Annual Report
2021

Bringing the World Closer Together

aramex

Content

About this report

Welcome to our 12th integrated report, and 16th annual sustainability report. It is an honor and privilege to share with you the culmination of our strategies, activities, and impact for 2021. Our aim is to engage our global stakeholder base in our operational and sustainability journey and strategy. This report is part of our benchmarking activities, ensuring that we share with you how we measure and manage the impact of our activities and growth. Our report integrates our financial, operational, and sustainability information for the year of 2021, including our Greenhouse gas footprint.

2-1, 2-2, 2-22

About Aramex

About Aramex

Since its foundation in 1982, 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 logistics solutions worldwide.

We currently have business operations in 650+ cities across more than 65 countries worldwide and employ over 16,000 professionals.

Our breadth of services, including International and Domestic Express Delivery, Freight-forwarding, Logistics and Supply Chain Management, e-Commerce, extend our considerable reach. We remain committed to further enhancing our global operations and pursuing more opportunities for future business growth and advancement.

We live in an era where technology transforms and influences our daily lives more than ever before; as a result, technological innovation is critical to our success. We are strategically leveraging technology for better and more efficient last-mile delivery solutions. This approach has significant benefits, and that's why we consider ourselves a technology-driven enterprise, selling transportation and logistics solutions without owning heavy assets. We also believe that investing in technology in the field of e-Commerce is key to the movement of goods and services efficiently whilst maintaining our market-leading position.

In order to grow a truly sustainable business it is crucial that we utilize our core competencies to enhance our positive impact as active citizens in the communities in which we operate.

Our "Delivering Good" sustainability platform is active in over 100 educational, social and environmental projects worldwide, and we have partnered with many international and local organizations dedicated to similar causes. We are proud of the partnerships we have with the communities in which we operate, as well as the contributions to their sustainable economic development.

To that end, we are actively developing a culture where innovation can thrive. With continuous investment in our people, technology, infrastructure, and the implementation of innovative solutions, we satisfy our customers evolving needs and deliver the maximum value to our stakeholders along with maintaining partnerships with local communities.

2-1, 2-6

Vision, Mission, and Core Values

Our Vision

A seamless logistics and delivery experience –connecting the globe

Our Mission

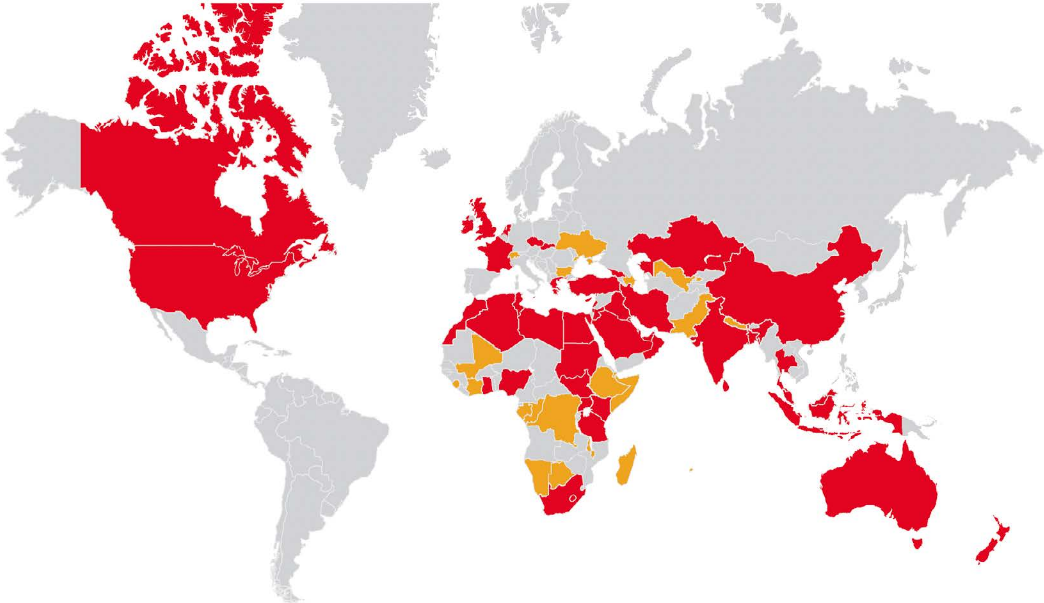
Deliver flexible, innovative, reliable transport and logistics solutions

Our Values

Our core values differentiate Aramex both as a competitor in the industry and an employer of choice.
We aim foster behavior and processes which leverage these 7 values across our business.

- Passion
- Enterpreneurship & Innovation
- Our People
- Corporate Activisim
- Excellence
- Integrity
- Customer Centricity

Operations Map



Aramex stations
Joint ventures

Sustainability coverage map

Sustainability projects

CEO Letter

Othman Aljeda Chief Executive Officer

Dear Stakeholders,

In my over 20 years of working in the industry, I have never seen a single event disrupt the global supply chain industry while simultaneously skyrocketing demand for last mile delivery with heightened expectation for seamless customer experience. As a company that sits across the global transportation and logistics industry's value chain, servicing customers of all types and sizes from first mile to last mile, Aramex acted swiftly and innovatively to navigate the supply-side constraints and the demand-side spikes while enhancing its level of service at competitive prices.

In 2021, Aramex continued to demonstrate our market leading position and capitalized on strong demand growth with revenues growing 10% year on year to AED 6.1 billion, an all-time high for the Company and our third consecutive year of top line growth. Margins remain constrained due to Covid-19 induced costs, particularly line haul costs as a result of capacity constraints, as well as increased competition in certain markets. Excluding extraordinary items, normalized operating margin was down to 5% in 2021 vs. 9.3% in 2020 and normalized net profit was down by 51% to AED 183 million. Throughout the year, we continued to provide our customers with best services levels and this customer-first approach meant we have absorbed a higher cost of doing business to ensure we continue to respond to customer needs and defend and grow our market share in a period of dislocation and supply chain disruptions.

We maintained a strong balance sheet and healthy levels of liquidity thanks to our prudent financial management practices. With a low debt position, our under geared balance sheet is a source of value. We are well positioned to pursue our organic and inorganic growth ambitions.
Turning to our accomplishments, 2021 was a transformational year for Aramex, proving that we are a Focused, Fast, and Forward-looking company.

Focused.

We launched a redesigned, more effective, and powerful operating model. This reconfigured operating model essentially decoupled our two core services into standalone and decentralized strategic operating units, each headed by their respective Chief Operating Officers – and veterans of Aramex who know the business and industry inside out.

Express, our courier business which includes International and Domestic delivery solutions, will serve the B2C and B2B customers. Meanwhile, Logistics, which includes Freight-Forwarding and Integrated Logistics and Supply Chain solutions, will serve B2B customers. To support our global growth ambitions and to cater to unique customer needs and respond effectively to country-specific challenges, we created a new regional structure composed of eight key regions. Each region is being managed by a Regional Vice President with dedicated teams focused on growing Aramex's local footprint and expertise while driving commercial opportunities and customer-centric innovations. The operating regions will also serve to build a growing number and busier trade lanes with the GCC and broader MENA region.

The operating model has made us more agile and better prepared to capture the right opportunities to grow and diversify our customer base, develop the right product mix and dedicated service, invest in, and employ value-adding technologies, and operate at more efficient and sustainable levels. We are also growing our global network and deepening and expanding our local presence, getting closer to our customers, and enabling our customers to get closer to theirs.

In less than six months since its deployment, the redesigned operating model is already producing good results. While we saw growth across all our product lines year on year, the most tangible result is in our Logistics and Freight-Forwarding business. Despite the incredibly disruptive and evidently persistent impacts that Covid-19 is having on global supply chains – especially in sea-freight – we successfully grew our logistics and freight-forwarding business by 21% in 2021 year on year, surpassing pre-Covid-19 levels.

We are also focused on driving cost-efficiencies across the board. While we continue to witness margins coming under pressure, owed in large part to persistently higher line haul costs driven by capacity constraints – due to Covid-19 disruptions - and other higher operating costs, we are focused on driving both cost-driven and value-driven cost optimization initiatives. Cost-focused initiatives include cutting back on non-essential activities and centralizing our global procurement process to realize cost synergies. Value-focused initiatives include optimizing our workforce and CAPEX needs to align with business growth objectives while embedding sustainability practices across the board. With the new operating model, we will have even greater visibility and ability to smartly forecast and manage our cost base, ultimately leading to improved margins in the mid-to-long term.

We have been dedicated to decarbonization for over 10 years. By being an early mover, we have the experience and foresight to commit to realistic, actionable targets. In 2021, we doubled down on our commitments by committing to the Science Based Targets initiative (SBTi) – one of the few companies in the MENA region to sign up to the globally recognized and UN-backed initiative. By setting science-based carbon emission targets, we are accelerating our climate action goals to help keep a rise in global temperature to well below 2°C. We have committed ourselves to reach carbon neutrality by 2030, and to become net-zero by 2050, and we have a clear roadmap that will enable us to get there. Our efforts are paying off. We are incredibly proud to be recognized as global industry leaders in sustainability by Sustainalytics. In October 2021, Aramex received an ESG Risk Rating of 11.7 on Sustainalytics' ESG risk assessment scale, indicating a low level of risk of experiencing material financial impacts from ESG factors. Our rating places us number one in the global ranking of 363 transportation companies and 413 out of 15,124 companies rated by Sustainalytics worldwide. We also received the Dubai Chamber CSR label for 2021 which is one of the most established and prestigious framework and development tool that helps companies evaluate their CSR strategies.

We also never lost focus on keeping our 16,000+ employees across our network safe and well looked after. We understand that the pandemic added more stress – both physical and mental – and this is why we rolled out several initiatives to help ensure we are doing our part in helping them cope with the workload. Their hard work and dedication to the business is enabling us to play a pivotal role in moving shipments around the world and delivering packages to homes, and I am very grateful to be working alongside the hardest and most talented individuals in the business.

Fast.

Over the past 12 months, the evolving Covid-19 virus continued to test economies, industries and companies' resilience, speed of adaptability and innovation in different ways. For the e-commerce industry, the name of the game was speed. Consumers' expectations have become even more discerning; they expect lightning speed and frictionless deliveries, returns and exchanges for any products they buy online – from everyday essentials from the store in the neighborhood to holiday gifts from an e-tailer from the other side of the world. As a key player in ensuring the sustainable growth of the $4 trillion – and fast-growing - global e-commerce market, the onus is on us to make sure our products, services, operations, and workforce are working seamlessly, optimally and with precision. I am delighted to report that Express handled a record volume of packages, with exceptional growth in the Domestic Express segment.

In 2021, we invested in growing and automating our global, strategically located, and largescale international and domestic courier business operations to further improve our speed and efficiency. We also heavily invested in countries where we continue to see significant growth opportunities driven by government-led initiatives as well as a strong post-

Covid recovery in the private sector, including Saudi Arabia and Australia. In Riyadh, we opened a fully automated state-of-the-art facility, serving as a prime gateway to a population of over 34 million people with a growing purchasing power of hyper-connected youth.
While every mile along the journey matters, it is the last mile that matters the most for consumers. This is where Aramex continues to establish market leadership in key markets and this where our scale, experience and expertise affords us the competitive edge versus relative new market entrants. We continuously come up with innovative and smarter solutions to ensure we remain competitive, reliable while consistently providing excellent service.

Our recent investments in technology, AI and data analytics adds greater visibility and predictability to our Express business, leading to greater efficiency and enhanced customer service. Of note, we teamed up with Salesforce to integrate a customized CRM system that provides us with greater access to gain a holistic view of customers across all our platforms to offer optimized solutions.

Forward-looking

In 2022 our ambitions are clear: we want to go the extra mile at every mile to create greater value for all our stakeholders. What that means practically is that for our customers, we want to further improve our service excellence and upgrade our products to cater to their changing needs. For our shareholders, we want to continue protecting and growing the company's value by executing on a bolder, more aggressive strategy for each of our new clusters.
For Express, we want to stay resolute in our commitment to customer excellence and further cement our market leading position in core markets. We want to continue building our scale and expertise for both international and domestic express and leverage predictive analytics and data-driven intelligence to deliver packages focusing on efficiency and reliability. We want to significantly increase the flow from major hubs in the US, UK, Amsterdam, China and Hong Kong to service our markets in the GCC, wider MENA region and Australia. We also want to drive new trade lanes across the globe for e-commerce, such as the UK into Europe, Asia and Europe into Oceana and South East Asia, Europe into Americas, Asia and MENAT, and Americas into Europe. We see high potential for acquisition in emerging markets, such as North Africa, Turkey and Southeast Asia, and remain on the lookout for acquisition opportunities in the GCC markets.

We are confident on Freight's potential for growth, and we have outlined an ambitious strategy to accelerate our momentum. Geographically, we want to expand our global footprint by growing our freight presence in existing and new locations. Operationally, we want to be more integrated and specialized. We will be investing in specialized warehouses to cater for high potential industry verticals such as cold chain, pharmaceuticals, oil & gas, and FMCG. Beyond expanding our operations, we believe we can capture growth opportunities through acquisitions, and we are ready to act quickly when we identify the right opportunity. We believe our strong presence in the MENA region – a busy trade route with government-led pro logistics and sector growth initiatives – also positions us favorably to form strategic alliances. Our bold ambitions for this cluster will be matched by growing our team of industry experts through hiring top talent.
For the planet, we are doubling down on our decarbonization actions. For our society, we want to do more to help lift the standard of living and to support small businesses to grow and thrive. For our employees, we want to listen and cater to their needs while also empowering them through training and upskilling. Finally, we want to take deliberate action to ensure we continue to retain and recruit diverse and inclusive talent.

We remain steadfast and resolute in maintaining our sights focused on executing on our strategy and putting the customer's needs first. Furthermore, I have confidence that our new operating model, the leadership and guidance of our strong management team, and the ingenuity and commitment of our employees position us favorably to navigate this dynamic and complex environment. This will be bolstered by our new strategic shareholder, GeoPost and reaffirmed vote of confidence from our wider shareholders, including Abu Dhabi Ports. The synergistic opportunities that we can unlock with one of Europe's leading courier delivery companies is significant – from market know-how and intelligence to product offerings and services to pure knowledge sharing, and of course, opening new trade lanes.
Similarly, Abu Dhabi Ports will help further cement our market leading position in the region and enable us to grow the Freight-Forwarding business.

Thank you, dear stakeholders, for your ongoing support and confidence, together we will be taking Aramex towards the next chapter of sustainable growth.

Sincerely,

Othman Aljeda
Chief Executive Officer

About sustainability and this report

About sustainability and this report

At Aramex, we strive for continuous and progressive measurement, monitoring, and evaluation of our practices and procedures, including our capital flows, impacts, and value creation. We approach this through a stakeholder-centric, integrated, and holistic process which involves developing and fostering our Human, Intellectual Capitals, leverage our Manufactured, and Financial Capitals while also being able to preserve and protect Natural Capital and build Social and Relationship Capital across our global communities. This approach applies to our decision making and how we practice and maintain focus on short-, medium-, and long-term value creation. To this end, we actively work to sustain the stewardship of our diverse capital flows while underscoring the understanding of the interdependent and complex nature of these capital flows.

We are proactive in our stewardship of the Six Capitals

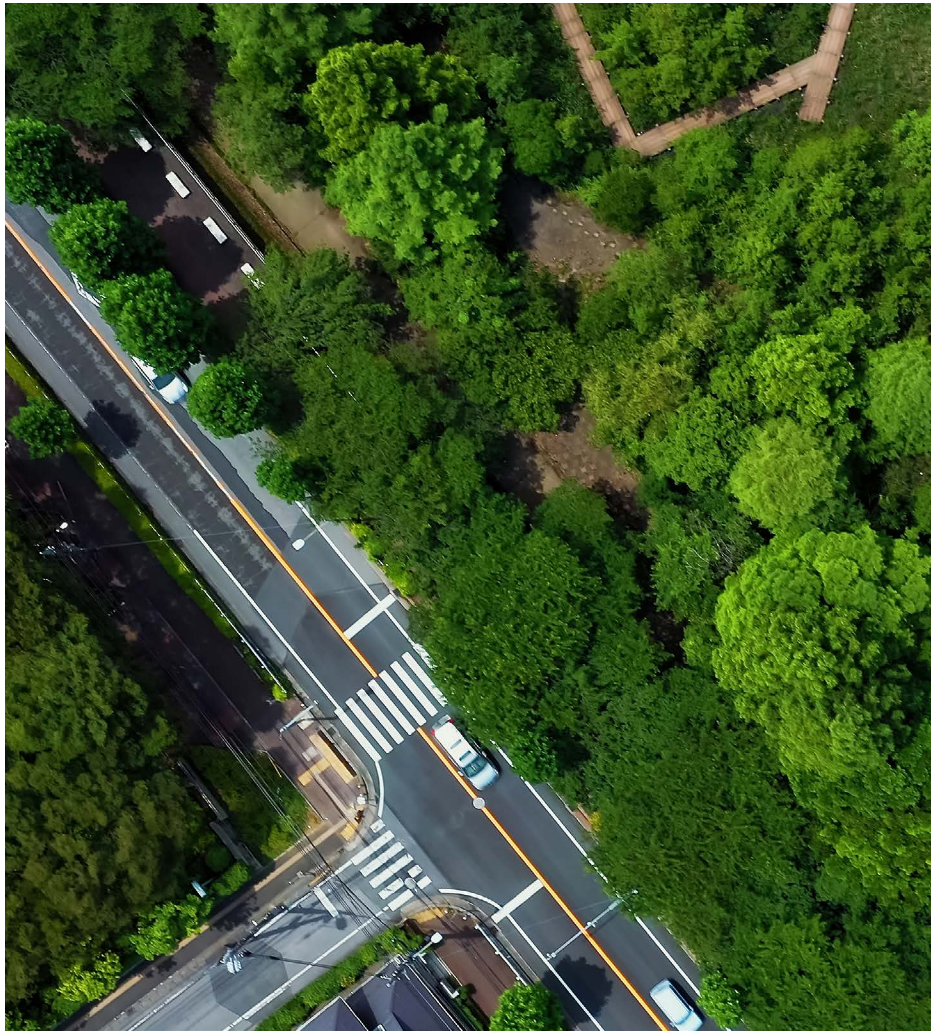
Financial	Manufactured	Intellectual
Human	Social and Relationship	Natural

Closely monitoring our operations allows us to understand and manage the flow of these capitals, their interdependencies, and their interaction with the greater economic, social, and environmental systems.

COVID-19 Response

In 2021, the COVID-19 pandemic continued to have a detrimental and disruptive impact on communities around the world. Following on our response in 2020, we maintained our efforts to respond to the crisis, safeguarding the safety of our employees, customers, and communities, and leveraging our operations and partnerships to provide necessary support and relief. Through these efforts, we were able to continue providing our services at the expected highest quality, we adapted where necessary to ensure service continues seamlessly. Our couriers maintained safe delivery measures, our sustainability projects continued to uphold standards of safety, and we ensured our employees can work from home as needed seamlessly and effectively.

We are proud to be recognized as global leaders in sustainability reporting and have been ranked as number one in the global ranking of 363 transportation companies on the Sustainalytics ESG Platform, which is one of the best ESG research and data providers. We also received the Dubai Chamber CSR label for 2021, one of the most established and prestigious frameworks and development tools that help companies evaluate their CSR strategies.



What to expect from this report?

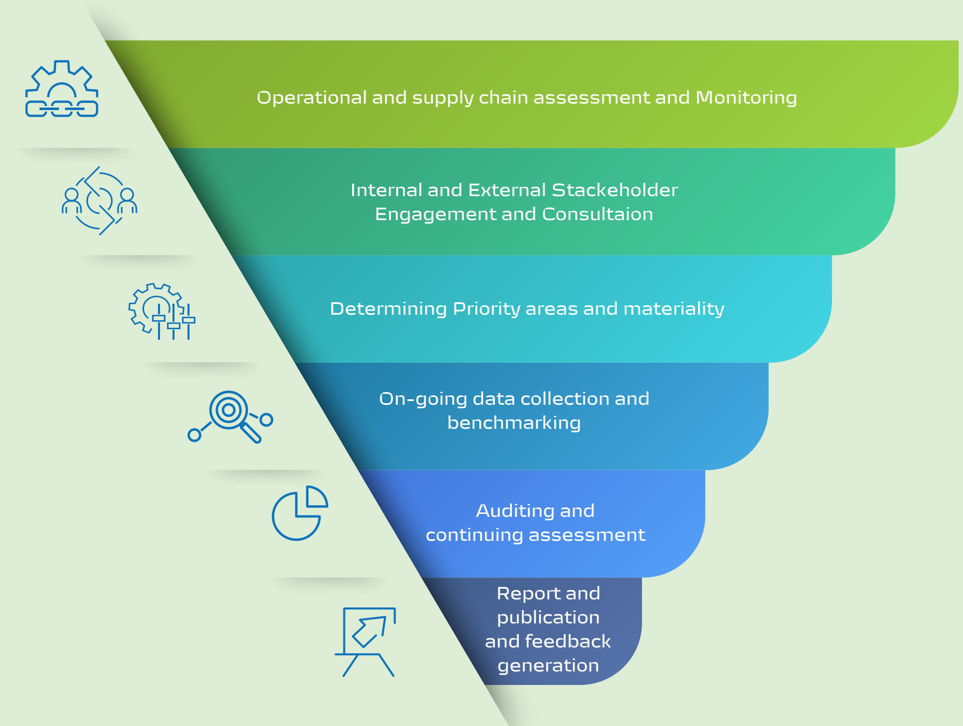
This report covers our financial, services, and operations, and sustainability activities and progress for 2021, it follows our 2020 report (linked here).

Within these pages, we report our progress on our sustainability and key non-financial goals for 2021, as well as emissions and environmental footprint. Here we also share updates and progress within our business operations, in our services, Human Resources, compliance, governance, and more.

In 2021, we conducted an Environmental, Social, and Governance (ESG) assessment of our previous reports to improve our sustainability systematically and pragmatically from the inside out. By centering ESG at the core of our operations, sustainability efforts, and reporting, we are taking steady steps towards future proofing our business while ensuring we deliver value to our customers and communities. This assessment allows us to ensure transparency, robustness, and comprehensiveness of our business and activities and our reporting on these activities.

Our approach to reporting

Approach to Sustainability Reporting



Our reporting standards

Sustainability and Integrated Reporting Standards

- Aramex Internal reporting standards
- GRI Standards
- Greenhouse gas emissions Protocol
- UNGC - communication on progress
- International Integrated Reporting Council (IIRC) Framework.

Financial Reporting Standards

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.

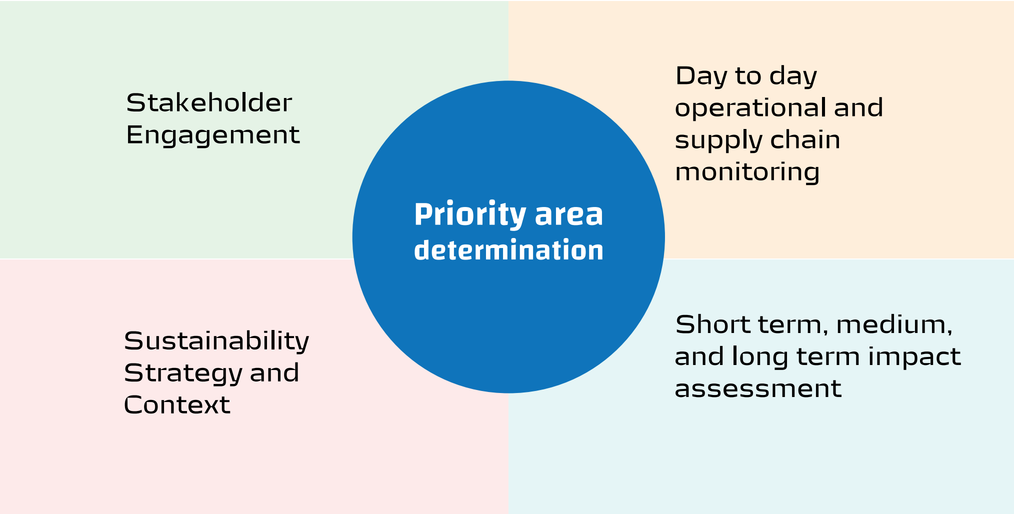
Stakeholder centric approach

In our strategy setting, operations, and reporting, we ensure that we engage with our stakeholders both external and internal through fostering open and transparent consultations, dialogue, and feedback channels and activities. Stakeholder feedback and interests shape our strategic direction and set our priorities, further safeguarding our human social and relationship capitals. Our stakeholder centric approach is in line with the established best practices of a sustainable business, as well as the GRI Standards and the International Integrated Reporting Committee (IIRC) Framework.

Stakeholder Group	Engagement Channels	Key Needs and Expectations	Key Efforts
Our People: A diverse workforce of 16539 direct Representing 98 nationalities with a gender breakdown of 81.96% male and 18.04% female	• Continuous performance • reviews through our • Insights and Analytics • Program, (mandated annual review) • Team meetings (weekly or Monthly) • Quarterly senior Management meetings • Organizational Health Index survey	• Job Security • Performance management • Safe and healthy Work environment • Training and development • Competitive Remuneration • Workflow enhancements • Flexibility	• **Refer to Our People Section page 35.**
Our Customers	• Account Management • Omnichannel communication • Web Portals and Mobile Apps • WhatsApp for Business • Consumer Engagement Center • Aramex Retail Outlets • Social Engagement Center • Aramex Delivery Representatives • Aramex Spot and Fleet • Surveys and Other Interaction Touchpoints • Surveys Conducted at different frequencies according to clients' needs with a minimum of an annual survey	• Enhancing service efficiency, cost, and speed • Transparent service delivery • Improving, adoption of technology and innovation • Providing additional language support • Increase awareness on sustainability activities	• **Refer to Our Customers Section page 24 ,Our Services Section page 20 and Sustainability Section page 44.**
Aramex had 19,977 shareholders in 2021, with the largest individual shareholder owning less than 10 percent.	• Annual General Meetings. • Annual Reports • Quarterly Earnings Reports Press releases • Online section for Investor Relations • Direct contact through the • Investor Relations Office	• Elevated returns on investments. • Effective and efficient governance • Outstanding corporate and brand reputation • Sustainable long-term growth • High integrity and transparency	• **Read about our efforts in our Governance Section page 87.**
Business Partners	• Ongoing negotiations, Transactions and service provision. • Long-term business relationships with Aramex • Aramex Advisory Services	• Accessibility of new business ventures with Aramex • Increasing value to partners • Preservation of ethical Values • Maintaining compliance	• **Read about our efforts in sections: Our Services and Our Customers Sections (pages 20 and 24), SME Business Hub (page 28), Supplier evaluation and risk and compliance efforts (pages 52).**
Our Communities	• Ongoing, through sustainability projects and partnerships • Continuous assessment of the impact • Stakeholder engagement sessions	• positive social returns to the community • Preservation of human rights • Provision of employment opportunities and job creation • Mitigating any negative impacts resulting from operations	• **Read about our efforts in section: Sustainability Section page 44.**
Our Environment	• Ongoing, through sustainability projects and partnerships, • Continuous assessment of the impact of our operations and sustainability efforts	• Mitigating negative impacts • Encouraging and enhancing the adoption of environ-mentally technologies and innovations	• **Read about our efforts in Section our Environmental Stewardship and climate change mitigation section page 49.**

Priority Areas and Materiality

Our priority areas are determined using an iterative and rigorous process which is reinforced by core interrelated facets:



Our robust and continual engagement with our external and internal stakeholders (stakeholder engagement), helps us identify the material aspects of our operations from various standpoints and across the different global, regional, and local contexts.

Navigating this report

This report represents the different activities, initiatives, and progress measurements related to our material aspects for 2021. We aim to provide a holistic and comprehensive report which speaks to the different standards we adhere to. Here is how to navigate this document:

Global Reporting Initiatives Sustainability Reporting Standards

Our report is in line with the GRI standards, and therefore, we report on several material aspects using indicators spanning Economic, Environmental, and Social concerns our materiality index is on page 75. Indicators related to our material aspects can be found at the bottom of the respective section/ page with relevant information.

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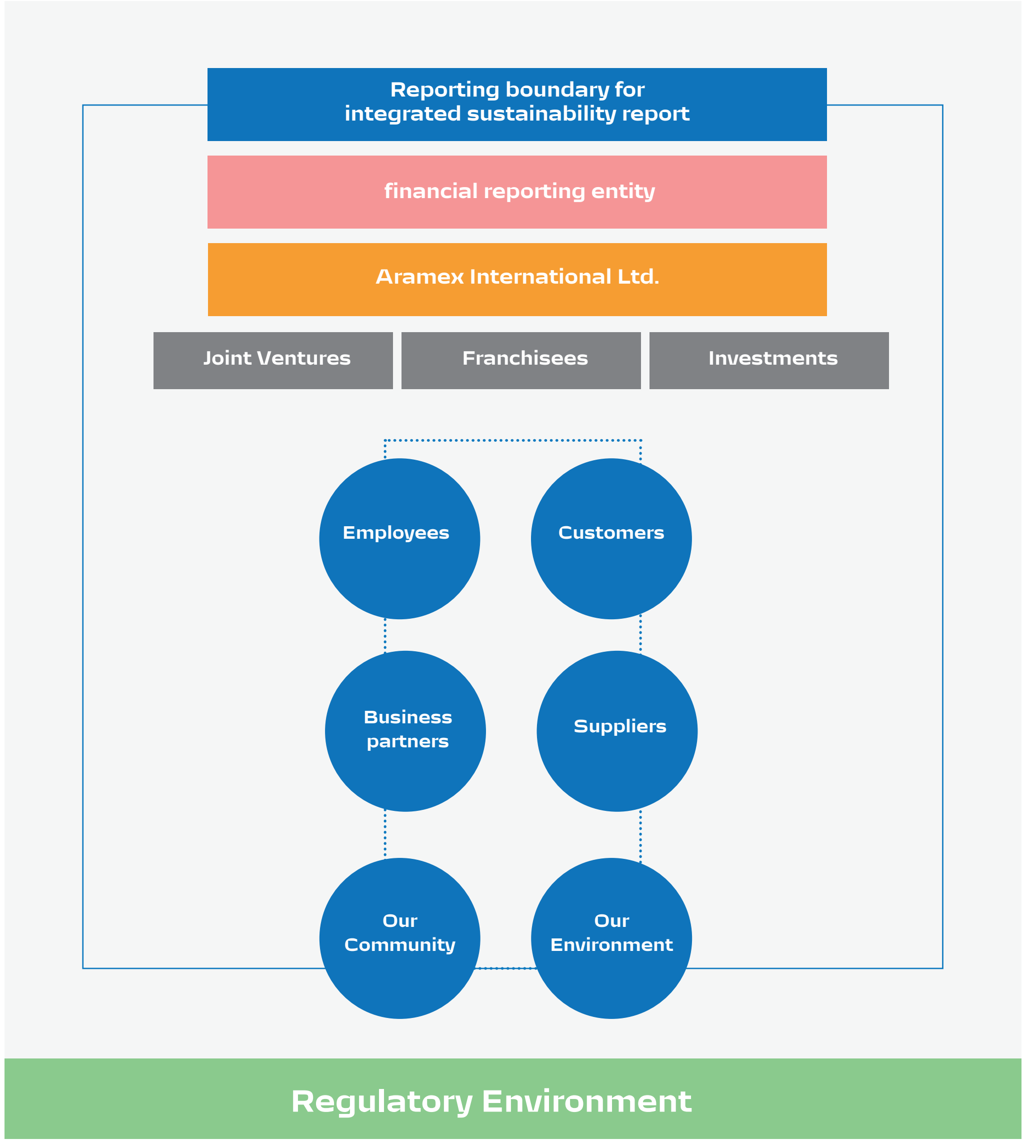
Reporting Boundaries

You can learn more about our reporting process here (reporting process section)



International Integrated Reporting Council (IIRC) Framework and Value Reporting

We aim to report in line with the International Integrated Reporting Council (IIRC) Framework, underscoring the flow and value creating activities as they relate to our 6 capitals, defined below. Throughout this report, you will find the below icons referring to respective capitals in action in the relevant sections.

Financial	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, infrastructure (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 improving 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 and efforts towards the United Nations Global Compact Principles, you can find information on each corresponding principle in the sections indicated below:

Principle	Definition	Relevant Section(s)
Principle 1	support and respect the protection of internationally proclaimed human rights	Our people, Sustainability, Risk and Compliance, Disclosure on Management Approach, Materiality Index
Principle 2	make sure that they are not complicit in human rights abuses	Our people, Sustainability, Risk and Compliance, Disclosure on Management Approach, Materiality Index
Principle 3	uphold the freedom of association and the effective recognition of the right to collective bargaining;	Our people, Risk and Compliance, Materiality Index
Principle 4	elimination of all forms of forced and compulsory labor;	Our people, Sustainability, Risk and Compliance,Materiality Index
Principle 5	effective abolition of child labor	Our people, Sustainability, Risk and Compliance, Materiality Index
Principle 6	elimination of discrimination in respect of employment and occupation.	Our people, Sustainability, Risk and Compliance, Materiality Index
Principle 7	support a precautionary approach to environmental challenges;	Our people, Sustainability, Risk and Compliance, Disclosure on Management Approach, Materiality Index
Principle 8	undertake initiatives to promote greater environmental responsibility; and	Our people, Sustainability, Risk and Compliance, Disclosure on Management Approach, Materiality Index
Principle 9	encourage the development and diffusion of environmentally friendly technologies.	Our people, Sustainability, Risk and Compliance, Disclosure on Management Approach, Materiality Index
Principle 10	work against corruption in all its forms, including extortion and bribery.	Risk and Compliance, Disclosure on Management Approach, Materiality Index

Sustainable Development Goals

Aramex continues its efforts towards the achievement of the United Nations Sustainable Development Goals, especially in relation to Goals 1, 4,5,8,9, 10, 13, 12 and 17, while also contributing to other areas of the SDGs. This is a non-binding and voluntary initiative taken on Aramex's behalf driven by our belief of the value of this work.

Goals and Definitions	Relevant Section(s)
SUSTAINABLE DEVELOPMENT GOAL 1 End poverty in all its forms everywhere	Sustainability, About Aramex
SUSTAINABLE DEVELOPMENT GOAL 4 Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.	Sustainability and Ruwwad
SUSTAINABLE DEVELOPMENT GOAL 5 Achieve gender equality and empower all women and girls	Our People, Sustainability
SUSTAINABLE DEVELOPMENT GOAL 8 Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	Our People, Sustainability
SUSTAINABLE DEVELOPMENT GOAL 9 Build resilient infrastructure, promote inclusive and sustainable industrialization, and foster innovation	About Aramex, Our Services, Our Customers, Digital Transformation, Sustainability
SUSTAINABLE DEVELOPMENT GOAL 10 Reduce income inequality within and among countries	Our People, Risk and Compliance, Sustainability
SUSTAINABLE DEVELOPMENT GOAL 12 Ensure Sustainable consumption and production patterns	Sustainability, about aramex
SUSTAINABLE DEVELOPMENT GOAL 13 Take urgent action to combat climate change and it's impacts	Sustainability
SUSTAINABLE DEVELOPMENT GOAL 17 Strengthen the means of implementation and revitalize the global partnership for sustainable development	Sustainability

Value Creation Model

Outputs

366,002
Direct Beneficiaries

300+
Stakeholders Attended Engagement Sessions

AED 1,464,100,00
Share Capital

6.8%
Return on Equity (ROE)

Inputs

86%
Sustainability Coverage

2
Stakeholders Engagement Sessions

AED 5,399 Million
Total Assets

AED 6,069 Million
Total Revenues

Certified
Training Center

16,359
Employees

98
Nationalities

46%
Reduction of Fuel per Shipment (compared to 2012 baseline)

55%
Reduction of Electricity per Shipment (compared to 2012 baseline)

17%
Increase in Recycling

55,024,089
kWh Electricity

25,715,644
Liters of Fuel

Outputs

8,100
Shipments per Employee

AED 1,263,189 Thousands
Employee Benefits & Salaries

84%
of Total Employees Received Compliance Training

11,321,094
kWh were produced by generating electricity through our solar farms in Amman & Dubai

201-1, 203-1, 203-2, 302-3, 302-4, 305-5, 413-1

Key Non-financial Goals

Sustainability

- Add three more solar system in three locations.
- We plan to continue introducing EVs into our fleet.
- Reduce aramex Carbon emissions by 5%.
- We are planning 100% ISO14001 certification by 2023.

Commercial

- Double down on high margin verticals including e-commerce and pharma.
- Grow size of wallet from existing customers organically and through cross selling our various service offerings.

HSE

- Increase the reporting of any near misses using the new tool, in order to come up with plans to reduce near misses.
- Reduce the LTI (Lost time injury) by 5%.
- Reduce the road accident per shipment ratio by 5%.

We aim to continue building on this momentum in 2022 with the following objectives:

- Conducting our Global Security Assessment on all locations and facilities
- Increasing screening capabilities in high-risk countries and upgrade old technologies used
- Increasing the Security incident reporting using the new "Riskonnect EHS" tool.

Our Services

Our Services

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

International Express Services

As a leading global provider of comprehensive logistics and transportation solutions, Aramex provides international door-to-door shipping solutions for time-sensitive documents and packages to customers across all business sectors. We offer a range of International Express Services to suit customers' needs in terms of cost and speed, automatic delivery notifications, proof-of-delivery, real-time online tracking updates, as well as a variety of import, export, and customs clearance services.

