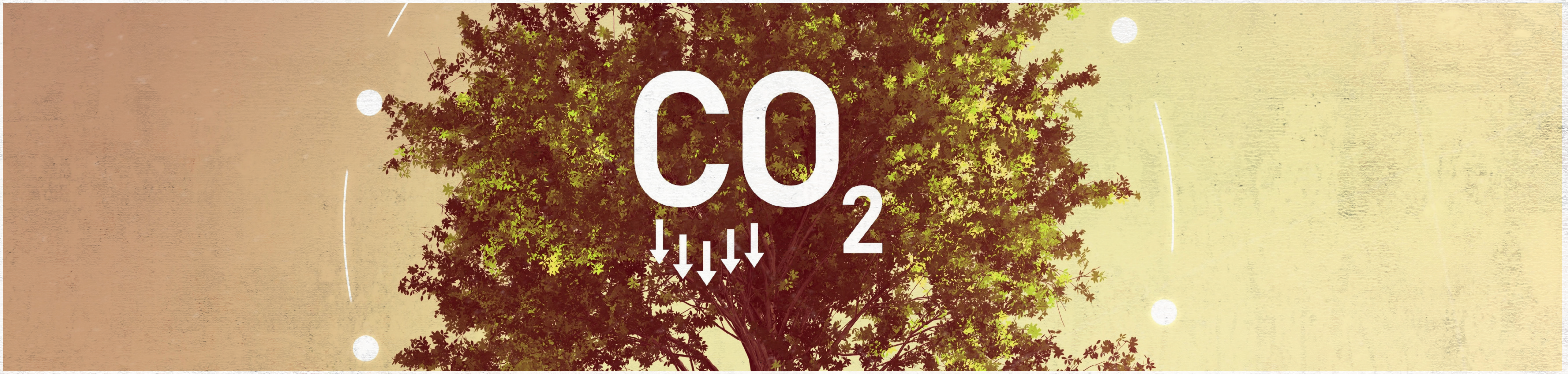


Circular Economy and Life Cycle Assessment

As we globally grapple with the impacts of climate change and environmental destruction, it is increasingly imperative that we reconsider the linear model of the industrial economy.

Logistics companies can play an important role in the circular economy, considering the importance of reverse logistics as part of the 5 Rs (Reducing, Repairing, Reselling, Refurbishing, and Recycling) of consumer goods. For Aramex, we are actively considering ways in which to contribute to the shift to a circular economy and how to apply its principles to our day-to-day operations and medium to long-term strategic vision and plans. Such steps include investment in renewable energy, and continually innovating in terms of packaging and material use, from the use of degradable packaging to experimenting with customer packaging return.

Our aim as part of the logistics sector is to enable the circular flow of goods and close the loop. We view this as an opportunity to leverage our operations and provide the necessary innovation, support, and expertise to shift the way in which goods and materials move, from linear to regenerative.

We began exploring different methods of reducing our waste streams, one such project has been our Kaizen 8.2 initiative in Qatar, whereby we needed to replace the metal racks in our logistics warehouse due to safety concerns. Instead of disposing of them, we partnered with a recycler to take over 15.75 tons of metal scraps, scrapped forklift, cardboard waste, old and damaged pallets. The recycler is certified and will ensure the proper handling of the waste and its reclamation, instead of it going into the landfill.

Our GHG Emissions Footprint

We measure our emissions based on the Green House Gas (GHG) Protocol accounting tool and utilize an operational control approach to measure our emissions. For more information on our measurement approach, boundaries, and limitations refer to our reporting process on page 113.

Emissions (tCO2)	2018	2019	2020	2021	2022
Scope 1[1]	49,903	56,769	59,334	64,414	63,268
Scope 2	30,911	42,501	39,326	31,008	23,643
Scope 3	606,088	651,747	628,684	573,836	502,210
• Freight	387,910	390,745	364,680	314,718	297,698
• Express	191,355	233,891	251,438	231,642	177,110
• Rail	-	-	0	78	-
• Commuting	26,011	26,522	12,430	27,236	27,236
• Business Travel	633	589	136	162	166
Total Emissions	**686,902**	**751,017**	**727,344**	**669,258**	**589,121**

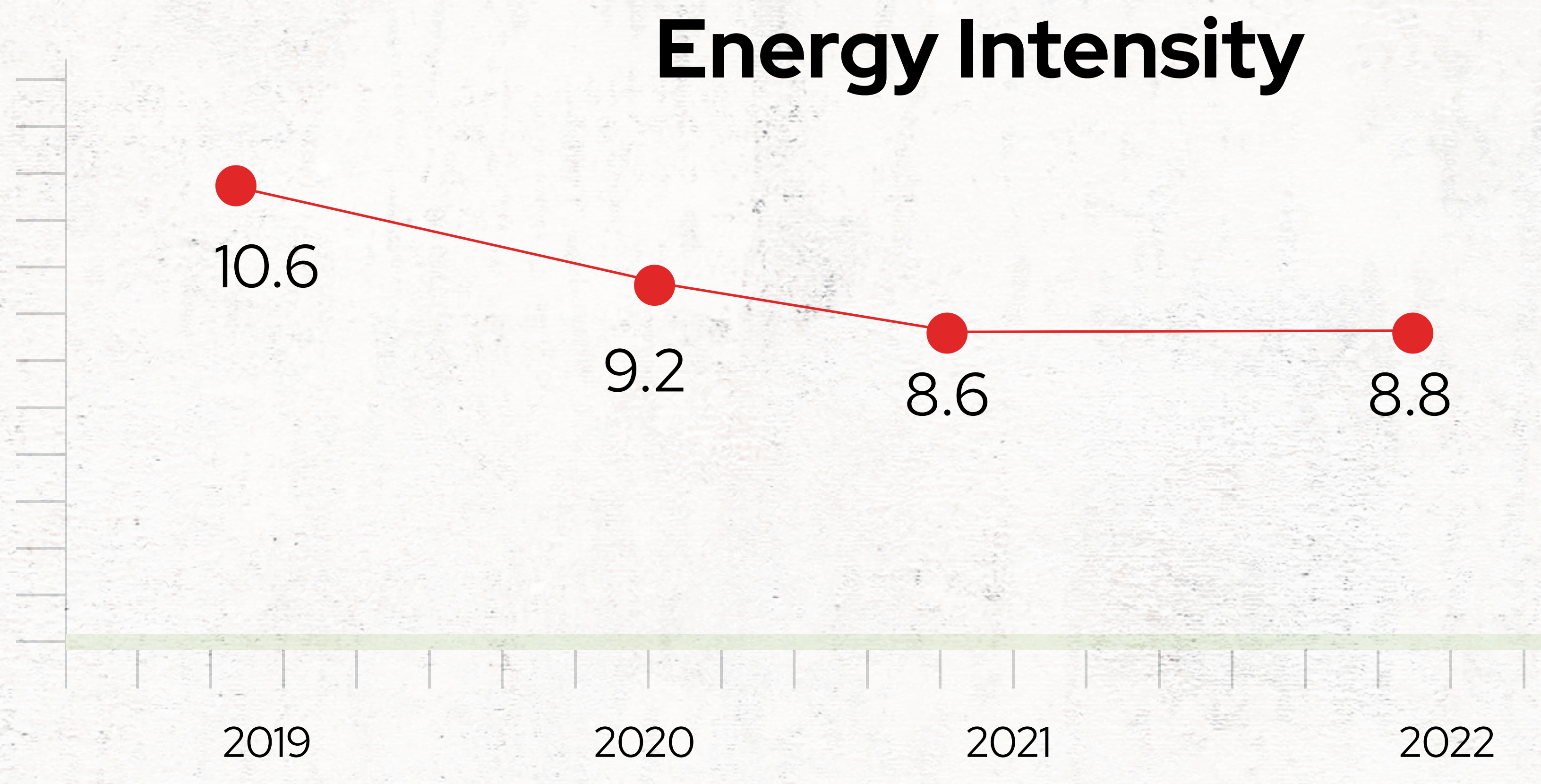
[1] Refrigerant emissions are not included in our Scope 1 calculation

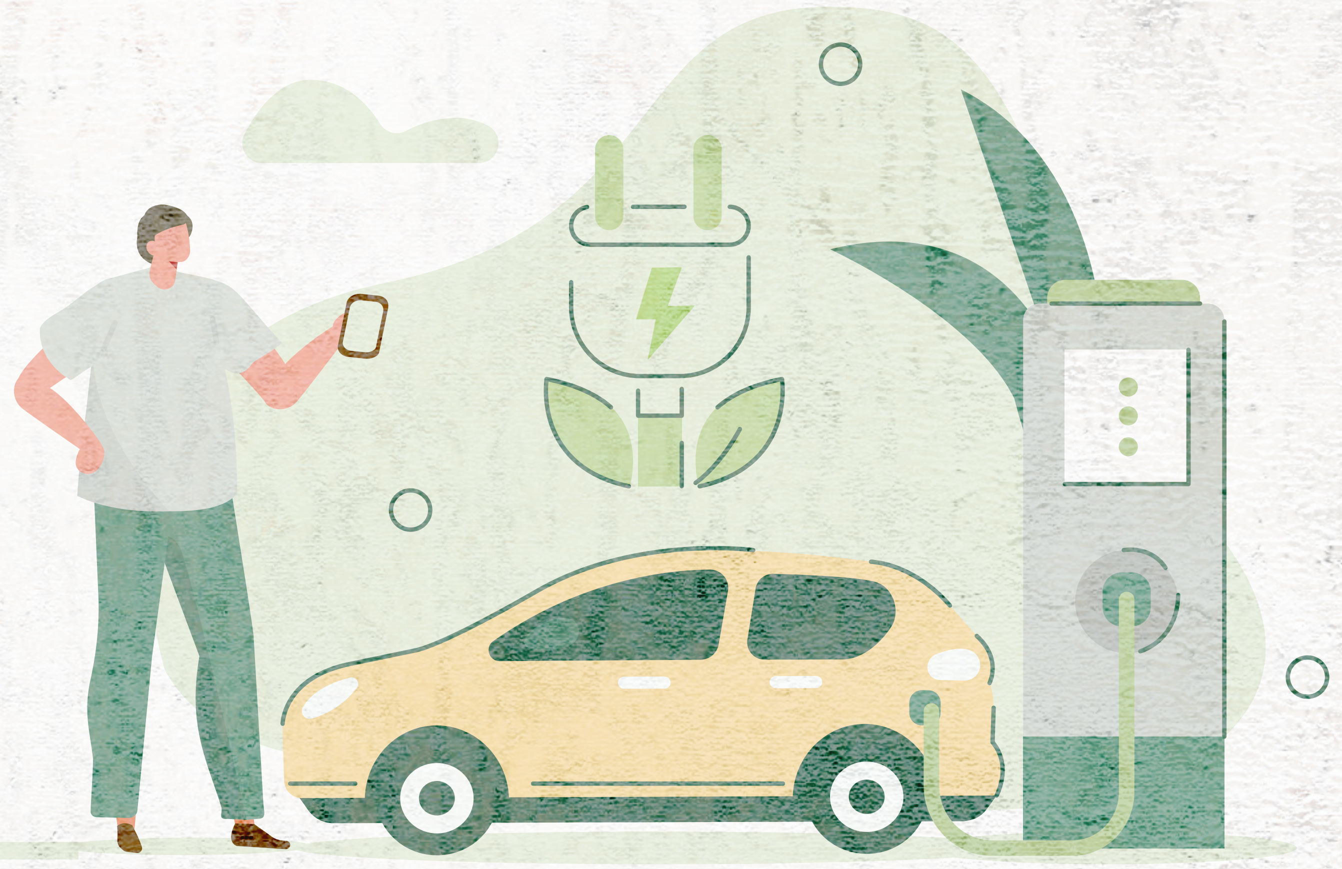
Year over Year Performance

Emissions (tCO2)	2018	2019	2020 New Baseline	2021	2022
KgCo2e/ Shipment	10.00	7.50	5.7	5.1	4.8
Electricity (kwh)/ Shipment	0.69	0.65	0.50	0.41	0.35
Fuel/ Shipment	0.30	0.28	0.20	0.19	0.21
Electricity (kwh)	47,450,551	65,664,723	61,276,783	55,024,089	43,350,256
Fuel	20,416,518	22,854,060	24,267,172	25,715,644	25,438,603
Total Emissions	**686,902**	**751,017**	**727,344**	**669,258**	**589,121**

We are pleased to announce a reduction in our energy intensity and carbon emissions intensity per shipment. These welcomed reductions are caused by a number of factors, including our own efforts to mitigate our environmental impacts through renewable energy and increased efficiency. However, some of those reductions can also be attributed to a decrease in the volume of international express shipments. Additionally, additional reductions in electricity use are due to changes in our facilities.

Year	SOx and NOx
2018	**27,236**
2019	**34,970**
2020	**33,146**
2021	**39,965**
2022	**38,182**





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Climate Risk Assessment

We recognize our responsibility to our stakeholders, and it is essential that we fully understand the potential threats climate risks pose to our business, operational activities, and customers. Therefore, in 2022, we underwent a series of actions to strengthen our climate risk assessment and resilience practices. To start our journey, we appointed an independent third-party consultant to conduct a climate risk assessment and benchmarking exercise.

The purpose of this assessment was to identify our exposure to various climate risks and to evaluate our current climate risk performance compared to global and industry-leading practices. Subsequently, the consultant conducted a climate risk assessment on three of our key locations, to evaluate the maturity of existing resilience, mitigation, and adaptation efforts. As part of the assessment, we developed a customized climate risk framework which will be integrated into our enterprise risk management processes. This framework will allow us to regularly review previously identified climate risks, update the climate risk inventory if necessary, and ensure that suitable mitigation and adaptation plans are in place. To support the integration of our climate risk framework and to promote climate risk understanding and awareness, we will be developing a capacity-building program that will be rolled out in 2023 for our internal stakeholders. These actions demonstrate our commitment to limiting the impact of climate risks on our business and stakeholders and will ensure that we are in a position to take direct effective action moving forward.

The benchmarking assessment is based on the four core pillars of the Task Force on Climate-related Financial Disclosures (TCFD) recommendations, namely; Governance, Strategy, Risk Management, and Metrics and Targets. Together with the consultant, we selected relevant peers for the benchmarking exercise to ensure that we align with best industry practices. The benchmarking assessment will result in an inventory of potential climate risks and a corresponding list of leading practices for Aramex to consider. Additionally, the consultant conducted a legal, regulatory, and policy evaluation across key jurisdictions, the results of which will allow us to gain supplementary insights on the direction of legal trends regarding climate change action. These exercises will place Aramex in a strong position to move forward with identifying, mitigating, and building the resilience of our business to potential climate risks.

Thereafter, the consultant conducted a climate risk assessment on our operations in three key locations, namely, Dubai, Cairo, and London. These locations were selected based on the site's revenue contribution and their representation of the wider aspects of our business model. Due to the complex nature of our operations, across numerous regions, jurisdictions, climates, and regulatory landscapes, the assessment was conducted both at a corporate level and an individual site level. As a result, we gained an in-depth understanding of what impacts climate risks might have on our operations and provide an understanding of the maturity and the resilience of our existing mitigation and adaptation measures. The site-based assessment, combined with the identification of leading practices from the benchmarking assessment, will allow us to pinpoint key areas of improvement and the necessary actions to better mitigate against and address climate risks.

We are committed to conducting regular climate risk assessments to ensure our climate risk management and resilience efforts remain consolidated in the upcoming years. To do so, we developed a customized climate risk framework founded on the four core principles of TCFD.

Our climate risk framework provides a structured approach for identifying climate risks, evaluating various climate scenarios, assessing the impact of risks on the business, progressing action plans, and developing monitoring instruments. Moreover, we are developing a monitoring toolkit (excel-based) to support the processes of the climate risk framework, which will allow us to maintain and improve our performance. What's more, we are currently in the process of assessing and prioritizing the identified climate risks in terms of their business impact. The prioritization of risks will serve as the basis for us to effectively allocate the necessary resources and measures for addressing the most relevant risks and track our performance.

Our climate risk framework will undergo regular reviews to ensure that the identified risks are appropriately managed and that the risk framework is updated, if necessary, to reflect emerging risks.

To complement our actions, we are also planning a three-tiered approach to capacity building. These sessions are directed toward our relevant stakeholders, to support our climate risk assessment and management efforts. The sessions address general topics of climate change and climate risk management, global policy, and our corporate actions toward managing climate risks, TCFD, and the risk framework.

The structure of our climate risk framework and the assessment tool to our sustainability and risk management teams. In doing so, we make sure that we upskill and embed what we learned in the assessment throughout our different functions, fostering shared ownership, and empowering our people with the right knowledge, skill set, and tools to successfully implement our climate risk agenda. All these sessions will allow us to disseminate the essential knowledge and understanding of climate risk assessment and management across our key functions. Furthermore, the sessions will communicate and demonstrate our commitment to identifying, mitigating, and managing our relevant climate risks, to build climate resilience in everything we do.

Approach for conducting the Qualitative Risk Assessment (QRA)

• 01

Approach and criteria definition

Our independent third-party consultant assessed each climate-related risk using four criteria scale:

- Importance to peers
- Aramex level of maturity
- Severity
- Likelihood

• 02

Description of the risk categories

- Policy and Legal
- Technology
- Market and economics
- Reputational
- Acute
- Chronic

• 03

Detailed analysis of each identified risk

The consultant described possible effect of each climate related risk

The consultant defined what peers and Aramex are doing regarding each risk

• 04

Prioritization of risks

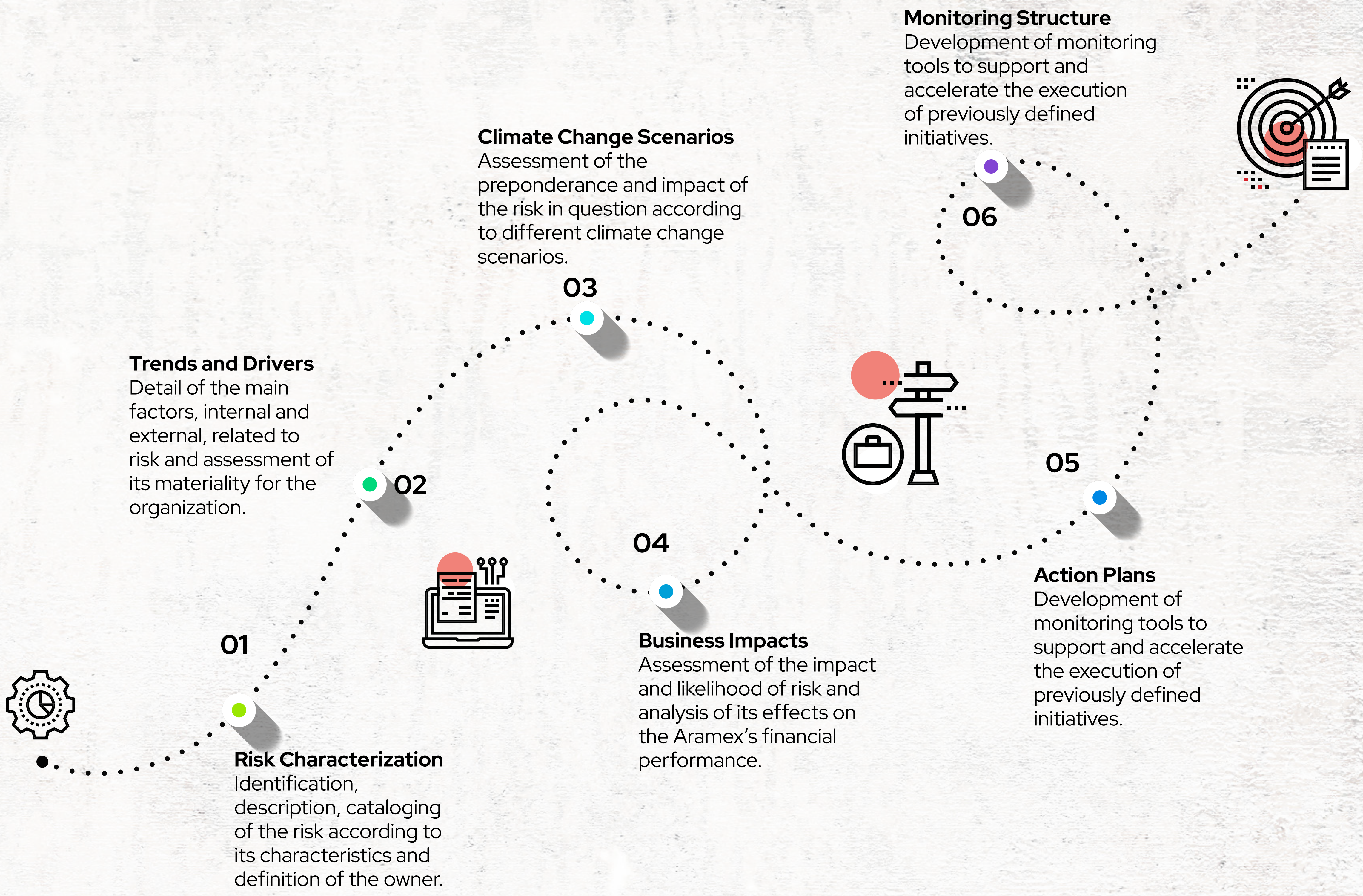
Aramex prioritized climate risks based on the Aramex and peers' reality as well as based on the assessed severity and likelihood of the identified risks

Climate Risks

Year	Transition Risks	Physical Risks
1. Risk Characterization	In general, these three initial steps can be centralized by the Risk and Sustainability teams. These teams have a holistic and cross-functional overview of the entire organization and therefore can develop robust and solid analyses, regardless of the type or characteristics of these risks.	
2. Trends and Drivers		
3. Climate Change Scenarios		
4. Business Impacts	As transversal risks, the business impact, the action plans, and the monitoring structures should also be the responsibility of the Risk and Sustainability teams.	For specific risks that vary from region to region, the impact on the business, the action plans, and the monitoring structures should be the responsibility of the operational departments of the different regions.
5. Action Plans		
6. Monitoring Structures		

Aramex Climate Risk Framework

Aramex's Climate Risk Framework was built in line with Aramex's ERM. Similarly, the best international norms and guidelines were taken into account. In this context, the Climate Risk Frameworks of the Cambridge Institute for Sustainability Leadership stands out. The objective is for it to be easily implemented, and make it possible to effectively address the different climate risks.



Social

UNBOXING THE FUTURE

OUR PEOPLE

Our people are comprised of diverse, highly skilled, and innovative teams, and we strive to foster a work environment that builds on each employee’s key strengths, provides a safe space of belonging, inspires creativity, and fosters well-being.

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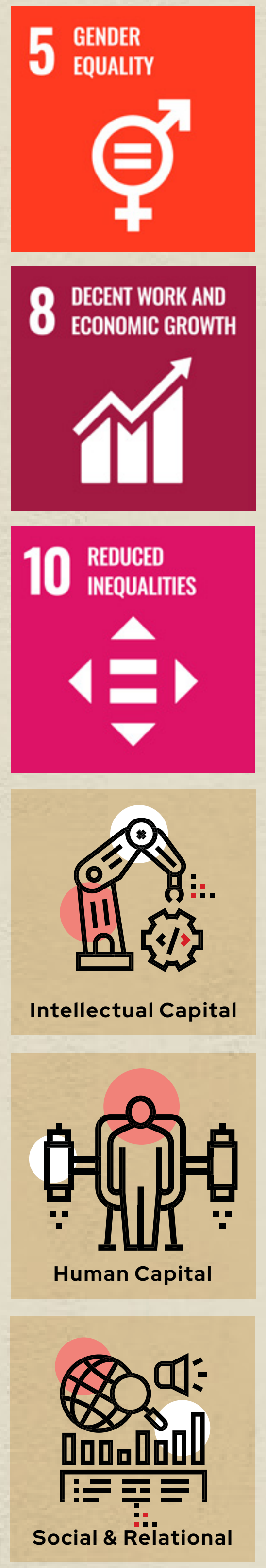
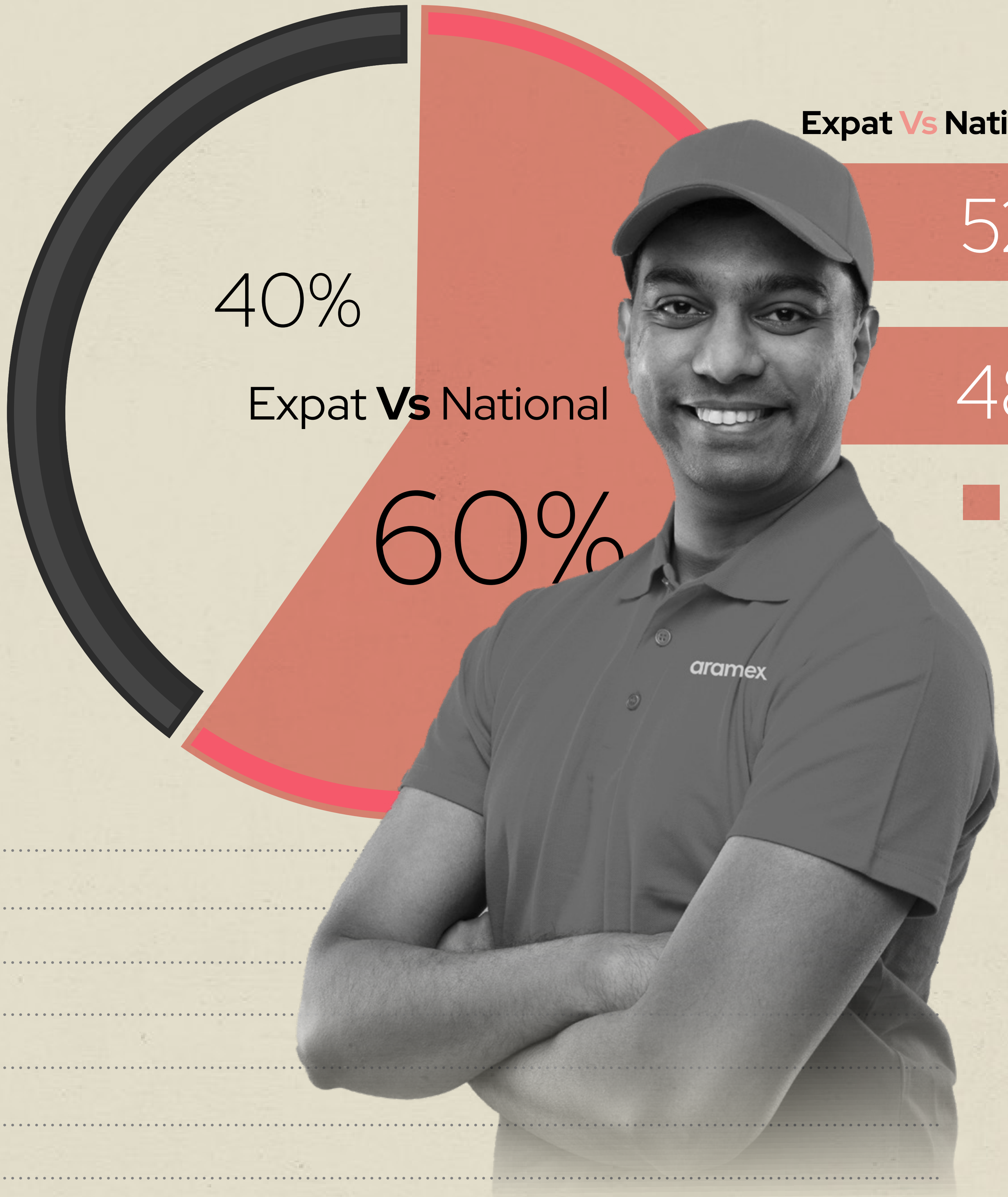
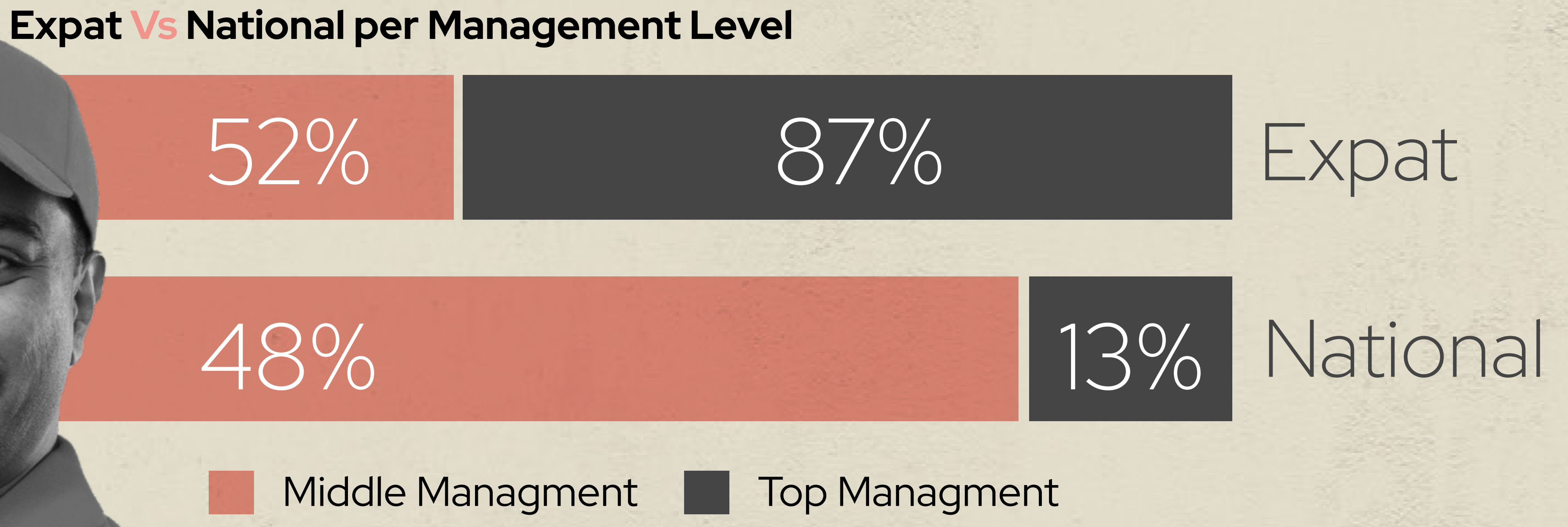
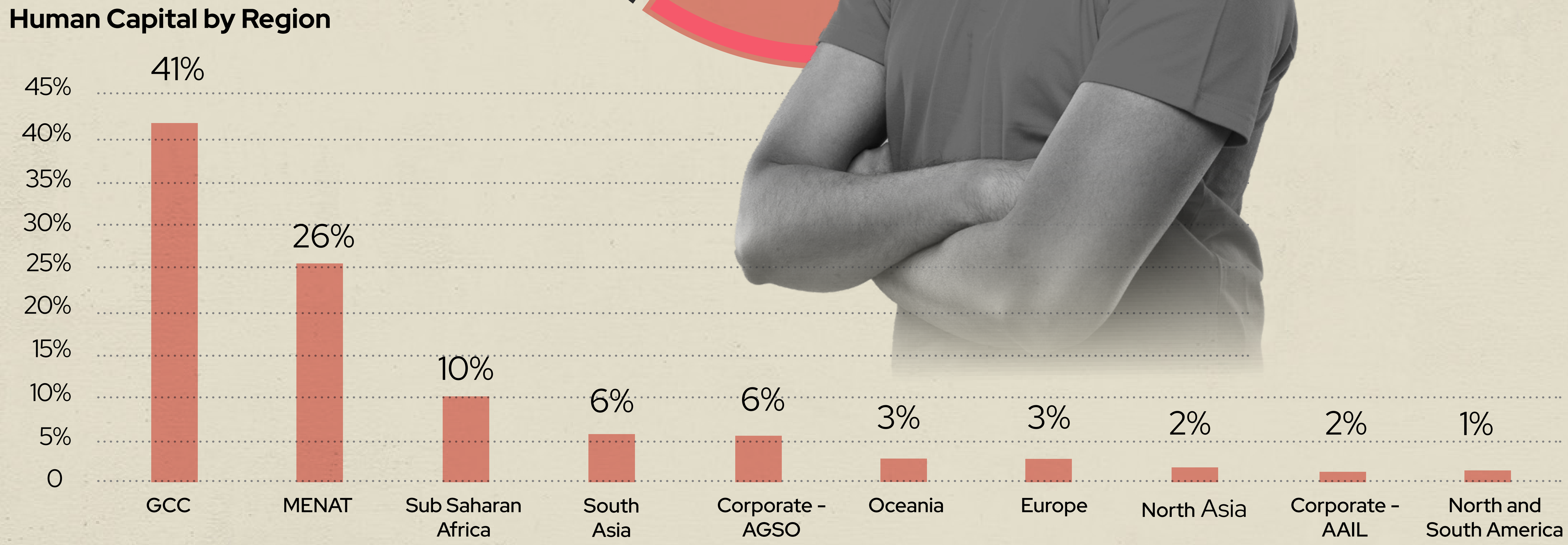


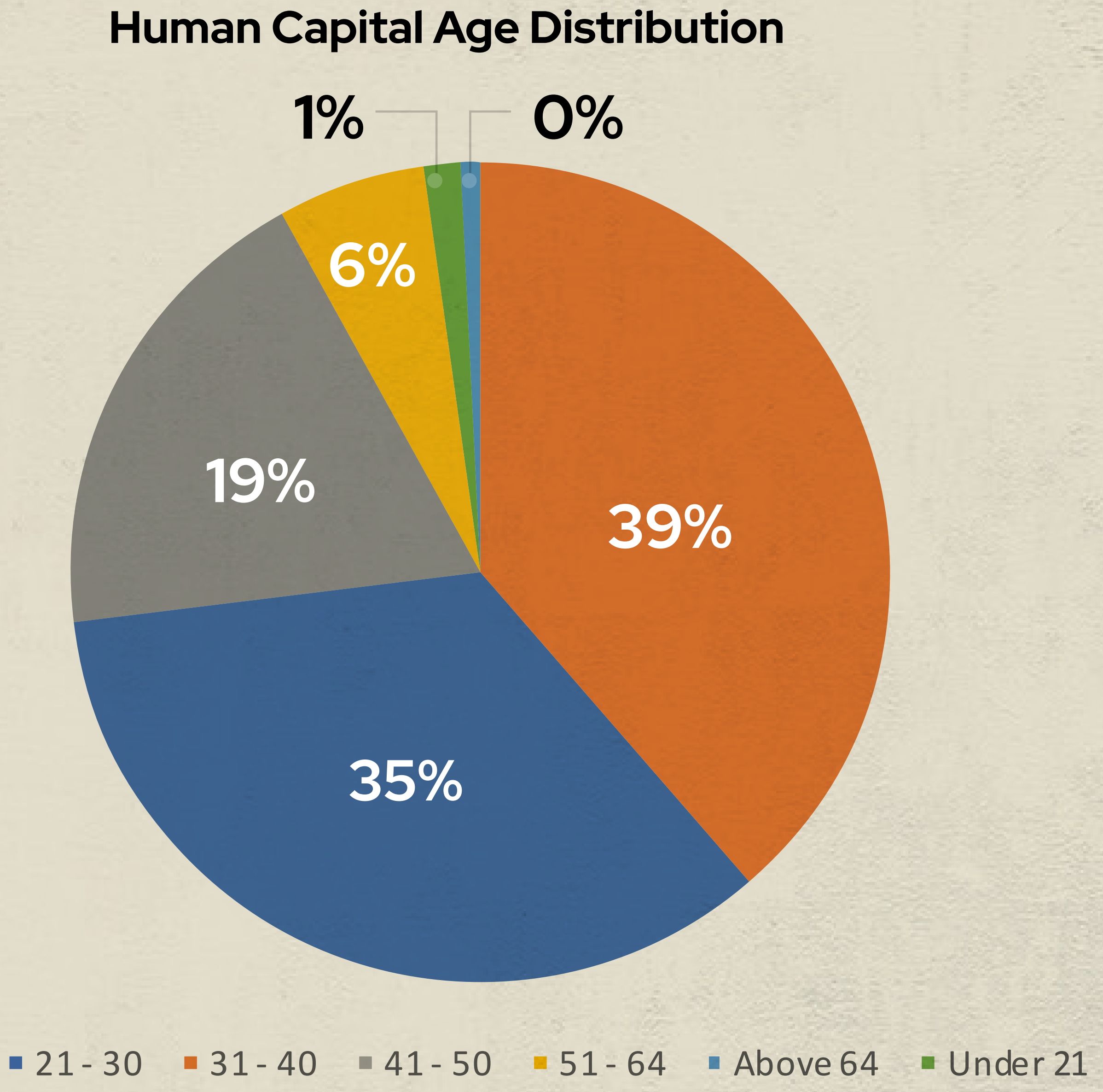
Throughout our 40 years, our people have been and remain the driving force enabling our strategy and business operations, fostering our value creation for our clients and customers.

We pride ourselves on building a human-centered leadership culture that aims to inspire our employees, enabling their learning and growth, while continually delivering value to our clients and communities. Our people are comprised of diverse, highly skilled, and innovative teams, and we strive to foster a work environment that builds on each employee's key strengths, provides a safe space of belonging, inspires creativity, and fosters well-being.









National Employees are defined as those who are nationals/ citizens of the country in which they are employed, whereas, expats indicate that the employees are not nationals / citizens of the country where they are employed.

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Our Human Capital Strategy

Human Capital

Our approach to human capital development is a journey fueled by empowerment and partnership. We continually work to ensure that our Human Resources function is front and center as a key enabler to our strategy and attainment of business goals. At its core, our corporate culture puts our people first, with an HR vision that centers on ensuring Aramex attracts, retains, and empowers talent, confirming we are the employer of choice. Our employee well-being, learning and development, and employee motivation are part and parcel of our human capital strategy.

In 2022 we were able to further enhance and deliver on our Human Capital strategy through our Centers of Excellence. Expertise in these functions allows us to create and cascade new strategies, and HR best practices across the network.

Talent	Learning and Development	Reward
Internal Communications	HR Tech	Insights and Analytics

We focused on improving organization effectiveness, instilling a performance mindset, invested in talent upskilling, and improving employee engagement in 2022. This included amongst other things, enhancement of our performance management process, transparent and detailed succession planning, review and harmonization of our benefits structures, the continuation of local recognition programs together with the launch of Aramex Pulse, our global employee engagement platform. We are also thrilled to have launched our updated Mission and Vision, which reaffirmed the centrality of our people at Aramex.

We are committed to putting the HR function at the forefront as a key enabler for our company strategy, operations, and sustainability by building and maintaining strong business practices, partnerships, and programs that center around our people's talent development, well-being, and career growth. While the year was focused on embedding the effectiveness of the verticals of Express and Freight, we continued to work across different departments and functions to understand their recruitment, talent and organization design needs.

We are also working to provide an enabling environment for them based on key themes to contribute positively and fully to our strategy and consistently deliver value to stakeholders.

- Build & Maintain an Engaged Organization
- Build a Performance Driven Organization
- Develop and Foster Talent
- Work Force Planning
- Internal Appointments and Promotion
- Nationalization
- Diversity, Equity, and Inclusion

Each theme has a clear action plan and set of priorities. Based on these plans, managers facilitated by HR Business Partners invest time in building the capability, performance, and effectiveness of the teams they lead. We have also launched the HR Scorecard in 2022 which is published and circulated monthly at all levels of business and HR leadership enabling an immediate view of HR related KPIs.

This year, we continued to build on the momentum set by the previous year, some of our highlights include:

Sustaining organizational health and engagement
We continue to deliver on our organizational health and engagement initiatives and set goals and plans to increase diversity ratios and improve employer brand awareness to become a truly global force in the logistics and supply chain category.

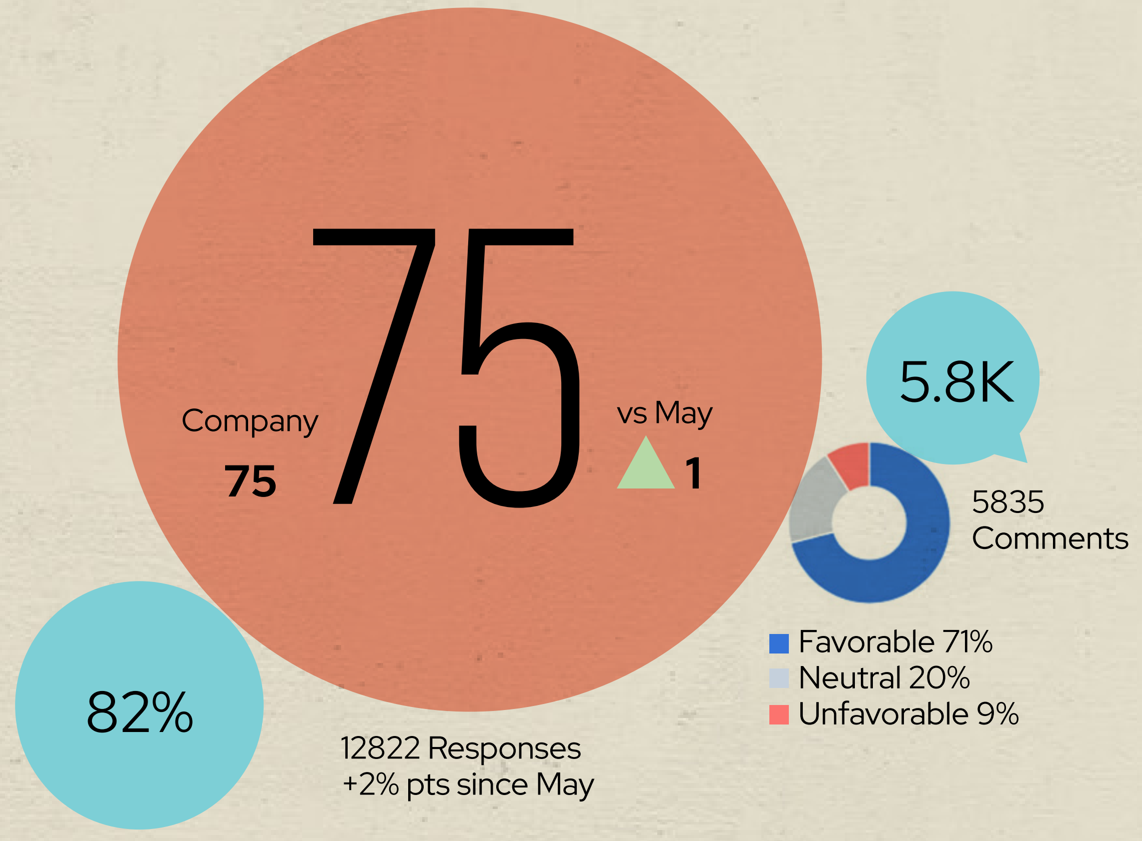
In 2022, we adopted an enhanced approach and rebranded our employee engagement survey as "Aramex Pulse", delivered through a best-in-class technology portal, allowing us to measure and report greater insights. Surveys are now conducted twice a year enabling a health check of the whole organization. Quarterly Townhall meetings were introduced to connect senior leadership with employees frequently across our network, keeping everyone informed on business performance, achievements, and progress against key objectives. In addition, a specific strategy town hall took place to inform all employees of Aramex's strategy.

The purpose of Aramex Pulse is to measure employee sentiment, connect with all employees, hear their feedback, fostering commitment via a bi-annual check-in with employees, resulting in higher engagement. This has led to both global and local management together with managers of people taking ownership of the initiative, using this feedback to drive change in line with opportunities highlighted by our employees.

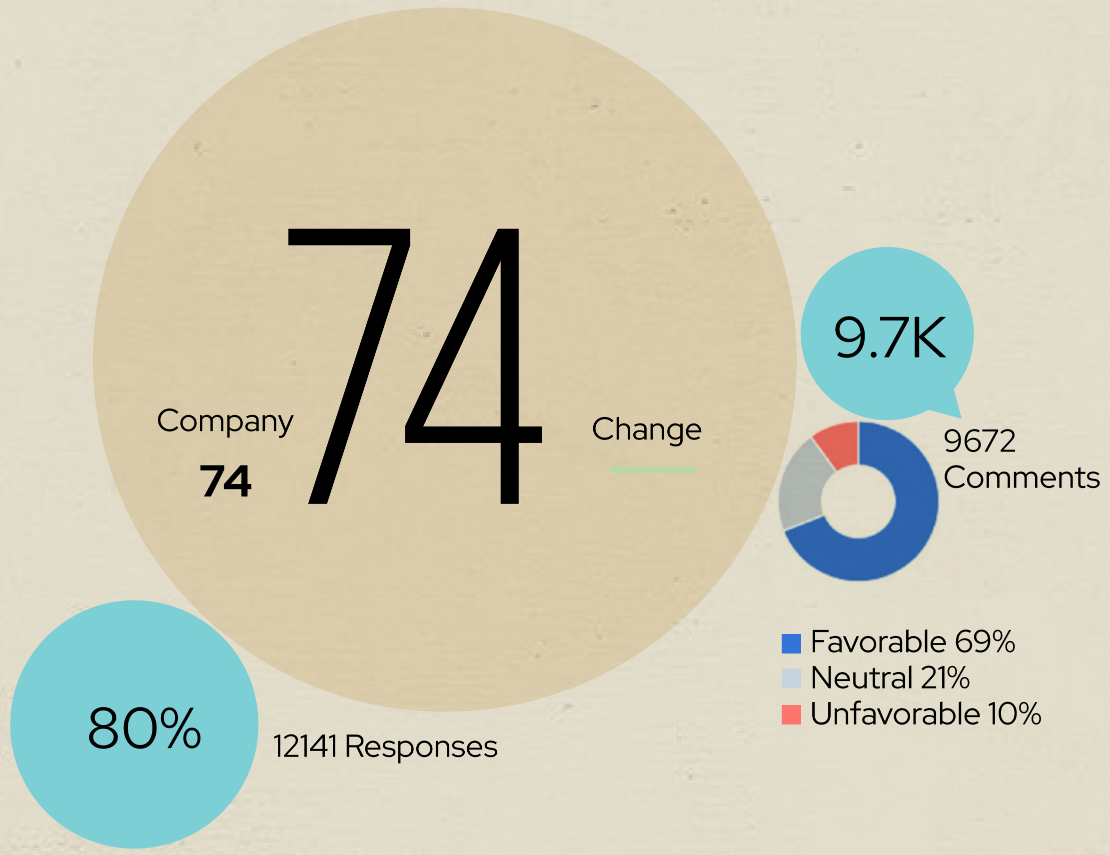
aramex pulse
powered by GLINT

82% of our total workforce participated in Aramex Pulse. Results allow sentiments and insights for every people manager and can be viewed by geography and team enabling an effective leader-led approach to addressing employee feedback.

October 2022



May 2022



Actions based on the feedback from our people

- Invested in the development of our employees at all levels and increased our learning hours by +200%.
- Provided access to world-class learning opportunities including online delivery via LinkedIn Learning.
- Launched the Aramex Leadership Academy with the Executive & Essential programs.
- Increased our learning management system reach to frontline employees .
- Built functional capability in Sales, as well as Freight and Logistics.
- Established a global communication routine through Regular Quarterly Townhalls communicating business results & strategy.
- Focused on pay for performance and enhanced our managers' feedback and engagement mechanism with their teams.
- Increased focus on compensation & benefits benchmarking.
- Initiatives to amplify Employee Voice including Speak Up.

Performance Management at Aramex
At Aramex, we aim to foster a performance-driven culture, whereby team members, along with their managers take ownership of the performance management process, which is continually evaluated and streamlined. We also worked to center coaching and employee development, focusing on building the relationship between team members and their managers. The goal is to ensure that we appropriately recognize employee contributions.

Starting in 2022, we shifted the focus to the power of the conversation between the manager and the employee so that performance management is continuous and seamless. Our focus has also been to constantly make the performance management process meaningful and more relevant to our employees. Part of this has been to train our line managers on coaching through workshops on goal setting, coaching frameworks, performance conversations, etc.

Formal performance reviews are conducted annually with quarterly check-ins throughout the period to facilitate continuous feedback through employee coaching and development.

We also conducted career and development workshops for our employees to help them set short-medium and long-term career goals with clear steps and planning support on what they need to achieve them.

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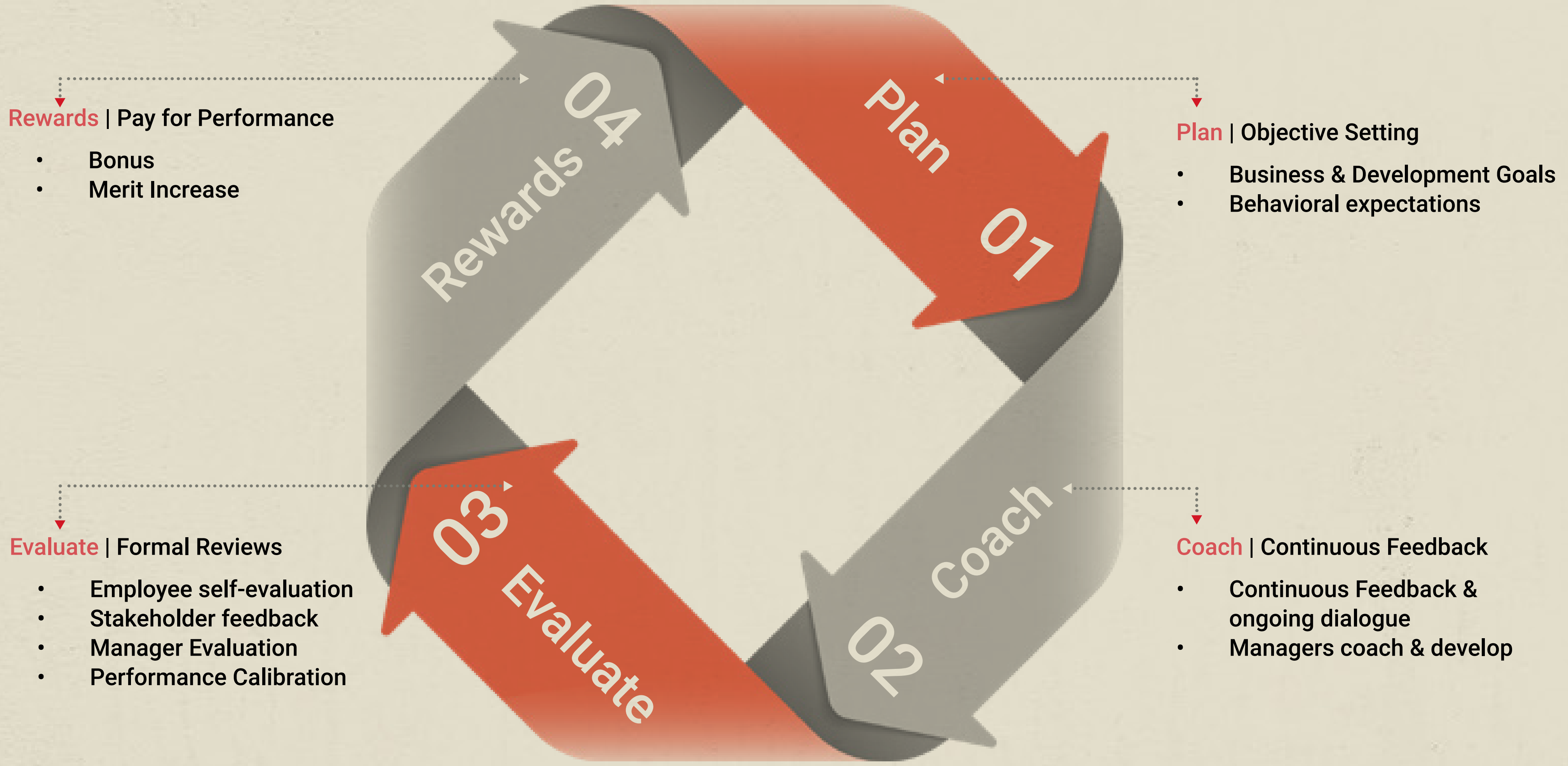
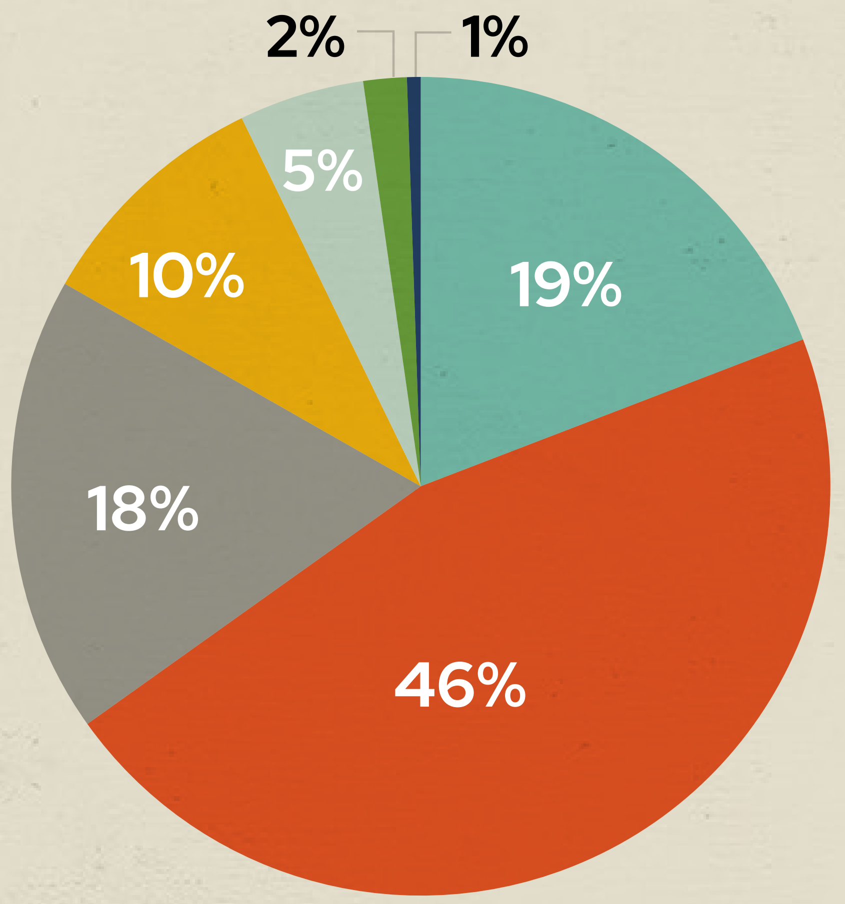
Performance Management Framework



Elevate Individual, Overall Team and Company Performance ▶ Build Organizational Capability sustainably ▶ High Performing Organization

Year of Service

Years of Service	%	
Less than 1 year	19%	
1 - 5	46%	
6 - 10	18%	
11 - 15	10%	
16 - 20	5%	
21 - 25	2%	
Above 25 Years	1%	
Grand Total	100%	



Employee Turnover

Separation Type	Percentage
Voluntary Turnover	17.8%
Involuntary Turnover	8.6%
Turnover	26.4%

For more information, please refer to Annex 3 (Page 180).

Diversity, Equity, and Inclusion

At Aramex, we are proud of our diversity with over 95 nationalities in our workforce, which we believe is one of our core strengths. As such, we work to foster a sense of belonging among our employees and ensure equity and inclusion across all our operations.

We celebrate diversity across all functions through different programs, policies, and initiatives. We have clear policies and handbooks in place to ensure the well-being of our employees, raise awareness on appropriate behavior, and ensure that we tackle any concerns related to issues of misconduct or discrimination effectively and comprehensively.

We have clear policies against discrimination on the basis of gender, ethnicity, abilities, disabilities, religion, age, or sexuality.

These include our Aramex Code of Conduct, Diversity, Equity & Inclusion Policy, Grievance Policy, Whistle Blowing Policy as well as the Global Employee Handbook, all of which are available on Aramex's intranet, the policies are subject to periodic reviews and shared with employees.

