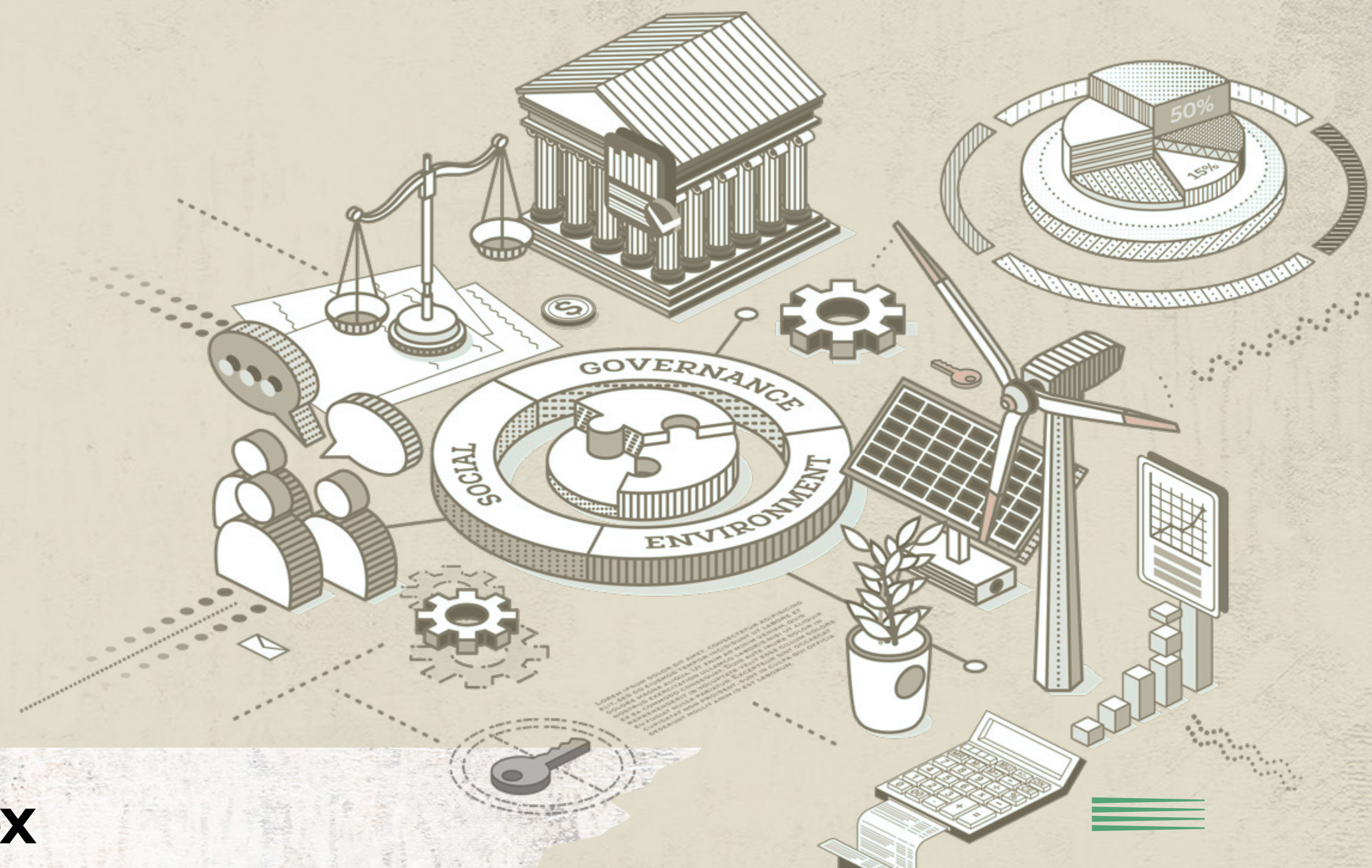


Sustainability at Aramex

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.