For better global reach and service, we establish 2 new Hubs in Prague covering Europe and Accra covering Western Africa.
Given the rapid changes in EU due to the Brexit and the new tax scheme (IOSS), Aramex responded quickly by implementing the needed changes within our system to integrate properly with European customs.
In response to the great demand on shipping from Europe into GCC, we managed to establish new direct routes from multiple locations serving both B2C and B2B business, which lead to a better customer experience and serviceability.
Additionally, we expanded our services in Africa by having new GDA agents in Mauritania and Gambia and a new franchisee in Benin.
Introduced a new land network within GCC to provide an economy friendly solution to our customers within the region.
As the demand increased on DG and Vape shipping across MEANAT and NAM, Aramex came forward with robust operational setup for DG handling in accordance with IATA regulations, which eventually provided our customer with unmatched competitive prices compared to competition.

Domestic Express Services

Our Domestic Express service provides nationwide door-to-door delivery of all parcels in urgent packages, with options of same-day or next-business-day deliveries, cash-on-delivery as well as package collection and return services.

Throughout 2021, our Domestic Express services continued to witness significant increases in activity levels. Therefore, we were focused on ramping up our on-the-ground operations and invested heavily in expanding our last mile capacity in core markets to meet the surge in volumes led by robust demand from the e-commerce segment.

In KSA, we inaugurated a new express courier handling facility located in the Model Cargo Village at King Khalid International Airport. The facility was built on a 5,900 square meter land and equipped with the latest automated parcel sorting systems with a capacity to handle up to 100,000 shipments per day. In addition, it is directly connected to the Saudi Customs Clearance systems, which will significantly reduce the time needed to clear the shipments and deliver them to their final destination.

In Kuwait, Aramex expanded its presence by moving into a new 16,000 SQM e-fulfillment center in Sulaibiya area, to help grow Aramex's e-fulfilment business. The new state-of-the-art Aramex facility will help the Company expand and grow its e-commerce fulfillment business, which involves movement of different types of consumer goods and products. Using the latest equipment and technology, the logistics warehouse will operate the latest version of INFOR WMS 10.4, RFID tags and gateways, automated conveyor belts and sorting machines, all of which are geared towards faster and more efficient operations.

Moreover, in 2021, Aramex finalized multiple sortation system agreements for MENA region, inaugurated new operational facilities in Qatar and Morocco.

Freight Forwarding

Aramex offers all kinds of shipping modes, be it Air, Land, Ocean, Rail, or any combination of the four. Our services range from port-to-port to full door-to-door solutions for all types of cargo. This is backed by an in-house brokerage service in almost all our locations worldwide, and a live tracking system.

In addition to our traditional commodities handled and especially the oil and gas sector, Aramex has further developed the below verticals and solutions:

- **Critical Cargo:** Healthcare and Pharma, Aircraft on Ground (AOG) and On-Board Courier (OBC) services.
- **Project Cargo:** Break Bulk movement, Project Logistics, and Heavy Lift shipment.
- **Chartering:** Aircrafts and Vessels.

On the digital front, Aramex rolled out WiseTech Global's integrated logistics execution platform "Cargo Wise" across its global network of 60+ countries successfully during last year. CargoWise will support Aramex's freight forwarding and customs operations and enhance the overall user experience for their employees and customers.

This rollout of Aramex's new Transportation Management System represents an integral milestone in the Company's digital transformation journey that strategically leverages innovative solutions to satisfy evolving customer needs and allows Aramex to swiftly adapt to changing market conditions.

This year will mark the year of unleashing the full benefits of this system through activating many new features which were not part of the roll out.

Integrated Logistics, Warehousing, And Supply Chain Management

Our end-to-end logistics solutions ensure the efficient transfer, storage, and distribution of products, and information throughout the supply chain - from the moment our customer's inventory leaves their suppliers or factories to the point at which it reaches retailers or end-users.

Our logistics centers are strategically located in key areas across the GCC, Middle East, North Africa, South & West Africa, Western Europe and Asia. Powered by cutting-edge technology, Aramex ensures high quality standards of operation and security of the facilities.

Throughout 2021, we continued to invest in upgrading our infrastructure and automation of our facilities to accommodate the increasing demand of our customers. Our largest growth area continues to be the ecommerce industry, which benefits from synergies between our warehousing and courier solutions. In addition, we have been closely working with our operations in expanding markets such as KSA, UAE and Egypt in order to sustain and solidify our growth strategy.

In Dubai, we partnered with Dubai Health authority (DHA) to manage their central warehouse and 4 other storage locations in Dubai. Using Aramex's rich experience in managing pharmaceutical warehouses, we implemented best practices in the facilities by receiving shipments and storing them in optimal conditions, communicating with the suppliers and coordinating shipments all the way up to the delivery location. The products stored range from medicines, vaccines, dental supplies to spare parts for imaging machines. Monitoring quality, cleanliness and temperature of the sensitive material is key in this operation. Aramex also handles the deliveries of the shipments in temperature controlled and certified vehicles to more than 12 health centers run by DHA.

In Egypt and KSA, we expanded our ecommerce footprint by setting up two new large-scale ecommerce warehouses dedicated to two of the biggest names in online retail brands in the region. The Aramex owned facilities are equipped with thousands of shelf storage locations, fully equipped packing stations, conveyor belts and high security standards in order to optimize the lifecycle of the order process. Leveraging its key strength in courier deliveries, Aramex is able to easily integrate the warehouse process with the last mile delivery.

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. INFOR has been instrumental in providing our operations with the right level of flexibility and enhancements to our productivity. It also offered our customers with live visibility, enhanced functionality and dashboards.

Shop & Ship

Shop & Ship (S&S) is an online platform that facilitates online shopping and is all about making online shopping and shipping easy. It offers a choice of two subscription plans – Basic lifetime membership and FLEX annual membership. While Basic gives lifetime access to convenient online shopping with competitive shipping rates, FLEX goes one step further to offer additional benefits like lower shipping rates calculated per 100 grams only.

Once registered, members will receive 32 physical addresses in Australia, Canada, Czech Republic, China, Cyprus, Egypt, France, Georgia, Germany, Greece, Hong Kong, India, Indonesia, Italy, Japan, Jordan, Lebanon, Malaysia, New Zealand, Pakistan, Saudi Arabia, Singapore, South Africa, South Korea, Spain, Sri Lanka, Switzerland, Thailand, Turkey, UAE, UK, and USA.

Members can use any of the Shop&Ship addresses to reach across borders and purchase items from their favorite online stores. From clothing and accessories to electronics and beyond, they can receive orders at their doorstep with ease. And with features like S&S Perfume and S&S Select, members can also receive items like perfumes and beauty products. The service also offers S&S Protect to protect online orders from loss or damage and offer members peace-of-mind.

Shop & Ship continues to deliver as a platform that facilitates global online shopping

In 2021, we focused on introducing new tools that will empower and automate our customers experience to search and claim their packages, we also upgraded the invoice upload feature and revamped our promo code system, in addition to switching our payment gateway portal to allow for higher localization for payments. Additionally, Shop & Ship partnered with reputable banks, payment cards and with many different online stores to offer its members exclusive advantages like discounts and much more.

Marketing and communication were active on a continuous basis, on social media and ongoing advertising carried out on various mediums such as digital communication, emailing and mass marketing.

Our Customers

Our Customers

Aramex is committed to creating value for its customers by delivering excellence in 2021 and providing high quality services and innovative products to customers across the globe. We place the customer experience at the heart of our business and operational strategies and decisions. We aim to anticipate and proactively address customer needs, concerns, while also actively conducting regular reviews with customers, embedding customer-centricity across our operations with a firm focus on providing real business value and operational impact through holistic solutions and recommendations.

Our policies, regulations, and training safeguard the confidentiality and privacy of client information, facilitate responsive communication and ensure ethical and professional conduct.

The Aramex approach to creating value for our customers:

- High quality service
- Innovative products
- Holistic approach to Customer Centricity
- Secure and compliant

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

Commercial transformation and product focus organization → Tailored Solutions for Tailored Needs → Customer centric technological innovations → Reimagining Collaboration and Business Partnership → Customer Engagement

Commercial transformation and product-focus excellence

All Moving Parts Moving in the Right Direction

2021 has been a year of getting the commercial teams back on the ground and in front of customers. Given the pandemic and previous centralization of the sales teams, Aramex has seen a reduction in the usual onboarding of new SME customers and a reduced SME retention rate. To combat this, all commercial teams are now decentralized and focused on the important task of maintaining healthy relationships with customers and finding tailored solutions for their supply chain needs.
Despite showing record revenues in 2021, with a growth in organic revenue of +13%, Aramex has felt the pinch of increased competition, especially in core markets. This, along with the excessive negotiating power of the super large e-tailers and the jump in the cost of international linehaul, the gross profit margins have dropped. Going forward, Aramex will massively drive customer experience, exceeding service expectations. Our team will actively use technology and innovation to drive efficiency, reliability, and cost reductions, however, not at the sacrifice of service excellence and fair margins. The industry price war has already seen the demise of some of the newer entrants in the last mile sector, those who have underpriced to gain market share and not survived.

Aramex has initiated the process of separating the freight forwarding business unit from the other services, since freight and international courier are uniquely different and need specialized skills and human recourses. The opportunity to grow the freight revenue is vast, through this approach Aramex will be able to offer significant customer-centric solutions to specific industries such as Oil & Gas and healthcare. To that end, investments in digital solutions have been made to better serve customers, the two larger investments being Cargowise and Salesforce. Supplying real time data to customers and using Artificial Intelligence to boost the overall experience and delivery success is a top priority in the year to come.

Express

With the recent split of services into two distinct units: freight forwarding and express comes greater focus, strategic flexibility, and the digital and technologic investments to drive long-term growth for customers, investors, and employees on both fronts. There is a renewed focus to boost profitability by being selective in choosing the right packages for the right customer while delivering exceptional service-levels.

In 2021, overall online shipments increased by 92% while overall online revenue increased by 91%.

2022 will be an exciting year for Aramex as we focus on two key themes:

1. Service level: We maintain focus on our service level ensuring that we are the premier service provider across our key markets. This will come with delivering superior and consistent performance despite seasonality and peak season volatility.
2. Service speed: We will continue to focus on our speed of service on the ground. We will roll-out our Same- Day product in select key markets. We are seeing massive demand for speed, and we feel that the Same-Day product will fit well in our overall strategy.

Other exciting initiatives include continuing investing in our technology, improving our time-definite deliveries, and focusing on customer-experience.

Shop & Ship

Shop & Ship continues to facilitate global online shopping. As part of our ongoing efforts to be agile and dynamic in our approach towards the market, subscription prices, and shipping rates, furthermore, we regularly evaluate our shipping rates to guarantee that we are offering our customers the best service at the best rate to suit their needs.

In 2021, we focused on introducing new tools that will empower and automate our customer experience to search for and claim their packages, we also upgraded the invoice upload feature and revamped our promo code system to allow for higher flexibility in country and commodity specific promotions, in addition to switching our payment gateway portal to allow for higher localization.

Building on our 2020 momentum, our acquisition campaigns were successfully executed resulting in customer growth expanding the Shop & Ship offering to an additional 93K customers. 2021 also saw an enhanced level of customer service introducing a dedicated customer service number in Qatar, along the previous application in KSA, UAE, and Kuwait to offer a seamless experience supporting the updated service offerings.

Marketing and communication were continually active, with ongoing advertising using various mediums such as digital communication, email, and mass marketing. Additionally, Shop & Ship partnered with several online stores in various localities to offer its members exclusive advantages like discounts and much more. Partnerships with reputable banks and payment cards from all around our network were also initiated as to provide customers with the best value possible.

As a consumer brand, Shop & Ship is active on social media platforms, offering its members inspiration to shop using S&S addresses and encouraging potential members to sign up for the service. Our aim is to engage this community by staying relevant to the seasons, occasions, and members' sentiments, with the purpose of providing a unique shopping experience.

Freight forwarding & Logistics:

The freight industry saw a shift due to shortages in capacity, equipment, and space which led to an increase in rates and contracting. This along with mergers which increased competitiveness has caused freight forwarding industry to rethink their business models. Accordingly, Aramex has pivoted our new freight operating model to align towards the best practices in the freight forwarding industry with a future oriented outlook. Aramex sustained revenue growth and profitability in freight services despite challenges and set up the necessary foundation to unleash the Freight potential in 2022. We closed 2021 strong with an above average global freight revenue of around which would not have been possible without the large-scale galvanization in respective regions.

Some key highlights of 2021 were:

- Revenue Growth – Freight product has grown by almost 20% with no of shipments grown for land freight by around 90% and for air freight by around 25%. The number of Twenty Equipment Units (TEUs) handled by Aramex in this year decreased but the tonnage handled by AF increased by around 40%.
- Operating Model Overhaul – Redesign of the operating model in GCC with a focus on freight forwarding with the introduction of product managers, freight specialists, and Freight business development managers in different stations
- CargoWise Phase 1 Rollout – Training & setup across the network to cover the1st phase of the roll out process

In 2022, we will focus on growing our freight product. We plan to continue the momentum which we have been building for the last 6 months through the following key initiatives:

- Freight Focus– Enhance the focus on freight product in station with BDMs
- Agent Network Overhaul – Optimize the global agent network by strengthening the partnerships and a streamlined agent review mechanism
- Operating Model Overhaul – Redesigning the operating model in other regions with a localized flavor
- Cargowise Value Release – Unleash the full potential of Cargowise with standard processes and enhanced automation and integration
- Strategic Asset Expansion - Expand the footprint by acquiring key assets and grow capabilities
- Operations Optimization – Benchmark and optimize the operations to provide the best service at an optimal cost to the customers

Tailored Solutions for Tailored Needs

Solution-centric approach
Our solutions continue to place emphasis on customers and suppliers in the global and local mining industry, in which we analyze the development and implementation of a new customer solution and its effects on the competitive environment. With the continuous evolution of markets and consumer' behavior, our solution's research process focuses on analysis to find any existing gaps and propose effective solutions. Our solutions can sometimes capitalize on our technical capabilities and in some cases need further investment based on solid feasibility study. This process also includes the competitive analysis to ensure launching a competing solution in the market with unique selling features.

Introducing new solutions - Mall to door
During the COVID-19 pandemic, we witnessed our clients more eager to introduce new innovative solutions to their customers, and generally noted that consumers have high expectations and demand. Given this, Aramex launched Mall to Door as part of a business partnership, where the shoppers can have the liberty to shop freely and have their items delivered to their parking slots or at their home addresses. The mall tenants can also display their items in the webstore and the Aramex operations team located in the mall will pick it, pack it, sort it, and dispatch it promptly to the end consumer.
This solution aims to enhance shoppers' experience by making the goods' handling easier or easing online shopping by providing very speedy delivery. Enhancing online shopping from mall shops allows consumers to continue their purchases while also allowing for a safer and more COVID-19 conscious shopping experience.

Customer Engagement
2021 was all about extending the in-house marketing capabilities at Aramex. With a team of more than twenty digital and creative experts we are now capable of autonomously planning, producing, and executing a communication strategy that will strengthen the Aramex brand for many years to come. As such, we set a content strategy that will fuel our brand and acquisition approach on all owned and paid media across web, applications, as well as social networks. We also defined a series of automated touch points that will nurture any recently generated leads across various industries such as healthcare, e-commerce, and oil and gas. This strategic paradigm allows us to define all brand communication moving forward, as well as the marketing technology stack used to better serve the sales funnel in its entirety: from brand awareness and consideration over conversion to loyalty and advocacy. The ultimate goal is to drive tangible results for the business in the form of accelerated client acquisition, higher retention, and increased revenue generation across all business units.

Furthermore, we onboarded Salesforce Pardot as our new B2B CRM communication platform. This allows us to manage and respond to any incoming sales lead and to assign the new contact to the best-suited stakeholder within the business. We are currently in the process of extending our capabilities in a similar fashion for the B2C sector as well.

At Aramex we consider our employees to be our number one asset. We have therefore decided to work with DSMN8 - a brand advocacy tool that allows Aramex employees to effortlessly distribute their favorite branded content via their own social profiles. With the help of gamification and an easy-to-use user interface, we have seen both, reach and engagement of the Aramex brand skyrocketing over the past year, all while reducing our reliance on paid media.
For any reoccurring day-to-day tasks on social media, we are using amplify (formerly known as SocialBakers) - an AI-powered social media marketing platform that allows the team to monitor brand mentions, publish content and analyze our brand presence in real-time.

Customer Success organization and programs

Our Experience Lab, launched in 2020, aimed at capturing employee insights on their experience across different channels and touchpoints, uncovering pain points and opportunities for improvements, humanizing both employee and customer experience practices. In 2021, 4 Experience Lab sessions, and 2 CX masterclasses were conducted covering over 600 customer-facing employees and capturing feedback on vital communication cycles and experiences. All employee suggestions were considered in the development of the 2022 strategy to build new experiences.

Customer Experience Index (CXI) for 2021 exceeded our target of 75% and were able to achieve a score of 79%.

Accelerating our Small to Medium Business Hub Program

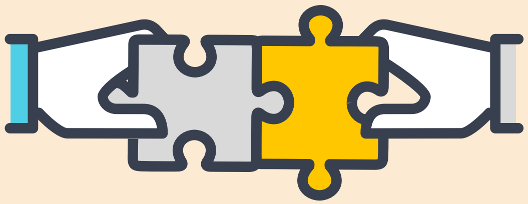
Recognizing the importance of supporting SMEs on our economy and community, we have developed a dedicated unit mandated with unlocking the potential SMEs by introducing an economical tailored logistics solution coupled with advanced technology to deliver a seamless shipping experience.

The unit also works on gathering and analyzing data to help us design and implement solutions and offerings that match the various needs of SMEs with a focus on the end-to-end experience. The Program has supported over 57,499. businesses in over 15 countries across GCC and the larger Middle East and North Africa, providing a one stop shop logistics solutions that can augment our customers' business models.

Aramex Go is a new online shipping platform developed in 2021 to target SMEs and cash customers and allow them to create shipments in a seamless online process without having a registered profile or a permanent Aramex account. Customers will be able to get an instant quote and ship their packages by just adding the origin, destination, dimensions, and the weight of their shipments. This program and other tailored solutions evolved from customer needs, and feedback from other markets.

Customer engagement is at the forefront of our organization priorities

Over the years, Aramex has put a great emphasis to on developing and refining a deeply engrained customer-centric culture across all lines of business. This year, more than ever, Aramex has focused on reimagining customer journeys, challenging the status quo, and carving the path for new and augmented experiences. Through advanced analytics, tailored customer journey methodology, and collaboration between all departments, customer journeys were mapped and opportunities for improvements have been prioritized, and integrated within different aspects of the organizational agenda, whether this is related to boosting human capital, investing in technologies, or tapping into new markets. As a result, we have invested heavily in technologies to meet and exceed our customers' expectations of products, service quality and safety.



Customer Success Guarantee

Our highly competent center for excellence, bolstered by our expertise and customer centricity, designed to support our corporate and consumer customers, acting as subject matter experts in different verticals and industries. This center focuses on streamlining customer communication spanning different countries, standardizing our operating procedures, and creating a hub of specialists with advisory capacity adding value to the customers' operating models.

These customer success teams are based in our flagship locations surrounded by the latest logistics know-how and technologies, augmenting the experience and communication for our customers, ensuring their success while using Aramex products and services.

The introduction of this center has raised the bar for customer experience encouraging daily engagement, strong partnership with our customers, complete visibility and transparency over the end-to-end customer lifecycle.

Customer Engagement Channels

Stemming from our core value of Customer Centricity. we have created a robust customer engagement model with different communication channels with our customers providing efficient and responsive service updates, solutions, and interactions.

Leveraging Omnichannel for Consumer Engagement

To ensure prompt and responsive communications, we provide our customers with multiple communication channels along the customers' journey. All communication undergoes a quality management process, as part of our focus on improving measures such as first contact resolution (FCR), acknowledgment time, and interaction closure, as well as the quality of resolution.
Additionally, we collect measurements related to customer feedback on interactions with our support staff to highlight areas of improvement for each business unit. Efforts are continuously underway to evaluate adherence to response times and efficiency and designing optimal tools for communication.
In 2022, we will focus our efforts to streamline all interactions from our consumers, augmenting customer journeys and reimagining the experience landscape connecting humans and bots to promote self-service, effortless interactions, and excellent customer service in an integrative manner.

Humanizing Customer Communication through Dedicated Engagement Centers

Upscaling our technological and facilitative capacity in accordance with the growth in logistics spurred by COVID-19 and new developments, our consumer engagement centers deliver an outstanding experience to our customers via different channels.

These centers of excellence remain one of the main channels of communication delivering consumers updates, resolution to complex issues and liaising with internal functions to deliver on a solid customer experience.
In 2021, we continued to scale our unique voice automation solution in GCC and MENAT enabling our customers to navigate between phone, messaging Apps and much more. This solution features advanced capabilities in tracking and scheduling deliveries empowering consumers to access the support they need anytime… anywhere.

Revolutionizing Retail One Shipment at a Time

The Aramex retail strategy led to massive transformations in our engagement with customers on the shop floors, the automation of delivery of packages, and facilitation of domestic and international export services with state-of-the-art technological capabilities. This has allowed us to explore innovative ways of serving customers, evolving our retail vertical and boosting our human capital. We continue to expand these retail outlets worldwide, which relate to our fleet operations throughout omnichannel approach. Restructuring our retail outlet teams, boosting human capital, focusing on new ways of serving our customers are only some of the ways we have transformed our retail vertical. The expansion of Aramex retail outlets across the globe, now covering over 300 locations in KSA alone, has created a solid network for package deliveries, reaching consumers in remote cities and removing obstacles to a seamless experience.

New retail solutions emerged such as Quick Collect, piloted in UAE, and expanded across GCC, a customized appointment booking feature, where you can ask Aramex to place your package at a convenient location. A multitude of locker locations have been added to our landscape to increase our footprint and expansions across GCC, enabling easier access to last mile solutions by a wide range of Aramex customers. Drop box is another solution we've developed that enables one step shipping at different retail locations such as petrol stations, hypermarkets, and food and grocery chains. We expect to expand this solution to cover a much wider network of retail partners in 2022. Our retail outlets teams are currently focused on reimagining the retail experience, personalizing deliveries, and connecting consumers globally. In 2022, we will continue to invest in customer flow management capabilities, enabling virtual queuing, promoting self-service at retail outlets and creating new and innovative ways to service our customers at retail outlets.

Reimagining Collaboration and Business Partnership

Online and Offline Business Management Tools
Aramex continues to invest in building efficient tools to bolster partnership with customers including automated shipment preparation, pickup requests, rate calculation, shipment tracking, shipping addresses management, and bulk shipping and handling. Our straightforward and clear process makes shipping management a solid enabler for the customer business models, with localized features and content per country, especially as it is translated into many languages including Russian.

In 2022, we will continue to advance Aramex's path further on the journey to customer centricity, transforming into an omnichannel experience, coupled with frictionless self-enabled services, including advanced profile and user management features, online financial balance settlement, and augment shipping management experience. Real time visibility on sensitive shipments (temperature, humidity…etc.) and location is another important feature which will be introduced next year. Considerations will be made for flexible business models, onboarding prepaid models, bulk processing and online payments.

Consumer Solutions at Your Fingertips

Aramex maintains a comprehensive set of communication tools that allow individuals to seamlessly manage their shipments anytime anywhere. In 2021, the Aramex mobile application experience has been redesigned for better tracking and shipping experiences, empowering millions of Aramex customers to enjoy shipping services worldwide. our WhatsApp Bot has happily served over 11 million customers annually since 2018 allowing for innovative user journeys and friendly conversational processes. Our community continues to grow at an accelerated rate, improving communications between consumers and Aramex and empowering tracking, shipment management, returns across the customer journey. In 2021, further consumer solutions have been developed, converging into a frictionless and comprehensive solution offering for individuals.

An Outside in Perspective Leading Experience Superiority

Aramex Voice of Customer program provides insights to support successful engagement strategies, service improvement ideas, and understanding of the drivers of customer loyalty and retention. We capture customer feedback through various channels, such as phone, in-app notifications, web, and SMS in compliance with General Data Protection Regulation practices. In 2021, we revamped our voice of the customer program to include 500% more insights than in 2020 providing feedback on 6 key customer experience indicators, metrics essential to understand satisfaction, loyalty, customer effort, and business partnership. Feedback from thousands of Aramex corporate and consumer customers was captured, analyzed and communicated locally and globally improving customer experience across key elements of the customer journey. We also developed an in-house voice of customer specialized team, surveying clients via phone and email to ensure all feedback is captured and actioned. In addition to the above, customer feedback is captured via QR code surveys at retail outlets, in-app feedback, after call feedback, via SMS, via email and WhatsApp. The program is tightly coupled with closed loop processes to expedite service recovery and initiate preventative measures. It is a cornerstone in process improvement and solutions design.

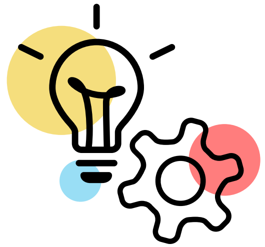
In 2021 we utilized mystery shopping to understand the customers' experience firsthand, major locations in GCC and Levant were regularly visited by trained shoppers to capture feedback on our customer journeys spanning different channels and touchpoints.
A newly developed Customer Journey Health & Analytics team looks after all corporate and consumer journeys, understanding the communications received, types of requests, performance of our customer service teams and impact on the overall customer experience.

Customer Foresight Instrumental in Value Creation

We continually monitor service delivery service levels across various sectors and verticals whole keeping up with the global shifts in logistics and supply chain, focusing on volume fluctuations and trend predictions. This allows us to anticipate operational and technological requirements to create value for our customers. Relevant teams within Aramex deploy the latest methodologies Lean, six sigma and other investigative and predictive methods to address areas of improvement.

Driving Loyalty an Integral Part of our Value Chain

Our different and diligent efforts have positioned us as a key player in the supply chain and logistics space, allowing us to attract and retain customers. Proactive market scanning, strategic planning and solution development ensure Aramex can offer new and current customers superior extensions and partnerships for their business models. Customer renewal rates demonstrate our commitment to continuous improvement and excellence.



Technological Innovations to support Customer needs

We actively drive technological innovations to better address and support customer needs and priorities. We bolstered our transformation with Salesforce's Customer 360 platform by integrating it into marketing, sales, and customer service functions, as such we piloted the implementation of Salesforce in the UAE. We plan to extend this to cover the entire network starting in 2022. This year, our consumer app had a facelift which included implementing the latest UI/UX trends, as well as a new scheduling experience for a better customer experience, in addition to the annual continuous fixes and enhancements. Our aramex.com site was updated to include a female version of Arabic instead of directing the language to male by default. We also integrated aramex.com with Cargowise for a better customer experience where more detailed information is shown now in the tracking pages for better customer experience. The site also now includes a new live tracking feature on aramex.com tracking page that is available for our business customers who need to move sensitive shipments that need close monitoring throughout the whole journey. And lastly, a new digital solution "Shipmate" was developed for shipments creation and management tailored for our corporate B2B customers, who fall under one of the below criteria:

A. Institutions with security restrictions such as banks.
B. Customers who cannot be connected to the internet for a long period of time.
C. Customers who cannot install any third-party application (even Click to Ship CTS).
D. Customers who need a fast and secure shipping tool.

This is the optimal solutions for customers with low volumes since multiple shipments cannot be created in bulk.

Information Security

Driven by the customers' expectation of privacy and security, in addition to legal and regulatory compliance requirements, Aramex has taken a strategic decision to put data privacy and security at the top of its priorities, especially with its numerous customer internet facing touchpoints. Aramex has established an information security and privacy program based on international best practices. This is characterized by the acquisition of ISO27001 ISMS certification to ensure a comprehensive set of governance framework and controls established to guarantee a sustainable and effective management of its IT risk exposure. With Aramex being a key player and enabler of e-commerce, the PCI-DSS certificate was also acquired to give customers assurance that their credit card information is being protected as per the highest protection standards and requirements.

When it comes to privacy, which Aramex adopts as part of its commitment to human rights, as well as, a regulatory requirement, it has embraced the European General Data Protection Regulation as a base for building the corporate data privacy framework, not only for our Europe operations, but across the whole network. This has helped to naturally comply with most of the subsequent regulations that were introduced in other countries afterward. In 2021, we submitted our Binding Corporate Rules (as i.e. Privacy protection framework) application to the privacy authorities which reflects Aramex's commitment to protecting the personal information across the whole group as per the highest standards.

Aramex has successfully managed to establish the information security culture within its core values making it every employee's responsibility. From boardroom to frontline, awareness and involvement are integrated within every activity and every process.

In 2021, we had no substantiated complaints regarding breaches of customer privacy and losses of customer data.

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

Digital Transformation

We have a solid history as tech enablers and innovators, and we continue to leverage this history and industry experience in to evolve our business for current and future technology evolution.

As the global economy cautiously recovered in year 2021, we have truly seen businesses adapt to the new normal. The health impact of the pandemic continued to accelerate years and years of digital transformation and technology adoption. The world is adapting to the new ways of doing business and we have focused our efforts to shape the future of the business rather than dealing with the present and responding to the acute symptoms of the pandemic as compared with 2020. We continue to see a consumer centric approach towards the transportation industry, and the rate of innovation in the ecosystem has accelerated significantly driven by the growth in the digital commerce and online retail business. The competition landscape is changing, and the industry has become a playfield for new market entrants lowering the barrier to entry even further.

In 2021, we continued to focus on our digital business transformation strategy which we have formulated in the early stages of 2019. The strategy was focused on multiple transformation areas, including the customer experience, last mile optimization with AI and Machine Learning (ML), modernizing our core infrastructure with cloud adoption, and finally leveraging our digital first platforms to support our growth and to scale our last mile infrastructure efficiently.
Being competitive in the industry and securing your competitive edge has never been more complex, especially with the growth in the ecommerce markets and the rate of innovation that we are seeing in the online retail business. Thus, driving growth and maintaining margins comes only with true technology-driven innovation. While we have our own technology radar and we are keeping a close eye on the disruptive technologies and emerging last mile technologies in specific like autonomous vehicles, drones, and even blockchains.

However, two main tech trends that will continue to be our focus areas in the next 3 to 5 years:

1) Big data and Capitalizing on Data: new innovations in AI and ML are providing the industry a huge advantage and access to advanced tools needed to solve the biggest problems that the last mile companies are facing today and will continue to position us as an experience operator in the region.

2) Automation and robotics: we will keep investing in automation and robotics capabilities in our distribution centers, which remain key success factors in managing a large scale and growing ecommerce fulfillment capability. We have over 200 distribution centers strategically located in our core markets as we continue unprecedented growth in shipments. Managing online retail fulfillment requires more friction at the order and item level, for example, l pick and packing and value-added services. This is a fundamental change to the traditional bulk transportation modalities of the past.

We have been spending a lot of time with our strategic customers in the past couple of months with the objective of changing the engagement model from a pure rate sheet and trade lanes discussion into more of a strategic conversation where we can leverage our data and AI capabilities to drive their growth and improve efficiency. We worked on some advanced AI models related to market share data, spatial analytics, cost of delivery scoring ML models, and consumer profiling use cases which we will move to production soon.

In 2021, we used advanced analytics and ML capabilities as a core enabler to our strategy, and as a tool to solve some of the challenges that we faced. We organized the data science work in multiple areas of the business and created programs around these areas of focus.

Address management or address journey is a key challenge in that there is a lack of a proper address management structure in our core markets, and there is a high dependency on descriptive addresses. Therefore, we deployed text matching algorithms to geocode addresses, which greatly enhances route optimization capabilities, optimizing transport and delivery time and costs, reducing our carbon footprint, and improving our delivery success rates.

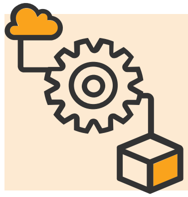
At Aramex we are aware that consumer intellegence is about tapping into our consumer last mile preferences, and allows us to dive deeply into their needs, problem solve, and profile customers. This is especially important as we saw the massive shift in consumer buyer trends in the past months. We also worked to enhance our accurate delivery time predictions and aim to empower our customers with full supply visibility in real time.

We use tools like Amazon forecast, to help with forecasting and demand planning, which ensures that our delivery network is operating at an optimal capacity in terms resources and fleet management. This also helps us be more proactive in predicting forecasts on behalf of our customers, and e-tailers, especially during peak times. Moreover, we empower our users with data insights and help provide a platform for their decision-making process, supporting more data driven decisions.,

As result of our transit time prediction model, we have seen a 74% increase in delivery accuracy and fulfillment promise, which resulted in a 40% call deflection rate on call centers. Customers now have the convenience to tap into our on-demand self-service platforms to accurately inquire about delivery timeframes.

We have also been able to automatically sort 98% of our shipments in core markets, reducing dependency on skilled workers that looks at addresses to make sorting decisions, our accuracy rate was 95%. As a result of the various ML models that we have deployed, we have been able to increase our out for delivery success rates by almost 10% in core markets, and that is the true value of this investment and of data-driven transformations in general.

It is becoming clear that cloud platforms are disrupting business models, allowing start-ups the same access to infrastructure as big enterprises. in response, we launched an enterprise transformation program to embrace a true modernization effort.



We are in the midst of a one-of-a-kind transformation, leveraging cloud and modern engineering practices, refactoring over 160 applications to be cloud native, advancing analytics and AI capabilities, while enhancing the security culture with the organization.

2021 was a great year for us also because we migrated one of our biggest applications, our tracking system, into the AWS cloud, which supports our growth aspirations, to allow operations sustainability, system scalability, and start the documentation of our vast enterprise architecture landscape.

We also introduced a new target operating model within Digital Technology in line with the current transformation, to facilitate faster flow of execution on our transformation and ease of introduction of new services. The core embodiment of our target operating model is the concept of squads which are multi-functional groups of digital technology team members focusing on serving strategic digital products end to end, from product ideation, to delivery and support. We inaugurated our first squad to focus on Shop and Ship and have so far started the roll out of our upgraded Shop and Ship site into Africa. 2022 will witness increased focus and roll out of squads covering various business priority areas in digital technology.

As part of the new target operating model, we also launched the concept of technology enablement, that is inwardly focused on enabling squads to perform and execute on their respective roadmaps, by facilitating various functions needed by these squads, such as automation and internal technical platform to serve our squads. By Q4 we were able to successfully leverage the newly modernized component of our overall architecture, along with our well-prepared overall infrastructure, to relieve pressure on our infrastructure due to end of year peak period. We were able to handle record traffic at the end of November 2021. We now continue our operational systems modernization journey having gained valuable experience and insight from our experience with the first move, to make precise technology decisions towards the rest of our modernization journey. We also continued to leverage our earlier launched platform concept (i.e., Aramex Fleet), to accelerate business growth in certain geographies.

From a business continuity perspective, we worked on multiple fronts, including continuing to shorten our disaster recovery time to the lowest possible, technologically speaking. For this we are leveraging cloud technologies with Microsoft Azure as it is the natural fit for our on-premises technology stack which removes any unnecessary overheads or conversions to other stacks for other cloud options. More importantly our Cloud-as-a-DR strategy will give us the business agility, and financial flexibility to optimize our business continuity without a large investment on hardware capital that would soon be decommissioned due to our eventual migration to cloud. We have also adopted a new track for our mobile application technology leveraging the latest cross platform, high performance technologies to enable us to execute faster on our mobile tracks. We are utilizing this new tech in the development of our new and improved courier app and will plan as part of the roll out to other mobile application upgrades.

Our People

Our People

5 GENDER EQUALITY
8 DECENT WORK AND ECONOMIC GROWTH
10 REDUCED INEQUALITIES

In 2021, we continued on our the path of building and maintaining strong business partnerships, ensuring the HR function is at the forefront, enabling company strategy, operations, and bolstering our agile and resilient approach. As with 2020, we ensured that we mitigate disruptions caused by the on-going COVID-19 pandemic and adapt quickly as required to fulfill the needs of the business. We worked to ensure the safety of our people, as underscored by our "people first" culture. Our yardstick was to effectively adjust our HR processes to safeguard our employees, enhance their engagement, facilitate their work, learning, and development.

The year was focused on the following themes:

Improving organizational effectiveness & efficiency

We reviewed our talent needs and set a plan for upgrading and enhancing our growth, with a special focus on organizational design underpinned by the desire to enhance performance in key markets. Costs were revisited and constructively adjusted to achieve improvements as a % of gross profit.

Driving and rewarding performance

We reenforced our focus on Pay for Performance culture by recognizing and rewarding high performers. As such, we created a conversation around performance management and review, building focus and accountability through KPIs at the HQ, function, region, and country levels.

Improving and embedding HR processes

Continuing with our goal to enhance employee experience, we worked on improving different HR processes including onboarding, career planning, development. This involved undertaking HR transformations in Talent and Reward mainly through enhancing performance management and introducing succession planning.

Sustaining organizational health and engagement and enhancing diversity

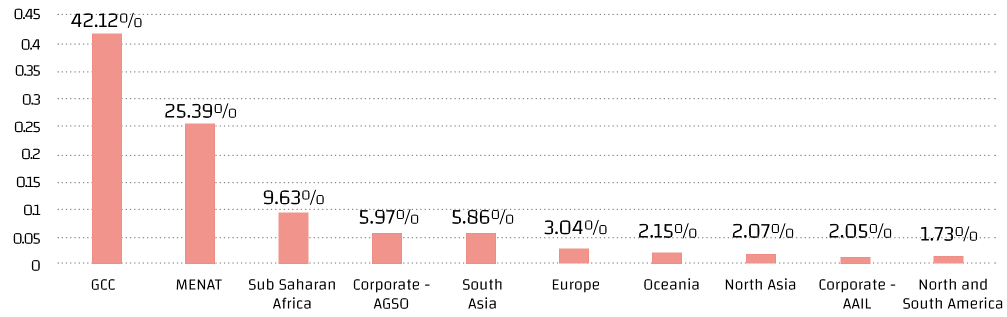
We continue to deliver on our organizational health and engagement initiatives, increase diversity ratios, improve Employer Brand awareness, and become a truly global force in logistics and supply chain.