These policies ensure that our people, all our people, are represented, able to participate, and are treated fairly and equitably. For more information on these policies please refer to pages 108 and 116.

This year, we updated our Global Recruitment Policy which provides a recruitment framework to ensure that equity, diversity, and equal opportunity are comprehensively considered in all our recruitment practices, we also formally made our Anti-Bullying and Anti-Harassment training mandatory globally as part of our Zero Tolerance approach.

To further cement our women empowerment efforts, on International Women's Day, a session titled "Break the Bias" was delivered to employees.

We continue to build awareness through campaigns on our confidential 'SpeakUp' platforms to highlight our zero-tolerance policies for discrimination, harassment, and bullying on any grounds, including gender, and enhance the overall understanding of our code of conduct and related compliance policies. Our Group CEO communicated with all employees an informative email including a video outlining the process in which employees can speak up in confidence which is a part of the awareness campaign of our **Whistleblowing Policy and Reporting System.**

Commitment to Gender Equality and Representation

At Aramex, we are aware that in the majority of our key markets, jobs related to warehouse logistics and ground courier services are male-dominated. This in turn impacts our employee gender breakdown (19% Female and 81 Male), since the largest percentage of our workforce is made up of ground couriers and warehouse workers. However, we are committed to enhancing gender balance across all functions. Some of the ways we are addressing this include developing specific and targeted opportunities for women and ensuring equal and fair pay regardless of gender. We provide support to working parents, including parental leave, enhanced maternity pay, and leave benefits. The rate of return of new mothers following full maternity leave was 100 % in 2022.

An essential exercise we chose to embark on was to harmonize some of our benefits across the network, including our maternity leave. Benefits extended to mothers across our entire network will be enhanced effective January 2023.

Aramex is amongst the first 50 companies in the UAE to pledge with the UAE Gender Balance Council to increase women's representation in mid and senior positions to reach 30% by 2025. Key elements of the pledge include:
1. Ensure equal pay and fair compensation practices
2. Promote gender-equitable recruitment and promotion
3. Reflect our ambitions through policies and programs
4. Be transparent with our progress through annual reporting to the UAE Gender Balance Council

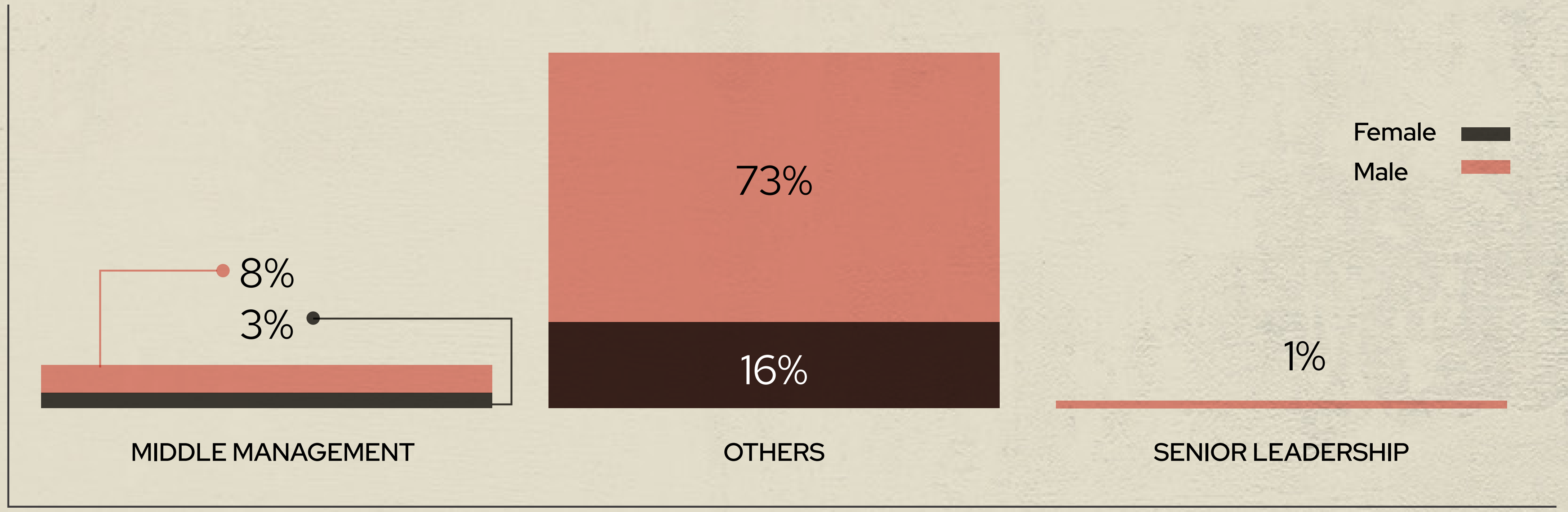
We are focused on shaping the strategy and implementation program for rollout in 2023 to support and ensure the achievement of this essential commitment. This initiative is not limited to the UAE, it is part of our efforts toward women's empowerment and achieving gender balance across all our locations globally. The pledge provides the road map for our ongoing DEI strategy.

81%
Male

Gender Excluding Ground Couriers
24% Female, 76% Male

19%	50%	28%	29%	1
Network	Corporate Head Offices	2022 Hires	2022 Promotions	Female Board of Directors

Employees per Level of Management per Gender



Employee Wellness and Well-being

We are keen on enhancing our employees' wellness and offering sessions by qualified psychologists through an expert third party open to all employees covering many topics to help improve employees' wellness.

These Wellness initiatives aim to build awareness of best practices in diversity, equity, inclusion, and general well-being. To do this we have partnered with an external organization named "The Lighthouse Arabia". Topics include –the mental health of adults and children, understanding ADHD in adults, emotional resilience, managing stress, mindfulness, and meditation, coping with anxiety, etc. The sessions are available to all our colleagues globally. We also upload the recording of these sessions on our Learning Management System.

Employee Relations

Maintaining positive working relationships is a core part of our approach to managing our Human Capital. Our Global Employee Handbook has clearly defined principles and guidance around our HR policies that apply to our people across the network and HR hub. Ensuring that we clearly communicate and share these guidelines provides employees with an understanding of our policies, appropriate conduct, and necessary actions to maintain. A healthy and safe working environment and employee relations. Our enhanced global policies aim to encourage better synergy and uniformity with local practices and procedures.

We share these policies along with awareness campaigns through various internal communication channels. Training programs organized through our Corporate University to reinforce policies are:

Newly introduced	Ongoing
• Human labor rights awareness • Workplace bullying and harassment • Performance Management for Managers	• Dangerous goods regulation awareness • Cyber Security Essentials • Anti-bribery compliance • Code of Conduct

Internal Communications

Internal Communications remains key to our Human Capital Strategy. In 2022, we have leveraged our internal Communications to drive transparency, ease the flow of information to ensure an informed population and increased engagement allowing us to bring the Aramex network and its people closer together. Highlights facilitated through our Internal Communications department have included the Global Town Hall as well as the communication on our updated Mission, Vision and Purpose.

Talent Acquisition

Ensuring that we have the right person in the right position in the required time is a key responsibility for our Talent Acquisition team, we actively seek to recruit candidates who not only have the needed skills and experience but also align with our culture. To ensure we are attracting high potential talent, it is fundamental to our Human Capital strategy to maintain our status as the employer of choice through our broader HR Strategies and Employee Value propositions.

Aramex is proud to have a history of partnering with universities across the globe where we seek to onboard fresh graduates and allow them to grow their careers in Aramex. As such, we continue to engage with top universities across the network and attract future talent. Enabling these strategies is only possible through well trained Talent Acquisition partners who are up to date with the latest recruitment trends and activities. As such all our Talent Acquisition Partners across our global network attended training on LinkedIn Recruiter to enhance their talent acquisition skills. The candidate application process was refreshed to enhance the candidate experience with reduced time to apply.

For more details on newly hired employees statistics please refer to page Annex 3 (Page 180).

GCC Nationalization Targets

In 2022, we also had an exciting opportunity across the UAE and KSA to facilitate nationalization programs to achieve national targets set by government authorities. We are proud to confirm that we achieved all targets set out and accrued no fines or penalties.

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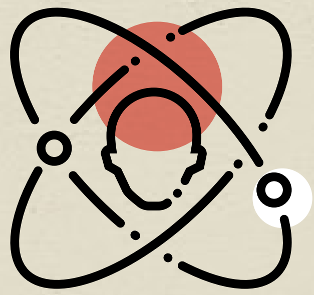


Learning and Development

Learning and development (L&D) was an integral part of our HR agenda for 2022. Our mission is to manage the development of our employees in alignment with our key business priorities. Stemming from our belief that blended learning is the path forward, we combined classroom forums, in-field applications, personal and results-oriented feedback, and online engagement to empower and enable our employees to take ownership of their learning experience.

Our approach to L&D is guided by three key goals:

- To be a world-class center of learning and people development that elevates the employee experience.
- To provide employees with tools to excel and advance in their careers.
- To prepare managers to become future leaders of the company by providing learning opportunities that are aligned with our strategy and goals.

Our Training Policy
Our training policy outlines the philosophy underpinning our L&D approach, and provides the framework for managing employee training, ensuring that each and every employee participates in a properly structured training process. This allows us to support their career growth, develop their potential, and maximize their performance and well-being.

Our Training in Numbers

Number of Learners	14,432
Number of Courses	3,149
Learning Hours	114,221
Average Hours per Employee	7.91
Average Courses per Employee	6.88
Female Learners	3,203
Male Learners	11,229

Training Highlights	2021	2022
Total Training Hours including Linked in	26,553	114,221
Total Linked-in Learning Hours	470	14,261
Total Hours Female	7,875	31,989
Total Hours Male	18,494	82,232
Total Hours excluding Linked in	26,083	99,960
Average Hours – Active Learner	1.6	7.9
Average Hours - Headcount	1.6	7.0

Learning Source	Aramex Courses (online and offline)	Linked-In Learning
Number of courses	590	2,559
%	19%	81%
Hours	**99,960**	**14,261**
%	88%	12%

Aramex University

A key milestone in 2022 was advancing Aramex University's digital and inclusive platform, which is accessible to all levels of the organization, including our Delivery Champions (Ground Couriers). We were able to provide our Delivery Champions in GCC and MENAT access to Aramex University through their hand-held devices and will be expanding this globally. By the end of 2022, 67% of our Delivery Champions had access to our entire learning library, in 2023 we aim to significantly increase this percentage. Through this initiative, we aim to build the capability of our Delivery Champions by creating specific content on different topics and pushing it to their devices.

A total of 99,960 learning hours were completed by users of Aramex University, focusing on programs such as Risk and Compliance, International Trade, Dangerous Goods, Antibribery, Security and Policies and Procedures, Onboarding, and Wellness.

Onboarding

Learning and development at Aramex occurs at all levels. In 2022, we continued to enroll all new joiners in a structured e-learning onboarding program which is designed to orient newcomers and enable their seamless transitions into the Aramex workplace. During the program, new employees learn about the company's mission, values, and purpose, along with the different functional units, operations, and services. Furthermore, the training includes modules related to sustainability, environmental stewardship and awareness, compliance, and our work with and duties towards our communities. Enrollment in the program is automatically assigned to all newcomers as a mandatory program.

Leadership Development

Another big focus for 2022 was leadership development. We introduced two new leadership development programs (for senior and mid-level leaders) in partnership with HULT Business School (UAE) and Ashridge Business School (UK) in our Leadership Academy. The curriculum focuses on 3 pillars: Leading Self, Leading Others, and Leading the business. Modules also include Strategy and Finance for Non-Finance leaders.

Academies Framework

The team also continued to enhance our partnership with business leaders by establishing capability academies in the key strategic areas: Sales, Logistics, Express, Customer Service, Operations Excellence and Leadership. This framework helps us establish a culture of operational excellence and productivity, by building the capabilities in our most critical functions. We have a three-tiered approach for each of the functions, namely Foundational, Advanced, and Mastery. Our approach was to pilot the training in some locations in 2022, learn from the feedback, and scale globally with a consistent approach.

Sales Training

To ensure we remain at the forefront of developing our Commercial Teams we launched The Aramex Sales Academy as a response to the emerging sales capability requirements in different regions. The academy has two programs, the **Sales Foundation Program**, which targets Commercial employees who are either newly hired or need a refresher, and the **Advanced Sales Program** which targets more experienced commercial employees that need further upskilling. The Advanced program is still under development and will be launched in 2023.

In 2022, we have trained more than **200 Commercial employees** including managers in the GCC, MENAT, North America, and South Africa: a total of **4,920 hours of training**.

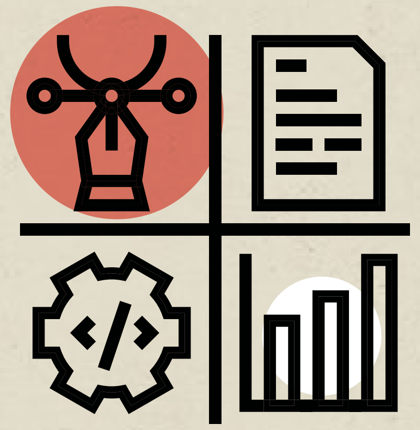
LinkedIn Learning

Another notable milestone in 2022 was expanding access to LinkedIn in learning, giving 6000 employees access to over 16,000 courses curated by experts, thereby allowing them to learn on the go. In line with our goal to encourage employees to take ownership of their professional development, the platform allows employees to take courses when the need arises rather than wait for a scheduled classroom session. **A total of 14,261 hours was recorded with an average of two hours per learner.**

"*We want to instill a culture of lifelong learning, an ongoing, voluntary, and self-motivated pursuit of knowledge that enhances social inclusion, active citizenship, personal development, and above all prepare our employees to remain competitive*."

Aramex Lean Program (ALP)

As part of our strategy to continuously develop our internal talent, we continued the Aramex Lean Program hosting a series of Lean Six Sigma programs. These programs focus on internal capability building where the development journey towards becoming a Lean Champion starts with Kaizen Workshops and continues with Yellow Belt and Green Belt. The program's aim is to drive Aramex's strategy to have focused teams working on operational efficiency and continuous improvement in a systematic manner ensuring sustainable results. Furthermore, we want to create a platform for connecting people from across the network and seamlessly transferring best practices.



Aramex Lean Program (ALP) highlights

1) **Yellow Belt**
   a. 3 sessions conducted
   b. 56 candidates trained
   c. 48 training hours

2) **Green Belt**
   a. 3 sessions conducted
   b. 22 candidates trained
   c. 120 training hours

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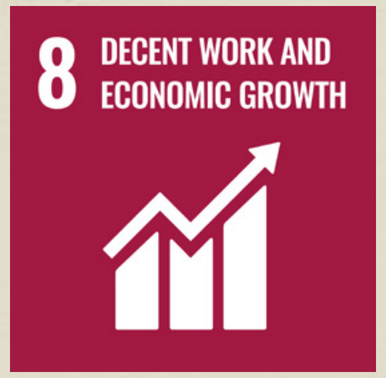
Forward focus: our 2023 goals and initiatives

Our goals for 2023 are in continuation of our 5-year HR Strategy which were initiated in 2022 are:

Initiative	Impact	KPI
Drive & Reward Performance Driven Organization	Instill a culture of pay for performance and results orientation. Recognize and Retain achievers contributing to the growth of Aramex	Clarity on Business Objectives & cascade of KPIs. Transparent and clear communication of bonus and commission targets. Frequent performance reviews. Compelling pay propositions balanced for Fixed and Variable segments. Fast track and promote high performers providing development opportunities for all.
Develop Talent & Focus on Diversity	Accelerate talent development meeting succession and leadership needs. Improve diversity ratios and implement programs that deliver gender equality outcomes	Succession Plans for key leadership and operational roles. Assessment and Development Planning, backed by leadership reviews. Deliver Nationalization and gender balance goals.
Improve & Embed People processes	Continually improve HR practices, enhancing employee experiences	Maintain ongoing blended learning experiences. Simplify processes, leveraging technology for everyday people processes in the recruit to retire lifecycle.
Improve Org Effectiveness & Efficiency	Fuel Aramex for growth through continual adoption of organization design that enables achievement of business plans and strategy at optimal cost	Enable organization functioning through clarity of structure, role and accountability distinction. Achieve synergies where appropriate in M&A projects. Manage people cost, right size headcount aligned to Strategy and in year Plan. Review Productivity goals.
Nurture Organizational Health & Engagement	Build and ambitiously increase employee engagement levels through execution of initiatives and people programs	Enhanced communication and visibility of leadership through physical and digital mediums. Celebrating and promoting Aramex's unique culture. Recognizing and valuing people for contributions. Listening to and addressing issues from feedback and insights

Health, Safety, and Security



The health and safety of our employees, customers, suppliers, contractors, and partners is of critical importance at Aramex. Maintaining Health, Safety, and Security (HSS) is a core component of the preservation of our Human and Social and Relationship Capitals in the short-, medium-, and long-terms.

Our occupational health and safety management system ensures that we safeguard the fundamental right to a safe and healthy working environment, it provides the framework for all our stations across the globe through a number of health and safety policies, procedures, and training. These include our Health and Safety, Driving, STOP Work, Substance Abuse, and No Smoking policies. Additionally, we have a number of manuals and procedures that are circulated and made available for employees as well. Relevant employees are also required to attend training on these procedures and should be aware of the safety manuals and information. These include Health and safety manual, warehouse safety manual, land transportation safety manual, permit to work procedure, safe use of work equipment procedure, hazard identification and risk assessment procedures were also in place to ensure the safe and healthy work environment for all .

In Q1 of 2022, our Riskonnect tool, which provides effective software for reporting and investigating incidents, went live and is currently being used in all stations, with more than 3,300 incidents reported in 2022 relating to Safety and Security. In addition to incident reporting, the tool was used to capture all of Aramex's properties and provide an overview of the safety standards within these properties. The tool was also used to carry out internal security and safety assessments and will be expanded in 2023 to cover daily, weekly, and monthly security inspections ensuring that all stations complete these tasks on time.

We continually monitor and update the system and all its components to address any business needs, mitigate risks and to eliminate any threats and gaps. As part of this, we have a hazard identification and risk assessment procedure that sets out how Aramex identifies the hazards and risks associated with each activity and task. It helps to determine the significant impact they might have on our employees and to place risk controls to eradicate the hazard or minimize the risks through the hierarchy of controls.

Our incident reporting procedure requires all our employees to report all safety and security related incidents including near misses through the Riskonnect tool. These incidents are then investigated by the respective station's HSS representatives using root cause analysis (RCA) approach. Appropriate Corrective and Prevention actions will be raised based on the RCA outcomes.

Aramex also introduced a STOP Work policy in 2022 as part of our Riskonnect tool which was designed to provide both employees and contract workers with the ability to stop when a perceived unsafe condition or behavior may result in an unwanted event. Both employees and contract workers are informed and empowered to act responsibly to ensure safety while undertaking any task or activity. Stopping unsafe work is not considered a negative action and there will be no retribution to the employee. This policy is to ensure that no employee will be expected or coerced into performing work that the employee considers unsafe. All stopped work can only be restarted if unsafe acts and conditions have been removed or mitigated .

The health and safety function is led by our Global Director-Safety, Securities and Facilities and has clear OHS targets that are reported on a regular basis. The health & safety function sits within the Corporate Risk and Compliance team ensuring it is governed by our Group Chief Risk & Compliance Officer, who reports to the Group CEO and the Board of Directors. In addition, the Health and Safety KPIs are incorporated within station managers' annual performance metrics with SMART objectives agreed.

In the head-office and within the UAE, the Health, Safety and Security (HSS) team launched a campaign in 2022 "Health Campaign" in coordination with NMC Hospitals- UAE where 633 employees /contractors participated.

Health, Safety and Security Training Highlights

17 courses on
occupational Health Safety, Environment

2,019 training hours

2,370 employees
1,516 Male Learners , 490 Female learners

Aramex Employee Safety Committee and HSS communication
Aramex safety committee includes employees from different levels to discuss health and safety matters during official meetings. The purpose of the committee is to ensure that health and safety continue to be an integral part of the Aramex operating procedures, culture, and programs. The committees increase and maintain employee awareness and interest in health and safety issues, providing them with an official platform to share any needs and concerns through open discussions and mechanisms for corrective actions. Safety Committee meetings are held every quarter.

Additionally, regular facilities walkthroughs are conducted with Aramex management and department leaders to identify any possible health concerns and determine areas of improvement.

Aramex also engages employees in a management walkthrough of the facility where i department leaders and managers participate to identify any safety-related observations.

Health and Safety alerts, circulars, and information are shared via specific notice boards and company intranet, along with meetings are used to communicate and consult with employees.

Health, Safety and Security Training
Training and awareness raising are crucial to ensuring the health and safety of employees and stakeholders, we continually evaluate our training programs as well as the training needs of different employees. Our in-house Health and safety training program for its workers is built according to the HS 1000 – (E) H&S Training needs Matrix. The training includes Our Health and Safety induction program, Permit-to-work procedure, along with additional general and on the job HSS training modules. In 2022, we trained 150 oil and gas employees, and plan to expand the training to include more employees in 2023.

Additionally, employees working in specific sectors (ex. Oil and Gas) receive specialized training. Training modules include:

- Healthy, Safety, Environment (HSE) Induction online - New Hire
- Emergency Response & Preparedness
- Stop Work Process and Safety Observations
- Reporting incidents and near misses
- Site Specific Safety Orientation
- Life Safety Rules
- General Fire Safety
- Hazard Recognition and Control
- Electrical Safety Awareness
- Slips, Trips, & Falls
- Personal Protective Equipment
- Chemical Safety Awareness
- Heat Stress
- Hand Protection
- Manual Handling and Back Safety
- Ergonomics
- Fatigue risk management
- Stress management
- Dropped Objects Prevention
- Working At Height & Fall Protection
- Conveyor Safety
- Permit To Work
- Rotating / moving parts machinery safety (Wood cutting machine)
- External Lifting & Rigging
- External Overhead Crane Safety
- External Dangerous Goods Handling
- External Spill Control
- External Core defensive driving
- Safety in the Operation of MHE's
- External forklift Training (theory & practical assessment).
- External First aid
- External Fire warden

Dangerous Goods
Under development is the Competency-Based Training and Assessment Center (CBTA) program which will be launched in 2023 where Aramex will partner with IATA to implement dangerous goods training programs based on a competency-based training and assessment approach and in compliance with international and industry standards. This initiative will support and enable our Ground Operations teams to develop capacity and resources and increase their level of dangerous good knowledge.

65% of Ground Operations and Ground Courier team members attended the Dangerous Goods Awareness programs this year.

Aramex has clear guidelines on the handling, transportation, and storage of hazardous material including chemicals, which includes procedures with a detailed risk assessment to be initiated in involved locations. These guidelines are continuously reviewed with function owners and "Safety Data Sheets" are reviewed by trained employees and emergency plans are initiated or revised to include any changes. Additionally, all our stations comply with local and international standards, regulations, and best practices concerning handling dangerous goods or hazardous materials.

Additionally, in 2022, Aramex established a chemical handling procedure that covers guidance on how to manage health and safety risks associated with chemical handling within Aramex worksites. This procedure helps with assessing and mitigating risks related to chemical handling. Risk assessment is key to handling chemicals and other such goods, the procedure outlines the necessary safety data sheets, required training, and the emergency response plan. It also advises on relevant HS regulations to ensure compliance with appropriate procedures and requirements at any point where and when chemical handling is undertaken.

Transportation Safety
Transportation safety continues to be a core matter for the Health and Safety team and includes ensuring safety and appropriate measures in transporting products, loading, and unloading of goods, classifying, labeling, and packaging materials properly, especially any hazardous goods. In addition to our dangerous goods training, we also have our International Carriage of Dangerous Goods by Road (ADR) training for all employees involved in land transportation, in addition to IATA CAT3 and CAT 6 in many locations and hubs. For the year in a row, Aramex did not experience any accidents involving contact with chemicals.

All our land freight vehicles are equipped with GPS devices and monitored by the 24x7 control room (including third-party trucks). New technologies were validated to enhance GPS tracking and a new project to monitor all Aramex vehicles is currently under review and is expected to be launched in early 2023. There were no major incidents or accidents reported in our Oil and Gas transport operation and our pre-trip inspections helped us ensure that trucks and loads are secured.

In 2023, defensive driving training will be implemented and will be mandatory for all drivers and drivers transporting chemicals. Driver behavior will be monitored for excessive speed, harsh braking, sharp turning etc. remotely through enhanced GPS tracking devices. The Journey Management System will be enhanced with two levels of truck inspections such as pre-trip and post-trip by qualified staff to ensure the truck conditions and properly securing the load to avoid transportation-related incidents.

Subcontractors are key partners in Aramex's health and safety management system, the assessment and contractual agreements ensure that they always comply with the safety policies, procedures, and responsibilities outlined within. Subcontractors are also encouraged to report any health and safety observations or near misses. All third-party contractors who work within our facility must undergo our health and safety induction and permit-to-work processes. Subcontractors are requested to join weekly tool-box meetings with an opportunity for the third parties to provide their inputs, comments, and observations ensuring a two-way communication. Furthermore, we encourage and ensure that vendors and contractors participate in our occupational health and safety campaigns.

Health and Safety in Numbers

In 2022, we have certified 15 more sites to OHS MS meeting ISO 45001 standard. Globally so far 39 sites were certified to ISO 45001 standard and 18 more sites to be added in 2023.

All ISO 45001 standard requirements are in place.

Health and Safety Disclosures							
Year	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	
Lost time Injury Frequency rate (LTIFR)	2.69	2.73	2.88	1.83	2.58*	2.22	Aramex experienced 2.22 LTIs for every 1,000,000 hours worked over the past year
Lost time Injury Incident rate (LTIIR)	0.57	0.58	0.62	0.53	0.66	0.57	Aramex experienced 0.57 LTI's per hundred employees
Severity Rate (SR)	12.08	8.99	16.45	17.61	17.72	11.90	On an average each LTI resulted in 11.90 days off work
Lost time injury Rate (LTIR)	0.54	0.55	0.58	0.37	0.52 *	0.44	For every 100 employees, 0.44 employees have been involved in LTI
Vehicle related Lost days rate (LDR)	9.69	7.64	12.27	8.03	6.93	3.87	Aramex experienced 3.87 vehicle related Lost days per million shipments
WH & Office related Lost days rate (LDR)	4.54	4.26	3.63	5.42	6.92	4.94	Aramex experienced 4.94 WH & Office related lost days per million shipments
Lost days rate (LDR)	14.23	11.90	15.90	13.45	13.85	8.80	Aramex experienced 8.80 lost days per million shipments
Accidents per Million shipments	13.94	15.61	9.21	7.54	7.26	8.18	Aramex experienced 8.18 accidents per million shipments

*Restatement: Correction for 2021

Fatality Rate	0.054	Aramex experienced 0.054 Fatality for every 1,000,000 hours worked over the past year
Near misses	118	Aramex reported 118 Near misses Last year
High Risk incident of total Incident	0.022	Aramex reported 0.022 Major incident from all incidents reported last year

Unfortunately, and with a heavy heart we report that we had three fatalities in 2022. One related to an Aramex bike courier who lost his life in a collision with a road separation. Additionally, two of our land freight contractors also lost their lives. A heavy trailer driver passed away due to a blast of his rear tires as he was trying to fix it, while another truck driver was hit by a third-party heavy truck and lost his life. In these cases, for Aramex employees, all different types of support, including financial support and arrangement for the burial, along with life insurance benefits, were provided to the deceased's family. For contracted employees, Aramex provided all the dues through a contracting company. We are working to continuously improve our safety measures and take corrective actions to better safeguard our people.

Health and Safety Statistics

Total Number of Fatalities including non-occupational related and excluding Covid (1 employee and 2 Aramex full time subcontractors)	3
Total Number of Lost time injuries	92
Total Number of days lost	1,095
Total number of incidents resulted in minor or no injuries	905
Total number of incidents resulted in injuries	112
Total number of incidents	1,017
Total Number of employees	16,249

Total number of vehicle related incidents resulted in minor or no injuries	702
Total Number of Vehicle related incidents resulted in injuries	13
Total Number of Vehicle related incidents resulted in Lost time injuries	34
Total number of vehicle related incidents	715
Total number of days lost due to vehicle incidents	481

Total number of Warehouse & Office related incidents resulted in minor or no injuries	203
Total Number of Warehouse & Office related incidents resulted in injuries	99
Total Number of Warehouse & Office related incidents resulted in Lost time injuries	58
Total number of Warehouse & Office related incidents	302
Total number of days lost due to WH & Office related incidents	614

Security
Physical security threats to the supply chain continued to evolve in 2022, especially given disruptions in the global supply chain overall. Some of the challenges include ensuring thorough cargo screening to ensure detection of any contraband of illegal commodities, while also mitigating delays and managing lowered capacity due to security measures.

All security incidents are captured using the Riskonnect tool which enables the security team to have better understanding of incidents trend and take decisions to mitigate risks on country and regional levels.

On the ground, we continued to upgrade our security system including CCTV and intrusion alarm meeting the best industry standards and enabling us to renew our TAPA FSR – A certificates in various locations. For the second year in a row, we completed the global Security property assessment on the top 86 facilities which helps us identify the gaps and address these accordingly. New facilities are planned for TAPA FSR – C certification, our goal in 2023 is to ensure that all logistics facilities are certified. We also aim to include more facilities in 2023 and improve the assessment scoring for the facilities evaluated in 2022.

To manage these challenges, we continued to grow our health, safety, and security team in 2022, while also upgrading our policies and procedures to stay ahead of the changing conditions and challenges. We are committed to continue these efforts in 2023 and beyond.

Our 2023 Health, Safety, and Security Objectives are focused on the reduction of incidents and lost time injuries and the promotion of safety across all activities as a daily practice.

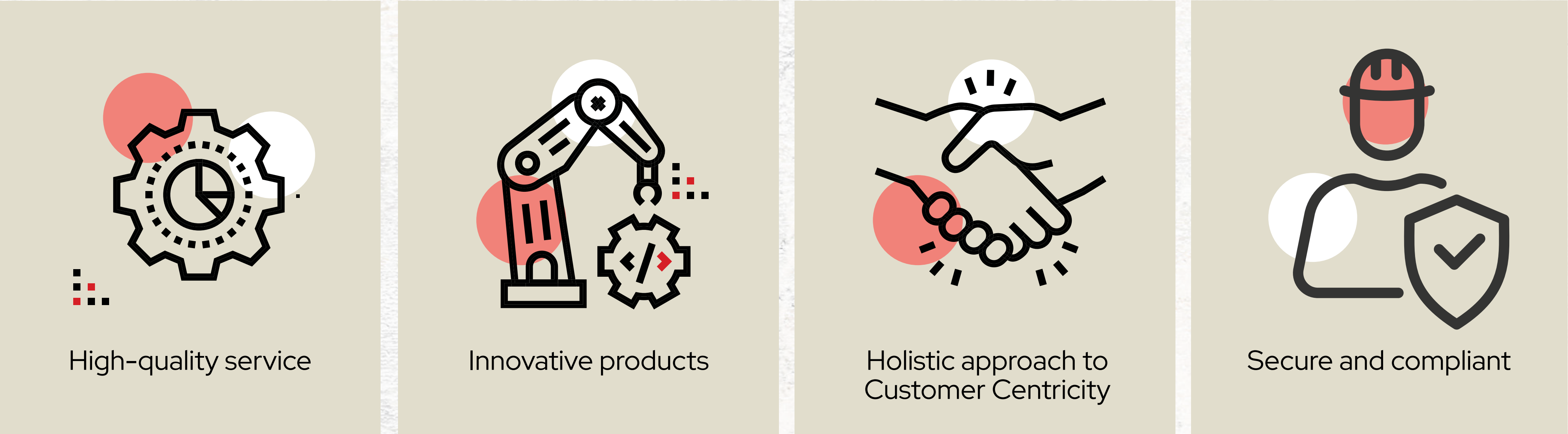
We will launch our Safety Day Campaign across all of Aramex's locations, focusing on enhancing awareness and safety in our key incident categories.

OUR CUSTOMERS

Throughout our 40 years of operation, Aramex's customer-centric philosophy remains a pillar in our work to deliver excellence and value to our customers, whenever and wherever they might be. We are committed to providing high-quality services and innovative products that ensure our customers' needs come first and that their experience is at the heart of our strategies and operational decisions. In addition to our goal to meet and exceed customer expectations, we ensure that we have policies, training, and guidelines in place to safeguard client privacy, uphold confidentiality, ensure responsiveness and that all interactions and relations between Aramex and our clients uphold ethical and professional conduct.

Managing our relationship with our customers is integral to our Social and Relationship Capital flows, and we leverage our Intellectual and Human Capitals and augment our Manufactured Capital to ensure that we preserve and create value for all our customers and stakeholders.

The Aramex approach to creating value for our customers:



Our customer-centric approach allows us to invest in continually building our Social and Relationship Capital while augmenting our Intellectual and Manufactured Capital.

Putting Customer Engagement at the Forefront
Over the past 40 years, our customer-centric approach has informed our customer relations strategies, tools, and activities. This year was no different. We invested in new technologies that leverage AI to understand customers' intents and sentiment and respond to customers within seconds using AI-chatbots. In addition to this, we continue to focus on the human factor in our customer engagement, which remains an essential component in ensuring personalized experiences. As part of this, we introduced the Human-In-the-loop' features on top of the NLP (Natural Language Processing) on chatbots for WhatsApp, and new additional channels for 2022 Twitter, Instagram, and Facebook.

In 2023, Aramex will focus on introducing even more communication and customer service channels in different regions to further personalize customer experiences globally.

To ensure prompt and responsive communications across multiple channels, Aramex focused on the employee experience which goes hand-in-hand with the customer experience and developed a synchronized omni-channel platform that allows employees across different functions to have full visibility on customer engagements history. Breaking any silos and ensuring identical experiences for customers regardless of the engagement channel.

Our Omni-channel approach allows us to maintain communication in a responsive and prompt manner while providing customers with different communication channels throughout their journey. All our communication is subjected to a quality management process with clear metrics including first contact resolution, acknowledgment time, and interaction closure, as well as the quality of resolution. To ensure continual improvement we collect customer feedback on their interactions to identify any gaps or lags. This year, we were able to streamline our interactions with customers. In 2023, our focus will be on digitalizing the first response to promote self-service, further enhancing the whole customer journey and reducing the first response time. This includes optimizing automation to maximize Service level agreements and serve customers even faster.

Communication Channels
We have listened to our customers and changed the way we communicate with customers by giving them the option to either select a door-to-door delivery for their shipments or to pick up their shipments from their nearest Aramex Pickup & Drop off Point which might be an Aramex outlet, Parcel locker or a Pick-Up & Drop-Off location.

Expanding Aramex PUDO Network
We have expanded our PUDO network within the GCC by expanding our Retail Outlet network, Parcel lockers network, and our Pick-Up & Drop-Off locations and our customers can enjoy collecting their shipments from a location that is within 10Km radius at their convenient time.

We have doubled our PUDO network in the GCC in 2022 vs 2021. A PUDO location can receive hundreds of parcels at a time, reducing the extra travel required for home deliveries and saving fuel and labor, and reducing their overall carbon footprint.

Launching Counter to Counter Service
In Saudi & Oman, we have launched our Counter-to-Counter service. This service will allow individuals to send domestic shipments from one of our outlets, parcel lockers or Pick & Drop locations and to be collected from the same network at competitive rates and convenience.

Tenders
Through our tender process, we make sure we engage with our customers to fully understand their needs from different topics of the organization, including legal, risk, commercial, compliance, and others to make sure we find the right solutions for each customer. In 2022, we managed to win a significant number of tenders within our different products, and across around 40 countries in different regions achieving an increase in the winning ratio by 17% over 2021. In 2023, we are aiming to increase the number of tenders by 25%, and work on better understanding the root-cause of the lost tenders and how we can build our internal capabilities to acquire more business.

SME Support Program
We continue to work on providing services and products tailor made to SMEs and startups, stemming from a keen understanding of the importance of entrepreneurship in transforming our economy and community. Aramex establishes a dedicated unit mandated by introducing an economical tailored logistics solution coupled with advanced technology to deliver a seamless shipping experience to specifically respond to the needs of SMEs. Additionally, this unit gathers and analyzes data on SMEs and startups to understand their needs and design and implement the appropriate solutions and offerings, focusing on a seamless end-to-end experience.

In 2022, we focused on enhancing our special SME offering and rate cards, lead generation mechanisms, as well as our communication channels for SMEs using Voice of Customer to collect continuous feedback. We also worked on enhancing the user journey by revamping our website and webtools. We are focusing on hiring business development managers that are experienced in working with startups and SMEs to better tailor our services to their needs.

We began exploring partnership opportunities with the Department of Economic Development (DED), Start-up Incubators, and SME business forums to expand our reach and the program.

Since the program launched, we have reached over 75,000+ SMEs and startups, with over 26, 000 added in 2022.

In 2023,we aim to:

- Expand our PUDO network. Our ultimate goal is to implement and expand Aramex PUDO location within 5 – 10 KM away from where our customers work, live, study or go out.
- Increase our current Pickup % out of the total inbounded shipments to reach 30% of the total business.
- Introduce the Aramex Counter to Counter service within the rest of stations
- Introduce the Aramex In-House parcel locker network within Oman, Qatar, Kuwait, Bahrain, and Saudi.
- Automate the process of sending personal shipments through our physical retail outlets by introducing a self-service kiosk.

Technology-Enabled Business Capabilities and Transformation

At Aramex, we are keenly aware that our ability to deliver value to our stakeholders is bolstered by our ability to invest in and integrate technological innovation in all aspects of our value chain. By committing to leverage our technological capabilities and expertise and keep up with the ever-changing digital landscape, we remain true to our role as tech enablers and innovators. Our digital transformation mission and strategy is to develop technology-enabled business capabilities that scale digital business operations up and out, generate revenue, improve profit margin, advance customer satisfaction, and future-proof our business.

Building on our efforts in 2021, in 2022 we set a 5-year strategic plan which centers around the following pillars:

- Developing new technology revenue and capabilities
- Modernize core technology
- Redefine the customer journey – Sender & Receiver Intimacy
- Enhance operational efficiency
- Future proofing innovation
- Incorporate sustainable tech, paperless operations, and green computing

Technology innovation and transformation provide the necessary infrastructure and base for us to deliver value to our customers and clients efficiently and effectively. We have various technological and IT solutions that we continually evolve and invest to optimize resilience, operations, and trust in response to our customer's needs

Customer Solutions Available Anytime, Anywhere

Aramex maintains a comprehensive set of communication tools that allow individuals to seamlessly manage their shipments anytime anywhere. Following the redesign of our Aramex application in 2021, we continued to enhance our customer communication channels in 2022. We introduced Sprinklr – the new omni channel solution.

This AI-powered solution combines our different channels and experiences to unify the consumer business communication and experience through one omni channel platform offering the same level of automation process across all social media channels. Sprinklr will also help provide visibility across all channels on historical consumer conversations and transactions and build in the ground for proactive AI processes. The system will help Aramex continue to provide its exceptional 'Last Mile' delivery via accelerating digital priorities.

Pioneer Engagement, Acceleration, and Opportunity

Our longstanding expertise and diligent efforts elevated us as key players in the logistics and supply chain solutions space. Aramex's strategic planning, proactive efforts, and solution development allow us to offer our customers solutions that cater to their needs and are in line with their strategic goals.

Capturing Customer Feedback

Capturing customer feedback and insights allows us to improve our engagement strategies, improve our service delivery, and improve our customer retention. The Aramex Voice of the Customer program allows us to gather feedback through multiple channels, including phone, SMS, web, and through our mobile application and social media channels in addition to the frequent customer surveys that collect detailed feedback. These channels and the data gathering processes are in line with the General Data Protection Regulation practices. The program captures thousands of feedback data points across several metrics, which are analyzed and communicated to relevant teams both locally and globally to improve the customer journey accordingly.

Continuous Monitoring of our Services to Continually Deliver Value

Through continuously monitoring our service delivery across different levels, sectors, and verticals, we can anticipate customer needs, stay ahead of global shifts in our industry, and enhance our services. We deploy up to date investigative and predictive methodologies to forecast operational and technological changes and requirements, predict trends, volume fluctuations, and business and industry transformations and needs.

Cyber Security

As we continue to rely on technological innovation, automation, and digital transformation, information security is taking center stage as a priority for Aramex. Our commitment to customer and information privacy extends from our human rights commitments. We strive to provide our customers, business partners, and stakeholders the peace of mind knowing their data is safe and privacy is a top priority. We work across all departments, levels, and verticals to ensure that we establish and maintain a culture of information security, empowering all employees and raising their awareness to ensure that they uphold and upkeep customer privacy, information security, and adherence to all relevant internal and external laws and regulations related to data and information management. Safeguarding information security and privacy is a responsibility of all Aramex employees, to that end, awareness and involvement are integrated within every activity and every process, from boardroom to frontline. Although our systems are resilient and elastic to the needs and demands of our customers, Aramex has maintained an effective Disaster Recovery plan which defines to ensure the continuity of the company's operations in case of a disaster and other disruptive cases.

We also acquired the PCI-DSS certificate which ensures that customer credit card information is protected per the highest protection standards and requirements. We adopted the European General Data Protection Regulation (GDPR) as a base for building the corporate data privacy framework, not only for our Europe operations but across our entire network. Our adherence to GDPR has helped us comply with most of the subsequent regulations that were introduced in other countries afterward. Additionally, our binding corporate rules (i.e., Privacy protection framework) application reflects Aramex's commitment to protecting personal information across the whole group as per the highest standards.

In 2022, we had no substantiated complaints regarding breaches of customer privacy and losses of customer data.

Information security measures and certificates

- ISO27001 SMS certification
- PCI-DSS certificate
- CCC+

aramex

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

Innovation at Aramex

Our innovation strategy has been to drive transformation internally to deliver value to our customers, while ensuring customer satisfaction, reliably and responsibly, while ensuring product profitability. Some of our current projects include:

1. Crowdsourcing: We have a crowdsourcing product that helps us source partners in any function. Today we use a crowdsource platform for couriers under a brand name called FLEET. Since its launch in 2016, this product has been made available across 10 geographies and has successfully delivered nearly 8 million shipments. We are now in the process of further refining this product and launching crowdsourcing for other work functions like Warehousing, Back office, Contact center, and more.

2. Pickup and drop-off (PUDO) solutions are critical for us to offer customer convenience and achieve cost optimization in the last mile. We are now enabling regions and stations to build partnerships and launch 10-13k PUDO locations in the coming 5 years. We have doubled our PUDO network in the GCC in 2022 vs 2021, and we are now launching in the MENAT and Africa region. We aim to build 2,000 to 3,000 locations in the coming 12-24 months across our core geographies that shall enable customers to collect or drop off shipments from an Aramex-branded and enabled location close to them.

3. Future Vehicle Program: Through 2022 we have been focused on driving the adoption of autonomous vehicles which run on greener energy sources. Through this program we have spoken to regulators and have successfully piloted:

- **Drone deliveries:** We successfully rolled out drone deliveries in Muscat on a tough route which made a case for drone delivery deployment. Given that regulations related to the use of drone deliveries are still nascent, and considering possible security concerns, we are very proud to have partnered with them and to offer this to our customers across our network. We plan to scale up drone deliveries in 2023 across the globe where there is a business case and regulations in place, creating a new urgent delivery product. This will help reduce our negative environmental impact and emissions.

- **Autonomous BOT deliveries:** Autonomous vehicles which are powered by EV batteries were launched in the UAE in Q4 2022. We rolled out 4 robots to initiate deliveries in the last mile and simulated conditions under which we could prove the BOT's utility and perforamnce. We are now scaling up these simulations and plan to roll BOT deliveries out across our regions to help us achieve our sustainability, productivity and quality metrics.

- **Fleet Electrification:** In efforts to reduce our environmental impact and carbon footprint as well as our cost, electric vehicles are essential for decarbonization goals and we continuously test vehicles to identify suitable solutions that meet our business needs. For more information please refer to our enviornment section on page 33.

4. Aramex Command Center: We launched a command center module in our global support office in Q4 of 2022. This command center module will have a live display of our operations across screens and focus on shipment level information based on service level agreements (SLA) and catch any misinformation or gaps to avoid delays. This will help us understand our operations' strengths and improve on any weaknesses and ensure shipments missing any SLAs are proactively resolved or communicated with our customers.

5. Other innovation programs
Our internal innovation program (Aramex RedLab) allows employees to share their ideas with us, after consideration and necessary assessments, these ideas developed into products, piloted, and launched. Some of 2022's exciting RedLab ideas from our employees that will be launched are:

- Ecommerce store for Aramex Boxes: We are planning to list Aramex as a store on online marketplaces for customers who would like to purchase boxes and other potential consumables for their use.
- NFT for shipping: We are looking at a way NFTs can be used for our freight services
- WhatsApp for Business solutions: We are looking at how WhatsApp can be leveraged for our services in franchise/agent geographies.
- Automation of training: Idea to automate the onboarding and training at our contact center.

We are looking into Metaverse for shipping and wearables for operation shipment processing. We had initiated the launch of Aramex in the metaverse through a startup called metamall where we would be the dedicated shipping partner for their sales.

6. Franchising: We are now re-initiating the program to recalibrate our franchising and agent strategy by creating new selection, onboarding, and partnering processes. As part of this we are amending the current revenue structure, support system, sign-on processes, and development cycles to generate new revenue streams in both new and current countries.

OUR COMMUNITIES

Over the last 40 years, sustainability has been and remains a part of the Aramex DNA, it is a source of pride, a strategic vision, and an embedded value that we uphold. A crucial part of our sustainability has been our work and partnerships with our communities. We are firm believers that a big part of our role and responsibility as a company is to work closely with communities to enact a positive, sustainable, and effective impact.

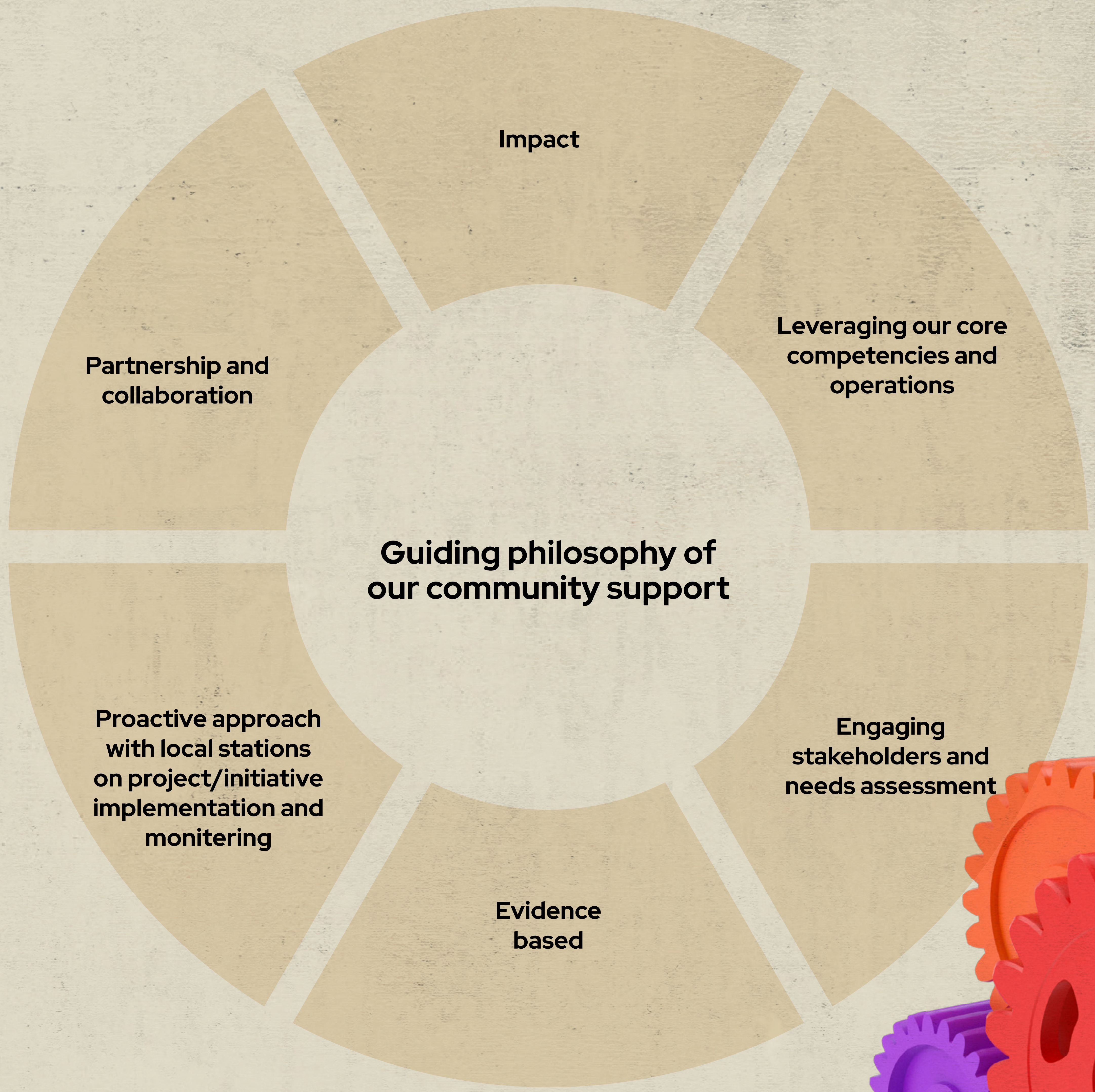
Our Social and Relationship Capital Strategy

The networks, partnerships, and relationships that we build and foster within Aramex and between Aramex and other institutions and stakeholders are key to upholding our sustainability strategy, enhancing collective well-being, and ensuring that we are aware of and responsive to the needs of our stakeholders and communities.

Our social and relationship capital is interconnected with our human and intellectual capitals. Our related strategy allows us to expand our understanding of our social impacts and ensure that we are actively contributing to the social good.

We continue to approach our community-based projects through a **partnership** and investment model, integrating sustainability in our operations, honoring our **commitments to stakeholders** and community members, and delivering value wherever we might be.

Our sustainability and social strategy are forward-looking, while building on past lessons, experience, and connections. We privilege a mode of scientifically informed, evidence-based, embedded, and partnership-oriented approach which centers longevity, transparency, and positive engagement with communities.



Our Corporate Citizenship program, which is implemented across our network, aims to create shared value and positively contribute to our communities based on their specific local context and needs. Our employees are engaged in our Corporate Citizenship program and motivated to make a difference in their community through volunteering and spearheading activities. The program focuses on the following key areas:

Community Engagement
Being an active part of the community can take different forms depending on local community needs and context, given our global presence and varying community needs. At Aramex, we define community engagement as the process of active contribution and support that enhances community livelihoods, well-being, and sustainability.

Youth Education and Empowerment
We believe that to achieve a sustainable future, we need to support the education and empowerment of our youth. As they shape the world we live in, we want to ensure they are equipped with the necessary skills and expertise to make a positive impact within their communities and beyond.

Entrepreneurship
Our focus on entrepreneurship stems from our own entrepreneurial journey which started 40 years ago. And from that journey, we understand the ability of startups and SMEs to transform economies, drive innovation, and create value. To that end, we focus on supporting entrepreneurs and SMEs along their journey as part of our social program, we developed the SME program that has since been expanded on and integrated into our business operations.

This program is a great example of the intersection of our sustainability and Corporate Citizenship priorities and our business strategy and is a testament to our integrated approach and efforts to leverage core competencies. For more on the SME program, refer to page 57.

Leveraging our operations to support humanitarian and emergency relief

Additionally, we actively and readily leverage our operations, capabilities, and human, financial, intellectual, and social and relationship capitals to provide emergency relief and support when the need arises. Our readiness to provide emergency relief is an important part of our engagement with communities. We are aware that with our operational bases, warehousing, and transportation networks, we are well poised to distribute necessary medicinal and food supplies, facilitate information flow, and work with partners on the ground.

With the massive work that took place in 2021 to support communities during the pandemic, we started structuring our community programs to reach more beneficiaries through strategic partnerships with community service providers.

The impact of these will show starting 2023 and for this reason, this year, we managed to reach over 140,000 different beneficiaries through our various partnerships and programs.

In 2022, our focus has been to consolidate our efforts and partnerships to strengthen and enhance our strategic goals and focus. During this year, we maintained our existing partnerships and support and conducted an evaluation of all our projects and activities, setting a road map to streamline our social projects, establish new partnerships, and conduct assessments and research on community and youth needs and priorities.

In 2023, we are looking forward to putting the planning and learning into action, working towards our goal to expand our beneficiary base by 5% year-on-year until 2030.

2022 Social Projects and Partnership Highlights

Supporting Free medical Care in Kenya
As part of our community engagement in Kenya, we partnered with Action in Focus to support their free medical camp, held for three days in three locations. Aramex provided a truck and driver to transport the medicines and food packages to the sites of the medical camps, we also stored the material in the truck during the camp. The NGO provides local impoverished communities with free consolation/ medication and food packages. Overall, 3,100 people received different treatments, from cataract treatment, tumor removal, to cleft pallet surgery and dental treatments.

Distributing Aid to Sudan
Together with the World Health Organization, we arranged for a charter flight to transport and distribute 100 tons of medicines to 13 states around the country, reaching more than 4,000 families affected by the flooding. We also arranged the storage of the supplies in our warehouse.

Distributing School Bags in Tunisia
In collaboration with Rotaract club Tunisia, Aramex distributed 120 school bags to children and youth in the rural parts of Baja.

Partnering with Injaz in Bahrain and Jordan
Through our long-standing partnership with Injaz, we delivered different training to youth on a multitude of topics, including managing personal finance and future planning, delivered by our employees in Bahrain to over 60 students. In Jordan, we also supported the Enterprise business challenge, which included over 80 students and focused on building entrepreneurship skills.

Supporting Students' Education in Ghana
Aramex Ghana in partnership with the Lebanese Embassy, provided scholarships for 31 students in 2022. This is an outcome of the 8-year partnership that aims to improve the lives of many students, who in turn contribute positively to their communities as they continue their professional paths in various disciplines and fields.

Employability Skills Support in Ireland
This year, our World of Work program managed by Business in the Community Ireland (BITCI) and in partnership with Balbriggan Community College, and Aramex Ireland welcomed 18 students who had the opportunity to gain insights into the many roles in the workplace to prepare them for employability, with exercises such as mock interviews. The program has been ongoing since 2015 and supported a total of 130 students.

School Renovation in Kenya
In efforts to provide a better learning environment for students, Aramex Kenya provided support to rebuild and renovate Mambura Primary school which was started in early 1970 and is the best performing school in the county with 209 students and 45 Students Joining National Schools last year.

Support involved providing building material needed for infrastructure work. As a result, students can enjoy a new Laboratory and refurbished kitchen as well as other donated items for their school.

Supporting Children in South Africa
Aramex South Africa facilitated operation Smile's program at Nelson Mandela Academic Hospital in Mthatha through in-kind support and beyond. This program brought together volunteers consisting of specialist plastic surgeons, pediatric anesthetists, pediatricians, pediatric intensivists, nurses, dentists, speech therapists, psychosocial therapists, medical records personnel, and logistics and volunteer coordinators to perform cleft lip surgery for 24 children (15 girls and 9 boys). Aramex support by providing:
- Logistic support and transport cargo of medical equipment, consumables, and medication.

- Supported the transportation to and accommodation in in Mthatha (by air and road) of the volunteer medical team.