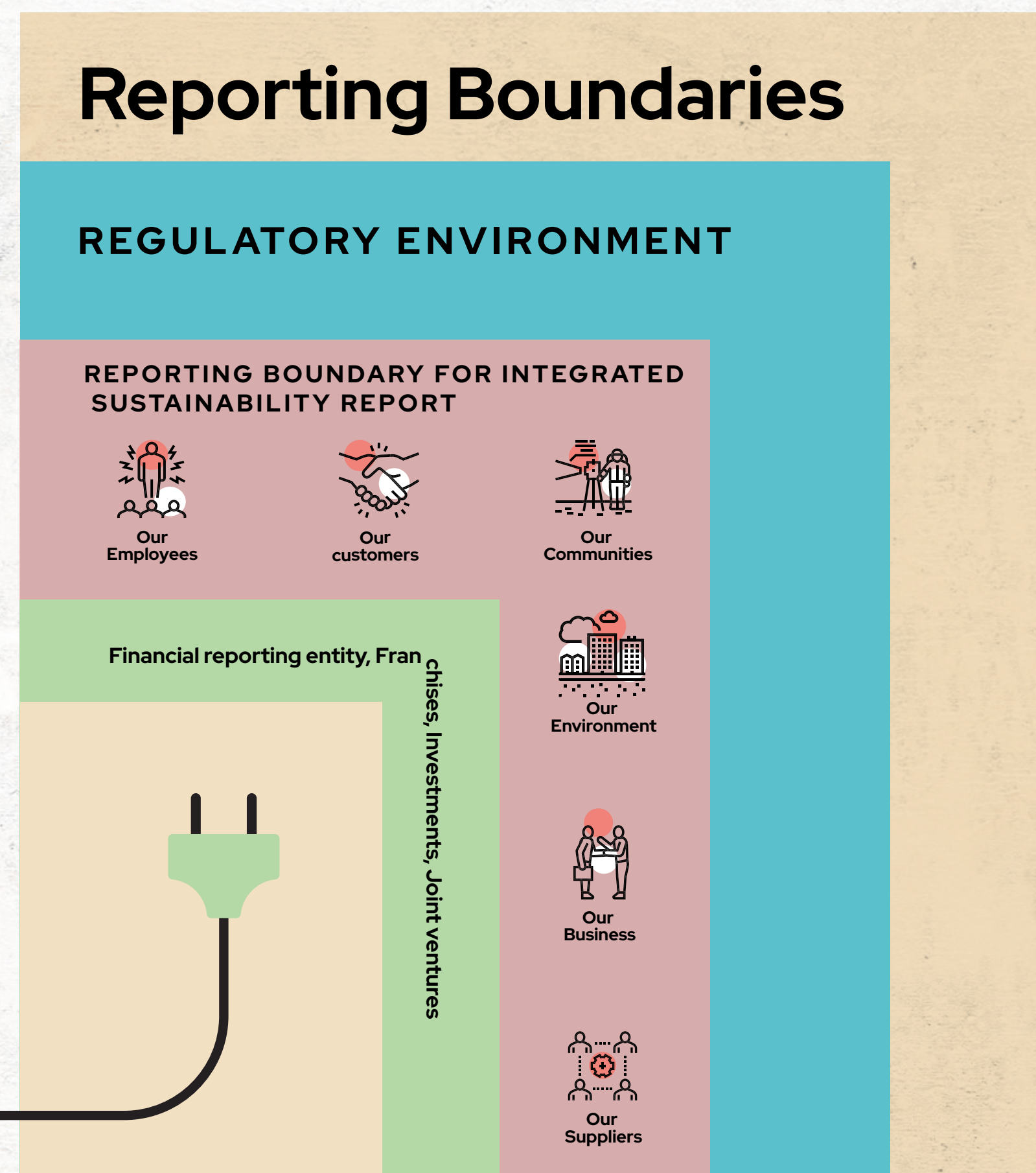
Responsible Business and the Precautionary Principle

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)



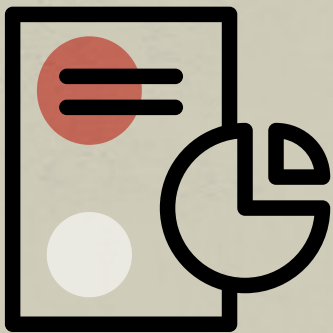
Sustainable Development Goals (SDGs)



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 pro-claimed 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 rec-ognition 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 chal-lenges	• Sustainability at Aramex • Environment
Principle 8	Undertake initiatives to promote greater environmental responsibility	• Environment
Principle 9	Encourage the development and diffusion of environmentally friendly tech-nologies	• 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