Four groups comprising people around the globe were created to enhance the Organizational Health Index. These are Women at Work, Leadership and Direction, Positive Re-enforcement and Renewal of our Customer needs with an external orientation. These initiatives center around encouragement, inspiration and recognition.

Organizational Health Index

For the 3rd year running, we conducted an Organizational Health Index (OHI) survey across our operations which had the highest participation rate since 2019 where over 80% employees shared their perspectives.

We found that OHI improved for both male and female employees, however, there remains a gap in outcomes scored lower by females. As such we dedicated an OHI global task team with a focus on Women at Work. Within this we ran multiple initiatives such as multiple female inspired learning interventions, revived our mentoring for women program and organized a Book Club for development and a greater sense of belonging. We plan to continue these initiatives into 2022.



Percentage of respondents who selected or "strongly agree"

	N	OHI Score	Direction	Leadership	Work Enviroment	Accountability	Cooedination &Control	Capabilities	Motivation	Innovation & Learning	External Orientation
Aramex 2021	9220	78	79	81	77	77	78	86	66	80	80
Male	7032	80	80	82	79	78	79	87	69	81	81
Female	2188	74	75	78	72	73	74	83	58	75	76

	N	OHI Score	Direction	Leadership	Work Enviroment	Accountability	Cooedination &Control	Capabilities	Motivation	Innovation & Learning	External Orientation
Aramex 2021	9220	5	5	4	5	4	5	4	9	8	6
Male	7032	7	7	6	8	4	6	5	11	9	5
Female	2188	8	8	5	6	3	8	5	13	12	7

Benchmark:

- Top Decile
- Top Quartile
- Second Quartile
- Third Quartile
- Third Quartile
- Positive quartile or top decile change
- No quartile change
- Negative quartile change

Employees per Gender	Gender		
Region	**Female**	**Male**	**Grand Total**
MENAT	5.31%	24.59%	29.90%
GCC	3.65%	22.07%	25.72%
Corporate - AGSO	8.59%	5.70%	14.29%
Sub Saharan Africa	3.72%	5.10%	8.82%
South Asia	2.17%	5.61%	7.78%
Europe	1.73%	3.49%	5.22%
North and South America	1.20%	2.91%	4.11%
North Asia	0.81%	1.02%	1.82%
Corporate - AAIL	0.51%	0.79%	1.29%
Oceania	0.58%	0.46%	1.04%
Grand Total	**28.26%**	**71.74%**	**100.00%**

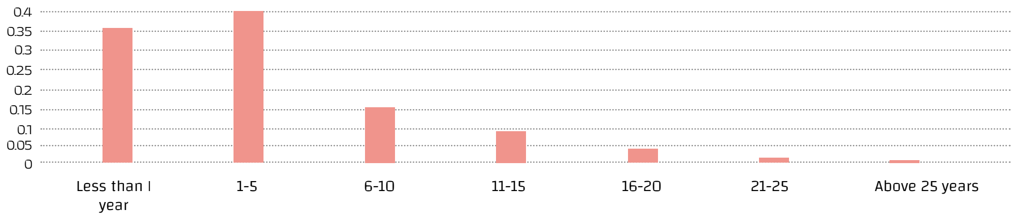
Going forward, employees will participate in engagement surveys at frequent intervals during the year for which we are currently in the design phase. This initiative allows listening to employee sentiments and provides them an opportunity to voice their opinion at regular intervals during the year, empowering managers to have real-time data enabling them in taking actions in the moment. The enhancement allows us to connect insights with the lifecycle of an individual employee and provides the ability to track feedback right from onboarding to the point of exit interviews.

Performance Management

The Performance Management System at Aramex continues to evolve and reinforce a performance driven culture within the organization and bring its core values to life. Our focus is to reach a place where the ownership of the performance management process becomes a seamless two-way process between the manager and their team members. In order to achieve this, the process has been simplified and the process burden reduced to a great extent. The steps involved in performance management process have been rethought and streamlined.

Our focus has also been to create differentiation based on performance and connect it with rewards, so that the employees who make the highest contribution are recognized in an appropriate way. As a part of this evolution, we shifted from the process/system approach to one that centers on the quality of the conversation between the manager and employee. We expect these conversations, which will focus on coaching, feedback, and development, to be happening more frequently. We are also shifting from the assessment of our competencies to focusing on our core values for measuring the "how' of the performance. Our efforts are united in adopting the Performance Bell Curve across the network.

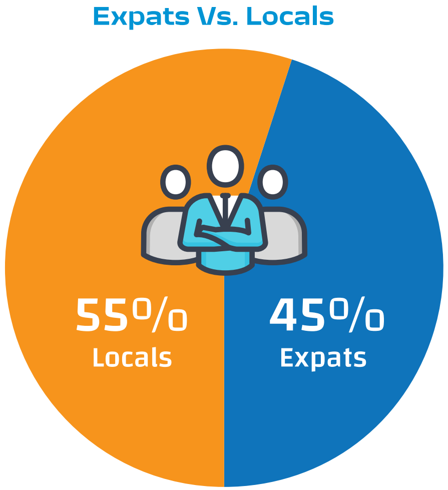
As an overall philosophy, we now have a performance cycle with 4 clear stages which starts with the planning stage whereby the discussions center on setting up SMART objectives pertaining to both business and development. To encourage a coaching culture, we are introducing check-ins for managers and employees to continue the discussions about performance and objectives throughout the year and ensure that feedback is shared in the moment. We view line managers as coaches who will enable and encourage their employees to see different perspectives, explore various opportunities, and reach their full potential. For evaluating individual performance, we will focus on employee self-assessments, stakeholder feedback, manager evaluation, and performance calibration. The entire performance management process is closely tied with rewards, such as bonus payments and merit increases, to ensure that employees are rewarded based on their performance ensuring an objective process.



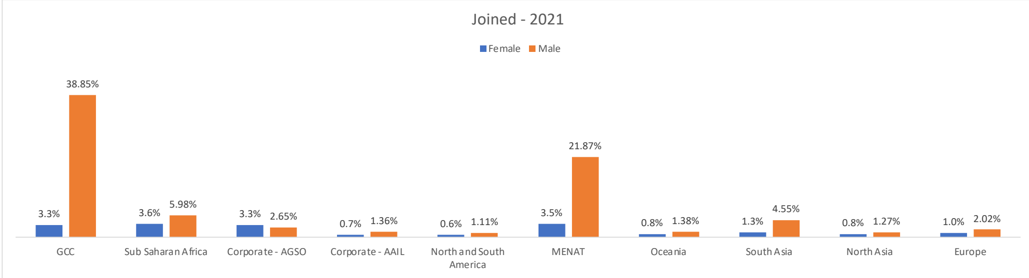
Diversity, Inclusion, and Belonging

Our diversity and the belonging of our people and their inclusion at all levels is at the core of our values and long terms success. Through our HR function, we work to embed and celebrate diversity in all aspects of our organization and across all levels. We aspire to be representative of the global talent base in every aspect and leverage our international presence across continents.

Nationality and new hire in areas



Nationality	Head Count
India	19.08%
Egypt	14.35%
Jordan	10.87%
Pakistan	8.11%
South Africa	7.32%
Saudi Arabia	3.99%
Philippines	2.14%
Lebanon	2.05%
China	1.95%
Tunisia	1.73%
Others	28.41%
	100.00%



Promoted & internal Hire | Region | Percentage			
Count of Employee	**Gender**		
Region	Female	Male	Grand Total
GCC	4.43%	27.39%	31.82%
MENT	6.04%	14.80%	19.23%
Corporate - AGSO	7.35%	11.88%	19.23%
Sub Saharan Africa	5.24%	6.85%	12.08%
Corporate - AAIL	2.42%	3.73%	6.14%
South Asia	1.01%	3.42%	4.43%
Europe	21.52%	1.51%	2.11%
North Asia	1.01%	0.91%	1.91%
Oceania	0.40%	0.40%	0.81%
North and South America	0.30%	0.30%	0.60%
Grand Total	28.80%	71.20%	100.00%

Nationality	BU	Union members (of employees)
Bahrain	BAH	55
Egypt	ACAI	22
China	ASHA	1
Jordan	AAMM	11
Kenya	ANBO	88
Morocco	ACAS	1
South Africa	AJNB	322
Thailand	ABNK	49

New Hire -Age table	Gender		
Age	Female	Male	Grand Total
21 - 30	21.52%	41.81%	63.33%
31 - 40	4.36%	20.90%	25.26%
41 - 50	1.25%	5.54%	6.79%
51 - 64	0.30%	1.36%	1.66%
Above 64	0.00%	0.02%	0.02%
Under 21	0.83%	2.10%	2.93%
Grand Total	28.26%	71.74%	100.00%

We continually assess our policies, practices, and compensation packages are in line with our fair merit-based workplace commitments.

Ground Couriers and warehouse workers make up a large percentage of our work force and in the majority of our key markets, that profession is male dominated. Our gender breakdown is as follows: Gender Female 19% Male 81%. We are keen to increase the representation of women within our different functions, by providing targeted exposure and development opportunities for women to progress their careers in the organization. We also make sure that we provide ample support to working parents and in 2020 we launched a global paid paternity leave policy. We also offer enhanced maternity pay and childcare benefits in certain core markets. The rate of return of new mothers following full maternity leave was 84% in 2021.

We continue to build awareness through campaigns on our confidential and safe 'Speak Up' platforms to highlight our zero-tolerance policies for discrimination, harassment, and bullying on any grounds, including gender.

Female Inclusion at Aramex

Network	Corporate Head Offices	2021 Hires	2021 Promotions	2021 Promotions	Board of Directors 2021
18%	49%	22%	28%	28%	1 Female

Women senior management

Levels of Management vs. Gender	Female
First Line - Management (S4 & S3)	26.1%
Top Management (R & I)	18.0%
Grand Total	19.0%

Employment Relations

We seek to maintain positive working relationships, we launched the Global Employee Handbook with clearly defined principles and guidance around our HR policies that apply to our people across the network and HR hub, this helps ensure that employment relations are well maintained, and all policies are clear and understood. Our enhanced global policies aim to encourage better synergy and uniformity in the local practices and procedures. We share these policies along with awareness campaigns through our different internal communication channels. Some of these policies:

Aramex Enable	Grievance Policy	Training Policy	Recruitment Policy
to ensure employees are given the support and opportunity to enable them to achieve and maintain appropriate standards of performance at work.	to provide a channel for employees to raise problems, complaints or concerns relating to their employment and to have them dealt with in a timely, fair and consistent manner.	to set out the philosophy we take to employee training and development to ensure that each and every employee takes part in a properly structured training process.	to provide a framework for the recruitment and selection of employees and communicate the guidelines for internal talent movement, built on our commitment to equal opportunity.

In addition to the above we also ran mandatory training through our Corporate University to reinforce the policies on:

- Human labor rights awareness
- Workplace bullying and harassment
- Dangerous goods regulation awareness
- Cyber Security Essentials
- Anti-bribery compliance challenge refresher course

In 2021 we didn't 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.

Internal Communications

We launched our new HR Center of Expertise (COE) in 2020. This center enables us to enhance our efforts towards transparency, trust building, and engaging with our employees across our entire network. This center continues to provide an important platform for communications especially against the backdrop of the COVID-19 pandemic and facilitated our deskless and remote working necessities.

*Male vs. Female in Senior Management			
Expat Vs. Local	**Female**	**Male**	**Grand Total**
Expat	16.04%	83.96%	100.00%
Local	20.45%	79.55%	100.00%
Grand Total	**18.04%**	**81.96%**	**100.00%**

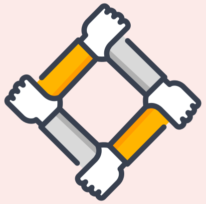
Employees Turnover	Percentage
Voluntary Turnover	16%
Involuntary Turnover	12%
Turnover	**28%**

* These Number represent the Global team

2-7, 2-8, 201-3, 202-2, 401-1, 401-2, 401-3, 404-1, 404-2, 404-3, 405-1

Learning and Development

The shift to a digital, knowledge-based economy means that Learning and Development (L&D) is more important than ever and thus continues to be paramount on our HR agenda.



One of L&D's primary tasks is to develop and shape a learning strategy based on the organization's business and talent strategies and to manage the development of people in a way that supports the building of a values-based culture, thereby ensuring the workforce comprises of knowledgeable employees and exceptional leaders.

Key to our L&D efforts is our learning management system (LMS): Aramex University, available to most of our employees, helps our people develop the required competencies in the most effective and efficient way. Since the Aramex University relaunch in 2021, we have extended the available offerings adding to the robust curriculum of fit-for-purpose and just-in-time offerings which provide employees with an opportunity to learn at their own pace. We also spearheaded the implementation of an L&D self-service tile which will allow for the consistent tracking and prompt response to training requests across the network.

A notable milestone supporting employee engagement was the team's weekly posts on our Room to Grow page allowing for an additional knowledge sharing opportunity. These posts focused on personal development and addressed a diverse range of themes such as emotional intelligence and critical thinking. Moreover, it ensured we continue to be an organization where relevant and effective learning opportunities are easily available to our people.

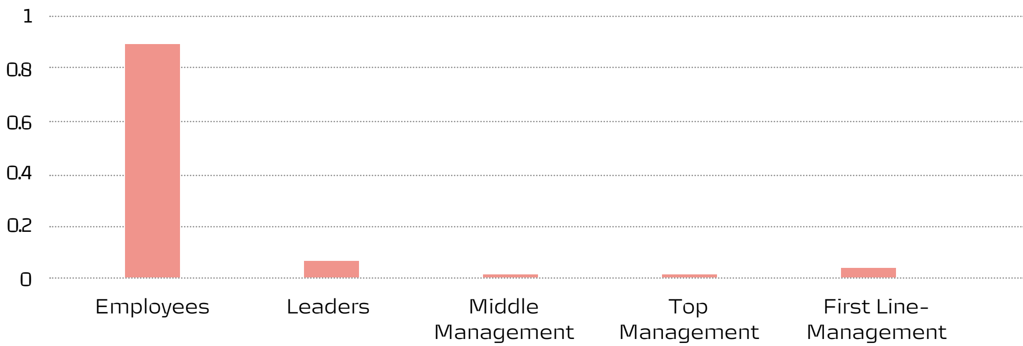
Furthermore, the team introduced a series of workplace badges to reinforce our learning culture by creating an opportunity to publicly celebrate individual learning achievements. The learning badges which are aligned with the L&D overarching goals are a great way to motivate our people.

To support the development of our key talent we introduced two new programs in 2021 namely the Accelerate program and the Women in Leadership certificate program.

Accelerate program focuses on the development of future station managers who are a part of our succession pipeline. The participants attend an extensive three-week program where they were introduced to subjects such as Leadership, Business Awareness, Strategic Thinking, Financial Analysis and Change Management. The classroom program was supplemented by job shadowing within their respective stations and also practical project work to ensure that they receive the necessary exposure for their future roles.

Fifteen women leaders from across the network attended the weeklong Women in **Leadership certificate program** of which the aim was to enable them to discover how to lead with courage and conviction, formulate an authentic leadership voice, communicate with strategic direction, and understand the elements of a successful negotiation. As a follow up to the program, the 15 participants were signed up for a mentoring journey where senior leaders within the organization acted as mentors supporting them in their leadership journey.

Levels of Management



We also rolled out the **EXCEL Leadership Development** Program globally for over 120 first-time and/or frontline managers. An important aim of the program is to provide our next generation leaders with opportunities to learn and develop new competencies, encourage them to live the company's values and most importantly to support the transfer of learning to the job.
Moreover, in 2021, seventeen leaders from across the network attended our flagship executive leadership program offered in partnership with the American University in Beirut. Our focus with the **LEAD program** was to strengthen leadership capabilities in a modern world of work focusing on change, cross-cultural collaboration, and innovation.

To ensure we remain at the forefront with our leadership development initiatives we piloted the first phase of our new **Excel Advanced program**, a leadership development program for managers with 3 to 5 years' experience.
We also stayed true to our unwavering commitment to customer satisfaction by adding to the number of strategic initiatives that support capability building, investing even more in developing our direct customer-interacting teams. Our intent was to create invigorating learning interventions concentrating on our customer service and sales teams.
Likewise, continuously provide our ground couriers and operations teams with a solid onboarding experience and a series of monthly learning opportunities, thereby ensuring they are equipped with the necessary knowledge, skills, and attitude to perform their jobs to the best of their ability meeting our business standards.

Total Training Hours	57,753
Total Hours Female	30,651
Total hours Male	27,102
Training Coverage Percentage: Ground Couriers Onboarding	51%
Training Coverage Percentage: Overall	70%

Total Training Hours including Linked in	57,753
Total Linked in Learning Hours	470
Total Hours Linked in EXCLUDED	26,083
National Qualifications Framework (NQF) South Africa	31,200

LinkedIn Learning provides online learning opportunities and is integrated with Aramex University making it easier for learners to find and consume content in the flow of work Total Number of LinkedIn Learning Licenses	300
Top Skills Learners are Developing:	· Leadership and Management · Business Analysis and Strategy · Productivity and Improvement
Total Video Views Since Launch:	26,687
Total hours of Learning Since Launce	1,182

Forward focus: our 2022 goals and initiatives

We have the follow initiatives planned for 2022 as part of our HR strategy and goals:

Initiative	Summary	Entity	Impact	KPI	Owner	Impact Type
Improve Organizational Effectiveness and Efficiency	Successful set up of Logistics and Express leadership teams and execution of new operating model. Manage spans of control and clarify decision rights for respective teams	Global	High	· Clear organization structure outlining distinct roles, accountabilities, decision rights and deliverables in Logistics and Express	COO Logistics COO Express CHRO	Process and Operational efficiency
Improve Organizational Effectiveness and Efficiency	Review talent needs in growth and underperforming markets. Hire new talent and replace underperformers with fit for future skills in operations and commercial functions	Global	High	· Assess current talent & outline critical business skills · Undertake exercise to replace underperformers, right size organization	CEO President CFO COO's CHRO	Talent and Succession planning
Drive & Reward Performance Driver Organization	Embed a culture of Pay for Performance across Aramex. Reward high Performers. Cascade KPIs for every Function, Region and Country	Global	High	· Clarity on Business Objectives. 100% KPI and formal reviews in place · Updated salary ranges, Pay mix, benefits compensating top talent	CEO & Direct Reports CHRO for Reward	Increase performance results & accountability
Improve & Embed People Processes	Transform HR practices and enhance employee experiences from recruit to retire / departure journey	Global	High	· Consistent implementation of Recruitment, Probation Onboarding, Learning and Career Development processes	CHRO HR Leadership team	Recruitment, development & retention of high caliber talent
Sustain Organizational Health & Engagement, Value Diversity	Sustain Organizational Health through execution of people programs and Key initiatives. Improve Diversity Ratios	Global	High	· Deliver HR Calendar Activities · Action planning and execution on Survey insights through line manager accountability · Emiratization Roadmap	CHRO. HR, Leadership team	Organizational Health & Engagement

2-7, 2-8, 201-3, 202-2, 401-1, 401-2, 401-3, 404-1, 404-2, 404-3, 405-1

Sustainability

Sustainability

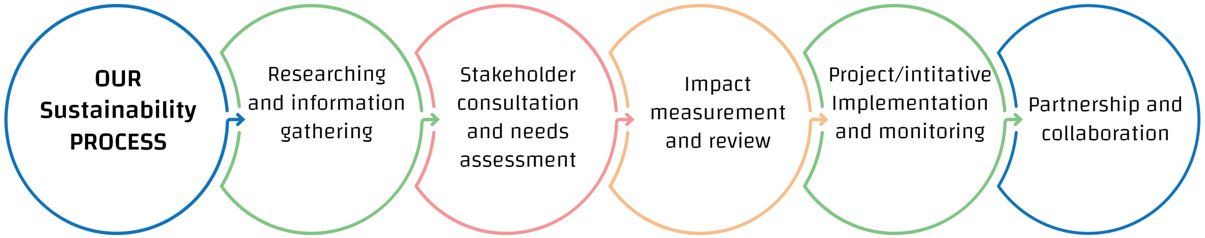
The 5 words guiding our sustainability strategy
Holistic * Evidence-based * Stakeholder-centric * Dynamic* Proactive

Over the last 35+ years of our sustainability journey, our approach, projects, and partnerships have evolved, deepening the integration of our sustainability in our operations, enhancing our commitments, and expanding our reach and impact. We continue to be forward looking, diligently measuring and evaluating our progress towards evidence-based goals while following a partnership and investment model which focuses on longevity, transparency, and engagement with communities.

This section elaborates on our approach to and sustainability activities and environmental stewardship, and some of the highlights of our partnerships.

In 2021, we increased our beneficiaries base by 300% reaching 1,060,000 beneficiaries, made up of community members, students, youth, and children, extending across 56 countries resulting in active sustainability projects and partnerships covering 86% of our global base. This increase came from our response to the global event that took place during the year which added an extra 700,000 beneficiaries.

Sustainability process graphic



Community Engagement

Sustainability at Aramex follows a holistic approach which centers on community, as such, community engagement is the thread that runs through our strategies and initiatives. Our community engagement includes holding consultations with communities, conducting research, and understanding the local contexts and needs. Our Aramex Active Citizen program helps us work closely with communities across our different geographies as it allows our employees to initiate and participate in community and sustainability initiatives and causes close to their hearts.

Emergency and Humanitarian Relief

Collaborating with the United Nations
We have always been ready to leverage our operational and logistical capacities to respond to crises and support humanitarian and development organizations. In 2021, we continued to do so, and provided several UN organizations with in-kind shipping support. This one-time collaboration allowed us to move various supplies to communities, including Personal Protective Equipment, books, and sporting goods, along with other warehousing and logistical services.

Jordan	Textbooks to 120,00 students
Libya	Children sport supplies for 3000 children
Tunisia	PPEs for 71000 individuals
Libya	Logistics and warehousing support of supplies for 500,000 people

Partnership with International Humanitarian City
In 2021, we inked a partnership agreement with International Humanitarian City (U.A.E) - IHC to enhance efficiencies in delivering global humanitarian aid, in line with Aramex's commitment to supporting communities. As part of this partnership Aramex will utilize its extensive global network and deep industry expertise to support IHC in facilitating and expediting the transportation of aid including food, medicine, and vaccines to those who need around the world.

Responding to the floods in Malaysia
Aramex partnered with the Shah Alam District Police Department to support the victims of the 2021 flooding by providing essential items to 65 families.

COVID-19 response in India
Aramex India donated 30 medical oxygen and ventilators concentrators in response to the shortages, approx.. 50,000 citizens were able to benefit from these supplies during the crisis.

Reproductive rights awareness and sanitary product distribution

Driven by our belief in the empowerment of women, and girls and youth education, in 2021, Aramex Kenya provided reusable sanitary towels to the Brydges Centre children home, a home dedicated to marginalized children. One of the home's projects is to provide sanitary pads to the marginalized girls and educate them on reproductive rights. The provision of sanitary towels helped girls stay in school and avoid the use of inappropriate and unhygienic materials during menstruation.

Supporting food security during the pandemic

It is no secret that the COVID-19 pandemic impacted marginalized communities more severely, exacerbating economic and food shortages. In 2021, Aramex Tanzania visited the Umar Center orphanage that was hit hard by food shortage due to the Pandemic. Our goal was to support the center with food donations for the 89 children housed by it, while also spending time with the caregivers and children to further understand their needs and how Aramex Active Citizens can support them.

Supporting children's health

Since 2016, Aramex New Zealand has taken part in the Red Nose Appeal as part of Cure Kids activities every year. Cure Kids funds research focusing on preventing and curing diseases in children. This year, being no different, we have collaborated with Cure Kids ambassadors, to redesign the Aramex satchel with bright and colorful drawings.

Sports and athlete support
Aramex supports sports and athletic endeavors as part of our community efforts. Sports have the power to instill discipline and work ethic and bring people together. In 2021, we provided support to the Amman, Ayla, Dead Sea and Beirut Marathons. We also continue to support our runners and women Juijitsu and boxing athletes.

Supporting Entrepreneurship
Stemming from our own entrepreneurial roots and spirit, we are keen to support startups and SMEs, after incubating the SME program as part of the sustainability strategy in its initial stages, it has evolved to become an important component of our services to our customers, you can read more about it on page 28.

Youth Education and Empowerment

With the disruptions to education faced by youth globally due to the pandemic, it is even more crucial to support youth in accessing educational support and programming. In 2021, we continued to build partnerships with youth-focused organizations and proudly were able to provide support to 23000 students. Below are some of our highlights.

Highlights

Educating students on the world of work
Since 2015, Aramex Ireland has partnered with Balbriggan Community College through the World of Work program managed by Business in the Community Ireland (BITCI). The World of Work program provides students with an opportunity to meet employees from a local company and facilitates conversations and insights to the many roles in the workplace. The program is meant to inspire and educate students. Over the past 6 years, 112 students were introduced to the world of work by Aramex, with our employees sharing experience, knowhow, and skills.

Supporting student virtual education during COVID-19
The shift to virtual schooling due to COVID-19 has strained many low-income families that have been doubly impacted by the pandemic. Aramex Hong Kong partnered with the Crossroads Foundation to provide 30 computers to families who needed them for their students.

23,000 Youth Education and Empowerment beneficiaries

4 QUALITY EDUCATION

Our partnership with Ruwwad
We continue our close partnership with Ruwwad, a non-profit community development organization that works with marginalized communities through education, youth volunteerism and grassroots organizing. Ruwwad's approach encompasses an array of programs and projects that, together, strengthen initiative and facilitate redress to problems prioritized by members of the community.

Ruwwad
In 2021, a total of 491 youth scholars benefited from the youth scholarship funds in Ruwwad's six community centers in Jordan, Lebanon, Palestine, and Egypt, and contributed more than 53,442 of community service hours through volunteering and supporting Ruwwad's different programs, operational tracks, projects, initiatives, and campaigns.

Since its establishment, Ruwwad has enabled a total of 1,335 youth scholars in East of Amman / Jabal Al-Natheef, Al Tafilah, and Al Beidha in Jordan, 487 scholars in Ezbet Khairallah in Egypt, 343 youth scholars in Tripoli in Lebanon, and 250 youth scholars in Budrus, Neilin, and Qibya in Palestine, thus reaching a total of 2,415 youth scholars, who in return, become part of Ruwwad and benefit from a full learning journey where they are able to unlock their potential to become agents of change in their communities while they gain access to university, college and vocational scholarships to prepare them for work.

Simultaneous to the volunteerism and community service, Ruwwad provides an enrichment program that focuses on dialogue, wellness, and business skills development with the aim of enhancing critical thinking, open mindedness and respect for diversity and pluralism, and to prepare youth for work.

This year, Ruwwad celebrated the graduation of 93 youth scholars; 35 of which are from Jordan, 25 are from Egypt, 18 are from Lebanon and 15 are from Palestine. All education scholarships Ruwwad offers in Jordan, Palestine and Lebanon are university scholarships; in Egypt Ruwwad offers vocational training and education scholarships, as university education is free of charge.
In Jordan in 2021, under the Youth Program, Ruwwad worked with 189 youth scholars who gave 24,690 community service hours working with children, adolescents, parents, and community at large. This year in East of Amman, on average, a total of 85 youth scholars committed to attend 37 Dardashat sessions, where Ruwwad provides safe and courageous spaces to liberate youth's voices and facilitate their exchange of ideas and concerns without fear of judgment and shaming. Dardashat sessions, throughout the year, focus on 4 main topic areas: The Self, The Others, Active Citizenship, and Theory of Knowledge. Ruwwad youth scholars also benefited from 7 enrichment sessions to help them 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 through the support of Ruwwad expert team members and external volunteers. Furthermore, in Ruwwad East of Amman, the youth scholars implemented 2 community initiatives which reaching out to 6,040 citizens. This year In Ruwwad Al-Tafilah, on average, a total of 49 youth scholars committed to attend 50 Dardashat sessions. Additionally, Ruwwad Al-Tafilah youth scholars succeeded in implementing 17 community initiatives touching the lives of 1,364 citizens.

As for the Child Program, 423 repeat children benefited from various activities under different programmatic components such as academic support, child literature, creative arts and Summer and Winter clubs. Moreover, 1,657 school students in 21 neighboring schools benefited from enrichment activities that focused on children literature and creative arts. With regards to Ruwwad's Innovation Space, 54 adolescents participated in creating innovative solutions to real-life complex problems through employing Design Thinking and Digital Fabrication skills. The journey starts with having the students attend 14 foundational sessions over the period of two months aiming to introduce the adolescents to the design thinking and innovation education track focusing on the fundamentals of design and the basic technical skills (sketching, engineering drawing, manual prototyping, and digital fabrication skills) which they will employ later when they go into the themed studio phase. In the themed studio phase, students delve into hands-on design, engineering, science, and technology-based learning experiences to enable them to become creative innovators, persistent problem solvers and critical thinkers who can be active agents of positive change in their communities.

The Psychosocial Support Programmatic Component this year worked with 33 adolescents who went through a learning journey which provided them with various courses such as "Connect to Your Power" during which they learn 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 in order to enhance their readiness to embrace difference and diversity. Additionally, the program provided 19 psychosocial Support customized "Connect to Your Power" sessions to 531 adolescents in 8 neighboring schools.

Under the Community Program, 1,600 families were supported through different components of the program. Through the community help desk services, 83 citizens gained access to vocational education opportunities and 23 citizen beneficiaries accessed employment opportunities. Moreover, the Community Program has succeeded in protecting 99 school dropouts through providing several protection services. Additionally, 525 families benefited from Jeeran station's campaigns that provided in kind contributions. 586 families benefited from different services offered through Ruwwad's institutional partners. Additionally, 371 individuals attended 64 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.
Through the partnerships track, Ruwwad Jordan worked with 41 national, regional and international partners. Additionally, 49 external volunteers directly took part in our work in the community.

When it comes to the projects track at Ruwwad, we partner with national and international organizations to focus on social and cultural protection, employment and employability, and entrepreneurship.
Ruwwad concluded the implementation of activities under the Mubaderoon project with the objective of enhancing the contribution of individuals and social institutions in supporting their communities, mainly in East of Amman, Ajloun, and Al-Tafilah, through the provision of social solutions and services implemented through community-based poverty reduction initiatives and enterprises. A total of 58 Social Enterprises and Social Entrepreneurship Initiatives were provided with financial grants along with mentorship program that aimed to provide guidance and coaching to each social enterprise. Furthermore, 556 unemployed citizens accessed employment opportunities. Additionally, 1,473 of direct beneficiaries and 6,775 of indirect beneficiaries benefited from the activities under this project.
In partnership with Open Society Foundation, Ruwwad started the implementation of the "Community Empowerment Project", which aims to build and strengthen the capacity of community 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.

Under the Economic Justice Project, Ruwwad started activities implementation in January 2021, 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 partnership with a business technical partner, Wamda. Through this project, Ruwwad will support, through providing financial and technical services, up to 20 micro businesses (30% of which are Syrians) from marginalized areas in East of Amman, with the objective of enhancing their economic opportunities.

This project also focuses on enhancing the early childhood component under Ruwwad's Child Program. In the year of 2021, we succeeded in implementing the digital academic support track where we worked with 41 children (14 of which are Syrians, 3 are Sudanese and 24 are Jordanians) who attended 643 academic support classes covering the fields of English, Arabic, Math and IT. Under this component, we also succeeded in implementing the regional team training which was delivered by experts in the areas of Inquiry Based Learning, and Monitoring & Evaluation, all to deepen the knowledge of the regional Child Program team members in the area of Inquiry Based Learning.

Ruwwad Jordan in partnership with the Ministry of Digital Economy and in collaboration with Ruwwad's technical partner Ureed has started the implementation of the GrowJo project activities. This project aims to facilitate access to economic opportunities in various tech economic activities for individuals in the gig economy. The project will focus on building the capacity of 250 youth beneficiaries (50% of which are women) and facilitate their access to at least one employment opportunity on digital economy platforms.

In Ruwwad Egypt, under the Youth Program, 117 youth scholars benefited from the Youth Scholarship Fund and contributed more than 12,960 community service hours to support Ruwwad's different programs working with children, adolescents and community at large. This year, on average, a total of 77 youth scholars committed to attend 44 Dardashat sessions. Additionally, Ruwwad's youth scholars implemented 6 initiatives touching the lives of 249 citizens.
As for Ruwwad's Ezbet Khairallah's Child Program, 312 children benefited from various activities under different programmatic components such as academic support, child literature, creative arts and Summer and Winter clubs.

Through Ruwwad's Egypt Community Program, 41 individuals were able to access health services and 71 women benefited from literacy classes. Moreover, in Ramadan, 1015 meals have been distributed to benefit 750 community members and 42 families received food packages throughout the year.

In Ruwwad Lebanon, under the Youth Program, 137 youth scholars benefited from the Youth Scholarships Fund throughout the year 2021 and contributed more than 10,352 community service hours, supporting the work of Ruwwad's programs, projects, and Ruwwad Lebanon's social enterprise "Atayeb Tarablus" community kitchen. Additionally, this year, on average, a total of 36 youth scholars committed to attend 15 Dardashat sessions that covered the topics of Education, Entrepreneurship, Technology, Art and Awareness. Moreover, in collaboration with AWS – Amazon, 25 youth scholars attended a Cloud Computing training, the purpose of the training is to prepare learners for careers on the IT Cloud System.

As for the Community Program, in response to the Coronavirus Pandemic outbreak, 35,058 community members benefited from Ruwwad health campaigns focusing on the provision of different health services in response to the pandemic. 27 individuals benefited from the "Atayeb Tarablos" community kitchen catering activities through providing daily meals and 2,106 families received food packages throughout the year.

In Palestine, under the Youth Program, 52 youth scholars benefited from the youth scholarship fund and contributed more than 5,440 community service hours to support Ruwwad's different programs and the communities of Budrus, Neilin and Qibya. Those youth scholars benefited from several enrichment sessions to help them develop their skills through different trainings. For the first time this year, Ruwwad Palestine celebrated the graduation of 15 youth scholars through organizing a ceremonial activity with the presence of 40 community members.
Under the Child Program, 450 repeat children benefited from various activities under different
At Aramex we have a keen understanding of the urgent need to address and mitigate the disruptive impacts of climate change, while also ensuring we minimize our negative environmental impacts, maintain the health of ecosystems, and properly manage natural resource use. Our commitment to environmental stewardship has been steadfast since our establishment, we boast more than 35 years of experience in measuring and managing our

programmatic components such as academic support, child literature, and creative arts. Additionally, 750 school students in 5 neighboring schools in the villages benefited from enrichment activities that focused on children literature and creative arts.

Under the community program, 120 families were supported through different components of the community program.

Environmental Stewardship and Climate Change Mitigation

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

13 CLIMATE ACTION

environmental impacts. Over the last 15+ years, we have also measured our GHG emissions according to global standards and set and surpassed reduction targets. As part of our efforts, we invested in renewable energy in several locations and updated parts of our fleet to electric vehicles, more information can be found in our 2020 report (https://www.aramex.com/jo/en/annual-report/aramex-2020-annual-report). In 2020, we surpassed our 2016 goal of reducing emissions per shipment by 20%. This year, we worked on enhancing these efforts further and backing our work through a scientific and data driven approach. To that end, we signed an agreement with the Science Based Targets initiative (SBTI) to reduce our greenhouse gas emissions by 2030.

> As part of its commitment to SBTi, Aramex commits to reduce absolute Scope 1 and 2 GHG emissions 42%, and Scope 3 emissions 25%, by 2030 from a 2020 base year. We aim to reach this target through various robust environmental initiatives.

By signing this commitment, we will work with clearly defined science-based carbon targets to put us on track to reducing emissions in line with the Paris Agreement's goals of curbing a rise in global temperature to 1.5°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.
This initiative is part of Aramex's sustainability strategy, which aims to reduce our environmental impact, prevent climate-related risks, reduce energy consumption, and ensure that our progress toward net zero carbon is consistent with climate science. Aramex is one of the few Middle Eastern companies to have signed the commitment.

"Beyond reducing our carbon emissions, we also want to create a positive impact by empowering all our stakeholders to follow and take on an active role in improving their ESG practices." Raji Hattar, Chief Sustainability Officer

Climate Risk Assessment

In 2022, we will work on our climate risk assessment to comply with the Carbon Disclosure Project and Task Force on Climate-related Financial Disclosures (TCFD) recommendations. Doing so will allow us to manage and screen the climate change trends and future scenarios and conduct research into the likelihood, consequence, frequency, and impacts of each hazard type on communities and sectors. We are keen to meet the growing requirements from regulators, investors, and other stakeholders by continually assessing, disclosing, and managing climate risks.

Carbon intensity calculator

As part of our energy consumption strategy, we developed a carbon intensity calculator for individuals and corporations. The calculator will provide our customers with the opportunity to participate in determining how they can do their part to combat climate change. As a majority third party supplier, we at times face the challenge of acquiring real time data from some of our suppliers related to carbon emissions, we are active in ensuring that we have clear and transparent data availability for our customers, even when we utilize third party fleets, airplanes, or ships. As part of that we aim to provide a near accurate estimation of carbon intensity, which we will consistently improve and develop upon.

Managing and reducing our emissions content:

This year, we joined the AFLK Sustainable Aviation Fuel (SAF) program with KLM Royal Dutch Airlines. The program is part of ongoing efforts to manage and reduce emissions and carbon footprint across our industry and enhance our sustainability.

Our Solar Production

Our investment in renewable energy has far reaching benefits, below is our solar production and resulting tCO2 reductions.