Partnerships for Good

At Aramex, we have a keen understanding that tackling global issues, such as climate change, poverty, and youth unemployment requires us to build effective partnerships, leveraging our expertise, capabilities, and networks to contribute effectively to sustainable development. As part of our sustainability strategy, we aim to build and nurture partnerships to enhance our value creation and positive impacts on our communities. We diligently advocate for sustainable business practices, improved regulations, transparency and accountability, and the integration of sustainability into business practices within different organizations. We work with different private, public, and nongovernmental institutions across different geographies and scales.

Some examples of our partnerships and accomplishments and participation for 2022 include:

Global Partnerships:
Caring for climate World, Future Energy Summit

Regional Partnerships:
Dubai Financial Market (DFM), UNICEF RTC, AFED UNRWA,
UNHCR, Ruwwad Development
INJAZ Al-Arab

Local Partnerships:
Jordan Green Business Council, INJAZ Jordan, Dubai Chamber of Commerce,
Abu Dhabi Sustainability Group, Peal Initiative,
Egyptian clothing Banks, AmidEast.

Global and local participation:
United Nations Global Compact (UNGC).

Partnership Highlight

In 2022 we partnered with the Dubai Sustainable Finance Working Group (DSFWG) which was established by Dubai International Financial Centre (DIFC) to develop and launch a self-assessment tool for measuring the maturity of ESG policies and practices in companies. The main goal behind the ESG Maturity Tool is to help companies build a clear and realistic roadmap to reach their sustainability ambitions. Aramex will work with the group to train companies on using the tool starting in 2023.
[Dubai Sustainable Finance Working Group (difc.ae)]

Spotlight

UNGC Jordan
Recognizing the value and importance of sustainability reporting and the UNGC in building responsible and better business practices, improving transparency and accountability, and driving sustainability, Aramex lead the partnership with a group of Jordanian companies to establish a UNGC chapter in Amman, Jordan. The chapter now includes 42 companies and holds different events geared toward training on sustainability reporting, raising awareness on sustainable and responsible business practices, current innovations, as well as the challenges and concerns related to sustainability. Notably, through this chapter, Aramex supported Amman Stock Exchange (ASE) initiative in partnership with UNGC chapter in Jordan to incorporate sustainability reporting within the annual report of the top 20 listed companies on the Jordanian stock market, an important step to ensuring corporate transparency.

In 2022, Aramex was also involved in the SDG Accelerator program, on the following thematic areas: Target gender equality, (SDG 5, 10), Climate ambition Accelerator (SDG 12) and an overall SDG Ambition relating to all 17 goals. Additionally, volunteers from Aramex delivered training on how to report according to the GRI standards for Amman Stock Exchange (ASE) staff.

SPOTLIGHT

Our partnership with Ruwwad

Ruwwad is a non-profit community development organization committed to working with disenfranchised communities through education, youth volunteerism, and grassroots organizing fostering creative partnerships between the private sector, civil society organizations, government, and the communities themselves, and pursuing solutions whose impact is fundamental and life changing. It was established by the private sector, led by Aramex and now has a presence in Jordan, Lebanon, Palestine, and Egypt with a focus on four programs: Child Development, Adolescent Development, Youth Organizing, and Community Support.

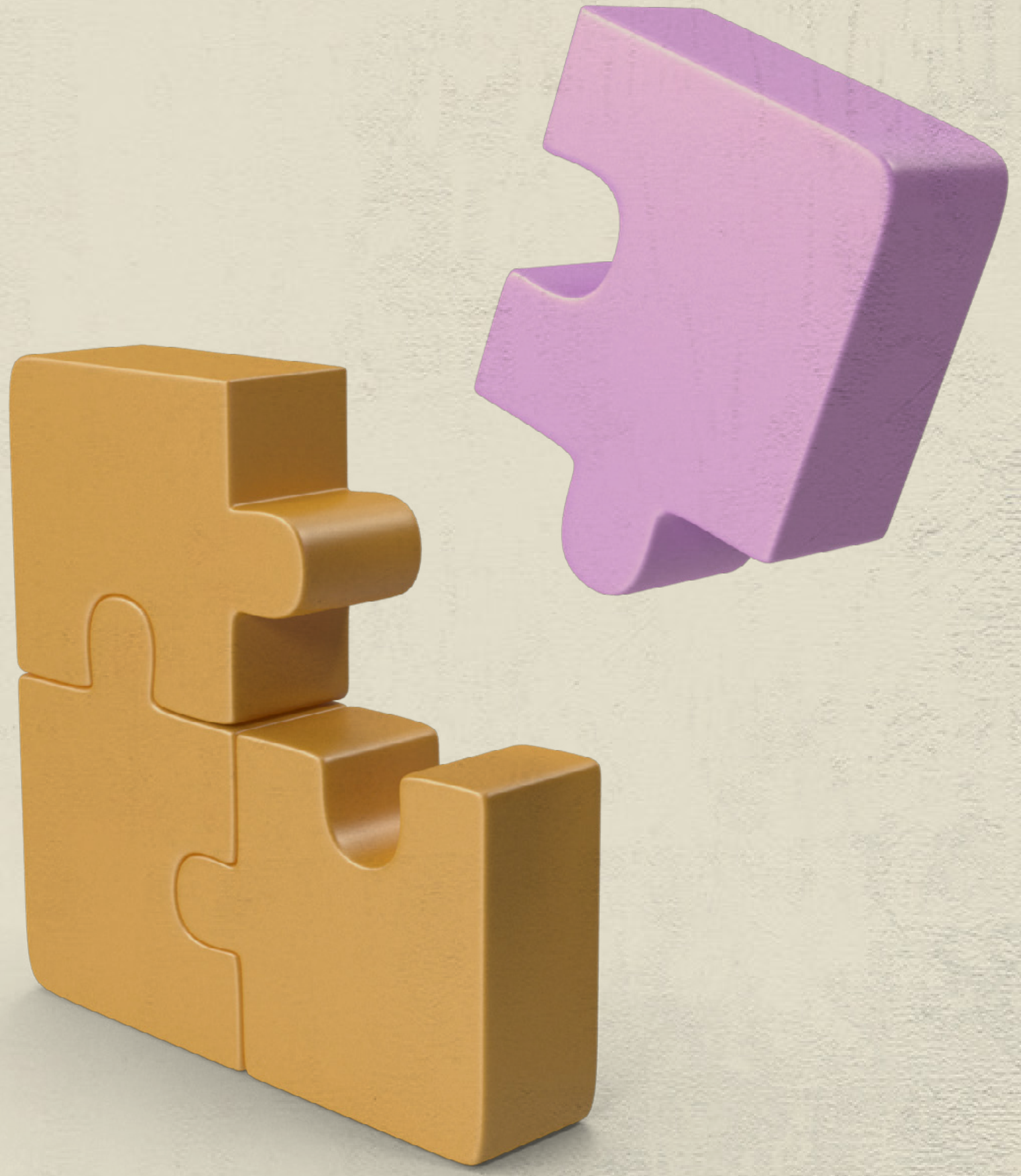
2005

Ruwwad East Amman was established

2011 - 2013 Ruwwad regional expansion within Jordan, Lebanon, Palestine, and Egypt.

Since its foundation, a total of 2,550 youth scholars have benefitted from Ruwwad's scholarship programs in Ruwwad's six community centers in Jordan, Lebanon, Palestine, and Egypt. In exchange for their scholarships, youth commit to giving four community service hours a week.

In 2022, 473 youth scholars benefited from the youth scholarship programs in the region and gave more than 41,169 community service hours through volunteering and supporting Ruwwad's different programs, operational tracks, projects, initiatives, and campaigns.



For more information on Ruwwad's impact please refer to Annex 4 (Page 184).

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Financial

Social and Relationship

Procurement and Supplier Relations

Our proactive approach to procurement ensures that we uphold our code of conduct internally and externally through our supply chain and comply with relevant laws and regulations. Our procurement procedures are an important part of our business practices and facilitate our goals to source locally and responsibly and ensure cost effective, strategic, and responsible procurement and purchasing through a strict, yet user-friendly and transparent process.

We engage with our suppliers through different channels, both online and offline. We also conduct site visits and stakeholder engagement sessions to have a comprehensive understanding of our supplier base. We have launched supplier training through Ariba, and all our suppliers have received training in 2022.

The procurement team works closely with all business units to understand their specific needs and requirements and streamline our sourcing process. We encourage and prioritize local suppliers and purchasing, as long as it is aligned with our code of conduct and business needs.

In 2022, 98% of spending in key stations* was spent on local suppliers .**

Considering the impact of procurement, we have improved the transparency of the existing due diligence process by including different departments including finance, compliance, health and safety, and sustainability in the onboarding cycle that is digitized through our online portal. All suppliers are screened using our supplier questionnaire during the onboarding process, which covers our third-party due diligence policy, supplier and Aramex codes of conduct covering diverse ESG topics including; environmental impact, child and compulsory labor, human rights, collective bargaining, and social impact. Questionnaires are reviewed by compliance, procurement, finance, accounting, sustainability, and health and safety depending on the nature of the supplier. Additionally, we conduct quarterly evaluations for the suppliers we are working with.

Additional documentation is requested from suppliers based on their responses. If the supplier does not fulfill the screening criteria, we do not proceed with the onboarding. Through the questionnaire, along with training and partnerships, we aim to mitigate and reduce risks related to non-compliance, labor violations, and negative social and environmental impacts along our supply chain.

In 2022 we refined our supplier due diligence process through:

• Updated to include additional questions on human and labor rights, health and safety, environmental impacts, and sustainability.

• Introduced Supplier Code of Conduct that covers an array of aspects to ensure alignment with Aramex code of conduct including; Culture of integrity in the workplace; Culture of integrity in doing business; commitment to the code of conduct.

Within the procurement function, we have developed procurement and sourcing strategies, these, along with our software and systems, allow for effective and smooth processing of our procurement needs. Internally, our procurement framework includes grievance mechanisms to raise issues with the respective regional procurement manager. Any issues raised will be investigated, and where necessary further investigation will be conducted to assess evidence and decide on the case.

Aware of the importance of extending and embedding our sustainability and responsible business practices throughout our supply chain we have several initiatives that center on greening our supply chain. Within our supplier network, some of our partners are carbon neutral, which allows us to enhance our supply chain and reduce our scope 3 emissions in countries of operation.

*Key stations: Stations where we have significant operations, in terms of volume of business, size of operation, and its expenses/ budget

**local Suppliers: Suppliers that are based in the country of the specific Aramex operation/ Station

OUR STAKEHOLDERS

To further our understanding of our stakeholders' needs, perspectives, and key concerns, we conduct stakeholder engagement sessions (facilitated by a third part consultant) regularly in different locations to gather insights, share our activities, and think together with our stakeholders on how to enhance our sustainability, value creations, and overall operations.

To further our understanding of our stakeholders' needs, perspectives, and key concerns, we conduct stakeholder engagement sessions (facilitated by a third part consultant) regularly in different locations to gather insights, share our activities, and think together with our stakeholders on how to enhance our sustainability, value creations, and overall operations. The sessions' full report can be found in Anex 5.

The goals of the sessions are to:

- Assess Aramex's sustainability performance: Stakeholders to understand and reflect on Aramex's sustainability ambitions, achievements, and challenges.
- Understand Stakeholder expectations from Aramex: Aramex to understand the concerns of its different stakeholder groups and their expectations of the company.
- Define how Aramex can create a mutually shared value: Discuss how Aramex can further create shared value for its stakeholders and how they can collaborate on solving challenges.
- Define a way forward: Gather insights and recommendations on how Aramex can move forward to meet its stakeholder expectations and advance its sustainability ambitions with their support.

Our Stakeholders ranked different ESG topics according to their materiality, these were mapped on to the respective GRI disclosures

Material Topic	Relevant GRI Topics
Ethics and Business Conduct	GRI 205: Anti-corruption 2016
Economic Impact	GRI 201: Economic Performance 2016
Data Protection and Security	GRI 418: Customer Privacy 2016
Sustainable Products and Services	GRI 416: Customer Health and Safety 2016
Employee Health and Safety	GRI 403: Occupational Health and Safety 2018
Diversity and Equal Opportunity	GRI 405: Diversity and Equal Opportunity 2016
Customer Relations and Engagement	GRI 417: Marketing and Labeling 2016
Climate Change	GRI 304: Biodiversity 2016
Carbon Emissions	GRI 305: Emissions 2016
Sustainable Supply Chain	GRI 204: Procurement Practices 2016
Human Rights Protection and Compliance	GRI 409: Forced or Compulsory labor 2016
Road and Public Safety	GRI 413: Local Communities 2016
Sustainability Communication and Engagement	GRI 2: General Disclosures 2021

We report on our efforts and progress across these material concerns throughout this report, please refer to our GRI Index on page 117 for reference to specific information. Elaboration on our reporting, materiality determination, and external audit process can be found on page 113.

Highlights from our Stakeholder Engagement Sessions

The full Stakeholder Engagement session reports are found in Annex 5.

Material Topics per Stakeholder

Clients

Ease of Communication	Timely Service Delivery	Complaint Handling	Privacy and Security

NGOs

Education	Women empowerment	Youth Empowerment	Ethical Business Conduct

Suppliers and Airlines

Suppliers

Compliance with Terms and Conditions	Fair Selection of Suppliers	Effective Procedures and Process	Supplier Assessment on Ethical Practices

Airlines

Compliance with Terms and Conditions	Invoicing and Payment	Supplier Assessment on Ethical Practices	Reputational Assessment

Government

Ethics and Business Conduct	Data Privacy & Security	Compliance with Local and International Regulations	Business Sustainability Performance

Employees

Reward & Recognition	Career Advancement	Effective Engagement	Learning and Development

* Topics are not listed based on ranking

Memberships and Associations

Memberships		
Freight	International Air Transport Association (IATA)	We are IATA-approved agents with individual CODE/CASS numbers in Algeria, Bahrain, Bangladesh, Canada, China, Cyprus, Czech Republic, Egypt, Ethiopia, France, Germany, Ghana, India, Indonesia, Iran, Iraq, Ireland, Jordan, Kuwait, Lebanon, Libya, Malta, Mauritius, Morocco, Nepal, Netherlands, Oman, Qatar, Saudi Arabia, Shanghai, Singapore, Slovakia, Sri Lanka, Sudan, Switzerland, Syria, Turkey, UAE, UK, USA and Vietnam. Some main stations are individual members, while the remaining stations are in the process of becoming-IATA-approved.
Logistics and Ground Operations	The International Air Cargo Association (TIACA)	Member
Express	Fédération Internationale de Associationsde Transitaires et Assimilés/International Federation of Freight Forwarders Associations (FIATA)	Founder
Business Improvement	World Freight Alliance (WFA)	President
Security	Freight Forwarding Syndicate	Member
Environment	Fenex	Member
Others	Supply Chain and Logistics Group	Member
Others	Global Distribution Alliance GDA)	Founder
Others	Express Delivery and Logistic Association	Member
Others	BSI Registered (British Standards Institute)	Member
Others	Transported Assets Protection Association	Member
Others	Transportation Security Association (TSA) - USA	Member
Others	Customs Trade Partnership Against Terrorism (C-TPAT) – USA / Customs Dept.	Member
Others	Department for Transport (DfT) - UK	Aramex is an indirect air carrier
Others	Arab Forum for Environment and Development (AFED)	TwoWay and Priority and listed agents
Others	KAMCO: Brokerage – USA	Member
Others	ABANA: Association of Arab Banks for North	Member
Others	MCAA: Messenger Courier Association of America	Member

Governance

UNBOXING THE FUTURE

Contents

1. Governance Practices

Aramex's Board of Directors and Management strive to strengthen the Company's position as a leader in corporate governance by adopting and upholding best practices across the group. As a listed company in the Dubai Financial Market, Aramex's corporate governance practices are guided by the "The Chairman of Authority's Board of Directors' Decision no. (3/Chairman) of 2020 concerning Approval of Joint Stock Companies Governance Guide" and its amendments ("SCA Governance Guide").

Efforts and attention are placed on continuously reviewing and improving the Company's governance framework by effectively enhancing its practices, policies and procedures.

The Board of Directors continued with its ongoing initiatives to enhance Aramex's governance framework and systems in 2022, including revising its governance policies and procedures in order to ensure the Company's practices are up-to-date with international best practices and legal and regulatory requirements. The Board has updated its charter and its committees' charters and has revised the Company's delegation of authority matrix to correspond to the Company's business objectives, current organization structure, and long-term strategy. The Directors attended a workshop provided by Hawkamah to address the outcomes of the 2021 Board evaluation exercise.

In April 2022, the General Assembly approved the amendment of the Articles of Association of the Company to bring them in line with the Federal Decree Law No. (32) of 2021 on Commercial Companies, and with the Cabinet Resolution No. (55) of 2021 Regarding Determining the List of Activities With Strategic Impact. Subsequently, in May of 2022, Aramex was the first UAE listed company to remove the existing restrictions on foreign ownership and increase the limit from 49% to 100% to allow for full ownership of its free-floating shares by foreign investors. An indicator of good governance, this step was taken to strengthen and further diversify the Company's shareholder profile, offering investors from all around the world an equitable opportunity to invest in Aramex's journey towards sustainable growth as it embarks on the next stage of growth and expansion.

2. Dealings of Board Members and their First-Degree Relatives in Securities of the Company

The Board follows the "Insider Trading Policy". This policy applies to all transactions in Aramex securities by Board Members, employees, and any other insiders identified by the Policy. This Policy also applies to transactions in the securities of Aramex's subsidiaries and associate companies.

The Board of Directors, employees, and other insiders are authorized to carry out the purchase and sale of Aramex securities in line with the provisions of this Policy. Any transactions not effected pursuant to this Policy will be deemed null and void.

The Directors of the Board are aware of their obligation to disclose their transactions in the securities of Aramex, and they are committed to complying with all the requirements of the Securities and Commodities Authority and the Dubai Financial Market.

Based on the annual declaration of interest forms signed by the Directors of the Board, the following table demonstrates the dealings of the Board Members and their first-degree relatives in the securities of Aramex during 2022:

Board Members as of 31 December 2022								
		Dealings of Board Members			Dealings of Board Members' Relatives			
Name	Position	Total Sold Shares	Total Purchased Shares	Number of Shares as at December 31, 2022	Relation	Total Sold Shares	Total Purchased Shares	Number of Shares as at December 31, 2022
Mr. Mohamed Alshamsi	Chairman	-	-	-	-	-	-	-
Mr. Benjamin Démogé	Vice Chairman	-	-	-	-	-	-	-
Mr. Arif Albastaki	Director	-	-	-	-	-	-	-
Mr. David Haglund	Director	-	-	6,655	-	-	-	-
Ms. Fatma Hussain	Director	-	-	-	-	-	-	-
Mr. Fahad Al Qassim	Director	-	-	10,000	-	-	-	-
Mr. Murtaza Hussain	Director	-	-	-	-	-	-	-
Mr. Omar Alhashmi	Director	-	-	-	-	-	-	-
Mr. Yves Delmas	Director	-	-	-	-	-	-	-
Board Members that have resigned during 2022								
Mr. Ramez Shehadi	Director	-	-	-	-	-	-	-
Mr. Sunil Bhilotra	Director	-	-	-	-	-	-	-

3. Formation of the Board of Directors

a. Aramex's Board of Directors comprises of 9 non-executive independent members elected by the General Assembly.

The Board of Directors shall have all the powers necessary for the carrying of the Company's business, and authority to perform all deeds and acts on behalf of the Company as stipulated in its Articles of Association.

The following table demonstrates the formation of Aramex's current Board, including its members' status, their directorships in any other joint stock companies and any other substantial regulatory, governmental or commercial positions, in addition to the time served on Aramex's Board since their first election:

Board Members as of 31 December 2022:

Name	Position	Status		Other Directorships and Substantial Positions in the UAE	Date of Accession to the Board
Mr. Mohamed Alshamsi	Chairman	Independent	Non-Executive	- Group CEO of Abu Dhabi Ports Co PJSC - Chairman of ADNEC - Chairman of Arab Sea Ports Federation	22-June-2020
Mr. Benjamin Démogé	Vice Chairman	Independent	Non-Executive		9-February-2022
Mr. Arif Albastaki	Member	Independent	Non-Executive	- CEO of Amlak Finance PJSC - Member of the Advisory Panel at Emaar Hospitality Group - Board Member at National Health Insurance Company – Daman - Board Member at Americana Restaurants PLC	10-May-2019
Mr. David Haglund	Director	Independent	Non-Executive		22-June-2020

Name	Position	Status		Other Directorships and Substantial Positions in the UAE	Date of Accession to the Board
Ms. Fatma Hussain	Director	Independent	Non-Executive	- Board and NRC Member at EII Capital PSC - Board and NRC Member at Memaar Building Systems LLC - Board and NRC Member at TECOM Group PJSC	22-June-2020
Mr. Fahad Al Qassim	Director	Independent	Non-Executive	- Executive Director of Healthcare, Pharma and Financial Services at ADQ - Board Member of SEHA - Abu Dhabi Health Services Company PJSC - Board Member at Daman Healthcare Insurance PJSC	22-June-2020
Mr. Murtaza Hussain	Director	Independent	Non-Executive	- Chief Investment Officer at Abu Dhabi Developmental Holding Company (ADQ)	22-June-2020
Mr. Omar Alhashmi	Director	Independent	Non-Executive	- Chairman of Arabian United Power Company - Chairman of Al Ruwais Power Holding Company - Board member of Gulf Power Company - Board member of Al Taweelah United Power Company ***Note:*** *All of aforementioned companies are public joint companies but not listed in the stock market.*	22-June-2020
Mr. Yves Delmas	Director	Independent	Non-Executive		9-February-2022
Board Members that have resigned during 2022:					
Mr. Ramez Shehadi	Director	Independent	Non-Executive	-	31-January-2022
Mr. Sunil Bhilotra	Director	Independent	Non-Executive	-	31-January-2022

Board Members' Positions and Qualifications

Positions and Qualifications

Mr. Mohamed Alshamsi

MBA from the University of Tasmania, Australia
Advanced Diploma of Applied Science (Shipmaster) from the Australian Maritime College

Captain Mohamed Juma Alshamsi has focused his successful professional career on promoting and growing the UAE's economic development. He has held key leadership roles across a number of sectors, including Ports, Industrial Zones, and Logistics which he has helped transform into key pillars of sustainable economic development in Abu Dhabi.

Captain Alshamsi is a strong supporter of digital transformation and of adopting digital solutions to enhance trade and promote efficiency across supply chains. He was instrumental in the launch of Maqta Gateway, the developer and operator of the first port community system in the UAE, which facilitates the exchange of goods and the movement of people.

Building on his long-standing experience in the maritime industry, Captain Alshamsi has contributed to promoting the UAE's economic diversity through several vital projects. The list includes the launch of Khalifa Port, the establishment of Abu Dhabi Marine Services (SAFEEN), the opening of the Abu Dhabi Cruise Terminal, and the unveiling of Sir Bani Yas Cruise Beach.

He has also pushed for greater economic diversity within the industrial sector by supervising a wide portfolio of specialised industrial, economic, and free zones in the emirate, which provides end-to-end services that increase the attractiveness of Abu Dhabi for Foreign Direct Investment (FDI).

Captain Alshamsi has played a key role in establishing Abu Dhabi as a leading trade and logistics hub, which he achieved through strategic partnerships with major global firms including COSCO SHIPPING Ports, Mediterranean Shipping Company, Autoterminal Barcelona, and CMA CGM Group.

Captain Alshamsi's experience includes operation management, restructuring, asset management, planning and launching new operations, and developing and directing strategies. As a result of his combined experience, Captain Alshamsi has become a major economic and influential figure in the UAE and the wider region and has successfully led assets under his purview to win prestigious local and international awards.

His current leadership positions include Group CEO of Abu Dhabi Ports, Chairman of Abu Dhabi National Exhibition Company (ADNEC), he is also a Board Member of MAKE A WISH Foundation UAE. He is currently the Chairman of KIZAD Board of Directors, and has served as a Board Member of Etihad Airways. He has been recently appointed as the Chairman of Arab Sea Port Federation.

Throughout his long-standing career, Captain Alshamsi has been awarded several personal accolades, which include Young Personality of the Year 2012 from Seatrade Maritime Awards Middle East, Indian Subcontinent. He is also the recipient of the Sheikh Rashid Award for Academic Excellence and was ranked first place in the Logistics News Top CEO in the Logistics Sector in the Middle East for the years 2018, 2020 and 2021.

Positions and Qualifications

Mr. Benjamin Démogé

Master's Degree in Industrial Engineering from École des Ponts ParisTech – Paris, France
Master of Business Administration (MBA) in Corporate Finance from École des Ponts ParisTech – Paris, France

Mr. Démogé is the Executive Vice President International, CEO Africa, Middle East, Asia at Geopost.

He is also Chairman of the Board of Directors of Lenton Group, a Hong-Kong based global logistics and transportation company, Biocair, a global specialty courier in the pharmaceutical, biotechnology and life science sectors, and DPD Laser, one of South Africa's leading express courier companies.

Prior to his current positions, Mr. Démogé served as Chief Operating Officer at La Poste Group, where he was Member of the Executive Committee of the Post and Parcel division of La Poste Group. He also served as the Executive Chairman of Viapost, a logistics and transport subsidiary, and as Urban logistics Director at GeoPost, the international parcel-express division of La Poste Group.

Mr. Démogé holds several Board positions at global companies, namely DTDC Express Limited in India, Yurtiçi Kargo Servisi A.Ş. in Turkey or Sodexi the JV between Geopost and Air France Cargo. He held several other senior management positions at La Poste group, as well as a number of previous leadership roles in global organizations, including L'Oréal and Michelin.

Mr. Démogé was a member of the Cabinet Office and an advisor to Christine Lagarde, France's Minister of Economy, Industry and Finance. He holds a Master's degree in Industrial Engineering, a Master of Business Administration (MBA) in Corporate Finance from École des Ponts ParisTech, a Corporate Director certificate from IFA Sciences Po Paris, and a program certificate in Audit Committees from Harvard Business School, USA.

Positions and Qualifications

Mr. Arif Albastaki

High Diploma in Banking & Finance from the Dubai Men's College, Higher Colleges of Technology
Master's of International Business from the University of Wollongong - Dubai, United Arab Emirates

Albastaki is the Chief Executive Officer of Amlak Finance PJSC. His leadership and expertise of more than 25 years within the banking and financial sector have played a vital role in strengthening and accelerating growth across several global organizations that he worked with in the region.

He is the driving force that has spearheaded the transformation in Amlak and championed its financial restructuring, which was successfully completed in November 2014.
In addition to his role at Amlak, Albastaki plays an integral part in leading positions across global institutions. Currently, he is the Chairman of the Board at Amlak Finance (Egypt), Board Member at Emaar the Economic City (Kingdom of Saudi Arabia), Aramex, National Health Insurance Company – Daman, and Al Salam Bank (Algeria) and Americana Restaurants PLC. In addition, he is a member of the Advisory Panel at Emaar Hospitality Group.

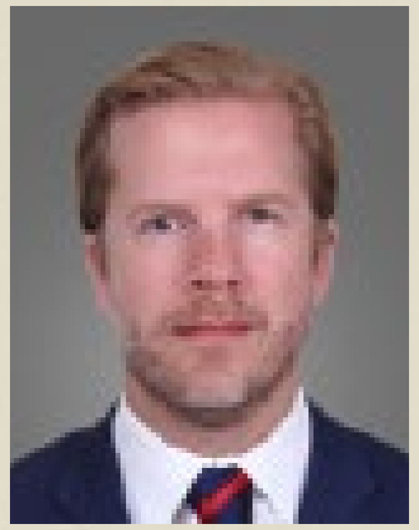
Over the last two decades, Albastaki has worked closely with top companies, CEOs, and Boards across diverse sectors in the MENA region. He has held key leadership roles across Private and Public sectors in various industries like Technology, Logistics, Banking & Finance, Private Equity, and Real Estate. He was the Vice-Chairman of the Board at TECOM Group, Board Member of AWQAF & Minors affair Foundation, Amlak International for Finance & Real Estate Development, Saudi Arabia, and EFS Financial Services in Dubai, UAE.

Before joining Amlak, Albastaki was at the helm of banking and finance for over 15 years, leading several senior managerial positions at renowned financial institutions, including HSBC Bank ME, Dubai Islamic Bank, ABN AMRO Bank, and National Bank of Fujairah. He holds a Bachelor's degree in Banking and Finance and a Master's Degree in International Business from the University of Wollongong, Dubai.

His leadership has been celebrated at several notable awards. He won the CSR Label for four consecutive years from the Dubai Chamber of Commerce and Industry. He has been awarded the Global Islamic Business Award from the Global Islamic Business Excellence Center in 2018. He also won the Top 100 CEO Awards by Trends/INSEAD in 2016.

Positions and Qualifications

Mr. David Haglund



M.S. in Business Administration & Economics from Lund University in Sweden
Completed Studies at the National University in Singapore

David Haglund is a senior investment professional and non-executive director with over two decades of experience in asset management, investment banking and private equity in Emerging and Frontier Markets.

Mr. Haglund has strong financial, accounting and strategy proficiency and has long experience of in-depth analysis, valuation and corporate strategy across industries and geographies.

Mr. Haglund serves as a non-executive director in Aramex, one of the largest logistics public companies in the MENA region, where he focuses on strategy, risk, ESG and corporate governance and is a member of the audit and strategy committees.

Mr. Haglund is also a senior executive director and fund manager at Franklin Templeton Investments, one of the largest institutional investors globally. He is one of the frontier markets pioneers, having established one of the first ever, and largest, Frontier Funds, thus contributing towards the creation of the asset class itself. Since joining Franklin Templeton, Mr. Haglund has been responsible for managing a number of institutional mandates for regional and international Sovereign Wealth Funds.

Mr. Haglund is passionate about corporate governance and holds a certificate in Corporate Governance from INSEAD and is a certified director at Hawkamah Institute for Corporate Governance.

Positions and Qualifications

Ms. Fatma Hussain

MBA from the University of Dubai

Ms. Fatma Hussain is an Emirati HR business leader and culture transformer, with more than 20 years of experience and achievements in Human Resources. Fatma has worked across multiple industries in leading private and semi-government companies in UAE.

As the Chief Human Capital Officer at Dubai Holding Asset Management (DHAM), Fatma transformed the positioning of Human Capital from being a business support function to a trusted strategic business partner that is focused on attracting, developing, and rewarding the company's key asset "Its people". This transformation enabled continuous organizational growth whilst maintaining a competitive talent pool across the group. Fatma is currently the Chief People Officer at Dubai Holding, a position she has held since September 2022.

Fatma has worked with several renowned private and semi- government organizations across various strategic HR disciplines that include performance management, total rewards, talent acquisition & development, Emiratisation, and talent redeployment. She has partnered with senior leadership and C-Level executives to lead various critical projects related to quality management and business process improvement to realize organizational effectiveness and achieve set business objectives.

Fatma has received multiple awards that recognize her value adding expertise and contribution in the human resources field. She was the recipient of the World's Greatest CHCO Award from the Business & Social Forum. In addition, Fatma has been recognized by the World HRD Congress with two prestigious awards: Business Leader of the Year – HR Leadership Award, and Femina Women Super Achiever Award for Excellence in HR. She has completed several executive and board level programs that include a leadership programme from the Wharton Business School in USA. She has also completed executive & board level programs that feature key topics that include directors' evaluation and succession planning, assessment of board procedures, C- Suite selection, and board evaluations.

Positions and Qualifications

Mr. Fahad Al Qassim

MBA in Finance from Monash University in Melbourne, Australia,
BSc (Hons) Degree in Applied Computing from Leeds Metropolitan University in the UK
Higher Diploma in Electronics Engineering from Higher Colleges of Technologies in the UAE

Mr. Al Qassim is the Executive Director of Healthcare, Pharma and Financial Services at ADQ. He is also the Chairman of Pharmax and Amoun and is currently a Board Member of Daman Healthcare Insurance PJSC, SEHA, and Aramex PJSC.

Mr. Al Qassim has more than 20 years of experience in the investment banking, government and commercial sectors.

Prior to joining ADQ, Mr. Al Qassim served as CEO of Emirates NBD Capital where he was responsible for investment banking activities across the region.

Mr. Al Qassim was also previously Managing Director and Head of Principal Investments at Waha Capital, managing more than AED 6 billion of proprietary investments and overseeing private equity investments across several sectors. Prior to that, he served at the Executive Council of the Government of Dubai, Dubai Islamic Bank and Dubai Aluminum Company.

He is a graduate of the Mohammed Bin Rashid Leadership Program.

Positions and Qualifications

Mr. Murtaza Hussain

Bachelor's Degree in Commerce, with a Major in Finance and Concentration in Accounting from McGill University, Canada

Mr. Hussain is a senior investment professional with over 17 years of private equity, corporate finance and restructuring experience and has held several senior management and board positions in organizations locally and internationally.

He is currently the Chief Investment Officer at Abu Dhabi Developmental Holding Company (ADQ), overseeing the company's Mergers & Acquisitions and Alternative Investments team which support the inorganic growth plans and divestment / monetization objectives of ADQ and its portfolio companies. Furthermore, he is also responsible for leading the direct investment arm of ADQ with the objective of investing across various sectors and assets classes in line with ADQ's strategy of delivering long-term financial and socio-economic growth.

During his time at ADQ, he has led several transactions including the publicly announced landmark transaction involving the merger of ADPC's Power and Water assets with Taqa, amongst others.

Prior to joining ADQ, Mr. Hussain was a senior member of a global emerging markets private equity firm. During this time, he was also responsible for leading a turnaround of one of the largest power utilities in South Asia. Mr. Hussain started his career in the investment banking division of BMO Capital Markets in Toronto.

Positions and Qualifications

Mr. Omar Alhashmi

Bachelor's Degree in Mechanical Engineering from Oklahoma State University
Master's Degree in Mechanical Engineering from George Washington University
MBA from London Business School

Mr. Alhashmi serves as the Executive Director of Transmission & Distribution business at Abu Dhabi National Energy Company (TAQA), a position he has held since July 2020. In this role, he oversees the company's diverse portfolio of transmission and distribution assets.

Prior to his role at TAQA, Mr. Alhashmi was the Executive Director of Asset Management at Abu Dhabi Power Corporation (AD Power), where he supported the development of the company's transformation plan, structure, and governance. He previously served as the Head of Strategy Development in Etihad Airways and Vice President in the Industry platform at Mubadala Investment Company (Mubadala).

Positions and Qualifications

Mr. Yves Delmas

Master of Business Administration (MBA) from the Institute of Political Studies (IEP Paris) - Paris, France
Master's Degree in Public Law from Paris X Nanterre – Paris, France
Degree from Ecole Nationale Supérieure des PTT, Paris, France
Degree in History from Université Paris-Sorbonne – Paris, France

Mr. Delmas serves as the Chief Executive Officer of GeoPost SA.

Prior to his current position, Mr. Delmas was the Managing Director Europe of GeoPost/DPDgroup, the parcel-express division of the La Poste Group.

A seasoned industry executive with over 30 years of professional experience, Mr. Delmas started his professional career as Head of the "Europe – Asia" office, in the International Affairs Department of La Poste, PTT (Postes, Télégraphes et Téléphones) in France. He later became Director of Operations of Chronopost France, and then he was appointed Deputy Chief Executive Officer of TNT, with La Poste holding a minority stake in the company's capital. After that, Mr. Delmas successively took over the management of Jet Worldwide France, a subsidiary of Chronopost France, then Chronopost Spain.

Between 2002 and 2004, he was Vice President Marketing and Sales of GeoPost SA. Mr. Delmas served Chief Executive Officer of SEUR and successively became Vice-President and then President of the SEUR Group, which he developed as a leader in the Spanish express market. Mr. Delmas was President of the Spain Section of the Foreign Trade Advisors of France from 2010 to 2015 and is a Knight of the National Order of Merit.

He is a graduate of the Institute of Political Studies (IEP Paris) and Ecole Nationale Supérieure des PTT (1988) and holds a Master's in Public Law from Paris X Nanterre and a degree in History from La Sorbonne.

b. The Board of Directors supports diversity, equity, and inclusion, and embraces these values as part of Aramex's culture to thrive. In June 2020, Ms. Fatma Hussain was elected as a member of Aramex's Board of Directors, bringing the female representation percentage in the current Board to 11% (one out of 9 Board Members).

c. Board of Directors' Remuneration:

1. Total remuneration paid to the Board Members for the year 2021 was AED 4,240,000 plus VAT.
2. Total proposed Board of Directors' remuneration for 2022 is AED 2,986,667 (representing AED 2,566,667 in Board fees and AED 420,000 in Committees' attendance fees, as per the below table) to be presented for approval at the Annual General Meeting.
3. Board Members do not receive additional allowances.
4. The abovementioned remuneration is inclusive of the Board Committees' attendance allowances for Committee Members, amounting to AED 10,000 per Committee meeting. Following are the details of the allowances:

Name	Allowance (AED)	Number of Meetings Attended			Total Remuneration (AED)
		Audit Committee	Nomination and Remuneration Committee	Strategy Committee	
Mr. Arif Albastaki	10,000	-	5	7	120,000
Mr. Benjamin Démogé*	-	7	-	6	-
Mr. David Haglund*	-	9	-	7	-
Ms. Fatma Hussain	10,000	-	5	-	50,000
Mr. Fahad Al Qassim	10,000	9	-	-	90,000
Mr. Murtaza Hussain	10,000	-	-	5	50,000
Mr. Omar Alhashmi	10,000	-	5	6	110,000
Mr. Yves Delmas*	-	-	-	-	-
Mr. Sunil Bhiltora	10,000	-	-	-	-
Mr. Ramez Shehadi	10,000	-	-	-	-
Total					**420,000**

* Waived compensation.

d. The Board of Directors held 7 meetings during the year 2022. The details of attendance are as follows:

No.	Date of Board Meeting	Mr. Mohamed Alshamsi	Mr. Benjamin Démogé	Mr. Arif Albastaki	Mr. David Haglund	Mr. Fahad Al Qassim	Ms. Fatma Hussain	Mr. Murtaza Hussain	Mr. Omar Alhashmi	Mr. Yves Delmas	Mr. Ramez Shehadi	Mr. Sunil Bhiltora
1	6 January 2022	✓	–	✓	✓	✓	✓	✓	✓	–	–	–
2	9 February 2022	✓	–	✓	✓	✓	✓	✓	✓	–	–	–
3	14 March 2022	✓	✓	✓	✓	✓	✓	Proxy	✓	✓	–	–
4	11 May 2022	✓	✓	✓	✓	✓	✓	✓	Proxy	✓	–	–
5	10 August 2022	✓	✓	✓	✓	✓	✓	✓	✓	✓	–	–
6	9 November 2022	✓	✓	✓	✓	✓	Proxy	✓	✓	✓	–	–
7	14 December 2022	✓	✓	✓	✓	✓	✓	✓	✓	✓	–	–

e. The Board of Directors did not issue any resolutions in writing (by passing/circulation) during the financial year 2022.

f. Aramex has updated its Delegation of Authority Matrix to correspond to the Company's business objectives, current organization structure, and long-term strategy while ensuring proper governance and internal control over authorization and execution of business transactions, monitoring complex capital expenditure projects, and facilitating/expediting business decision-making processes remain in place. The new Delegation of Authority Matrix applies best practices, promotes agility and business efficiency, and was developed in a fashion that reflects the philosophy requiring that decision-making authority be pushed down to the lowest practical organizational level thereby enabling employees at all organizational levels to have the decision-making authority needed to accomplish their assigned responsibilities.

The new Delegation of Authority Matrix was reviewed by the Board of Aramex PJSC and approved on 14 December 2022. It has been in effect as of the said date and is applicable to all Aramex employees. The new Matrix covers the delegation of authority for the "recommendation", "review" and "approval" of transactions related to Aramex's business and activities at both corporate/global and country/station levels. The main objective of the revised Matrix is to empower management, key function heads and country managers to act effectively and make key operational decisions while also ensuring proper limits and controls are in place. The revised Matrix consists of seven (7) categories: Corporate, Commercial, Finance, Procurement, Legal, HR and External Communications.

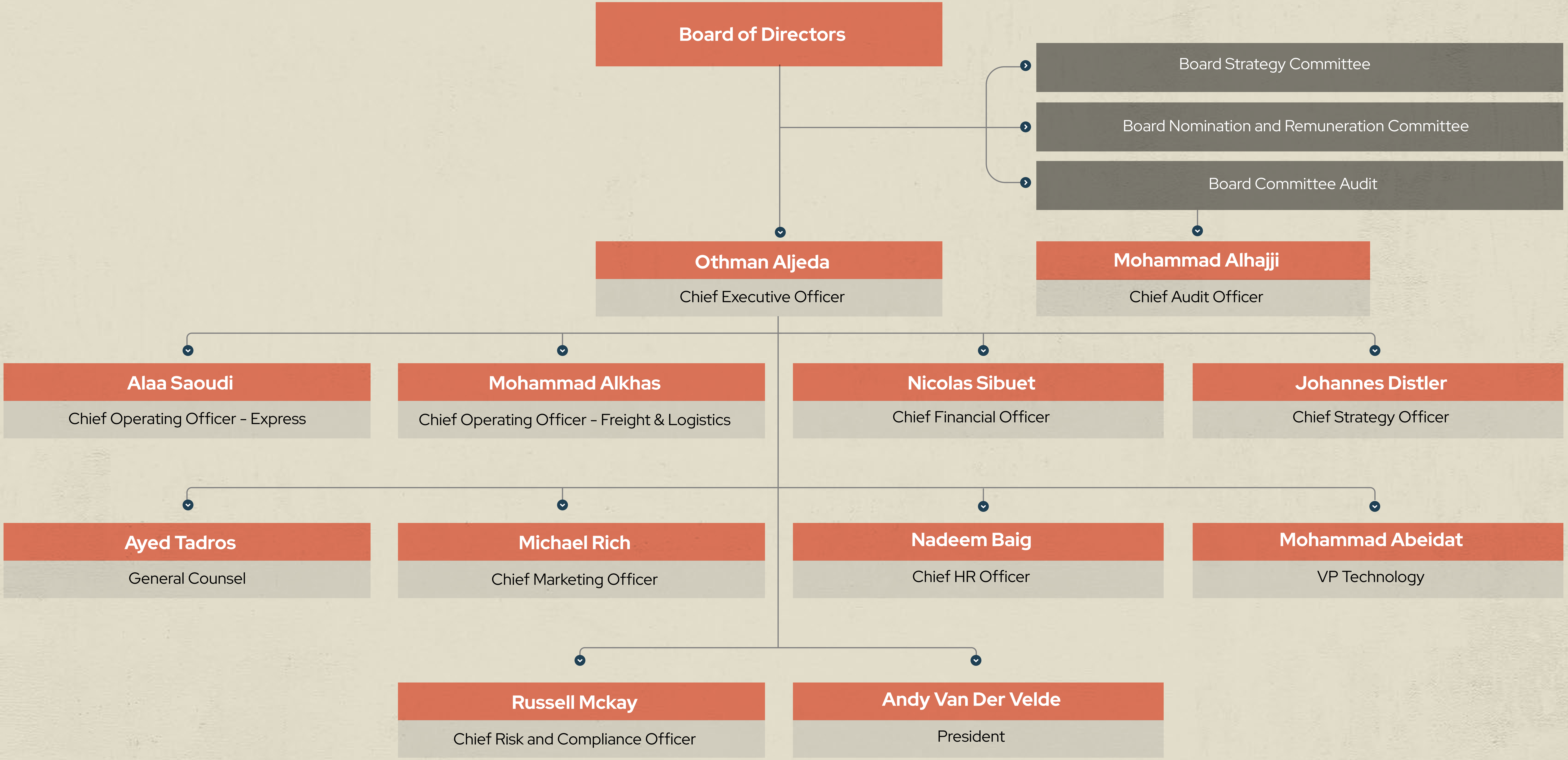
In order to ensure that the overall objectives of the delegations of authority process are achieved, certain restrictions on the amount of capital and operating authority that can be delegated are established as per the table below:

Actions	Approval Limits
Corporate (including acquisition and capital increases)	**Up to USD 5 million:** Joint approval by Group CEO and CFO **Above USD 5 million:** Board approval Approval process includes review and endorsement by relevant functions such as (depending on the type of transaction) Legal, Compliance, and ExCom.
Procurement	**Up to USD 10 million for competitive bids and up to USD 5 million for single source:** Group CEO (as final approver after going through the full review and sequential approval cycle as per the Procurement Policy)
Finance and Treasury	**Up to USD 5 million:** Joint approval by Group CEO and CFO **Above USD 5 million:** Board approval
Intercompany transactions including intercompany loans	**No limits:** Joint approval by Group CEO and CFO

g. Following are the details of related-party transactions:

Transaction Type	Associates	JVs - Parent is a Venture	Companies Controlled by Current Shareholders	Total (AED)
Sales to Related Parties	2,151,077	98,052,147	146,433,789	**246,637,012**
Cost from Related Parties	1,791,000	505,380	-	**2,296,380**
Amounts Owed by Related Parties	22,759	9,865,012	32,498,325	**42,386,096**
Amounts Owed to Related Parties	1,275,723	12,884,752	872,916	**15,033,391**

h. Company Organizational Chart:



i. Following is a statement of the names, positions and joining dates of the Company's Senior Executives along with their total salaries, allowances and bonuses, paid during the year 2022:

Position	Date of Joining	Total Salaries and Allowances (AED)	2021 Bonus Paid in 2022 (AED)	Total (AED)	Other Bonuses/ Payments (AED)
Chief Executive Officer	19-Mar-94	2,507,687	817,942	3,325,629.0	-
Chief Financial Officer	6-Jan-22	1,530,000	-	1,530,000.0	-
Chief Operating Officer – Freight and Logistics	22-Aug-21	1,440,000	100,000	1,540,000.0	-
Chief Operating Officer – Express	1-Jul-98	1,350,000	136,415	1,486,415.0	-
President	1-Feb-04	1,529,170	277,308	1,806,477.5	-
Chief Strategy Officer	15-Aug-21	1,440,000	115,000	1,555,000.0	-

4. External Auditor

a. PricewaterhouseCoopers (PwC) is a network of firms with more than 328,000 people operating from 152 countries across the globe, committed to creating values by delivering quality services in Assurance, Tax and Advisory (which includes Consulting, Deals and Strategy and Practices). In doing so, PWC helps build trust in society, enabling their clients to make the most of opportunities and solve important business problems. PwC firms provided services to 84% of the Global Fortune 500 companies during FY22, and works with an extremely diverse range of clients, from private individuals and family-owned businesses to government organizations. In the Middle East, a strategic alliance with the UK has had a transformational impact on PwC's position in the local market, creating a market leading business within a period of just a few years. PwC has operated in the Middle East region for more than 40 years. Collectively, its Middle East network employs over 8,000 people and has 24 offices across 12 countries: Bahrain, Egypt, Iraq, Jordan, Kuwait, Lebanon, Libya, Oman, Qatar, Saudi Arabia, the Palestinian Territories and the United Arab Emirates.

b. No reservations were made by the external auditors on the annual financial statements for the year ended 31 December 2022.

c. Following is a statement of the audit fees and expenses related to services provided by the company's external auditor, in addition to any other services provided by audit firms other than the Company's external auditor during the year 2022.

Name of Audit Firm and Partner Auditor	PricewaterhouseCoopers, Ara Fermanian
Number of Years Spent as the Auditor of the Company	4 years
Total Audit Fees for the Year 2022 (AED) - Group	6,146,647
Audit Fees related to the Acquistion of MyUS	550,890
Overruns for Audit	547,217
Total Audit Fee	**7,244,754**

d. Fees and costs of services provided to the Company by its external auditors, PwC, other than for the audit of the financial statements of the Company for the year 2022 (in AED):

Audit Firm	Service Type	Fees and Expense (AED)
PwC	Corporate Tax and VAT Consultancy	175,292
PwC	Tax Assessment Consultancy	152,345
PwC	InfoFort Sale Consultancy	191,159
Total		**518,796**

e. Services provided to the Company by external audit firms (other than the Company's appointed external auditors) in the year 2022:

Audit Firm	Service Type
KPMG	VAT, Tax and Transfer Pricing Consulting Services
KPMG	Bird Financial Module Project
KPMG	MyUs Integration Work
KPMG	Due Diligence
KPMG	Climate Risk Assessment
Deloitte	Corporate Tax and Transfer Pricing Consultancy
Local Advisors	VAT, Tax and and Transfer Pricing Consulting Services
Local Advisors	Tax Assessment Consultancy
EY	Sustainability Report Review Services
EY	VAT, Tax and and Transfer Pricing Consulting Services
EY	Due Diligence
EY	Forensic Services
EY	Tax Assessment Consultancy

5. Audit Committee

a. The Chairman of the Audit Committee, Mr. Fahad Al Qassim, acknowledges his responsibility for the Committee's steering system, reviewing the Committee's functions and ensuring its effectiveness.

b. Following are the members of the Audit Committee:

Name	Position
Mr. Fahad Al Qassim	Chairman
Mr. David Haglund	Member
Mr. Benjamin Démogé*	Member
Mr. Sunil Bhilotra**	Member

* Appointed as a Member of the Audit Committee on 9 February 2022
** Resigned from Board and Committee Membership on 31 January 2022

c. The Audit Committee is composed of three non-executive independent Board Members. The Committee meets whenever necessary, but not less than once every three months. The Committee assists the Board in fulfilling its oversight responsibilities in areas of integrity of the financial statements, appointment of external auditors and ensuring its independence, performance of the Company's Internal Audit function, and ensuring the robustness of the internal controls and risk management procedures. The Committee has a charter defining its purpose, duties and responsibilities, membership, meetings administration, and reporting.

d. The Audit Committee held 9 meetings during the year 2022. The details of attendance are as follows:

	Mr. Fahad Al Qassim	Mr. David Haglund	Mr. Benjamin Démogé*	Mr. Sunil Bhilotra**
7 February 2022	✓	✓	-	-
15 February 2022	✓	✓	✓	-
10 March 2022	✓	✓	✓	-
9 May 2022	✓	✓	✓	-
17 May 2022	✓	✓	✓	-
8 August 2022	✓	✓	-	-
29 August 2022	✓	✓	✓	-
7 November 2022	✓	✓	✓	-
25 November 2022	✓	✓	✓	-
Total Attendance	9	9	7	-

* Appointed as a Member of the Audit Committee on 9 February 2022
** Resigned from Board and Committee Membership on 31 January 2022

6. Nomination and Remuneration Committee

a. The Chairman of the Nomination and Remuneration Committee, Mr. Omar Alhashmi, acknowledges his responsibility for the Committee's steering system, reviewing the Committee's functions and ensuring its effectiveness.

b. Following are the Members of the Company's Nomination and Remuneration Committee:

Name	Position
Mr. Omar Alhashmi	Chairman
Mr. Arif Albastaki	Member
Ms. Fatma Hussain	Member

c. The Nomination and Remuneration Committee is composed of three non-executive independent Board Members. The Committee meets whenever necessary, but not less than once a year. The mandate of the Committee is to assist the Board of Directors in areas of: Board of Directors and Board Committees' composition, nomination, appointment, evaluation, remuneration, induction, and continued development. It reviews matters related to the governance framework and policies and offers guidance on Executive Management's succession planning and compensation and Aramex's Human Resources strategy, policies, and processes. The Committee has a charter defining its purpose, duties and responsibilities, membership, meetings administration, and reporting.

d. The Nomination and Remuneration Committee held 5 meetings during the year 2022. The details of attendance are as follows:

	Mr. Omar Alhashmi	Mr. Arif Albastaki	Ms. Fatma Hussain
31 January 2022	✓	✓	✓
3 March 2022	✓	✓	✓
27 June 2022	✓	✓	✓
26 September 2022	✓	✓	✓
7 December 2022	✓	✓	✓
Total Attendance	5	5	5

7. Insider Trading Management Committee

An Insider Trading Management Committee was established by the Board of Directors of the Company.

a. The Chairman of the Insider Trading Management Committee, Mr. Othman Al-Jeda, acknowledges his responsibility for the Committee's steering system, reviewing the Committee's functions and ensuring its effectiveness.

b. Following are the members of the Insider Trading Management Committee:

Members	Position
Chief Executive Officer	Chairman
Chief Financial Officer	Member
Chief Risk and Compliance Officer	Member
Chief Human Resources Officer	Member
General Counsel	Member
Board Secretary and Senior Governance Officer	Member

c. The Committee is comprised of 5 Executive Management members and the Board Secretary and Senior Governance Officer. The mandate of the Insider Trading Management Committee is to review the Insiders Trading Policy on an annual basis, subject to Board approval, as well as reviewing the effectiveness of the insider management controls at the Company, as well as maintaining the Insiders Register. The Committee is also mandated to ensure compliance with the regulations and disclosure requirements as they pertain to insiders, and to manage and supervise the trading by insiders of the Company's shares. The Committee shall meet at least once annually and shall report to the Board on its work on an annual basis or more frequently as necessary. The Committee has a charter defining its purpose, duties and responsibilities, membership, meetings administration, and reporting.

d. The Committee held 1 meeting during the year 2022.

8. Any Other Committee(s) Formed by the Board of Directors: Strategy Committee

a. The Chairman of the Strategy Committee was Mr. Arif Albastaki until he stepped down on 9 February 2022 and Mr. Benjamin Démogé was appointed in his stead on the same date. The Chairman of the Strategy Committee acknowledges his responsibility for the Committee's steering system, reviewing the Committee's functions and ensuring its effectiveness.

b. Following are the members of the Company's Strategy Committee:

Name	Position
Mr. Benjamin Démogé*	Chairman
Mr. Arif Albastaki**	Chairman/Member
Mr. David Haglund	Member
Mr. Murtaza Hussain	Member
Mr. Omar Alhashmi	Member
Mr. Ramez Shehadi***	Member

* Appointed to the Board of Directors and as Strategy Committee Chairman on 9 February 2022 to replace Mr. Arif Albastaki.
** Stepped down from his position as Strategy Committee Chairman on 9 February 2022 but remained a member of the Strategy Committee.
*** Resigned from Board and Committee Membership on 31 January 2022.

c. The Strategy Committee is composed of 5 non-executive independent Board Members. The Strategy Committee meets whenever necessary, but not less than 4 times a year. The mandate of the Committee is to assist the Board of Directors, CEO and Management in relation to the affairs of the Company in areas of the Company's corporate and M&A strategy, operational and financial performance monitoring, and budgeting. In addition to looking into acquisitions, mergers, and divestments, the Committee offers guidance on international strategic initiatives, and on trends disrupting the business. The Committee has a charter defining its purpose, duties and responsibilities, membership, meetings administration, and reporting.

d. The Strategy Committee held 7 meetings during the year 2022. The details of attendance are as follows:

	Mr. Benjamin Démogé	Mr. Arif Albastaki	Mr. Murtaza Hussain	Mr. David Haglund	Mr. Omar Alhashmi	Mr. Ramez Shehadi*
4 February 2022	✓	✓	✓	✓	✓	_
22 March 2022	✓	✓	✓	✓	_	_
25 May 2022	✓	✓	✓	✓	✓	_
20 June 2022	✓	✓	✓	✓	✓	_
28 July 2022	✓	✓	_	✓	_	_
23 September 2022	✓	✓	✓	✓	✓	_
21 November 2022	✓	✓	_	✓	✓	_
Total Attendance	**7**	**7**	**5**	**7**	**5**	**-**

* Resigned from Board and Committee Membership on 31 January 2022

9. Internal Control System

a. Pursuant to this report, the Board of Directors acknowledges its responsibility for the Company's internal control system review and effectiveness. The Internal Control department (Risk and Compliance department) is responsible for overseeing risk management and compliance related activities (specifically trade and corporate compliance requirements). The Risk Management section is responsible for ensuring that key risks are appropriately identified and managed in collaboration with senior management. The Risk Management section also now oversees Business Continuity Management. The Compliance section includes Trade, Customs and Corporate Compliance. Trade Compliance focuses on ensuring compliance with all local and international regulations including import requirements, export controls and sanctions. Customs compliance area focuses on providing due diligence guidance on third party customs agents and additional support on customs related matters. Corporate Compliance focuses on the implementation and adherence to various corporate policies including the code of conduct, anti-bribery and corruption, conflict of interest, gifts and entertainment and whistleblowing. In addition, the Internal Control department (Risk and Compliance department) also includes additional risk assurance areas including corporate insurance and health, safety and security.

b. The Internal Control department (Risk and Compliance department) during 2022 was managed by Mr. Russell McKay. Mr. McKay was appointed on 7 April 2019. He has over 20 years of experience working in Risk Management, Compliance, Internal Audit, Insurance and Risk Consulting both within the UAE and the UK. In the UK, he worked for a large multinational insurance broker (Willis Limited) providing Risk Management and Liability Assessments to a range of multinational companies before moving into strategic risk management consultancy with Ernst & Young in 2005 before moving to the UAE in 2010. Before joining Aramex, Mr. McKay worked for Ernst & Young, providing Risk Management consultancy services and then joined Etisalat, in 2011, where he helped establish Enterprise Risk Management (ERM) capabilities within the Etisalat Group and Operating Companies. He also had oversight over Corporate Compliance and left Etisalat as a Senior Director for Internal Control, which was the Department responsible for Risk Management and Compliance. Mr. McKay holds a Bachelor of Arts (BA Hons) in Risk Management, from Glasgow Caledonian University, UK, and a Master's of Business Administration (MBA), Glasgow Caledonian University, UK.

c. The number of reports issued by the Risk & Compliance (Internal Control) Department to the Board of Directors: 8 Reports.