01 RESOURCE INPUTS

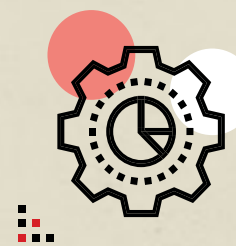


Financial

Total Assets:
AED 6,093 Million

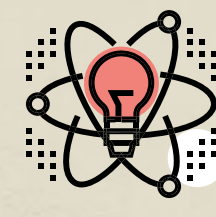
Total Revenues:
AED 5,926 Million

Maintaining a strong Financial Capital



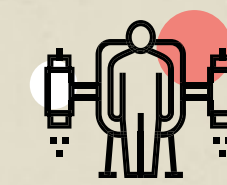
Geographical Presence

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

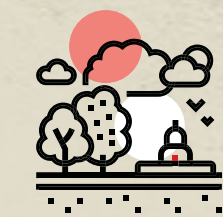
Applying a holistic approach to our Human Capital and managing our +16,000 employees who represent over 95 nationalities

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

Driving long-term value for all stakeholders

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

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

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














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

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)



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	<p>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.</p> <p>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.</p>	<p>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.</p> <p>We employ different communication channels on different platforms ensuring that we are reachable for our customers concerns.</p> <p>Our customer teams conduct frequent check ins to gather feedback on our services.</p> <p>We use of Social Media, WhatsApp Business, Chatbots, to increase responsiveness.</p> <p>We regularly conduct customer service and call center training and KPIs to ensure faster response times.</p>	<p>Aramex is committed to adhering to and implementing best practices in investor relations. Therefore, Aramex aims to:</p> <ul style="list-style-type: none">• 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.	<p>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.</p> <p>We conduct frequent assessments and training to ensure that we are up to date with any relevant policies and regulations.</p>	<p>In 2022 we continued our robust due diligence efforts with third parties including training programs.</p> <p>We conducted online and offline engagement and meetings as necessary. We also conduct site visits and stakeholder engagement sessions.</p> <p>We conduct trainings for our suppliers through Ariba, additionally we onboard our new suppliers and they are subject to our and due diligence process.</p> <p>All suppliers must also fill out our Supplier evaluation questionnaires.</p>	<p>We manage our relationship with our communities through our social projects, partnerships with community organizations, and stakeholder engagement.</p> <p>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.</p> <p>We have regular meetings with our partners to track project progress and updates related to impacts.</p> <p>We also continually conduct research into best practices and approaches for community engagement, youth empowerment and education, and entrepreneurship.</p>
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	<ul style="list-style-type: none">• Employee Engagement• Diversity• Female inclusion• Learning and development	<ul style="list-style-type: none">• 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; <ul style="list-style-type: none">• Net profit attributable to shareholders,• Earnings per share• Total shareholder returns• Return on equity• Return on invested capital	<ul style="list-style-type: none">• Compliance training	<ul style="list-style-type: none">• Number of suppliers trained• Number of local suppliers	<ul style="list-style-type: none">• Number of beneficiaries• Project goals and impact• Partnerships per geographical location
Relevant Sections	Our People (Page 41)	<ul style="list-style-type: none">• Our Services (page 11)• Information security (page 58)• Innovation (59)• Communication channels (page 47)	<ul style="list-style-type: none">• Governance (page 70)• Our Financial Performance (page 136)• Strategic Outlook (page 26)	Risk and Compliance (Page 106) Annex 3 (Page 180)	<ul style="list-style-type: none">• Procurement and Supplier Relations (page 66)• Compliance (Page 106)• Disclosures on Management Approaches (Page 115)	<ul style="list-style-type: none">• Social Projects (page 63)• Compliance (page 106)• Sustainability at Aramex (Page 19)
Capitals impacted	<div> Human</div> <div> Social and Relationship</div>	<div> Social and Relationship</div> <div> Financial</div> <div> Intellectual</div>	<div> Social and Relationship</div> <div> Financial</div>	<div> Social and Relationship</div> <div> Intellectual</div>	<div> Social and Relationship</div> <div> Intellectual</div> <div> Financial</div>	<div> Social and Relationship</div>