Site	kWh	tCO2 saving
Amman solar	1,565,114	994.811
DXB Solar	9,755,980	5827.012
Total Solar	11,321,094	6821.823

Carbon Emissions over the last 5 years

Emissions (tCO2)	2016	2017	2018	2019	2020	2021
Scope 1	49,264	50,005	49,903	56,769	59,334	64,414
Scope 2	30,241	33,671	30,911	42,501	39,326	31008
Scope 3	534,477	579,371	606,088	651,747	628,684	573,836
Freight	387,230	369,244	387,910	390,745	364,680	314,718
Express	122,645	185,167	191,355	233,891	251,438	231,642
Rail	-	-	-	-	0	78
Commuting	23,777	24,062	26,011	26,522	12,430	27,236
Business Travel	825	898	633	589	136	162
Total Emissions	**613,982**	**663,047**	**686,902**	**751,017**	**727,344**	**669258**

In addition to our active efforts to reduce or fuel and electricity consumption, there was a drop in shipment weights as well as an increase in long haul vs. short haul shipments which resulted in an additional drop in carbon emissions.

Sustainability Advocacy and Partnerships

As part of our sustainability efforts and strategy we work to nurture partnerships, advocate for sustainability, transparency, and improved regulations, and support the integration of sustainability into business processes within different organizations. Our partnership model involves working with different private, public, and civil organizations at different scales across different geographies.

Through these partnerships, we seek to leverage capacities and collaborate to tackle sustainability challenges, exchange knowledge, and develop best practices to enhance shared value creation in the short, medium, and long terms.

Global Partnerships	UNGC, Caring for climate World Future Energy Summit	UNGC, Caring for climate World Future Energy Summit
Regional Partnerships	DFM, UNICEF RTC, AFED UNRWA, UNHCR, Ruwwad Development INJAN Al-Arab	DFM, UNICEF RTC, AFED UNRWA, UNHCR, Ruwwad Development INJAN Al-Arab
Local Partnerships	Jordan GBC, INJAZ Jordan, Dubai Chamber, Abu Dhabi Sustainability Group, Peal Initiative, Egyptian clothing Banks, AmidEast, JEU'NASS	Jordan GBC, INJAZ Jordan, Dubai Chamber, Abu Dhabi Sustainability Group, Peal Initiative, Egyptian clothing Banks, AmidEast, JEU'NASS

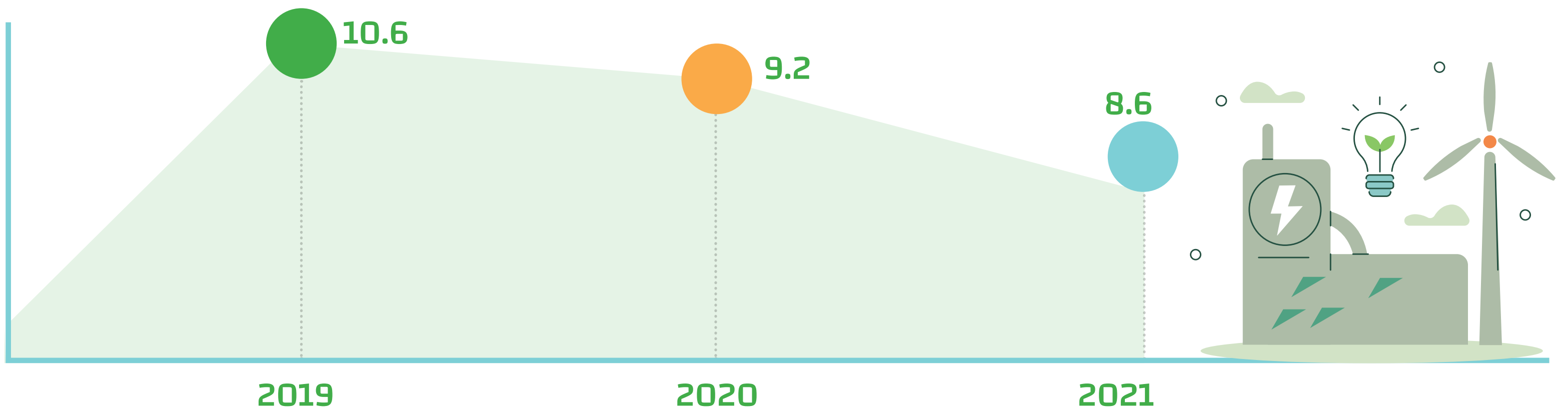
Year over Year Performance

Year	2012	2016	2017	2018	2019	2020	2021
KgCo2/ Shipment	13.00	10.20	9.40	10.00	7.50	5.7	5.1
Electrcity/ Shipment	0.91	0.78	0.73	0.69	0.65	0.50	0.41
Fuel/ Shipment	0.36	0.30	0.26	0.30	0.28	0.20	0.19
Electrcity	35,033,613	46,625,615	51,446,142	47,450,551	65,664,723	61,276,783	55,024,089
Fuel	13,750,488	18,198,325	18,572,869	20,416,518	22,854,060	24,267,172	25,715,644
Total Emissions	516,291	613,982	663,047	686,902	751,017	727,344	669258

SOX and NOX for the last five years

Year	SOX and NOX
2017	25,171
2018	27,236
2019	34,970
2020	33,146
2021	39,965

Energy Intensity
Mj/Shipment



Risk & Compliance

Risk & Compliance

The Risk and Compliance function within Aramex consists of the Risk Management, Compliance (trade and corporate), as well as Health & Safety and Security and Corporate Insurance divisions. The Risk and Compliance function engages with teams across the first line of defense within Aramex to proactively manage risk, ensure compliance with corporate and regulatory obligations and adhere to local and global health, safety and security standards. This section of the annual report highlights the various activities being performed within each of these risk areas.

Risk Management

The Aramex Risk Management division was established in 2020 and is responsible for the development and maintenance of the Risk Management Framework and Methodology to assist Executive Management in actively and effectively managing risks and threats to the business. Aramex recognizes that proactive risk management is essential to the achievement of its strategic objectives. Through its policy on Risk Management, the Aramex Board (via the Audit Committee) has committed Aramex to adopt a framework for effectively managing its key business risks.

Risk Management Governance and Process

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 due consideration of associated risks and rewards, and Aramex continuously monitors its changing risk exposure and adjusts governance and control procedures accordingly.

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

Aramex continues to have various governance and reporting structures in place in order 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 in 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 our 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 & Monitoring:** The Risk Committee meets on a regular basis to review and challenge important risk-related information such as the existing risk drivers, key controls in place, the status of Key Risk Indicators (KRIs), and the status of planned risk mitigation actions.

· **Risk Reporting:** Detailed risk reports are provided to the Audit Committee on a quarterly basis for their consideration and review on a periodic basis. This allows the Audit Committee to review, monitor and ensure the operational effectiveness of the Risk Management program and processes.

Some of the principal Risks that are managed by Aramex and its Management Team include the following:

Risk Category	Risk Title	Summary Description
Strategic Threats & Uncertainties	**COVID 19 Pandemic**	Continued disruptions and threats caused by COVID19 pandemic, and risk of spread of virus across operations and the negative impact on health and safety of employees, partners, and customers. Risk of the pandemic's disruption of operations and possible reduction in margins and shipment volumes which negatively impacts revenues / profitability in key locations.
	Increasing Competition & Pricing Pressures	Increasing competition from existing operators, as well as new entrants resulting in pricing pressures.
	Geopolitical & Economic Uncertainty	Threat of geopolitical unrest or economic uncertainty across a number of key locations.
Operational Threats	**Cyber Security**	Ongoing threat of a cyber-attack on our infrastructure resulting in the loss of critical data / information or interruption to key systems / services.
	Service Availability	Risk of unplanned / unexpected interruption to services including disruption to IT infrastructure such as critical systems or cloud services.
	Environmental and Sustainability Risk	Failure to proactively measure and manage impact on environment and communities or mitigate any risks or threats resulting in inadvertent harm to our stakeholders, uncertain and changing regulatory frameworks related to environmental impact and climate change mitigation and adaptation.
Compliance Challenges	**Regulatory Uncertainty**	Uncertain and changing regulatory environment with new or revised regulations being imposed by varying countries that impact the transportation and logistics sector.
Financial Threats	**Forex Fluctuations**	Volatile foreign exchange rate fluctuations impacting Aramex's financial performance and the value of Aramex's investments overseas.

Each principal risk is assigned to an Aramex executive owner. The executive owner is responsible for confirming adequate controls are in place and that the necessary action plans are implemented to bring the risk profile within an acceptable tolerance. To provide adequate oversight, we hold in-depth reviews of all principal risks at different oversight committees.

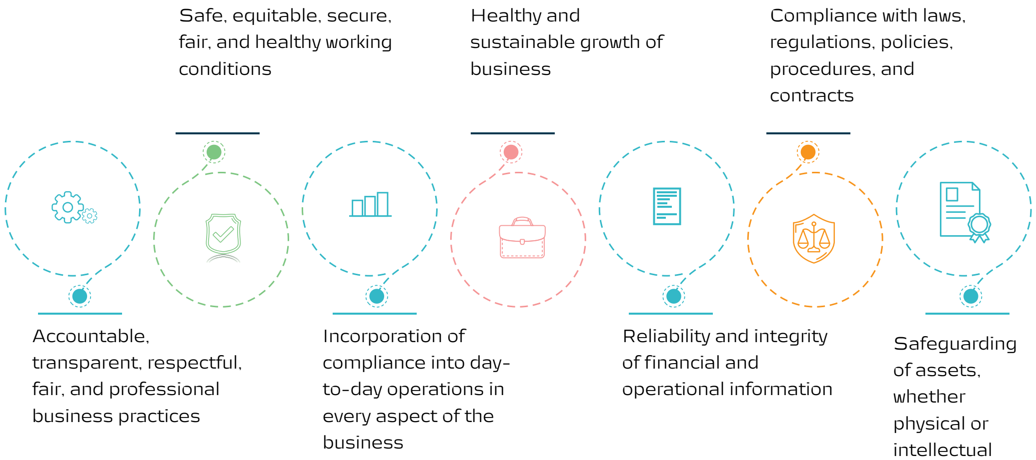
Emerging Risks
We continuously review and conduct a horizon scan for new or emerging risks to consider possible future uncertainties and points of failure which may need to be managed. This is undertaken on a regular basis with any new or emerging risks discussed and reviewed as part of the internal risk reporting process.

Corporate Compliance

Our corporate compliance team is responsible for ensuring that all involved internal stakeholders are implementing processes to minimize statutory, regulatory and reputational damage, and providing guidance for ethical and compliant business operations.
The program provides the tools and trainings necessary to ensure that each employee is fully aware of their responsibility to act with integrity and transparency when performing various business duties.

As part of this is ensuring internal stakeholders are aware of and adhere to the Aramex Code of Conduct which provides the guidelines on business operations and stakeholder interactions.

Aramex Code of Conduct



The Code of Conduct and related policies and documents are easily accessible within Aramex.

Our Code of Conduct is also accessible externally via our website, via the following link: https://dotcomaramexprod.blob.core.windows.net/default/docs/default-source/latest-docs/aramex_code_of_conduct.pdf

In line with these principles, we have a number of policies set in place which correspond to different important aspects of our business and operations. These policies are:

- Trade compliance
- Gifts Entertainment& Hospitality
- Conflict of Interest
- Anti-Money laundering
- Third Party Due Diligence
- Anti-Corruption Policy
- Legal Licensing
- Sanctioned Countries Bank Transactions Policy
- Human and Labor Rights
- Diversity, Equity & Inclusion
- Political contributions and involvement
- Charitable donations and sponsorships
- Whistleblowing
- Environmental
- Volunteering

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

2-16, 2-23, 2-24, 2-25, 2-26, 2-27, 203-1, 203-2, 205-1, 205-2, 205-3, 206-1, 407-1, 408-1, 409-1

Compliance training

Moreover, the risk and compliance team continues to hold annual employee training awareness, both classroom and online based and perform compliance knowledge assessments as part of our annual compliance strategy. In 2021, 84% of the total Aramex workforce has been trained. Additionally, we have enhanced our automated Conflict of Interest declaration form, which we request our employees to acknowledge and sign. All declared conflicts undergo a compliance review and recommendations are provided. In 2021, 83% of our employees have submitted signed forms.

Where policies, procedures, and internal controls do not offer clear guidance for a particular course of action, employees and leaders are encouraged and expected to honor the spirit of the code or seek advice.

Total Headcount	Class-Room Training	Online Only Training	Total Trained	%
14,749	4,247	7,072	11,319	84

In 2021, we continued to enhance the evaluation processes of our suppliers' compliance-related issues including human and labor rights, anti-corruption, and anti-bribery, while also assessing our suppliers based on our Code of Conduct and social and environmental criteria. For example, we have initiated the Riskonnect Third Party Management module to better assess third party risks. We have also introduced a new Know Your Customer (KYC) policy and process to ensure better diligence coverage on our customers. Additionally, we continue to perform risk assessments on our vendors while maintaining the due diligence process to be conducted by third-party reputable providers for all high-risk vendors. This is conducted alongside our in-house screening process.

Therefore, all high-risk vendors undergo a dual due diligence process that is managed internally using our Code of Conduct, questionnaires and externally through a reputable independent provider. As a result, the compliance team managed to clear 99% of our active database (customers and vendors).

Lastly, we have introduced several improvements in our key account customer account creation via a new Know Your Customer (KYC) policy and process. This is designed to enhance our relationships and manage the risks that maybe posed from customers.

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, Whistleblowers have the option to report their concerns anonymously by using a non-identifiable e-mail address. 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 in a timely manner. An investigation is conducted into each case. A summary report of the quarterly whistleblowing cases received and investigated are 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.

Whistleblowing Process

Case recorded

Investigation launched

Internal review committee convened

Decision communicated

Decision Accepted | Decision appealed

2-16, 2-23, 2-24, 2-25, 2-26, 2-27, 203-1, 203-2, 205-1, 205-2, 205-3, 206-1,407-1, 408-1, 409-1

Trade Compliance

Our trade and customs compliance program allows for better customs oversite, support and better approach to support the business needs to their already existing customs clearance practices within the network. While our trade compliance efforts have continued to add value to the organization through growing to encompass better compliance on the new CargoWise software implementation. We anticipate going live in early 2022 on CargoWise in order to manage compliance needs for Freight. This will allow for a wider and systemized scope.
The new initiatives will greatly complement 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.

Compliance Operations

In Q4 of 2021, we introduced a new concept and alignment internal to compliance which involved the creation of a new vertical called compliance operations. This new function consolidated all denied party screening efforts from 3 different sources into one team. This team has also started taking day to day operational tasks from corporate and trade compliance to allow for better support in these respective verticals as well as allowing for better utilization and training of our staff.

We did not have any grievances about impacts on society and didn't receive any fines or non-monetary sanctions for non-compliance with laws and regulations, since we did not face any issues of non-compliance. It is important to act on any violations we find while evaluating our supply chain for labor rights. In 2021, our screening did not raise any red flags related to labor practice violations.

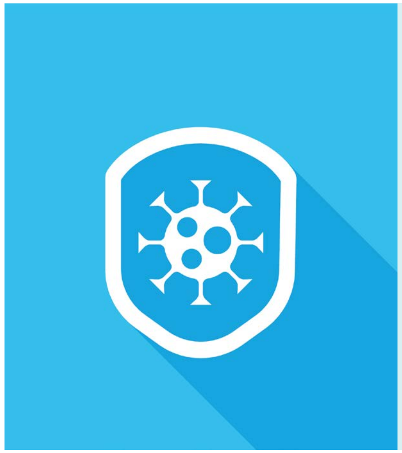
Aramex has a strict policy against receiving or giving any financial government assistance. It is important for our stakeholders to ensure that our company is not affiliated with
any political or governmental system.

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

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 2021 assessment were curtailed due to COVID-19 and adjusted to be conducted next year.

Health, Safety, and Security

Health and Safety at Aramex is key area in our day-to-day operation and services and part of our longer-term planning. The health and safety management system which is providing the framework for all stations globally is being continually reviewed and updated to ensure all risks, threats and business needs are addressed accordingly. Moreover, we continue to review the HSE regulations in each country we operate in ensuring any gaps are addressed immediately.
In 2021, we initiated the transformation program in health and safety management and introduced the "Riskonnect – EHS" model, a new tool which enables all countries to use a more effective software for reporting and investigating incidents, the new tool is expected to go live in January 2022.



The COVID-19 pandemic continued to be a major challenge in 2021, crisis management teams at country and corporate level monitored and supported business teams and operations and updated all the response plans for emergencies. As with 2020, we continued to launch additional campaigns to raise awareness on COVID-19 safety and precautions, in addition to, in-house vaccination campaigns where possible.

Supplying personal protective equipment to all personnel continued ensuring we follow all local regulations. The flexible working and remote working policies helped our employees protect themselves and their families while balancing work.

Transportation safety, as always, is a key area both in the transportation of our products on public routes and in loading, unloading, classification, labeling and packaging of materials, particularly of hazardous goods. We have launched our dangerous goods online training program for our employees involved in addition to the 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. Our handling and transportation requirements, which we actively ensure are implemented appropriately, ensure that the materials are handled and transported according to the applicable regulations and the potential hazards they may pose.

We define transport incidents as accidents that cause personal injury or significant damage to property, environmental impact resulting from the release of substances, or leakage of hazardous goods.

308-1, 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-8, 403-9, 403-10, 407-1, 408-1, 409-1, 414-1

Given our extensive safety precautions and training activities, transport incidents are rare, and in 2021, Aramex did not experience any accidents involving contact with chemicals for the second year in a row.

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 the GPS tracking and a new project is to monitor all Aramex vehicles is currently under review and is expected to be launched in 2022.
There were no major incidents or accidents reported our Oil and Gas transport operation and our pre-trip inspections helped us ensure that trucks and loads are secured.

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 the health and safety induction and permit-to-work processes.

While 2021 saw good improvements and results related to health and safety, we are always keen to progress further. In 2022, our goals include the full implementation of the new incident tool "Riskonnect EHS" and continuous work and training to avoid major incidents. The safety culture within Aramex is a key area for improvement and new safety campaigns will be planned in 2022.

Excluding COVID

Health and Safety Indicators		
Lost time Injury Frequency rate (LTIFR)	2.58	Aramex experienced 2.58 LTIs for every 1,000,000 hours worked over the past year
Lost time Injury Incident rate (LTIIR)	0.66	Aramex experienced 0.66 LTI's per hundred employees
Severity Rate (SR)	17.27	On an average each LTI resulted in 17.27 days off work
Lost time injury Rate (LTIR)	1.55	For every 100 employees, 1.55 employees has been involved in LTI
Vehicle related Lost days rate (LDR)	6.93	Aramex experienced 6.93 vehicle related Lost days per million shipments
WH & Office related Lost days rate (LDR)	6.92	Aramex experienced 6.92 WH & Office related lost days per million shipments
Lost days rate (LDR)	13.85	Aramex experienced 13.85 lost days per million shipments
Accidents per million shipments	7.26	Aramex experienced 7.26 accidents per million shipments

Health and Safety statistics 2021

2021	
Total Number of Fatalities including non occupational related	2
Total Number of Lost time injuries	107
Ttoal Number of days lost	1848
Total number of incidents resulted in minor or no injuries	920
Total number of incidents resulted in injuries	49
Total number of incidents	969
Total Number of employees	16,272
Total number of working days	1,627,188
Total number of man hours worked	41,493,294
Total number of vehicle related incidents resulted in minor or no injuries	768
Total Number of Vehicle related incidents resulted in injuries	15
Total Number of Vehicle related incidents resulted in Lost time injuries	52
Ttoal number of vehicle related incidents	783
Total number of days lost due to vehicle incidents	925
Total number of WH & Office related incidents resulted in minor or no injuries	152
Total Number of WH & Office related incidents resulted in injuries	34
Total Number of WH & Office related incidents resulted in Lost time injuries	55
Total number of WH & Office related incidents	186
Total number of days lost due to WH & Office related incidents	923

Security

Our security management system supports Aramex to ensure the protection of its assets, as well as those of our partners and customers. 2021 was a challenging year for supply chain security especially in relation to pre shipping cargo screening. Further to the resources hired in 2020, the health, safety, and security (HSS) function added dedicated resources where needed. North and West Africa operations welcomed new HSS managers in 2021, and new members joined our Asia operations. In 2022 we plan to continue to expand our team and target other locations where there is a business need to increase qualified resources.

Security systems also saw a major change and several of our locations upgraded their old systems with new technology enabling the security team and operations to have more control over sites' security. Cargo screening capabilities were further enhanced with new X-ray machines that were deployed in high-risk countries; more locations are planning to implement the cargo screening technology upgrade in 2022. Our TAPA FSR 2020 integration went on very well as more sites renewed the existing certification, we also continued to support the TAPA FSR – C "Self-certification" program and more facilities are planning to get certified in 2022.
In addition, we have carried out a detailed "Security Risk Assessment" on more than 115 facilities globally identifying the "high risk" gaps in each facility and sharing the results with executive management. With the help of the new tool (Riskonnect), we are planning to launch the global annual security risk assessment and address the findings.

Transport Security is a main area of focus in 2022, with the new planned GPS tracking on all vehicles within Middle East and North Africa region.

Associations and Certifications

Type of ISO	Certified Entities	% of ISO out of 45	% of ISO out of 68
9001	27	60%	40%
14001	18	40%	26%
45001	15	33%	22%

Memberships		
Freight	International Air Transport Association (IATA)	We are IATA-approved agents with individualCODE/CASS numbers in Algeria, Bahrain, Bangladesh, Canada, China, Cyprus, CzechRepublic, 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/InternationalFederation ofFreight 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
	Global Distribution Alliance GDA)	Founder
	Express Delivery and Logistic Association	Member
	BSI Registered (British Standards Institute)	Member
	Transported Assets Protection Association	Member
	Transportation Security Association (TSA) - USA	Member
	Customs Trade Partnership Against Terrorism (C-TPAT) – USA / Customs Dept.	Member
	Department for Transport (DfT) - UK	Aramex is an indirect air carrier
	Arab Forum for Environment and Development (AFED)	TwoWay and Priority and listed agents
	KAMCO: Brokerage – USA	Member
	ABANA: Association of Arab Banks for North	Member
	MCAA: Messenger Courier Association of America	Member

Reporting Process

Reporting Process

Our reporting process follows a robust and focused approach ensuring we comprehensively cover the various facets of our operations, management, and sustainability activities and procedures. To that end, this report acts as a powerful a tool with which we can continually measure and monitor how our operations create, extract, and transform value across the 6 Capitals. Through an iterative process of evaluation and assessments, we are able to sharpen our processes and procedures instruments for monitoring and improving operations, mitigating risk, and safeguarding community and environmental health.

This is our 12th integrated report and 16th sustainability report. The report has been prepared in accordance with the GRI Standards: Comprehensive option and the International Integrated Reporting (IIR) Council Standards.

Determining Our Priority Issues

We identify our priority using a thorough and proactive methodology underpinned an understanding of:

1- Our operations and their impact
2- Stakeholder engagement and feedback
3- Sustainability strategy and context

Given these three components and their interconnected features, we are able to identify the material elements and systematically report on them and establish appropriate boundaries to our reporting. Through this approach, we collect the extensive to capture and understand how our various value creation activities impact communities and the environment. This allows us to act both proactively and responsively to our communities and stakeholders, while producing sustainable financial returns in line with our short- and long-term value creation.

Our approach allows us 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. For more details on our stakeholder engagement activities, please refer to the stakeholder engagement section, page 65.

We continuously assess and develop our systems, processes, and corporate culture is while also fostering an integrated approach to sustainability, with the goal of reducing negative impacts and contributing positively toward sustainable development.

Along with our materiality and priority issues determination, we assess the boundaries of each of these material aspects by mapping our operations and where each aspect and its impacts occur. You can find more details on these issues and boundaries on page 15.

For internal aspects related to our operations, the boundaries include all entities across our geographical location, except our franchisees. while the financial data presented includes our proceeds from franchises, it does not include human resource or emissions data. External aspect boundaries related to aspects occurring within or outside of our operations, occur across all geographical locations.

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 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.

IIRC

- In our report, we maintained a clear **Strategic focus** and **future orientation** in relation to our operations and activities.
- We worked to ensure that **Connectivity of information** is clear, 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 aspects 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 aspects
- 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**.
- **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 ninth consecutive year in which we report on our annual GHG emission. Details on our emissions can be found on 50,51. When measuring and calculating our carbon footprint we adhered to the principles of the Green House Gas (GHG) Protocol accounting tool developed by World Business Council for Sustainability Development (WBCSD) and World Resources Institute (WRI). We utilize an operational control approach to measure our emissions.

Reporting boundaries: Unless otherwise indicated, the data in this report covers all our operations in all relevant geographic regions. The only exceptions being our franchise operations-- while the financial data presented includes our proceeds from franchises, it does not include human resource or emissions data from franchisees.

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.

While this business model keeps us agile, we often are forced to rely on estimates and data provided by suppliers for our scope three emissions, that is emissions that take place outside our company as a direct result of our operations. Due to this, we are often limited by the data provided by our suppliers, however, we work diligently with our suppliers and partners to ensuring and improving accuracy and completeness of all data collected.
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, indicators provide global coverage, subject to the reporting boundaries and limitations outlined above.

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 indicators 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 indicator.

Assessment and evaluation of our reports

We have always evaluated our sustainability measures and reporting to ensure transparency, robustness, and comprehensiveness. In 2021, we also conducted a sustainability (Environmental, Social, and Governance (ESG)) third party assessment of our previous reports to improve our sustainability systematically and pragmatically from the inside out. Such assessments and evaluations are in incorporated into our reporting process and occur frequently to uncover and address any gaps.

***No changes in reporting and no restatement.**

Disclosures on Management Approaches

Maximizing positive economic, social, and environmental outcomes across the Six Capitals is a responsibility shared by all employees from the individual employee up through the Board of Directors and with scope ranging from internal operations out through the external areas of influence in our value chain worldwide. Economic matters are handled by our Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, Vice President of Legal Affairs, and Chief Risk and Compliance Officer in an ethical and sustainable manner which includes compliance with major 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 financial targets and our outlook for 2022 can be found in the CEO letter on page 8, while information on grievance mechanisms such as our whistleblowing system can be found on page 56. Social, environmental, and external economic matters are equally as important to Aramex as our internal profitability.
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 and verifying this through a human and labor rights impact assessment with external auditors to ensure both policy and practice are aligned.

With oversight from the Sustainability Committee of the Board of Directors, the Chief Sustainability Officer manages sustainability programs, which set out to reduce negative and increase positive impacts on environmental, external economic, and external social areas linked to Aramex.

These areas work to build on Social and Relationship Capital as well Natural Capital.

These programs are centered around 3 pillars:
1. Environmental Stewardship and Climate Change Mitigation
2. Youth Education and Empowerment
3. Entrepreneurship

To create value in Social and Relationship Capital in our communities, we budget 1% of pre-tax profit each year for sustainability projects across our network. These projects include the Startup Support Program, which supports innovative startups and helps accelerate development in their communities. We also support and sponsor our employees in sports events to promote good health and boost company morale. In addition, we form partnerships with NGOs and other socially driven organizations in sustainability and community projects and partnerships to assist in the development of our communities and meeting their needs. These

To ensure that our impacts on communities are positive, we budget 1% of pre-tax profit each year for sustainability projects across our network. Social, environmental, and external economic matters are equally as important to Aramex as our internal profitability.

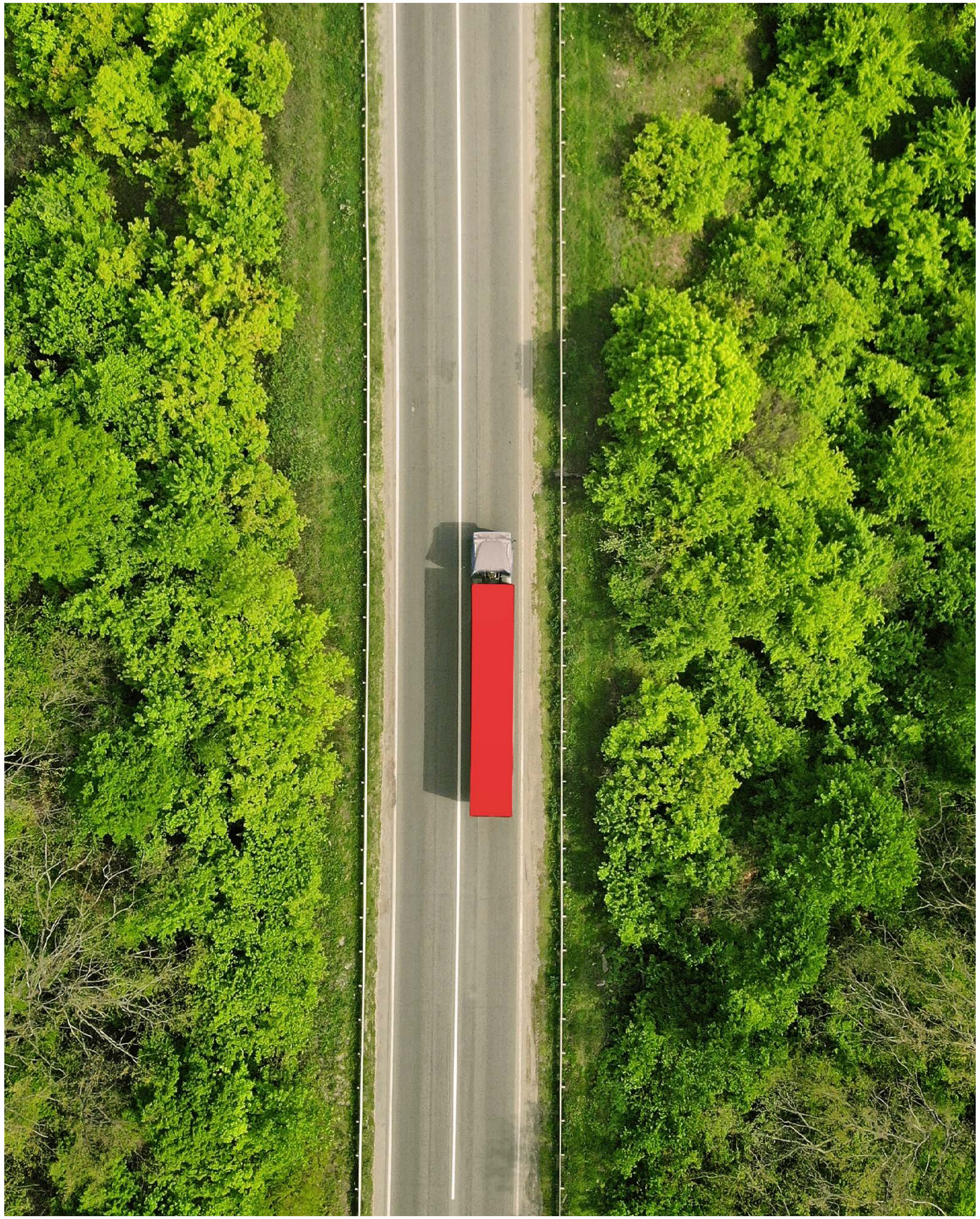
partnerships are always apolitical and areligious. For more on sustainability including goals and targets please refer to page 19.
Our robust environmental initiatives include action to reduce Green House Gas (GHG) emissions, energy use, packaging materials and waste, as well as Leadership in Energy and Environmental Design (LEED certification) and ISO 14001 environmental management systems at our facilities. These initiatives reduce the amount of value we must extract from Natural Capital, particularly nonrenewable Natural Capital. The Aramex Environmental Policy and Socially Responsible Procurement Policy guides our approach in this domain. In addition to this, we are expanding our use and generation of renewable energy such as solar to power operations and charge our expanding fleet of emissions-free electric vehicles.

Given that we met and exceeded our goal of cutting our carbon emissions per shipment by 20% by 2020 earlier than expected (by 2019), we are committing to an additional 20% decrease of carbon emissions from our own operations. All environmental, economic, and social concerns can be addressed through our whistleblowing system, which is outlined below.

Whistleblowing Policy

The Aramex whistleblowing policy provides management, employees, customers, and stakeholders with guidelines on how to report any cases of possible fraud, rregularities, 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.
dditionally, Whistleblowers have the option to report their concerns anonymously by using a non-identifiable e-mail address. 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 in a timely manner. An investigation is conducted into each case. A summary report of the quarterly whistleblowing cases received and investigated are 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.



Stakeholder Engagement Sessions

1

Scope and Methodology

1.1. Scope and Methodology

Both the Dubai and KSA commenced with a kick-off from the Station Managers during which they presented the objectives of the session and introduced some key initiatives undertaken by Aramex over the years (with specific inputs on UAE and KSA). Following this, a brief about Aramex's sustainability strategy and initiatives in the region were provided by Aramex's Chief Sustainability Officer (CSO). The CSO provided information on initiatives such as the Ruwwad initiative which was launched in 2005 and is currently active in Jordan, Palestine, Lebanon and Egypt. This initiative aims to provide the youth with opportunities to improve their business skills through IT courses, English, business ethics, CV writing and job interviews.

The stakeholder engagement sessions consisted of three types of engagements:

1. Internal and external group session

To introduce the wider stakeholder groups to topics such as Aramex's sustainability highlights, materiality process, transport and logistics sector key trends and risks etc.

2. Internal and external subgroup session

To engage in focussed discussions with each subgroup (employee, customer, supplier) on Aramex's sustainability performance and gather recommendations

3. Employee session

To gather insights on employee satisfaction levels, concerns and areas of improvement during a closed employee session

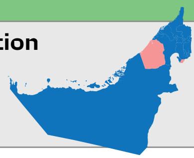
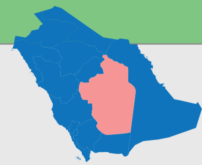
Stakeholder insights on Aramex's business and sustainability performance from both the Dubai and KSA session, were collected and are recorded in this report.

1.2. Stakeholders

Stakeholder groups, who attended the sessions, comprised of Aramex's employees, clients, vendors and local community representatives. In total, 64 stakeholders attended the engagement session.

Internal Stakeholder
Employees: A diverse group was present, comprising of employees from different ranks and departments from the Dubai and Riyadh Stations. The sample group had 10 employees from Dubai Station and 13 employees from Riyadh Station, representing both genders. In addition, several Aramex MENA representatives also joined the group session.

External Stakeholders

Dubai Station 	Riyadh Station 
· Emirates Airlines · Saudi Arabia Airlines · Turkish Airlines · Etihad Airways · Air France/KLM · IHC – NGO · UNHCR – NGO · Azadea · L'Oreal · Adidas – New · MAJID AL FUTTAIM HOLDING LLC · Al Shaya · Alain Cement Factory – Arkan UCR – Copper Factory · Etisalat · Euro Star Rent – A – Car LLC · EMRILL Services LLC · Al Manarah Insurance Services Co. · Dubai Holding Group · DU · Landmark Group	· Afkar Log · STC · Budget Rent a car · Honeywell · Steady Routes · Riyadh Bank · The Saudi Investment Bank · Samsung · Alsaif Gallery · Salasa · Abunayan · Landmark Group

2-29

2
Executive Summary

The figure below presents the key takeaways based on the feedback collected from the stakeholders during the engagement sessions. Aramex's external and internal stakeholders provided their insights and feedback on Aramex's sustainability strategy, and its strategic direction and business model.

Aramex

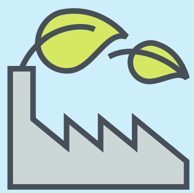
Stakeholders described Aramex as:
- Global, reliable, committed and ahead of the market
- Expert and more focused on growth and expansion, committed and ahead of region
- Great brand and service provider

Sustainability Strategy

Stakeholders described Aramex's sustainability strategy as:
- Aligned with the National Vision and targets
- Impressive and aligned with environmental commitments
- Ambitious, straightforward, more open and more transparent
- Strong and impacts the customer experience
- Aligned with employees' practices and has a clear vision

Environmental Sustainability

The most important environmental aspects for Aramex to consider are:
- Energy and Emissions
- Water
- Packaging
- Waste
- Circularity
- Plastics

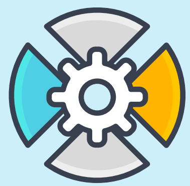


Social Sustainability

The most important social aspects for Aramex to consider are:
- Supplier Relations
- Marketing and communications
- Occupational health and safety including H&S Certifications
- Employee turnover
- Employee well-being
- Training and education
- Engagement with local univerisities and knowledge transfer local SMEs education about transport and logistics sector

Technology

Initiatives to implement
- Blockchain investment and integration
- Automation of GHG monthly emissions reporting
- Improved newsletter
- Communication matrix
- Improved mobile application and user experience
- Customer care platform with a clear process



3 External and Internal Stakeholders' Engagement Session

When asked about Aramex's engagement sessions, 90% stakeholders confirmed that Aramex's communication and engagement effectively addresses their interests and concerns. Stakeholders also provided feedback on how Aramex can improve its communication and engagement with them. The following is a list of high-level observation recommendations from both sessions:

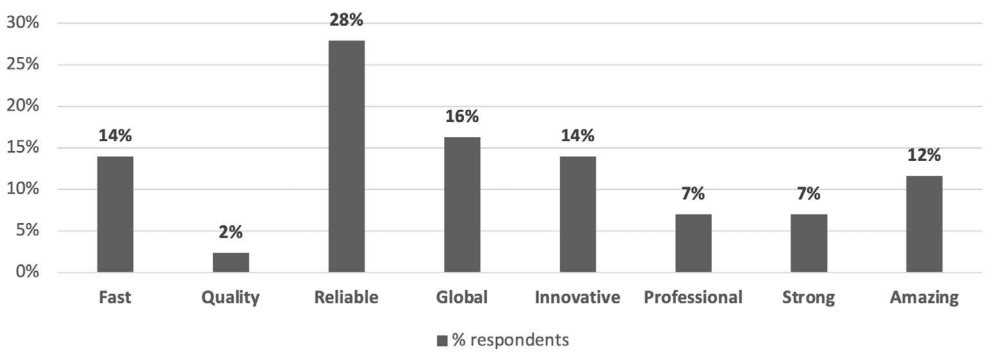
- Organize more stakeholder engagement sessions, including more focused engagement, during the course of the year
- Conduct more customer satisfaction surveys, public online conferences
- Circulate more newsletters which include details on initiatives, results of surveys etc.
- Improve connectivity (by using API's, etc)
- Invest more in technology.
- Conduct weekly meetings with key clients
- Get feedback from suppliers about Aramex's performance

3.1. Session Insights

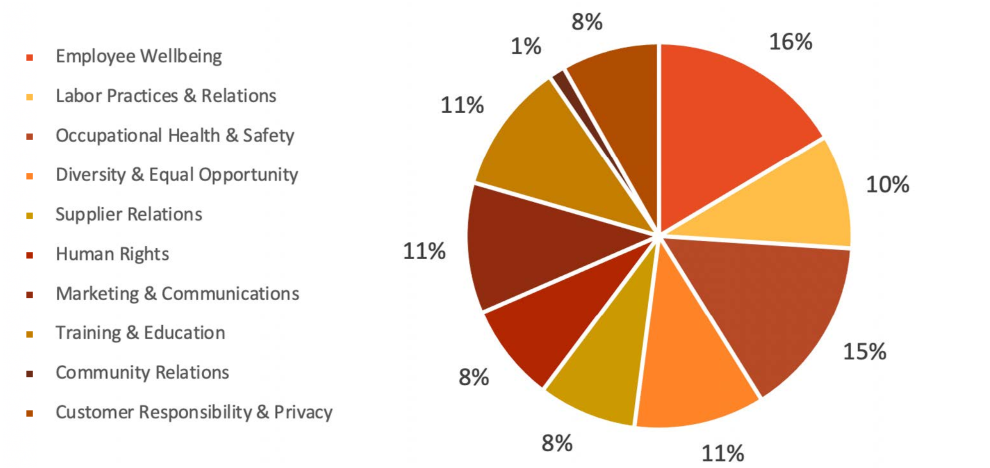
An open discussion was conducted with Aramex's internal and external stakeholders to understand their perception on Aramex's stakeholder engagement process, material topics, sustainability performance and presence in the local market. Stakeholders provided their insights along with future recommendations and key points for consideration.
During the session, majority of the stakeholders described Aramex positively when asked about their perception of Aramex as a brand and a service provider.