10. Irregularities of the Financial Year

No irregularities were identified during the 2022 financial year.

11. Company Contribution to Community Development and Environment Preservation During the Year 2022

Since publishing its first sustainability report in 2006, the Company has maintained a consistent framework of planning, implementation, monitoring and publication, and continued to improve its efforts and practices towards sustainability. This framework is the platform that helped Aramex to maintain its consistent communication across a wide range of issues. Aramex's sustainability pillars include Youth Education and Empowerment, Entrepreneurship, Community Development, Disaster Relief, Sports, and Environment.

During 2022, the Company has participated in community development and environment preservation in the amount of AED 2,901,361 (Partnership: AED 2,220,937 – Sponsorship: AED 519,871 – Others: AED 160,553) representing 1.6% of profits before tax from continuing operations.

12. General Information

a. Following is a statement of the Company's stock market price (highest and lowest prices) at the end of each month during the year 2022 (the below information was obtained from Dubai Financial Market):

Month	Month – High (AED)	Month – Low (AED)	Closing Price (AED)
January	4.21	3.95	4.09
February	4.20	3.95	4.00
March	4.08	3.65	3.75
April	4.23	3.72	4.08
May	4.45	3.57	3.87
June	4.45	3.72	3.80
July	4.20	3.57	3.78
August	4.20	3.67	3.90
September	3.99	3.75	3.82
October	3.86	3.54	3.63
November	3.78	3.51	3.62
December	3.67	3.52	3.52

b. Following is a statement of the Company's stock price comparative performance with the general market index and the sector index during the year 2022 (the below information was obtained from Dubai Financial Market):

Month	ARMX	DFMGI	TRANSPORTATION
January	4.09	3,203.08	2,099.17
February	4.00	3,354.64	2,147.25
March	3.75	3,526.6	2,179.61
April	4.08	3,719.63	2,481.33
May	3.87	3,347.24	2,304.69
June	3.80	3,223.29	2,284.19
July	3.78	3,337.96	2,385.93
August	3.90	3,443.11	2,471.77
September	3.82	3,339.15	2,356.22
October	3.63	3,331.76	2,272.10
November	3.62	3,323.96	2,343.23
December	3.52	3,336.07	2,366.56

c. Following is the shareholders distribution as of December 31, 2022 (Individual, Company and Government) categorized into UAE, GCC, Arab and Foreign:

Category	Individuals		Companies		Governments		Total	
	Number of Shares	Percentage of Shares*	Number of Shares	Percentage of Shares*	Number of Shares	Percentage of Shares*	Number of Shares	Percentage of Shares*
UAE	204,770,755.00	13.99	516,058,086.00	35.25	2,000.00	0.00	720,830,841.00	49.23
GCC	26,346,821.00	1.80	78,354,326.00	5.35	0.00	0.00	104,701,147.00	7.15
Arab	20,820,944.00	1.42	4,936,685.00	0.34	0.00	0.00	25,757,629.00	1.76
Foreign	12,783,022.00	0.87	596,631,590.00	40.75	3,395,771.00	0.23	612,810,383.00	41.86
Total	**264,721,542.00**	**18.08**	**1,195,980,687.00**	**81.69**	**3,397,771.00**	**0.23**	**1,464,100,000.00**	**100.00%**

* Percentages were rounded to 2 decimal places

d. Following is a statement of shareholders who own 5% or more of the Company's capital as of December 31, 2022:

Shareholder	Number of Shares	Percentage of Shares
GeoPost SA	409,948,000	28.0000%
Abu Dhabi Ports Company	326,823,723	22.3225%

e. Following is a statement of shareholders distribution by shares ownership as of December 31, 2022:

Shares Ownership	Number of Shareholders	Number of Shares	Percentage of Shares*
Less than 50,000	19,168	76,072,669	5.20
From 50,000 to less than 500,000	551	84,214,224	5.75
From 500,000 to less than 5,000,000	138	225,597,243	15.41
More than 5,000,000	27	1,078,215,864	73.64
Total	**19,884**	**1,464,100,000**	**100.00%**

* Percentages were rounded to 2 decimal places

f. Our Investor Relations page is published on the Company's website, in compliance with the SCA Governance Guide. The Investor Relations Division is supported by a team with bilingual capabilities and a long track record of experience in IR, led by Ms. Anca Cighi, Investor Relations Officer, and can be contacted on the below contact details:

Name: Ms. Anca Cighi
Email: anca@aramex.com
Telephone: +971 600 544 000
Mobile: + 971 55 989 3309
Fax: + 971 4 286 5050

Following is the link to the Investor Relations page on the Company's website: Overview (aramex.com)

h. The Annual General Meeting was held on Wednesday 21 April 2022. The only special resolution was presented to the shareholders for approval was the amendment of the Articles of Association of the Company to bring them in line with the Federal Decree Law No. (32) of 2021 on Commercial Companies, and with the Cabinet Resolution No. (55) of 2021 Regarding Determining the List of Activities with Strategic Impact.

g. Ms. Zeina Sammakieh served as the Company's Board Secretary until 12 August 2022. Ms. Sammakieh has over 15 years of experience in the field of Board Secretariat and Corporate Governance and has an MBA in Finance Emphasis from the American University of Beirut and is a Harvard Business School Alumni. Subsequently, following Ms. Sammakieh's departure, Ms. Amanda Dahdah served as the Acting Board Secretary. Ms. Dahdah earned her Bachelor's degree in Law in 2004 from the University of Jordan and has worked with the Company's Legal Team until 2021. The Board Secretary is responsible for supporting the Board of Directors and Committees with their mandates, managing their meetings, documentation, and disclosures, and effectively coordinating between the Board Members and the Executive Management team, as well as contributes to the development and implementation of the Directors' induction, training, and Board assessments, and advises the members of the Board of Directors on matters related to Governance.

i. Following are the Company's material events during the year 2022:
1. Appointment of Chief Financial Officer, Mr. Nicolas Sibuet [January 6, 2022]
2. Transfer of ownership of "Alpha Oryx Limited" in Aramex PJSC's shares amounting to 22.3225% to "Abu Dhabi Ports Company PJSC". [January 19, 2022]
3. Resignation of Mr. Sunil Bhilotra from the membership of Aramex's Board of Directors [January 31, 2022]
4. Resignation of Mr. Ramez Shehadi from the membership of Aramex's Board of Directors [January 31, 2022]
5. Appointment of Mr. Benjamin Démogé as a member and Vice Chairman of Aramex's Board of Directors [February 9, 2022]
6. Appointment of Mr. Yves Delmas as a member of Aramex's Board of Directors [February 9, 2022]
7. Amendment of Aramex PJSC's Articles of Association [April 21, 2022]
8. Removal of foreign ownership limit restrictions on Aramex PJSC shares and increase foreign ownership limit to 100% [May 30, 2022]
9. Acquisition of Access USA Shipping LLC ("MyUS") [SPA signed on June 1, 2022, and closing took place on October 19, 2022]
10. Acquisition of GeoPost S.A. of Aramex PJSC shares to reach 28% [June 13, 2022]

j. The percentage of UAE Nationals in the company is as follows: 0.34% on December 31, 2020, 0.30% on December 31, 2021, and 0.64% on December 31, 2022.

k. The company is developing the following innovative projects and initiatives:

1. Enterprise Systems Transformations:
   - Launched SAP Ariba to transform the procurement process across the network and enhance management of costs and vendors.
   - Migrated our ERP (SAP) to the cloud for better cost of ownership and accelerated future innovation.
2. Core Technology:
   - Disaster Recovery: Established a disaster recovery site for Aramex core operational systems on cloud. This enables the Company to protect its services availability and provide a faster turnaround in case of infrastructure failure.
   - Cybersecurity: Focused on revamping Armaex's cybersecurity capabilities by working with top tier providers, increasing scam awareness, working on a security operations center, and renewing certification for PCI DSS and ISO 27001.
   - System Modernization: Completed the development of core modernization of API and integration systems along with core shipment components. This allows Aramex to continue to scale the technology capability forward to handled increased growth in volume
3. Data Science:
   - Focused on optimizing address geocoding to help with delivery precision and route optimization.
4. Customer Journey Transformation:
   - Launched paperless and chat-based consumer-initiated returns as a value add to e-tailers

Chairman of the Board of Directors	Chairman of the Audit Committee	Chairman of the Nomination and Remuneration Committee	Head of the Internal Controls Department and Risk and Compliance Department
DocuSigned by: F85E30B3803E4F0...	DocuSigned by: Fahad Al Qassim 53F079D568964E6...	DocuSigned by: Omar Alhashmi 622B8ABC8A6847D...	DocuSigned by: Russell Mckay 1457EDC910AF405...
Mohamed Alshamsi	**Fahad Al Qassim**	**Omar Alhashmi**	**Russell McKay**
Date: 3/17/2023	Date: 3/17/2023	Date: 3/17/2023	Date: 3/17/2023

8 DECENT WORK AND ECONOMIC GROWTH

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Financial

Manufactured

Intellectual

Human

Social and Relationship

Natural

Risk and Compliance

Risk management and compliance are core to our sustainability and responsible business practices. By ensuring that we proactively manage and evaluate different types of risks and setting and adhering to the best practices and policies across our operations, we can create and preserve value and mitigate any value erosion or negative impacts from our operations.

This section includes the activities and processes related to our risk management, compliance (trade and corporate), health, safety, and security as well as our corporate insurance divisions.

As the world moves into its third year battling COVID-19 and other health risks, Aramex remains focused on protecting employees, supporting customers, and contributing to societies by keeping goods flowing. The rapidly changing business environment presents massive structural shifts to Aramex risk profiles, which is expected to accelerate in a nonlinear pattern.

Beyond the profound health and economic uncertainty of the current moment, catastrophic events are expected to occur more frequently in the future. The digital revolution, climate change, stakeholder expectations, and geopolitical uncertainty are also playing a major role in informing the risk profile of Aramex.

Enterprise Risk Management

Aramex risk management process is focused on supporting the strategic objectives in the medium term and ensure longevity in the long term. Aramex Enterprise Risk Management framework enables a consistent approach to the identification, management, and oversight of key risks, allowing a holistic and meaningful comparison of the risks faced and how they are managed across the company's footprint. Aramex proactively and diligently manages its **strategic, operational, compliance, financial, and sustainability risks** which are identified, assessed, and managed through a defined process across the corporate, country, and project levels. As a result, business decisions are made with consideration of associated risks and rewards, and Aramex continuously monitors its changing risk exposure.

The Aramex Risk Management division is tasked with developing and maintaining our Risk Management Framework and Methodology. The framework allows our executive management team to manage business risks and threats proactively and effectively while maintaining alignment with our strategic goals, visions, and mission.

Risk Management Governance and Process

Aramex continues to have various governance and reporting structures in place to enhance risk management and reporting. Some of these include the following:

• **Risk Capability Network:** Risk champions are identified across various corporate functions and locations to support the implementation of proactive Risk Management. The Corporate Risk Management team ensures that these Risk Champions have the appropriate support and guidance to enable them to continuously assess, manage and monitor risks.

• **Risk Governance:** At the Corporate Level, Aramex has established a dedicated Management 'Risk Committee' that is chaired by the Group CEO and which meets each quarter to discuss and review key risks and challenges facing the business. The Risk Committee is formed of all members of the Executive Leadership team many of whom are appointed risk owners of identified corporate-level risks.

• **Risk Review and Monitoring:** The Risk Committee meets quarterly to review, discuss and challenge important risk-related information for many of the identified Corporate level risks. Discussions include updates on any new risk drivers or issues, the status and trending of Key Risk Indicators (KRIs) for various 'top risks', and the review and tracking of the status of planned Risk Actions.

• **Risk Reporting:** Detailed risk reports are provided to the Audit Committee quarterly for their consideration, review, and discussion during the dedicated Board meetings on Risk Management & Internal Audit matters. This allows the Audit Committee to review, monitor, and ensure the operational effectiveness of the Risk Management program and processes. Aramex's Risk management program involves the identification, assessment, and management of potential risks that could affect our organization. There are various programs and initiatives that we implement to improve our risk management processes. Some examples include:

- **Establishing a Risk Management Framework:** This involves defining the processes, policies, and procedures for identifying, assessing, and managing risks. The framework is aligned with the organization's overall strategy and objectives.
- **Conducting Risk Assessments:** This involves identifying potential risks that could affect the organization and assessing their likelihood and potential impact. The results of the risk assessment can be used to prioritize risks and develop appropriate risk management strategies.

Our risk management framework enables a consistent and holistic approach to identifying, managing, and the oversight of risks. This consistency allows us to meaningfully compare both the risks we face and how we manage them.

The environmental risks have long been a focus and driver of our sustainability efforts over the years. To ensure a proactive risk approach, in 2022 we initiated a comprehensive climate risk assessment conducted by a third party and established a steering committee to manage climate risk.
For more information, please see our Climate Risk assessment spotlight in the environment section on page 34.

- **Implementing Risk Control Measures:** This involves implementing measures to prevent or mitigate identified risks. This could include implementing policies and procedures to reduce the likelihood of risks occurring or implementing contingency plans to minimize the impact of risks if they do occur.

- **Regularly Monitoring and Reviewing Risks:** This involves regularly reviewing the organization's risks and risk management strategies to ensure they are still effective and relevant. This could involve conducting periodic risk assessments or implementing a system for tracking and reporting risks.

We also face several uncertainties where an emerging risk may potentially impact us in the longer term. In some cases, there may be insufficient information to understand the likely scale, impact, or velocity of the risk. We also might not be able to fully define a mitigation plan until we have a better understanding of the threat.

Overall, Aramex risk management programs and initiatives help identify and manage potential risks, which can help protect Aramex's assets, reputation, and overall performance.

We at Aramex recognize that climate change poses a number of physical risks (i.e. caused by the increased frequency and severity of extreme weather events) and transition-related risks (i.e. economic, technology, or regulatory challenges related to moving to a greener economy) for our business. As a result of the growing understanding of the impacts of climate change on our business, we have added 'Environmental Sustainability' risks to our corporate risk profile.

Furthermore, as part of our sustainable business strategy, we monitor climate-related metrics and develop plans to address climate-related risks and opportunities. The Chief Suitability Officer heads the sustainability agenda as part of our purpose-led strategy and has overall accountability for managing our efforts to mitigate climate change risks and impacts.

Each key corporate risk, including 'the Environmental Sustainability' risk is assigned an executive owner who is responsible for managing the risk. The executive owner is responsible for confirming adequate controls are in place and that the necessary action plans are implemented. To provide adequate oversight, we report throughout the year on key and emerging risks and hold in-depth reviews of all the key risks at the Management Risk Committee and the Board Audit Committee.

Corporate Compliance

The corporate compliance function is responsible for ensuring that all our internal stakeholders are aware of and are implementing processes that minimize and mitigate statutory, regulatory, and reputational damage. Through this function, we ensure that we provide stakeholders with ample guidance necessary for upholding ethical and compliant business operations.

Compliance within Aramex has adopted a precautionary and proactive approach. Our compliance programs are designed to prevent issues arising from non-compliance. Our programs are consistently driving change and improvement in ethical behavior. Our main precautionary measures are our training programs, our trade compliance, customs, and corporate compliance policies and procedures. These policies and procedures are also increasingly assimilated within the different Aramex functions via controls and process change to manage and reduce risk.

We have several programs and training initiatives that are designed to reduce the risks of non-compliance and unethical behavior. Our annual objectives are the following:

- Companywide Code of Conduct training
- Focused training for targeted internal stakeholders in areas such as customs and trade compliance.
- Conflict of Interest annual declaration by employees

Additionally, we have launched better and improved third-party due diligence for vendors in general, and more specific approaches for customs agents, franchisees, and other targeted groups of third parties.

Our compliance with laws and regulations is mainly driven by existing policies, group governance, continuous monitoring, and assessment of both current and anticipated future risks. We diligently work to keep up with updates and changes related to both country-level and international policies, laws, or best practices and make necessary amendments to ensure compliance.

Compliance Training

As part of our compliance strategy, we continue to provide risk and compliance awareness sessions. We have automated the risk and compliance induction training through our learning management system and is mandatory for all new employees and continue to offer classroom induction training for non-system users.

Our annual employee training program is ongoing to raise awareness of and adherence to our code of conduct and related compliance policies. The training take place both online and/or in person and include compliance knowledge assessments as part of our annual compliance strategy.

Compliance Training at Aramex

Compliance Training (Total including couriers)	2021	2022
% Completed	2021	2022
Headcount	14,749	15,609

7%
increase in compliance training

Extending Responsible Business Practices across our Value Chain

Our suppliers undergo an evaluation process to assess their compliance with our business practices, including human and labor rights, anti-corruption, and anti-bribery, on our Code of Conduct and social and environmental criteria. In 2022, we have launched our improved third-party due diligence process which includes a general vendor due diligence and registration process that streamlines the vendor review process that is evaluated from multiple departments thus facilitating better control to ensure the accuracy of data and avoid any violations. We also use a different approach for customs express and freight agents, franchisees, and other targeted groups of third parties adopting a thorough registration process for enhanced due diligence through several investigation processes to avoid any potential risks.

All our high-risk third parties must undergo a dual due diligence process, through our code of conduct questionnaires along with an external evaluation through a reputable independent provider. As a result, all new vendors in 2022 were screened according to our due diligence process.

To mitigate risks of corruption within our operations, we have three policies that all employees are trained on and have access to: Gifts, Entertainment and Hospitality Policy, Conflict of Interest Policy, as well as the Anti-Corruption Policy. For more on our supply chain, please refer to page 66.

Trade Compliance

Our trade and customs compliance program allows for better customs oversite and support to address business needs according to existing customs clearance practices within the network. Our trade compliance efforts have continued to add value to the organization to encompass better compliance support for the network. We have created a methodology to review and assess country-level risks as needed.

This complements our existing denied party screening coverage, as well as our existing sanctions program management. We will continue to drive our efforts and methodology via a strong risk-based approach to reduce risks posed in the ever-increasing trade risk environment.

Policies at Aramex

In addition to our training and due diligence process, we are committed to adhering to all applicable international and local laws and regulations. Aramex has a vast list of policies within all domains that drive the governance aspect of compliance, we also ensure that we consistently review and revise these policies as needed and in keeping with the changing regulatory environments, market needs, and best practices.

ARAMEX CODE OF CONDUCT

- Accountable, transparent, respectful, fair, and professional business practices
- Safe, equitable, secure, fair, and healthy working conditions
- Incorporation of compliance into day-to-day operations in every aspect of the business
- Healthy and sustainable growth of business
- Reliability and integrity of financial and operational information
- Compliance with laws, regulations, policies, procedures, and contracts
- Safeguarding of assets, whether physical or intellectual

In line with these principles, we have several compliance and other policies set in place that correspond to different important aspects of our business and operations elaborated on page 116.

Our Code of Conduct is aligned with international and national regulations and standards, which include (but are not limited to):

- The World Economic Forum's Partnering Against Corruption Initiative (PACI)
- UK Bribery Act
- U.S Foreign Corruption Practice Act (FCPA)
- Accountability principles standards AA1000
- International Labor Organization (ILO)
- UN Declaration on Human Rights
- Environmental standards (ISO 14001, LEED, local and international laws, and regulations, UNGC)
- Other applicable international and local laws

If in any case, our policies, procedures, and internal controls do not offer clear guidance for a particular course of action, we make sure that our employees and leaders are encouraged and expected to honor the spirit of the code or seek advice.

Whistleblowing Policy

The Aramex whistleblowing policy provides management, employees, customers, and stakeholders with guidelines on how to report any cases of possible fraud, irregularities, and grievances related to our Code of Conduct and the social and environmental performance at Aramex. We encourage our employees and stakeholders to use the whistle-blowing system by ensuring that they are aware of and able to access the system. For external and internal concerns and complaints, we have a dedicated email channel utilizing Microsoft Fresh Services tool in which Whistleblowers can report their complaints.

Additionally, we will be introducing more options to anonymously report potential violations via a Case Management System and a Toll-Free Hotline available 24/7 during 2023.

In any case, all received reports will be treated with the highest level of confidentiality. The Risk and Compliance function ensures that cases reported on the Aramex whistleblowing system are handled promptly. An investigation is conducted into each case. A summary report of the quarterly whistleblowing cases received and investigated is reported to the Audit Committee as part of the risk report. Ad hoc investigations are also undertaken by the Risk & Compliance team where possible cases of corruption, fraud, or noncompliance are identified and reported outside of the Whistleblowing system.

Case recorded

Investigation launched

Internal review committee convened

Decision communicated

Decision Accepted | Decision appealed

It is important to act on any violations we find while evaluating our supply chain for labor rights. In 2022, our screening did not raise any red flags related to labor practice violations. Additionally, we did not have any cases of violation of indigenous people's rights .

Aramex has a strict policy against receiving or giving any financial government assistance. It is important for our stakeholders that we ensure that our company is not affiliated with any political or governmental system .

We have a companywide human rights policy that pertains to the salient human rights concerns, including, fair labor practices, anti-forced and child labor, anti-modern slavery, ensuring gender equality and anti-discrimination practices. These policies are available on our internal and external platforms and we regularly conduct human rights training with our people to ensure they are aware and actively ensuring the application of our policies.

100% of full-time security personnel trained in human rights policies or procedures

We are committed to conducting a human rights assessment on our operations every 3-4 years, our previous assessment was conducted in 2019, and our plans for the 2021 assessment were curtailed due to COVID-19 and adjusted to be conducted next year to be done in 2023.

Internal Audit

The internal audit function is responsible for monitoring and evaluating risk & control across the Aramex network.

The internal audit management plans their engagement in alignment with the Audit Committee and regularly presents the audit reports to the Audit Committee and Executive Management.

Aramex's Internal Audit Function maintains an independence actively through a dual reporting mechanism, with "Functional reporting to the Audit Committee "BAC" and administrative reporting to Aramex CEO.

Hybrid Planning

The Internal Audit plan is built & designed to ensure utmost mobility & coverage for the Aramex network, by creating an internal risk assessment considering below elements & verticals:

- **Enterprise Risk Management**
- **Internal Audit evaluation for merging risks**
- **Internal Audit historical records**
- **External factors with impact on corporate strategy**

Strategy

Our internal audit management strategy ensures alignment of assurance audit reviews with the business needs. As we aim to utilize and leverage enhanced analytics for real-time risk identification and timely updates of audit plans and scope. To that end, we continually enhance our data collection, monitoring, analysis, and documentation procedures as well as our technological innovation and know-how to maximize our audit coverage.

Objective & Mission

Our internal audit function provides an independent, objective assurance and consulting services designed to add value and improve Aramex's operations.

Our internal audit mission is to enhance and protect organizational value by providing risk-based and objective assurance, advice, and insights.

Core Assurance

Our internal audit conducts engagements for all operating/non-operating offices and support functions, as well as company-wide processes and in thematic areas. Department leaders, process owners, and other managers develop action plans to address observations and areas of concern. Internal audit will work with relevant stakeholders and departments to follow up on action plans and ensure all findings are appropriately addressed.

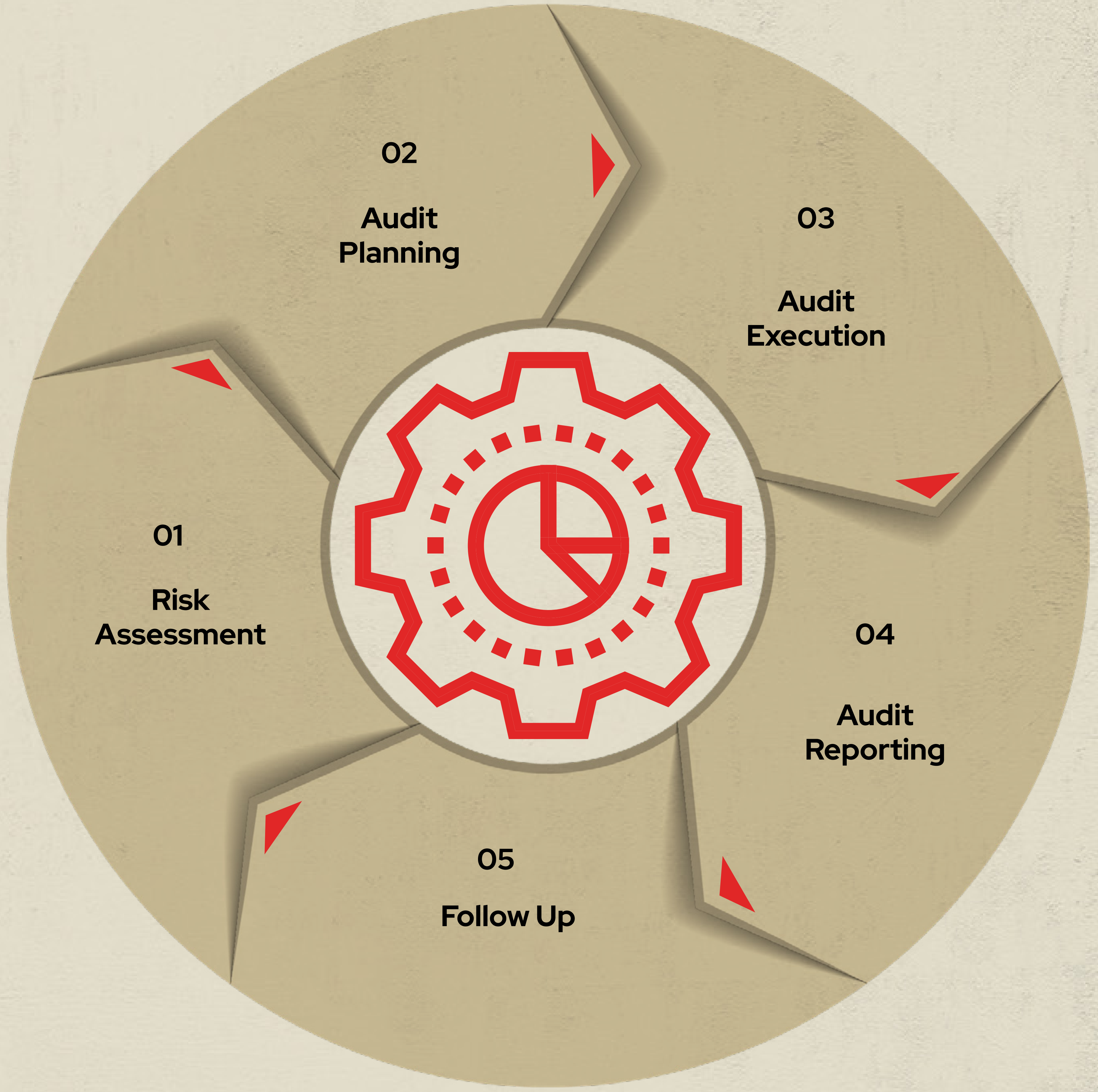
Quality Assurance Improvement Program

Our internal audit designed an ongoing Internal Quality Assurance Improvement Program "QAIP", to enable an evaluation of the internal audit activity's conformance with the Definition of Internal Auditing and the International Standards for the Professional Practice of Internal Auditing (Standards). The program also assesses the efficiency and effectiveness of the internal audit activity and identifies opportunities for improvement.

Achievements

In 2022, we developed and completed our dynamic risk-based audit plan adapted to Aramex's business needs and transformation to perform more efficient and effective audits.

We conducted the necessarily follow-up of prior findings and achieved KPIs for completely implemented findings. Additionally, we were able to advance effective assurance reviews and recommendations related to cost-saving opportunities and internal controls.



Associations and Certifications

The below table summarizes our 2022 ISO certifications for each standard:

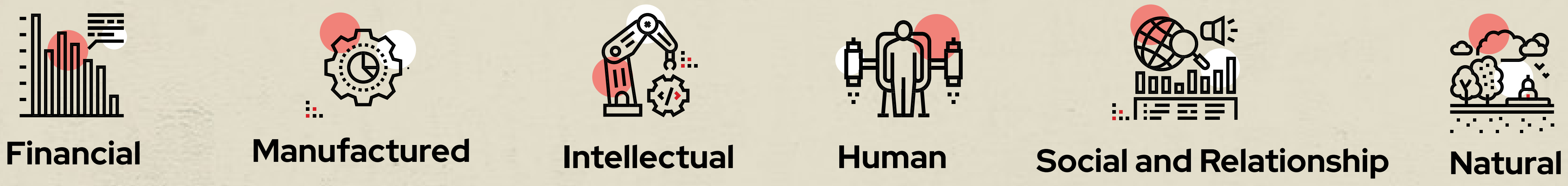
ISO Certificate	Countries Certified	Sites certified
ISO 9001	19	35
ISO 14001	22	38
ISO 45001	23	39

SUSTAINABILITY REPORTING APPROACH

REPORTING APPROACH

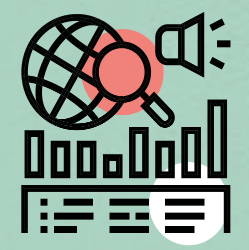
This is our 13th integrated report and 17th sustainability report, covering our activities, impacts, and accomplishments for the year 2022. Our annual integrated reports are prepared in accordance with the Global Reporting Initiative Standards in accordance option. Our reporting process and integrated reports are guided by the International Integrated Reporting (IIR) Framework, United Nations Global Compact, SASB, TCFD, and CDP requirements and according to ESG requirements. As well as International financial Reporting standards (IFRS) of the international accounting standards Board (IASB) and in line with the regulatory requirements of the Securities and commodities Authority (SCA) of the United Arab Emirates financial and governance standards.

Throughout the past 13 years of integrated reporting, we have led the integrated reporting in the region honing our reporting know-how and expertise, continually improving, and evolving our processes, measurement controls, and analysis. We have listened to our stakeholder's feedback, followed international trends, standard updates, and best practices to improve our approach, engagement, and reporting such as undertaking external assessments related to key operational areas or concerns. Our reporting covers the different facets of our operations, management, and sustainability activities, it includes financial and non-financial topics, our business impacts on the six interrelated capitals*, our value creation, preservation, and erosion, and our overall strategic vision. Our annual integrated reports act as a powerful tool that underscores our commitment to transparently communicating with our stakeholders, tracking yearly progress, updates, and impacts.

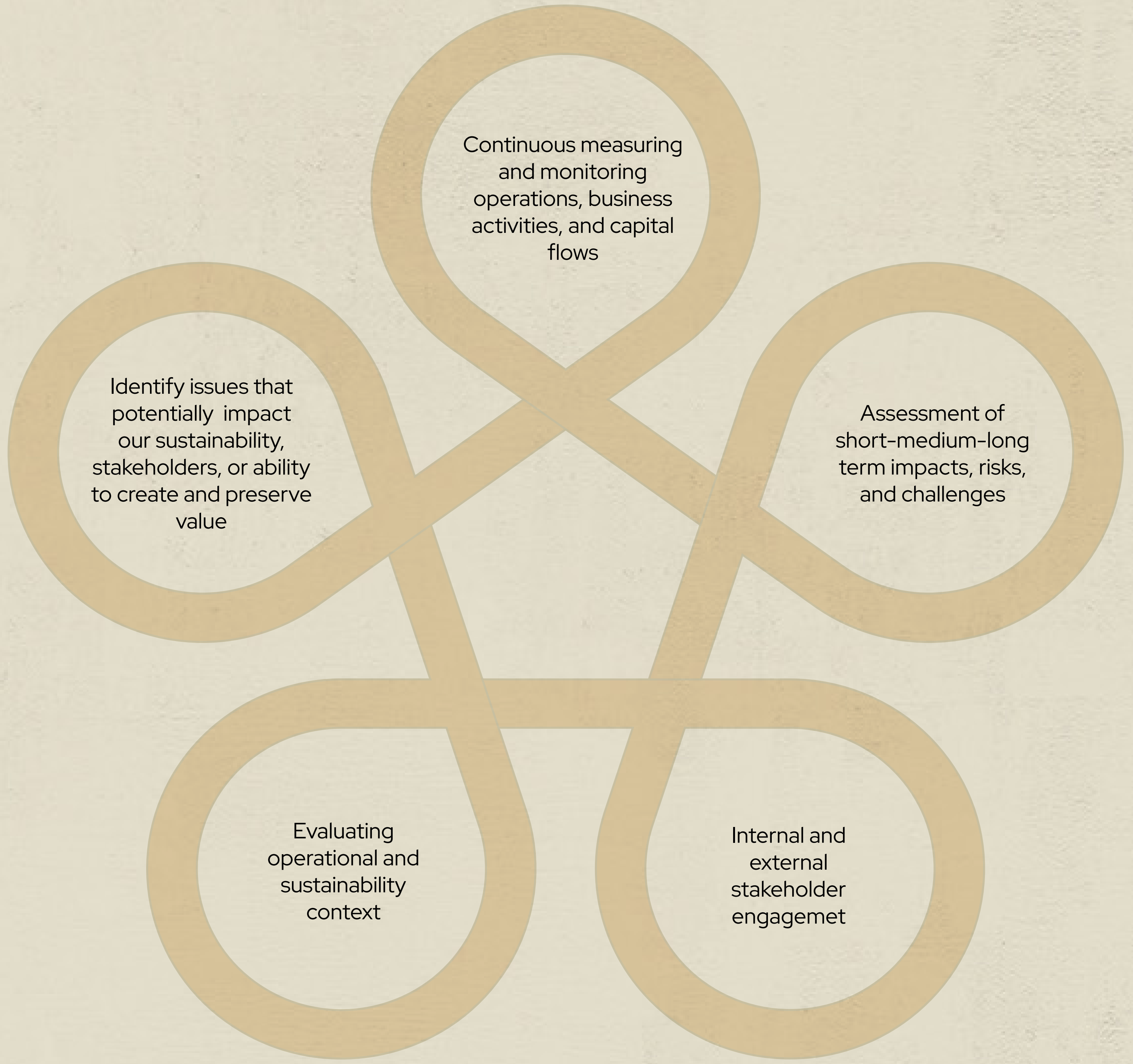


Determining Our Priority Issues, Material topics and Impacts

We consider the concept of materiality in determining priority issues and what we include in our report, this includes what is material on the operational side, what is material to our stakeholders, and what is material in terms of our social and environmental impacts. We give special attention on issues, challenges, and opportunities that impact our six capitals and Aramex's ability to uphold its vision and mission and function as a responsible and sustainable business which creates and preserves value for all its stakeholders while minimizing risks and negative impacts that might arise from our operations.

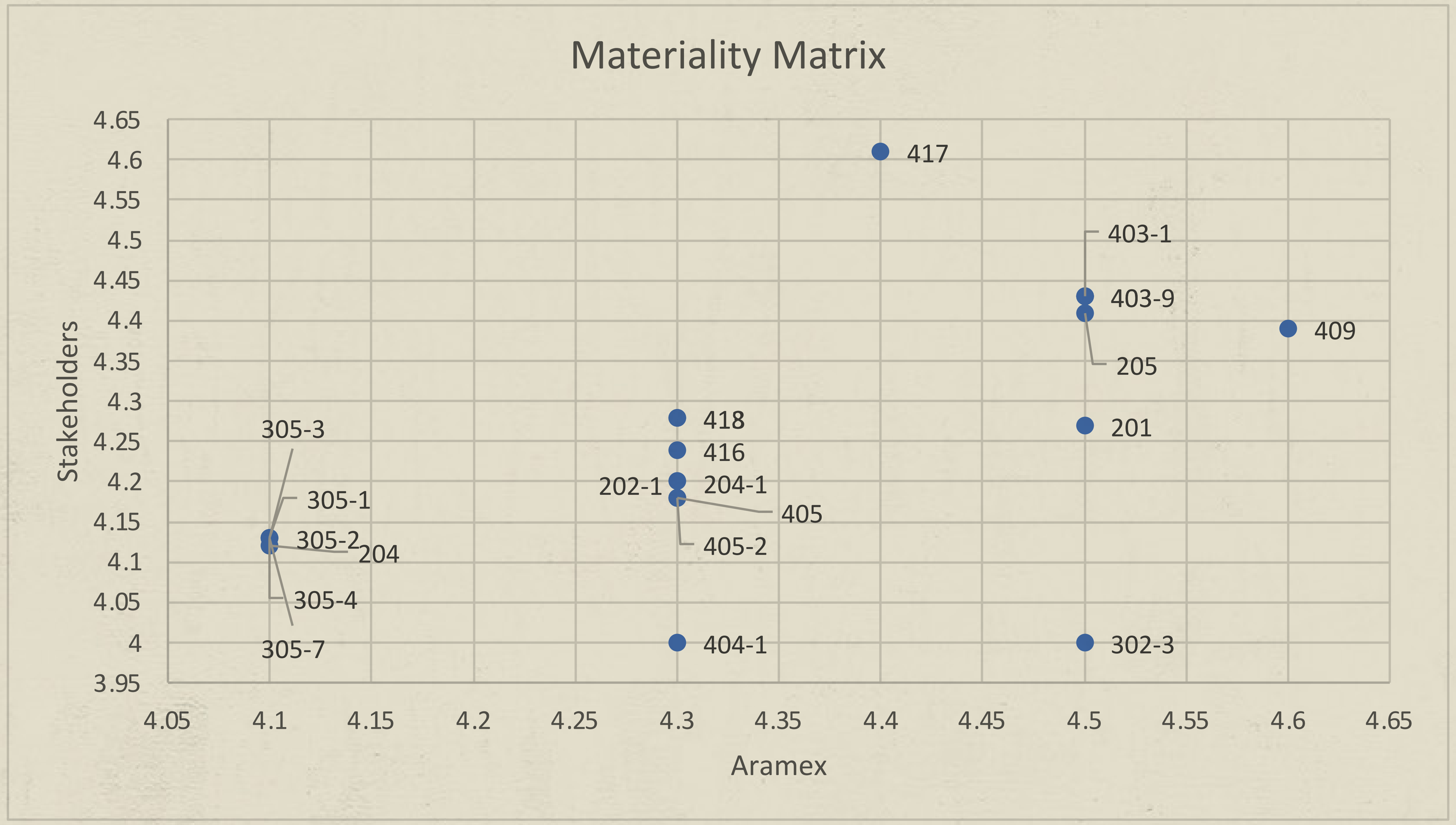


Our material matters are identified across all Aramex, and includes input from all business functions, assessments of opportunities, risks, and concerns in our business environment, and stakeholder feedback collected through multiple channels.



By following this approach, we are able to nurture and grow our Human, Intellectual, Manufactured, and Financial Capitals while also being able to preserve and protect Natural Capital and build Social and Relationship Capital in the greater communities.

Our 2022 Material Issues and Materiality Matrix:
We map our materiality matrix after following this approach and with the support of an external party that conducts the stakeholder engagement sessions to gauge insights that are important for our sustainability strategy and factor in our priority areas as well as our impact given the nature of our industry. GRI disclosures and material topics are ranked both internally (by Aramex management and employees) and externally (by our stakeholders). Rankings indicate the extent to which internal and external stakeholders find a topic to be important or relevant to our industry or geographical location and provide us with insights on what issues matter to our stakeholders.



GRI 205: Anti-corruption 2016
GRI 201: Economic Performance 2016
GRI 418: Customer Privacy 2016
GRI 416: Customer Health and Safety 2016
GRI 403: Occupational Health and Safety 2018
Disclosure 403-9: Work-related injuries
Disclosure 403-1 Occupational health and safety management system
GRI 405: Diversity and Equal Opportunity 2016
Disclosure 405-2: Ratio of basic salary and remuneration of women to men
GRI 417: Marketing and Labeling 2016
Disclosure 302-3: Energy Intensity
Disclosure 305-1: Direct (Scope 1) GHG emissions
Disclosure 305-2: Energy indirect (Scope 2) GHG emissions
Disclosure 305-3: Other indirect (Scope 3) GHG emissions
Disclosure 305-4: GHG Emissions intensity
Disclosure 305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions
GRI 204: Procurement Practices 2016
GRI 409: Forced or Compulsory labor 2016
GRI 413: Local Communities 2016
Disclosure 202-1: Ratios of standard entry level wage by gender compared to local minimum wage
Disclosure 204-1 Proportion of spending on local suppliers
Disclosure 404-1: Average hours of training per year per employee

These disclosures reflect our material topics and undergo a rigorous external assurance process by our third-party auditors Ernst & Young (EY). In this report covering the year 2022, we have added Disclosure 403-1 Occupational health and safety management system that replaced Disclosure 202-2: Proportion of Senior Management Hired from the local community due to the increased impact of health and safety issues. These disclosures are also highlighted in the GRI index. In addition, we report in accordance with the GRI, meaning that we report on all disclosures, beyond the highly material disclosures listed above.

For more details on our stakeholders and our stakeholder engagement activities, please refer to the sstakeholder mapping page 25, our stakeholders section on page 67 and our stakeholder engagement report in Annex 5 (Page 186).

Reporting Boundaries
Assessing the boundaries of each of our priority areas and material topics is important in understanding where within our operations, supply chain, and geographies these issues and topics occur and the extent and reach of related impacts. To arrive at these boundaries we map our operations, material topics, and inputs and outputs, and our impacts and related risks page 21.

For internal topics related to our operations, the boundaries include all entities across our geographical location, except our franchisees. Financial reporting scope is clarified in the financial section (page 136). External topic boundaries related to topics occurring within or outside of our operations, occur across all geographical locations.

We calculate our fuel consumption from the leased vehicles and also from the owner operator vehicles.

Ensuring the Quality of Our Sustainability Reporting

In order to maintain the quality of our reporting, we follow a combination of GRI Standards.
and IIRC Reporting Principles for defining reporting quality which include:

GRI
Balance: We maintained balance in our reporting by evaluating our performance based on material issues and future targets, presenting both our positive performance, as well as focus areas that require improvement and re-evaluation.

Comparability: We have provided year-on- year data and followed the GRI Disclosure Protocols wherever appropriate, this allows for comparability of our performance in key areas across the years.

Accuracy: We aim to reach and maintain the greatest accuracy in our data, and always clearly identify where estimations or limitations in our published figures exist.

Timeliness: We have been committed to reporting our sustainability performance on an annual basis.

Clarity: Throughout the report, we ensure that we clearly illustrate and explain our sustainability performance and related projects. We also measure our yearly progress against the targets established by previous reports.

Reliability: This report has undergone third- party assurance, according to the parameters expressed in the assurance statement.

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In our report, we maintained a clear strategic focus and future orientation in relation to our operations and activities.
We worked to ensure clear connectivity of information, by highlighting value creation across all our operations and activities and showcasing the six capitals and the dynamics within them

- We maintained open and strong stakeholder relationships both by utilizing stakeholder feedback as key topics of this report's materiality, and by setting a plan to disseminate this report along with information on our operations and activities to our stakeholder.
- We ensured that we consider materiality by evaluating priority and material topics.
- To maintain conciseness, we only reported on material issues and referred to where more information can be found where relevant.
- We utilize different mechanisms such as robust internal reporting systems, appropriate stakeholder engagement, and independent, external assurance in order to assure reliability and completeness of our report.
- To ensure consistency and comparability, we have provided year-on- year data and followed the GRI disclosure Protocols wherever appropriate, this allows for comparability of our performance in key areas across the years. Additionally, Throughout the report, we ensure that we clearly illustrate and explain our sustainability performance and related projects. We also measure our yearly progress against the targets established by previous reports.

Measuring and Managing Our Green House Gas (GHG) Emissions:

This is the twelfth consecutive year in which we report on our annual GHG emission. Details on our emissions can be found on page 36 and 37. When measuring and calculating our carbon footprint we adhere to the principles of the Green House 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.

Limitations: As a light-asset company, Aramex utilizes the services of transportation providers, such as airlines, sea lines, and vehicle leasing companies for our operations. Additionally, we rely on local sub-contractors for the pickup and delivery of express packages in certain markets – most notably India. We calculate our fuel consumption from the leased vehicles and also from the owner operator vehicles.

Our light asset 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 estimate and data provided by our suppliers for our emissions that take place outside of our company boundaries as a result of 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 in a continual process to remedy this issue. At present, our fuel consumption calculations (from which emissions are derived) include only fuel used in our owned and leased vehicles.

Data Measurement Techniques: Unless otherwise stated, disclosures provide global coverage, subject to the reporting boundaries and limitations outlined on page 21. We strive to provide accurate and comprehensive data and therefore have different controls, data collection processes, and management systems in place. However, despite our efforts, the precision of different disclosures may vary. Data measurement necessarily involves some level of estimation. Wherever estimations have been made, we have provided an explanation, including the level of accuracy and approach to data collection used to produce the relevant disclosure.

Assessment and evaluation of our reports

For Aramex, continual assessment and evaluation of our sustainability measures and reporting processes are of critical importance to maintain transparency, robustness, and comprehensiveness. We work with third party consultants, ESG ranking agencies, and other organizations to identify any gaps or areas of improvement related to our reporting process, annual reports, policies, procedures, and measures. Assessments, such as the third party (Environmental, Social, and Governance (ESG)) assessment and ranking agencies and climate risk assessments allows us to enhance our sustainability, business practices, and value creation models pragmatically and systematically from the inside out. We include these assessments in our reporting process and ensure that we address any issues or missing information.

Disclosures on Management Approaches

Our ability to create value across our capitals while meeting the needs of our diverse stakeholders, as well as our strategic business goals and profitability, is a central driver of our ESG efforts. This provides the frameworks across our value chain globally, with oversight from the Board of Directors and executive management team for addressing relevant social, environmental, governance and external economic matters.

When it comes to our manufactured and financial capitals, as well as, economic matters and financial targets and outlook, it is elaborated in the CEO letter on page 4 and is handled by our Chief Executive Officer, Chief Financial Officer, Chief Operating Officers for Express, and Freight & Logistics, Chief Strategy Officer and also governed by our General Council, and Chief Risk and Compliance Officer. We ensure that these matters are handled in an ethical and sustainable manner which includes compliance with all national and international norms and legislation such as the World Economic Forum's Partnering Against Corruption Initiative (PACI), UK Bribery Act, US Foreign Corruption Practice Act (FCPA), International Labor Organization (ILO), UN Declaration on Human Rights, and others.

More information on human rights, grievance mechanisms and more such as our whistleblowing system can be found on page 109.

Internal social impacts on the workforce and Human Capital are managed by the Chief Human Resources Officer (CHRO) guided by our Code of Conduct and HR policies that govern areas such as equal remuneration for women and men, protecting diversity, compulsory labor, and allowing the right of collective bargaining.

Respect for human and labor rights is also achieved by meeting or exceeding all local and international standards and norms, code of conduct and compliance training, supplier evaluations, internal policies, and procedures. We further verify the effectiveness of these controls and efforts through human and labor rights assessments with external auditors to ensure both policy and practice are aligned.

The Chief Sustainability Officer leads sustainability programs, which set out to reduce negative and increase positive impacts on environmental and external social areas linked to Aramex. Oversight of our environmental, social, and overall sustainability programs, policies, and goals, is provided by the Sustainability Committee, which is part of the Strategy Committee of the Board of Directors and reports directly to the Group CEO and Board of Directors.

The Board is engaged through setting the strategy and through the budgeting process as environmental concerns and efforts and sustainability goals and activities are discussed and approved by the budget committee. Our sustainability efforts are in line with our goal to nurture and develop our Social and Relationship Capital and safeguard our Natural Capital, while also ensuring we mitigate any negative environmental impacts associated with our operations, especially our emissions.

As part of our efforts to safeguard our Natural capital, we implement several initiatives to reduce Green House Gas (GHG) emissions, increase energy efficiency, reduce material use and waste, and provide our customers with alternative and sustainable packaging materials. We continue expanding our investment in renewable energy such as solar to power our facilities and continue expanding our fleet of low or emissions-free vehicles.

These programs are centered around 3 pillars:

- Environmental Stewardship and Climate Change Mitigation
- Youth Education and Empowerment
- Entrepreneurship

We continue to implement Leadership in Energy and Environmental Design (LEED certification) and ISO 14001 environmental management systems at our facilities, where feasible. These initiatives reduce value erosion related to our Natural Capital, particularly nonrenewable Natural Capital.

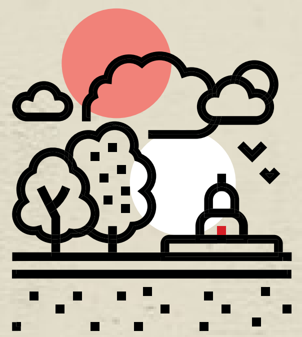
The Aramex Sustainable procurement policy & Environment stewardship policy guides our approach in managing our environmental procedures internally as well as within our supply chain. In efforts to continually assess our impact and be proactive in managing environmental risk, we have undertaken a climate risk assessment exercise with a third party to inform and strengthen our management approach addressing any potential risks across our capitals and value chain, the consultants' summary of the assessment thus far can be found on page 38.

To create value in Social and Relationship Capital in our communities, our operations around the globe support different projects and initiatives that are important on a local level, while also engaging employees. Highlights of these projects can be found on page 60.

These projects include the SME program, which supports innovative startups and helps accelerate development in their communities. We also support and sponsor our employees at sports events to promote good health and boost company morale. We approach our social projects through a partnership approach and engage with NGOs and other socially driven and community-based organizations. These partnerships are always apolitical and areligious. For more information on sustainability, including goals and targets please refer to pages 27, 28, and 33, 60.

We also leverage our core capacities, operations, and networks to respond to emergencies and provide relief where possible.

All environmental, economic, and social concerns are managed also through regular ESG evaluations, conducted by third party in response to investors and customers' demands. These evaluations provide an in-depth look into our performance and are used as a tool to understand and tackle any gaps while improving our overall ESG activities. In 2023, we have launched an internal sustainability service desk to facilitate addressing internal ESG related issues.

Aramex Code of Conduct		
		
Environment	**Social**	**Governance**
• Environmental Stewardship Policy • Sustainable Water Policy	• Health and Safety Policy • Human and Labor Rights(including the right of collective bargaining and freedom of association) • Diversity, Equity & Inclusion • Charitable Donations and Sponsorships	• Non-Compliance Disciplinary Policy • Export and Trade Compliance Policy • Gifts Entertainment& Hospitality • Conflict of Interest • Anti-Money laundering • Third Party Due Diligence • Anti Bribery and Corruption Policy • Sanctioned Countries Bank Transactions Policy • Political contributions and involvement • Whistleblowing • Supplier Code of conduct

ESG Rankings

We are aware of the growing interest in ESG criteria and rankings, which provide an objective evaluation the company's performance with respect to Environmental, Social, and Governance (ESG) issues. These rankings serve as an important tool to engage with stakeholders and investors, allowing us to share information on our performance, impact, and strategy. We therefore monitor our ratings from ESG ranking agencies with the aim of improving information sharing, transparency, and accountability while also using the feedback to enhance our ESG performance.

GRI Content Index

Statement of use	Aramex has reported in accordance with the GRI Standards for the period [1January 2022- 31 December 2022]
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	Not applicable

For the Content Index - Advanced Service, GRI Services reviewed that the GRI content index is clearly presented, in a manner consistent with the Standards, and that the references for all disclosures are included correctly and aligned with the appropriate sections in the body of the report.