An overview on Aramex's material topics was provided to the stakeholders after which they were asked which social and environmental topic, they think Aramex should focus on the most. Stakeholders wanted Aramex to enhance its efforts most towards employee wellbeing (social topics) and energy & emissions (environmental topics).

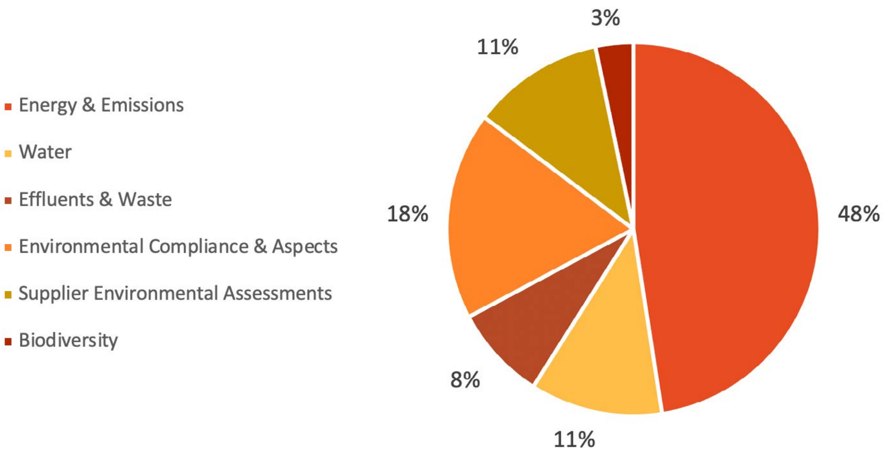
Q: How do you perceive Aramex as a brand and a service provider?



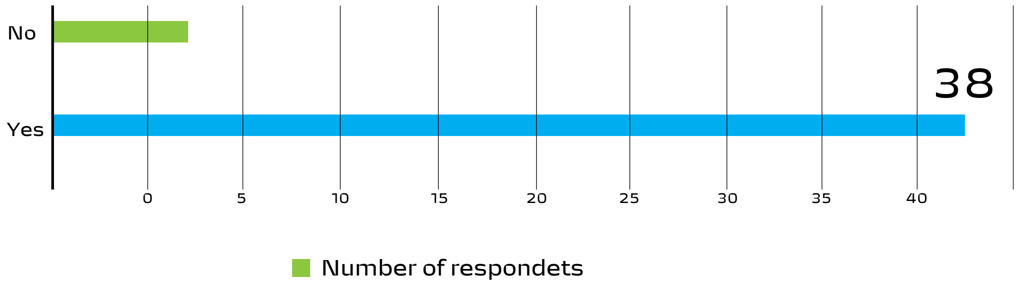
Q: Which social topic should Aramex focus on?



Q: Which environmental topic should Aramex focus on?



Q: Do you think Aramex aligns with the Ntional Vision and Targets?



The stakeholders were provided an overview on the local context and insights on sustainability. They were introduced to the various sustainability standards and regulations such as:

- Global - United Nations Sustainability Development Goals, Paris Agreement
- UAE – UAE Vision 2021, UAE Water Security Strategy 2036, UAE Artificial Intelligence Strategy 2031 etc.
- Dubai – Dubai plan 2021, Smart Dubai, Dubai Future Foundation, etc.
- KSA – Saudi Vision 2030

Majority of the stakeholders indicated positively to the fact that Aramex aligns with the respective National Vision and Targets.

In Dubai, stakeholders were asked to provide feedback on Aramex's sustainability and digitization initiatives that were introduced at the beginning of the session, in addition to any insights. The following is a list of high-level observation compiled from the stakeholders to be considered by Aramex for its initiatives and direction:

- Showcase CO2/sustainability impacts and alternative ways to optimize emissions/ minimize impacts at a shipment level
- Automate monthly reporting for sustainability KPIs such as CO2 as well as invoicing
- Invest in blockchain
- Enhance the Aramex app
- Introduce an algorithm to understand customer demands and solutions

100%
of Dubai respondents described Aramex's sustainability initiatives as Good/Great

4

External and Internal Stakeholders' Engagement Session

During this session, stakeholders were divided into three groups (Employee, Customer, Supplier) in order to have focused round table discussions regarding three main pillars of sustainability in relation to Aramex. Topics discussed were:

· Strategy and client satisfaction
· Social performance
· Environmental performance

4.1. Customer Subgroup

Customer subgroup in both sessions described Aramex's strategy as good, impressive, and aligned with environmental commitments. During both sessions, 100% of the customer subgroup agreed that they consider cyber-attacks risk an important risk for Aramex. The subgroups in both sessions collectively stated that they struggle in the below mentioned aspects when working with Aramex:

- Expensive fees, expertise, and knowledge on tax,
- Employee wellbeing, high employee turnover. The subgroup added that the high turnover, results in the customer wasting a lot of time in re-explaining systems and procedures to new employees.
- Training Aramex staff on health and safety aspects
- Aramex's sponsorship to F1 which is not an environmentally friendly event, plastic waste and GHG emissions

The subgroups in both sessions also recommended Aramex on the below:

Customer subgroup stated that communication on sustainability initiatives could be improved through focused messaging

- Simplify marketing messages and being more visible. In addition, the subgroup added that Aramex could provide highlights on sustainability achievements through short video's/newsletters rather than lengthy reports
- Provide customers with environmentally friendly options as well as an indication on environmental footprint on every order/shipment
- Explore sea freight to be more competitive in the market
- Provide biodegradable packaging, focus on reducing amount of packaging, introducing a program to send back packaging waste, recycling packaging waste
- Partner with customers to provide joint sustainability initiatives and enhance outreach
- Plant trees to offset projects
- Increase communication through account managers and improve the means of communication including newsletter, emails, and quarterly reports

Customer subgroup would like to see more sustainability and social initiatives

4.2. Supplier Subgroup

Supplier subgroup in both sessions described Aramex's strategy as impressive, ambitious, and strong. The subgroup in Dubai stated that Aramex leadership is committed to ensuring employee wellbeing and is aware of its social responsibilities towards employees. The subgroups in both sessions collectively stated that they struggle with the below mentioned aspects when working with Aramex:

Supplier subgroups in Dubai and Riyadh stated that Aramex's strategy is ahead of the region

- Capacity aspects such as struggle to reach capacity and fulfil customer needs
- Lack of knowledge/communication on Aramex's sustainability initiatives
- Uncertainty with decisions while dealing with external stakeholders as Aramex encouraged suppliers to use the mobile platform and then decided not to go through with it.

The subgroups in both sessions also recommended Aramex on the below:

- Undertake LEED certification, Green Building certification (ISO)
- Communicate with stakeholders through different platforms
- Partner with stakeholders to further enhance sustainability outcomes
- Drive pressure on airlines to reduce environmental footprint through industrial associations
- Enhance supplier awareness on sustainability initiatives
- Put in place due diligence systems, critical requirements, supplier registration criteria, certifications, and qualifications to avoid H&S issues and labour rights violations in the supply chain
- Better utilization of packaging, collection of packaging waste from the customer (preferably during the same trip), recycling packaging waste, introducing eco-friendly packaging material, create a deposit to collect used boxes/packaging

- Recycling staff uniforms
- Engage everyone in the business, including drivers
- Implement a targeted communication strategy for the sustainability agenda rather than just relying on the report to communicate their sustainability initiatives and efforts
- Provide education for SMEs about transport and logistics sectors
- Place strong and accountable standards while dealing with subcontractors in outsourcing scenarios

4.3. Employee Subgroup

Employee subgroups in both sessions described Aramex strategy as straightforward, clear, well defined, open, and transparent. The subgroups stated that Aramex is focused on growth and expansion within its strategy. Additionally, they collectively stated that they struggle with the below mentioned aspects when working with Aramex:

- Customer concern over Aramex's protocols to avoid cyberattacks
- The need for immediate escalation points in case of customer complaints, need for a matrix to communicate, respond to complaints/inquiries, need for a global directory that includes all key point of conflicts in all departments
- Training aspects such as need for cross functional training, changes to the training calendar (new employees should start their training after 3 months from joining so that they know what to ask and learn)

Customer subgroup stated that communication on sustainability initiatives could be improved through focused messaging

- Environmental aspects such as reducing/eliminating use of single use plastic, increase recycling
- Language aspects including lack of translation between the two languages English and Arabic.
- Data aspects such as issues with data entry
- Process aspects since the clients are struggling with the long processes and the changes in point of contacts while dealing with Aramex.

The subgroup also recommended Aramex on the below:

- Centralization of information to ensure it is available to all
- Increased training on sustainability including aspects of sustainability that the employee can recommend to the customer
- Improving the ticket system
- Enhance communication on all platforms to showcase achievements and success stories
- Increase awareness on sustainability initiatives, activities, and volunteering programs to ensure employees are aware and taking this forward on all levels
- Introduce an award system to encourage employees to participate in sustainability initiatives
- Build a team of volunteers to spread awareness across the company
- Add charity events such as donation of personal items, volunteering at elderly homes/orphanages, cleaning initiatives
- Introduce paperless communication
- Share an annual sustainability agenda/calendar
- Introduction of environmental days/ earth day
- Develop an internal newsletter to increase internal communication and share updates and news about the sustainability initiatives and achievements.
- Replace the packaging material

5

Employees' Session

A closed discussion was held with Aramex's employees, in absence of senior management, for the employees of the Dubai and Riyadh stations. The below provides an overview of the feedback compiled during the discussion.

5.1. Aramex Work Culture

Employees from both sessions consider Aramex working culture to be friendly and family oriented. They believe that Aramex is their family and consider themselves to be "Aramexian's". In addition, employees also believe that working at Aramex is empowering and gives them a strong sense of ownership.

Some of Dubai employees were concerned that the friendliness has decreased in the past two years due to repeated management and process changes implemented within Aramex. Employees in both stations felt that career growth opportunities within Aramex need to be reconsidered and that Aramex should provide challenging opportunities that will allow their professional growth. Regardless of these concerns, the majority of Riyadh talked about the availability of these opportunities within Aramex.

Employees in both stations were also dissatisfied about the learning and development opportunities as they believe that the opportunities are dependent the respective manager's wishes, and that Aramex does not conduct enough trainings for them. They need more focused trainings and more physical ones instead of virtual. Employees in both sessions also added that the benefits received by Aramex are lower in comparison to the market and peers. They also talked about absence of work-life balance at Aramex. Employees believe that the above-mentioned reasons could be the cause of the high turnover rate at Aramex. The employees also stated that there is a lack of focus on mental health and wellness workshops are being organized during times where people can't join.

Q: Why do you think people leave Aramex and what could be improved in that regard?

Negligence	Better offers	Workload pressure	Too many changes
No standardization	No growth	Carrier Path	No HR decisions
Employee benefits		No clear vision	Low Salaries

5.2. Aramex Performance during COVID-19 Pandemic

All the attending employees agreed that the COVID-19 pandemic strengthened Aramex's performance and culture. Employees acknowledged that Aramex treated its employees well during the pandemic and provided a flexible and remote working culture. Employees suggested that Aramex should allow working flexibly and remotely from home when needed and some suggested working remotely twice per week. A few employees stated that the salary and bonus provided by Aramex during COVID-19 were low.

Employees indicated that they prefer a hybrid work arrangement, with the flexibility to work both from home and at the office.

5.3. Sustainability significance

Employees described sustainability as contributing towards humanitarian and environmental disasters, giving back to the society, and helping the environment, continuity, and growth. Additionally, they linked it to development, rewards, innovation.
The employees believe that Aramex is taking sustainability seriously and this is what makes Aramex a great company. Aramex is committed to sustainability through its awareness campaigns. They believe that sustainability for Aramex means greener environment and community development. Yet, some employees expressed the need for improved communication with regards to sustainability initiatives.

100%
of Riyadh employees believe that sustainability is embedded in Aramex's culture and their day-to-day activities.

Additionally, employees expressed their happiness in participating in sustainability initiatives. They described themselves as heroes of the company where they support in recycling paper and celebrating earth day; thus, contributing to making a positive impact on the environment.

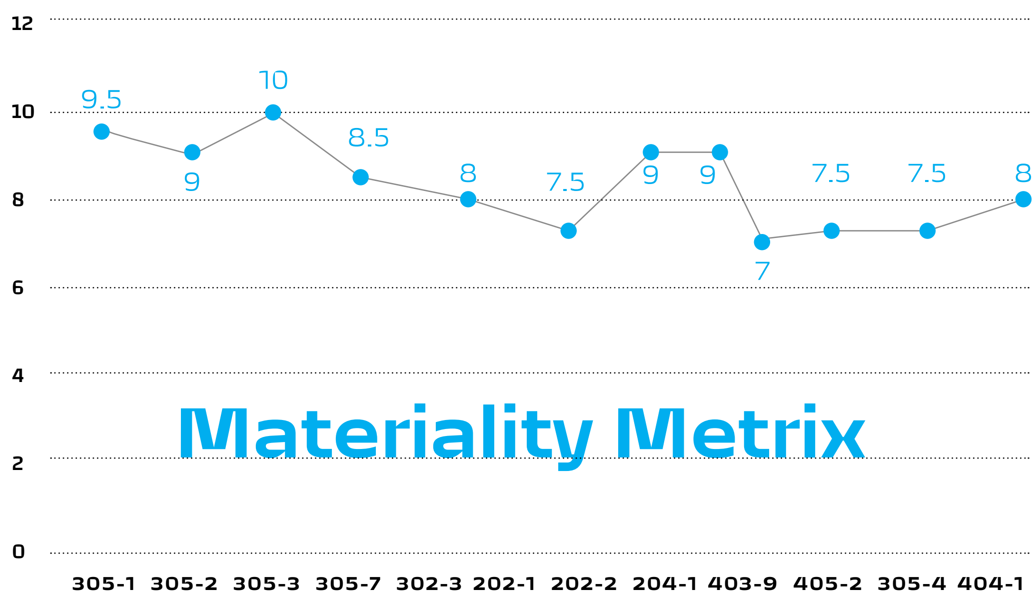
5.4. Suggestions and Recommendations

- Employees stated that they faced issues with communicating with their customers especially when handling complaints. They asked for more employee trainings regarding the same.
- Employees suggested on providing a friendly and welcoming work culture for new employees through increased social events, training managers in handling new employees etc.
- Employees requested Aramex to conduct awareness sessions on how they can integrate sustainability in their homes.
- Employees were all equally interested in participating in sustainability initiatives. They suggested conducting more social events, creating volunteering opportunities, trainings, and awareness sessions.
- Employees stated that Aramex has high employee turnover due to the low financial benefits they receive. They mentioned that they would appreciate a better work-life balance.
- Employees raised the concern of not having a clear career path and suggested for more trainings and communication between managers and their employees.
- Employees recommended more benefits and yearly salary increase based on KPIs to ensure employees stay longer and thus decreasing the employee turnover.
- Employees requested the need for automation within Aramex to enhance the communication and operations done between different departments and between different stations.
- Employees requested more engagement with customers through conducting different webinars and events.
- Employees also added the need to engage more local businesses to contribute positively to the economy so as align with the National Visions.

Materiality

Our materiality is determined in collaboration with our stakeholders. We consciously identify and engage our key stakeholder groups, utilizing diverse and tailored tools to seek and collect feedback on our materiality, sustainability, and reporting.

Feedback from stakeholders is carefully mapped onto relevant areas of our operations and sector. We make painstaking efforts to ensure that no stakeholder group is neglected when we assess our impact and identify our material issues.



We define material and priority issues as both ones that have a substantial impact on our operations and any aspects or issues that are in turn might be impacted by our activities.

Materiality Ranking

This is process is a critical element of our holistic approach to sustainability and value creation and allows us to identify material aspects through global, regional, and local contexts and approach material issues from multiple perspectives.

1. **Disclosure 305-1**: Direct (Scope 1) GHG Emissions
2. **Disclosure 305-2**: Energy Indirect (Scope 2) GHG Emissions
3. **Disclosure 305-3**: Other Indirect (Scope 3) GHG Emissions
4. **Disclosure 305-7**: Nitrogen Oxides (NOx), Sulphur Oxides (SOx), and Other Significant Air Emissions
5. **Disclosure 302-3**: Energy Intensity
6. **Disclosure 202-1**: Ratios of Standard Entry Level Wage Compared to Local Minimum Wage
7. **Disclosure 202-2**: Proportion of Senior Management Hired from the Local Community
8. **Disclosure 204-1**: Proportion of Spending on Local Suppliers
9. **Disclosure 404-1**: Average Hours of Training Per Year Per Employee
10. **Disclosure 403-9**: Work-related Injuries
11. **Disclosure 405-2**: Ratio of Basic Salary and Remuneration of Women to Men
12. **Disclosure 305-4**: GHG emissions intensity

Material topics						
GRI 3: Material Topics 2021	3-1 Process to determine material topics	DMA				
	3-2 List of material topics	Reporting process and Materiality Index				
Economic performance						
GRI 3: Material Topics 2021	3-3 Management of material topics	DMA				
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	CEO Letter, Financial Performance	Material	Within our entire operations and outside the organization as it relates to our shareholders, suppliers and other stakeholders	Our direct economic value generated is an important performance indicator for our operations and our stakeholders as it signifies our economic sustainability and potential for growth	
	201-2 Financial implications and other risks and opportunities due to climate change	Sustainability	Material	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	Climate change poses ubiquitous risks and threats, especially given our type of industry – transportation, which is responsible for 14% of global emissions. Therefore, we must be forward-looking in our strategies related to climate change risks and mitigation – this is particularly important in terms of the financial implications of climate change. It is also important for our stakeholders to know what approach we are taking in relation to climate change and its implications on our operations and surroundings	
	201-3 Defined benefit plan obligations and other retirement plans	Our People	Material	Within our entire operations	Direct impact on our business and stakeholders, especially employees	
	201-4 Financial assistance received from government		Material	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	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	
Market presence						
GRI 3: Material Topics 2021	3-3 Management of material topics	DMA				
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	Appendix	Material	Within our entire operations and outside the organization as it is related to our stakeholders, particularly employees, the governments and policies of the	At Aramex, employee morale, satisfaction and retention is very important, since employees are an integral part of our success and the quality of our services. We aim to offer competitive wages to our employees	
	202-2 Proportion of senior management hired from the local community	Our People	Material	Within our entire operations	We aim to employ members of the local communities in which we operate, as it is important to us that we have a healthy percentage of senior management hired from the local community, due to their understanding of the local market. Moreover, it is important for our stakeholders because it indicates our investment in the capacity of	Aramex employs 45% local and 55% expat senior management in ou global corporate operations. We define local vs. expat based on the location of the employee (example, a Jordanian employee in Jordan i considered local, while a Jordanian employee in Dubai is considered expat) Our Senior management numbers reflect senior managemen the

Indirect economic impacts						
GRI 3: Material Topics 2021	3-3 Management of material topics	DMA				
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported		Immaterial		Since we are a light asset based company, we did not have significant investments related to infrastructure	
	203-2 Significant indirect economic impacts	Value creation	Material	Within our entire operations and outside as it is related to the communities in which we work	Impacts our stakeholders and helps in the development of the communities in our areas of operations	
Procurement practices						
GRI 3: Material Topics 2021	3-3 Management of material topics	DMA				
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers		Material	Within our entire operations and outside, as it is related to our suppliers in the countries in which we operate	Impacts our stakeholders and helps in the development of the communities in which we are operating through our supply chain. The majority of our spending is on local suppliers – in fact, on average, 85% of our spending was on local suppliers in 2021. This number reflects spending cross our global opeartion team.	
Anti-corruption						
GRI 3: Material Topics 2021	3-3 Management of material topics	DMA				
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Risk and compliance	Material	Within our entire operations	Corruption can have significant legal and financial implications, as well as a negative impact on our stakeholders and on the areas in which we operate. This is why Aramex's compliance and internal audit functions are dedicated to the reduction of risks related to corruption.	we do provide all Aramex's locations with Compliance training annua in which we have achieved 84% for 2021. Moreover, we do hold ann compliance knowledge assessments for selected locations based on identified risks factors such as region, size, and complexity.
	205-2 Communication and training about anti-corruption policies and procedures	Risk and compliance	Material	Within our entire operations	Corruption can have significant legal and financial implications, as well as a negative impact on our stakeholders and on the areas in which we operate. This is why Aramex's compliance and internal audit functions are dedicated to the reduction of risks related to corruption and to ensuring that our employees are trained and aware of our code of conduct and anti-corruption policies. We also have a whistleblowing policy and mechanism in place to report any incidents.	we do provide all Aramex's locations with Compliance training annua in which we have achieved 84% for 2021. Moreover, we do hold ann compliance knowledge assessments for selected locations based on identified risks factors such as region, size, and complexity.
	205-3 Confirmed incidents of corruption and actions taken	Risk and compliance	Material	Within our entire operations	Due to the importance of keeping our operations corruption- free we have formal channels to report any cases, along with a comprehensive procedure to investigate and take action against perpetrators	No such incidents in 2021

GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Risk and compliance	Material	Within our entire operations	Corruption can have significant legal and financial implications, as well as a negative impact on our stakeholders and on the areas in which we operate. This is why Aramex's compliance and internal audit functions are dedicated to the reduction of risks related to corruption.	we do provide all Aramex's locations with Compliance training annua in which we have achieved 84% for 2021. Moreover, we do hold ann compliance knowledge assessments for selected locations based on identified risks factors such as region, size, and complexity.
	205-2 Communication and training about anti-corruption policies and procedures	Risk and compliance	Material	Within our entire operations	Corruption can have significant legal and financial implications, as well as a negative impact on our stakeholders and on the areas in which we operate. This is why Aramex's compliance and internal audit functions are dedicated to the reduction of risks related to corruption and to ensuring that our employees are trained and aware of our code of conduct and anti-corruption policies. We also have a whistleblowing policy and mechanism in place to report any incidents.	we do provide all Aramex's locations with Compliance training annua in which we have achieved 84% for 2021. Moreover, we do hold ann compliance knowledge assessments for selected locations based on identified risks factors such as region, size, and complexity.
	205-3 Confirmed incidents of corruption and actions taken	Risk and compliance	Material	Within our entire operations	Due to the importance of keeping our operations corruption- free we have formal channels to report any cases, along with a comprehensive procedure to investigate and take action against perpetrators	No such incidents in 2021
Anti-competitive behavior						
GRI 3: Material Topics 2021	3-3 Management of material topics	DMA				
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Risk and compliance	Material	Within our entire operations	Direct impact on our business and stakeholders	In 2021, we did not have any legal actions for anti-competitive behavior, anti-trust or monopoly practices filed against us
Tax						
GRI 3: Material Topics 2021	3-3 Management of material topics	DMA				
GRI 207: Tax 2019	207-1 Approach to tax	Financial Performance	Material	Within our entire operations	Direct impact on our business and stakeholders	
	207-2 Tax governance, control, and risk management	Financial Performance	Material	Within our entire operations	Direct impact on our business and stakeholders	
	207-3 Stakeholder engagement and management of concerns related to tax	Financial Performance	Material	Within our entire operations	Direct impact on our business and stakeholders	
	207-4 Country-by-country reporting	Financial Performance	Immaterial	Within our entire operations	Direct impact on our business and stakeholders	As we are a listed company on DFM we report these numbers on a group level

Materials						
GRI 3: Material Topics 2021	3-3 Management of material topics	DMA				
GRI 301: Materials 2016	301-1 Materials used by weight or volume	Appendix	Material	Within our entire operations and outside as it is related to the suppliers of our materials and the companies and	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.	
	301-2 Recycled input materials used	Appendix	Material	Within our entire operations and outside as it is related to the suppliers of our materials and the companies and municipalities that provide us with waste management and recycling services	Given that most of the materials we use in our operations are sourced from 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		Immaterial		We do not sell any product - the pouches which make up 99% of our packaging material are degradable	
Energy						
GRI 3: Material Topics 2021	3-3 Management of material topics	DMA				
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Sustainability	Material	Within our entire operations, except our franchisees	Our energy consumption is important to our operations since it has a direct impact on our environmental and carbon footprint. Therefore we are keen to monitor and manage energy consumption in order to reduce our operational cost and minimize our negative environmental impact	Our total energy consumption inside the organization is 55,024,089 and 25,715,644 liters of fuel (1 liter = 38.7 mega joules – HHV Diesel 1 liter = 34.8 mega joules – HHV Gasoline)
	302-2 Energy consumption outside of the organization		Immaterial		Given that we rely on third party suppliers, information regarding the energy consumed outside our organization is unavailable. However, using the GHG protocol, we account for the impact of the energy use outside our organization through our scope 3 emissions	
	302-3 Energy intensity	Sustainability	Material	Within our entire operations, except our franchisees	This is an important measure of our energy footprint, since the energy intensity per shipment is a strong indicator of how this footprint relates to the context and growth of our operations. Energy intensity gives our stakeholders a better understanding of how our energy consumption is related to our operations.	
	302-4 Reduction of energy consumption	Sustainability	Material	Within our entire operations, except our franchisees	The amount of reductions in our energy consumption is an important measure of our environmental and efficiency initiatives.	
	302-5 Reductions in energy requirements of products and services		Immaterial		Because we report on our overall energy and emissions trends and consumption	

Water and effluents						
GRI 3: Material Topics 2021	3-3 Management of material topics	DMA				
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource		Immaterial		Because our water consumption is strictly for municipal use and we withdraw and discharge water through municipal system	
	303-2 Management of water discharge-related impacts		Immaterial	Within our entire operations, except our franchisees, outside as it is related to the municipalities and companies that provide us with services related to water re-use and recycling	Our use of water is restricted to municipal use. However, given that water is important and exceedingly scarce, we make sure to re-use and recycle our water wherever possible.	
	303-3 Water withdrawal		Material	Within our entire operations, except our franchisees	Our use of water is restricted to municipal use. However, given that water is important and exceedingly scarce, we make sure to measure our consumption	Water consumption for 2021 , 192,211 CM
	303-4 Water discharge		Immaterial		Because our water consumption is strictly for municipal use and we withdraw and discharge water through municipal system	
	303-5 Water consumption		Material	Within our entire operations, except our franchisees	Our use of water is restricted to municipal use. However, given that water is important and exceedingly scarce, we make sure to measure our consumption	Water consumption for 2021 , 192,211 CM
Biodiversity						
GRI 3: Material Topics 2021	3-3 Management of material topics					
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		Immaterial		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		Immaterial		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		Immaterial		We were 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		Immaterial		We were not involved in any habitat protection or restoration activities	

Waste						
GRI 3: Material Topics 2021	3-3 Management of material topics	DMA				
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts		Material	Within our entire operations and outside as it is related to the suppliers of our materials and the companies and	Due to environmental impacts	We ensure that we follow environmentally friendly waste disposal methods in our operations and we recycle wherever possible with the localities that we are in
	306-2 Management of significant waste-related impacts		Material	Within our entire operations and outside as it is related to the suppliers of our materials and the companies and	Due to environmental impacts	We ensure that we follow environmentally friendly waste disposal methods in our operations and we recycle wherever possible with the localities that we are in
	306-3 Waste generated		Material	Within our entire operations and outside as it is related to the suppliers of our materials and the companies and municipalities that provide us with waste management and recycling services	Due to environmental impacts	We ensure that we follow environmentally friendly waste disposal methods in our operations and we recycle wherever possible with the localities that we are in
	306-4 Waste diverted from disposal		Immaterial			

Supplier environmental assessment						
GRI 3: Material Topics 2021	3-3 Management of material topics	DMA				
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Risk and compliance	Material	Outside our operations as it is related to our supply chain	This is important to our operations and to our stakeholders	
	308-2 Negative environmental impacts in the supply chain and actions taken	Sustainability	Material	Outside our operations as it is related to our supply chain	This is important to our operations and to our stakeholders	
Employment						
GRI 3: Material Topics 2021	3-3 Management of material topics	DMA				
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Our People	Material	Within our entire operations, except franchisees	Direct impact on our business and stakeholders, especially employees	
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Our People	Material	Within our entire operations, except franchisees		Our contractual agreements with part time employees exclude healt insurance and social security as in line with local regulations on part-time work
	401-3 Parental leave	Our People	Material	Within our entire operations, except franchisees	Employee retention is important to us because we aim to provide a comfortable and unique working environment for our employees, investing in them and their capacity. Moreover, in Aramex we seek to provide flexibility for our female employees to encourage their return to work after maternity leave.	We had 84% return to work rate after parental leave for both gender

Labor/management relations						
GRI 3: Material Topics 2021	3-3 Management of material topics	DMA				
GRI 402: Labor/Management Relations 2016	402-1 Minimum notice periods regarding operational changes		Material	Within our entire operations, except franchisees	Direct impact on our business and stakeholders, especially employees	While we do not prevent them, we currently do not have any collective bargaining agreements. Moreover, whenever we have any operational changes, we meet with related stakeholders to set a plan for the roll-out of these changes
Occupational health and safety						
GRI 3: Material Topics 2021	3-3 Management of material topics	DMA				
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Health and Safety	Material	Within our entire operations, except franchisees	We strive to ensure the safety and health of all our people and stakeholders through various trainings, procedures, and policies.	
	403-2 Hazard identification, risk assessment, and incident investigation	Health and Safety, Risk and Compliance	Material	Within our entire operations, except franchisees	We strive to ensure the safety and health of all our people and stakeholders through various trainings, procedures, and policies.	
	403-3 Occupational health services	Health and Safety	Material	Within our entire operations, except franchisees	We strive to ensure the safety and health of all our people and stakeholders through various trainings, procedures, and policies.	
	403-4 Worker participation, consultation, and communication on	Health and Safety	Material	Within our entire operations, except franchisees	We strive to ensure the safety and health of all our people and stakeholders through various trainings, procedures, and policies.	
	403-5 Worker training on occupational health and safety	Health and Safety	Material	Within our entire operations, except franchisees	We strive to ensure the safety and health of all our people and stakeholders through various trainings, procedures, and policies.	
	403-6 Promotion of worker health	Health and Safety, Our People	Material	Within our entire operations, except franchisees	We strive to ensure the safety and health of all our people and stakeholders through various trainings, procedures, and policies.	
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Health and Safety	Material	Within our entire operations, except franchisees	We strive to ensure the safety and health of all our people and stakeholders through various trainings, procedures, and policies.	
	403-8 Workers covered by an occupational health and safety management system	Health and Safety	Material	Within our entire operations, except franchisees	We strive to ensure the safety and health of all our people and stakeholders through various trainings, procedures, and policies.	
	403-9 Work-related injuries	Health and Safety	Material	Within our entire operations, except franchisees	We strive to ensure the safety and health of all our people and stakeholders through various trainings, procedures, and policies.	
	403-10 Work-related ill health	Health and Safety	Material	Within our entire operations, except franchisees	We strive to ensure the safety and health of all our people and stakeholders through various trainings, procedures, and policies.	

Training and education						
GRI 3: Material Topics 2021	3-3 Management of material topics	DMA				
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Our People	Material	Within our entire operations, except franchisees	Employee training is extremely important for our operations – we are actively engaging our employees and building their capacity, in order to improve our business processes and quality of services. Moreover, investing in our employees' capacity promotes employee retention and more productive working environments. Our employees gain valuable skills that can aid them in a career change.	
	404-2 Programs for upgrading employee skills and transition assistance programs	Our People	Material		Direct impact on our business and stakeholders, especially employees	
	404-3 Percentage of employees receiving regular performance and career development reviews	Our People	Material			100% of our employees receive annual performance reviews as per our HR policies concluded by the end of the first quarter in line with our fiscal year
Diversity and equal opportunity						
GRI 3: Material Topics 2021	3-3 Management of material topics	DMA				
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Governance, Our People	Material	Within our entire operations, except franchisees		Aramex is a global operation. Diversity is vital to the success of our operations and ensures that the different regions in which we operate are represented in our workforce. Diversity is an important aspect of our sustainability and integration into the communities in which we work.
	405-2 Ratio of basic salary and remuneration of women to men	Appendix	Material	Within our entire operations, except franchisees		Direct impact on our business and stakeholders, especially employees
Non-discrimination						
GRI 3: Material Topics 2021	3-3 Management of material topics	DMA				
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Risk and compliance	Material	Within our entire operations and outside the organization as it relates to our shareholders, suppliers and other stakeholders		We had no reported incidents of discrimination in 2021

Freedom of association and collective bargaining						
GRI 3: Material Topics 2021	3-3 Management of material topics	DMA				
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		Material	Within our entire operations and outside the organization as it relates to our shareholders, suppliers and other stakeholders	"It is important for our stakeholders that Aramex does not employ any policies that prevent our employees or suppliers from having the right to join collective bargaining agreements, as we maintain the freedom for our suppliers and employees to join them in countries that allow for this. Formal agreements and collective bargaining can protect employees and safeguard their rights"	"* Europe & North America: None of our employees are unionized or having bargaining agreements. * Kenya : 88 Union Members * South Africa: 322 Union Members * Bahrain: 55 Union Members * All other GCC: No unionized employees * Asia/ ANZ: No unionized employees * Libya :No Unionised employees * Morocco : 1 unionised employees * Tunisia : 3 are part of a professional body * Jordan: 11 are part of a professional body * Egypt: 22 unionised employees , as it is a personal choice for the employee whether to be part of a union, and they have no obligation to declare it with the HR team." China : 1 unionised employees
Child labor						
GRI 3: Material Topics 2021	3-3 Management of material topics	DMA				
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	Risk and compliance	Material	Within and outside our operations as it is related to our supply chain	It is important to act on any violations we find while evaluating our supply chain for labor rights. In 2021, our screening did not raise any red flags related to labor practice violations	None identified in 2021
Forced or compulsory labor						
GRI 3: Material Topics 2021	3-3 Management of material topics	DMA				
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	Material	Within and outside our operations as it is related to our supply chain	It is important to act on any violations we find while evaluating our supply chain for labor rights. In 2021, our screening did not raise any red flags related to labor practice violations	
Security practices						
GRI 3: Material Topics 2021	3-3 Management of material topics	DMA				
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	Risk and compliance	Material	Within and outside our operations as it is related to our suppliers	In order to ensure that they are upheld, we make sure that we communicate with our employees on the importance of human rights and how they relate to our code of conduct. We make sure to keep our employees informed in order to avoid any violations. This includes our security staff, as they are an important aspect of our operations, are constantly on-site and therefore have a high potential to prevent and report any violations	All security personnel undergo training

Rights of indigenous peoples						
GRI 3: Material Topics 2021	3-3 Management of material topics	DMA				
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples	Risk and compliance	Immaterial		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						
GRI 3: Material Topics 2021	3-3 Management of material topics	DMA				
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Sustainability	Material	Inside and outside our operations in the countries where we are able to have projects on the ground. The percentage is calculated from operations that have projects on the	Aramex strives to have a positive impact in all areas in which we operate, as we believe it is vital to engage with local communities and empower them. Our social and sustainability initiatives impact the communities' well-being and enhances our relationships with our	in 2021, 94% of our operations had implemented community and/ or sustainability programs or porjects. We report on different categories of beneficiaries. Our community beneficiaries exclude children, students, startups and interns (which are accounted for separately),
	413-2 Operations with significant actual and potential negative impacts on local communities		Immaterial		Given the nature of our operations, we do not operate any factories or manufacturing facilities that pose health risks, nor do we mine or extract resources, ensuring that our operations do not pose any negative social impacts and have mechanisms in place to report any issues or concerns.	
Supplier social assessment						
GRI 3: Material Topics 2021	3-3 Management of material topics	DMA				
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Risk and compliance	Material	Outside our operations as it is related to our supply chain	It is in line with our values and sustainability to ensure that our supply chain does not carry negative social impacts. Therefore, we began evaluating our suppliers on matters related to our code of conduct, which include social issues such as human, labor and child rights	All high-risk vendors undergo a due diligence process that is managed internally using our Code of Conduct and questionnaire and externally through a reputable independent provider. As a result, the Compliance team managed to clear 99% of our active database (customers and vendors)
	414-2 Negative social impacts in the supply chain and actions taken		Material	Outside our operations as it is related to our supply chain	Direct impact on our business and stakeholders	None in 2021
Public policy						
GRI 3: Material Topics 2021	3-3 Management of material topics	DMA				
GRI 415: Public Policy 2016	415-1 Political contributions		Material	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	As we do not affiliate ourselves with any political or governmental system, we have a strict policy against giving political contributions to governments	

Customer health and safety						
GRI 3: Material Topics 2021	3-3 Management of material topics	DMA				
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories		Immaterial		We do not produce any products or services that require health and safety impact assessment, we continually work to ensure that we have policies and procedures in place for the health and safety of our employees, suppliers, and business partners	
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services		Immaterial		We do not produce any products or services that require health and safety impact assessment	No incidents in 2021
Marketing and labeling						
GRI 3: Material Topics 2021	3-3 Management of material topics	DMA				
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling		Immaterial		We do not produce any products or services that require specific labeling	
	417-2 Incidents of non-compliance concerning product and service information and labeling		Immaterial		We do not produce any products or services that require specific labeling	No incidents in 2021
	417-3 Incidents of non-compliance concerning marketing communications	Our Customers	Material	Outside our organization as it is related to international and national laws and	Direct impact on our business and stakeholders	None in 2021
Customer privacy						
GRI 3: Material Topics 2021	3-3 Management of material topics	DMA				
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Information Security	Material	Within our organization and outside as it is related to our customers	Directly impacts our customers and our business	In 2021 we did not have any cases

Corporate Governance Report

31 December 2021

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 launched a number of initiatives to enhance Aramex's governance framework and practices in 2021, as follows:

1. Continuing the review process of the Company's 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.

2. Undertaking an external Board evaluation in line with the requirements and with the aim to stimulate the dialogue on the next governance focus areas.

3. Attending a governance brief in line with the Dubai Financial Market requirements.

4. Establishing an Insider Management Trading Committee to ensure compliance with insider trading controls and disclosures.

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

The Board follows Aramex's "Insider Trading Policy". This Policy applies to all dealings in Aramex securities by Board Members, employees, and any other insiders identified by the Policy. This Policy also applies to dealings 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 are 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 (SCA) and the Dubai Financial Market (DFM).

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 2021:

Name	Position	Dealings of Board Members			Dealings of Board Members' Relatives			
		Total Sold Shares	Total Purchased Shares	Number of Shares as at December 31, 2021	Relation	Total Sold Shares	Total Purchased Shares	Number of Shares as at December 31, 2021
Mr. Mohamed Alshamsi	Chairman	-	-	-	-	-	-	-
Mr. Arif Albastaki	Vice Chairman	-	-	-	-	-	-	-
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. Ramez Shehadi	Director	-	-	-	-	-	-	-
Mr. Sunil Bhilotra	Director	-	-	-	-	-	-	-

3. Formation of the Board of Directors

a. Aramex's Board of Directors comprises of nine 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 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:

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 - Board member of Etihad Rail DB - Chairman of ADNEC - Vice Chairman of Arab Sea Ports Federation	22-June-2020
Mr. Arif Albastaki	Vice Chairman	Independent	Non-Executive	- CEO of Amlak Finance PJSC - Chairman of Emaar Industries & Investments (until April 2021) - Board Member at Emaar Hospitality Group - Board Member at National Health Insurance Company – Daman	10-May-2019
Mr. David Haglund	Director	Independent	Non-Executive		22-June-2020
Ms. Fatma Hussain	Director	Independent	Non-Executive	- Member of the Board of Directors of Amlak Finance PJSC - Chairperson of the Nomination and Remuneration Committee at Amlak Finance PJSC	22-June-2020

Name	Position	Status		Other Directorships and Substantial Positions in the UAE	Date of Accession to the Board
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 National Health Insurance Company – Daman	22-June-2020
Mr. Murtaza Hussain	Director	Independent	Non-Executive	- Chief Investment Officer at (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 stock companies but not listed on the stock market.	22-June-2020
Mr. Ramez Shehadi	Director	Independent	Non-Executive		21-March-2017
Mr. Sunil Bhilotra	Director	Independent	Non-Executive	- Investment Director at (ADQ)	22-June-2020

Board Members' Positions and Qualifications

Name	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 Etihad Rail DB and 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.

Name	Positions and Qualifications
 Mr. Arif Albastaki	**Master's of International Business from the University of Wollongong - Dubai, United Arab Emirates** **High Diploma in Banking & Finance from the Dubai Men's College, Higher Colleges of Technology** Mr. 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, Mr. Albastaki plays an integral part in leading positions across global institutions. He served as the Chairman of the Board at Emaar Industries & Investments until April 2021, and continues to serve as the Chairman of Amlak Finance Egypt. Over the last two decades, Mr. 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 Affairs Foundation, Amlak International for Finance & Real Estate Development, Saudi Arabia, Al Salam Bank, Algeria, and EFS Financial Services in Dubai, UAE. Before joining Amlak, Mr. 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. 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.

Name	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** Mr. 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. He 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 is 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. He 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.

Name	Positions and Qualifications
 **Ms. Fatma Hussain**	**MBA from the University of Dubai** Ms. Hussain is an Emirati HR business leader and culture transformer, with more than 20 years of experience and achievements in Human Resources. She worked across multiple industries in leading private and semi-government companies in the UAE. As the Chief Human Capital Officer at Dubai Holding Asset Management (DHAM), Ms. Hussain has 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 will enable continuous organizational growth whilst maintaining a competitive talent pool across the group. Prior to joining DHAM, Ms. Hussain worked with several renowned private and semi-government organizations across various strategic HR disciplines that include Performance Management, Total Rewards, Talent Acquisition & Development, Emiratization, and Talent Redeployment. She partnered with senior leadership and C-Level executives to lead various critical projects related to Quality Management and Business Process Improvement in order to realize organizational effectiveness and achieve set business objectives. Being a voting member of DHAM Management Committee, Ms. Hussain has direct and close interaction with the Board and the Executive Human Capital Committee. She is a member of the Board of Directors for Amlak Finance PJSC and Dubai Creek Harbour. In addition, she is currently serving as a member of the Nomination & Remuneration Committee of Emaar Industries and Investments (Pvt.) as well as Chairperson of Nomination & Remuneration Committee at Amlak Finance PJSC. Moreover, she is a Senior Assessor Member with the Department of Economic Development in Dubai for Human Development Awards. Ms. Hussain 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, she 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.

Name	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 National Health Insurance Company – Daman, and SEHA. 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 has served as CEO of Emirates NBD Capital where he was responsible for investment banking activities across the region. Mr. Al Qassim was also previously the 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 Aluminium Company. He is a graduate of the Mohammed Bin Rashid Leadership Programme.

Name	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 (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.

Name	Positions and Qualifications
 **Mr. Omar Alhashmi**	**Master's Degree in Mechanical Engineering from George Washington University** **MBA from London Business School** **Bachelor's Degree in Mechanical Engineering from Oklahoma State University** 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 (ADPower), 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).

Name	Positions and Qualifications
 Mr. Ramez Shehadi	**M.A.Sc. in Industrial Engineering from the University of Toronto** **B.Eng. in Mechanical Engineering from Rutgers University** **Continuing Education Programs at Oxford, INSEAD and University of St. Gallen** Mr. Shehadi is an internationally seasoned transformational leader, an industry and technology strategist, thought-leader, venture capitalist and community builder. He is the President of International and Global Chief Growth Officer of REEF, a Mubadala Capital- and SoftBank-backed Miami-based technology platform transforming urban spaces into community hubs that bring relevant goods, services and experiences across industry sectors (food, retail, grocery, health, wellness, energy, etc.) to local neighborhoods everywhere. Prior to his current role, Mr. Shehadi was the Managing Director of Facebook (now Meta) for the MENA region. His professional career includes several leadership positions with global organizations such as, Senior Partner and Managing Director of Booz Allen Hamilton; Lead Partner, MENA Digital Practice Leader and Global Booz Digital Co-Leader at Booz & Company (now Strategy&); Co-Founder and Senior Director of Product Development at eBreviate, an early e-sourcing solutions unicorn in San Francisco; Senior Associate in the Strategic IT Practice at A.T.Kearney (now Kearney); Research Associate at the Centre for Management of Technology & Entrepreneurship, a leading operations think-tank housed within the University of Toronto; Mechanical Engineer at Stone & Webster, a leading engineering consultancy; Co-Founder of R&R Ventures, a boutique VC focused on US and MENA digital innovation investment. Mr. Shehadi serves on the Advisory Board Member of Gro Intelligence, an NY based AI company. He is a Board of Trustees Member of BeMA (Beirut Museum of Art), a Founding Member of The Middle East Diversity & Inclusion Council, and an Advisory Board Member of the Stony Brook School.

Name	Positions and Qualifications
 **Mr. Sunil Bhilotra**	**MBA from London Business School** **Bachelor of Commerce from McGill University** Mr. Bhilotra is an Investment Director in the portfolio team at (ADQ). His role at (ADQ) involves overseeing the healthcare and pharma portfolio which include hospitals, clinics, insurance and pharmaceutical companies. Mr. Bhilotra currently sits on the boards of Pharmax Pharmaceuticals in the UAE and Amoun Pharmaceuticals in Egypt, and is a board observer of Biocon Biologics in India. Mr. Bhilotra has been based in the GCC since 2009. Prior to (ADQ), he spent 10 years as part of the private equity team of Investcorp which invested in private family-owned companies in the GCC and MENA region. Mr. Bhilotra was part of the $1 billion inaugural Gulf Opportunity Fund and his responsibilities included deal sourcing, deal execution and post-acquisition. He regularly interacted and worked closely with senior executives and boards of directors of portfolio companies with the aim of improving corporate governance standards and transparency, enhancing strategy and shareholder value, and seeking monetization opportunities. At Investcorp, he sat on the boards of six companies across a wide spectrum of sectors such as logistics, oil & gas services, retail, and healthcare, including L'Azurde, Automak, AYTB, NDTCCS, Hydrasun and Reem Hospital. He was also a member of various committees including Audit & Risk, Remuneration and Executive Committees. Prior to Investcorp, Mr. Bhilotra spent 10 years in the UK in investment banking with both Credit Suisse and Barclays Capital. His main areas of focus were M&A and leveraged finance where he worked as a capital provider to global private equity firms for leveraged buyouts across the lending spectrum from senior debt to high yield and mezzanine financing. He is a Chartered Accountant by background.

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 nine Board Members).

c. Board of Directors' Remuneration:

1. Total remuneration paid to the Board Members for year 2020 was AED 4,050,000 plus VAT.
2. Total proposed Board of Directors' remuneration for 2021 is AED 4,240,000 plus VAT (representing AED 3,300,000 in Board fees and AED 940,000 in Committees' attendance fees, as per the below table) to be presented for approval at the Annual General Meeting.
3. 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	-	8	10	180,000
Mr. David Haglund*	-	15	-	10	-
Ms. Fatma Hussain	10,000	-	8	1	90,000
Mr. Fahad Al Qassim	10,000	14	-	3	170,000
Mr. Murtaza Hussain	10,000	-	-	8	80,000
Mr. Omar Alhashmi	10,000	-	8	9	170,000
Mr. Sunil Bhiltora	10,000	13	-	3	160,000
Mr. Ramez Shehadi	10,000	-	-	9	90,000
Total					940,000

4. Board Members do not receive additional allowances.

*Portfolio Persons within Franklin Templeton may not accept compensation directly or indirectly for their services as Company directors.

d. The Board of Directors held 10 meetings during the year 2021. The details of attendance are as follows:

No.	Date of Board Meeting	Mr. Mohamed Alshamsi	Mr. Arif Albastaki	Mr. David Haglund	Mr. Fahad Al Qassim	Ms. Fatma Hussain	Mr. Murtaza Hussain	Mr. Omar Alhashmi	Mr. Ramez Shehadi	Mr. Sunil Bhiltora
1	3 February 2021	✓	✓	✓	✓	✓	✓	✓	Proxy	✓
2	9 February 2021	✓	✓	✓	✓	✓	✓	✓	Proxy	✓
3	16 March 2021	✓	✓	✓	✓	✓	✓	✓	✓	✓
4	28 March 2021	✓	✓	✓	✓	✓	✓	✓	✓	✓
5	5 May 2021	✓	✓	✓	✓	✓	✓	✓	✓	✓
6	7 July 2021	✓	✓	✓	✓	Proxy	✓	✓	✓	✓
7	4 August 2021	✓	✓	✓	✓	✓	✓	✓	Proxy	✓
8	4 November 2021	✓	✓	✓	✓	✓	Proxy	✓	✓	✓
9	9 December 2021	✓	✓	✓	✓	✓	✓	✓	✓	✓
10	28 December 2021	✓	Proxy	✓	✓	✓	✓	Proxy	✓	✓

e. The Board of Directors did not issue any resolutions in writing (by passing/circulation) during the financial year 2021.

f. Aramex has in place a Delegation of Authority Matrix, with the objective of promoting proper internal control over the authorization and execution of business transactions, closely monitoring complex capital expenditure projects, and facilitating/expediting business decision-making processes. The Delegation of Authority Matrix 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.

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 acquisitions and capital increases)	**Up to USD 1.5 million:** Group CEO approval **USD 1.5 million and above:** Board approval
Procurement	**Up to USD 2.5 million:** Joint approval by Group CEO and CFO **USD 2.5 million and above:** Board approval
Finance and Treasury	**Up to USD 5 million:** Joint approval by Group CEO and CFO, Group CEO and COO, Group CEO and Corporate Treasurer **USD 5 million and above:** Board approval
Intercompany Transactions (including loans)	**No limits:** Joint approval by Group CEO and CFO, Group CEO and COO, Group CEO and Corporate Treasurer

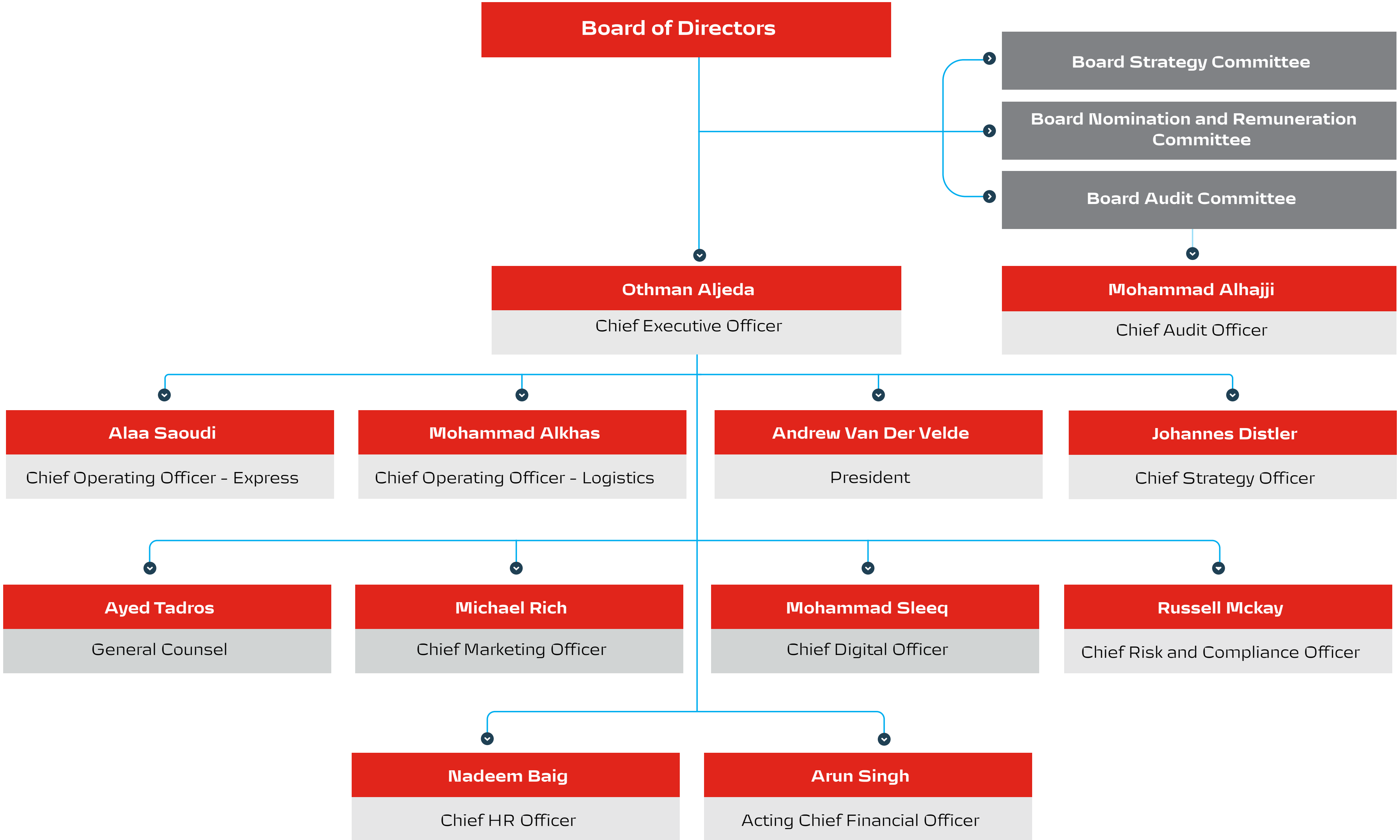
g. Following are the details of related-party transactions:

Transaction Type	Companies Controlled by Directors	Associates	JVs - Parent is a Venture	Companies Controlled by Previous Shareholders	Companies Controlled by Current Shareholders*	Total (AED)
Sales to Related Parties	-	22,443,648	150,118,950	-	44,720,797	217,283,395
Cost from Related Parties	-	1,208,448	640,343	-	-	1,848,790
Amounts Owed by Related Parties	-	4,628,515	40,651,392	-	36,028,258	81,308,166
Amounts Owed to Related Parties	-	1,432,317	-	-	684,524	2,116,841

The Company did not enter into any transactions with related parties valued at 5% or more of the Company's capital during 2021.

* The above table includes balances as at 31 December 2021 and transactions for the period from 20 October 2021 to 31 December 2021 by the new shareholder, GeoPost/DPDgroup, which acquired 21.60% of Aramex PJSC's shares on 20 October 2021 and acquired further shares to reach 24.93% on 26 October 2021.

h. Company Organizational Chart:



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 2021:

As at 31 December 2021:

Position	Date of Joining	Total Salaries and Allowances (AED)	2020 Bonus Paid in 2021 (AED)	Total (AED)	Other Bonuses/Payments (AED)
Chief Executive Officer	19-Mar-94	2,103,433	808,661	2,912,094	-
Chief Operating Officer – Freight and Logistics	22-Aug-21	518,709	-	518,709	-
Chief Operating Officer – Express	1-Jul-98	920,000	140,000	1,060,000	-
President	1-Feb-04	1,835,004	628,524	2,463,528	-
Chief Strategy Officer	15-Aug-21	545,807	-	545,807	-

Resigned in 2021:

Position	Date of Joining	Total Salaries and Allowances (AED)	2020 Bonus Paid in 2021 (AED)	Total (AED)	Other Bonuses/Payments (AED)
Chief Executive Officer	16-Aug-93	1,550,119	-	1,550,119	1,756,005
Chief Financial Officer	12-Nov-94	300,000	238,875	538,875	-
Chief Operating Officer	01-Nov-20	1,276,000	-	1,276,000	-

4. External Auditor

a. PricewaterhouseCoopers (PwC) is a network of firms with more than 295,000 people operating from 156 countries across the globe, committed to creating value 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 FY21, 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 7,000 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. 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 2021.

Name of Audit Firm and Partner Auditor:	PricewaterhouseCoopers, Rami Serhan
Number of Years Spent as the Auditor of the Company:	3 years
Total Audit Fees for the Year 2021 (AED)*:	6,624,085

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 2021:

Audit Firm	Service Type	Fees and Expenses (AED)	Fees and Expenses Related to the Divest-ment of InfoFort Group (AED)	Total Fees and Expenses (AED)
PwC	Corporate Tax and VAT Consultancy	90,162	95,488	185,650
PwC	InfoFort Group Divestment Consultancy	-	1,188,323	1,188,323
PwC	DD Advisory on M&A Projects	691,720	-	691,720
PwC	Forensic Services	154,245	-	154,245
Total		**936,127**	**1,283,811**	**2,219,938**

* Audit fees include the overruns recorded in 2021 but related to 2020.

Fees and costs of services provided to the Company by external audit firms (other than the Company's appointed external auditors) in the year 2021:

Audit Firm	Service Type	Fees and Expenses (AED)
KPMG	VAT, Tax and Transfer Pricing Consulting Services	371,851
KPMG	Financial Model Project	624,342
KPMG	DD Advisory on M&A Projects	1,735,304
Deloitte	Corporate Tax Consultancy	72,130
Local advisors	VAT, Tax and Transfer Pricing Consulting Services	360,943
EY	VAT, Tax and Transfer Pricing Consulting Services	1,188,013
EY	DD Advisory on M&A Projects	1,397,031
EY	Forensic Services	85,943
EY	Professional Service in Relation to Internal Risk Controls Engagement and Compliances	41,783
EY	Sustainability Report Services	231,368
Total		**6,108,706**

c. No reservations were made by the external auditors on the annual financial statements for the year ended 31 December 2021.

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. Sunil Bhilotra	Member

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.

c. The Audit Committee held 15 meetings during the year 2021. The details of attendance are as follows:

	Mr. Fahad Al Qassim	Mr. David Haglund	Mr. Sunil Bhilotra
28 January 2021	✓	✓	✓
1 February 2021	✓	✓	✓
9 February 2021	✓	✓	✓
11 February 2021	✓	✓	✓
18 February 2021	✓	✓	✓
10 March 2021	✓	✓	✓
14 March 2021	✓	✓	-
8 April 2021	✓	✓	✓
2 May 2021	✓	✓	✓
19 May 2021	✓	✓	✓
1 August 2021	✓	✓	-
23 August 2021	✓	✓	✓
31 October 2021	✓	✓	✓
11 November 2021	✓	✓	✓
16 December 2021	-	✓	✓
Total Attendance	14	15	13

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

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 the 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.

c. The Nomination and Remuneration Committee held 8 meetings during the year 2021. The details of attendance are as follows:

	Mr. Omar Alhashmi	Mr. Arif Albastaki	Ms. Fatma Ahmad
24 January 2021	✓	✓	✓
7 February 2021	✓	✓	✓
24 February 2021	✓	✓	✓
22 March 2021	✓	✓	✓
18 May 2021	✓	✓	✓
6 July 2021	✓	✓	✓
16 September 2021	✓	✓	✓
14 December 2021	✓	✓	✓
Total Attendance	8	8	8

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 Risk and Compliance Officer	Member
Chief Human Resources Officer	Member
General Counsel	Member
Board Secretary and Senior Governance Officer	Member

The Committee is comprised of four 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 one time 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.

c. **The Committee held 1 meeting during the year 2021, and all its members were in attendance.**

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

a. The Chairman of the Strategy Committee, Mr. Arif Albastaki, 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. Arif Albastaki	Chairman
Mr. David Haglund	Member
Mr. Murtaza Hussain	Member
Mr. Omar Alhashmi	Member
Mr. Ramez Shehadi	Member

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 the 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 acqusitions, 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.

c. The Strategy Committee held 10 meetings during the year 2021. The details of attendance are as follows:

	Mr. Arif Albastaki	Mr. Murtaza Hussain	Mr. David Haglund	Mr. Omar Alhashmi	Mr. Ramez Shehadi	Mr. Fahad Al Qassim (Guest)	Mr. Sunil Bhilotra (Guest)	Ms. Fatma Ahmad (Guest)
21 January 2021	✓	✓	✓	✓	✓	✓	✓	-
16 February 2021	✓	✓	✓	✓	✓	-	-	-
7 March 2021	✓	✓	✓	✓	✓	-	-	-
9 May 2021	✓	✓	✓	✓	✓	-	-	-
15 June 2021	✓	✓	✓	✓	✓	-	-	-
8 August 2021	✓	✓	✓	✓	✓	-	-	-
9 September 2021	✓	-	✓	-	-	-	-	✓
7 November 2021	✓	✓	✓	✓	✓	✓	✓	-
28 November 2021	✓	✓	✓	✓	✓	✓	✓	-
27 December 2021	✓	-	✓	✓	✓	-	-	-
Total Attendance	**10**	**8**	**10**	**9**	**9**	**3**	**3**	**1**

9. Internal Control System

a. 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, customs, 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 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. The recently established Customs Compliance area focuses on assessing gaps in the customs clearance processes, provides 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, and gifts, entertainment, and hospitality. 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 2021 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 and a Masters of Business Administration (MBA), Glasgow Caledonian University, UK.

c. The number of reports issued by the Internal Control Department to the Board of Directors: 4 Reports.

10. Irregularities of the Financial Year

No irregularities were identified during the 2021 financial year.

11. Company Contribution to Community Development and Environment Preservation During the Year 2021

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 2021, the Company has participated in community development and environment preservation in the amount of AED 2,771,411 (Partnership: AED 1,589,292 – Sponsorship: AED 1,094,076 – Others: AED 88,043).

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 2021 (the below information was obtained from the Dubai Financial Market):

Month	Month – High (AED)	Month – Low (AED)	Closing Price (AED)
January	4.48	4.30	4.32
February	4.47	3.76	3.90
March	4.40	3.75	3.93
April	4.13	3.86	3.91
May	4.27	3.89	4.10
June	4.15	3.72	3.90
July	3.99	3.55	3.55
August	4.07	3.51	4.01
September	4.01	3.52	3.52
October	4.80	3.50	4.34
November	4.54	3.90	3.91
December	4.30	3.94	4.10

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 2021 (the below information was obtained from the Dubai Financial Market):

Month	ARMX	DFMGI	Transportation
January	4.32	2,654.06	774.07
February	3.90	2,551.54	731.42
March	3.93	2,550.23	735.00
April	3.91	2,605.38	736.96
May	4.10	2,797.52	778.33
June	3.90	2,810.56	746.37
July	3.55	2,765.71	717.39
August	4.01	2,902.97	780.84
September	3.52	2,845.49	714.02
October	4.34	2,864.21	807.69
November	3.91	3,072.91	777.92
December	4.10	3,195.91	797.52

c. Following is the shareholders distribution as of December 31, 2021 (Individuals, Companies and Governments) 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	175,622,380	12.00	500,927,230	34.21	1,210,826	0.08	677,760,436	46.29
GCC	29,217,752	2.00	106,221,725	7.26	-	0.00	135,439,477	9.25
Arab	20,238,254	1.38	5,038,425	0.34	-	0.00	25,276,679	1.73
Foreign	12,245,959	0.84	609,535,165	41.63	3,842,284	0.26	625,623,408	42.73
Total	237,324,345	16.21%	1,221,722,545	83.45%	5,053,110	0.35%	1,464,100,000	100%

d. Following is a statement of shareholders who own 5% or more of the Company's capital as of December 31, 2021:

Shareholder	Number of Shares	Percentage of Shares*
GeoPost SA	365,015,722	24.93%
Alpha Oryx Limited	326,823,153	22.32%

e. Following is a statement of shareholders distribution by shares ownership as of December 31, 2021

Shares Ownership	Number of Shareholders	Number of Shares	Percentage of Shares*
Less than 50,000	19,278	76,356,069	5.22%
From 50,000 to less than 500,000	511	76,136,930	5.20%
From 500,000 to less than 5,000,000	160	266,154,446	18.18%
More than 5,000,000	28	1,045,452,555	71.41%
Total	**19,977**	**1,464,100,000**	**100%**

* Percentages were rounded to 2 decimal places

f. Aramex's Investor Relations (IR) 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)

g. The Annual General Meeting was held on Wednesday 21 April 2021, and no special resolutions were presented to the shareholders for approval.

h. Ms. Amanda Dahdah, Aramex's Senior Legal Counsel, served as the Acting Board Secretary as of 1 March 2020 and until 31 August 2021. Ms. Dahdah earned her Bachelor's degree in Law in 2004 from the University of Jordan. Subsequently, Ms. Zeina Sammakieh served as the Board Secretary and Senior Governance Officer as of 8 September 2021. 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. 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 2021:

1. Sale of InfoFort to Iron Mountain [SPA signed on February 3, 2021, and closing took place on September 15, 2021]
2. Appointment of Acting Chief Financial Officer, Mr. Arun Singh [April 1, 2021]
3. Resignation of Chief Executive Officer, Mr. Bashar Obeid [April 29, 2021]
4. Appointment of Chief Executive Officer, Mr. Othman Al-Jeda [May 6, 2021]
5. Appointment of Chief Strategy Officer, Mr. Johannes Distler [August 15, 2021]
6. Aramex announced a change in its organization structure to two separate lines of business run by separate Chief Operations Officers: Aramex Express (run by Chief Operating Officer, Mr. Alaa Saoudi), and Aramex Logistics and Freight (run by Chief Operating Officer, Mr. Mohammad Alkhas). [September 7, 2021]
7. GeoPost S.A. acquired 21.60% of Aramex PJSC's shares [October 20, 2021] and further acquired shares to reach 24.93% [October 26, 2021]

j. The percentage of UAE nationals in the Company is as follows: 0.22% on December 31, 2019, 0.34% on December 31, 2020, and 0.30% on December 31, 2021.

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

1. Data science, machine learning and artificial intelligence capabilities: Launched digital delivery attempt to reduce operational cost of physical attempts;
2. Cloud scalable infrastructure: Continued modernization and adopted a multi-cloud strategy to move the various parts of Aramex core technology to the best fit hyper scaler from cost and efficiency perspectives. Launched part of InfoAxs tracking to cloud;
3. Next generation customer engagement experience and digital touch points: Finalized solution candidates to support omnichannel rollout across all digital touch points, continued refining current touch point interactions;
4. Launched Aramex Go targeting SME segments to offer bundled shipping solutions;
5. Piloted a revamped Shop and Ship site in Africa;
6. Finalized plans to move ERP to cloud – started procurement implementation on ERP, and
7. Adopted cross platform mobile app technology for enhanced speed to market.

Chairman of the Board of Directors	Chairman of the Audit Committee	Chairman of the Nomination and Remuneration Committee	Head of the Internal Controls Department (Risk & 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: 3/23/2022	Date: 3/23/2022	Date: 3/23/2022	Date: 3/23/2022

aramex (PJSC)
PO Box 95946, Dubai - UAE
ارامكس
(ش م ع)

Appendix

Wages by Gender by Sig Location

RATIOS OF STANDARD ENTRY LEVEL WAGE BY GENDER AT SIGNIFICANT LOCATIONS OF OPERATION		
Country	Local Currency/Month	Ratio (Female To Male Wage)
Bahrain (BHD)		
Entry Level		
Female	300	1
Male	250	1.2
5-Years' Experience		
Female	500	1.14
Male	438	1
Hong Kong (HKD)		
Entry Level		
Female	1200	1.14
Male	1050	1
5-Years' Experience		
Female	15000	1
Male	15000	1
Egypt (EGP)		
Entry Level		
Female	3500	1
Male	4000	1.14
5-Years' Experience		
Female	6200	1
Male	6720	1.08

Recycling 2021

RATIOS OF STANDARD ENTRY LEVEL WAGE BY GENDER AT SIGNIFICANT LOCATIONS OF OPERATION	
Paper	1096
E-Waste	80
Cardboard	4000
Metal Waste	3160
Wooden Pallets	47619
Plastic	71735
Carton	19500

Ratios of Standard Entry Level

RATIOS OF STANDARD ENTRY LEVEL WAGE BY GENDER AT SIGNIFICANT LOCATIONS OF OPERATION		
Country	Local Currency/Month	(Ratio (Female To Male Wage
(Jordan (JOD		
Entry Level		
Female	350	1.46
Male	240	1
5-Years' Experience		
Female 566.09 (Jod) 1.03	551	1
Male 551.94 (Jod) 1	1	1
(United Arab Emirates (AED		
Entry Level		
Female	2300	1
Male	2300	1
5-Years' Experience		
Female	5950	1.7
Male	3500	1
(South Africa (ZAR		
Entry Level		
Female	7095	1
Male	7095	1
5-Years' Experience		
Female	12047	
Male	12047	
(Netherlands (Euro		
Entry Level		
Female	20168	1
Male	20168	1
5-Years' Experience		
Female	500	1.25
Male	438	1

GRI content index

For the Content Index - Essentials Service, GRI Services reviewed that the GRI content index is clearly presented, in a manner consistent with the Standards, and that the references for disclosures 2-1 to 2-5, 3-1 and 3-2 are aligned with the appropriate sections in the body of the report.

GRI CONTENT INDEX ESSENTIALS SERVICE 2022

Statement of use "name of organization "	Aramex has reported the information cited in this GRI content index for the period [Jan 1st 2021 -Dec 31st 2021] with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

Sustainability / Compliance / DMAA

GRI STANDARD	DISCLOSURE	LOCATION	Page Number
GRI 2: General Disclosures 2021	2-1 Organizational details	About this report / About aramex	3,5
	2-2 Entities included in the organization's sustainability reporting	Governance / Reporting Process/ Disclosure on Management Approaches/ Vision and missions / About this report	3,61- 64, 89-122
	2-3 Reporting period, frequency and contact point	About sustainability and this report/ Matrilaity index	12, 75 -86
	2-4 Restatements of information	Reporting Process	61- 64,
	2-5 External assurance	Letter From KPMG	129
	2-6 Activities, value chain and other business relationships	Materiality Index/ about aramex / Our services	5,21-23, 75 -86
	2-7 Employees	Our people/ Materiality index	36 - 43, 75 -86
	2-8 Workers who are not employees	Our people /Materiality index	36 - 43, 75 -86
	2-9 Governance structure and composition	Governance	89 -122
	2-10 Nomination and selection of the highest governance body	Governance	89 -122
	2-11 Chair of the highest governance body	Governance	89-122
	2-12 Role of the highest governance body in overseeing the management of impacts	Governance	89-122
	2-13 Delegation of responsibility for managing impacts	Governance/ Disclosures on Management Approaches	63, 89-122
	2-14 Role of the highest governance body in sustainability reporting	Governance	89 -122
	2-15 Conflicts of interest	Governance	89 -122
	2-16 Communication of critical concerns	Governance/ Compliance	53 -56, 89-122
	2-17 Collective knowledge of the highest governance body	Governance	89 -122
	2-18 Evaluation of the performance of the highest governance body	Governance	89 -122
	2-19 Remuneration policies	Governance	89 -122
	2-20 Process to determine remuneration	Governance	89 -122
	2-21 Annual total compensation ratio	Governance	89 -122
	2-22 Statement on sustainable development strategy	About Aramex and this report / sustainability	3,45 -51
	2-23 Policy commitments	Sustainability / Compliance	45 -51, 53-56
	2-24 Embedding policy commitments	Sustainability / Compliance	45 -51, 53-56
	2-25 Processes to remediate negative impacts	Materiality Index/ Compliance	53-56, 75 -86
	2-26 Mechanisms for seeking advice and raising concerns	Compliance	53-56
	2-27 Compliance with laws and regulations	Compliance / Materiality index	53-56, 75 -86
	2-28 Membership associations	Associations and Certifications	59
	2-29 Approach to stakeholder engagement	Aramex stakeholder centric-stakeholder engagement report	14, 66 -73
	2-30 Collective bargaining agreements	Materiality Index	75 -86
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Materiality Index / Reporting process	61- 64, 75 -86
	3-2 List of material topics	Materiality Index	75 -86
	3-3 Management of material topics	Materiality Index	75 -86
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	CEO Letter - Value Creation Model	8,9,10,18
	201-2 Financial implications and other risks and opportunities due to climate change	Materiality index - Sustainability /Environmental	49 -51, 75 -86
	201-3 Defined benefit plan obligations and other retirement plans	Our people	36-43
	201-4 Financial assistance received from government	Materiality Index	75 -86
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	Appendix	134
	202-2 Proportion of senior management hired from the local community	Our people/ Materiality index	36-43, 75 -86

GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	Materiality/ compliance / CEO letter/Value Creation/ our services	8,9,10,18, 21-23, 53 -56, 75 -86
	203-2 Significant indirect economic impacts	value creation / sustainability / compliance / materiality Index	18,45 -51,53 -56, 75 -86
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Materiality index	75 -86
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Compliance/Materiality Index	53 -56, 75 -86
	205-2 Communication and training about anti-corruption policies and procedures	Compliance	53 -56,
	205-3 Confirmed incidents of corruption and actions taken	Materiality index / Compliance	53 -56, 75 -86
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Materiality index / Compliance	53 -56, 75 -86
GRI 207: Tax 2019	207-1 Approach to tax	Our performance	134 - 171
	207-2 Tax governance, control, and risk management	Our performance	134 - 171
	207-3 Stakeholder engagement and management of concerns related to tax	Our performance / Materility Index)	75 -86, 134 - 171
	207-4 Country-by-country reporting	Our performance	134 - 171
GRI 301: Materials 2016	301-1 Materials used by weight or volume	Appendix	123
	301-2 Recycled input materials used	Appendix	123
	301-3 Reclaimed products and their packaging materials	Materiality Index	75 -86
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Emission /Carbon Intensity / Materiliaty	50, 75 -86
	302-2 Energy consumption outside of the organization	materiality Index	75 -86
	302-3 Energy intensity	Creating value - emission (reduction)/Carbon Intensity	18,50,51
	302-4 Reduction of energy consumption	Value Creation - emission (reduction)/ Carbon Intensity	18,50,51
	302-5 Reductions in energy requirements of products and services	Value creation - emission (reduction)/ Carbon Intensity	50, 51
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Appendix	123
	303-2 Management of water discharge-related impacts	Materiality index	75 -86
	303-3 Water withdrawal	Materiality index	75 -86
	303-4 Water discharge	Materiality Index	75 -86
	303-5 Water consumption	Materiality Index	75 -86
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	Materiality Index	75 -86
	304-2 Significant impacts of activities, products and services on biodiversity	Materiality Index	75 -86
	304-3 Habitats protected or restored	Materiality Index	75 -86
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	Materiality Index	75 -86
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Environmental Stewardship and Climate Change Mitigation, Materiality Index	49 -51, 75 -86
	305-2 Energy indirect (Scope 2) GHG emissions	Environmental Stewardship and Climate Change Mitigation, Materiality Index	49 -51, 75 -86
	305-3 Other indirect (Scope 3) GHG emissions	Environmental Stewardship and Climate Change Mitigation, Materiality Index	49 -51, 75 -86
	305-4 GHG emissions intensity	Environmental Stewardship and Climate Change Mitigation, Materiality Index	49 -51, 75 -86
	305-5 Reduction of GHG emissions	Environmental Stewardship and Climate Change Mitigation, Aramex Value Creation	18, 49 -51
	305-6 Emissions of ozone-depleting substances (ODS)	Materiality Index	75 -86
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Materiality Index	75 -86
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Materiality Index	75 -86
	306-2 Management of significant waste-related impacts	Materiality Index	75 -86

	306-3 Waste generated	Materiality Index	75 -86
	306-4 Waste diverted from disposal	Materiality Index	75 -86
	306-5 Waste directed to disposal	Materiality Index	75 -86
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Compliance / Materiality index	57, 75 -86
	308-2 Negative environmental impacts in the supply chain and actions taken	Environmental / materiality index	49 -51, 75 -86
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Materiality Index/ our people	36-43, 75 -86
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Materiality Index/ our people	36-43, 75 -86
	401-3 Parental leave	Materiality Index/ our people	36-43, 75 -86
GRI 402: Labor/Management Relations 2016	402-1 Minimum notice periods regarding operational changes	Materiality Index	75 -86
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	health and safety / Materiality Index	57, 75 -86
	403-2 Hazard identification, risk assessment, and incident investigation	health and safety	57
	403-3 Occupational health services	health and safety	57
	403-4 Worker participation, consultation, and communication on occupational health and safety	health and safety	57
	403-5 Worker training on occupational health and safety	health and safety	57
	403-6 Promotion of worker health	health and safety	57
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	health and safety	57
	403-8 Workers covered by an occupational health and safety management system	health and safety	57
	403-9 Work-related injuries	health and safety (Health and Safety statistics)	57,85
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GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Our people	36-43
	404-2 Programs for upgrading employee skills and transition assistance programs	Our people	36-43
	404-3 Percentage of employees receiving regular performance and career development reviews	Our people/Materiality Index	36-43, 75 -86
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Our people / governance	36-43, 89-122
	405-2 Ratio of basic salary and remuneration of women to men	Appendix / Materiality Index	75 -86, 123
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Materiality Index	75 -86
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	Materiality Index/ Compliance	53 -56, 57, 75 -86
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	Materiality Index/ Compliance	53 -56, 57, 75 -86
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Materiality Index/ Compliance	53 -56, 57, 75 -86
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	Materiality Index	75 -86
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples	Materiality Index	75 -86

GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	sustainability / Value Creation / materiality index	18,45-51, 75 -86
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GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Materiality Index/ compliance	57, 58, 75 -86
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GRI 415: Public Policy 2016	415-1 Political contributions	Materiality Index	75 -86
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	Materiality Index	75 -86
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Materiality Index	75 -86
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	Materiality Index	75 -86
	417-2 Incidents of non-compliance concerning product and service information and labeling	Materiality Index	75 -86
	417-3 Incidents of non-compliance concerning marketing communications	Materiality Index	75 -86
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Materiality Index - our customers	25 - 34, 75 -86

Assurance Letter

Kawasmy & Partners CO.
Amman - Jordan
Shmeisani, Al-Shareef Abdul Hameed Sharaf Str. BLD # 28
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Assurance report of the independent auditor

To: Aramex PJSC

Dubai - UAE

Our conclusion

We have reviewed the Details of the Subject of investigation of Aramex PJSC (hereafter: Aramex) at for the year ended 31 December 2021 (hereafter: 2021). A review is aimed at obtaining a limited level of assurance.