				OMISSION				
GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	ASPECT BOUNDARY	REQUIREMENT(S) OMITTED	REASON	EXPLANATION	NOTES	GRI SECTOR STANDARD REF. NO.
General disclosures - Sustainability Communication and Engagement								
GRI 2: General Disclosures 2021	2-1 Organizational details	About Aramex (Pages 9-12)	Includes all our fully owned operations (Franchisees only included in financials)	A gray cell indicates that reasons for omission are not permitted for the disclosure or that a GRI Sector Standard reference number is not available.				
	2-2 Entities included in the organization's sustainability reporting	About Aramex, About Our Integrated Report, Reporting Approach (Pages 9-12, 21,114)	Includes all our fully owned operations (Franchisees only included in financials)					
	2-3 Reporting period, frequency and contact point	The report's contact point is our CSO Raji Hattar. (Page112)	Includes all our fully owned operations (Franchisees only included in financials)					
	2-4 Restatements of information	Health and Safety (Page 54)	Includes all our fully owned operations (Franchisees only included in financials)					
	2-5 External assurance	External Assurance (Pages 134-135)	Our owned operations					
	2-6 Activities, value chain and other business relationships	About Aramex, procurement and supplier relations (Pages 9-12 and 66)	Within our entire fully owned operations and outside the organization as it relates to our shareholders, suppliers and other stakeholders					
	2-7 Employees	Our people (Pages 8, 42, 45, 46, 47)						
	2-8 Workers who are not employees	Our people, Annex 3 (Pages 53, 180)	Within our entire operations and outside the organization as it relates to subcontracts and business partnerships					
	2-9 Governance structure and composition	Governance (Pages 72-105)	Within our entire fully owned operations and outside the organization as it relates to our shareholders, suppliers and other stakeholders					
	2-10 Nomination and selection of the highest governance body	Governance (Pages 72- 105)	Within our entire fully owned operations and outside the organization as it relates to our shareholders, suppliers and other stakeholders					

				OMISSION				
GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	ASPECT BOUNDARY	REQUIREMENT(S) OMITTED	REASON	EXPLANATION	NOTES	GRI SECTOR STANDARD REF. NO.
General disclosures								
GRI 2: General Disclosures 2021	2-11 Chair of the highest governance body	Governance (Pages 72-105)	Within our entire fully owned operations and outside the organization as it relates to our shareholders, suppliers and other stakeholders	A gray cell indicates that reasons for omission are not permitted for the disclosure or that a GRI Sector Standard reference number is not available.				
	2-12 Role of the highest governance body in overseeing the management of impacts	Disclosures on Management Approaches (Pages 115-116)						
	2-13 Delegation of responsibility for managing impacts	Disclosures on Management Approaches, sustainability at Aramex (Pages 19-20, 115-116)	Within our entire fully owned operations and outside the organization as it relates to our shareholders, suppliers and other stakeholders					
	2-14 Role of the highest governance body in sustainability reporting	Disclosures on Management Approaches, Reporting Approach (Pages 19-20, 112-116)	Within our entire fully owned operations and outside the organization as it relates to our shareholders, suppliers and other stakeholders					
	2-15 Conflicts of interest	Governance (Pages 72-105)	Within our entire fully owned operations and outside the organization as it relates to our shareholders					
	2-16 Communication of critical concerns	Disclosures on Management Approaches, Governance (Pages 98, 100, 115-116)	Within our entire fully owned operations and outside the organization as it relates to our shareholders, suppliers and other stakeholders					
	2-17 Collective knowledge of the highest governance body	Governance (Pages 72-105)	Within our entire fully owned operations and outside the organization as it relates to our shareholders, suppliers and other stakeholders					
	2-18 Evaluation of the performance of the highest governance body	Governance (Pages 72-105)	Within our entire fully owned operations and outside the organization as it relates to our shareholders, suppliers and other stakeholders					
	2-19 Remuneration policies	Governance (Pages 72-105)	Within our entire fully owned operations and outside the organization as it relates to our shareholders					
	2-20 Process to determine remuneration	Governance (Pages 72-105)	Within our entire fully owned operations and outside the organization as it relates to our shareholders					

				OMISSION				
GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	ASPECT BOUNDARY	REQUIREMENT(S) OMITTED	REASON	EXPLANATION	NOTES	GRI SECTOR STANDARD REF. NO.
General disclosures								
GRI 2: General Disclosures 2021	2-21 Annual total compensation ratio	Governance (Pages 72-105)	Within our entire fully owned operations and outside the organization as it relates to our shareholders					
	2-22 Statement on sustainable development strategy	About Our Integrated Report, Sustainability at Aramex (Pages 17-21)	Within our entire fully owned operations and outside the organization as it relates to our shareholders, suppliers and other stakeholders					
	2-23 Policy commitments	About Our Integrated Report, Sustainability at Aramex, Risk and Compliance (Pages 17-23, 107-109)	Within our entire fully owned operations and outside the organization as it relates to our shareholders, suppliers and other stakeholders					
	2-24 Embedding policy commitments	About Our Integrated Report, Sustainability at Aramex, Risk and Compliance (Pages 17-23, 107-109)	Within our entire fully owned operations and outside the organization as it relates to our shareholders, suppliers and other stakeholders					
	2-25 Processes to remediate negative impacts	About Our Integrated Report, Sustainability at Aramex, Disclosures on Management Approaches, Environment (Pages 17-24, 115-116, 32-38)	Within our entire fully owned operations and outside the organization as it relates to our shareholders, suppliers and other stakeholders					
	2-26 Mechanisms for seeking advice and raising concerns	Disclosures on Management Approaches, Risk and Compliance, Our people (Pages 115, 106-109, 46)	Within our entire fully owned operations and outside the organization as it relates to our shareholders, suppliers and other stakeholders					
	2-27 Compliance with laws and regulations	Risk and Compliance (Pages 107-109)	Within our entire fully owned operations and outside the organization as it relates to our shareholders, suppliers and other stakeholders					
	2-28 Membership associations	Memberships and Associations (Pages 69)	Within our entire fully owned operations and outside the organization as it relates to our shareholders, suppliers and other stakeholders					
	2-29 Approach to stakeholder engagement	Stakeholder Mapping, Our Stakeholders (Pages 25, 68, Annex 5 Page 186)	Within our entire fully owned operations and outside the organization as it relates to our shareholders, suppliers and other stakeholders					
	2-30 Collective bargaining agreements	Reporting Approach, Annex 3 (Page 180) (Pages 115-116)	Within our entire fully owned operations and outside the organization as it relates to our shareholders, suppliers and other stakeholders					

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				OMISSION				
GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	ASPECT BOUNDARY	REQUIREMENT(S) OMITTED	REASON	EXPLANATION	NOTES	GRI SECTOR STANDARD REF. NO.
Material topics								
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Reporting Approach (Pages 112-114)	Within our entire fully owned operations and outside the organization as it relates to our shareholders, suppliers and other stakeholders	A gray cell indicates that reasons for omission are not permitted for the disclosure or that a GRI Sector Standard reference number is not available.				
	3-2 List of material topics	Reporting Approach (Pages 112-114)	Within our entire fully owned operations and outside the organization as it relates to our shareholders, suppliers and other stakeholders					
Economic performance - Economic Impact								
GRI 3: Material Topics 2021	3-3 Management of material topics	Disclosures on Management Approaches (Pages 115-116)	Within our entire fully owned operations and outside the organization as it relates to our shareholders, suppliers and other stakeholders					
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Discussion and Analysis of 2022 Financial Results (Pages 29-30)	Within our entire fully owned operations (and our franchisees)					
	201-2 Financial implications and other risks and opportunities due to climate change	Environment, Risk and Compliance (Pages 32-33, 38-39, 107)	Within our entire fully owned operations and outside the organization as it relates to our shareholders, suppliers and other stakeholders					
	201-3 Defined benefit plan obligations and other retirement plans	Our Financial Performance (Page 136)	Within our entire fully owned operations (excluding our franchisees)					
	201-4 Financial assistance received from government	Risk and Compliance (Page 109)	Within our entire fully owned operations and outside the organization as it relates to our shareholders, suppliers and other stakeholders				Aramex has a strict policy against receiving or giving any financial government assistance. It is important for our stakeholders to ensure that our company is not affiliated with any political or governmental system	

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				OMISSION				
GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	ASPECT BOUNDARY	REQUIREMENT(S) OMITTED	REASON	EXPLANATION	NOTES	GRI SECTOR STANDARD REF. NO.
Market presence								
GRI 3: Material Topics 2021	3-3 Management of material topics	Disclosures on Management Approaches (Pages 115-116)	Within our entire fully owned operations and outside the organization as it relates to our shareholders, suppliers and other stakeholders					
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	Annex 3 (Page 180)	Within our entire fully owned operations and outside the organization as it relates to our shareholders, suppliers and other stakeholders				We aim to offer competitive wages to our employees - for our entry level employees, these are equal and often in excess of the local minimum wage. Our wages are important to our employees as well as other stakeholders as they are indicative of our impact on the community.	
	202-2 Proportion of senior management hired from the local community	Our People (page 42)	Within our entire fully owned operations and outside the organization as it relates to our shareholders, suppliers and other stakeholders					
Indirect economic impacts								
GRI 3: Material Topics 2021	3-3 Management of material topics	Disclosures on Management Approaches (Pages 115-116)	Within our entire fully owned operations and outside the organization as it relates to our shareholders, suppliers and other stakeholders					
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	Our Services, Value Creation, Environment, Our Customers (Pages 12-16, 24, 33-34, 59)	Within our entire fully owned operations and outside the organization as it relates to our shareholders, suppliers and other stakeholders					
	203-2 Significant indirect economic impacts	Sustainability at Aramex, Value Creation, Environment, Our Communities, Risk and Compliance (Pages 19-20, 24, 33-34, 60-65, 106-109)	Within our entire fully owned operations and outside the organization as it relates to our shareholders, suppliers and other stakeholders					
Procurement practices - Sustainable Supply Chain								
GRI 3: Material Topics 2021	3-3 Management of material topics	Disclosures on Management Approaches (Pages 115-116)	Within our entire fully owned operations and outside the organization as it relates to our shareholders, suppliers and other stakeholders					
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Procurement and Supplier Relations (Page 66)	Within our entire fully owned operations and outside the organization as it relates to our shareholders, suppliers and other stakeholders					

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				OMISSION				
GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	ASPECT BOUNDARY	REQUIREMENT(S) OMITTED	REASON	EXPLANATION	NOTES	GRI SECTOR STANDARD REF. NO.
Anti-corruption - Ethics and Business Conduct								
GRI 3: Material Topics 2021	3-3 Management of material topics	Disclosures on Management Approaches (Pages 115-116)	Within our entire fully owned operations and outside the organization as it relates to our shareholders, suppliers and other stakeholders					
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Risk and Compliance (Pages 107-109)	Within our entire fully owned operations and outside the organization as it relates to our shareholders, suppliers and other stakeholders					
	205-2 Communication and training about anti-corruption policies and procedures	Our people, Risk and Compliance (Pages 107-109, 45-46)	Within our entire fully owned operations and outside the organization as it relates to our shareholders, suppliers and other stakeholders					
	205-3 Confirmed incidents of corruption and actions taken	Annex 3 (Page 180)	Within our entire fully owned operations and outside the organization as it relates to our shareholders, suppliers and other stakeholders					
Anti-competitive behavior								
GRI 3: Material Topics 2021	3-3 Management of material topics	Disclosures on Management Approaches (Pages 115-116)	Within our entire fully owned operations and outside the organization as it relates to our shareholders, suppliers and other stakeholders					
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Annex 3 (Page 180)	Within our entire fully owned operations and outside the organization as it relates to our shareholders, suppliers and other stakeholders					
Tax								
GRI 3: Material Topics 2021	3-3 Management of material topics	Disclosures on Management Approaches (Pages 115-116)	Within our entire fully owned operations and outside the organization as it relates to our shareholders, suppliers and other stakeholders					
GRI 207: Tax 2019	207-1 Approach to tax	Our Financial Performance (Page 136)	All Financial boundaries are included in the financial statements				We are a public shareholding company; we abide by local and international tax laws and regulations. Information on our financials and taxation can be found in our financial statements	

				OMISSION				
GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	ASPECT BOUNDARY	REQUIREMENT(S) OMITTED	REASON	EXPLANATION	NOTES	GRI SECTOR STANDARD REF. NO.
GRI 207: Tax 2019	207-2 Tax governance, control, and risk management	Our Financial Performance (Page 136)	All Financial boundaries are included in the financial statements				We are a public shareholding company; we abide by local and international tax laws and regulations. Information on our financials and taxation can be found in our financial statements	
	207-3 Stakeholder engagement and management of concerns related to tax	Our Financial Performance (Page 136)	All Financial boundaries are included in the financial statements				We are a public shareholding company; we abide by local and international tax laws and regulations. Information on our financials and taxation can be found in our financial statements	
	207-4 Country-by-country reporting	N/A				Confidentiality constraints	We are a public shareholding company; we abide by local and international tax laws and regulations. Information on our financials and taxation can be found in our financial statements and reported at Group level.	
Materials								
GRI 3: Material Topics 2021	3-3 Management of material topics	Disclosures on Management Approaches (Pages 115-116)	Within our entire fully owned operations and outside the organization as it relates to our shareholders, suppliers and other stakeholders					
GRI 301: Materials 2016	301-1 Materials used by weight or volume	GRI Index (Page 123)	Within our fully owned operations				In our operations, our degradable pouches are used for 99% of our shipments, making up a large proportion of the materials we use. Other materials include envelopes, labels, AWBs, canvas and bag tags.	

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GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	ASPECT BOUNDARY	REQUIREMENT(S) OMITTED	REASON	EXPLANATION	NOTES	GRI SECTOR STANDARD REF. NO.
GRI 301: Materials 2016	301-2 Recycled input materials used	Circular economy and Life Cycle Assessment , GRI index (Pages 34-36, 124)	Within our fully owned operations			We are a public shareholding Given that most of the materials we use in our operations are sourced from degradable plastics (non-renewable) and paper, both have environmental impacts – it is important that we work to recycle these materials in order to reduce our environmental impacts.		
	301-3 Reclaimed products and their packaging materials	Circular economy and Life Cycle Assessment , GRI index (Page 34-36, 124)	Within our fully owned operations			We aim to reduce our waste and also planning to launch a campaign to recycle reclaimed packaging material		
Energy								
GRI 3: Material Topics 2021	3-3 Management of material topics	Disclosures on Management Approaches (Pages 115-116)						
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Environment (Pages 36-37)	Within our fully owned operations					
	302-2 Energy consumption outside of the organization	Environment (Pages 36-37)	Within our entire fully owned operations and outside the organization as it relates to our shareholders, suppliers and other stakeholders					
	302-3 Energy intensity	Value Creation Model, Environment (Pages 24, page 36-37)	Within our entire fully owned operations and outside the organization as it relates to our shareholders, suppliers and other stakeholders					
	302-4 Reduction of energy consumption	Value Creation Model, Environment (Pages 24, page 36-37)	Within our entire fully owned operations and outside the organization as it relates to our shareholders, suppliers and other stakeholders					
	302-5 Reductions in energy requirements of products and services	Value Creation Model, Environment (Pages 24, page 36-37)	Within our entire fully owned operations and outside the organization as it relates to our shareholders, suppliers and other stakeholders					
Water and effluents								
GRI 3: Material Topics 2021	3-3 Management of material topics	Disclosures on Management Approaches (Pages 115-116)						
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Environment (Pages 34-36)				Our water usage is limited to municipal water resources utilized within our offices and warehouses for municipal use.		
	303-2 Management of water discharge-related impacts	Environment (Pages 34-36)				Our water usage is limited to municipal water resources utilized within our offices and warehouses for municipal use.		

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GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	ASPECT BOUNDARY	REQUIREMENT(S) OMITTED	REASON	EXPLANATION	NOTES	GRI SECTOR STANDARD REF. NO.
GRI 303: Water and Effluents 2018	303-3 Water withdrawal	GRI Index, Annex 2 (Pages 179)				Our water usage is limited to municipal water resources utilized within our offices and warehouses for municipal use.		
	303-4 Water discharge	GRI Index, Annex 2 (Pages 179)				Our water usage is limited to municipal water resources utilized within our offices and warehouses for municipal use.		
	303-5 Water consumption	GRI Index, Annex 2 (Pages 179)				Our water usage is limited to municipal water resources utilized within our offices and warehouses for municipal use.	Water Consumption for 2022 is 178,936 CM	
Biodiversity - Climate Change								
GRI 3: Material Topics 2021	3-3 Management of material topics	Disclosures on Management Approaches (Pages 115-116)						
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	N/A		Low Relevance	Not applicable	Not applicable, since we ensure that we do not lease or own land adjacent to protected or high biodiversity areas		
	304-2 Significant impacts of activities, products and services on biodiversity			Low Relevance	Not applicable	We are a service-oriented company. Therefore, we do not manufacture products – the pouches we use for our services are degradable		
	304-3 Habitats protected or restored			Low Relevance	Not applicable	not involved in any habitat protection or restoration activities		
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	N/A		Low Relevance	Not applicable	We were not involved in any habitat protection or restoration activities		

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GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	ASPECT BOUNDARY	REQUIREMENT(S) OMITTED	REASON	EXPLANATION	NOTES	GRI SECTOR STANDARD REF. NO.
Emissions - Carbon Emissions								
GRI 3: Material Topics 2021	3-3 Management of material topics	Disclosures on Management Approaches (Pages 115-116)						
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Environment (Pages 36-37)	Within our fully owned operations					
	305-2 Energy indirect (Scope 2) GHG emissions	Environment (Pages 36-37)	Within our fully owned operations					
	305-3 Other indirect (Scope 3) GHG emissions	Environment (Pages 36-37)	Within our entire fully owned operations and outside the organization as it relates to our shareholders, suppliers and other stakeholders					
	305-4 GHG emissions intensity	Value Creation Model, Environment (Pages 24, 36-37)	Within our entire fully owned operations and outside the organization as it relates to our shareholders, suppliers and other stakeholders					
	305-5 Reduction of GHG emissions	Value Creation Model, Environment (Pages 24, 36-37)	Within our entire fully owned operations and outside the organization as it relates to our shareholders, suppliers and other stakeholders					
	305-6 Emissions of ozone-depleting substances (ODS)	Environment (Page 36)	Within our entire fully owned operations and outside the organization as it relates to our shareholders, suppliers and other stakeholders					
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Environment (Page 37)	Within our entire fully owned operations and outside the organization as it relates to our shareholders, suppliers and other stakeholders					

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GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	ASPECT BOUNDARY	REQUIREMENT(S) OMITTED	REASON	EXPLANATION	NOTES	GRI SECTOR STANDARD REF. NO.
Waste								
GRI 3: Material Topics 2021	3-3 Management of material topics	Disclosures on Management Approaches (Pages 115-116)						
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Annex 2 (Page 179)	Within our fully owned operations					
	306-2 Management of significant waste-related impacts	Annex 2 (Page 179)	Within our fully owned operations					
	306-3 Waste generated	Annex 2 (Page 179)	Within our fully owned operations					
	306-4 Waste diverted from disposal	Annex 2 (Page 179)	Within our fully owned operations					
	306-5 Waste directed to disposal	Annex 2 (Page 179)	Within our fully owned operations					
Supplier environmental assessment								
GRI 3: Material Topics 2021	3-3 Management of material topics	Disclosures on Management Approaches (Pages 115-116)						
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Procurement and Supplier Relations (Page 66)	Within our entire fully owned operations and outside the organization as it relates to our shareholders, suppliers and other stakeholders					
	308-2 Negative environmental impacts in the supply chain and actions taken	Procurement and Supplier Relations (Page 66)	Within our entire fully owned operations and outside the organization as it relates to our shareholders, suppliers and other stakeholders					

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GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	ASPECT BOUNDARY	REQUIREMENT(S) OMITTED	REASON	EXPLANATION	NOTES	GRI SECTOR STANDARD REF. NO.
Employment								
GRI 3: Material Topics 2021	3-3 Management of material topics	Disclosures on Management Approaches (Page 115-116)						
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Our People (Pages 42, 45)	Within our fully owned operations					
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Our People (Pages 42-45)	Within our entire fully owned operations and outside the organization as it relates to our shareholders, suppliers and other stakeholders					
	401-3 Parental leave	Our People (Page 46)	Within our fully owned operations					
Labor/management relations								
GRI 3: Material Topics 2021	3-3 Management of material topics	Disclosures on Management Approaches (Page 115-116)						
GRI 402: Labor/ Management Relations 2016	402-1 Minimum notice periods regarding operational changes	GRI Index (page 128)	Within our fully owned operations				Whenever we have any operational changes, we meet with related stakeholders and ensure proper communication for the roll-out of these changes	
Occupational health and safety - Employee Health and Safety								
GRI 3: Material Topics 2021	3-3 Management of material topics	Disclosures on Management Approaches (Pages 115-116)						
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Health and Safety (Pages 51-55)	Within our entire fully owned operations and outside the organization (relevant to subcontractors and business partners) as it relates to our shareholders, suppliers and other stakeholders					

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GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	ASPECT BOUNDARY	REQUIREMENT(S) OMITTED	REASON	EXPLANATION	NOTES	GRI SECTOR STANDARD REF. NO.
GRI 403: Occupational Health and Safety 2018	403-2 Hazard identification, risk assessment, and incident investigation	Health and Safety (Pages 51-55)	Within our entire fully owned operations and outside the organization (relevant to subcontractors and business partners) as it relates to our shareholders, suppliers and other stakeholders					
	403-3 Occupational health services	Health and Safety (Pages 51-55)	Within our entire fully owned operations and outside the organization (relevant to subcontractors and business partners) as it relates to our shareholders, suppliers and other stakeholders					
	403-4 Worker participation, consultation, and communication on occupational health and safety	Health and Safety (Pages 51-55)	Within our entire fully owned operations and outside the organization (relevant to subcontractors and business partners) as it relates to our shareholders, suppliers and other stakeholders					
	403-5 Worker training on occupational health and safety	Health and Safety (Pages 51-55)	Within our entire fully owned operations and outside the organization (relevant to subcontractors and business partners) as it relates to our shareholders, suppliers and other stakeholders					
	403-6 Promotion of worker health	Our people, Health and Safety (Pages 47, 51-55)	Within our entire fully owned operations and outside the organization (relevant to subcontractors and business partners) as it relates to our shareholders, suppliers and other stakeholders					
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Health and Safety (Pages 51-55)	Within our entire fully owned operations and outside the organization (relevant to subcontractors and business partners) as it relates to our shareholders, suppliers and other stakeholders					
	403-8 Workers covered by an occupational health and safety management system	Health and Safety (Pages 51-55)	Within our entire fully owned operations and outside the organization (relevant to subcontractors and business partners) as it relates to our shareholders, suppliers and other stakeholders					
	403-9 Work-related injuries	Health and Safety (Pages 51-55)	Within our entire fully owned operations and outside the organization (relevant to subcontractors and business partners) as it relates to our shareholders, suppliers and other stakeholders					
	403-10 Work-related ill health	Health and Safety (Pages 51-55)	Within our entire fully owned operations and outside the organization (relevant to subcontractors and business partners) as it relates to our shareholders, suppliers and other stakeholders					

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GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	ASPECT BOUNDARY	REQUIREMENT(S) OMITTED	REASON	EXPLANATION	NOTES	GRI SECTOR STANDARD REF. NO.
Training and education								
GRI 3: Material Topics 2021	3-3 Management of material topics	Disclosures on Management Approaches (Pages 115-116)						
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Learning and Development (Page 48)	Within our entire fully owned operations					
	404-2 Programs for upgrading employee skills and transition assistance programs	Learning and Development (Pages 48, 49)	Within our entire fully owned operations					
	404-3 Percentage of employees receiving regular performance and career development reviews	Our People (Pages 44- 45)	Within our entire fully owned operations					
Diversity and Equal Opportunity - Diversity and Equal Opportunity								
GRI 3: Material Topics 2021	3-3 Management of material topics	Disclosures on Management Approaches (Pages 115-116)						
GRI 405: Diversity and Equal Opportunity 2016 - Diversity and Equal Opportunity	405-1 Diversity of governance bodies and employees	Governance (Pages 74-85)	Within our entire fully owned operations and outside the organization as it relates to our shareholders, suppliers and other stakeholders					
	405-2 Ratio of basic salary and remuneration of women to men	Annex 3 (Page 180)	Within our entire fully owned operations					
Non-discrimination								
GRI 3: Material Topics 2021	3-3 Management of material topics	Disclosures on Management Approaches (Pages 115-116)						
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Annex 3 (Page 180)	Within our entire fully owned operations					

				OMISSION				
GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	ASPECT BOUNDARY	REQUIREMENT(S) OMITTED	REASON	EXPLANATION	NOTES	GRI SECTOR STANDARD REF. NO.
Freedom of association and collective bargaining								
GRI 3: Material Topics 2021	3-3 Management of material topics	Disclosures on Management Approaches (Pages 115-116)						
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Risk and Compliance, Procurement and Supplier Relations (Pages 66, 108)	Within our entire fully owned operations and outside the organization as it relates to our shareholders, suppliers and other stakeholders					
Child labor								
GRI 3: Material Topics 2021	3-3 Management of material topics	Disclosures on Management Approaches (Pages 115-116)						
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	Disclosures on Management Approaches, Risk and Compliance, Procurement and Supplier Relations (Pages 115-116, 107-109, 66)	Within our entire fully owned operations and outside the organization as it relates to our shareholders, suppliers and other stakeholders					
Forced or compulsory labor - Human Rights Protection and Compliance								
GRI 3: Material Topics 2021	3-3 Management of material topics	Disclosures on Management Approaches (Pages 115-116)						
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Risk and Compliance, Procurement and Supplier Relations (Pages 66, 107-109)	Within our entire fully owned operations and outside the organization as it relates to our shareholders, suppliers and other stakeholders					
Security practices								
GRI 3: Material Topics 2021	3-3 Management of material topics	Disclosures on Management Approaches (Pages 115-116)						
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	Risk and Compliance (Page 109)	Within our entire fully owned operations and outside the organization as it relates to our shareholders, suppliers and other stakeholders					

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GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	ASPECT BOUNDARY	REQUIREMENT(S) OMITTED	REASON	EXPLANATION	NOTES	GRI SECTOR STANDARD REF. NO.
Rights of indigenous peoples								
GRI 3: Material Topics 2021	3-3 Management of material topics	Disclosures on Management Approaches (Pages 115-116)						
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples	N/A		Low Relevance	Not applicable	We do not own or lease land in areas with indigenous populations or that have indigenous rights – therefore this is not applicable to our operations		
Local communities - Road and Public Safety								
GRI 3: Material Topics 2021	3-3 Management of material topics	Disclosures on Management Approaches (Pages 115-116)						
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Sustainability at Aramex, Our Communities (Pages 18,60-65)	Within our entire fully owned operations and outside the organization as it relates to our shareholders, suppliers and other stakeholders					
	413-2 Operations with significant actual and potential negative impacts on local communities	Sustainability at Aramex, About our Integrated Report, Our Communities (Pages 17-18,60-65)	Within our entire fully owned operations and outside the organization as it relates to our shareholders, suppliers and other stakeholders					
Supplier social assessment								
GRI 3: Material Topics 2021	3-3 Management of material topics	Disclosures on Management Approaches (Pages 115-116)						
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Procurement and Supplier Relations, Risk and compliance (Pages 66, 108)	Within our entire fully owned operations and outside the organization as it relates to our shareholders, suppliers and other stakeholders					
	414-2 Negative social impacts in the supply chain and actions taken	Procurement and Supplier Relations,Risk and compliance (Pages 66, 108)	Within our entire fully owned operations and outside the organization as it relates to our shareholders, suppliers and other stakeholders					

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GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	ASPECT BOUNDARY	REQUIREMENT(S) OMITTED	REASON	EXPLANATION	NOTES	GRI SECTOR STANDARD REF. NO.
Public policy								
GRI 3: Material Topics 2021	3-3 Management of material topics	Disclosures on Management Approaches (Pages 115-116)						
GRI 415: Public Policy 2016	415-1 Political contributions	Risk and Compliance, GRI index (Pages 109, 133)	Within our entire operations and outside the organization as it is related to our stakeholders, the governments and policies of the countries in which we operate				As we do not affiliate ourselves with any political or governmental system, we have a strict policy against giving or receiving any political contributions/ governments assistance	
Customer health and safety - Sustainable Products and Services								
GRI 3: Material Topics 2021	3-3 Management of material topic	Disclosures on Management Approaches (Pages 115-116)						
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	N/A		Low Relevance	Not applicable	We do not sell or manufacture any products. We consider the health and safety of the provision of our services, which is elaborated on in our health and safety section		
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Annex 3 (Page 180)						
Marketing and labeling - Customer Relations and Engagement								
GRI 3: Material Topics 2021	3-3 Management of material topics	Disclosures on Management Approaches (Pages 115-116)						
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	Annex 3 (Page 180)						
	417-2 Incidents of non-compliance concerning product and service information and labeling	Annex 3 (Page 180)						
	417-3 Incidents of non-compliance concerning marketing communications	Annex 3 (Page 180)						
Customer privacy - Data Protection and Security								
GRI 3: Material Topics 2021	3-3 Management of material topics	Disclosures on Management Approaches (Pages 115-116)						
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Our Customers (Page 58)						

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Assurance letter

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ASSURANCE REPORT

To the Board of Directors and Management of Aramex PJSC.

Scope
We have been engaged by Aramex PJSC to perform a 'limited assurance engagement,' as defined by International Standards on Assurance Engagements, here after referred to as the engagement, to report on Aramex PJSC's performance metrics including twelve (12) disclosures below:

- Disclosure 302-3: Energy Intensity
- Disclosure 305-1: Direct (Scope 1) GHG emissions
- Disclosure 305-2: Energy indirect (Scope 2) GHG emissions
- Disclosure 305-3: Other indirect (Scope 3) GHG emissions
- Disclosure 305-4: GHG emission intensity
- Disclosure 305-7 Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions
- Disclosure 403-1: Occupational health and safety management system
- Disclosure 403-9: Work-related injuries
- Disclosure 404-1: Average hours of training per year per employee
- Disclosure 405-2: Ratio of basic salary and remuneration of women to men
- Disclosure 202-1: Ratios of standard entry level wage by gender compared to local minimum wage
- Disclosure 204-1: Proportion of spending on local suppliers

(the "Subject Matter") as of 01 January 2022 and for the year ended 31 December 2022 for the Company's two selected sites which are Amman (Jordan) and Dubai (United Arab Emirates).

The scope excludes future events or the achievability of objectives, targets and expectations of Aramex PJSC.

Criteria applied by Aramex PJSC
In preparing the Subject Matter, Aramex PJSC applied the Global Reporting Initiative Sustainability Reporting Standards ("GRI Standards"), and the Greenhouse Gas Protocol (GHG Protocol) (Criteria).

Aramex PJSC's responsibilities
Aramex PJSC's management is responsible for selecting the Criteria, and for presenting the Subject Matter in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the Subject Matter, such that it is free from material misstatement, whether due to fraud or error.

EY's responsibilities
Our responsibility is to express a conclusion on the presentation of the Subject Matter based on the evidence we have obtained.

We conducted our engagement in accordance with the *International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* ('ISAE 3000') and the terms of reference for this engagement as agreed with Aramex PJSC on 17th January 2023.Those standards require that we plan and perform our engagement to obtain limited assurance about whether, in all material respects, the Subject Matter is presented in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.

We do not accept or assume any responsibility for any other purpose or to any other person or organization. Any reliance by any such third party may place on the report is entirely at its own risk.

Our Independence and Quality Control
We have maintained our independence and confirm that we have met the requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, and have the required competencies and experience to conduct this assurance engagement.

EY also applies International Standard on Quality Control 1, *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements,* and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Description of procedures performed
Procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.
A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the twelve (12) disclosures mentioned above and related information, and applying analytical and other appropriate procedures.

Our procedures included:
Our assurance team visited the Company's station in Dubai (United Arab Emirates) and the station in Amman (Jordan) to check the disclosures outlined in the Scope above. Our key steps were as follows:

a. Conducted interviews with personnel to understand the business and reporting process;
b. Conducted interviews with key personnel to understand the process for collecting, collating and reporting the Subject Matter during the reporting period;
c. Checked that the calculation criteria have been correctly applied in accordance with the methodologies outlined in the Criteria;
d. Undertook analytical review procedures over the Subject Matter and made inquiries of relevant personnel;
e. Identified and testing assumptions supporting calculations;
f. Tested, on a sample basis, underlying source information to check the accuracy of the data;

We also performed such other procedures as we considered necessary in the circumstances.

Conclusion
Based on our procedures and the evidence obtained, we are not aware of any material modifications that should be made to the twelve (12) disclosures listed under Scope above as of 01 January 2022 for the year ended 31 December 2022 in order for it to be in accordance with (or based on) the Criteria.

Ernst & Young Jordan

Waddah Barkawi
Partner

OUR FINANCIAL PERFORMANCE

Aramex PJSC and Its Subsidiaries

Report of the Directors and Consolidated Financial Statements

For the year ended 31 December 2022

Aramex PJSC and its Subsidiaries

Report of the directors and consolidated financial statements for the year ended 31 December 2022

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aramex (PJSC) ارامكس (ش م ع)

(Director's Report FY 2022)

Dear valued shareholders,

On behalf of Aramex PJSC's Board of Directors, it is with great pleasure that I present the Company's financial and operational performance for the year 2022.

Aramex's revenue reached AED 5.93 billion, which was broadly in line with the reported revenue for the year 2021. The Company also delivered a Normalized Net Profit of AED 173 million for the Full Year 2022, a 9% Year-on-Year increase compared to Normalized Net Profit of AED 158 million from the previous year. This is mainly attributed to our ongoing efforts towards driving operational efficiencies supported by expansionary GCC economies, increase in industrial activities in the region and resilient consumer spending. Our performance showcases the resilience of our business model and ability to deliver on our growth strategy, while navigating global market volatility, incremental increases in interest rates, rising inflation rates, and global supply chain disruptions, as part of the lingering impacts of the pandemic, notably in China.

Today, our business has four well-defined products; International and Domestic Express, and Freight-Forwarding and Logistics & Supply Chain Solutions. Each product presents us with various growth opportunities and collectively provides greater diversification and a more integrated end-to-end service offering for our growing customer base.

Over the past 12 months, the Freight-Forwarding and Logistics & Supply Chain products have demonstrated their growth potential and we believe that we are well-positioned and have the right infrastructure, resources and technical know-how to continue capturing growth opportunities. The Express products remains the largest contributor to Group revenue and profit. We believe that our market leadership position in our home markets and our investment into automation, scaling through M&A– as evidenced by the acquisition of MyUS, a global technology-driven platform that enables cross-border e-commerce - and boosting customer service levels will always set us apart and support our ambitions to capture greater market share.

2022 was also a remarkable year for us as we celebrated our 40th year since Aramex's founding. This was a milestone for the Company, as it reflects on our strong leadership, diverse pool of talent, wide-reaching global footprint, and the trust we have built and maintained with our customers. In addition to this, we are proud to have executed on our largest acquisition to date, MyUS, and look forward to announcing other value accretive acquisitions in due course.

The diversification of our business across products, industry verticals and geographies has insulated us from certain global challenges and served us well in markets and industries that witnessed growth. More specifically, the UAE and other GCC markets' strong growth in 2022 underpinned our performance and our ability to expand our products and services in the region. In 2022 other economies have exhibited tepid growth and deceleration in consumer spending. However, the year ended on a more optimistic tone with the recent full reopening of China, which will likely help reduce strain on value chains and relieve some of the supply chain bottlenecks. While the real impact of China's return to life as normal is yet to be seen, given the significance and importance of China in the global trade industry and its importance

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for our business and our customers' business, we welcome this positive move as we enter 2023.

Overall, the Middle East and North Africa's GDP growth in 2022 was estimated at 5.7%, and is projected to grow to 3.5% in 2023, remaining above growth levels in developed markets, according to the World Bank's latest Global Economic Prospects report. Our home market in the UAE will see the highest regional growth, at 4.1% GDP projection. With increased consumer and business confidence, an uptick in economic and cross-border trade activity, and supportive pro-growth and pro-trade government initiatives, from Abu Dhabi Economic Vision 2030 to Dubai's Economic Agenda D33, Aramex will continue to benefit from several opportunities across its different business segments.

Elsewhere across our operations, South Asia is forecasted to grow at 5.5% and Sub Saharan Africa at 3.6%. The resilience of these key markets has given us greater confidence in our ability to deliver on our Group strategy.

Shifting to an equally important topic, the Environment. Climate action is at the forefront of the region's agenda, particularly as the UAE prepares to host COP28, having declared 2023 as the 'Year of Sustainability'. The country has taken the necessary efforts to fulfil its goal as it began financing clean energy projects more than 15 years ago and has invested over 40 billion USD in the sector to date. The 'Year of Sustainability' could not come at a more critical time as we continue to focus on expanding our ESG efforts in line with UAE's Net Zero ambitions. Aramex is committed to carbon neutrality by 2030 and net zero by 2050. To achieve this, we are proactively taking steps to measure, manage and mitigate an impact on the environment while also investing in the right solutions and spreading awareness in the industry.

Looking ahead, we are confident in the economic prospects of our home markets in the GCC and see opportunity in contributing to this growth by continuing to support trade across key lanes and delivering on meeting our customers' demands and needs.

We remain optimistic in our ongoing efforts in sustaining quality growth, healthy cash flow and profitability margins while also investing in our business across the board to further unlock value. We, therefore, are pleased to announce that the Board is recommending a dividend of AED 0.09533 per share.

On behalf of the Board of Directors, I would also like to thank our leadership team and all employees at Aramex for their continuous hard work, and their valued contribution to another successful year. I look forward to working closely with our team to build on our continuous growth while also creating substantial long-term value for our shareholders.

Sincerely yours,

Captain Mohamed Juma Alshamsi
Chairman of the Board of Directors
Aramex PJSC

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Independent auditor's report to the shareholders of Aramex PJSC

Report on the audit of the consolidated financial statements

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Aramex PJSC (the "Company") and its subsidiaries (together the "Group") as at 31 December 2022, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards.

What we have audited

The Group's consolidated financial statements comprise:

- the consolidated statement of financial position as at 31 December 2022;
- the consolidated statement of profit or loss for the year then ended;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, which include significant accounting policies and other explanatory information.

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 *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) and the ethical requirements that are relevant to our audit of the consolidated financial statements in the United Arab Emirates. We have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

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Independent auditor's report to the shareholders of Aramex PJSC (continued)

Report on the audit of the consolidated financial statements (continued)

Our audit approach

Overview

Key Audit Matters	• Revenue recognition; • Impairment of goodwill; and • Accounting for the acquisition of Access Shipping LLC

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated financial statements. In particular, we considered where the Directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. 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.

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Independent auditor's report to the shareholders of Aramex PJSC (continued)

Report on the audit of the consolidated financial statements (continued)

Our audit approach (continued)

Key audit matters (continued)

Key audit matter	How our audit addressed the key audit matter
Revenue recognition The Group focuses on revenues as a key performance measure and as a driver for growth and expansion. For the year ended 31 December 2022, the Group had revenue of AED 5.9 billion (2021: AED 6.1 billion) - Note 27. Due to the materiality of the amounts involved, diversity of the Group's geographical footprint, and susceptibility of such revenues to misstatements and fraud risk, we consider revenue recognition as a key audit matter.	Our audit procedures performed in relation to revenue recognition included: • considering the appropriateness and testing the consistency of the Group's revenue recognition policies; • assessing the compliance of such policies with the applicable International Financial Reporting Standards; • reviewing the control environment and on a sample basis, testing internal controls over revenue recognition; • obtaining a representative sample of transactions and testing their occurrence, accuracy and recognition; • selecting a sample of transactions before and after the year end to verify the appropriateness of revenue recognition in their corresponding period; • performing substantive analytical procedures to identify inconsistencies and/or unusual movements during the year; and • assessing the completeness and accuracy of disclosures within the consolidated financial statements in accordance with International Financial Reporting Standards (IFRS).
Impairment of goodwill As at 31 December 2022, the Group had goodwill of AED 1,758 million (2021: AED 1,003 million) - Note 7. As required by IAS 36 – 'Impairment of Assets', the Group is required to annually test goodwill for impairment. Management's assessment process is complex and highly judge ental, and is based on assumptions, in particular the discount rate and growth rate estimates which are affected by expected future market or economic conditions. Any changes in assumptions could result in impairment of the goodwill. Accordingly, we consider goodwill impairment to be a key audit matter.	Our audit procedures performed in relation to the impairment assessment of goodwill included: • testing the integrity of the model and on a sample basis the discounted cash flow model and assessed that the methodology used is consistent with IAS 36; • assessing the appropriateness of forecast revenue and net operating profit before taxes growth rates through comparison to historical data; • assessing the appropriateness of weighted average cost of capital through comparison with external economic benchmarking data to determine if it provided corroborative or contradictory evidence in relation to management's assumptions; • involving our internal valuation expert, we assessed the discount rate assumptions and the mathematical accuracy of the impairment models and the methodology applied by management for consistency with the requirements of IAS 36; and • assessing the completeness and accuracy of disclosures within the consolidated financial statements in accordance with IFRS.

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Independent auditor's report to the shareholders of Aramex PJSC (continued)

Report on the audit of the consolidated financial statements (continued)

Our audit approach (continued)

Key audit matters (continued)

Key audit matter	How our audit addressed the key audit matter

Accounting for the acquisition of Access Shipping LLC
During 2022, the Group acquired 100% equity interest in Access Shipping LLC and its subsidiary (together referred to as "MyUS").
 	
The total provisional purchase consideration was AED 941 million for acquisition of identifiable net assets with fair values of AED 151 million. Goodwill of AED 790 million was recognised as part of the transaction – Note 37.
 	
The acquisition was accounted for in accordance with IFRS 3 'Business Combinations' and required management to make significant estimates as part of determining the provisional fair values of the identifiable assets acquired and liabilities assumed.
 	
We considered this to be a key audit matter given the significant estimates involved in determining the provisional fair values of the identifiable assets acquired and liabilities assumed.
	Our audit procedures performed in relation to the acquisition of MyUS included:
	
	• obtaining and reviewing the Sale and Purchase Agreement and the contracts related to the acquisition;
	• assessing whether management's assumptions in relation to the accounting for the transaction is in accordance with the requirements of IFRS 3;
	• agreeing the provisional fair values of the assets and liabilities determined by management to the amounts presented in the consolidated financial statements; and,
	• reviewing the assumptions related to the provisional purchase price allocation, through:
	
	  ○ assessing the accuracy of the consideration used in the provisional purchase price allocation;
	  ○ evaluating, with the involvement of our internal experts, the methodologies and significant inputs used by the Group;
	  ○ reviewing the identification of intangible assets in accordance with IAS 38 "Intangible Assets";
	  ○ assessing, with involvement of our internal experts, the provisional goodwill recognised by management and evaluating whether it is accounted for in accordance with the requirements of IFRS 3; and
	  ○ assessing the disclosure in the consolidated financial statements relating to this matter in line with the requirements of IFRS.

Other information

The directors are responsible for the other information. The other information comprises the Report of the Directors (but does not include the consolidated financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report, and the Group's Annual Report, which is expected to be made available to us after that date.

Our opinion on the consolidated financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

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Independent auditor's report to the shareholders of Aramex PJSC (continued)

Report on the audit of the consolidated financial statements (continued)

Other information (continued)

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above 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, on the other information that we obtained prior to the date of this auditor's report, 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.

When we read the Group's Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of management and those charged with governance for the consolidated financial statements

The Directors are responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards and their preparation in compliance with the applicable provisions of the UAE Federal Decree Law No. (32) of 2021, and for such internal control as Directors determine 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, the Directors are 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 the Directors either intend 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.

Auditor's 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 auditor's 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.

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Independent auditor's report to the shareholders of Aramex PJSC (continued)

Report on the audit of the consolidated financial statements (continued)

Auditor's responsibilities for the audit of the consolidated financial statements (continued)

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism 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 the Directors.
- Conclude on the appropriateness of the Directors' 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 auditor's 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 auditor's 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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Independent auditor's report to the shareholders of Aramex PJSC (continued)

Report on the audit of the consolidated financial statements (continued)

Report on other legal and regulatory requirements

Further, as required by the UAE Federal Decree Law No. (32) of 2021, we report that:

(i) we have obtained all the information we considered necessary for the purposes of our audit;

(ii) the consolidated financial statements have been prepared and comply, in all material respects, with the applicable provisions of the UAE Federal Decree Law No. (32) of 2021;

(iii) the Group has maintained proper books of account;

(iv) the financial information included in the Report of the Directors is consistent with the books of account of the Group;

(v) Notes 11, 12, and 13 to the consolidated financial statements disclose the Group's investments in shares during the year ended 31 December 2022;

(vi) Note 32 to the consolidated financial statements discloses material related party transactions, and the terms under which they were conducted;

(vii) based on the information that has been made available to us, nothing has come to our attention which causes us to believe that the Group has contravened during the year ended 31 December 2022 any of the applicable provisions of the UAE Federal Decree Law No. (32) of 2021, or in respect of the Company, its Articles of Association which would materially affect its activities or its financial position as at 31 December 2022; and

(viii) as disclosed in Note 29 to the consolidated financial statements, the Group has made social contributions during the year ended 31 December 2022.

PricewaterhouseCoopers
15 March 2023

برایسووترهاوس كوبرز
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P.O. Box: 11987, Dubai
PricewaterhouseCoopers

Murad Alnsour
Registered Auditor Number 1301
Dubai, United Arab Emirates

ARAMEX PJSC AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	Note	As at 31 December 2022 AED'000	As at 31 December 2021 AED'000
ASSETS			
Non-current assets			
Property and equipment	5	883,697	941,430
Right of use assets	6	860,524	894,266
Goodwill	7	1,757,680	1,002,568
Other intangible assets	8	324,362	201,255
Investments in joint ventures and associates	11,12	24,961	37,448
Financial assets at fair value through other comprehensive income	13	17,667	17,638
Deferred tax assets	14	28,135	8,006
Other non-current assets		5,912	4,115
		3,902,938	3,106,726
Current assets			
Accounts receivable, net	15	1,130,410	1,219,422
Other current assets	16	284,150	293,709
Restricted cash, margins and fixed deposits	17	9,488	57,641
Cash and cash equivalents	17	758,954	711,800
		2,183,002	2,282,572
Assets held for sale	10	6,569	10,650
TOTAL ASSETS		6,092,509	5,399,948
EQUITY AND LIABILITIES			
Equity			
Share capital	18	1,464,100	1,464,100
Statutory reserve	19	471,734	440,802
Foreign currency translation reserve	19	(529,432)	(398,529)
Reserve arising from acquisition of non-controlling interests	19	(329,908)	(329,759)
Reserve arising from other comprehensive income items	19	(11,804)	(12,008)
Retained earnings		1,444,833	1,500,570
Equity attributable to equity holders of the Parent		2,509,523	2,665,176
Non-controlling interests	9	8,865	10,817
Total equity		2,518,388	2,675,993
LIABILITIES			
Non-current liabilities			
Interest-bearing loans and borrowings	21	1,086,304	137,259
Lease liabilities	6	757,036	754,933
Employees' end of service benefits	22	164,136	148,822
Deferred tax liabilities	14	30,828	42,114
Other non-current liabilities	26	15,960	18,305
		2,054,264	1,101,433
Current liabilities			
Accounts payable	23	324,776	344,120
Lease liabilities	6	181,687	180,382
Bank overdrafts	24	131,353	153,113
Interest-bearing loans and borrowings	21	38,865	27,424
Income tax provision	14	46,038	62,547
Provisions*	25	57,088	34,433
Other current liabilities*	26	735,143	815,998
		1,514,950	1,618,017
Liabilities held for sale	10	4,907	4,505
Total liabilities		3,574,121	2,723,955
TOTAL EQUITY AND LIABILITIES		6,092,509	5,399,948

*Refer to note 41 for changes to comparatives.

To the best of our knowledge, the consolidated financial statements present fairly, in all material respects, the consolidated financial position, consolidated results of operation and consolidated cash flows of the Group as of, and for the year ended 31 December 2022.

Mohamed Juma Alshamsi (Chairman)	Othman Aljeda (Chief Executive Officer)	Nicolas Sibuet (Chief Financial Officer)

The notes on pages 17 to 79 form an integral part of these consolidated financial statements.

ARAMEX PJSC AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	For the year ended 31 December 2022 AED'000	For the year ended 31 December 2021 AED'000
Continuing operations			
Rendering of services	27	5,926,005	6,068,805
Cost of services	28	(4,501,701)	(4,637,938)
Gross profit		1,424,304	1,430,867
Selling and marketing expenses		(257,637)	(272,508)
Net impairment loss on accounts receivable	15	(17,532)	(15,635)
Net impairment reversal/(loss) on bank balances	17	1,434	(912)
Administrative expenses	29	(907,648)	(887,654)
Net gain on property and customer goods	34	1,291	33,667
Other income, net	30	1,118	17,849
Operating profit		245,330	305,674
Finance income		4,933	6,406
Finance expense		(72,773)	(60,088)
Share of results of joint ventures and associates	11,12	9,203	10,232
Profit before tax from continuing operations		186,693	262,224
Income tax expense	14	(25,674)	(81,472)
Profit for the year from continuing operations		161,019	180,752
Discontinued operations			
Profit after tax for the year from discontinued operations	10	852	15,741
Gain on sale of a subsidiary	10	3,515	31,608
Profit for the year		165,386	228,101
Attributable to:			
Equity holders of the Parent			
Profit for the year from continuing operations		161,012	179,295
Profit for the year from discontinued operations		4,367	46,246
		165,379	225,541
Non–controlling interests			
Profit for the year from continuing operations		7	1,457
Profit for the year from discontinued operations		-	1,103
		7	2,560
		165,386	228,101
Earnings per share attributable to the equity holders of the Parent:			
Basic and diluted earnings per share from continuing operations (AED)	33	0.110	0.122
Basic and diluted earnings per share from discontinued operations (AED)	33	0.003	0.032
Total basic and diluted earnings per share (AED)	33	0.113	0.154

The notes on pages 17 to 79 form an integral part of these consolidated financial statements.

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ARAMEX PJSC AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	For the year ended 31 December 2022 AED'000	2021 AED'000
Profit for the year		165,386	228,101
Other comprehensive loss, net of tax:			
Other comprehensive income/(loss) items to be reclassified to the consolidated statement of profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		(139,259)	(73,475)
Impact of hyperinflation		4,398	4,363
Gain on debt instruments at fair value through other comprehensive income		32	572
		(134,829)	(68,540)
Other comprehensive income/(loss) items not to be reclassified to the consolidated statement of profit or loss in subsequent periods:			
Loss on equity instruments at fair value through other comprehensive income		-	(7,637)
Remeasurements of post-employment benefits obligations through other comprehensive income	22	172	12
		172	(7,625)
Other comprehensive loss for the year, net of tax		(134,657)	(76,165)
Total comprehensive income for the year		30,729	151,936
Attributable to:			
Equity holders of the Parent		32,070	151,543
Non-controlling interests		(1,341)	393
		30,729	151,936
Total comprehensive income attributable to equity holders of the Parent arises from:			
Continuing operations		27,703	109,917
Discontinued operations		4,367	41,626
		32,070	151,543

The notes on pages 17 to 79 form an integral part of these consolidated financial statements.

ARAMEX PJSC AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022

	Attributable to equity holders of the Parent								
	Share capital AED'000	Statutory reserve AED'000	Foreign currency translation reserve AED'000	Reserve arising from acquisition of non-controlling interests AED'000	Reserve arising from other comprehensive income items AED'000	Retained earnings AED'000	Equity attributable to equity holders of the Parent AED'000	Non-controlling interests AED'000	Equity AED'000
For the year ended 31 December 2022									
At 31 December 2021	1,464,100	440,802	(398,529)	(329,759)	(12,008)	1,500,570	2,665,176	10,817	2,675,993
Impact of hyperinflation (Note 4)	-	-	2,610	-	-	-	2,610	-	2,610
At 1 January 2022 (adjusted)	1,464,100	440,802	(395,919)	(329,759)	(12,008)	1,500,570	2,667,786	10,817	2,678,603
Profit for the year	-	-	-	-	-	165,379	165,379	7	165,386
Other comprehensive (loss)/income	-	-	(133,513)	-	204	-	(133,309)	(1,348)	(134,657)
Total comprehensive (loss)/income for the year	-	-	(133,513)	-	204	165,379	32,070	(1,341)	30,729
Transfer of gain on non-controlling interests on disposal of a subsidiary to retained earnings	-	-	-	(149)	-	149	-	-	-
Non-controlling interests	-	-	-	-	-	-	-	(611)	(611)
Dividends to shareholders (Note 20)	-	-	-	-	-	(190,333)	(190,333)	-	(190,333)
Transfer to statutory reserve (Note 19)	-	30,932	-	-	-	(30,932)	-	-	-
At 31 December 2022	1,464,100	471,734	(529,432)	(329,908)	(11,804)	1,444,833	2,509,523	8,865	2,518,388

The notes on pages 17 to 79 form an integral part of these consolidated financial statements.

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ARAMEX PJSC AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

	Attributable to equity holders of the Parent								
	Share capital AED'000	Statutory reserve AED'000	Foreign currency translation reserve AED'000	Reserve arising from acquisition of non-controlling interests AED'000	Reserve arising from other comprehensive income items AED'000	Retained earnings AED'000	Equity attributable to equity holders of the Parent AED'000	Non-controlling interests AED'000	Equity AED'000
For the year ended 31 December 2021									
At 31 December 2020	1,464,100	408,929	(344,425)	(335,186)	(7,064)	1,504,306	2,690,660	16,301	2,706,961
Impact of hyperinflation (Note 4)	-	-	(34,862)	-	-	-	(34,862)	-	(34,862)
At 1 January 2021 (adjusted)	1,464,100	408,929	(379,287)	(335,186)	(7,064)	1,504,306	2,655,798	16,301	2,672,099
Profit for the year	-	-	-	-	-	225,541	225,541	2,560	228,101
Other comprehensive loss	-	-	(66,945)	-	(7,053)	-	(73,998)	(2,167)	(76,165)
Total comprehensive (loss)/income for the year	-	-	(66,945)	-	(7,053)	225,541	151,543	393	151,936
Transfer of loss on disposal of equity investments at fair value through other comprehensive income to retained earnings	-	-	-	-	1,102	(1,102)	-	-	-
Non-controlling interests	-	-	-	-	-	-	-	(2,654)	(2,654)
Disposal of a subsidiary (Note 10)	-	(20,973)	47,703	5,427	1,007	15,004	48,168	(3,223)	44,945
Dividends to shareholders (Note 20)	-	-	-	-	-	(190,333)	(190,333)	-	(190,333)
Transfer to statutory reserve (Note 19)	-	52,846	-	-	-	(52,846)	-	-	-
At 31 December 2021	1,464,100	440,802	(398,529)	(329,759)	(12,008)	1,500,570	2,665,176	10,817	2,675,993

The notes on pages 17 to 79 form an integral part of these consolidated financial statements.

ARAMEX PJSC AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022

		For the year ended 31 December	
	Note	2022 AED'000	2021 AED'000
OPERATING ACTIVITIES			
Profit before tax from continuing operations		186,693	262,224
Profit before tax from discontinued operations	10	4,468	49,544
Profit before tax		191,161	311,768
Adjustment for:			
Depreciation of property and equipment		116,718	111,307
Depreciation of right of use assets		248,908	254,551
Amortisation of other intangible assets	8	5,008	5,064
Loss/(gain) on disposal of property and equipment		12,143	(413)
Provision for employees' end of service benefits	22	35,066	33,813
Net impairment loss on financial assets		15,493	15,760
Finance costs, net		21,497	6,906
Finance costs – lease liabilities		46,505	47,106
Impairment of goodwill	7	-	2,975
Gain on sale of a subsidiary	10	(3,515)	(31,608)
Gain on disposal of right of use assets and lease liabilities		(754)	(2,364)
Gain on reversal of provision for property and customer goods	34	(1,291)	(20,812)
Share of results of joint ventures and associates	11,12	(9,203)	(10,232)
		677,736	723,821
Working capital adjustments:			
Accounts receivable		80,057	(174,292)
Accounts payable		(26,068)	16,676
Other current assets		17,702	25,240
Provisions*		22,655	(8,542)
Other current liabilities*		(124,084)	(157,942)
Other non-current liabilities		(2,345)	18,305
Net cash flows generated from operating activities before employees' end of service benefits and income tax paid		645,653	443,266
Employees' end of service benefits paid	22	(20,417)	(31,732)
Income tax paid	14	(58,782)	(96,549)
Net cash flows generated from operating activities		566,454	314,985
INVESTING ACTIVITIES			
Purchase of property and equipment		(79,141)	(128,597)
Payment for acquisition of a subsidiary, net of cash acquired	37	(943,033)	-
Proceeds from disposal of property and equipment		3,579	6,277
Interest received		4,933	6,406
Net cash disposed from discontinued operations		-	(421)
Proceeds from sale of a subsidiary		16,450	289,566
Dividends from joint ventures		18,209	13,209
Acquisition of a group of assets	7	-	(4,895)
Other non-current assets		(2,185)	117
Restricted cash	17	3,968	(12,132)
Margin deposits		355	1,901
Fixed deposits		45,264	195,040
Loan granted to joint venture		-	567
Net cash flows (used in)/generated from investing activities		(931,601)	367,038

The notes on pages 17 to 79 form an integral part of these consolidated financial statements.

ARAMEX PJSC AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

	Note	For the year ended 31 December 2022 AED'000	2021* AED'000
FINANCING ACTIVITIES			
Finance costs paid		(60,187)	(60,218)
Proceeds from loans and borrowings		996,034	4,044
Repayment of loans and borrowings		(24,791)	(544,203)
Principal elements of lease payments		(241,039)	(264,890)
Dividends paid to non-controlling interests		(223)	(2,654)
Dividends paid to shareholders		(190,333)	(190,333)
Net cash flows generated from/(used in) financing activities		479,461	(1,058,254)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (net of bank overdrafts)		114,314	(376,231)
Net foreign exchange difference		(45,400)	27,490
Cash and cash equivalents at 1 January (net of bank overdrafts)		558,687	907,428
CASH AND CASH EQUIVALENTS AT 31 DECEMBER (net of bank overdrafts)	17	627,601	558,687

Non-cash transaction:

Non-cash transactions are disclosed in Note 39.

*Refer to note 41 for details regarding certain reclassifications.

ARAMEX PJSC AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2022

1 General information

Aramex PJSC (the "Parent Company" or "Company") was established as a Public Joint Stock Company on 15 February 2005 and is registered in the Emirate of Dubai, United Arab Emirates under the Federal Decree Law No. 32 of 2021. The consolidated financial statements of the Company as at 31 December 2022 comprise the Parent Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities").

The Parent Company was listed on the Dubai Financial Market on 9 July 2005.

The principal activities of the Company and its subsidiaries are investment in the freight, express, logistics and supply chain management businesses through acquiring and owning controlling interests in companies in the Middle East and other parts of the world.

The Parent Company's registered office address is Building and Warehouse No. 3, Um Rammool, Dubai, United Arab Emirates.

On 20 September 2021, the UAE Federal Decree Law No. 32 of 2021 ("Companies Law") was issued and came into effect on 2 January 2022 which repealed the UAE Federal Decree Law No. 2 of 2015. The Group has complied with the provisions of the UAE Federal Decree Law No. 32 of 2021.

As at 31 December 2021, Alpha Oryx Limited ("Alpha"), a subsidiary of Abu Dhabi Development Holding Company ("ADQ") owned 22.32% of Aramex PJSC's issued share capital. On 20 January 2022, Alpha fully transferred its shares in the Company to Abu Dhabi Ports Company PJSC ("ADP"), which is also a subsidiary of ADQ.

During October 2021, GeoPost, the express parcel arm of French Groupe La Poste, acquired 24.93% of Aramex PJSC's issued share capital. As of 31 December 2022, GeoPost owns 28% of Aramex PJSC's issued share capital.

The consolidated financial statements were authorised for issue by the Board of Directors on 15 March 2023.

2 Significant accounting polices

2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS. The financial statements comply with IFRS as issued by the International Accounting Standards Board (IASB), and applicable requirements of UAE Federal Decree Law No. 32 of 2021.

The accounting policies used in the preparation of these consolidated financial statements are consistent with those audited annual consolidated financial statements for the year ended 31 December 2021, except when otherwise indicated.

The consolidated financial statements are presented in UAE Dirhams (AED), being the functional currency of the Parent Company. The consolidated financial statements are presented in AED and all values are rounded to the nearest thousand (AED "000"), except when otherwise indicated.

The consolidated financial statements have been prepared under a historical cost basis adjusted for the effects of inflation where entities operate in hyperinflationary economies, except for financial assets at fair value through other comprehensive income at fair value and defined benefit pension plans that have been measured the present value of future obligations using the Projected Unit Credit Method and assets held for sale which are measured at the lower of carrying amount and fair value less costs to sell. The principal accounting policies applied in the preparation of these consolidated financial statements are set out below.

The Lebanese and Turkish economies are considered to be hyperinflationary. Accordingly, the results, cash flows and financial position of the group's subsidiaries, Aramex Lebanon S.A.L. and Aramex International Hava Kargo ve Keye Anonim Sirketyi have been expressed in terms of measuring unit current at the reporting date.

2 Significant accounting policies (continued)

2.2 Changes in accounting policies

New and revised IFRS applied in the preparation of the consolidated financial statements

The following new and revised IFRS, which became effective for annual periods beginning on or after 1 January 2022, have been adopted in these consolidated financial statements. The application of these revised IFRS, except where stated, have not had any material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

(a) **Property, plant and equipment: proceeds before intended use** – amendments to IAS 16, 'property, plant and equipment' prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognise such sales proceeds and related cost in profit or loss.

(b) **onerous contracts – cost of fulfilling a contract** – amendments to IAS 37, 'provisions, contingent liabilities and contingent assets' specify which costs a company includes when assessing whether a contract will be loss-making.

(c) **annual improvements to IFRS standards 2018-2020 -** annual improvements make minor amendments to IFRS 1, 'First-time Adoption of IFRS', IFRS 9, 'Financial instruments', IAS 41, 'Agriculture' and the Illustrative Examples accompanying IFRS 16, 'Leases'.

(d) **reference to the Conceptual Framework –** amendments to IFRS 3, 'Business combinations' update a reference in IFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations.

New and revised IFRS issued but not yet effective and not early adopted

(a) **IFRS 17, 'Insurance contracts', as amended in December 2021 (deferred until accounting periods starting on 1 January 2023) -** This standard replaces IFRS 4, which currently permits a wide variety of practices in accounting for insurance contracts. IFRS 17 will fundamentally change the accounting by all entities that issue insurance contracts and investment contracts with discretionary participation features.

(b) **Amendment to IAS 12 – deferred tax related to assets and liabilities arising from a single transaction (effective 1 January 2023) -** These amendments require companies to recognise deferred tax on transactions that, on initial recognition give rise to equal amounts of taxable and deductible temporary differences.

(c) **Amendments to IAS 1 - presentation of financial statements', on classification of liabilities (effective 1 January 2024) -** these narrow-scope amendments to IAS 1, 'Presentation of financial statements', clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (for example, the receipt of a waiver or a breach of covenant). The amendment also clarifies what IAS 1 means when it refers to the 'settlement' of a liability.

(d) **Narrow scope amendments to IAS 1, Practice statement 2 and IAS 8 (effective 1 January 2023) -** the amendments aim to improve accounting policy disclosures and to help users of the financial statements to distinguish between changes in accounting estimates and changes in accounting policies.

The Group is currently assessing the impact of these standards, and amendments on the future consolidated financial statements of the Group and intends to adopt these, if applicable, when they become effective.

ARAMEX PJSC AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2022 (continued)

2 Significant accounting policies (continued)

2.3 Basis of consolidation

<u>Subsidiaries</u>

The consolidated financial statements comprise of the financial statements of the Company and its subsidiaries as at 31 December 2022 and 31 December 2021. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group:

- power over an investee,
- is exposed, or has rights, to variable returns from its involvement with the investee, and
- the ability to use its power over the investee to affect the amount of the investor's returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders and other parties;
- rights raising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns and previous shareholders' meetings.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and/or ceases when the Group loses control over the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss of each component of other comprehensive income is attributable to the owners of the Group and to the non-controlling interests. Total comprehensive income of subsidiaries is attributable to the owners of the Group and to the non-controlling interest even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of the subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intragroup assets, liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

<u>Changes in the Group's ownership interest in existing subsidiaries</u>

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to shareholders of the Parent.

When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognised in consolidated statement of profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified the consolidated statement of profit or loss.

2 Significant accounting policies (continued)

2.4 Property and equipment

Property and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the property and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of property and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the consolidated statement of profit or loss during the financial period in which they are incurred.

Except for capital work in progress and land, depreciation is calculated on a straight-line basis, the estimated useful lives of the assets is as follows:

Leasehold improvements*	4-7 years
Buildings	8-50 years
Furniture and fixtures	5-10 years
Warehousing racks	15 years
Office equipment	3-7 years
Computers	3-5 years
Vehicles	4-5 years

Depreciation relating to the property and equipment of Aramex Lebanon S.A.L. and Aramex International Hava Kargo ve Keye Anonim Sirketyi are based on restated amounts, which have been adjusted for the effects of hyperinflation.

The carrying values of property and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount, being the higher of their fair value less costs to sell and their value in use.

An item of property and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and carrying amount of the asset) is included in the consolidated statement of profit or loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

* The leasehold improvements range represents the shorter between the lease term and the useful life of the asset.

2.5 Business combinations and goodwill

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred;
- liabilities incurred to the former owners of the acquired business;
- equity interests issued by the Group;
- fair value of any asset or liability resulting from a contingent consideration arrangement; and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets with any acquisition-related costs are expensed as incurred.

2 Significant accounting policies (continued)

2.5 Business combinations and goodwill (continued)

The excess of the consideration transferred, amount of any non-controlling interest in the acquired entity, and acquisition-date fair value of any previous equity interest in the acquired entity over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in the consolidated statement of profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value, with changes in fair value recognised in the consolidated statement of profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in the consolidated statement of profit or loss.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in the consolidated statement of profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

2.6 Other intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

The useful lives of these intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the consolidated statement of profit or loss in the expense category that is consistent with the function of the intangible assets.

2 Significant accounting policies (continued)

2.6 Other intangible assets (continued)

Intangible assets with finite lives are amortised over their economic lives as follows:

Customer lists and other intangible assets with definite useful life	10-30 years
Other intangible assets	7 years
Brand	20 years

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from de-recognition of an intangible asset 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.

2.7 Investments in associates and joint arrangements

(i) Associates

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting (Note 2.7 – iii), after initially being recognised at cost.

(ii) Joint arrangements

Under IFRS 11 'Joint Arrangements', investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. The Group has only joint ventures.

Joint ventures

Interests in joint ventures are accounted for using the equity method (Note 2.7 – iii), after initially being recognised at cost in the consolidated statement of financial position.

(iii) Equity method

Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment separately.

The consolidated statement of profit or loss reflects the Group's share of the results of operations of the associate or joint venture. Any change in other comprehensive income (OCI) of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

Where the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the consolidated statement of profit or loss and represents profit or loss after tax and non-controlling interests in the associate or joint venture.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

2 Significant accounting policies (continued)

2.7 Investments in associates and joint arrangements (continued)

(iii) Equity method (continued)

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss as 'Share of profit of an associates and joint ventures' in the consolidated statement of profit or loss.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in the consolidated statement of profit or loss.

2.8 Prepaid agency fees

Amounts paid in advance to agents to purchase or alter their agency rights are accounted for as prepayments. As these amounts are paid in lieu of annual payments they are expensed to consolidated statement of profit or loss over the period equivalent to the number of years of agency fees paid in advance.

2.9 Impairment of non-financial assets

Further disclosures relating to impairment of non-financial assets are provided in the following notes:

Disclosures for significant assumptions	Note 4
Goodwill	Note 7
Other intangible assets	Note 8

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. A long term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations are recognised in the consolidated statement of profit or loss in expense categories consistent with the function of the impaired asset.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the consolidated statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

2 Significant accounting policies (continued)

2.9 Impairment of non-financial assets (continued)

Goodwill is tested for impairment annually as at 31 December and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

2.10 Restricted cash, margins and fixed deposits

Restricted cash, margins and fixed deposits in the consolidated statement of financial position comprise restricted cash and long-term deposits with maturity of more than three months. Restricted cash represents cash held at Lebanese banks which can be withdrawn at unfavourable rates.

2.11 Cash and cash equivalents

Cash and bank equivalents in the consolidated statement of financial position comprise cash at banks, cash on hand and short-term deposits with a maturity of three months or less which are subject to an insignificant risk of changes in value.

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents includes cash on hand, deposits held with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

2.12 Accounts receivable

Accounts receivable are amounts due from customers for services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets. Accounts receivable are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the accounts receivable with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less provision for impairment.

The Group's accounts receivable are subject to the expected credit loss model. The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all accounts receivable. To measure the expected credit losses, accounts receivable have been grouped based on shared credit risk characteristics and the days past due.

Accounts receivable are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments for a period of greater than 365 days past due.

Impairment losses on accounts receivable are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

2.13 Financial assets

Financial assets are classified as follows:

- those to be measured subsequently at fair value (either through OCI or through profit or loss), and;
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

2 Significant accounting policies (continued)

2.13 Financial assets (continued)

For assets measured at fair value, gains and losses will either be recorded in the consolidated statement of profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

(a) Classification

(i) Investments at fair value through other comprehensive income

Investments at fair value through other comprehensive income, are those which are designated as such or do not qualify to be classified as designated at fair value through profit or loss or amortised cost. Investments at fair value through other comprehensive income include certain equity and debt instruments. These investments may be sold in response to needs for liquidity or changes in interest rates, exchange rates or equity prices. Financial assets at fair value through other comprehensive income comprise:

Equity securities which are not held for trading, and which the Group has irrevocably elected at initial recognition are recognised in this category. These are strategic investments, and the Group considers this classification to be more relevant.

Debt securities where the contractual cash flows are solely principal and interest and the objective of the Group's business model is achieved both by collecting contractual cash flows and selling financial assets.

(ii) Financial assets at amortised cost

Financial assets at amortised cost are non-derivative financial assets with fixed or determinable payments. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period.

The Group classifies its financial assets as at amortised cost only if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cash flows, and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

(b) Initial recognition and subsequent measurement

The Group recognises on the trade date the regular way purchases and sales of financial assets which is the date on which the Group commits to purchase or sell the asset.

At initial recognition the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in the consolidated statement of profit or loss.

(i) Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in the consolidated statement of profit or loss and presented in other income. Impairment losses are presented as separate line item in the consolidated statement of profit or loss.

2 Significant accounting policies (continued)

2.13 Financial assets (continued)

(b) Initial recognition and subsequent measurement (continued)

(i) Debt instruments (continued)

FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in the consolidated statement of profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to the consolidated statement of profit or loss and recognised in other income.

Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other income and impairment expenses are presented as separate line item in the consolidated statement of profit or loss.

FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in the consolidated statement of profit or loss and presented net within other income in the period in which it arises.

(ii) Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to the consolidated statement of profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in the consolidated statement of profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in other income in the consolidated statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

(c) Derecognition of financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised where:

- the Group's rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and
- either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

On disposal of equity investments, any related balance within the FVOCI reserve is reclassified to retained earnings.

2.14 Impairment and un-collectability of financial assets

The Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For accounts receivable, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables, see Note 3.1 for further details.

2 Significant accounting policies (continued)

2.15 Loans, borrowings and other financial liabilities

All financial liabilities are recognised initially at fair value, and in the case of loans and borrowings and payables, net of directly attributable transaction costs.

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate (EIR) method. Gains and losses are recognised in the consolidated statement of profit or loss when the liabilities are derecognised as well as through EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in the consolidated statement of profit or loss.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the consolidated statement of profit or loss.

2.16 Accounts payable and accruals

These amounts represent unsettled liabilities for goods and services provided to the Group prior to the end of financial year. These amounts are unsecured and are usually paid within 60 days of the date of recognition. Trade and other payables are presented as current liabilities, except those whose payment is due after 12 months of the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

2.17 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the consolidated statement of profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.18 Employees' end of service benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the consolidated statement of financial position.

A provision is made for the estimated liability for employees' entitlement to annual leave and leave passage as a result of services rendered by eligible employees up to the reporting date. The provision relating to annual leave and leave passage is considered as a current liability.

(ii) Other long-term employee benefit obligations

In some countries, the Group also has liabilities for long service end of service benefits that are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. These obligations are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period, using the projected unit credit method.

2 Significant accounting policies (continued)

2.18 Employees' end of service benefits (continued)

(ii) Other long-term employee benefit obligations (continued)

Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period of high-quality corporate bonds with terms and currencies that match, as closely as possible, the estimated future cash outflows. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in the consolidated statement of profit or loss.

The provision for employees' end of service benefits, disclosed as a long-term liability, where their respective labour laws require providing indemnity payments upon termination of relationship with their employees. The provision relating to end of service benefits is disclosed as a non-current liability.

Employees (including senior executives) of the Group receive remuneration in the form of share-based payments, whereby employees are granted share appreciation rights, which are settled in cash (cash-settled transactions).

2.19 Financial liabilities

Initial recognition and measurement

The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value and in the case of loans and borrowings fair value of the consideration received less directly attributable transaction costs.

The Group's financial liabilities include amounts lease liability, interest-bearing loans and borrowings and trade and other payables.

(a) Subsequent measurement

The measurement of financial liabilities depends on their classification as loans and borrowings:

After initial recognition, loans and borrowings are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in the consolidated statement of profit or loss when the financial liabilities are derecognised as well as through the amortisation process.

(b) Derecognition

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the consolidated statement of profit or loss.

2.20 Social security

Payments made to the social security institutions in connection with government pension plans applicable in certain jurisdictions are dealt with as payments to defined contribution plans, where the Group's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan. The Group pays contributions to the social security institutions on a mandatory basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as an employee benefit expense in the period to which the employees' service relates.

Aramex PJSC and its subsidiaries
Notes to the Consolidated Financial Statements
31 December 2022 (continued)

2 Significant accounting policies (continued)

2.21 Revenue recognition

The Group recognises revenue from contracts with customers based on five step model as sets out in IFRS 15 - Revenue from contracts with customers:

- Step 1: Identify the contract(s) with a customer;
- Step 2: Identify the performance obligations in the contract;
- Step 3: Determine the transaction price;
- Step 4: Allocate the transaction price to the performance obligations in the contract; and
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

Revenue is measured based on the consideration to which the Group expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control of a product or service to a customer.

Revenue represents the value of services rendered to customers and is stated net of discounts and sales taxes or similar levies.

The standards require that revenue be recognised as a company satisfies a performance obligation by transferring control of a good or service. A performance obligation can be satisfied over time or at a point in time.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty or discounts. The Group assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent. The Group has concluded that it is acting as a principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements, has pricing latitude and is exposed to credit risks.

The specific recognition criteria described below must also be met before revenue is recognised.

Express and shop 'n' ship services revenue

The Group provides courier and express to businesses and private customers. Delivery occurs when the packages have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the end user, and either the end user has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied. It is therefore accounted for as a single performance obligation satisfied over time and revenue is recognised over the performance period.

Freight forwarding revenue

The Group provides transportation services to businesses and private customers. Delivery occurs when the packages have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the end user, and either the end user has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied. It is therefore accounted for as a single performance obligation satisfied over time and revenue is recognised over the performance period.

Revenue from logistics services

The Group provides logistics and warehousing services to customers. Delivery of service occurs when the contractual terms of agreement are satisfied, and either the end user has accepted the services in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

2 Significant accounting policies (continued)

2.21 Revenue recognition (continued)

Revenue from logistics services (continued)

All the contracts and work orders include a single deliverable, and does not include an integration service and could not be performed by another party. It is therefore accounted for as a single performance obligation satisfied over time and revenue is recognised over the performance period.

2.22 Interest income

Interest income is recorded using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability. Interest income is included in finance income in the consolidated statement of profit or loss.

2.23 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.24 Taxes

Current income tax

The Group provides for income taxes in accordance with IAS 12. As the Parent Company is incorporated in the UAE, profits from operations of the Parent Company are not subject to taxation. However, certain subsidiaries of the Parent Company are based in taxable jurisdictions and are therefore liable to tax. Income tax on the profit or loss for the year comprises of current and deferred tax on the profits of these subsidiaries. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. Deferred income tax is determined using tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. Management periodically evaluates position taken in the tax returns with respect to situation in which applicable tax regulations are subject to interpretation and establishes provision where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

2 Significant accounting policies (continued)

2.24 Taxes (continued)

Deferred tax (continued)

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognised in the consolidated statement of profit or loss.

Sales tax

Expenses and assets are recognised net of the amount of sales tax, except:

- When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable; or
- When receivables and payables are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the consolidated statement of financial position.

2.25 Leases

The Group leases various lands, buildings, warehouses and vehicles. Rental contracts are typically made for fixed periods of 6 months to 10 years, but may have extension options as described below.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases containing immaterial non-lease component for which the Group is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets are not used as security for borrowing purposes.

From 1 January 2019, leases are recognised as right-of-use assets and corresponding liabilities at the date at which the leased assets is available for use by the Group.

2 Significant accounting policies (continued)

2.25 Leases (continued)

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payment that are based on an index or a rate;
- Amounts expected to be payable by the lessee under residual value guarantees;
- The exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

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.

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received,
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Group, which does not have recent third party financing, and
- makes adjustments specific to the lease, ie, term, country, currency and security.

The Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to the consolidated statement of profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right of use assets are initially measured at cost comprising the following:

- The amount of the initial measurement of lease liability,
- Any lease payments made at or before the commencement date less any lease incentives received,
- Any initial direct costs, and
- Restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. Depreciation relating to Aramex Lebanon S.A.L. and Aramex International Hava Kargo ve Keye Anonim Sirketyi is based on restated amounts, which have been adjusted for the effects of hyperinflation. 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.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in the consolidated statement of profit or loss. Short-term leases are leases with a lease term of 12 months or less.

Extension and termination options are included in a number of property and equipment leases across the Group. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor.

2 Significant accounting policies (continued)

2.26 Cash dividend

The Group recognises a liability to make cash or non-cash distributions to equity holders of the parent when the distribution is authorised and the distribution is no longer at the discretion of the Group. As per the corporate laws, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

2.27 Earnings per share

The Group presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of shares outstanding during the period. The weighted average number of ordinary shares outstanding during the period and for all periods presented is adjusted for the issue of bonus shares.

2.28 Discontinued operations

The Group classifies non-current assets and disposal groups as held for distribution to equity holders of the parent if their carrying amounts will be recovered principally through a distribution rather than through continuing use. Such non-current assets and disposal groups classified as held for distribution are measured at the lower of their carrying amount and fair value less costs to sell or to distribute. Costs to distribute are the incremental costs directly attributable to the distribution, excluding the finance costs and income tax expense.

The criteria for held for distribution classification is regarded as met only when the distribution is highly probable and the asset or disposal group is available for immediate distribution in its present condition. Actions required to complete the distribution should indicate that it is unlikely that significant changes to the distribution will be made or that the decision to distribute will be withdrawn. Management must be committed to the distribution expected within one year from the date of the classification.

Property and equipment and intangible assets are not depreciated or amortised once classified as held for distribution.

Assets and liabilities classified as held for distribution are presented separately as current items in the consolidated statement of financial position.

A disposal group qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- Represents a separate major line of business or geographical area of operations;
- Is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or
- Is a subsidiary acquired exclusively with a view to resale.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the consolidated statement of profit or loss.

Additional disclosures are provided in Note 10. All other notes to the consolidated financial statements include amounts for continuing operations, unless otherwise mentioned.

2.29 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the consolidated statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

2 Significant accounting policies (continued)

2.30 Fair value of financial instruments

The fair value of financial instruments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the close of business on the consolidated statement of financial position date. For financial instruments where there is no active market, fair value is determined using valuation techniques. Such techniques may include using recent arm's length market transactions, reference to the current fair value of instruments that are substantially similar, discounted cash flow analysis or other valuation models.

2.31 Amortised cost of financial instruments

Amortised cost is computed using the effective interest method less any provision for impairment and principal repayment or discounts. The calculation takes into account any premium or discount on acquisition and includes transaction costs and fees that are an integral part of the effective interest rate.

2.32 Current versus non-current classification

The Group presents assets and liabilities in the consolidated statement of financial position based on current/non-current classification. An asset as current when it is:

- Expected to be realised or intended to sold or consumed in normal operating cycle,
- Held primarily for the purpose of trading,
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle,
- It is held primarily for the purpose of trading,
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

2.33 Foreign currencies

The Group's consolidated financial statements are presented in AED, which is also the Parent Company's functional currency. For each entity, the Group determines the functional currency and items included in the consolidated financial statements of each entity are measured using that functional currency.

Also, when an entity's functional currency is the currency of a hyperinflationary economy, the entity shall restate its financial statements in accordance with IAS 29 before applying the translation method, except for comparative amounts that are translated into a currency of a non-hyperinflationary economy. When the economy ceases to be hyperinflationary and the entity no longer restates its financial statements in accordance with IAS 29, it shall use as the historical costs for translation into the presentation currency the amounts restated to the price level at the date the entity ceased restating its financial statements.

The results and financial position of foreign operations (which has the currency of a hyperinflationary economy) are translated into the presentation currency as follows:

- all amounts (ie assets, liabilities, equity items, income and expenses, including comparatives) shall be translated at the closing rate at the date of the most recent statement of financial position, except that
- when amounts are translated into the currency of a non-hyperinflationary economy, comparative amounts shall be those that were presented as current year amounts in the relevant prior year financial statements (ie not adjusted for subsequent changes in the price level or subsequent changes in exchange rates).

2 Significant accounting policies (continued)

2.33 Foreign currencies (continued)

Transactions and balances

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date of the transaction first qualify for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rate of exchange at the reporting date.

Differences arising on settlement or translation of monetary items are recognised in the consolidated statement of profit or loss with the exception of monetary items that are designated as part of the hedge of the Group's net investment in a foreign operation. These are recognised in other comprehensive income until the net investment is disposed, at which time, the cumulative amount is reclassified to the consolidated statement of profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in other comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of gain or loss on the change in fair value of the item (i.e. translation differences on items whose fair value gain or loss is recognised in other comprehensive profit or loss or the consolidated statement of profit or loss are also recognised in other comprehensive income or consolidated statement of profit or loss, respectively).

Group companies

On consolidation, the assets and liabilities of foreign operations are translated into AED's, at the rate of exchange prevailing at the reporting date and their consolidated statement of profit or loss are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in the consolidated statement of profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

The results, cash flows and financial position of the group entities which are accounted for as entities operating in hyperinflationary economies and that have functional currencies different from the presentation currency of the group are translated into the presentation currency of its immediate parent at rates of exchange ruling at the reporting date. As the presentation currency of the group is that of a non-hyperinflationary economy, comparative amounts are not adjusted for changes in the price level or exchange rates in the current financial year.

As a result of the deep economic and financial crisis in Lebanon, companies in Lebanon have been transacting in "Lebanese Pound" (LBP), "Lebanese Dollars" (US Dollars held in local banks that are subject to the restrictions on withdrawal) and "US Dollars" (referred to as "Fresh Dollars") at multiple exchange rates depending on the nature of transactions and stakeholders.

Management performed an assessment to identify the most appropriate rate to be used for the translation of foreign operations in Lebanon for the year ended 31 December 2022.

2.34 Hyperinflation

The financial statements (including comparative amounts) of the Group entities whose functional currencies are the currencies of hyperinflationary economies are adjusted in terms of the measuring unit current at the end of the reporting period.

2 Significant accounting policies (continued)

2.34 Hyperinflation (continued)

As the presentation currency of the group or the company is that of a non-hyperinflationary economy, comparative amounts are not adjusted for changes in the price level in the current year. Differences between these comparative amounts and current year hyperinflation adjusted equity balances are recognised in other comprehensive income.

The carrying amounts of non-monetary assets and liabilities are adjusted to reflect the change in the general price index from the date of acquisition to the end of the reporting period. On initial application of hyperinflation prior period gains and losses are recognised directly in equity. An impairment loss is recognised in profit or loss if the restated amount of a non-monetary item exceeds its estimated recoverable amount.

Gains or losses on the net monetary position are recognised in the consolidated statement of profit or loss.

All items recognised in the consolidated statement of profit or loss are restated by applying the change in the general price index from the dates when the items of income and expenses were initially earned or incurred.

At the beginning of the first period of application, the components of equity, except retained earnings, are restated by applying a general price index from the dates the components were contributed or otherwise arose. These restatements are recognised directly in equity as an adjustment to opening retained earnings. Restated retained earnings are derived from all other amounts in the restated statement of financial position. If on initial application of hyperinflation accounting the restated value of the non-monetary assets exceed their recoverable amount, the amount in excess of the recoverable amount is recorded as a reduction in retained earnings. At the end of the first period and in subsequent periods, all components of equity are restated by applying a general price index from the beginning of the period or the date of contribution, if later.

All items in the statement of cash flows are expressed in terms of the general price index at the end of the reporting period.

The Lebanese and Turkish economies have been classified as hyperinflationary. Accordingly, the results, cash flows and financial position of the Group's subsidiaries; Aramex Lebanon S.A.L. and Aramex International Hava Kargo ve Keye Anonim Sirketyi have been expressed in terms of the measuring unit current at the reporting date. Impact of applying IAS 29 for the years ended 31 December 2022 and 31 December 2021 has been disclosed in each impacted financial statement line item note.

3 Financial risk management

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance as well as policies covering specific areas.

The Group's risk management is predominantly controlled by a central treasury and credit department under policies approved by the management. Group treasury identifies, evaluates and hedges financial risks in close co-operation with the group's operating units. The management provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

(a) Market risk

(i) Foreign currency risk

Foreign currency risk is the risk that the fair value of future cash flows of financial instruments will fluctuate because of changes in foreign currency exchange rates.

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3 Financial risk management (continued)

3.1 Financial risk factors (continued)

(a) Market risk (continued)

(i) Foreign currency risk (continued)

The Group is exposed to currency risk mainly on purchases and sales that are denominated in a currency other than the respective functional currencies of the Group entities, primarily the United States Dollar (USD), Euro (EUR), Egyptian Pound (EGP), Sterling (GBP), South African Rand (ZAR), Turkish Lira (TRY) and the Indian Rupee (INR). The currencies in which these transactions are primarily denominated are Euro, USD, ZAR, TRY and GBP. The Parent Company and a number of other Group entities' functional currencies are either the USD or currencies that are pegged to the USD. As a significant portion of the Group's transactions are denominated in USD, this reduces currency risk. The Group also has currency exposures to currencies that are not pegged to the USD.

Significant portion of the Group's trade payables and all of its foreign currency receivables, denominated in a currency other than the functional currency of the respective Group entities, are subject to risks associated with currency exchange fluctuation. The Group reduces some of this currency exposure by maintaining some of its bank balances in foreign currencies in which some of its trade payables are denominated.

The following table demonstrates the sensitivity to a reasonably possible change in the AED exchange rate, with all other variables held constant, of the Group's profit before tax (due to changes in the fair value of monetary assets and liabilities).

	Changes in currency rate to AED %	Effect on profit before tax AED'000
2022		
EUR	+10	(862)
INR	+10	98
GBP	+10	3,387
EGP	+10	(210)
TRY	+10	(195)
ZAR	+10	(33)
2021		
EUR	+10	(342)
INR	+10	113
GBP	+10	1,550
EGP	+10	(983)
TRY	+10	(203)
ZAR	+10	275

The effect of decreases in exchange rates are expected to be equal and opposite to the effects of the increases shown.

(ii) Price risk

The Group is not exposed to price risk as the Group has not invested in listed securities.

(iii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group is exposed to interest rate risk on its interest bearing liabilities which carry variable interest rates (bank overdrafts, notes payable and term loans).

Term deposits issued at fixed interest rates expose the Group to fair value interest rate risk. The Group's management monitors the interest rate fluctuations on a continuous basis and acts accordingly.

3 Financial risk management (continued)

3.1 Financial risk factors (continued)

(a) Market risk (continued)

(iii) Interest rate risk (continued)

The sensitivity analysis calculates the effect of a reasonably possible movement in the interest rate on the consolidated statement of profit or loss:

	2022 AED'000	2021 AED'000
Variable rate instruments		
+100 bps	(12,565)	(3,178)
- 100 bps	12,565	3,178

As at the reporting date, the Group is primarily exposed to Risk Free Rate (RFR) rates which is subject to the interest rate benchmark reform, Bank Bill Swap Bid Rate (BBSY); main interest rate benchmark in Australia, Bank Bill Benchmark Rate (BKBM); main interest rate benchmark in New Zealand, Sterling Overnight Index Average (SONIA); main interest rate benchmark in the United Kingdom and Secured Overnight Financing Rate (SOFR); main interest rate benchmark in the United States of America.

(b) Credit risk

The Group is exposed to credit risk, which is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to meet an obligation.

Credit risk arises from cash and bank balances, deposits with banks (including fixed and margin deposits) and financial institutions, as well as credit exposures to customers, including outstanding receivables. Individual risk limits are based on management's assessment on a case-by-case basis. The utilisation of credit limits is regularly monitored.

The maximum exposure to credit risk at the reporting date is the carrying amount of the financial assets as presented in the consolidated statement of financial position.

Risk management

Credit risk is managed on a Group basis. The Group's policy is to place cash and cash equivalents with reputable banks and financial institutions that have average credit ratings with respect to each economy in which the Group operates.

The Group trades only with recognised, creditworthy third parties in addition to establishing credit limits for customers' balances. Receivable balances and credit limits are monitored on an ongoing basis with the result of discontinuing the service for customers exceeding certain limits for a certain period of time. The Group earns its revenues from a large number of customers spread across different geographical segments. However, geographically 66% percent of the Group's Accounts receivable are based in Middle East and Africa. Credit risks limited to the carrying values of financial assets in the consolidated statement of financial position.

Aramex is exposed to risk of loss from climate changes and is implementing processes aimed at monitoring and mitigating those risks, including commissioning the second solar farm in Dubai to produce 60% of its energy needs and testing electric vehicles in Saudi Arabia as part of the "Green Mobility" initiative. Further, sustainability is integrated into its operations at all levels to respond to the dynamic changes occurring globally, regionally, and locally.

At 31 December 2022, the Group had 5 customers (2021: 5 customers) that accounted for approximately 29% (2021: 28%) of all the receivables outstanding.

The Group's investments in debt instruments are considered to be low risk investments. The credit ratings of the investments are monitored for credit deterioration.

ARAMEX PJSC AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2022 (continued)

3 Financial risk management (continued)

3.1 Financial risk factors (continued)

(b) Credit risk (continued)

Impairment of financial assets

The Group has four types of financial assets that are subject to the expected credit loss model:

- accounts receivable,
- debt investments carried at FVOCI,
- cash and bank balances,
- restricted cash, margins and bank deposits, and
- other current assets

While other receivables are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 90 days past due in making a contractual payment.

Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either but not limited to the following main criteria are generally not recoverable.

- when there is a breach of financial covenants by the counterparty; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above analysis, the Group considers that potential default may occur when a financial asset is more than 365 days after invoice issuance date.

Accounts receivable

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all accounts receivable and contract assets.

To measure the expected credit losses, accounts receivable have been grouped based on shared credit risk characteristics and the days past due. The impairment loss for accounts receivable is based on assumptions about risk of default and expected loss rates.

The expected loss rates are based on the roll rates of receivables over a period of 12 quarters before 31 December 2022 or 1 January 2022 respectively and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current factors affecting the ability of the customers to settle the receivables.

3 Financial risk management (continued)

3.1 Financial risk factors (continued)

(b) Credit risk (continued)

Impairment of financial assets (continued)

Accounts receivable (continued)

On that basis, the impairment loss as at 31 December 2022 and 31 December 2021 was determined as follows for accounts receivable:

31 December 2022	Between current – 90 days past due	Between 90 – 180 days past due	Between 180 – 270 days past due	Between 270 – 365 days past due	More than 365 days past due	Total
Expected loss rate	1%	11%	49%	59%	100%	8%
Gross carrying amount – Accounts receivable in AED'000	1,053,386	82,002	20,879	14,159	55,905	1,226,331
Expected credit loss in AED'000	12,494	8,977	10,223	8,322	55,905	95,921
Carrying amount in AED'000	1,040,892	73,025	10,656	5,837	-	1,130,410

31 December 2021	Between current – 90 days past due	Between 90 – 180 days past due	Between 180 – 270 days past due	Between 270 – 365 days past due	More than 365 days past due	Total
Expected loss rate	1%	12%	34%	63%	100%	7%
Gross carrying amount – Accounts receivable in AED'000	1,123,895	104,880	19,050	12,036	51,605	1,311,466
Expected credit loss in AED'000	13,698	12,655	6,451	7,635	51,605	92,044
Carrying amount in AED'000	1,110,197	92,225	12,599	4,401	-	1,219,422

Accounts receivable are written off where there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments for a period of greater than 365 days past due.

Impairment losses on accounts receivable are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

Debt investments carried at FVOCI

All of the entity's debt investments at FVOCI are considered to have low credit risk, and the impairment loss recognised during the year was therefore limited to 12 months' expected losses. Management consider 'low credit risk' for listed bonds to be an investment grade credit rating with at least one major rating agency. Other instruments are considered to be low credit risk where they have a low risk of default and the issuer has a strong capacity to meet its contractual cash flow obligations in the near term.

3 Financial risk management (continued)

3.1 Financial risk factors (continued)

(b) Credit risk (continued)

Restricted cash, margins and fixed deposits

During the year ended 31 December 2022 the impairment reversal on cash bank balances amounted to AED 1,434 thousand (2021: loss of AED 912 thousand) due to the economic in Lebanon as detailed in Note 17.

As a result of the change in the spot rate used in translating the operations in Lebanon as per IAS 21 - The Effects of Changes in Foreign Exchange Rates, the restricted cash held at banks in Lebanon and the respective impairment loss recorded during 2020 and 2021 was reduced in the consolidated statement of profit or loss during the year 2021 in the amount of AED 20,428 thousand, as detailed in Note 17.

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents, the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Management aims to maintain flexibility in funding by keeping committed credit lines available.

The management is confident that the current assets are sufficient to cover the current liabilities of the Group. The Group has complied with the financial covenants of its borrowing facilities during the 2022 and 2021 reporting periods (Note 21).

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the reporting period to the contractual maturity date.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

31 December 2022	Less than 3 months AED'000	Between 3 – 12 months AED'000	Between 1 and 2 years AED'000	Between 2 and 5 years AED'000	Over 5 years AED'000	Total contractual cash flows AED'000	Carrying amount AED'000
Interest-bearing loans and borrowings	45,994	59,777	19,276	110,383	969,577	1,205,007	1,125,169
Lease liabilities	68,570	150,288	174,112	285,765	582,762	1,261,497	938,723
Bank overdrafts	131,793	-	-	-	-	131,793	131,353
Accounts payable, income tax provision, provisions, and other non-current and current liabilities (excluding deferred revenue and deferred income)	1,139,892	-	925	-	-	1,140,817	1,140,817
	1,386,249	210,065	194,313	396,148	1,552,339	3,739,114	3,336,062

31 December 2021	Less than 3 months AED'000	Between 3 – 12 months AED'000	Between 1 and 2 years AED'000	Between 2 and 5 years AED'000	Over 5 years AED'000	Total contractual cash flows AED'000	Carrying amount AED'000
Interest-bearing loans and borrowings	12,611	18,500	15,661	129,610	-	176,382	164,683
Lease liabilities	73,370	157,701	186,764	326,416	573,517	1,317,768	935,315
Bank overdrafts	153,914	-	-	-	-	153,914	153,113
Accounts payable, income tax provision, provisions, and other non-current and current liabilities (excluding deferred revenue and deferred income)	1,236,631	-	-	-	-	1,236,631	1,236,631
	1,476,526	176,201	202,425	456,026	573,517	2,884,695	2,489,742

3 Financial risk management (continued)

3.2 Capital risk management

The Group's objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide returns for its shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the Group consists of net debt (interest-bearing loans and borrowings disclosed in note 21 after deducting cash and bank balances) and equity of the Group (comprising share capital, statutory reserve and retained earnings).

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total equity plus net debt. Net debt is calculated as total loans and borrowings (including current and non-current interest-bearing loans borrowings as shown in the consolidated statement of financial position) less cash and bank balances. Total capital is calculated as total equity as shown in the consolidated statement of financial position plus net debt.

The gearing ratios at 31 December 2022 and 2021 was as follows:

	2022 AED'000	2021 AED'000
Interest-bearing loans and borrowings (excluding bank overdraft) (Note 21)	1,125,169	164,683
Less: Cash and cash equivalents (Note 17)	(627,601)	(558,687)
Net debt	497,568	(394,004)
Equity (comprising share capital, statutory reserve and retained earnings)	3,880,667	3,405,472
Capital	4,378,235	3,011,468
Gearing ratio	11%	-

Loan covenants

Under the terms of the major borrowing facilities, the Group is required to comply with the certain financial covenants. The Group has complied with these covenants as of the end of the reporting period.

3.3 Fair value estimation

Fair values of financial instruments

The Group uses the following hierarchy for determining and disclosing the fair value of assets and liabilities by valuation technique:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: Techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

During the year ended 31 December 2022 and 2021, there are no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.

As at 31 December 2022, items measured at fair value have been measured at level 3 valuation techniques for an amount of AED 17,667 thousand (2021: AED 17,638 thousand), the movement in level 3 is disclosed in Note 13.

Level 3 valuations are reviewed on a quarterly basis by the Group's valuation team. The valuation team considers the appropriateness of the valuation model inputs, as well as the valuation result using various

3 Financial risk management (continued)

3.3 Fair value estimation (continued)

Fair values of financial instruments (continued)

valuation methods and techniques. In selecting the most appropriate valuation model the valuation team performs back testing and considers which model's results have historically aligned most closely to actual market transactions. In order to value level three equity investments, for the year ended 31 December 2022, the Group utilised the same approach as the prior year to obtain the recent transaction price as a fair value measurement of the investment.

Management believes that no reasonably possible change in any of the above key assumptions would cause the carrying value of the unit to materially exceed its recoverable amount.

4 Key estimates and judgments

Provision for expected credit losses of accounts receivable

Measurement of ECLs is a significant estimate that involves determination methodology, models and data inputs. Details of ECL measurement methodology are disclosed in Note 3.1. The following components have a major impact on credit loss allowance: definition of default, probability of default ("PD"), exposure at default ("EAD"), and loss given default ("LGD"). The Group regularly reviews and validates the models and inputs o the models to reduce any differences between expected credit loss estimates and actual credit loss experience.

The Group uses a provision matrix to calculate ECLs for accounts receivable. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating, and coverage by letters of credit and other forms of credit insurance).

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

Management believes that no reasonably possible change in any of the above key assumptions would cause the carrying value of the unit to materially exceed its recoverable amount.

Useful lives of property and equipment

The Group's management determines the estimated useful lives of its property and equipment for calculating depreciation. This estimate is determined after considering the expected usage of the asset or physical wear and tear. Management reviews the residual value and useful lives annually and future depreciation charge would be adjusted where the management believes the useful lives differ from previous estimates.

The sensitivity analysis calculates the effect of a reasonably possible movement in the useful lives on the consolidated statement of profit or loss:

	Changes in useful lives %	Effect on profit before tax AED '000
Leasehold improvements	+10	(1,504)
Buildings	+10	(1,465)
Furniture and fixtures	+10	(492)
Warehousing racks	+10	(573)
Office equipment	+10	(2,423)
Computers	+10	(4,269)
Vehicles	+10	(917)

4 Key estimates and judgments (continued)

Hyperinflation

The Group exercises significant judgement in determining the onset of hyperinflation in countries in which it operates and whether the functional currency of its subsidiaries, associates or joint ventures is the currency of a hyperinflationary economy.

Various characteristics of the economic environment of each country are taken into account.

These characteristics include, but are not limited to, whether:

- the general population prefers to keep its wealth in non-monetary assets or in a relatively stable foreign currency;
- prices are quoted in a relatively stable foreign currency;
- sales or purchase prices take expected losses of purchasing power during a short credit period into account;
- interest rates, wages and prices are linked to a price index; and
- the cumulative inflation rate over three years is approaching, or exceeds, 100%.

Management exercises judgement as to when a restatement of the consolidated financial statements of a group entity becomes necessary. Following management's assessment, the group's subsidiaries Aramex Lebanon S.A.L. and Aramex International Hava Kargo Ve Kerye Anonim Sirketi have been accounted for as entities operating in hyperinflationary economies. The results, cash flows and financial positions of Aramex Lebanon S.A.L. and Aramex International Hava Kargo Ve Kerye Anonim Sirketi have been expressed in terms of the measuring units current at the reporting date.

Aramex Lebanon S.A.L.

The economy of Lebanon was assessed to be hyperinflationary during 2020, and hyperinflation accounting has been applied since. Upon application of hyperinflation, net prior period losses of AED 4,757 thousand were recognised directly in equity during 2022 (2021: losses of AED 34,862 thousand were recognised directly in equity during 2021).

The general price index used as published by the International Monetary Fund is as follows:

	Base year	General price index	Inflation rate (%)
31 December 2022*	2022	1.56	1,670
31 December 2021	2021	2.04	753
31 December 2020	2020	1.54	173

*The cumulative inflation rate over three years as at 31 December 2022 is 1,670% (2021: 753%). The average adjustment factor used for 2022 was 1.56 (2021: 2.04).

Aramex International Hava Kargo Ve Kerye Anonim Sirketi

The economy of Turkey was assessed to be hyperinflationary during 2022, and hyperinflation accounting has been applied since. Upon application of hyperinflation, net prior period gain of AED 7,367 thousand were recognised directly in equity during 2022.

The general price index used as published by the International Monetary Fund is as follows:

	Base year	General price index	Inflation rate (%)
31 December 2022*	2022	1.18	156
31 December 2021	2021	1.23	74
31 December 2020	2020	1.08	54

*The cumulative inflation rate over three years as at 31 December 2022 is 156% (2021: 74%). The average adjustment factor used for 2022 was 1.18 (2021: 1.23).

4 Key estimates and judgments (continued)

Goodwill impairment

The impairment test is based on the "value in use" calculation. These calculations have used cash flow projections based on actual operating results and future expected performance, refer to Note 7 for the additional key assumptions used in calculating the goodwill impairment.

Provision for tax

The Group reviews the provision for tax on a regular basis. In determining the provision for tax, laws of particular jurisdictions (where applicable entity is registered) are taken into account. The management considers the provision for tax to be a reasonable estimate of potential tax liability after considering the applicable laws and past experience.

End of service benefits

In determining the appropriate discount rate, management considers the interest rates of corporate bonds in the respective currency with at least AA rating, with extrapolated maturities corresponding to the expected duration of the defined benefit obligation. The underlying bonds are further reviewed for quality, and those having excessive credit spreads are removed from the population of bonds on which the discount rate is based, on the basis that they do not represent high quality bonds.

The mortality rate is based on publicly available mortality tables for the related countries. Future salary increases are based on expected future inflation rates for the respective country, refer to Note 22 for the actuarial assumptions and sensitivity.

Intangible assets with indefinite lives

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable, refer to Note 8 for the additional key assumptions used in calculating the impairment of the intangible assets with indefinite lives.

Lease extension, termination options and incremental borrowing rate

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). Potential future cash outflows exceeding the lease term have not been included in the lease liability because it is not reasonably certain that the leases will be extended (or not terminated).

The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee. During the year ended 31 December 2022, no significant events or significant change in circumstances occurred that caused the management to reassess the lease term.

Management has determined the IBR based on the rate of interest per territory that the Group would have to pay to borrow over similar borrowing characteristics for the respective Group entity. Accordingly, management has decided to use a discount rate depending the Group entities credit portfolio by making adjustments specific to the lease, (ie, term, country, currency and security) as the IBR for discounting future lease payments.

5 Property and equipment

	Land AED'000	Leasehold improvements AED'000	Buildings AED'000	Furniture and fixtures AED'000	Warehousing racks AED'000	Office equipment AED'000	Computers AED'000	Vehicles AED'000	Capital work in progress AED'000	Total AED'000
2022										
Cost:										
At 1 January 2022	84,156	139,017	525,761	49,447	72,957	262,176	364,325	84,688	33,647	1,616,174
Acquisition of a subsidiary (Note 37)	-	1,967	-	11,281	-	-	3,623	-	8,268	25,139
Additions	-	7,908	1,253	3,304	6,575	18,733	17,875	11,120	12,373	79,141
Transfers	-	6,232	-	-	4,794	8,904	13,513	-	(33,443)	-
Disposals	-	(13,825)	-	(5,822)	(2,378)	(7,663)	(16,278)	(6,769)	(6,441)	(59,176)
Reclassification	-	-	-	-	(6)	6	-	-	-	-
Impact of hyperinflation	-	1,346	472	34	338	617	801	2,130	-	5,738
Exchange differences	(7,564)	(6,447)	(10,966)	(2,122)	(6,314)	(11,295)	(10,624)	(6,953)	-	(62,285)
At 31 December 2022	76,592	136,198	516,520	56,122	75,966	271,478	373,235	84,216	14,404	1,604,731
Depreciation:										
At 1 January 2022	-	79,398	113,924	31,837	27,768	134,329	228,908	58,580	-	674,744
Charge for the year	-	15,037	14,650	4,919	5,728	24,234	42,687	9,166	-	116,421
Disposals	-	(12,865)	-	(5,324)	(2,064)	(6,406)	(11,027)	(5,768)	-	(43,454)
Impact of hyperinflation	-	1,159	472	21	170	315	730	1,839	-	4,706
Exchange differences	-	(3,701)	(3,508)	(1,345)	(2,210)	(6,701)	(8,625)	(5,293)	-	(31,383)
At 31 December 2022	-	79,028	125,538	30,108	29,392	145,771	252,673	58,524	-	721,034
Net book value:										
At 31 December 2022	76,592	57,170	390,982	26,014	46,574	125,707	120,562	25,692	14,404	883,697

5 Property and equipment (continued)

	Land AED'000	Leasehold improvements AED'000	Buildings AED'000	Furniture and fixtures AED'000	Warehousing racks AED'000	Office equipment AED'000	Computers AED'000	Vehicles AED'000	Capital work in progress AED'000	Total AED'000
2021										
Cost:										
At 1 January 2021	86,119	138,552	551,760	50,141	70,741	245,195	334,206	91,216	42,489	1,610,419
Additions	-	14,938	3,293	4,304	10,839	20,957	39,102	12,271	27,855	133,559
Transfers	-	1,951	14,339	122	249	13,246	6,790	-	(36,697)	-
Disposals	-	(3,162)	(34,396)	(762)	(4,388)	(7,916)	(8,152)	(10,319)	-	(69,095)
Reclassification	-	-	-	(762)	-	762	-	-	-	-
Impact of hyperinflation	-	(6,016)	(2,702)	(1,698)	(1,976)	(3,516)	(2,483)	(2,896)	-	(21,287)
Exchange differences	(1,963)	(7,246)	(6,533)	(1,898)	(2,508)	(6,552)	(5,138)	(5,584)	-	(37,422)
At 31 December 2021	84,156	139,017	525,761	49,447	72,957	262,176	364,325	84,688	33,647	1,616,174
Depreciation:										
At 1 January 2021	-	72,844	136,405	29,928	26,934	123,595	197,711	66,247	-	653,664
Charge for the year	-	13,317	15,903	4,390	4,800	22,896	40,593	8,892	-	110,791
Disposals	-	(2,188)	(32,733)	(548)	(2,928)	(7,432)	(2,677)	(9,738)	-	(58,244)
Impact of hyperinflation	-	(1,485)	(2,224)	(869)	(266)	(1,430)	(2,261)	(2,479)	-	(11,014)
Exchange differences	-	(3,090)	(3,427)	(1,064)	(772)	(3,300)	(4,458)	(4,342)	-	(20,453)
At 31 December 2021	-	79,398	113,924	31,837	27,768	134,329	228,908	58,580	-	674,744
Net book value:										
At 31 December 2021	84,156	59,619	411,837	17,610	45,189	127,847	135,417	26,108	33,647	941,430

5 Property and equipment (continued)

Depreciation charge for the year is allocated as follows:

	2022 AED'000	2021 AED'000
Administrative expense (Note 29)	78,908	74,108
Cost of services (Note 28)	37,513	36,683
	116,421	110,791

6 Leases

Right of use assets

	Land AED'000	Buildings AED'000	Equipment AED'000	Motor vehicles AED'000	Total AED'000
Cost:					
At 1 January 2021	194,789	820,709	7,042	226,124	1,248,664
Additions	123	262,494	457	90,463	353,537
Reclassification	-	52	104	(156)	-
Disposals	(20,150)	(164,069)	(470)	(69,568)	(254,257)
Exchange differences	-	(41,063)	(293)	(5,561)	(46,917)
Impact of hyperinflation	-	(29,668)	-	(5,728)	(35,396)
At 31 December 2021	174,762	848,455	6,840	235,574	1,265,631
Additions	13,406	250,637	1,535	60,109	325,687
Reclassification	-	-	507	(507)	-
Disposals	(1,193)	(192,317)	(3,955)	(70,190)	(267,655)
Exchange differences	(291)	(43,117)	(480)	(10,945)	(54,833)
Impact of hyperinflation	-	7,699	-	(38)	7,661
At 31 December 2022	186,684	871,357	4,447	214,003	1,276,491
Accumulated depreciation:					
At 1 January 2021	14,906	234,851	2,965	105,813	358,535
Charge for the year	7,145	170,239	2,179	72,385	251,948
Disposals	(4,851)	(139,092)	(470)	(68,740)	(213,153)
Exchange rate difference	(3)	(12,483)	(176)	(3,919)	(16,581)
Impact of hyperinflation	-	(4,928)	-	(4,456)	(9,384)
At 31 December 2021	17,197	248,587	4,498	101,083	371,365
Charge for the year	7,502	171,099	1,936	66,707	247,244
Disposals	(1,183)	(122,132)	(3,854)	(58,255)	(185,424)
Exchange rate difference	(116)	(17,027)	(364)	(4,537)	(22,044)
Impact of hyperinflation	-	4,914	-	(88)	4,826
At 31 December 2022	23,400	285,441	2,216	104,910	415,967
Net book value:					
At 31 December 2022	163,284	585,916	2,231	109,093	860,524
At 31 December 2021	157,565	599,868	2,342	134,491	894,266

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31 DECEMBER 2022 (continued)

6 Leases (continued)

Right of use assets (continued)

The consolidated statement of profit or loss shows the following amounts relating to leases:

	2022 AED'000	2021 AED'000
Depreciation charge of right-of-use assets		
Administrative expense (Note 29)	68,344	70,398
Cost of services (Note 28)	178,900	181,550
	247,244	251,948
Finance costs – lease liabilities	46,343	46,777
Expense relating to short-term and low-value leases (included in cost of services)	2,171	1,360
Expense relating to short-term and low-value leases (included in administrative expenses)	2,551	2,678

The total cash outflow for leases in 2022 was AED 241,039 thousand (2021: AED 264,890 thousand).

Lease liabilities

	Future minimum lease payments *AED'000*	*Interest* *AED'000*	*Present value of minimum lease payments* *AED'000*
2022			
Within one year	218,858	37,171	181,687
After one year	1,042,640	285,604	757,036
Total	1,261,498	322,775	938,723
2021			
Within one year	231,071	50,689	180,382
After one year	1,086,697	331,764	754,933
Total	1,317,768	382,453	935,315

Lease liabilities measured at present value were unwound during the year ended 31 December 2022 for an amount of AED 46,343 thousand (2021: AED 46,777 thousand) where a portion amounting to AED 184 thousand was unpaid as of 31 December 2022 (2021: AED 199 thousand).

7 Goodwill

	2022 AED'000	2021 AED'000
At 1 January	1,002,568	1,135,511
Discontinued operations	-	(109,389)
Acquisitions*	790,077	5,142
Impairment	-	(2,975)
Exchange differences	(34,965)	(25,721)
At 31 December	1,757,680	1,002,568

*On 1 June 2022, the Group entered into an acquisition agreement through a Sale and Purchase Agreement (SPA) to acquire 100% equity securities of "Access Shipping LLC"; a cross-border e-commerce platform, providing cost-effective package forwarding solutions to customers. The excess between the provisional fair value of the groups of assets acquired and the consideration paid amounted to AED 790,077 thousand which was recognised as goodwill (Note 37).

7 Goodwill (continued)

On 24 December 2020, the Group entered into a Sale and Purchase Agreement (SPA) to acquire 100% equity interest in Aramex Canterbury Regional Franchise in New Zealand. On 1 June 2021, the agreement was settled for a cash consideration of AED 4,895 thousand. The excess between the fair value of the groups of assets acquired and the consideration paid amounted to AED 4,659 thousand which was recognised as goodwill. An additional amount of AED 483 thousand was recognised as goodwill as a result of an acquisition of 100% equity interest in Perth Regional Franchise.

The Group performed its annual impairment test on 31 December 2022 and 2021. The Group considers the relationship between its market capitalisation and its book value among other factors, when reviewing for indicators of impairment.

As at 31 December 2021, the market capitalisation of the Group for publication and distribution cash generating unit was below the book value of its equity. Impairment in the amount of AED 2,975 thousand was recognised in the consolidated statement of profit or loss. The market capitalisation of the Group for the remaining cash generating units was above the book value of its equity.

The recoverable amounts of the cash generating units have been determined based on a value in use calculation using cash flow projections from financial forecast approved by board of directors covering a five year period.

The goodwill was allocated to the following groups of cash generating units:

	2022 AED'000	2021 AED'000
MyUS	790,077	-
Publication and distribution	6,212	6,212
Aramex: *		
Domestic shipping	464,533	486,430
Express shipping	261,527	268,406
Freight forwarding	162,745	167,025
Logistics	72,586	74,495
	1,757,680	1,002,568

* Aramex is the cash generating unit which includes sub segments related to domestic shipping, express shipping, freight forwarding and logistics.