Based on the procedures performed nothing has come to our attention that causes us to believe that the below mentioned disclosures are not prepared, in all material respects, in accordance with the reporting criteria as described in the 'Reporting criteria' section of our report.

The sustainability indicators in scope consist of the following indicators:

1. Disclosure 305-1: Direct (Scope 1) GHG Emissions
2. Disclosure 305-2: Energy Indirect (Scope 2) GHG Emissions
3. Disclosure 305-3: Other Indirect (Scope 3) GHG Emissions
4. Disclosure 305-7: Nitrogen Oxides (NOx), Sulphur Oxides (SOx), and Other Significant Air Emissions
5. Disclosure 302-3: Energy Intensity
6. Disclosure 202-1: Ratios of Standard Entry Level Wage Compared to Local Minimum Wage
7. Disclosure 202-2: Proportion of Senior Management Hired from the Local Community
8. Disclosure 204-1: Proportion of Spending on Local Suppliers
9. Disclosure 404-1: Average Hours of Training Per Year Per Employee
10. Disclosure 403-9: Work-related Injuries
11. Disclosure 405-2: Ratio of Basic Salary and Remuneration of Women to Men
12. Disclosure 305-4: GHG emissions intensity

The sustainability indicators are disclosed in the 2021 Aramex' Sustainability Report.

Basis for our conclusion

We performed our review in accordance with ISAE 3000(revised), Global Reporting Initiatives (GRI) standards and WBCSD GHG Protocol 2008 This engagement is aimed to obtain limited assurance. Our responsibilities in this regard are further described in the 'Auditor's responsibilities' section of our report.

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The audit team has visited two stations of Aramex operations where Aramex have significant operations. These stations were Riyadh station and Dubai station where the team conducted interviews with the stations' management and data owners.

We are independent as we have provided no other services to Aramex' sustainability disclosures. We believe the assurance evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Materiality

Based on our professional judgement we determined materiality levels for each of the sustainability indicators and for the sustainability information as a whole. When evaluating our materiality levels, we have taken into account quantitative and qualitative considerations as well as the relevance of information for both stakeholders and Aramex.

We agreed with the sustainability team that misstatements which are identified during the review and which in our view must be reported on quantitative or qualitative grounds, would be reported to them.

Auditor's responsibilities

Our responsibility is to plan and perform our review in a manner that allows us to obtain sufficient and appropriate assurance evidence for our conclusion. Procedures performed to obtain a limited level of assurance are aimed to determine the plausibility of information and vary in nature and timing, and are less in extent, compared to a reasonable assurance engagement. 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. We apply the Global KPMG Sustainability Assurance Methodology and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have exercised professional judgement and have maintained professional skepticism throughout the review, in accordance with the ISAE 3000 (Revised), ethical requirements and independence requirements.

Our review included among others:

— Performing an analysis of the external environment and obtaining an understanding of relevant societal themes and issues, and the characteristics of Aramex.

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- Evaluating the appropriateness of the reporting criteria used, their consistent application and related disclosures in the. This includes the evaluation of the results of stakeholder dialogue and the reasonableness of estimates made by Aramex.
- Obtaining an understanding of the reporting processes for Aramex, including obtaining a general understanding of internal control relevant to our review; Identifying areas of the where a material misstatement, whether due to fraud or error, are most likely to occur, designing and performing assurance procedures responsive to these areas, and obtaining assurance information that is sufficient and appropriate to provide a basis for our conclusion.

These procedures included, amongst others:

- Interviewing management and relevant staff at corporate level responsible for the strategy, policy and results.
- Interviewing relevant staff responsible for providing the information for, carrying out internal control procedures over, and consolidating the data in Aramex.
- Obtaining assurance information that the reconciles with underlying records of Aramex.
- Reviewing, on a limited test basis, relevant internal and external documentation.
- Performing an analytical review of the data and trends. Evaluating the consistency of the with the information in the report which is not included in the scope of our review.
- Evaluating the presentation, structure and content of Aramex.
- Considering whether the as a whole, including the disclosures, reflects the purpose of the reporting criteria used.

We have communicated with Aramex sustainability team regarding, among other matters, the planned scope and timing of the review and significant findings that we identify during our review.

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Our Performance

Aramex PJSC and Its Subsidiaries

Report of the Directors and Consolidated Financial Statements

For the year ended 31 December 2021

ARAMEX PJSC AND ITS SUBSIDIARIES

Report of the directors and consolidated financial statements for the year ended 31 December 2021

Contents	Pages

Dear valued shareholders,

I am pleased to report that Aramex has produced a resilient financial performance in a year that presented our industry with a unique set of challenges and evolving opportunities.

Driven by an ambitious strategy and operating within a redesigned operating model, our efforts to grow market share and expand our Logistics and Freight-Forwarding business over the past 12 months have paid off, despite a challenging environment. In 2021, the Company has witnessed a very strong recovery in its Freight-Forwarding business and handled a record volume in its Express business which supported a 10% growth in revenues to a record AED 6.1 billion, our third year of uninterrupted growth. However, Covid-19 induced costs and one-off events weighed on our net profit for the year, which went down 15% year-on-year to AED 226 million. Our balance sheet and liquidity levels are robust, leverage levels are healthy, and we are well funded for our growth plans. This is why the Board is recommending a dividend payout of AED 0.13 per share for FY 2021.

The gradual re-opening of the global economy in the second half of the year underpinned by governments' intensive vaccination campaigns and financial and other support measures, supported global economic growth and generally improved business and consumer confidence and activity levels. However, in 2021, the evolving pandemic continued to disrupt the global supply chain industry. Sea and air freight bottlenecks and capacity constraints were exacerbated by the increase in activity and demand from various industries, notably oil & gas, retail & fashion, healthcare & pharmaceuticals, and e-commerce. Thanks to a team of experts, the scale of our operations, the investments over the last several years to expand capacity in strategic hubs and grow our network, and our close relationship with key partners, we were able to navigate the fluctuating situation, albeit at higher costs.

While the operating environment was challenging, the opportunities were ripe in e-commerce. Covid-19 changed the way consumers buy goods forever and raised their expectations on last mile delivery quality of service and time to deliver. Consequently, e-commerce players were faced with spikes in demand while other retail outlets had to expand into online sales channel to cater to the evolving needs of their customers. Ultimately the demand for logistics, warehousing, supply chain management and last mile solutions skyrocketed, and will continue to be fueled by a booming e-commerce market in 2022 and beyond. Given that we operate across the value chain, in 2021 we demonstrated why we are market leaders in international and domestic express. We continued to provide unmatched services, products, and expertise, and we intend to further integrate our offering to offer bespoke end-to-end solutions to our customers, to help facilitate their operations.

We recognize the crucial role we play in society. Over the course of the year, we have been investing in integrating greener practices across our value chain to mitigate the impact we leave on our planet. Of note, this year, we signed a commitment with the Science Based Target initiative (SBTi) to significantly reduce our greenhouse gas emissions by 2030, and our efforts are aligned with the UAE's ambitions to become Net Zero by

2050. We continue to set the bar for companies on the sustainability front. This year, we received an ESG Risk Rating of 11.7 from Sustainalytics which indicates a low level of risk of experiencing material financial impacts from ESG factors. Our rating places us in the top spot in the global ranking of 363 transportation companies rated by Sustainalytics worldwide. As we move forward, we will continue to drive our sustainability agenda and ensure prudent management of all material ESG risks and opportunities across the business.

2021 was also a year of change in management. Over the course of the year, we welcomed a new CEO, Othman Al Jeda, a longtime employee of the Company, and appointed COO's for each of the Express business and the Logistics and Freight-Forwarding business, Alaa Saoudi and Mohammad Alkhas, respectively. We also recently welcomed a new CFO, Nicolas Sibuet. I believe we have a strong, capable and seasoned senior management team that have the necessary skills and acumen to execute on the Company's growth strategy.

In 2021, we also welcomed a new strategic shareholder, GeoPost S.A., a major international player in the industry. Their investment in Aramex is testament to our globally recognized brand, market leading position, and compelling growth potential. We look forward to unlocking synergies with GeoPost and our other strategic shareholders including Abu Dhabi Ports to support our growth momentum and deliver long term value to our shareholders.

2022 will be an important year for Aramex, as we celebrate our 40th year since founding. We look forward to further cementing our market leadership position, expanding our global footprint and our expertise into servicing new markets and industry verticals and unlocking revenue, operation, and cost synergies with our strategic partners.

More specifically, we see significant opportunity in the Logistics and Freight-Forwarding business and will focus on catering to industries in which we have profound experience, including oil & gas, fashion & retail and healthcare, and open new trade lanes into the GCC and MENAT markets while also investing in expanding into other industries. We will also continue to defend our market leading position in the Express business in the markets where we operate while tapping into our strategic partners', GeoPost, strong presence in Europe to expand our geographic reach.

On a final note, I would also like take this opportunity to express my sincerest gratitude to our shareholders, employees, customers, partners, and all our stakeholders for their unwavering trust and support in Aramex. Your support, commitment and trust in our business will take Aramex towards another 40 years of success.

Sincerely yours,

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

aramex (PJSC) PO Box 95946, Dubai - UAE ارامكس

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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 referred to as the "Group") as at 31 December 2021, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

What we have audited

The Group's consolidated financial statements comprise:

- the consolidated statement of financial position as at 31 December 2021;
- the consolidated statement of income 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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Jacques Fakhoury, Douglas O'Mahony, Murad Alnsour and Rami Sarhan are registered as practising auditors with the UAE Ministry of Economy

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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 • Disposal of a subsidiary

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.

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

Report on the audit of the consolidated financial statements (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 2021, the Group had revenue of AED 6.1 billion (2020: AED 5.5 billion) - Note 26. Due to the materiality of the amounts involved, diversity of the Group's geographical footprint, and susceptibility of such revenues to overstatement or understatement and fraud risk, we assess 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 IFRS.
Impairment of goodwill As at 31 December 2021, the Group had goodwill of AED 1,003 million (2020: AED 1,136 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 judgemental, 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; • with the involvement of 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.

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

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

Key audit matters (continued)

Key audit matter	How our audit addressed the key audit matter
Disposal of a subsidiary On 3 February 2021, Aramex PJSC 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 for a total consideration of AED 335 million (the "Transaction"). The aforementioned disposal resulted in a gain of AED 31,608 thousand for the year ended 31 December 2021. We have identified the disposal of Information Fort LLC as a key audit matter due to the complexity and financial significance of the Transaction as well as its impact on the composition of the Group's businesses and activities.	Our audit procedures performed in relation to disposal of a subsidiary included: • assessing the compliance of such policies with the applicable International Financial Reporting Standards; • participating in various meetings and discussions with the Group's management to understand the details of the Transaction; • obtaining and reading the related share purchase agreement and related announcement made by the Group in order to assess the accounting implications of the Transaction on the consolidated financial statements of the Group; • Tracing the consideration received for the disposal to bank statements; • Testing the accuracy of the resultant gain and checking its compliance with IFRS 3 requirements; and • assessing the completeness and appropriateness of disclosures within the consolidated financial statements in accordance with 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 the date of this auditor's report.

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.

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.

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

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

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 Law No. (2) of 2015 as amended, and for such internal control as the 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 intends 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.

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.

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)

- Conclude on the appropriateness of 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 Law No. (2) of 2015 as amended, 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 Law No. (2) of 2015 as amended;

(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 2021;

(vi) Note 31 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 2021 any of the applicable provisions of the UAE Federal Law No. (2) of 2015 as amended or in respect of the Company, its Articles of Association which would materially affect its activities or its financial position as at 31 December 2021; and

(viii) as disclosed in Note 28 to the consolidated financial statements, the Group has made social contributions during the year ended 31 December 2021.

PricewaterhouseCoopers
14 March 2022

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PricewaterhouseCoopers

Rami Sarhan
Registered Auditor Number 1152
Dubai, United Arab Emirates

ARAMEX PJSC AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	Note	As at 31 December 2021 AED'000	2020 AED'000
ASSETS			
Non-current assets			
Property and equipment	5	941,430	956,755
Right of use assets	6	894,266	890,129
Goodwill	7	1,002,568	1,135,511
Other intangible assets	8	201,255	216,405
Investments in joint ventures and associates	11,12	37,448	39,803
Financial assets at fair value through other comprehensive income	13	17,638	25,451
Deferred tax assets	14	8,006	7,786
Other non-current assets		4,115	4,800
		3,106,726	3,276,640
Current assets			
Accounts receivable, net	15	1,219,422	1,093,927
Other current assets	16	293,709	271,874
Restricted cash, margins and fixed deposits*	17	57,641	279,279
Cash and cash equivalents*	17	711,800	975,487
		2,282,572	2,620,567
Assets held for sale	10	10,650	217,963
TOTAL ASSETS		5,399,948	6,115,170
EQUITY AND LIABILITIES			
Equity			
Share capital	18	1,464,100	1,464,100
Statutory reserve	19	440,802	408,929
Foreign currency translation reserve	19	(398,529)	(344,425)
Reserve arising from acquisition of non-controlling interests	19	(329,759)	(335,186)
Reserve arising from other comprehensive income items	19	(12,008)	(7,064)
Retained earnings		1,500,570	1,504,306
Equity attributable to equity holders of the Parent		2,665,176	2,690,660
Non-controlling interests		10,817	16,301
Total equity		2,675,993	2,706,961
LIABILITIES			
Non-current liabilities			
Interest-bearing loans and borrowings	21	137,259	162,000
Lease liabilities	6	754,933	701,190
Employees' end of service benefits	22	148,822	149,187
Deferred tax liabilities	14	42,114	58,359
Deferred income	25	18,305	-
		1,101,433	1,070,736
Current liabilities			
Accounts payable	23	344,120	328,879
Lease liabilities	6	180,382	186,548
Bank overdrafts	24	153,113	68,059
Interest-bearing loans and borrowings	21	27,424	542,841
Income tax provision	14	62,547	78,165
Other current liabilities	25	850,431	1,038,975
		1,618,017	2,243,467
Liabilities held for sale	10	4,505	94,006
Total liabilities		2,723,955	3,408,209
TOTAL EQUITY AND LIABILITIES		5,399,948	6,115,170

* Refer to note 38 for changes to comparative

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 2021.

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

The notes on pages 17 to 74 form an integral part of these consolidated financial statements.

ARAMEX PJSC AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	For the year ended 31 December 2021 AED'000	2020 AED'000
Continuing operations			
Rendering of services	26	6,068,805	5,510,299
Cost of services	27	(4,637,938)	(3,976,508)
Gross profit		1,430,867	1,533,791
Selling and marketing expenses		(272,508)	(220,668)
Net impairment loss on accounts receivable	15	(15,635)	(25,319)
Net impairment loss on bank balances	17	(912)	(21,301)
Administrative expenses	28	(887,654)	(791,926)
Net gain/(loss) on property and customer goods	33	33,667	(89,611)
Other income, net	29	17,849	14,582
Operating profit		305,674	399,548
Finance income		6,406	10,446
Finance expense		(60,088)	(65,639)
Share of results of joint ventures and associates	11,12	10,232	10,998
Profit before tax from continuing operations		262,224	355,353
Income tax expense	14	(81,472)	(108,951)
Profit for the year from continuing operations		180,752	246,402
Discontinued operations			
Profit after tax for the year from discontinued operations	10	15,741	23,293
Gain on sale of a subsidiary	10	31,608	-
Profit for the year		228,101	269,695
Attributable to:			
Equity holders of the Parent			
Profit for the year from continuing operations		179,295	244,843
Profit for the year from discontinued operations		46,246	21,809
		225,541	266,652
Non-controlling interests			
Profit for the year from continuing operations		1,457	1,559
Profit for the year from discontinued operations		1,103	1,484
		2,560	3,043
		228,101	269,695
Earnings per share attributable to the equity holders of the Parent:			
Basic and diluted earnings per share from continuing operations/AED	32	0.122	0.167
Basic and diluted earnings per share from discontinued operations/AED	32	0.032	0.015

The notes on pages 17 to 74 form an integral part of these consolidated financial statements.

ARAMEX PJSC AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	For the year ended 31 December 2021 AED'000	2020 AED'000
Profit for the year		228,101	269,695
Other comprehensive loss, net of tax:			
Other comprehensive (loss)/income items to be reclassified to the consolidated statement of income in subsequent periods:			
Exchange differences on translation of foreign operations		(73,475)	12,106
Impact of hyperinflation		4,363	(22,394)
		(69,112)	(10,288)
Other comprehensive (loss)/income items not to be reclassified to the consolidated statement of income in subsequent periods:			
Loss on equity instruments at fair value through other comprehensive income		(7,637)	(1,284)
Gain on debt instruments at fair value through other comprehensive income	13	572	-
Remeasurements of post-employment benefits obligations through other comprehensive income	22	12	(1,315)
		(7,053)	(2,599)
Other comprehensive loss for the year, net of tax		(76,165)	(12,887)
Total comprehensive income for the year		151,936	256,808
Attributable to:			
Equity holders of the Parent		151,543	255,037
Non-controlling interests		393	1,771
		151,936	256,808
Total comprehensive income attributable to equity holders of the Parent arises from:			
Continuing operations		109,917	239,044
Discontinued operations		41,626	15,993
		151,543	255,037

The notes on pages 17 to 74 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 2021

	Attributable to equity holders of the Parent								
For the year ended 31 December 2021	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
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	-	(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 74 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 2021

	Attributable to equity holders of the Parent								
For the year ended 31 December 2020	*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*
At 31 December 2019	1,464,100	367,095	(398,720)	(335,186)	272	1,519,928	2,617,489	15,053	2,632,542
Impact of hyperinflation (Note 4)	-	-	63,311	-	-	-	63,311	-	63,311
At 1 January 2020 (adjusted)	1,464,100	367,095	(335,409)	(335,186)	272	1,519,928	2,680,800	15,053	2,695,853
Profit for the year	-	-	-	-	-	266,652	266,652	3,043	269,695
Other comprehensive loss	-	-	(9,016)	-	(2,599)	-	(11,615)	(1,272)	(12,887)
Total comprehensive (loss)/income for the year	-	-	(9,016)	-	(2,599)	266,652	255,037	1,771	256,808
Directors' fees paid (Note 31)	-	-	-	-	-	(3,600)	(3,600)	-	(3,600)
Transfer of gain on disposal of equity investments at fair value through other comprehensive income to retained earnings	-	-	-	-	(4,737)	4,737	-	-	-
Non-controlling interests	-	-	-	-	-	-	-	(523)	(523)
Dividends to shareholders (Note 20)	-	-	-	-	-	(241,577)	(241,577)	-	(241,577)
Transfer to statutory reserve (Note 19)	-	41,834	-	-	-	(41,834)	-	-	-
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

The notes on pages 17 to 74 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 2021

	Note	For the year ended 31 December 2021 AED'000	2020 AED'000
OPERATING ACTIVITIES			
Profit before tax from continuing operations		262,224	355,353
Profit before tax from discontinued operations	10	49,544	26,569
Profit before tax		311,768	381,922
Adjustment for:			
Depreciation of property and equipment		111,307	119,365
Depreciation of right of use assets		254,551	240,896
Amortisation of other intangible assets	8	5,064	8,860
Provision for employees' end of service benefits	22	33,813	38,377
Net impairment loss on financial assets		15,760	50,071
Finance costs, net		6,906	10,196
Finance costs – lease liability		47,106	48,146
Share of results of joint ventures and associates	11,12	(10,232)	(10,998)
Impairment of goodwill	7	2,975	-
(Gain)/loss on sale of property and equipment		(413)	417
Gain on sale of a subsidiary	10	(31,608)	-
Gain on reversal of provision for property and customer goods	33	(20,812)	-
Loss on property damages	5	-	1,102
		726,185	888,354
Working capital adjustments:			
Accounts receivable		(174,292)	44,359
Accounts payable		16,676	67,877
Other current assets		25,240	(13,820)
Other current liabilities		(166,484)	267,580
Deferred income	25	18,305	-
Net cash flows generated from operating activities before employees' end of service benefits and income tax paid		445,630	1,254,350
Employees' end of service benefits paid	22	(31,732)	(22,346)
Income tax paid	14	(96,549)	(125,260)
Net cash flows generated from operating activities		317,349	1,106,744
INVESTING ACTIVITIES			
Purchase of property and equipment		(128,597)	(138,050)
Proceeds from disposal of property and equipment		6,277	3,560
Financial assets at fair value through other comprehensive income	13	-	5,349
Interest received		6,406	10,771
Net cash disposed from discontinued operations		(421)	(42,115)
Proceeds from sale of a subsidiary		289,566	-
Dividends from joint ventures		13,209	-
Acquisition of a group of assets	7	(4,895)	-
Other non-current assets		117	1,298
Restricted cash*	17	(12,132)	(48,221)
Margin deposits		1,901	(1,316)
Fixed deposits		195,040	9,697
Loan granted to joint venture		567	-
Net cash flows generated from/(used in) investing activities*		367,038	(199,027)

The notes on pages 17 to 74 form an integral part of these consolidated financial statements.

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Aramex PJSC and its Subsidiaries
Consolidated Statement of Cash Flows
For the year ended 31 December 2021

	Note	For the year ended 31 December 2021 AED'000	2020 AED'000
FINANCING ACTIVITIES			
Finance cost paid		(60,218)	(82,399)
Proceeds from loans and borrowings		4,044	5,223
Repayment of loans and borrowings		(544,203)	(35,347)
Principal elements of lease payments		(267,254)	(204,020)
Dividends paid to non-controlling interests		(2,654)	(523)
Directors' fees paid		-	(3,600)
Dividends paid to shareholders		(190,333)	(241,577)
Net cash flows used in financing activities		(1,060,618)	(562,243)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS*		(376,231)	345,474
Net foreign exchange difference		27,490	(26,160)
Cash and cash equivalents at 1 January		907,428	588,114
CASH AND CASH EQUIVALENTS AT 31 DECEMBER*	17	558,687	907,428

* Refer to note 38 for changes to the comparative.

Non-cash transaction:

Non-cash transactions are disclosed in Note 39.

The notes on pages 17 to 74 form an integral part of these consolidated financial statements.

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ARAMEX PJSC AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2021

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. 2 of 2015 as amended. The consolidated financial statements of the Company as at 31 December 2021 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.

The Group is required, for the year ended 31 December 2021, to be in compliance with the provisions of the UAE Federal Law No. 2 of 2015, as amended.

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 Law No. 2 of 2015. The Group has 12 months from 2 January 2022 to comply with the provisions of the UAE Federal Decree Law No. 32 of 2021.

As at 31 December 2021, Alpha Oryx Limited, a subsidiary of Abu Dhabi Development Holding Company ("ADQ") owned 22.5% of Aramex PJSC's issued share capital.

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

The consolidated financial statements was authorised for issue by the Board of Directors on 14 March 2022.

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) as issued by the International Accounting Standards Board (IASB), and applicable requirements of UAE Federal Law No. 2 of 2015 as amended.

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 2020, 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 fair value less cost to sell. The principal accounting policies applied in the preparation of these consolidated financial statements are set out below.

The Lebanese economy is considered to be hyperinflationary. Accordingly, the results, cash flows and financial position of the group's subsidiary, Aramex Lebanon S.A.L has 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 2021, 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 reported for the current and prior years.

(a) ***Interest rate benchmark (IBOR) reform – phase 2 amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16*** - The Phase 2 amendments address issues that arise from the implementation of the reforms, including the replacement of one benchmark with an alternative one. The amendments cover the following areas:

- Accounting for changes in the basis for determining contractual cash flows as a result of IBOR reform: For instruments to which the amortised cost measurement applies, the amendments require entities, as a practical expedient, to account for a change in the basis for determining the contractual cash flows as a result of IBOR reform by updating the effective interest rate using the guidance in paragraph B5.4.5 of IFRS 9. As a result, no immediate gain or loss is recognised. This practical expedient applies only to such a change and only to the extent it is necessary as a direct consequence of IBOR reform, and the new basis is economically equivalent to the previous basis. Insurers applying the temporary exemption from IFRS 9 are also required to apply the same practical expedient. IFRS 16 was also amended to require lessees to use a similar practical expedient when accounting for lease modifications that change the basis for determining future lease payments as a result of IBOR reform.

- End date for Phase 1 relief for non-contractually specified risk components in hedging relationships: The Phase 2 amendments require an entity to prospectively cease to apply the Phase 1 reliefs to a non-contractually specified risk component at the earlier of when changes are made to the non-contractually specified risk component, or when the hedging relationship is discontinued. No end date was provided in the Phase 1 amendments for risk components.

- Additional temporary exceptions from applying specific hedge accounting requirements: The Phase 2 amendments provide some additional temporary reliefs from applying specific IAS 39 and IFRS 9 hedge accounting requirements to hedging relationships directly affected by IBOR reform.

- Additional IFRS 7 disclosures related to IBOR reform: The amendments require disclosure of: (i) how the entity is managing the transition to alternative benchmark rates, its progress and the risks arising from the transition; (ii) quantitative information about derivatives and non-derivatives that have yet to transition, disaggregated by significant interest rate benchmark; and (iii) a description of any changes to the risk management strategy as a result of IBOR reform.

As at 31 December 2021 applicable interest rate benchmarks in the Group's agreements have not been replaced (Note 3.1 (a) (iii)). As a result, the adoption of the Phase 2 amendments had no impact on the consolidated financial statements for the year ended 31 December 2021. Management will continue to monitor relevant developments and will evaluate the impact of the Phase 2 amendments on the consolidated financial statements as IBOR reform progresses.

2 Significant accounting policies (continued)

2.2 Changes in accounting policies (continued)

New and revised IFRS issued but not yet effective and not early adopted

(a) IFRS 17, 'Insurance contracts' (effective 1 January 2023);
(b) Amendment to IFRS 3 (effective 1 January 2022);
(c) Amendment to IAS 37 (effective 1 January 2022);
(d) Amendment to IAS 16 (effective 1 January 2022); and
(e) Amendments to IAS 1 (Deferred until accounting periods starting not earlier than 1 January 2024); and
(f) and IAS 8 (effective 1 January 2022); and
(g) Annual improvements to IFRS 9 and IFRS 16 (1 January 2022)

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.

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.

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.

Annual improvements make minor amendments to IFRS 9, 'Financial instruments', and the Illustrative Examples accompanying IFRS 16, 'Leases'.

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.

2.3 Basis of consolidation

Subsidiaries

The consolidated financial statements comprise of the financial statements of the Company and its subsidiaries as at 31 December 2021 and 31 December 2020. 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.

2 Significant accounting policies (continued)

2.3 Basis of consolidation (continued)

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 comprehensive income 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.

Changes in the Group's ownership interest in existing subsidiaries

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 income. 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 income.

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 income 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 is based on restated amounts, which have been adjusted for the effects of hyperinflation.

2 Significant accounting policies (continued)

2.4 Property and equipment (continued)

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 income 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.

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 income 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 income.

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 income.

2 Significant accounting policies (continued)

2.5 Business combinations and goodwill (continued)

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 income.

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 income in the expense category that is consistent with the function of the intangible assets.

Intangible assets with finite lives are amortised over their economic lives which are between 1 to 15 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 income 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.

2 Significant accounting policies (continued)

2.7 Investments in associates and joint arrangements (continued)

(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 income 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 income 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.

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 income.

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 income.

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 income over the period equivalent to the number of years of agency fees paid in advance.

2 Significant accounting policies (continued)

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 income 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 income unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

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 Cash and bank balances

Cash and bank balances 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.

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.

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.

ARAMEX PJSC AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2021 (continued)

2 Significant accounting policies (continued)

2.11 Accounts receivable

Accounts receivable are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

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.

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.

2.12 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.

For assets measured at fair value, gains and losses will either be recorded in the consolidated statement of income 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.

ARAMEX PJSC AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2021 (continued)

2 Significant accounting policies (continued)

2.12 Financial assets (continued)

(a) Classification (continued)

(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 income.

(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 income and presented in other income. Impairment losses are presented as separate line item in the consolidated statement of income.

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 income. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to the consolidated statement of income 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 income.

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 income 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 income following the derecognition of the investment. Dividends from such investments continue to be recognised in the consolidated statement of income as other income when the Group's right to receive payments is established.

2 Significant accounting policies (continued)

2.12 Financial assets (continued)

(b) Initial recognition and subsequent measurement (continued)

(ii) Equity instruments (continued)

Changes in the fair value of financial assets at FVPL are recognised in other income in the consolidated statement of income 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.

2.13 Impairment and uncollectibility 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.

2.14 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 income 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 income.

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 income.

ARAMEX PJSC AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2021 (continued)

2 Significant accounting policies (continued)

2.15 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.

2.16 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 income 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.

2.17 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. 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 comprehensive income.

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).

Cash-settled transactions

The cost of cash-settled transactions is measured initially at fair value at the grant date using a binomial model. This fair value is expensed over the period until the vesting date with recognition of a corresponding liability. The liability is remeasured to fair value at each reporting date up to, and including the settlement date, with changes in fair value recognised in employee benefits expense.

2 Significant accounting policies (continued)

2.18 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 income 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 income.

2.19 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.

2.20 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.

ARAMEX PJSC AND ITS SUBSIDIARIES
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31 DECEMBER 2021 (continued)

2 Significant accounting policies (continued)

2.20 Revenue recognition (continued)

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.

Freight forwarding revenue

The Group 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.

Revenue from logistics and document storage services

The Group provides logistics and documentation storage 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.

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.

2.21 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 income.

2.22 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.

ARAMEX PJSC AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2021 (continued)

2 Significant accounting policies (continued)

2.23 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. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in countries where the Group operates and generates taxable income.

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:

- 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.

2 Significant accounting policies (continued)

2.23 Taxes (continued)

Deferred tax (continued)

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 income.

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.

2.24 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.

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.

2 Significant accounting policies (continued)

2.24 Leases (continued)

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 income 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 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 income. 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.

Rent concessions have been granted to a number of vehicles, property, and equipment leases across the Group, as a result of the COVID-19 pandemic. Rent concessions include payment holidays and deferral of lease payments.

2.25 Cash dividend

The Company 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 Company. As per the corporate laws, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

2.26 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.

ARAMEX PJSC AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2021 (continued)

2 Significant accounting policies (continued)

2.27 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 income.

Additional disclosures are provided in Note 10. All other notes to the financial statements include amounts for continuing operations, unless otherwise mentioned.

2.28 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.

2.29 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.

2.30 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.

ARAMEX PJSC AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2021 (continued)

2 Significant accounting policies (continued)

2.31 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.

2.32 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.

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 income 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 income. 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 income or the consolidated statement of income are also recognised in other comprehensive income or consolidated statement of income, 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 income 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 income.

ARAMEX PJSC AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2021 (continued)

2 Significant accounting policies (continued)

2.32 Foreign currencies (continued)

Group companies (continued)

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 2021.

2.33 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.

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 income.

All items recognised in the consolidated statement of income 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 economy has been classified as hyperinflationary for the years ended 31 December 2021 and 31 December 2020. Accordingly, the results, cash flows and financial position of the Group's subsidiary; Aramex Lebanon S.A.L has been expressed in terms of the measuring unit current at the reporting date. Impact of applying IAS 29 for the years ended 31 December 2021 and 31 December 2020 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 approved policies.

(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.

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
2021		
EUR	+10	(342)
INR	+10	113
GBP	+10	1,550
EGP	+10	(983)
TRY	+10	(203)
ZAR	+10	275
2020		
EUR	+10	(753)
INR	+10	130
GBP	+10	3,133
EGP	+10	(682)
TRY	+10	(849)
ZAR	+10	84

The effect of decreases in exchange rates are expected to be equal and opposite to the effects of the increases shown.

3 Financial risk management (continued)

3.1 Financial risk factors (continued)

(a) Market risk (continued)

(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).

The Group in not exposed to interest rate risk on its interest bearing assets, as the term deposits carry a fixed interest rate with the respective financial institutes.

The sensitivity analysis calculates the effect of a reasonably possible movement in the interest rate on the consolidated statement of income:

	2021 AED'000	2020 AED'000
Variable rate instruments		
+100 bps	(3,178)	(7,729)
- 100 bps	3,178	7,729

IBOR transition (Interest rate benchmark reforms)

The Group is primarily exposed to US LIBOR which is subject to the interest rate benchmark reform, Bank Bill Swap Bid Rate (BBSY); main interest rate benchmark in Australia and Bank Bill Benchmark Rate (BKBM); main interest rate benchmark in New Zealand which both still exist as at the reporting date.

The Group is actively preparing for the LIBOR transition to the new Risk Free Rate (RFR) rates, which includes representatives from Finance, Legal, Treasury and other relevant business units, where effective 31 December 2021, LIBOR will no longer be used to price new loans. Since the 3-months US LIBOR cessation date is June 2023, and the LIBOR applicable interest rate benchmarks in the Group agreements have not been replaced, the resulting change in the LIBOR reform as at 31 December 2021 did not have an impact on the consolidated financial statements.

Management will continue to monitor the relevant developments and will evaluate the impact on the IBOR amendments on the consolidated financial statements.

(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.

Risk management

The Group's policy is to place cash and cash equivalents with reputable banks and financial institutions.

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 63% 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 PJSC AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2021 (continued)

3 Financial risk management (continued)

3.1 Financial risk factors (continued)

(b) Credit risk (continued)

At 31 December 2021 the Group had 5 customers (2020: 5 customers) that accounted for approximately 28% (2020: 33%) 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.

Security

For some receivables the Group may obtain security in the form of guarantees, deeds of undertaking or letters of credit which can be called upon if the counterparty is in default under the terms of the agreement.