Key assumptions used in value-in-use calculations and sensitivity to changes in assumptions

The calculation of the value-in-use is most sensitive to the following assumptions:

Transaction volumes for the main cash generating units – based on average annual growth rate over the five-year forecast period; based on past performance and management's expectations of market development. The terminal value was determined using the fifth year projections adjusted by incorporating the weighted average cost of capital (WACC) and the growth rate.

Discount rates for the main cash generating units – Discount rates represent the current market assessment of the risks specific to each cash generating unit, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and its operating segments and is derived from its WACC for the industry is 9.5% (2021: 9.5%) and 11% for Aramex and MyUS cash generating units, respectively. The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the Group's investors. The cost of debt is based on the interest-bearing borrowings the Group is obliged to service. Segment-specific risk is incorporated by applying individual beta factors. The beta factors are evaluated annually based on publicly available market data. Adjustments to the discount rate are made to factor in the specific amount and timing of the future tax flows in order to reflect a pre-tax discount rate.

Growth rate estimates for the main cash generating units – Growth rate used of 3.2% (2021: 3.1%) and 3% are based on actual operating results and future expected performance based on current industry trends and including long-term inflation forecasts for each territory of Aramex and MyUS cash generating units, respectively.

7 Goodwill (continued)

Sensitivity to changes in assumptions

Management believes that no reasonably possible change in any of the above key assumptions would cause the carrying value of the unit to materially exceed its recoverable amount.

8 Other intangible assets

	Customer lists and other intangible assets with definite useful life AED'000	*Franchises with indefinite useful life* AED'000*	*Other intangible assets AED'000*	*Brand AED'000*	Total *AED'000*
Cost:					
At 1 January 2021	56,760	194,185	6,856	-	257,801
Exchange differences	-	(10,086)	-	-	(10,086)
At 31 December 2021	56,760	184,099	6,856	-	247,715
Acquisition of a subsidiary (Note 37)	60,451	-	42,789	37,963	141,203
Exchange differences	-	(13,088)	-	-	(13,088)
At 31 December 2022	117,211	171,011	49,645	37,963	375,830
Amortisation and impairment:					
At 1 January 2021	36,824	-	4,572	-	41,396
Amortisation	2,780	-	2,284	-	5,064
At 31 December 2021	39,604	-	6,856	-	46,460
Amortisation	3,340	-	1,273	395	5,008
At 31 December 2022	42,944	-	8,129	395	51,468
Net book value:					
At 31 December 2022	74,267	171,011	41,516	37,568	324,362
At 31 December 2021	17,156	184,099	-	-	201,255

* Intangible assets acquired through a business combination. These assets have indefinite useful lives and are tested for impairment annually as they represent an operational system used by the Group entities which is considered to have indefinite useful life. The Group intends to renew the franchise continuously and evidence supports its ability to do so. An analysis of market and competitive trends provides evidence that the franchise will generate net cash inflows for the Group for an indefinite period. Therefore, the franchise is carried at cost without amortisation, but is tested for impairment annually.

The Group performed its annual impairment test on 31 December 2022 and 2021. The Group considers the relationship between its market capitalisation and its book value among other factors, when reviewing for indicators of impairment. As at 31 December 2022, the market capitalisation of the Group was above the book value of its equity. The recoverable amounts of the cash generating units have been determined based on a value in use calculation using cash flow projections from financial forecast approved by board of directors covering a five-year period.

Key assumptions used in value-in-use calculations and sensitivity to changes in assumptions

The calculation of the value-in-use is most sensitive to the following assumptions:

Transaction volumes – based on average annual growth rate over the five-year forecast period; based on past performance and management's expectations of market development. The terminal value was determined using the fifth year projections adjusted by incorporating the weighted average cost of capital (WACC) and the growth rate.

8 Other intangible assets (continued)

Key assumptions used in value-in-use calculations and sensitivity to changes in assumptions (continued)

Growth rate estimates – Growth rate used of 2.3% (2021: 2.5%) is based on actual operating results and future expected performance based on current industry trends and including long-term inflation forecasts for each territory.

Discount rates – Discount rates represent the current market assessment of the risks specific to each cash generating unit, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and its operating segments and is derived from its weighted average cost of capital (WACC) for the industry of 9.5% to 9.8% (2021: 8.2% to 8.6%). The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the Group's investors. The cost of debt is based on the interest-bearing borrowings the Group is obliged to service. Segment-specific risk is incorporated by applying individual beta factors. The beta factors are evaluated annually based on publicly available market data. Adjustments to the discount rate are made to factor in the specific amount and timing of the future tax flows in order to reflect a pre-tax discount rate.

Sensitivity to changes in assumptions

Management believes that no reasonably possible change in any of the above key assumptions would cause the carrying value of the unit to materially exceed its recoverable amount.

9 Non-controlling interests

As at 31 December 2022 and 2021, there were no subsidiaries with material non-controlling interest to the Group.

10 Discontinued operation

(A) Description

(i) Disposal group of assets related to Information Fort LLC Group

On 3 February 2021, the Company entered into a Sale and Purchase Agreement (SPA) to dispose of its 100% equity interest in Information Fort LLC, products of Information Fort LLC, and other group of assets. Information Fort LLC is a leading records and information management provider that operates in the Middle East, North Africa, and Turkey regions.

(ii) Group of assets disposed

During the years ended 31 December 2022 and 31 December 2021, most of the group of assets were sold with effect on 31 August 2021, 31 January 2022 and 31 July 2022 and the results of the operation along with the gain on sale is reported in the current period as discontinued operations on the consolidated statement of profit or loss for the year. The related assets and liabilities of the disposed group of assets have been derecognised from the consolidated statement of financial position.

(iii) Group of assets held for sale

The remaining group of assets not yet disposed and recorded as assets/liabilities held for sale, are recognised in the consolidated statement of profit or loss as discontinued operations. The related assets and liabilities of the group of assets held for sale are classified separately on the consolidated statement of financial position. These remaining group of assets are still under process of disposal.

10 Discontinued operation (continued)

(B) Financial performance of the discontinued operation

Analysis of results of operations discontinued during the year ended is as follows:

	2022 AED '000	2021 AED '000
Rendering of services	6,055	120,393
Direct costs	(4,426)	(60,190)
Gross profit	1,629	60,203
Selling and marketing expenses	(409)	(6,643)
Administrative expenses	(381)	(30,128)
Net impairment reversal/(loss) on financial assets	605	(2,946)
Other expenses, net	(330)	(756)
Operating profit	1,114	19,730
Finance income	-	359
Finance expense	(161)	(2,153)
Profit before income tax	953	17,936
Income tax expense	(101)	(2,195)
Profit for the year	852	15,741
Gain on sale of discontinued operations	3,515	31,608
Profit from discontinued operations	4,367	47,349
Other comprehensive income	-	(5,723)
Total comprehensive income	4,367	41,626
Profit for the year attributable to:		
Equity holders of the Parent	4,367	46,246
Non–controlling interests	-	1,103
	4,367	47,349

(C) Assets held for sale

The summarised financial position for Information Fort LLC, which is accounted for as a group of assets classified as held for sale are as follows:

	2022 AED'000	2021 AED'000
Assets		
Non-current assets		
Property and equipment	1,581	2,867
Right of use assets	4,198	2,868
	5,779	5,735
Current assets		
Accounts receivable, net	752	2,867
Other current assets	38	140
Cash and bank balances	-	1,908
	790	4,915
Total assets	6,569	10,650

10 Discontinued operation (continued)

(C) Assets held for sale (continued)

	2022 AED'000	2021 AED'000
Liabilities		
Non-current liabilities		
Employees' end of service benefits	187	271
Lease liabilities	2,607	1,118
	2,794	1,389
Current liabilities		
Trade payables	59	207
Lease liabilities	1,646	1,608
Other current liabilities	392	1,210
Income tax provision	16	91
	2,113	3,116
Total liabilities	4,907	4,505
Net assets directly associated with disposal group	1,662	6,145

Cash flows from discontinued operations:

	2022 AED'000	2021 AED'000
Net cash generated from operating activities	1,915	5,517
Net cash used in investing activities	(10)	(26)
Net cash used in financing activities	(1,905)	(2,727)
Net cash inflows	-	2,764

(D) Sale of a subsidiary

The financial information relating to the discontinued operations as of the date of disposal of the group of assets is set out below:

	31 July 2022 AED'000	31 January 2022 AED'000	31 August 2021 AED'000
Assets			
Non-current assets			
Property and equipment	281	488	78,891
Right of use assets	195	1,030	45,843
Goodwill	-	-	6,438
Other intangible assets	-	-	892
Deferred tax assets	-	-	925
	476	1,518	132,989
Current assets			
Accounts receivable, net	526	414	31,542
Other current assets	8	15	21,694
Cash and cash equivalents	-	1,350	43,430
	534	1,779	96,666
Total assets	1,010	3,297	229,655

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10 Discontinued operation (continued)

(D) Sale of a subsidiary (continued)

	31 July 2022 AED'000	31 January 2022 AED'000	31 August 2021 AED'000
Liabilities			
Non-current liabilities			
Employees' end of service benefits	115	-	15,393
Lease liabilities	-	-	38,994
Deferred tax liabilities	-	-	1,251
	115	-	55,638
Current liabilities			
Trade payables	301	-	6,794
Lease liabilities	179	1,209	8,661
Other current liabilities	243	343	61,001
Income tax provision	-	-	2,240
	723	1,552	78,696
Total liabilities	838	1,552	134,334
Non-controlling interests	-	-	3,223
Net assets directly associated with disposal group	172	1,745	92,098

In accordance with the SPA, the management has recorded an amount receivable for AED 47,101 thousand from the remaining balance available in the escrow account, where the Group has made an estimate of potential claims and true-up adjustments on the basis of the available information as at the reporting date and has accordingly recognised a receivable from the escrow account. During the time specified in the SPA and once the adjustments have crystallised as a result of procedures described in the SPA, as well as the result of the Purchaser identifying any amounts that would represent claims as defined in the SPA, those adjustments will be recognised prospectively as changes in estimates in the consolidated statement of profit or loss in the period when they take place. As at 31 August 2021, the fair value of the consideration was determined to be AED 335,157 thousand. During February 2022, the Group received an amount of AED 437 thousand as a true-up adjustment to the initial escrow account, recognised as gain in the consolidated statement of profit or loss.

During the year ended 31 December 2022, an amount of AED 11,018 thousand was collected by the Group as a partial settlement of the escrow account. The remaining balance of AED 36,083 thousand is expected to be collected in the next 12 months.

The gain on sale of the subsidiaries has been calculated as follows at each disposal date:

	31 July 2022 AED'000	31 January 2022 AED'000	31 August 2021 AED'000
Consideration received or receivable:			
Cash	1,693	2,108	288,056
Receivable	-	-	47,101
Total disposal consideration	1,693	2,108	335,157
Carrying amount of net assets sold (including goodwill recognised at the group level)	(172)	(1,745)	(237,327)

10 Discontinued operation (continued)

(D) **Sale of a subsidiary** (continued)

	31 July 2022 AED'000	31 January 2022 AED'000	31 August 2021 AED'000
Gain on sale before income tax, reclassification of foreign currency translation reserve and costs to sell	1,521	363	97,830
Reclassification of foreign currency translation reserve	-	-	(47,703)
Cash withheld related to products of Information Fort LLC not yet sold	-	-	(5,104)
Costs to sell	-	-	(13,415)
Gain on sale after income tax	1,521	363	31,608
True-up adjustment	-	437	-
Total gain on sale after income tax	1,521	800	31,608

In addition to the above, as at 31 December 2022, an amount of AED 1,194 thousand was recognised as a gain from the winding down of a subsidiary of Information Fort LLC.

11 Investments in joint ventures

The details of the investments in joint ventures are as follows:

	Ownership percentage		*Country of incorporation*	*Nature of activity*	*Book value*	
	2022 %	2021 %			2022 AED'000	2021 AED'000
Aramex Sinotrans Co. LTD	50	50	China	Express, freight and logistics services	20,564	32,594
Others	50	50	-	-	-	-
					20,564	32,594

The joint ventures are accounted for using the equity method in the consolidated financial statements.

Summarised financial information of the joint ventures, based on their IFRS financial statements, are set out below:

	2022		
	Aramex Sinotrans Co. LTD AED'000	*Others* AED'000	*Total* AED'000
Non-current assets	10,476	39,370	49,846
Current assets*	77,682	14,527	92,209
Non-current liabilities	(3,364)	(50,105)	(53,469)
Current liabilities**	(43,666)	(3,792)	(47,458)
Equity	41,128	-	41,128
Proportion of the Group's ownership	50%	50%	50%
Carrying amount of the investment	20,564	-	20,564

* The current assets of Aramex Sinotrans Co. Ltd include cash at banks amounted to AED 30,899 thousand, accounts receivable amounted to AED 30,928 thousand and other current assets amounted to AED 15,855 thousand.

** The current liabilities of Aramex Sinotrans Co. Ltd include, accruals amounted to AED 14,878 thousand, trade payables amounted to AED 15,968 thousand, other current liabilities amounted to AED 9,263 thousand, tax provisions amounted to AED 142 thousand and lease liability of AED 3,415 thousand.

11 Investments in joint ventures (continued)

	2021		
	Aramex Sinotrans Co. LTD AED'000	*Others* AED'000	*Total* AED'000
Non-current assets	8,397	50,754	59,151
Current assets*	156,451	16,184	172,635
Non-current liabilities	(2,020)	(59,114)	(61,134)
Current liabilities**	(97,640)	(7,824)	(105,464)
Equity	65,188	-	65,188
Proportion of the Group's ownership	50%	50%	50%
Carrying amount of the investment	32,594	-	32,594

* The current assets of Aramex Sinotrans Co. Ltd include cash at banks amounted to AED 87,032 thousand, accounts receivable amounted to AED 51,187 thousand and other current assets amounted to AED 18,232 thousand.

** The current liabilities of Aramex Sinotrans Co. Ltd include, accruals amounted to AED 38,532 thousand, trade payables amounted to AED 45,395 thousand, other current liabilities amounted to AED 9,881, tax provisions amounted to AED 1,316 thousand and lease liability of AED 2,516 thousand.

Summarised statement of profit or loss of the joint ventures:

	2022		
	Aramex Sinotrans Co. LTD AED'000	*Others* AED'000	*Total* AED'000
Revenue	393,163	12,943	406,106
Cost of sale	(347,783)	(8,568)	(356,351)
Administrative expenses	(20,080)	(2,395)	(22,475)
Other expenses	(6,658)	(654)	(7,312)
Profit before tax	18,642	1,326	19,968
Income tax	(4,442)	-	(4,442)
Profit for the year	14,200	1,326	15,526
Group's share of profit for the year	7,100	619	7,719

	2021		
	Aramex Sinotrans Co. LTD AED'000	*Others* AED'000	*Total* AED'000
Revenue	578,265	16,900	595,165
Cost of sale	(513,536)	(12,360)	(525,896)
Administrative expenses	(19,594)	(3,311)	(22,905)
Other expenses	(14,250)	(1,257)	(15,507)
Profit/(loss) before tax	30,885	(28)	30,857
Income tax	(7,499)	-	(7,499)
Profit for the year	23,386	(28)	23,358
Group's share of profit/(loss) for the year	11,693	(14)	11,679

The joint ventures had no contingent liabilities or capital commitments as at 31 December 2022 and 2021.

12 Investments in associates

The details of the investments in associates were as follows:

	Ownership percentage 2022 %	*Ownership percentage* 2021 %	*Country of incorporation*	*Nature of activity*	*Book value* 2022 AED'000	*Book value* 2021 AED'000
Linehaul Express Australia Pty Ltd	37.1	37.1	Australia	Domestic services	393	231
WS One Investment LLC	25	25	UAE	Express services	-	-
Aramex Thailand Ltd	49	49	Thailand	Logistics and transportation	4,004	4,623
					4,397	4,854

The associates are accounted for using the equity method in the consolidated financial statements. The following table illustrates the summarised financial information of the Group's investments in associates:

	2022			
	Linehaul Express Australia PTY Ltd AED'000	*WS One Investment LLC* AED'000	*Aramex Thailand Ltd* AED'000	*Total* AED'000
Non-current assets	149	2,267	775	3,191
Current assets	9,699	1,489	9,212	20,400
Non-current liabilities	-	-	(123)	(123)
Current liabilities	(8,790)	(3,756)	(1,693)	(14,239)
Equity	1,058	-	8,171	9,229
Proportion of the Group's ownership	37.1%	25%	49%	-
Group's share	393	-	4,004	4,397
Carrying amount of the investment	393	-	4,004	4,397

	2021			
	Linehaul Express Australia PTY Ltd AED'000	*WS One Investment LLC* AED'000	*Aramex Thailand Ltd* AED'000	*Total* AED'000
Non-current assets	418	2,267	878	3,563
Current assets	11,193	1,489	17,653	30,335
Non-current liabilities	(139)	-	(277)	(416)
Current liabilities	(10,850)	(3,756)	(8,820)	(23,426)
Equity	622	-	9,434	10,056
Proportion of the Group's ownership	37.1%	25%	49%	-
Group's share	231	-	4,623	4,854
Carrying amount of the investment	231	-	4,623	4,854

12 Investments in associates (continued)

	2022			
	Linehaul Express Australia PTY Ltd AED'000	*WS One Investment LLC* AED'000	*Aramex Thailand Ltd* AED'000	*Total* AED'000
Revenue	92,176	-	25,672	117,848
Cost of sale	(88,074)	-	(19,478)	(107,552)
Administrative expenses	(3,595)	-	(2,605)	(6,200)
Other income/(expenses), net	255	-	(310)	(55)
Profit before tax	762	-	3,279	4,041
Income tax	(292)	-	(606)	(898)
Profit for the year	470	-	2,673	3,143
Group's share of profit for the year	174	-	1,310	1,484

	2021			
	Linehaul Express Australia PTY Ltd AED'000	*WS One Investment LLC* AED'000	*Aramex Thailand Ltd* AED'000	*Total* AED'000
Revenue	98,339	18,349	60,741	177,429
Cost of sale	(95,537)	(32,012)	(45,419)	(172,968)
Administrative expenses	(3,339)	(7,849)	(3,520)	(14,708)
Other income/(expenses), net	206	-	(1,733)	(1,527)
(Loss)/profit before tax	(331)	(21,512)	10,069	(11,774)
Income tax	(64)	-	(1,749)	(1,813)
(Loss)/profit for the year	(395)	(21,512)	8,320	(13,587)
Group's share of (loss)/profit for the year	(146)	(5,378)	4,077	(1,447)

The associates had no contingent liabilities or capital commitments as at 31 December 2022 and 2021.

13 Financial assets at fair value through other comprehensive income

At 31 December 2022, the Group designated investments disclosed in the following table as equity and debt securities at FVOCI. The FVOCI designation was made because the investments are expected to be held for strategic purposes rather than with a view to profit on a subsequent sale, and there are no plans to dispose of these investments in the short or medium term.

	Ownership percentage 2022 %	*Ownership percentage* 2021 %	*Country of incorporation*	*Nature of activity*	*Book value* 2022 AED'000	*Book value* 2021 AED'000
Unquoted equity financial assets						
What 3 Words Ltd	1.52	1.59	UK	Global addressing systems	15,241	15,241
Jamalon Inc.	7.49	7.49	British Virgin Islands	Online book retail	-	-
Gutechno Logistics Private Ltd	5.68	5.68	India	Local delivery solutions	-	-
Flirtey Tech Pty Ltd.	0.13	0.13	USA	Drone Technology	70	76
Unquoted debt financial assets						
Cell captive			South Africa	Insurance	1,254	1,219
Shippify Inc			USA	Food delivery	1,102	1,102
					17,667	17,638

13 Financial assets at fair value through other comprehensive income (continued)

For equity instruments at fair value through OCI, gains and losses on these financial assets are never recycled to the consolidated statement of profit or loss. Dividends are recognised as other income in the consolidated statement of profit or loss when the right of payment has been established. Equity instruments designated at fair value through OCI are not subject to impairment assessment. During 2022 and 2021, the Group invested in and disposed of certain shares and securities for strategic and commercial purposes as shown in the following table:

	2022 AED'000	2021 AED'000
As at 1 January	17,638	25,451
Gain from revaluation of debt instruments	111	572
Net loss from revaluation of equity instruments	-	(8,325)
Exchange differences	(82)	(60)
As at 31 December	17,667	17,638

14 Income tax

The major components of income tax expense for the years ended 31 December 2022 and 2021 are:

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	2022 AED'000	2021 AED'000
Current income tax expense	51,781	89,705
Deferred tax	(26,107)	(8,233)
Income tax expense reported in the consolidated statement of profit or loss	25,674	81,472

Deferred tax relates to the following:

	2022 AED'000	2021 AED'000
Provision for expected credit losses	7,388	4,485
Impact of hyperinflation	1,360	(1,947)
Impact of IFRS 16	8,474	5,375
Depreciation	(6,543)	(10,302)
Employees' end of service benefits	9,015	9,926
Net operating losses carried forward	10,064	649
Intangible assets with indefinite useful life	(49,378)	(53,006)
Others	16,927	10,712
	(2,693)	(34,108)
Recognised as follows:		
As deferred tax assets	28,135	8,006
As deferred tax liabilities	(30,828)	(42,114)
	(2,693)	(34,108)

Reconciliation of deferred tax liability, net:

	2022 AED'000	2021 AED'000
At 1 January	(34,108)	(50,573)
Deferred tax assets	26,107	8,233
Foreign exchange	5,308	8,232
At 31 December	(2,693)	(34,108)

14 Income tax (continued)

Reconciliation between accounting profit and taxable profit:

	2022 AED'000	2021 AED'000
Accounting profit before income tax	190,208	262,224
Non-deductible expenses	107,965	52,962
Taxable profit	298,173	315,186
Income tax expense reported in the consolidated statement of profit or loss	25,674	81,472
Effective income tax rate (%)	13.50%	31.07%

Movements on income tax provision were as follows:

	2022 AED'000	2021 AED'000
At 1 January	62,547	78,165
Income tax expense for the year	51,781	89,705
Income tax paid	(58,782)	(96,549)
Foreign exchange	(9,508)	(8,774)
At 31 December	46,038	62,547

In some countries, the tax returns for certain years have not yet been reviewed by the tax authorities. In certain tax jurisdictions, the Group has provided for its tax exposures based on the current interpretation and enforcement of the tax legislation in the jurisdiction. However, the Group's management is satisfied that adequate provisions have been made for potential tax contingencies.

On 9 December 2022, the UAE Ministry of Finance released Federal Decree Law No. (47) of 2022 on the Taxation of Corporations and Businesses (Corporate Tax Law or the Law) to enact a Federal corporate tax regime in the UAE. The Law was previously gazetted on 10 October 2022, becoming law 15 days later. The Corporate Tax regime will become effective for accounting periods beginning on or after 1 June 2023. Generally, UAE businesses will be subject to a 9% corporate tax rate, while a rate of 0% will apply to taxable income not exceeding a particular threshold to be prescribed by way of a Cabinet Decision (expected to be AED 375 thousand based on information released by the Ministry of Finance).

However, there are a number of significant decisions that are yet to be finalised by way of a Cabinet Decision, including the threshold mentioned above, that are critical for entities to determine their tax status and the amount of tax due. Therefore, pending such important decisions by the Cabinet, the Group has determined that the Law was not practically operational as at 31 December 2022, and so not enacted or substantively enacted from the perspective of IAS 12 – Income Taxes. The Group shall continue to monitor the timing of the issuance of these critical Cabinet Decisions to determine its tax status in the United Arab Emirates.

Aramex PJSC is currently in the process of assessing the possible impact on its consolidated financial statements, both from current and deferred tax perspective, once Federal Decree Law No. (47) of 2022 becomes substantively enacted. Income tax appearing in the consolidated statement of financial position represents the income tax provision of Group's subsidiaries as of 31 December.

15 Accounts receivable, net

	2022 AED'000	2021 AED'000
Accounts receivable	1,226,331	1,311,466
Less: impairment for expected credit losses	(95,921)	(92,044)
	1,130,410	1,219,422

15 Accounts receivable, net (continued)

Geographic concentration of accounts receivable as of 31 December is as follows:

	2022 %	2021 %
Gulf Cooperation Council	49	46
Middle East, North Africa and Turkey	12	13
East and South Africa	5	4
Europe	12	12
North America	6	5
North Asia	2	5
South Asia	8	10
Oceania	6	5

As at 31 December 2022, accounts receivable at nominal value of AED 95,921 thousand (2021: AED 92,044 thousand) were impaired. Movement on expected credit losses was as follows:

	2022 AED'000	2021 AED'000
At 1 January	92,044	87,798
Charge for the year, net	17,532	15,635
Amounts written-off	(10,156)	(4,132)
Acquisition of a subsidiary	3,898	-
Impact of translation	-	(3,665)
Foreign exchange	(7,397)	(3,592)
At 31 December	95,921	92,044

See Note 3.1b on credit risk of accounts receivable, which explains how the Group manages and measures credit quality of accounts receivable that are neither past due nor impaired.

16 Other current assets

	2022 AED'000	2021 AED'000
Prepaid expenses	55,355	53,338
Escrow receivable (Note 10, 37)	54,446	47,101
Advances to suppliers	50,636	79,587
Refundable deposits	39,665	37,172
Withholding tax	23,262	24,603
Other receivables*	60,786	51,908
	284,150	293,709

* As at 31 December 2022, the Group had other receivables amounting to AED 60,786 thousand (2021: AED 51,908 thousand) that mainly represent stationery, supplies and other receivables.

17 Cash and bank balances

	2022 AED'000	2021 AED'000
Cash and cash equivalents	758,954	711,800
Restricted cash, margins and fixed deposits*	9,488	57,641
	768,442	769,441

Long-term deposits are held with local and foreign banks. These are long-term in nature with an original maturity of more than three months at an effective interest rate ranging between 2.6% - 2.8% per annum (2021: 2.6% - 2.8% per annum).

17 Cash and bank balances (continued)

Included in cash at banks are amounts totalling AED 503,758 thousand (2021: AED 620,536 thousand) of cash held at foreign banks abroad and amounts totalling approximately AED 60,738 thousand (2021: AED 141,284 thousand) of cash on delivery collected by the Group on behalf of customers, the same balance was recorded as other current liabilities on the consolidated statement of financial position.

* Margins and bank deposits consist of margin deposits of AED 7,020 thousand (2021: AED 7,375 thousand) and long-term deposits with maturities greater than 3 months of AED 2,779 thousand (2021: AED 48,043 thousand).

	2022 AED'000	2021 AED'000
Restricted cash	40	4,008
Less: impairment for expected credit losses	(38)	(1,785)
	2	2,223
Exchange rate difference	(313)	-
	(311)	2,223

Movement on expected credit losses was as follows:

	2022 AED'000	2021 AED'000
At 1 January	1,785	21,301
(Reversal)/charge for the year	(1,434)	912
Exchange rate difference	(313)	-
Impact of translation	-	(20,428)
At 31 December	38	1,785

For the purpose of the statement of cash flows, cash and cash equivalents consist of:

	2022 AED'000	2021 AED'000
Cash and cash equivalents	758,954	711,800
Less: bank overdrafts (Note 24)	(131,353)	(153,113)
	627,601	558,687

18 Share capital

	2022 AED'000	2021 AED'000
Authorised, issued and paid up capital		
1,464,100,000 ordinary shares of AED 1 each		
(2021: 1,464,100,000 ordinary shares of AED 1 each)	1,464,100	1,464,100

19 Reserves

Statutory reserve

In accordance with the Company's Articles of Association and the UAE Federal Decree Law No. (32) of 2021, 10% of the net profit for each year is required to be transferred to a statutory reserve. Such transfers may be ceased when the statutory reserve equals half of the paid-up share capital of the applicable entities. This reserve is non-distributable except in certain circumstances. The consolidated statutory reserve reflects transfers made post-acquisition for subsidiary companies together with transfers made by the Parent Company. It does not, however, reflect the additional transfers to the consolidated statutory reserves which would be made if the retained post-acquisition profits of the subsidiaries were distributed to the Parent Company.

Foreign currency translation reserve

The foreign currency translation reserve is used to record exchange differences arising from the translation of the consolidated financial statements of foreign subsidiaries.

19 Reserves (continued)

Reserve arising from acquisition of non-controlling interests

The reserve represents the difference between the consideration paid to acquire non-controlling interests and the carrying amount of those interests at the date of acquisition.

Reserve arising from other comprehensive income items

Reserve arising from other comprehensive income items comprise of the following reserves:

Fair value reserve of financial assets at fair value through other comprehensive income

The fair value reserve of financial assets at fair value through other comprehensive income is used to record the differences arising from the fair valuation of the Group's financial assets at fair value through other comprehensive income.

	2022 AED'000	2021 AED'000
At 1 January	(12,177)	(6,214)
Net gain/(loss) from revaluation	32	(7,065)
Transfer of loss on disposal of equity investments at fair value through other comprehensive income to retained earnings	-	1,102
At 31 December	(12,145)	(12,177)

Remeasurements of post-employment benefit obligations

The remeasurements of post-employment benefit obligations is used to record the differences arising between the end of service benefits recorded in accordance with the local law requirements and the actuarial valuation performed at the end of the reporting period in accordance with IAS 19 – Employee Benefits.

	2022 AED'000	2021 AED'000
At 1 January	169	(850)
Remeasurements of post-employment benefit obligations	172	12
Disposal of a subsidiary	-	1,007
At 31 December	341	169

20 Dividends

At the Annual General Meeting of the shareholders held on 21 April 2022, the shareholders approved a cash dividend of 13% for the year ended 31 December 2021 (31 December 2020: cash dividend of 13% was approved at the Annual General Meeting of the shareholders held on 21 April 2021 for the year ended 31 December 2020) of the issued and paid-up capital amounting to AED 1,464,100 thousand (31 December 2021: AED 1,464,100 thousand). The dividends per share amount to AED 0.13 (31 December 2021: AED 0.13).

21 Interest-bearing loans and borrowings

	2022 AED'000	2021 AED'000
Non-current		
Term loans (a)	1,086,091	135,885
Notes payable	213	1,374
	1,086,304	137,259
Current		
Term loans (a)	36,886	23,553
Notes payable	1,979	3,871
	38,865	27,424

21 Interest-bearing loans and borrowings (continued)

(a) *Term loans*

Syndicated loan

On 23 April 2019, Aramex PJSC entered into a new 5 year revolving credit facility agreement with a syndicate of banks comprising of HSBC Bank Middle East Limited, CITIBANK, N.A, Emirates NBD Bank PJSC, First Abu Dhabi Bank PJSC and DBS Bank LTD (DIFC Branch). The rate of interest on each loan for each interest period is the percentage rate per annum which is aggregate of the applicable margin and LIBOR. The total limit of this facility is USD 200 million (equivalent to AED 735 million), the total balance utilised as at 31 December 2022 is nil (2021: nil). The purpose of this facility is to fund capital expenditure and working capital requirements including permitted acquisitions. The loan is secured by corporate guarantee extended by Aramex PJSC, Aramex Abu Dhabi LLC, Aramex Emirates LLC, Aramex International LLC, Aramex Hong Kong Limited, Aramex Int'l Egypt for Air & Local Services (Egypt), Aramex Saudi Limited Company, Aramex UK Limited, Aramex Doha WLL and Aramex International Limited (Kuwait).

HSBC loan (1)

During 2021, Aramex Fastway refinanced a 5 year term loan agreement with HSBC Bank Australia that matured in January 2021. The total loan amount is AED 83.2 million (AUD 28.7 million) bearing annual interest rate of AUD (BBSY) plus a margin of 2.1% p.a. The term loan is repayable in 20 consecutive quarterly instalments, the first instalment was due on 31 March 2021. The purpose of the loan is to finance capital expenditure of the Group or general corporate purposes of the Group. The loan is secured by corporate guarantee extended by Aramex PJSC.

HSBC loan (2)

During 2021, Aramex New Zealand refinanced a 5 year term loan agreement with HSBC Bank New Zealand that matured in January 2021. The total loan amount is AED 85 million (NZD 31.62 million) bearing annual interest rate of NZD (BKBM) plus a margin of 2.1% p.a. The term loan is repayable in 20 consecutive quarterly instalments, the first instalment was due on 31 March 2021. The purpose of the loan is to finance capital expenditure of the Group or general corporate purposes of the Group. The loan is secured by corporate guarantee extended by Aramex PJSC.

Acquisition Financing – MyUS Syndicated loan

On 5th August 2022, Aramex UK and Aramex USA entered into a new 5 year credit facility agreement with a syndicate of banks comprising Emirates NBD Bank PJSC and First Abu Dhabi Bank PJSC. The purpose of this facility is to fund MyUS acquisition. The loan is secured by corporate guarantee extended by Aramex PJSC, Aramex Abu Dhabi LLC, Aramex Emirates LLC, Aramex Hong Kong Limited, Aramex Int'l Egypt for Air & Local Services (Egypt), Aramex Saudi Limited Company, Aramex UK Limited, Aramex Doha WLL, Aramex International Limited (Kuwait), Aramex USA and MyUS. The financing arrangement of the loan has been agreed to be drawn in GBP and USD currencies with interest rates as detailed below:

(1) The loan was drawn by Aramex UK on 14th October 2022 from Emirates NBD Bank PJSC. The amount drawn under the facility is GBP 53.825 million (AED 239.2 million) bearing a quarterly interest rate which is the aggregate of the over-night SONIA daily rate compounded in arrears plus a margin of 1.25% p.a.

(2) The loan was drawn by Aramex UK on 17th October 2022 from Emirates NBD Bank PJSC. The amount drawn under the facility is USD 50 million (AED 183.6 million) bearing a quarterly interest rate which is the aggregate of the over-night SOFR daily rate compounded in arrears plus a margin of 1.35% p.a.

(3) The loan was drawn by Aramex USA on 17th October 2022 from First Abu Dhabi Bank PJSC. The amount drawn under the facility is USD 150 million (AED 550.9 million) bearing a quarterly interest rate which is the aggregate of the over-night SOFR daily rate compounded in arrears plus a margin of 1.35% p.a.

There were several financial covenants attached to the interest-bearing loans and borrowings. The Group's subsidiaries complied with financial covenants as of 31 December 2022.

21 Interest-bearing loans and borrowings (continued)

(a) Term loans (continued)

Others

Term loans also include a number of loans obtained by Group with a balance of AED 3 million to finance their operating activities. These loans carry interest at commercial rates, are repayable in regular instalments and are subject to covenants consistent with the Group's borrowing policies. The loans are secured by corporate guarantees extended by various Group's subsidiaries.

The principal instalments payable after 2023 for long-term loans as of 31 December 2022 are as follows:

	AED'000
Year	
2023	36,886
2024	12,248
2025	11,593
2026	92,673
2027 thereafter	969,577
	1,122,977

22 Employees' end of service benefits

Movements on provision for employees' end of service benefits were as follows:

	2022 AED'000	2021 AED'000
At 1 January	148,822	149,187
Provided during the year	35,066	33,813
Paid during the year	(20,417)	(31,732)
Reclassification during the year	1,800	-
Discontinued operations	(22)	(56)
Actuary valuation through other comprehensive income	(172)	(12)
Exchange differences	(941)	(2,378)
At 31 December	164,136	148,822

Principal assumptions used in determining benefit obligations for the Company are shown below:

	2022 %	2021 %
Discount rate	4.55 - 8	1.54 - 9
Salary increase rate	3.30 - 6	1 - 10
Normal retirement age (years)	64	64

A quantitative sensitivity analysis for significant assumptions on the defined benefit obligation as at 31 December 2022 and 31 December 2021 is, as shown below:

	Impact on defined benefit obligation	
	2022 AED'000	2021 AED'000
Discount rate:		
0.5% increase	(862)	(400)
0.5% decrease	315	898
Salary increase rate:		
0.5% increase	316	898
0.5% decrease	(868)	(406)

22 Employees' end of service benefits (continued)

The sensitivity analysis above have been determined based on a method that extrapolates the impact on the defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. The sensitivity analysis are based on a change in a significant assumption, keeping all other assumptions constant. The sensitivity analysis may not be representative of an actual change in the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation of one another.

Employees' benefit liability

During 2022, the shareholders approved the introduction of a 3-years vesting period long term incentive plan designed to attract, retain and motivate selective members of the Company's management team to deliver long-term shareholder returns. The plan is subject to long term financial results and performance including Earnings Before Interest and Tax (EBIT) and change of the Company's share price from the grant date to the vesting date. Under the plan, participants are granted award certificates which only vest if certain performance standards are met. Participation in the plan is at the board's discretion, and no individual has a contractual right to participate in the plan or to receive any guaranteed benefits. The awards are granted annually and will be settled in cash on vesting date.

In January 2022, cash awards amounting to AED 9,687 thousand were granted to senior executives with a vesting date on 31 December 2024.

As at 31 December 2022, the Group recognised an amount of AED 925 thousand in the consolidated statement of profit or loss and other comprehensive income with the recognition of corresponding non-current liability under Employees' benefit liability in the same amount (Note 26).

There have been no grants forfeited or exercised from the employees' benefit liability during the year ended 31 December 2022.

Cash awards are granted for no consideration and vest over a three-year period. Vested awards are exercisable on vesting date.

Grant date: 1 January 2022
Expiry date: 31 December 2024
Share price at grant date: AED 4.06, and
Share price at reporting date: AED 3.52

23 Accounts payable

Accounts payable mainly include payables to third party suppliers against invoices received from them for line haul, freight services, handling and delivery charges.

24 Bank overdrafts

The Group maintains overdrafts and lines of credit with various banks. Overdrafts and lines of credit include the following:

	2022 AED'000	2021 AED'000
Aramex International LLC (HSBC)	72,222	47,744
Aramex Special Logistics (Citibank)	57,611	100,144
Aramex Tunisia (Arab Bank)	1,520	546
Aramex Algeria S.A.L (Citibank)	-	4,345
Aramex Kenya Limited (Citibank)	-	334
	131,353	153,113

These overdraft facilities are secured by corporate guarantees extended by various Group's subsidiaries.

25 Provisions

	2022 AED'000	2021 AED'000
Provision for damage on property and customer goods (Note 34)	17,871	19,765
Legal provisions (Note 36)	39,217	13,350
Other	-	1,318
	57,088	34,433

* Refer to note 41 for changes to comparatives.

26 Other current and non-current liabilities

(A) **Other current liabilities**

	2022 AED'000	2021 AED'000
Accrued expenses	479,095	448,926
Sales tax and other taxes	64,682	67,026
Deferred revenue	23,153	20,467
Customers' deposits	21,998	10,438
Claims **	8,891	41,068
Social security taxes payable	6,478	6,636
Others *	130,846	221,437
	735,143	815,998

* As at 31 December 2022, the Group has had other liabilities related mainly to cash on delivery collected by the Group on behalf of the customers, amounting to AED 60,738 thousand (2021: AED 141,284 thousand) (Note 17).

** Refer to note 41 for changes to comparatives.

(B) **Other non-current liabilities**

	2022 AED'000	2021 AED'000
Deferred income *	15,035	18,305
Employees' benefit liability	925	-
	15,960	18,305

* In August 2021, the Group entered into a license and a software agreement and deed of termination for an amount of AED 19,587 thousand, which was recognised as deferred income and is being amortised over the contract term of 10 years considered as a termination to the old contract and an advance to the new arrangement. An amount of AED 3,270 thousand was amortised during the year and recognised in the consolidated statement of profit or loss (2021: AED 1,282 thousand). The accumulated amortisation as of 31 December 2022 is AED 4,552 thousand.

Deferred income is classified in non-current liabilities and is credited to the consolidated statement of profit or loss on a straight-line basis over the contractual period.

27 Rendering of services

	2022 AED'000	2021 AED'000
International express	2,248,885	2,662,153
Freight forwarding	1,684,376	1,325,551
Domestic express	1,501,196	1,607,576
Logistics	445,294	434,856
Others*	46,254	38,669
	5,926,005	6,068,805

* Represents revenues from other special services which the Group renders, including airline ticketing and travel, publications and distribution and visa services. All related costs are reflected in cost of services.

27 Rendering of services (continued)

Revenues are being recognised over time, when the services are rendered.

The Group does not expect to have any contracts where the period between the transfer of the promised services to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

28 Cost of services

	2022 AED'000	2021 AED'000
Freight forwarding costs	1,286,003	1,055,930
International express costs	1,189,425	1,499,589
Domestic express costs	696,235	782,683
Salaries and benefits (Note 31)	716,445	683,467
Depreciation of right of use assets (Note 6)	178,900	181,550
Logistics costs	140,775	163,380
Vehicle running and maintenance	89,201	82,702
Supplies	45,464	45,882
Depreciation of property and equipment (Note 5)	37,513	36,683
Communication expenses	17,256	12,664
Government fees and taxes	3,773	4,895
Others	100,711	88,513
	4,501,701	4,637,938

29 Administrative expenses

	2022 AED'000	2021 AED'000
Salaries and benefits (Note 31)	364,451	343,242
Repairs and maintenance	108,107	100,747
Depreciation of property and equipment (Note 5)	78,908	74,108
Depreciation of right of use assets (Note 6)	68,344	70,398
Professional fees	55,223	54,102
Communication expenses	46,428	53,471
Government fees and taxes	33,806	31,031
Insurance and security	31,623	27,942
Utilities	11,720	11,071
Travel expenses	11,651	5,348
Entertainment	7,510	6,468
Printing and stationary	5,390	5,662
Vehicle running expenses	3,343	2,847
Corporate social responsibility*	2,901	2,771
Sponsorship	302	262
Legal expenses	214	8,698
Others	77,727	89,486
	907,648	887,654

* These amounts are paid to accredited well-known institutions that management has reviewed individually and is comfortable that they comply with international ethical regulations.

30 Other income, net

	2022 AED'000	2021 AED'000
Exchange loss	(17,399)	(14,624)
(Loss)/gain on disposals of property and equipment and right-of-use assets	(4,931)	2,943
Miscellaneous income	23,448	29,530
	1,118	17,849

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31 Staff costs

	2022 AED'000	2021 AED'000
Salaries and allowances	1,251,535	1,214,578
End of service benefits	35,066	33,758
Other employees' benefits	15,286	14,853
	1,301,887	1,263,189
Staff costs are allocated as follows:		
Administrative expenses (Note 29)	364,451	343,242
Selling and marketing expenses	220,991	236,480
Cost of services (Note 28)	716,445	683,467
	1,301,887	1,263,189

32 Related party transactions

Certain related parties (directors, officers of the Group and companies which they control or over which they exert significant influence) were suppliers of the Company and its subsidiaries in the ordinary course of business. Such transactions were made on substantially the same terms as with unrelated parties.

Transactions with related parties included in the consolidated statement of profit or loss are as follows:

Directors' fees paid

Directors' fees of AED 2,334 thousand representing remuneration for attending meetings and compensation for professional services rendered by the directors for the year 2022 were accrued for during 2022 (2021: an amount of AED 5,935 thousand were accrued for during 2021). Directors' fees of AED 4,240 thousand representing remuneration for attending meetings and compensation for professional services rendered by the directors for the year 2021 were paid in 2022 (2021: AED 4,050 thousand representing remuneration for attending meetings and compensation for professional services rendered by the directors for the year 2020 were paid in 2021).

Key management compensation

Compensation of the key management personnel, including executive officers, paid during the year comprises the following:

	2022 AED'000	2021 AED'000
Salaries and other short-term benefits	8,139	6,402
Board remuneration	4,240	4,050
End of service benefits	455	21
	12,834	10,473

Significant subsidiaries of the Group include:

Aramex Fastway Holdings PTY Ltd.
Aramex New Zealand Holdings Ltd
Aramex Nederland B.V.
Aramex Jordan Ltd.
Aramex International Egypt for Air and Local services (S.A.E), Egypt
Aramex Abu Dhabi LLC
Aramex Emirates LLC, UAE
Aramex Doha WLL
Aramex International Ltd
Aramex Ireland Limited
Aramex South Africa PTY Ltd.
Aramex Hong Kong Limited
Aramex Saudi Limited Company
Aramex International Logistics Private Ltd.
Aramex (UK) Limited

All of the above subsidiaries are directly or indirectly 100% owned by the Parent Company.

ARAMEX PJSC AND ITS SUBSIDIARIES
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32 Related party transactions (continued)

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year in the normal course of business. The outstanding balances as at 31 December 2022 and 2021 are included in Notes 15 and 23:

		Sales to related parties AED'000	Cost from related parties AED'000	Amounts owed by related parties (a) AED'000	Amounts owed to related parties (b) AED'000
Associates and partners:					
	2022	2,151	1,791	23	1,276
	2021	22,444	1,208	4,629	1,432
Joint ventures in which the parent is a venture:					
	2022	98,052	505	9,865	12,885
	2021	150,119	640	40,651	-
Related parties and companies controlled by shareholders (c)					
	2022	146,434	-	32,498	873
	2021	44,721	-	36,028	685

(a) These amounts are classified as accounts receivable and other non-current assets. No loss allowance was recognised in relation to amounts owed by related parties during 2022 and 2021.

(b) These amounts are classified as accounts payable.

(c) Included in the above disclosure balances as at 31 December 2022 and 31 December 2021 and transactions for the year ended 31 December 2022 by the shareholders, GeoPost and Abu Dhabi Ports PJSC, which acquired issued shares of Aramex PJSC during October 2021 and January 2022, respectively, as detailed in Note 1.

33 Earnings per share

	31 December 2022	31 December 2021
Profit attributable to shareholders of the Parent (AED'000)		
Profit for the year from continuing operations	161,012	179,295
Profit for the year from discontinued operations	4,367	46,246
	165,379	225,541
Weighted average number of shares during the year (shares)	1,464 Million	1,464 Million
Basic and diluted earnings per share from continuing operations (AED)	0.110	0.122
Basic and diluted earnings per share from discontinued operations (AED)	0.003	0.032
Total basic and diluted earnings per share (AED)	0.113	0.154

34 Net gain on property and customer goods

On 4 August 2020, an explosion occurred in the Port of Beirut, Lebanon, which resulted in a damage to the entire warehouse facility of the Group's subsidiary in Beirut, Lebanon (Aramex Lebanon S.A.L. "Aramex Lebanon"). Furthermore, a fire incident occurred during September 2020 in a storage facility of the Group's subsidiary in Casablanca, Morocco (Aramex Morocco Logistics SARL "Aramex Morocco") which resulted in damage to three chambers of that storage facility.

These facilities are covered under existing comprehensive insurance policies and Group's management has appointed an independent loss assessor to manage the claims in Lebanon with the respective insurance company while the incident in Morocco is being managed internally by the insurance, legal and compliance teams.

During the year ended 31 December 2022, no gain is recognised in connection with Aramex Lebanon (2021: AED 8,950 thousand gain representing a collection from the insurance company amounting to AED 6,611 thousand and a reversal of provision of AED 2,339 thousand). A payment related to a customer claim of AED 411 thousand was released, thus the remaining provision related to Aramex Lebanon as at 31 December 2022 is nil (2021: AED 411 thousand).

During the current year, a gain is recognised in connection with Aramex Morocco Logistics SARL amounting to AED 1,291 thousand due to reversal of a provision and exchange differences of AED 192 thousand (2021: AED 24,717 thousand representing a collection from the insurance company amounting to AED 6,244 thousand and a reversal of provision of AED 18,473 thousand). The remaining provision related to Aramex Morocco Logistics SARL as at 31 December 2022 amounted to AED 17,871 thousand (2021: AED 19,354 thousand) related to multiple claims from different customers.

35 Segmental information

A business segment is a group of assets and processes that jointly engage in the rendering of products or services subject to risks and rewards that are different from those of other business segments, and which are measured according to reports used by the Group's chief operating decision maker.

The chief operating decision maker who is responsible for allocating resources and assessing performance of the operating segments has been identified collectively as the Group's executive directors, the chief operating decision maker examines the Group's performance both from a product and geographic perspective and has identified four reportable segments of its business:

- Courier: includes delivery of small packages across the globe to both, retail and wholesale customers, and express delivery of small parcels and pick up and deliver shipments within the country, and related royalty and franchise levies.
- Freight forwarding: includes forwarding of loose or consolidated freight through air, land and ocean transport, warehousing, customer clearance and break-bulk services.
- Logistics: includes warehousing and its management distribution, supply chain management, inventory management as well as other value-added services.
- Other operations: includes visa services, publication and distribution services.

Management monitors the operating results of the operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on gross profit.

Transfer prices between operating segments are on an arm's (length basis in a manner similar to transactions with third parties).

The following table presents revenue and profit information for each of the Group's operating segments for the years ended 31 December 2022 and 2021, respectively.

ARAMEX PJSC AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2022 (continued)

35 Segmental information (continued)

	Courier* AED'000	Freight forwarding AED'000	Logistics AED'000	Others AED'000	Total AED'000
Year ended 31 December 2022					
Revenue					
Total revenues from rendering of services**	4,940,594	2,037,387	446,231	126,303	7,550,515
Inter-segment	(1,190,513)	(353,011)	(937)	(80,049)	(1,624,510)
Total revenues after elimination	3,750,081	1,684,376	445,294	46,254	5,926,005
Gross profit	1,085,621	232,697	67,019	38,967	1,424,304
Earnings before interest and tax	144,408	71,866	7,228	21,828	245,330
Depreciation and amortisation	250,027	29,253	87,979	1,414	368,673
Year ended 31 December 2021					
Revenue					
Total revenues from rendering of services**	5,681,465	1,626,587	438,685	70,433	7,817,170
Inter-segment	(1,411,736)	(301,036)	(3,829)	(31,764)	(1,748,365)
Total revenues after elimination	4,269,729	1,325,551	434,856	38,669	6,068,805
Gross profit	1,202,048	153,875	42,477	32,467	1,430,867
Earnings before interest and tax	252,224	13,772	22,289	17,389	305,674
Depreciation and amortisation	250,082	29,403	88,000	2,180	369,665

* Courier segment includes international express, domestic express, and operations of Access Shipping LLC .

**Revenues are being recognised over time, when the services are rendered.

Transactions between stations are priced at an arm's length basis. All material intra group transactions have been eliminated on consolidation. The Group does not segregate assets and liabilities by business segments and, accordingly, such information is not presented.

There are no customers accounting for more than 10% of total revenue for the years ended 31 December 2022 and 2021.

Comparative figures were reclassified between operating segments to match the current presentation of the segment reporting which has changed during the current period to help the chief operating decision maker take the right decisions for business growth in the future. There is no impact on the consolidated statement of profit or loss as a result of this change.

Geographical segments

The business segments are managed on a worldwide basis, but operate in eight principal geographical areas, Gulf Cooperation Council, Middle East, North Africa and Turkey, East and South Africa, Europe, North America, South Asia, North Asia and Oceania. In presenting information on the geographical segments, segment revenue is based on the geographical location of customers. Segments assets are based on the location of the assets.

35 Segmental information (continued)

Geographical segments (continued)

Revenues, assets and liabilities by geographical segment are as follows:

	2022 AED'000	2021 AED'000
Revenues		
United Arab Emirates	1,075,424	887,667
Gulf Cooperation Council excluding United Arab Emirates	1,295,663	1,276,568
Middle East, North Africa and Turkey	776,563	750,269
East and South Africa	346,596	330,361
Europe	745,992	772,819
North America	377,183	285,056
North Asia	286,308	598,892
South Asia	490,065	534,176
Oceania	532,211	632,997
	5,926,005	6,068,805
Assets		
United Arab Emirates	1,904,703	1,899,450
Gulf Cooperation Council excluding United Arab Emirates	695,569	802,861
Middle East, North Africa and Turkey	589,930	642,291
East and South Africa	165,603	177,303
Europe	573,126	592,904
North America	1,188,132	160,316
North Asia	86,033	211,145
South Asia	237,771	251,179
Oceania	651,642	662,499
	6,092,509	5,399,948
Non - current assets*		
United Arab Emirates	706,716	765,315
Gulf Cooperation Council excluding United Arab Emirates	299,698	334,843
Middle East, North Africa and Turkey	251,885	279,749
East and South Africa	60,466	68,016
Europe	147,615	160,731
North America	205,763	41,351
North Asia	22,772	36,499
South Asia	63,906	62,367
Oceania	352,390	343,166
	2,111,211	2,092,037
Liabilities		
United Arab Emirates	795,360	833,340
Gulf Cooperation Council excluding United Arab Emirates	583,134	598,522
Middle East, North Africa and Turkey	249,135	276,322
East and South Africa	77,032	71,024
Europe	630,571	206,444
North America	662,226	70,480
North Asia	49,782	135,837
South Asia	86,816	78,856
Oceania	440,065	453,130
	3,574,121	2,723,955

* Non-current assets for this purpose consist of property and equipment, other intangible assets, right of use assets, financial assets at fair value through other comprehensive income and investments in joint ventures and associates. Goodwill is allocated to business segments (Note 7).

ARAMEX PJSC AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2022 (continued)

36 Commitments and contingencies

Guarantees

	2022 AED'000	2021 AED'000
Letters of guarantee	162,881	146,997

Guarantees are issued by banks on behalf of the Group.

Capital commitments

As at 31 December 2022, the Group has capital commitments of AED 18 million (2021: AED 34 million) towards purchase/construction of property and equipment.

Legal claims contingency

The Group is a defendant in a number of lawsuits amounting to AED 118,376 thousand representing legal actions and claims related to its ordinary course of business (2021: AED 41,942 thousand). Management and its legal advisors believe that the provision recorded of AED 39,217 thousand as of 31 December 2022 is sufficient to meet the obligations that may arise from the lawsuits (2021: AED 13,350 thousand) (Note 25).

The Group believes that the aggregate provisions recorded for these matters are adequate based upon currently available information as of the reporting date, which may be subject to ongoing revision of existing estimates. However, given the inherent uncertainties related to these claims, the Group could, in the future, incur judgments that could have a material adverse effect on its results of operations, liquidity, financial position or cash flows in any particular period.

37 Acquisition arrangement

Acquisition of Access Shipping LLC

On 1 June 2022, Aramex USA Ltd. (the "Acquirer"), a subsidiary of Aramex PJSC entered into an acquisition arrangement through a Sale and Purchase Agreement (SPA) to acquire 100% equity securities of "Access Shipping LLC" (the "Acquired Company"); a cross-border e-commerce platform, providing cost-effective package forwarding solutions to customers for an approximate consideration value of AED 941 million. The completion date for the acquisition was on 18 October 2022 (the "acquisition date"). The acquisition is in line with the Group's strategy to expand its cross-border operations and to capitalise on the attractive growth opportunities from a fast-growing global e-commerce space. The acquisition is expected to unlock several benefits for both entities, including operational synergies and improved efficiencies, shared technology platforms and the opportunity to service new markets.

Purchase consideration and identifiable net assets acquired

The acquisition has been accounted for using the acquisition method of accounting and, accordingly, assets acquired, liabilities assumed, and consideration exchanged were recorded at provisional fair value on the acquisition date. The provisional fair value of assets and liabilities have been determined by management.

The purchase consideration has been allocated to the acquired assets and liabilities using their provisional fair values at the acquisition date. The computation of the purchase consideration and its allocation to the net assets of the Acquired Company is based on their respective provisional fair values as of acquisition date.

The allocation of the purchase price may be modified within a period of twelve months from the date of business combination, as more information is obtained about the fair value of assets acquired and liabilities assumed, including alignment in business model, if needed.

37 Acquisition arrangement (continued)

Purchase consideration and identifiable net assets acquired (continued)

The acquisition-date provisional fair value of the total purchase consideration and its components are as follows:

	2022 AED'000
Consideration value	940,824
Escrow on acquisition	18,364
Consideration adjustments	(3,459)
Total consideration transferred	955,729

The provisional fair value of identifiable assets and liabilities of the Acquired Company as at the acquisition date was as follows:

Assets acquired and liabilities assumed

	Fair values recognised on acquisition AED'000
Assets	
Property and equipment (Note 5)	25,139
Intangible assets (Brand)	37,963
Intangible assets (Customer Relationships - B2B)	11,730
Intangible assets (Customer Relationships - B2C)	48,705
Intangible assets (Software)	42,789
Accounts receivable, net	6,746
Other current assets	3,598
Cash and cash equivalents	12,696
	189,366
Liabilities	
Accounts payable	4,982
Other current liabilities	33,637
	38,619
Total net identifiable assets at fair value	150,747
Purchase consideration	(940,834)
Goodwill (Note 7)	790,077

Effective 18 October 2022, the Group took over all assets and assumed all liabilities of Access Shipping LLC. Accordingly, the acquired Company discontinued its operations effective 18 October 2022 ("the integration date"). No further operations are conducted since then. Any potential claims arising in future will be honored by the Parent company. Subsequent to the integration, Access Shipping LLC has started the process of transferring the legal title of various assets to the acquirer. The transfer process has been completed for all assets and liabilities. Whilst legal ownership of assets being transferred is with Access Shipping LLC, the beneficial ownership of these assets rests with the Group.

37 Acquisition arrangement (continued)

Impact of the acquisitions on the results of the Group

Acquired receivables

The provisional fair value of acquired trade receivables is AED 6,746 thousand. The gross contractual amount for trade receivables due is AED 10,644 thousand, with a loss allowance of AED 3,898 thousand recognised on acquisition.

Revenue and profit contribution

From the dates of acquisition, the business acquired during the year contributed revenue of AED 73,161 thousand and operating profit of AED 13,936 thousand. Intangible assets arising out of the business combinations were amortised by AED 970 thousand.

Had all the acquisitions been consolidated from 1 January 2022, they would have contributed revenue of AED 328,746 thousand and operating profit of AED 35,771 thousand.

Separate identifiable intangible assets for acquisitions

As at the acquisition date the provisional fair value of the separate identifiable intangible assets arising out of the acquisition amounted to AED 98,398 thousand. This fair value, which is classified as level 3 in the fair value hierarchy, was determined using the following valuation techniques:

- Relief from royalty valuation technique for the brand-based intangible asset.
- Multi-year excess earnings method (MEEM) valuation technique for contract-based intangible assets relating to customer relationships (B2B and B2C).
- Cost to create valuation technique for the software-based intangible asset.

The valuation of the intangibles assets as well as the discount rates applied were determined by management.

The significant unobservable valuation inputs used were discount rates of 11% and terminal growth rates of 3%.

The assumptions used in arriving at projected cash flows were based on past experience and adjusted for any expected changes.

Purchase consideration – cash outflow

	2022 AED'000
Outflow of cash to acquire subsidiary, net of cash acquired	
Cash consideration	955,729
Less: cash	(12,696)
Net outflow of cash – investing activities	943,033

Acquisition-related costs

Acquisition costs for business acquisitions concluded during the year amounted to AED 27,863 thousand have been recognised as an expense in the consolidated statement of profit or loss.

Post-combination expenses

The Group has entered into a deferred proceeds agreement in the amount of AED 26,496 thousand with executive management of MyUS who held a minority share interest in the Acquired Company prior to the acquisition. The payout of the deferred proceeds is based on the number of shares held and key performance indicators met relating to achieving target revenues and earnings before interest, taxes, depreciation, and amortisation for 2023 and 2024 calendar years. The payout is contingent upon continuing employment and will be expensed in the post-combination period.

38 Financial instruments by category

	2022 AED'000	2021 AED'000
Financial assets at fair value through other comprehensive income		
Equity instruments	15,311	15,317
Debt instruments	2,356	2,321
	17,667	17,638
Financial assets at amortised cost		
Accounts receivable and other current assets (excluding prepayment, advances to suppliers and withholding tax)	1,285,307	1,355,603
Restricted cash, margins and bank deposits	9,488	57,641
Cash and bank balances	758,954	711,800
	2,053,749	2,125,044
Financial liabilities at amortised cost		
Bank overdrafts	131,353	153,113
Lease liabilities	938,723	935,315
Interest-bearing loans and borrowings	1,125,169	164,683
Accounts payable, income tax provision, provisions, and other non-current and current liabilities (excluding deferred revenue and deferred income)	1,140,817	1,236,631
	3,336,062	2,489,742

For the purpose of the financial instruments disclosure, non-financial assets amounting to AED 129,253 thousand (2021: AED 157,528 thousand) have been excluded from accounts receivable and other current assets. Non-financial liabilities amounting to AED 38,188 thousand (2021: AED 38,772 thousand) have been excluded from accounts payable, income tax provision, accrued expenses, provisions, and other non-current and current liabilities.

The fair values of the Group's financial assets and financial liabilities carried at amortised cost at the end of reporting period approximate their carrying values. The fair values of the Group's loans and borrowings approximate the carrying amount, as the interest on the borrowings are provided based on the market rates.

39 Non-cash transactions

	2022 AED'000	2021 AED'000
Additions of right of use assets (Note 6)	325,687	353,537
Disposals of right of use assets (Note 6)	82,231	41,104
Provisions	-	20,812

Cash flow from operating, investing and financing activities of discontinued operations as of 31 December 2022 and 31 December 2021 are disclosed in Note 10.

40 Net debt reconciliation

	2022 AED'000	2021 AED'000
Cash and cash equivalents (Note 17)	627,601	558,687
Borrowings (excluding bank overdraft) (Note 21)	(1,125,169)	(164,683)
Lease liabilities (Note 6)	(938,723)	(935,315)
Net debt from financing activities	(1,436,291)	(541,311)

40 Net debt reconciliation (continued)

	Liabilities from financing activities		
	Borrowings AED'000	**Lease liabilities** AED'000	**Total** AED'000
Debt as at 1 January 2021	704,842	887,738	1,592,580
Financing cash flows	(540,159)	(264,890)	(805,049)
Additions of right of use assets (Note 6)	-	353,537	353,537
Disposals of right of use assets	-	(43,468)	(43,468)
Discontinued operations	-	2,398	2,398
Debt as at 31 December 2021	164,683	935,315	1,099,998
Financing cash flows	971,243	(241,039)	730,204
Additions of right of use assets (Note 6)	-	325,687	325,687
Disposals of right of use assets	-	(82,985)	(82,985)
Discontinued operations	-	1,745	1,745
Foreign exchange adjustments	(10,757)	-	(10,757)
Debt as at 31 December 2022	1,125,169	938,723	2,063,892

41 Comparative information

During the year, the Group performed an exercise to determine if the presentation of the consolidated financial statements is in accordance with IAS 1 "Presentation of financial statements". This exercise resulted in reclassification of "Provisions" separately from "other current liabilities" in the consolidated financial statements. The comparative figures have been reclassified in order to conform with the presentation for the current period. Such reclassification has been made by the Group to improve the quality of information presented and did not have any impact on the previously reported equity and profits.

Consolidated statement of financial position as at 31 December 2021

	As previously reported AED'000	Reclassification increase/ (decrease) AED'000	As reclassified AED'000
Provisions	-	34,433	34,433
Other current liabilities	850,431	(34,433)	815,998

Consolidated statement of cash flows for the year ended 31 December 2021

	As previously reported AED'000	Reclassification (decrease)/ increase AED'000	As reclassified AED'000
Provisions	-	(8,542)	(8,542)
Other current liabilities	(166,484)	8,542	(157,942)

Consolidated statement of financial position as at 1 January 2021

	As previously reported AED'000	Reclassification increase/ (decrease) AED'000	As reclassified AED'000
Provisions	-	63,787	63,787
Other current liabilities	1,038,975	(63,787)	975,188

Annex 1- Reporting Standards- Definitions

Sustainable Development Goals (SDGs)

Goals and Definitions		Relevant Section(s)
Goal 1 No Poverty End poverty in all its forms everywhere.		Our Communities
GOAL 4 Quality Education Ensure inclusive and equitable quality education and promote life-long learning opportunities for all.		Our communities, Youth Education and Empowerment
GOAL 5 Gender Equality Achieve gender equality and empower all women and girls		Our People
GOAL 8 Decent Work and Economic Growth Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all		Our People, Entrepreneurship
Goal 9 Industry, Innovation, and Infrastructure Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation		Our Services Our Customers
Goal 10 Reduced Inequalities Reduce inequality within and among countries		Our Community, Our People
GOAL 12 Responsible Consumption and Production Ensure sustainable consumption and production patterns».		Our Services Our Customers
GOAL 13 Climate Action Take urgent action to combat climate change and it's impacts		Our Environmental Commitment
GOAL 17 Partnerships for the Goals Strengthen the means of implementation and revitalize the global partnership for sustainable development		Sustainability Partnerships, Support, Advocacy

Water Consumption

178,936

2022

Recycling

Item	KG
Paper	10,000
E-Waste	3,380
Cardboard	8,130
Wooden Pallets	88,476
Plastic film	6,765
Carton	63,960

Annex 3 - Other Human Capital details /tables and graphs

Renumeration of women and men in significant locations

	Female to Male Ratio	
Country	Entry Level	Middle Management
Egypt	1.10	0.98
Jordan	0.93	1.12
Saudi Arabia	0.89	0.85
UAE	1.05	1.04
Holding Companies	0.98	1.02

Turnover by age Bracket

Age Bracket	Involuntary %	Voluntary %	Total TO %
Under 21	30%	27%	57%
21 - 30	13%	28%	41%
31 - 40	7%	16%	23%
41 - 50	6%	8%	15%
51 - 64	7%	7%	14%
Above 64	21%	6%	27%
Grand Total	**8.6%**	**17.8%**	**26.4%**

Employees per Type

Employee Type	%
Ground Courier	23%
Non-Courier	74%
Truck Driver	3%
Grand Total	**100%**

Turnover by Management Level

Level	Involuntary %	Voluntary %	Total TO %
Senior Leadership	5%	10%	14%
Middle Management	5%	17%	22%
Others	9%	18%	27%
Global Turnover	8.6%	17.8%	26.4%

Employment Type	Number of Employees
Salaried - Full Time	15,296
Contractors	553
Hourly	222
Part-time	127
Seasonal	105
Weekly	1
Daily	1
Grand Total	**16,305**

Turnover by Gender

Level	Involuntary %	Voluntary %	Total TO %
Female	12%	28%	40%
Male	8%	15%	23%
Grand Total	**8.6%**	**17.8%**	**26.4%**

Unions per Country

Country	Union Members (# of Employees)
Bahrain	53
Egypt	35
China	1
Jordan	9
Kenya	73
Morocco	2
South Africa	369

Newly Hired Employees by Age and Gender

	Gender		Total %
Country	Female	Male	Grand Total
21 - 30	18%	42%	60%
31 - 40	5%	21%	27%
41 - 50	2%	6%	8%
51 - 64	1%	2%	3%
Above 64	0%	0%	0%
Under 21	1%	2%	3%
Grand Total	**27%**	**73%**	**100%**

Newly Hired Employees by Region and Gender

	Gender		% Total
Country	Female	Male	Grand Total
MENAT	4%	23%	27%
GCC	4%	23%	27%
Corporate - AGSO	7%	5%	12%
South Asia	3%	6%	9%
Sub Saharan Africa	3%	5%	8%
Oceania	2%	3%	5%
Europe	2%	3%	5%
North and South America	1%	2%	3%
North Asia	1%	1%	2%
Corporate - AAIL	1%	1%	1%
Grand Total	**28%**	**72%**	**100%**

Percentages are indicative of the human capital per geographic region

Newly Hired Employees by Management Level

Level	Female	Male	Grand Total
Senior Leadership	20%	80%	100%
Middle Management	29%	71%	100%
Others	28%	72%	100%
Global Percentage	**27%**	**72%**	**100%**

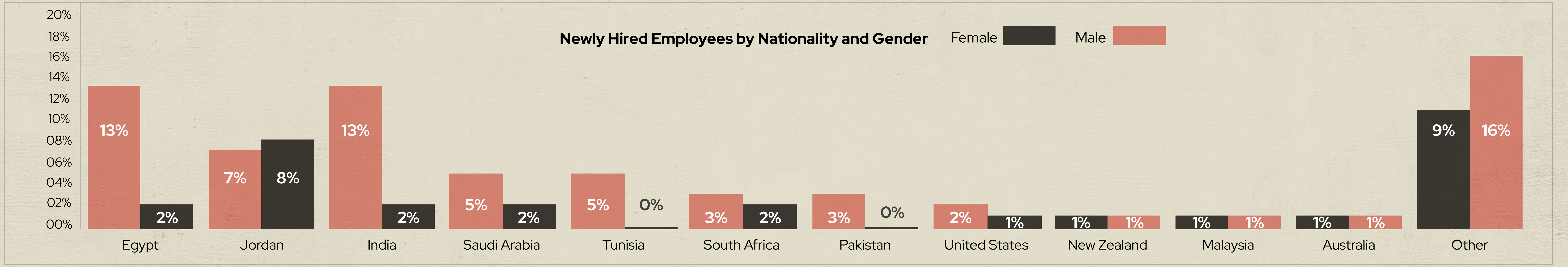
Newly Hired Employees by Nationality and Gender

Nationality	Female	Male	Grand Total
Egypt	2%	13%	15%
Jordan	8%	7%	15%
India	2%	13%	15%
Saudi Arabia	2%	5%	7%
Tunisia	0%	5%	5%
South Africa	2%	3%	5%
Pakistan	0%	3%	4%
United States	1%	2%	3%
New Zealand	1%	1%	3%
Malaysia	1%	1%	2%
Australia	1%	1%	2%
Other	9%	16%	25%
Total	**28%**	**72%**	**100%**

Promoted & Internal Hires per Region per Gender

	Gender		Total %
Country	Female	Male	Grand Total
*GCC	11%	39%	49%
*MENAT	12%	21	33%
South Asia	2%	5%	6%
Sub Saharan Africa	2%	3%	6%
Europe	1%	1%	2%
North Asia	0%	1%	1%
Oceania	0%	1%	1%
North and South America	0%	0%	1%
Grand Total	**29%**	**71%**	**100%**

*Including our headquarters and shared services



Training hours per Region

Training hours per Region	Hours
EUROPE	1,452
GCC	27,454
MENAT	20,751
NORTH ASIA	907
NORTH AND SOUTH AMERICA	230
SOUTH ASIA	175
SUB SAHARAN AFRICA	5,130
OCEANIA	28,214

*Including our headquarters and shared services

Learning per Management Level and Gender

	Learners	Hours	Headcount	Ratio learners/HC
Female	**3,203**	**31,989**	**3,059**	**%**
Middle Management	471	3,726	440	107%
Others	2,698	28,130	2,586	104%
Senior Leadership	34	134	33	103%
Male	**11,229**	**82,232**	**13,246**	**%**
Middle Management	1,309	11,418	1,225	107%
Others	9,754	70,182	11,849	82%
Senior Leadership	166	632	172	97%
Grand Total	**14,432**	**114,221**	**16,305**	**89%**

205-3 Confirmed incidents of corruption and actions taken
In 2022 we did not have any violations or incur fines related to environment, health and safety, compliance, or human resources, human rights, forced labor, or corruption. Nor did we have any grievances about human rights impacts and no grievances were filed, addressed and resolved through formal grievance mechanisms. We did not have any incidents of corruption or legal action for anti-competitive behavior, anti-trust, or monopoly practices.

416-2 Incidents of non-compliance concerning the health and safety impacts of products and services

Aramex New Zealand was aware of complaints to Regional Franchisees by their Courier Franchisees in relation to long working hours and health and safety concerns, Aramex NZ senior representatives met in person with both the primary Regional Franchisee and individual Courier Franchisees who raised concerns. Aramex NZ recommended the best course of action, in accordance with its franchise protocol, was to organize a meeting between Aramex NZ, the Regional Franchisee and the group of Courier Franchisees to talk through the issues and try to resolve them. Following this meeting, all concerns were discussed and worked through, the majority of issues were resolved amicably with the group.

There is a Regional Franchise Advisory Council in place as part of our model which allows Regionals Franchisees to address emerging issues and concerns from Courier Franchisees.

At Aramex, we take Health & Safety matters across our global network very seriously. We are putting a lot of attention into improving resources, such as our franchise manuals, making them relevant and usable across the network. A full Worksafe program review is also underway, with an independent health and safety adviser helping to ensure best practice is being implemented to proactively address issues like driver fatigue and improve engagement on safety topics across all levels of the organization. We also have proactive measures in place to ensure our business partners are aware of the processes in place to resolve any potential issues. All our Courier Franchisees are encouraged to speak with their Regional Franchisee to seek support and talk through the issues they are experiencing to help find a resolution. In addition, we have extended our corporate wellbeing assistance program to all Courier Franchisees at no cost.

414-2 Negative social impacts in the supply chain and actions taken
A strike by Courier Franchisees demanding higher level of pay took place on 4 February 2022. The Courier Franchisees are independent contractors. Accordingly, Aramex acted in accordance with the existing contractual terms with such couriers. The strike and Aramex action triggered a dispute with the Transport Workers' Union which Aramex is now challenging before the Industrial Relations Commission in Australia.

206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices
To the best of our knowledge, no legal action anti-competitive behavior, anti-trust, and monopoly practices took place in 2022

417-2 Incidents of non-compliance concerning product and service information and labeling
To the best of our knowledge, no incidents of non-compliance concerning product and service information and labeling took place in 2022

417-3 Incidents of non-compliance concerning marketing communications
To the best of our knowledge, no incidents of non-compliance concerning marketing communications took place in 2022

Annex 4- Ruwwad Impact Report 2022

In 2022, a total of 473 youth scholars benefited from the youth scholarship funds in Ruwwad's six community centers in Jordan, Lebanon, Palestine, and Egypt, and contributed more than 41,169 community service hours through volunteering and supporting Ruwwad's different programs, operational tracks, projects, initiatives, and campaigns.

Since its foundation, a total of 2,550 youth students have benefitted from Ruwwad's scholarship program, 1,381 of them from East of Amman / Jabal Al-Natheef, Al Tafilah, and Al Beidha in Jordan; 516 from Ezbet Khairallah in Egypt; 380 from Tripoli in Lebanon; and 273 from Budrus, Neilin, and Qibya in Palestine.

Since its establishment, a total of 1,592 youth students have graduated from Ruwwad's scholarship program, 918 of them from East of Amman / Jabal Al-Natheef, Al Tafilah, and Al Beidha in Jordan; 390 from Ezbet Khairallah in Egypt; 128 from Tripoli in Lebanon; and 156 from Budrus, Neilin, and Qibya in Palestine.

In 2022, 100 Ruwwad youth scholars graduated, of which 33 come from Jordan, 32 from Lebanon, 9 from Palestine and 26 from Egypt. All of them are university students, except for the ones from Egypt, who were rather offered vocational training and education scholarships, as university education is free of charge in the country.

This year, under the Youth Development program, Ruwwad Jordan worked with 190 youth scholars. They provided 21,341.55 community service hours, equivalent to more than 2,500 working days, through working with children, adolescents, parents, and local communities.

In East-Amman, 35 Dardashat sessions took place on the following topics: the self, the other, active citizenship, and the source of knowledge, reaching an average of 85 youth scholars who were committed to attending the sessions. Dardashat sessions were meant to guarantee freedom of speech for youth scholars to be encouraged to share their experiences and opinions courageously and without any fear of judgment. On the other hand, youth scholars have also benefited from 15 enrichment sessions that were either organized by Ruwwad's team or through inviting external volunteers, to help youth scholars to develop their Business and Digital Skills through trainings in the areas of Emotional Intelligence at the Workplace, Public Speaking Skills, Presentation Skills, Financial Literacy, Digital Literacy, Digital Fabrication and Design. In Ruwwad Al- Tafilah, 53 Ruwwad scholars attended 46 Dardashat sessions. Furthermore, a total of 24 youth-led initiatives were launched in East Amman and Tafilah, touching the lives of 1,456 local community citizen beneficiaries.

As part of the Child Development program activities in Jordan, 450 repeat children from the local community accessed activities under various components, such as academic support, child literature, creative art, or winter and summer clubs. 6,602 school students in 45 neighboring schools benefited from enrichment activities that focused on children's literature and creative arts.

As part of Ruwwad's Innovation Space in Jordan also welcomed 67 adolescents throughout the year, to help them to develop skills in Design Thinking and Digital Fabrication. The objective was to encourage them to find innovative solutions to real-life problems through the use of engineering, science, and technology to become problem solvers, critical thinkers, and agents of positive change. As for the Psychosocial Support Programmatic Component in East Amman, the team worked with 82 adolescents this year, who went through a learning journey that provided them with various courses such as "Connect to your Power", where they learned about their personal compass and the power of the growth mindset and develop the skills of empathy, mindfulness, emotional resilience and critical thinking by which they explore the universality of human dignity and human rights to enhance their readiness to embrace difference and diversity. In addition to that, the program provided 25 psychosocial Support customized "Connect to Your Power" sessions to 572 adolescents in 9 neighboring schools.

Under the Community Program, 1,330 families were supported through different components of the program. Through the community help desk services, 39 citizens gained access to vocational education opportunities, and 33 citizen beneficiaries accessed employment opportunities. Moreover, the Community Program has succeeded in protecting 105 school dropouts by providing several protection services in partnership with specialized organizations. Additionally, 252 families benefited from "Byoot Ahaleena" Jeeran station's campaigns by providing in-kind contributions. Furthermore, 1183 families benefited from different services offered through Ruwwad's institutional partners including legal, health, and social services. Additionally, 279 individuals attended 60 awareness sessions that focused on the following main topic areas; strengthening protection practices for women and children, woman empowerment, information technology, grassroots entrepreneurship, health, and legal practices.

Throughout 2022, Ruwwad Jordan cooperated with 94 national, regional, and international partners, as well as 76 external volunteers who worked collaboratively with Ruwwad's programs and projects teams to support different engagements with the communities we serve.

Under the project's track, Ruwwad partners with national and international organizations to focus on economic empowerment, employment and employability, and community protection. In 2022, Ruwwad worked on the implementation of 5 projects, directly benefiting 2,482 citizens in our neighborhoods that seek to overcome marginalization, and indirectly benefiting 2,593 citizens beneficiaries.

In 2022, Ruwwad concluded the implementation of the youth, technology, and jobs project with Ureed as the technical partner under the supervision of MODEE to facilitate access to economic opportunities in various tech economic activities for individuals in the gig economy. Under this project, Ruwwad with Ureed were able to reach 636 participants who attended the info sessions to be informed about the project and to raise their awareness about the gig economy. Moreover, 250 candidates (68% women and 15% Syrian refugees) were enrolled in onboarding and upskilling activities to enable them to access online work opportunities through Ureed's digital platform. 127 candidates got access to online work opportunities in the fields; Translation, Content Writing, Graphic Design, and Data Entry.

In partnership with the Open Society Foundation, Ruwwad proceeded with the implementation of the "Community Empowerment Project", which aims to build and strengthen the capacity of community protection facilitators in areas of Community Organizing, Better Parenting, and Protection from all forms of Violence and Abuse to deploy them to work with 2,500 community members (30% of which are Syrian refugees) in order to strengthen community protection practices and reduce all forms of violence and abuse through raising the awareness of the refugee and host communities. The project team was able to document and refer 28 abuse cases to specialized service providers. Moreover, the first and second leadership teams have been working on transferring the knowledge related to community protection to 1500 community members to reinforce and endorse community protection practices within the community mainstream culture.

Under the Economic Justice Project, Ruwwad proceeded with the implementation of the project activities to help start and support the growth of community-based businesses in East of Amman (mainly the areas of Jabal Al Natheef, Jabal Al Mareekh and neighboring areas) through establishing Business Support Center that extends, in addition to grants, a support program that offers business, legal and technical services. In 2022, 33 businesses and business ideas were selected to benefit from capacity-building program activities to be followed with the provision of financial and advanced technical support services to 15 citizen beneficiaries of microbusiness owners and micro entrepreneurs.

In Ruwwad Lebanon, 134 youth scholars benefited from the Youth Scholarship Fund program throughout 2022. Those scholars supported Ruwwad's programs, projects, and Ruwwad Lebanon's social enterprise, "Atayeb Tarablus" community kitchen, through more than 8,000 community service hours. A total average of 37 of them also participated in 42 Dardashat sessions on various topics, such as Leadership, Politics Education, Entrepreneurship, Technology, Art, and Awareness. In addition to that, Ruwwad Lebanon developed a partnership with many national and international stakeholders to build the capacity of 127 youth scholars in the fields related to organizational capacity building and vulnerability reduction.

With regards to the Community Program, Ruwwad Lebanon led health campaigns, focusing on health services that are related to mental health, blood donation, and diabetes, reaching out to 115 community members. Additionally, 27 individuals participated in the "Atayeb Tarablos" community kitchen catering activities, allocating daily meals to people in need, and offering free packages to a total of 600 families throughout the year.

Under the project's track, Ruwwad Lebanon partnered with national and international organizations to focus on economic empowerment, employment, and employability. In 2022, Ruwwad worked on the implementation of 4 projects, directly benefiting 875 citizens and 105 families.

In Ruwwad Palestine, under the Youth Program, the Youth Scholarship Fund benefited 47 youth scholars who participated in more than 6,187 community service hours to support Ruwwad's projects and the communities of Budrus, Neilin and Qibya. The youth scholars also benefited from different enrichment training to enhance their personal and professional skills in different fields.

Furthermore, Ruwwad's Palestine Child Program led activities with 320 repeat children under different programmatic components such as; academic support, child literature, and creative arts. Moreover, 1,400 school students participated in different enrichment activities in 4 neighboring village schools, focusing on child literature and creative arts.

In Ruwwad Egypt, under the youth program, 102 youth scholars benefited from the Youth Scholarship Fund and contributed more than 5,625 community service hours working with children, adolescents, parents, and local communities, and had the opportunity to attend 35 Dardashat sessions held throughout the year, benefiting 33 community members.

As for Ruwwad's Ezbet Khairallah's Child Program, 549 children and 162 adolescents from the local community accessed activities under various components, such as academic support, child literature, creative art, or winter and summer clubs. Additionally, through Ruwwad's Egypt Community Program, 200 citizen beneficiaries benefited from literacy classes.

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Annex 5- Stakeholder Engagement Report

Report Purpose and Summary
The purpose of this report is to describe the process and output of Aramex's stakeholder engagements conducted in the United Arab Emirates and in Jordan. The following section presents key takeaways based on the feedback and insights gathered from stakeholders during the engagements.

Aramex Sustainability Performance
Stakeholders were informed on Aramex's sustainability strategy, achievements, and faced challenges and were asked to evaluate the sustainability performance of Aramex based on data provided to them. We capture the stakeholders' feedback in the following points.

- The majority of Stakeholders described Aramex's sustainability communication and engagement as very transparent.
- Stakeholders described Aramex's engagement as highly informative.
- Stakeholders described Aramex's sustainability strategy as very ambitious.
- Stakeholders described Aramex's impact on the communities where it operates to be very positive, particularly in Jordan where the Company is making a remarkable contribution to youth and employment.

The most important sustainability issues for stakeholders were the following

Ethics and Business Conduct	Employee Health and Safety
Economic Impact	Diversity and Equal Opportunity
Data Protection and Security	Customer Relations and Engagement
Sustainable Products and Services	Climate Change
Road and Public Safety	Sustainable Supply Chain
Carbon Emissions	Human Rights Protection and Compliance
Sustainability Communication and Engagement	

Summary of Material Topics per Stakeholder

Clients

Ease of Communication	Timely Service Delivery	Complaint Handling	Privacy and Security

NGOs

Education	Women empowerment	Youth Empowerment	Ethical Business Conduct

NGO Testimonies
"It is important for us to associate our brand with organizations that have high ethical conduct standards"
"The impact that Aramex is making on our communities (Jordanian Communities) is very significant"

Suppliers and Airlines

Suppliers

Compliance with Terms and Conditions	Fair Selection of Suppliers	Effective Procedures and Process	Supplier Assessment on Ethical Practices

Airlines

Compliance with Terms and Conditions	Invoicing and Payment	Supplier Assessment on Ethical Practices	Reputational Assessment

Airline Companies' Testimony
We recognize the challenges faced in the aviation industry to be more sustainable, and we rely on close collaboration with "Aramex to find solutions together

Government

Ethics and Business Conduct	Data Privacy & Security	Compliance with Local and International Regulations	Business Sustainability Performance

Employees

Reward & Recognition	Career Advancement	Effective Engagement	Learning and Development

**Topics are not listed based on ranking*

Engagement Scope and Methodology

Aramex continues to act on its commitment to ensuring an inclusive approach when advancing its sustainability plans and commitment through engaging with its stakeholders in different geographical locations of its operations. In 2022, we updated our approach to materiality assessment to align with the GRI 3: Material Topics 2021. In its latest publications, GRI redefines the concept of materiality to be impact focused where companies are expected to determine their material topics based on continuous identification and assessment of their impacts.

This engagement represents the first step to adopting and integrating impact Materiality, and we aim to further develop our practices in the future. With this in mind, we conducted two stakeholder engagement sessions in the United Arab Emirates and Jordan with the following objectives:

- **Assess Aramex's sustainability performance:** Stakeholders to understand and reflect on Aramex's sustainability ambitions, achievements, and challenges.
- **Understand Stakeholder expectations from Aramex:** Aramex to understand the concerns of its different stakeholder groups and their expectations of the company.
- **Define how Aramex can create a mutually shared value:** Discuss how Aramex can further create shared value for its stakeholders and how they can collaborate on solving challenges.
- **Defining a way forward:** Gather insights and recommendations on how Aramex can move forward to meet its stakeholder expectations and advance its sustainability ambitions with their support.

To achieve the aforementioned objectives, the engagement consisted of the following three spaces:

- **Assess:** We shared the engagement's objectives and gave the stakeholders space to share their expectations and the desired output from the engagement. We presented Aramex's sustainability strategy, achievements, challenges, and plans.
- **Evaluate:** Based on the shared information during the "Understand" section we engaged with the stakeholders in an evaluation exercise and open discussion spaces where they gave feedback on different topics of Aramex's sustainability performance, asked questions, and voiced their opinions. We also gathered data on which material topics stakeholders think Aramex should prioritize.
- **Discuss:** In this space, we separated stakeholders into focus groups to discuss sustainability topics that are specifically important to them considering their relationship with Aramex.

• Engagement Design and Planning	• We defined the methodology, objectives and process of our engagement.
• Material Topics Definition	• We reviewed our material topics, analyzed industry trends, and benchmarked against international peer to update our material topics list for the 2022 exercise.
• Sustainability Performance • Review	• We presented our sustainability strategy, achievements, challenges and future plans to our stakeholders.
• Sustainability Performance Assessment	• Based on Step 03, we engaged stakeholders in an exercise to assess our sustainability performance and impact and gather their feedback.
• Materiality Assessment	• Stakeholders were presented with the list of our defined material topics and requested to rate them based on how they think Arame should prioritize them. The output is visualized in our Materiality Matrix.
• Group Focused Engagement	• Sustainable Supply Chain
• Reporting	• Human Rights Protection and Compliance

Material Topics and Stakeholder Groups

2.1. Stakeholders Engaged

Aramex targeted the following internal and external stakeholder groups to take part in its engagement: Suppliers, Clients, Community Partners / NGOs, Government officials, and Employees. The total number of participants present during the Jordan engagement was 34 demonstrated in graph 3, whereas, for the UAE engagement we had 40 participants demonstrated in graph 4.

Stakeholder	Percentage
Supplier	21.05%
Client	13.16%
Government Entity	5%
NGO	7.89%
Employee	28.95%
Airline Companies	28.95%

Stakeholder	Percentage
Supplier	17.65%
Client	26.47%
Government Entity	5.88%
NGO	14.71%
Employee	35.29%

External Stakeholders

We define external stakeholders to be any individual, group or entity that is impacted by or can impact Aramex's business growth and continuity. Employees are considered external stakeholders particularly in this exercise as we evaluate their needs and expectations from Aramex.

Internal Stakeholders

We define internal stakeholders to be Aramex's top management employees. This group provides an internal perspective based on Aramex's business strategy, opportunities and challenges; i.e., it provides the business perspective on sustainability.

2.2. Material Topics

While defining the 2022 engagement topics, Aramex reviewed the topics of the previous engagement, benchmarked against international peers, referred to industry guidelines and considered global environmental and social concerns. Appropriately, Aramex developed general material topics, see Table A1 , discussed during the general engagement. And stakeholder-specific engagement topics, highlighted in Table 2, discussed during the group-focused engagement. The latter topics were selected while considering the business relationship between Aramex and the stakeholder group, and local and global relevance.

Stakeholder Specific Engagement Topics					
Employees	**Suppliers**	**Clients**	**NGOs**	**Suppliers - Airlines**	**Government Entities**
Work-Life Balance	Fair Selection of Suppliers	Customer Experience	Education	Fair Selection of Suppliers	Ethics and Business Conduct
Reward & Recognition	Supplier Assessment on Ethical Practices	Knowledge of Business	Employment	Supplier Assessment on Ethical Practices	Data Privacy & Security
Learning & Development	Compliance with Terms and Conditions	Data Privacy & Security	Women and Youth Empowerment	Compliance with Terms and Conditions	Road and Public Safety
Diversity & Inclusion	Effective Procedures and Process	Timely Service Delivery	Road and Public Safety	Effective Procedures and Process	Compliance with local and international regulations
Competitive Remuneration and Benefits	Investing in Local Suppliers	Complaint Handling	Culture & Heritage	Investing in Local Suppliers	Supplier due diligence
Occupational Health and Safety	Reputational Assessment	Transparency and Clear Communication	Social Inclusion	Reputational Assessment	Transparency and Clear Communication
Job-Role Clarity	Invoicing and Payment	Business Sustainability Performance	Ethics and Business Conduct	Invoicing and Payment	Business Sustainability Performance
Career Advancement	Sustainable Supply-chain Policy	Sustainable Products and Services Innovations	Business Sustainability Performance	Sustainable Supply-chain Policy	Employee Management and Good labor Conduct
Effective Engagement	Supplier Assessments on Environmental and Social Performance		Sports	Supplier Assessments on Environmental and Social Performance	
Business Sustainability Performance	Supplier Assessment on Human Rights		Climate Change Management	Supplier Assessment on Human Rights	
	Supplier Sustainability Incentives			Supplier Sustainability Incentives	
	Business Sustainability Performance			Business Sustainability Performance	
				Supply chain Decarbonization	

General Assessment

The general assessment space included two exercises, the first exercise focused on evaluating general topics of Aramex as a business and its sustainability performance. The second exercise focused on evaluating the materiality of ESG topics from the stakeholders' perspective. The space was preceded with a segment during which participants were informed on Aramex's Sustainability Strategy, the Sustainable Development Goals and how Aramex is contributing to their achievements. We provide further details in our strategy chapter.

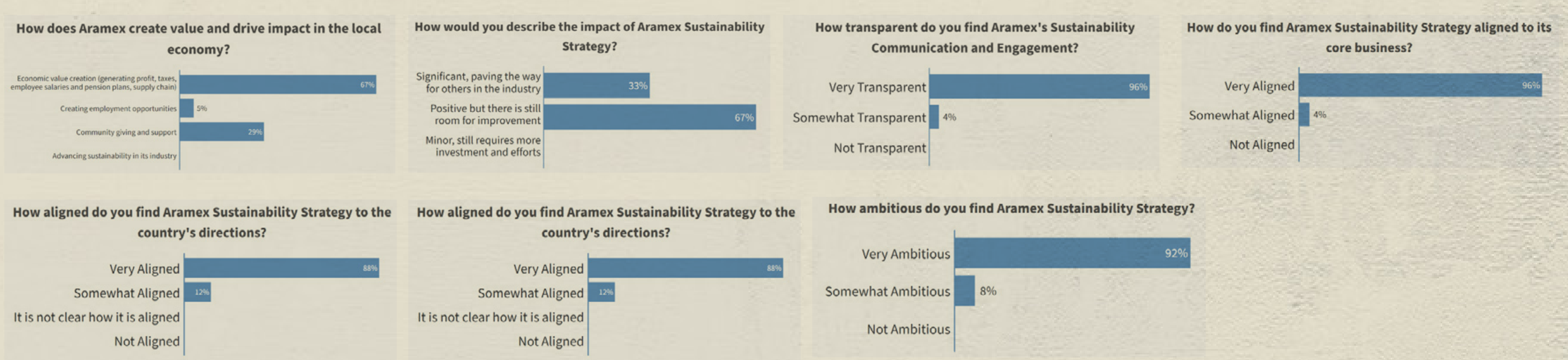
3.1. Business Sustainability Assessment

During the first exercise, participants were asked to select the options they deem most accurate to describe Aramex based on the sustainability strategy and performance presented by Aramex at the start of the engagement. After each question, the facilitator opened a discussion space to interpret and have a deeper understanding of why participants responded in a certain way, and what improvements can Aramex work on.

3.1.1. UAE Assessment Output

During the first exercise, participants were asked to select the options they deem most accurate to describe Aramex based on the sustainability strategy and performance presented by Aramex at the start of the engagement. After each question, the facilitator opened a discussion space to interpret and have a deeper understanding of why participants responded in a certain way, and what improvements can Aramex work on.

3.1.1. UAE Assessment Output

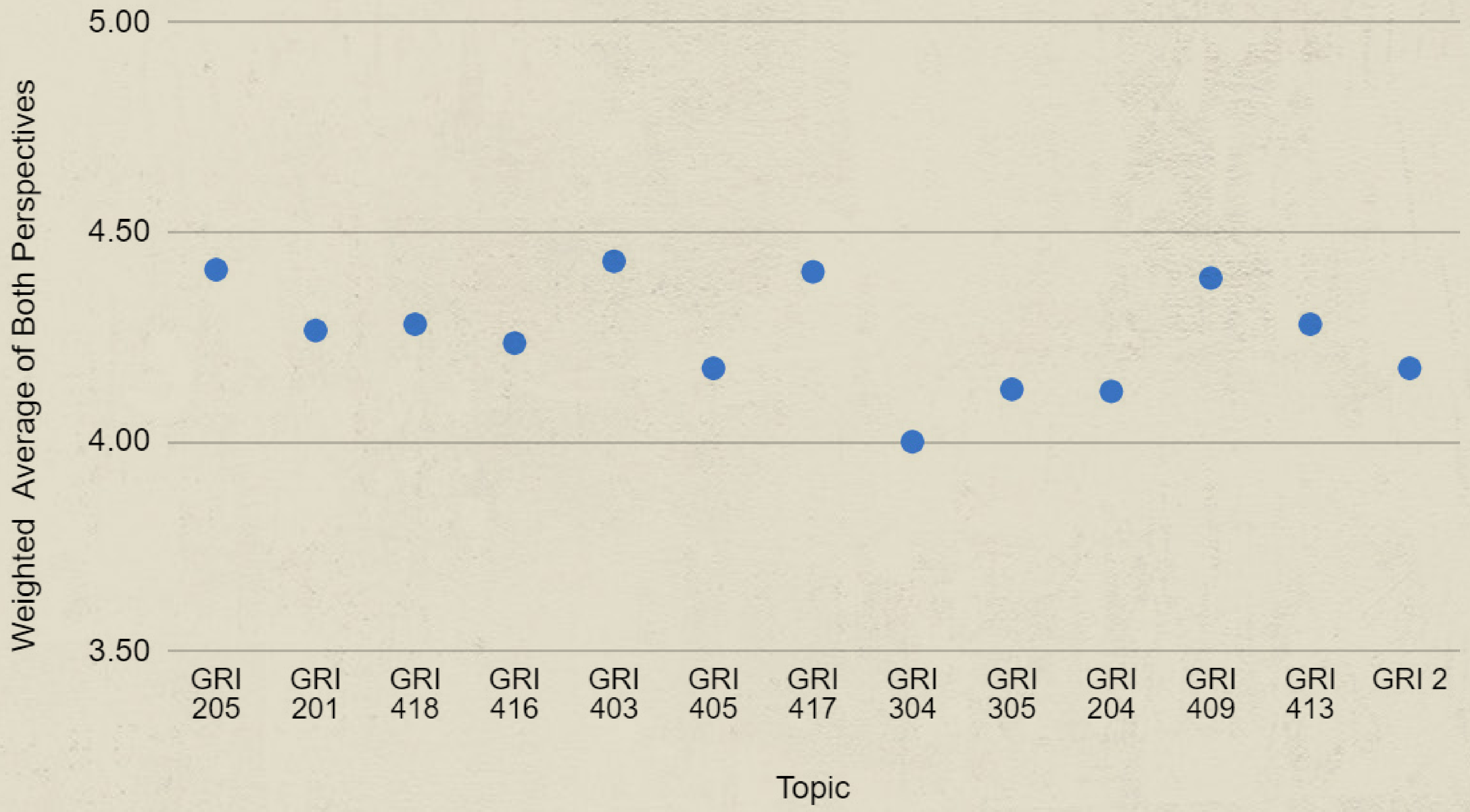


3.2. Materiality Assessment

During the second exercise of the General Assessment space, stakeholders were presented with the list of ESG topics in Table A1 and were asked to rate on a scale of 1 to 5 how important they find it that Aramex focuses on, invests in, and supports these topics (1= Not Important and 5 =Most Important). We communicated the same rating survey with our senior management at Aramex to provide the business perspective on the same. This allowed us to have both perspectives presented in the Matrix below (Figure 1).

We define material topics as topics that substantially impact our operations or can be impacted by our operations.

Material Topic	Relevant GRI Topics
Ethics and Business Conduct	GRI 205: Anti-corruption 2016
Economic Impact	GRI 201: Economic Performance 2016
Data Protection and Security	GRI 418: Customer Privacy 2016
Sustainable Products and Services	GRI 416: Customer Health and Safety 2016
Employee Health and Safety	GRI 403: Occupational Health and Safety 2018
Diversity and Equal Opportunity	GRI 405: Diversity and Equal Opportunity 2016
Customer Relations and Engagement	GRI 417: Marketing and Labeling 2016
Climate Change	GRI 304: Biodiversity 2016
Carbon Emissions	GRI 305: Emissions 2016
Sustainable Supply Chain	GRI 204: Procurement Practices 2016
Human Rights Protection and Compliance	GRI 409: Forced or Compulsory labor 2016
Road and Public Safety	GRI 413: Local Communities 2016
Sustainability Communication and Engagement	GRI 2: General Disclosures 2021



Group Assessment

During the Group Assessment, we separated the stakeholder groups to discuss topics specifically relevant to the nature of their business relationship with Aramex, stakeholders got the chance to voice their needs, expectations, and suggest recommendations for Aramex.

4.1. Client Engagement

When presented with their respective topics in Table 2. Clients rated the following topics to be of the most importance for them in their relationship with Aramex.

Ease of Communication	Timely Service Delivery	Complaint Handling	Privacy and Security

*Topics are not listed based on ranking

During the group discussions the Clients from both stations highlighted the following points for Aramex to improve on.

UAE Clients Inputs	**Jordan** Clients Inputs
• Participating Clients highlighted the need for improved handover when transitioning account managers to ensure familiarity and knowledge of the client. • Participants highlighted that due to the growing number of policies and procedures implemented by Aramex under their globalization strategy, it has become harder to proceed efficiently in business processes with Aramex. Participants recommended Aramex to keep a flexible and human approach to its client management approach.	• Participating Clients recommended Aramex focus more on developing its digital solutions to allow for accurate updates on shipment level, and immediate responses on specific issues. • Participating Clients recommended that Aramex improve on communication and Customer Service to optimize the investigation process by reducing process time and providing a clear escalation matrix. • Participating Clients recommended Aramex to further engage with its clients to identify needs that require customized and reliable solutions while considering different delivery modules and operations.

4.2. NGO Engagement

When presented with their respective topics in Table 2. NGOs rated the following topics to be of most importance for them in their relationship with Aramex.

Education	Women empowerment	Youth Empowerment	Ethical Business Conduct

*Topics are not listed based on ranking

During the group discussions the NGOs from both stations highlighted the following points for Aramex to improve on.

UAENGOs Inputs	**Jordan** NGOs Inputs
• Participants expressed their interest in collaborating with Aramex on a new project in 2023 as they have several ideas they would like to activate. • Participants suggested that Aramex would develop volunteering programs for its employees to support its partner NGOs in the UAE. • Participants suggested that Aramex focuses more on building capacity in Emirati youth to be more independent and capable by providing internships, courses, and workshops.	• Participants requested that Aramex provides more access to membership programs. • Participants requested more collaboration in the volunteering processes. • Participants recommended Aramex to increase involvement dedicated to supporting youth empowerment and education where quarterly reports and regular reviews are conducted. • Participants recommended Aramex to support NGOs by providing more special rates on shipping for NGOs.

NGO Testimonies
"It is important for us to associate our brand with organizations that have high ethical conduct standards"
"The impact that Aramex is making on our communities (Jordanian Communities) is very significant"

4.3. Suppliers and Airlines Engagement

When presented with their respective topics, suppliers rated the following topics to be of most importance for them in their relationship with Aramex.

Compliance with Terms and Conditions	Fair Selection of Suppliers	Effective Procedures and Process	Supplier Assessment on Ethical Practices

*Topics are not listed based on ranking

As for Airline Companies, the group was presented with their respective topics as well and rated the following topics to be of most importance to them.

Compliance with Terms and Conditions	Invoicing and Payment	Supplier Assessment on Ethical Practices	Reputational Assessment

*Topics are not listed based on ranking

UAE Suppliers Inputs

- Participants expressed that adherence to regulations and H&S standards is particularly important to them, and they expect Aramex to have high standards for H&S compliance.
- Participants acknowledge the challenges they face in transitioning to a more sustainable business model and the importance of leveraging their business relationship with Aramex to drive both parties' success.
- Participants highlighted that Aramex could improve its payment time.

Airlines Inputs

- Participants identified the following collaborations with Aramex to work on Climate Management (e.g., carbon reduction)
    - Conduct regular engagement meetings to follow up on goal achievement, progress, and needed improvements.
    - SAF incentives for customers
    - Leverage digitalization (e.g., digital bookings, paperless processes)
- Participants highlighted that Aramex improved its Invoicing and Payments processes and confirmed that Aramex's Supplier Assessment on Ethical Practices is clear and transparent.
- Participants suggested that Aramex includes a carbon disclosure/calculator for cargo on their website to raise awareness and make data more available.

Jordan Suppliers Inputs

- Participants requested that Aramex increases the technical support it provides for its suppliers. They recommended that Aramex leverages digitalization to provide a smoother and more optimized experience for its suppliers.
- Participants encouraged Aramex to focus on ensuring business continuity and avoid any stop in operations or delays.
- Participants recommended Aramex provide clear Standard Operating procedures (SOPs) for suppliers and support them in implementing these SOPs.

Airline Companies' Testimony

We recognize the challenges faced in the aviation industry to be more sustainable, and we rely on close collaboration with Ar-" "amex to find solutions together

*Topics are not listed based on ranking

4.4. Government Entities Engagement

Two governmental entities were present during both engagements. The participants rated the following topics to be of most importance to them.

Ethics and Business Conduct	Data Privacy & Security	Compliance with Local and International Regulations	Business Sustainability Performance

Government Entities Inputs (UAE and Jordan)

- Participants capitalized on the security risks embedded in the shipping industry and how they can affect the general public putting its safety at risk
- Participants praised Aramex's existing processes and training procedure for ensuring secure shipping and identifying any risks. However, they encouraged Aramex to develop the scope of its training and increase its collaboration with the concerned governmental authorities to better mitigate any security and public safety risks.

4.5. Employee Group Assessment

When presented with their respective topics, employees rated the following topics to be of most importance for them in their relationship with Aramex.

Reward & Recognition	Career Advancement	Effective Engagement	Learning and Development

*Topics are not listed based on ranking

When asked what would cause them to leave Aramex, employees at both stations highlighted the following factors

Compensation	Work-Life Balance	HR Processes	Career Development Opportunities

*Topics are not listed based on ranking

When asked what keeps employees in Aramex, employees highlighted the following factors

Friendly and Family-like Work Environment	Flexibility and non-micromanagement

While discussing the topics rated most important, employees highlighted the following points for Aramex to improve on and provided recommendations.

UAE Employee's Inputs	**Jordan** Employee's Inputs
• Participants shared improvement points for Aramex to focus on. They expressed that although the Company provides a friendly and attractive work culture there is still room for improvement in the work-life balance aspect. • Although participants expressed positive feedback about the well-being webinars being delivered, they recommended following up on these sessions with an impact assessment exercise to measure their effectiveness. • Participants recommended focusing on designing onboarding processes to be more engaging, especially for new joiners. • Employees recommended that Aramex focuses more on the following points: • Focus more on diversity in the MENA region. • Empower female employees to take on leadership positions. • Engage employees and get their input to work on improving the current HR processes, identify gaps and improve overall employee experience and retention rate.	• Participants shared improvement points for Aramex to focus on. They expressed that although the Company provides a friendly and attractive work culture there is still room for improvement in the work-life balance aspect. • Participants highlighted that periodic packages review is necessary to keep up with the market's competitiveness. • When it comes to career advancement, employees recommended Aramex work on developing customized training programs for each department, establish a clear career development path for employees to strive for, and ensure effective performance evaluation processes. • Participants highlighted that it would be motivational and beneficial for increased productivity and inspiration if management gets more involved and communicated more with employees.

Appendix A

Table A1: General material Topics selected for the 2022 stakeholder engagement exercise.

Material Topic
Ethics and Business Conduct
Economic Impact
Data Protection and Security
Sustainable Products and Services
Employee Health and Safety
Diversity and Equal Opportunity
Customer Relations and Engagement
Community Relations and Impact
Climate Change
Waste Management and Recycling
Energy Efficiency
Carbon Emissions
Air Quality
Packaging
Environmental Compliance
Sustainable Supply Chain
Human Rights Protection and Compliance
Road and Public Safety
Sustainability Communication and Engagement

Annex 6- Reporting Standards Tables

International Integrated Reporting (IIR)	Section
What does the organization do and what are the circumstances under which it operates?	About Aramex
An integrated report should provide insight into the organization's strategy, and how it relates to the organization's ability to create value in the short, medium and long term, and to its use of and effects on the capitals	Strategic Outlook
To what extent has the organization achieved its strategic objectives for the period and what are its outcomes in terms of effects on the capitals?	• CEO Letter • Value Creation Model • Strategic Outlook
An integrated report should disclose information about matters that substantively affect the organization's ability to create value over the short, medium and long term	• CEO Letter • Value Creation Model • Strategic Outlook
Where does the organization want to go and how does it intend to get there?	• CEO Letter • Value Creation Model • Strategic Outlook
An integrated report should provide insight into the organization's strategy, and how it relates to the organization's ability to create value in the short, medium and long term, and to its use of and effects on the capitals	• Strategic Outlook • Risk and Compliance
What challenges and uncertainties are the organization likely to encounter in pursuing its strategy, and what are the potential implications for its business model and future performance?	• Strategic Outlook • Risk and Compliance
"An integrated report should include a statement from those charged with governance that includes: • An acknowledgement of their responsibility to ensure the integrity of the integrated report • Their opinion or conclusion about whether, or the extent to which, the integrated report is presented in accordance with the <IR> Framework."	CEO Letter
How does the organization determine what matters to include in the integrated report and how are such matters quantified or evaluated?	• Strategic Outlook • Risk and Compliance
What challenges and uncertainties are the organization likely to encounter in pursuing its strategy, and what are the potential implications for its business model and future performance?	CEO Letter
What is the organization's business model?	• CEO Letter • Strategic Outlook

International Integrated Reporting (IIR)	Section
An integrated report should disclose information about matters that substantively affect the organization's ability to create value over the short, medium and long term	Throughout the report
"What are the specific risks and opportunities that affect the organization's ability to create value over the short, medium and long term, and how is the organization dealing with them?"	• About Aramex • Our Services
"What are the specific risks and opportunities that affect the organization's ability to create value over the short, medium and long term, and how is the organization dealing with them?"	• Strategic Outlook • Risk and Compliance
"What challenges and uncertainties are the organization likely to encounter in pursuing its strategy, and what are the potential implications for its business model and future performance?"	• Strategic Outlook • Risk and Compliance
"An integrated report should provide insight into the nature and quality of the organization's relationships with its key stakeholders, including how and to what extent the organization understands, takes into account and responds to their legitimate needs and interests"	Our Stakeholders
"In the case of the unavailability of reliable information or specific legal prohibitions, an integrated report should: • Indicate the nature of the information that has been omitted • Explain the reason why it has been omitted • In the case of the unavailability of data, identify the steps being taken to obtain the information and the expected time frame for doing so."	Throughout the report we included these aspects and have made reference to the Six capitals and added icons for ease of navigation
The information in an integrated report should be presented: (a) on a basis that is consistent over time; and (b) in a way that enables comparison with other organizations to the extent it is material to the organization's own ability to create value over time.	
An integrated report should include all material matters, both positive and negative, in a balanced way and without material error	
How does the organization determine what matters to include in the integrated report and how are such matters quantified or evaluated?	
"An integrated report should include all material matters, both positive and negative, in a balanced way and without material error"	
An integrated report should disclose information about matters that substantively affect the organization's ability to create value over the short, medium and long term	
An integrated report should disclose information about matters that substantively affect the organization's ability to create value over the short, medium and long term	
What are the specific risks and opportunities that affect the organization's ability to create value over the short, medium and long term, and how is the organization dealing with them?	
An integrated report should disclose information about matters that substantively affect theorganization's ability to create value over the short, medium and long term	

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Task Force on Climate-Related Financial Disclosures (TCFD)

Task Force on Climate-Related Financial Disclosures (TCFD)	Sections
Describe the board's oversight of climate-related risks and opportunities.	• Environment • Disclosure on Management Approaches
Describe management's role in assessing and managing climate related risks and opportunities.	• Environment • Disclosure on Management Approaches
"Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material."	• Environment- Climate Risk Assessment • Risk and Compliance
Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	• Environment- Climate Risk Assessment • Risk and Compliance
Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	Environment
Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	Environment
Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	Environment
Describe the targets used by the organization to manage climate related risks and opportunities and performance against targets.	Environment
Describe how processes for identifying, assessing, and managing climate related risks are integrated into the organization's overall risk management.	• Environmental Stewardship and Climate Change Mitigation • Climate Risk Assessment

Task Force on Climate-Related Financial Disclosures (TCFD)	Sections
Organizations should consider discussing how climate-related risks and opportunities are integrated into their (1) current decision-making and (2) strategy formulation, including planning assumptions and objectives around climate change mitigation, adaptation, or opportunities such as: • Research and development (R&D) and adoption of new technology. • Existing and committed future activities such as investments, restructuring, write-downs, or impairment of assets. • Critical planning assumptions around legacy assets, for example, strategies tolower carbon-, energy-, and/or water-intensive operations. • How GHG emissions, energy, and water and other physical risk exposures, if applicable, are considered in capital planning and allocation; this could include a discussion of major acquisitions and divestments, joint-ventures, and investments in technology, innovation, and new business areas in light of changing climate related risks and opportunities. • The organization's flexibility in positioning/repositioning capital to address emerging climate-related risks and opportunities."	• Environmental Stewardship and Climate Change Mitigation • Climate Risk Assessment
Describe the resilience of the organization's strategy, taking into consideration different climate related scenarios, including a 2°C or lower scenario.	• Environmental Stewardship and Climate Change Mitigation • Climate Risk Assessment
Describe the organization's processes for identifying and assessing climate related risks.	• Environmental Stewardship and Climate Change Mitigation • Climate Risk Assessment
Describe the organization's processes for managing climate related risks.	• Environmental Stewardship and Climate Change Mitigation • Climate Risk Assessment
Disclose the metrics used by the organization to assess climate related risks and opportunities in line with its strategy and risk management process.	• Environmental Stewardship and Climate Change Mitigation • Climate Risk Assessment
Describe how processes for identifying, assessing, and managing climate related risks are integrated into the organization's overall risk management.	• Environmental Stewardship and Climate Change Mitigation • Climate Risk Assessment

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