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, and
- restricted cash, margins and bank deposits.

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 2021 or 1 January 2021 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.

On that basis, the impairment loss as at 31 December 2021 and 31 December 2020 was determined as follows for accounts receivable:

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

ARAMEX PJSC AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2021 (continued)

3 Financial risk management (continued)

3.1 Financial risk factors (continued)

(b) Credit risk (continued)

Accounts receivable (continued)

31 December 2020	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	2%	13%	39%	56%	100%	7%
Gross carrying amount – Accounts receivable in AED'000	1,040,453	66,314	16,421	12,007	46,530	1,181,725
Expected credit loss in AED'000	19,229	8,897	6,395	6,747	46,530	87,798
Carrying amount in AED'000	1,021,224	57,417	10,026	5,260	-	1,093,927

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 unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

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.

Cash and bank balances and restricted cash, margins and fixed deposits

During the year ended 31 December 2021 the impairment loss on cash bank balances amounted to AED 912 thousand (2020: AED 21,301 thousand) due to the economic in Lebanon as detailed in Note 17.

As a result of translation of the operations in Aramex Lebanon, an amount of AED 20,428 thousand related to restricted cash held at banks in Lebanon and the respective impairment loss recorded during 2020 and 2021 was reversed in the consolidated statement of comprehensive income during the year 2021 as detailed in Note 17.

3 Financial risk management (continued)

3.1 Financial risk factors (continued)

(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 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.

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	Toal 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, and other current liabilities (excluding deferred revenue)	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
31 December 2020							
Interest-bearing loans and borrowings	533,814	26,161	23,244	46,895	103,787	733,901	704,841
Lease liabilities	85,056	146,522	156,826	277,112	602,152	1,267,668	887,738
Bank overdrafts	68,341	-	-	-	-	68,341	68,059
Accounts payable, income tax provision, and other current liabilities (excluding deferred revenue)	1,420,449	-	-	-	-	1,420,449	1,420,449
	2,107,660	172,683	180,070	324,007	705,939	3,490,359	3,081,087

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.

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 Financial risk management (continued)

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 2021 and 2020, 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 2021, items measured at fair value have been measured at level 3 valuation techniques for an amount of AED 17,638 thousand (2020: AED 25,451 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 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 2021, the Group utilized 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.

ARAMEX PJSC AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2021 (continued)

4 Key estimates and judgments (continued)

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 income:

	Changes in useful lives %	Effect on profit before tax AED '000
Leasehold improvements	+10	(1,332)
Buildings	+10	(1,590)
Furniture and fixtures	+10	(439)
Warehousing racks	+10	(480)
Office equipment	+10	(2,290)
Computers	+10	(4,059)
Vehicles	+10	(889)

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 subsidiary Aramex Lebanon S.A.L has been accounted for as entities operating in hyperinflationary economies. The results, cash flows and financial positions of Aramex Lebanon S.A.L has 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 34,863 thousand were recognised directly in equity during 2021 (2020: gains of AED 63,311 thousand were recognised directly in equity during 2020). The uplift of the assets on initial adoption resulted in the net asset value of Aramex Lebanon S.A.L exceeding its estimated recoverable amount.

The general price index used as published by the International Monetary Fund is as follows:

	Base year	General price index	Inflation rate (%)
31 December 2021	2021	2.04	753
31 December 2020	2020	1.54	173

ARAMEX PJSC AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2021 (continued)

4 Key estimates and judgments (continued)

Aramex Lebanon S.A.L (continued)

The cumulative inflation rate over three years as at 31 December 2021 is 753% (2020: 173%). The average adjustment factor used for 2021 was 2.04 (2020: 1.54).

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.

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 2021, 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.

ARAMEX PJSC AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2021 (continued)

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*
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

ARAMEX PJSC AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2021 (continued)

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*
2020										
Cost:										
At 1 January 2020	87,815	129,204	587,250	47,600	108,284	237,099	316,037	82,372	23,427	1,619,088
Impact of hyperinflation	-	8,817	7,615	2,573	3,181	5,335	3,567	4,226	-	35,314
At 1 January 2020 (adjusted)	87,815	138,021	594,865	50,173	111,465	242,434	319,604	86,598	23,427	1,654,402
Additions	-	14,826	26	4,847	7,288	29,683	43,238	11,704	29,258	140,870
Transfers	-	629	-	63	855	4,436	2,154	-	(8,137)	-
Disposals	-	(3,205)	(2,319)	(1,063)	(880)	(1,783)	(8,253)	(4,868)	-	(22,371)
Losses on property damages	-	-	(1,102)	-	-	-	-	-	-	(1,102)
Discontinued operations (Note 10)	(3,312)	(12,203)	(40,554)	(3,814)	(48,120)	(31,512)	(24,536)	(1,356)	(2,059)	(167,466)
Impact of hyperinflation	-	(66)	(3,775)	(179)	(334)	(338)	(27)	(48)	-	(4,767)
Exchange differences	1,616	550	4,619	114	467	2,275	2026	(814)	-	10,853
At 31 December 2020	86,119	138,552	551,760	50,141	70,741	245,195	334,206	91,216	42,489	1,610,419
Depreciation:										
At 1 January 2020	-	64,168	126,184	27,482	43,670	118,259	176,450	57,790	-	614,003
Impact of hyperinflation	-	1,242	4,231	1,205	414	1,924	3,113	3,321	-	15,450
At 1 January 2020 (adjusted)	-	65,410	130,415	28,687	44,084	120,183	179,563	61,111	-	629,453
Charge for the year	-	14,916	18,334	4,700	7,774	22,895	41,898	8,848	-	119,365
Disposals	-	(2,840)	(876)	(980)	(595)	(1,480)	(6,908)	(2,797)	-	(16,476)
Discontinued operations (Note 10)	-	(6,645)	(12,014)	(2,732)	(24,688)	(19,865)	(19,146)	(1,205)	-	(86,295)
Impact of hyperinflation	-	1,600	(870)	61	67	229	157	336	-	1,580
Exchange differences	-	403	1,416	192	292	1,633	2,147	(46)	-	6,037
At 31 December 2020	-	72,844	136,405	29,928	26,934	123,595	197,711	66,247	-	653,664
Net book value:										
At 31 December 2020	86,119	65,708	415,355	20,213	43,807	121,600	136,495	24,969	42,489	956,755

During the year ended 31 December 2020, an amount of AED 2,820 thousand have been reclassified from right-of-use assets to vehicles in property and equipment.

ARAMEX PJSC AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2021 (continued)

5 Property and equipment (continued)

Depreciation charge for the year is allocated as follows:

	2021 AED'000	2020 AED'000
Administrative expense (Note 28)	74,108	68,313
Cost of services (Note 27)	36,683	38,664
Discontinued operations	-	12,388
	110,791	119,365

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 2020	209,355	679,862	6,308	176,773	1,072,298
Impact of hyperinflation	-	42,438	-	7,400	49,838
At 1 January 2020 (adjusted)	209,355	722,300	6,308	184,173	1,122,136
Additions	2,347	234,053	1,122	95,009	332,531
Reclassification	2,592	(1,917)	(192)	(483)	-
Disposals	(1,473)	(106,686)	(419)	(47,742)	(156,320)
Discontinued operations (Note 10)	(18,034)	(40,951)	(170)	(4,800)	(63,955)
Exchange differences	2	14,414	393	838	15,647
Impact of hyperinflation	-	(504)	-	(871)	(1,375)
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
Accumulated depreciation:					
At 1 January 2020	8,068	138,064	1,351	70,703	218,186
Impact of hyperinflation	-	3,387	-	3,004	6,391
At 1 January 2020(adjusted)	8,068	141,451	1,351	73,707	224,577
Charge for the year	10,492	157,555	1,949	70,900	240,896
Disposals	(1,080)	(53,990)	(369)	(39,414)	(94,853)
Discontinued operations (Note 10)	(2,577)	(17,867)	(88)	(1,909)	(22,441)
Exchange rate difference	3	2,903	122	390	3,418
Impact of hyperinflation	-	4,799	-	2,139	6,938
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
Net book value:					
At 31 December 2021	157,565	599,868	2,342	134,491	894,266
At 31 December 2020	179,883	585,858	4,077	120,311	890,129

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ARAMEX PJSC AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2021 (continued)

6 Leases (continued)

Right of use assets (continued)

Depreciation charge for the year is allocated as follows:

	2021 AED'000	2020 AED'000
Administrative expense (Note 28)	70,398	69,313
Cost of services (Note 27)	181,550	158,206
Discontinued operations	-	13,377
	251,948	240,896

Lease liabilities

	Future minimum lease payments *AED'000*	*Interest* *AED'000*	*Present value of minimum lease payments* *AED'000*
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
2020			
Within one year	231,578	45,030	186,548
After one year	1,036,090	334,900	701,190
Total	1,267,668	379,930	887,738

Lease liabilities measured at present value were unwound during the year ended 31 December 2021 for an amount of AED 46,777 thousand (2020: AED 45,228 thousand) where a portion amounting to AED 199 thousand was unpaid as of 31 December 2021 (2020: AED 231 thousand).

In May 2020, the IASB published an amendment to IFRS 16 that provided an optional practical expedient for lessees from assessing whether a rent concession related to COVID-19 is a lease modification where the Group has early adopted the amendment during the year ended 31 December 2020. On 31 March 2021, the IASB published an additional amendment to extend the date of the practical expedient from 30 June 2021 to 30 June 2022.

The impact on the consolidated financial position and the consolidated statement of income on the early application of the amendment of IFRS 16 during 2020 was as follows:

(a) Impact on the consolidated statement of financial position

	As previously stated AED'000	*Impact on application AED'000*	*As at 31 December 2020 AED'000*
Current	188,438	1,890	186,548
Non-current	701,190	-	701,190
	889,628	1,890	887,738

In accordance with the IFRS 16 amendments, the right of use assets was not impacted on the application of the amendments.

(b) Impact on the consolidated statement of income

During the year ended 31 December 2020, an amount of AED 1,890 thousand was recognized as income on the derecognition of lease liabilities on the early application of the new amendments to IFRS 16 within other income/(expenses). The depreciation on the right of use assets was not impacted as a result of this application.

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7 Goodwill

	2021 AED'000	2020 AED'000
At 1 January	1,135,511	1,128,337
Discontinued operations	(109,389)	(6,438)
Acquisitions*	5,142	-
Impairment	(2,975)	-
Exchange differences	(25,721)	13,612
At 31 December	1,002,568	1,135,511

*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 recognized as goodwill. An additional amount of AED 483 thousand was recognized 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 2021 and 2020. 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 recognized in the consolidated statement of income. 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:

	2021 AED'000	2020 AED'000
Domestic shipping	486,430	498,542
Express shipping	268,406	272,863
Freight forwarding	167,025	169,799
Documents storage	-	109,389
Logistics	74,495	75,731
Publication and distribution	6,212	9,187
	1,002,568	1,135,511

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.

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 WACC for the industry which ranges between 9.5% to 12.2% (2020: ranges between 9.4% to 12.3%). 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.

ARAMEX PJSC AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2021 (continued)

7 Goodwill (continued)

Key assumptions used in value-in-use calculations and sensitivity to changes in assumptions (continued)

Growth rate estimates – Growth rate used of 3.1% (2020: 3.3%) is based on actual operating results and future expected performance based on current industry trends and including long-term inflation forecasts for each territory.

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*	*Total AED'000*
Cost:				
At 1 January 2020	67,459	181,250	6,856	255,565
Discontinued operations (Note 10)	(10,699)	-	-	(10,699)
Exchange differences	-	12,935	-	12,935
At 31 December 2020	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
Amortisation and impairment:				
At 1 January 2020	41,324	-	-	41,324
Amortisation	4,288	-	4,572	8,860
Discontinued operations (Note 10)	(8,788)	-	-	(8,788)
At 31 December 2020	36,824	-	4,572	41,396
Amortisation	2,780	-	2,284	5,064
At 31 December 2021	39,604	-	6,856	46,460
Net book value:				
At 31 December 2021	17,156	184,099	-	201,255
At 31 December 2020	19,936	194,185	2,284	216,405

* 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 performed its annual impairment test on 31 December 2021 and 2020. The Group considers the relationship between its market capitalization and its book value among other factors, when reviewing for indicators of impairment. As at 31 December 2021, the market capitalization 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 2.5% (2020: 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 8.2% to 8.6% (2020: 8.5% 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 2021 and 2020, there were no subsidiaries with material non-controlling interest to the Group.

10 Discontinued operation

(A) Description

(i) Disposal group of assets

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 year ended 31 December 2021, most of the group of assets were sold with effect on 31 August 2021 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 income 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 income 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:

	2021 AED '000	2020 AED '000
Rendering of services	120,393	166,759
Direct costs	(60,190)	(78,896)
Gross profit	60,203	87,863
Selling and marketing expenses	(6,643)	(9,654)
Administrative expenses	(30,128)	(45,153)
Net impairment loss on financial assets	(2,946)	(3,452)
Other (expenses)/income, net	(756)	114
Operating profit	19,730	29,718
Finance income	359	324
Finance expense	(2,153)	(3,473)
Profit before tax	17,936	26,569
Income tax expense	(2,195)	(3,276)
Profit for the year	15,741	23,293
Gain on sale of discontinued operations	31,608	-
Profit from discontinued operations	47,349	23,293
Other comprehensive income	-	-
Total comprehensive income	47,349	23,293
Profit for the year attributable to:		
Equity holders of the Parent	46,246	21,809
Non-controlling interests	1,103	1,484
	47,349	23,293

(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:

	2021 AED'000	2020 AED'000
Assets		
Non-current assets		
Property and equipment	2,867	81,171
Right of use assets	2,868	41,514
Goodwill	-	6,438
Other intangible assets	-	1,911
Deferred tax assets	-	885
	5,735	131,919
Current assets		
Accounts receivable, net	2,867	29,409
Other current assets	140	14,520
Cash and bank balances	1,908	42,115
	4,915	86,044
Total assets	10,650	217,963

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31 DECEMBER 2021 (continued)

10 Discontinued operation (continued)

(C) **Assets held for sale** (continued)

	2021 AED'000	2020 AED'000
Liabilities		
Non-current liabilities		
Employees' end of service benefits	271	14,949
Lease liabilities	1,118	33,757
Deferred tax liabilities	-	1,038
Interest-bearing loans and borrowings	-	4,091
	1,389	53,835
Current liabilities		
Trade payables	207	5,814
Lease liabilities	1,608	9,324
Other current liabilities	1,210	21,126
Income tax provision	91	2,818
Interest-bearing loans and borrowings	-	1,089
	3,116	40,171
Total liabilities	4,505	94,006
Net assets directly associated with disposal group	6,145	123,957

Cash flows from discontinued operations:

	2021	2020
Net cash generated from operating activities	5,517	50,034
Net cash used in investing activities	(26)	(6,483)
Net cash used in financing activities	(2,727)	(39,267)
Net cash inflows	2,764	4,284

(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 August 2021 AED'000
Assets	
Non-current assets	
Property and equipment	78,891
Right of use assets	45,843
Goodwill	6,438
Other intangible assets	892
Deferred tax assets	925
	132,989
Current assets	
Accounts receivable, net	31,542
Other current assets	21,694
Cash and bank balances	43,430
	96,666
Total assets	229,655

ARAMEX PJSC AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2021 (continued)

10 Discontinued operation (continued)

(D) **Sale of a subsidiary** (continued)

	31 August 2021 AED'000
Liabilities	
Non-current liabilities	
Employees' end of service benefits	15,393
Lease liabilities	38,994
Deferred tax liabilities	1,251
	55,638
Current liabilities	
Trade payables	6,794
Lease liabilities	8,661
Other current liabilities	61,001
Income tax provision	2,240
	78,696
Total liabilities	134,334
Non-controlling interest	3,223
Net assets directly associated with disposal group	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 recognized a receivable from the escrow account. During the time specified in the SPA and once the adjustments have crystallized 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 recognized prospectively as changes in estimates in the consolidated statement of income in the period when they take place. At the time of the sale, the fair value of the consideration was determined to be AED 335,157 thousand.

The gain on sale of the subsidiary has been calculated as follows:

	31 August 2021 AED'000
Consideration received or receivable:	
Cash	288,056
Receivable	47,101
Total disposal consideration	335,157
Carrying amount of net assets sold (including goodwill recognised at the group level)	(237,327)
Gain on sale before income tax, reclassification of foreign currency translation reserve and costs to sell	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	31,608

11 Investments in joint ventures

The details of the investments in joint ventures are as follows:

	Ownership percentage 2021 %	2020 %	*Country of incorporation*	*Nature of activity*	*Book value* 2021 AED'000	2020 AED'000
Aramex Sinotrans Co. LTD	50	50	China	Express, freight and logistics services	32,594	33,215
Others	50	50	-	-	-	-
					32,594	33,215

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2021 (continued)

11 Investments in joint ventures (continued)

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:

	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%
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, trade payables amounted to AED 45,395, other current liabilities amounted to AED 9,881, tax provisions amounted to AED 1,316 and lease liability of AED 2,516.

	2020		
	Aramex Sinotrans Co. LTD AED'000	*Others* AED'000	*Total* AED'000
Non-current assets	7,191	55,258	62,449
Current assets*	134,182	17,827	152,009
Non-current liabilities	(2,218)	(59,090)	(61,308)
Current liabilities**	(72,725)	(13,995)	(86,720)
Equity	66,430	-	66,430
Proportion of the Group's ownership	50%	-	50%
Carrying amount of the investment	33,215	-	33,215

* The current assets of Aramex Sinotrans Co. Ltd include cash at banks amounted to AED 80,482 thousand, accounts receivable amounted to AED 42,394 thousand and other current assets amounted to AED 11,306 thousand.

** The current liabilities of Aramex Sinotrans Co. Ltd include, accruals amounted to AED 32,574 thousand, trade payables amounted to AED 26,426 thousand, other current liabilities amounted to AED 8,794 thousand, tax provisions amounted to AED 2,493 thousand and lease liability of AED 2,438 thousand.

ARAMEX PJSC AND ITS SUBSIDIARIES
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31 DECEMBER 2021 (continued)

11 Investments in joint ventures (continued)

Summarised statement of profit or loss of the joint ventures:

	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/(loss) for the year	23,386	(28)	23,358
Group's share of profit/(loss) for the year	11,693	(14)	11,679

	2020		
	Aramex Sinotrans Co. LTD AED'000	*Others* AED'000	*Total* AED'000
Revenue	386,732	17,217	403,949
Cost of sale	(322,048)	(12,216)	(334,264)
Administrative expenses	(16,243)	(3,709)	(19,952)
Other expenses	(6,062)	(1,583)	(7,645)
Profit/(loss) before tax	42,379	(291)	42,088
Income tax	(10,649)	-	(10,649)
Profit/(loss) for the year	31,730	(291)	31,439
Group's share of profit/(loss) for the year	15,865	(145)	15,720

The joint ventures had no contingent liabilities or capital commitments as at 31 December 2021 and 2020.

12 Investments in associates

The details of the investments in associates were as follows:

	Ownership percentage 2021 %	2020 %	*Country of incorporation*	*Nature of activity*	*Book value* 2021 AED'000	2020 AED'000
Linehaul Express Australia Pty Ltd	37.1	34.3	Australia	Domestic services	231	403
WS One Investment LLC	25	25	UAE	Express services	-	5,378
Aramex Thailand Ltd	49	49	Thailand	Logistics and transportation	4,623	807
					4,854	6,588

ARAMEX PJSC AND ITS SUBSIDIARIES
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31 DECEMBER 2021 (continued)

12 Investments in associates (continued)

The associates are accounted for using the equity method in the consolidated financial statements. The following table illustrates the summarized financial information of the Group's investments in associates:

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

2020	*Linehaul Express Australia PTY Ltd* AED'000	*WS One Investment LLC* AED'000	*Aramex Thailand Ltd* AED'000	*Total* AED'000
Non-current assets	1,335	11,532	948	13,815
Current assets	12,314	14,810	4,000	31,124
Non-current liabilities	(575)	-	(1,731)	(2,306)
Current liabilities	(11,898)	(4,831)	(1,570)	(18,299)
Equity	1,176	21,511	1,647	24,334
Proportion of the Group's ownership	34.3%	25%	49%	-
Group's share	403	5,378	807	6,588
Carrying amount of the investment	403	5,378	807	6,588

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)	(32,008)	(45,419)	(172,964)
Administrative expenses	(3,339)	(7,849)	(3,520)	(14,708)
Other income/(expenses) net	206	-	(1,733)	(1,527)
(Loss)/profit before tax	(331)	(21,508)	10,069	(11,770)
Income tax	(64)	-	(1,749)	(1,813)
(Loss)/profit for the year	(395)	(21,508)	8,320	(13,583)
Group's share of (loss)/profit for the year	(146)	(5,378)	4,077	(1,447)

ARAMEX PJSC AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2021 (continued)

12 Investments in associates (continued)

2020	*Linehaul Express Australia PTY Ltd* AED'000	*WS One Investment LLC* AED'000	*Aramex Thailand Ltd* AED'000	*Total* AED'000
Revenue	80,000	29,069	9,751	118,820
Cost of sale	(76,063)	(38,122)	(7,524)	(121,709)
Administrative expenses	(2,996)	(11,366)	(1,944)	(16,306)
Other expenses net	(226)	-	(6)	(232)
Profit/(loss) before tax	715	(20,419)	277	(19,427)
Income tax	-	-	-	-
Profit/(loss) for the year	715	(20,419)	277	(19,427)
Group's share of profit/(loss) for the year	247	(5,105)	136	(4,722)

The associates had no contingent liabilities or capital commitments as at 31 December 2021 and 2020.

13 Financial assets at fair value through other comprehensive income

At 31 December 2021, 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 2021 %	*Ownership percentage* 2020 %	*Country of incorporation*	*Nature of activity*	*Book value* 2021 AED'000	*Book value* 2020 AED'000
Unquoted equity financial assets						
What 3 Words Ltd	1.59	1.89	UK	Global addressing systems	15,241	15,241
Jamalon Inc.	7.49	7.49	British Virgin Islands	Online book retail	-	6,481
Gutechno Logistics Private Ltd	5.68	5.68	India	Local delivery solutions	-	1,844
Flirtey Tech Pty Ltd.	0.13	1	USA	Drone Technology	76	79
Unquoted debt financial assets						
Cell captive			South Africa	Insurance	1,219	704
Shippify Inc			USA	Food delivery	1,102	1,102
					17,638	25,451

For equity instruments at fair value through OCI, gains and losses on these financial assets are never recycled to the consolidated statement of income. Dividends are recognised as other income in the consolidated statement of income when the right of payment has been established. Equity instruments designated at fair value through OCI are not subject to impairment assessment. During 2021 and 2020, the Group invested in and disposed of certain shares and securities for strategic and commercial purposes as shown in the following table:

	2021 AED'000	2020 AED'000
As at 1 January	25,451	32,656
Disposals	-	(5,349)
Transfers	-	(551)
Gain from revaluation of debt instruments	572	-
Net loss from revaluation of equity instruments	(8,325)	(1,284)
Exchange differences	(60)	(21)
As at 31 December	17,638	25,451

ARAMEX PJSC AND ITS SUBSIDIARIES
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31 DECEMBER 2021 (continued)

14 Income tax

The major components of income tax expense for the years ended 31 December 2021 and 2020 are:

Consolidated statement of income

	2021 AED'000	2020 AED'000
Current income tax expense	89,705	114,072
Deferred tax	(8,233)	(5,121)
Income tax expense reported in the consolidated statement of income	81,472	108,951

Deferred tax relates to the following:

	2021	2020
Provision for expected credit losses	4,485	3,629
Impact of hyperinflation	(1,947)	(8,054)
Impact of IFRS 16	5,375	4,159
Depreciation	(10,302)	(8,762)
Employees' end of service benefits	9,926	3,871
Net operating losses carried forward	649	1,085
Intangible assets with indefinite useful life	(53,006)	(56,132)
Others	10,712	9,631
	(34,108)	(50,573)
Recognised as follows:		
As deferred tax assets	8,006	7,786
As deferred tax liabilities	(42,114)	(58,359)
	(34,108)	(50,573)

Reconciliation of deferred tax liability, net:

	2021	2020
At 1 January	(50,573)	(42,156)
Deferred tax assets	8,233	5,121
Foreign exchange	8,232	(13,538)
At 31 December	(34,108)	(50,573)

Reconciliation between accounting profit and taxable profit:

	2021	2020
Accounting profit before income tax	262,224	355,353
Non-deductible expenses	52,962	125,745
Taxable profit	315,186	481,098
Income tax expense reported in the consolidated statement of income	81,472	108,951
Effective income tax rate (%)	31.07%	30.66%

Movements on income tax provision were as follows:

	2021	2020
At 1 January	78,165	86,995
Income tax expense for the year	89,705	114,072
Discontinued operations	-	2,997
Income tax paid	(96,549)	(125,260)
Foreign exchange	(8,774)	(639)
At 31 December	62,547	78,165

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.

Aramex PJSC is registered in the United Arab Emirates of where there is a zero corporate income taxation. Income tax appearing in the consolidated statement of financial position represents the income tax provision of Group's subsidiaries as of 31 December.

ARAMEX PJSC AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2021 (continued)

15 Accounts receivable, net

	2021 AED'000	2020 AED'000
Accounts receivable	1,311,466	1,181,725
Less: impairment for expected credit losses	(92,044)	(87,798)
	1,219,422	1,093,927

Geographic concentration of accounts receivable as of 31 December is as follows:

	2021 %	2020 %
Gulf Cooperation Council	46	40
Middle East, North Africa and Turkey	13	12
East and South Africa	4	5
Europe	12	12
North America	5	6
North Asia	5	11
South Asia	10	8
Oceania	5	6

As at 31 December 2021, accounts receivable at nominal value of AED 92,044 thousand (2020: AED 87,798 thousand) were impaired. Movement on expected credit losses was as follows:

	2021 AED'000	2020 AED'000
At 1 January	87,798	104,492
Charge for the year, net	15,635	25,319
Amounts written-off	(4,132)	(30,137)
Discontinued operations	-	(11,292)
Impact of translation	(3,665)	-
Foreign exchange	(3,592)	(584)
At 31 December	92,044	87,798

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

	2021 AED'000	2020 AED'000
Prepaid expenses	53,338	40,378
Advances to suppliers	79,587	76,539
Refundable deposits	37,172	44,168
Withholding tax	24,603	29,768
Other receivables*	99,009	81,021
	293,709	271,874

* As at 31 December 2021, the Group had other receivables amounting to AED 99,009 thousand (2020: AED 81,021 thousand) that mainly represent stationery, supplies and other receivables.

17 Cash and bank balances

	2021 AED'000	2020 AED'000
Cash and cash equivalents	711,800	975,487
Restricted cash, margins and fixed deposits*	57,641	279,279
	769,441	1,254,766

17 Cash and bank balances (continued)

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 (2020: 2.6% - 2.8% per annum).

Included in cash at banks are amounts totalling AED 620,536 thousand (2020: AED 736,100 thousand) of cash held at foreign banks abroad and amounts totalling approximately AED 141,284 thousand (2020: AED 235,228 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 7,375 thousand (2020: AED 9,276 thousand) and long-term deposits with maturities greater than 3 months of AED 48,043 thousand (2020: AED 243,083 thousand).

	2021 AED'000	2020 AED'000
Restricted cash	4,008	48,221
Less: impairment for expected credit losses	(1,785)	(21,301)
	2,223	26,920

Cash at banks in Lebanon balance as at 31 December 2020 in the amount of AED 48,221 thousand and related impairment of AED 21,301 thousand was reclassified to restricted cash during 2021 as detailed in Note 38.

Movement on expected credit losses was as follows:

	2021 AED'000	2020 AED'000
At 1 January	21,301	-
Charge for the year	912	21,301
Impact of translation	(20,428)	-
At 31 December	1,785	21,301

For the purpose of the statement of cash flows, cash and cash equivalents consist of:

	2021 AED'000	2020 AED'000
Cash and cash equivalents	711,800	975,487
Less: bank overdrafts (Note 24)	(153,113)	(68,059)
	558,687	907,428

18 Share capital

	2021 AED'000	2020 AED'000
Authorised, issued and paid up capital		
1,464,100,000 ordinary shares of AED 1 each (2020: 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 Law No. (2) of 2015 as amended, 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.

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19 Reserves (continued)

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.

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.

	2021 AED'000	2020 AED'000
At 1 January	(6,214)	(193)
Net loss from revaluation	(7,065)	(1,284)
Transfer of loss/(gain) on disposal of equity investments at fair value through other comprehensive income to retained earnings	1,102	(4,737)
At 31 December	(12,177)	(6,214)

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.

	2021 AED'000	2020 AED'000
At 1 January	(850)	465
Remeasurements of post-employment benefit obligations	12	(1,315)
Disposal of a subsidiary	1,007	-
At 31 December	169	(850)

20 Dividends

At the Annual General Meeting of the shareholders held on 21 April 2021, the shareholders approved a cash dividend of 13% for the year ended 31 December 2020 (31 December 2019: cash dividend of 16.5% was approved at the Annual General Meeting of the shareholders held on 22 June 2020 for the year ended 31 December 2019) of the issued and paid up capital amounting to AED 1,464,100 thousands (31 December 2020: AED 1,464,100 thousands). The dividends per share amount to AED 0.13 (31 December 2020: AED 0.165).

21 Interest-bearing loans and borrowings

	2021 AED'000	2020 AED'000
Non-current		
Term loans (a)	135,885	154,510
Notes payable	1,374	7,490
	137,259	162,000
Current		
Term loans (a)	23,553	539,149
Notes payable	3,871	3,692
	27,424	542,841

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31 DECEMBER 2021 (continued)

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 utilized as at 31 December 2021 is nil (2020: amounted to USD 140 million (equivalent to AED 514 million)). 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 2016, Aramex Fastway entered into a 5 year term loan agreement with HSBC Bank Australia for a total amount of AED 108 million (AUD 39.6 million) bearing annual interest rate of AUD (BBSY) plus a margin of 1.5% p.a. The term loan is repayable in 20 consecutive quarterly instalments; the first instalment was due on 30 June 2016. The purpose of this facility is to finance new acquisitions. The loan is secured by corporate guarantee extended by Aramex PJSC. The loan matured in January 2021.

During 2021, Aramex Fastway refinanced the 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 this facility is to finance the Fastway acquisition and any potential further increases for general corporate purposes. The loan is secured by corporate guarantee extended by Aramex PJSC.

HSBC loan (2)

During 2016, Aramex New Zealand entered into a 5 year term loan agreement with HSBC Bank New Zealand for a total amount of AED 115 million (NZD 44.2 million) bearing annual interest rate of NZD (BKBM) plus a margin of 1.5% p.a. The term loan is repayable in 20 consecutive quarterly instalments; the first instalment was due on 30 June 2016. The purpose of this facility is to finance new acquisitions. The loan is secured by corporate guarantee extended by Aramex PJSC. The loan matured in January 2021.

During 2021, Aramex New Zealand refinanced the 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.

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 2021.

Others

Term loans also include a number of loans obtained by Group with a balance of AED 8 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.

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21 Interest-bearing loans and borrowings (continued)

(a) Term loans (continued)

The principal instalments payable after 2022 for long-term loans as of 31 December 2021 are as follows:

	2021 AED'000
Year	
2023	11,363
2024	12,430
2025	12,430
2026 thereafter	99,662
	135,885

22 Employees' end of service benefits

Movements on provision for employees' end of service benefits were as follows:

	2021 AED'000	2020 AED'000
At 1 January	149,187	146,983
Provided during the year	33,813	38,377
Paid during the year	(31,732)	(22,346)
Discontinued operations (Note 10)	(56)	(14,949)
Actuary valuation through other comprehensive income	(12)	1,315
Exchange differences	(2,378)	(193)
At 31 December	148,822	149,187

Principal assumptions used in determining benefit obligations for the Company are shown below:

	2021 %	2020 %
Discount rate	3.07	3.51
Salary increase rate	2.61	2.97
Normal retirement age (years)	64	64

A quantitative sensitivity analysis for significant assumptions on the defined benefit obligation as at 31 December 2021 and 31 December 2020 is, as shown below:

	Impact on defined benefit obligation	
	2021 AED'000	2020 AED'000
Discount rate:		
0.5% increase	(400)	(679)
0.5% decrease	898	738
Salary increase rate:		
0.5% increase	898	763
0.5% decrease	(406)	(706)

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.

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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:

	2021 AED'000	2020 AED'000
Aramex Special Logistics (Citibank)	100,144	12,834
Aramex International LLC (HSBC)	47,744	51,416
Aramex Algeria S.A.L (Citibank)	4,345	3,586
Aramex Tunisia (Arab Bank)	546	202
Aramex Kenya Limited (Citibank)	334	21
	153,113	68,059

These overdraft facilities are secured by corporate guarantees extended by various Group's subsidiaries.

25 Other current and non-current liabilities

(A) Other current liabilities

	2021 AED'000	2020 AED'000
Accrued expenses	448,926	454,194
Deferred revenue	20,467	25,570
Sales tax and other taxes	67,026	130,522
Customers' deposits	10,438	10,761
Social security taxes payable	6,636	11,046
Claims	75,501	104,246
Others *	221,437	302,636
	850,431	1,038,975

* As at 31 December 2021, the Group has had other liabilities related mainly to cash on delivery collected by the Group on behalf of the customers, amounting to AED 141,284 thousand (2020: AED 235,228 thousand) (Note 17).

(B) Other non-current liabilities

In August 2021, the Group entered into a license and a software agreement and deed of termination. An amount of AED 19,587 thousand was recognized as deferred income during the year 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 1,282 thousand was amortised during the year and recognised in the consolidated statement of income.

Deferred income are classified in the non-current liabilities as deferred income and they are credited to the consolidated statement of income on as straight-line basis over the contractual period.

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26 Rendering of services

	2021 AED'000	2020 AED'000
International express	2,654,796	2,573,330
Domestic express	1,489,166	1,362,069
Freight forwarding	1,325,551	1,084,731
Logistics	434,856	374,862
Others*	164,436	115,307
	6,068,805	5,510,299

* 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.

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.

27 Cost of services

	2021 AED'000	2020 AED'000
International express costs	1,497,541	1,337,599
Freight forwarding costs	1,055,930	839,547
Domestic express costs	713,812	618,580
Salaries and benefits (Note 30)	683,467	612,004
Depreciation of right of use assets (Note 6)	181,550	158,206
Logistics costs	163,380	123,758
Vehicle running and maintenance	82,702	72,917
Supplies	45,882	44,140
Depreciation of property and equipment (Note 5)	36,683	38,664
Communication expenses	12,664	10,863
Government fees and taxes	4,895	4,128
Others	159,432	116,102
	4,637,938	3,976,508

28 Administrative expenses

	2021 AED'000	2020 AED'000
Salaries and benefits (Note 30)	343,242	356,123
Repairs and maintenance	100,747	69,110
Depreciation of property and equipment (Note 5)	74,108	68,313
Depreciation of right of use assets (Note 6)	70,398	69,313
Professional fees	54,102	28,729
Communication expenses	53,471	50,404
Government fees and taxes	31,031	24,878
Insurance and security	27,942	19,633
Utilities	11,071	12,656
Legal expenses	8,698	9,711
Entertainment	6,468	5,607
Printing and stationary	5,662	6,642
Travel expenses	5,348	4,529
Vehicle running expenses	2,847	2,556
Corporate social responsibility*	2,771	3,178
Sponsorship	262	124
Others	89,486	60,420
	887,654	791,926

* These amounts are paid to accredited well-known institutions that management has reviewed individually and is comfortable that they comply with international ethical regulations.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2021 (continued)

29 Other income, net

	2021 AED'000	2020 AED'000
Exchange loss	(14,624)	(1,217)
Gain/(loss) on sale of property and equipment	2,943	(417)
Miscellaneous income	29,530	16,216
	17,849	14,582

30 Staff costs

	2021 AED'000	2020 AED'000
Salaries and allowances	1,214,578	1,112,572
End of service benefits	33,758	36,428
Other employees' benefits	14,853	17,716
	1,263,189	1,166,716
Staff costs are allocated as follows:		
Administrative expenses (Note 28)	343,242	356,123
Selling and marketing expenses	236,480	198,589
Cost of services (Note 27)	683,467	612,004
	1,263,189	1,166,716

31 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 income are as follows:

Directors' fees paid

Directors' fees of AED 5,935 thousand representing remuneration for attending meetings and compensation for professional services rendered by the directors for the year 2021 were accrued for during 2021 (2020: an amount of AED 3,966 thousand were accrued for during 2020). Directors' fees of 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 (2020: AED 3,600 thousand representing remuneration for attending meetings and compensation for professional services rendered by the directors for the year 2019 were paid in 2020).

Key management compensation

Compensation of the key management personnel, including executive officers, paid during the year comprises the following:

	2021 AED'000	2020 AED'000
Salaries and other short term benefits	6,402	10,844
Board remuneration	4,050	3,600
End of service benefits	21	572
	10,473	15,016

Significant subsidiaries of the Group include:

Aramex Fastway Holdings PTY Ltd.
Aramex Jordan Ltd.
Aramex India Private Limited
Aramex International Egypt for Air and Local services (S.A.E), Egypt
Aramex Muscat LLC
Aramex Emirates LLC, UAE
Aramex Ireland Limited

ARAMEX PJSC AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2021 (continued)

31 Related party transactions (continued)

Significant subsidiaries of the Group include: (continued)

Aramex South Africa PTY Ltd.
Aramex Hong Kong Limited
Aramex Saudi Limited Company
Aramex International Hava Kargo Ve Kerye Anonim Sirketi
Aramex International Logistics Private Ltd.
Aramex (UK) Limited
Aramex New Zealand Holdings Ltd
Aramex Doha WLL
Aramex International Ltd

All of the above subsidiaries are directly or indirectly 100% owned by the Parent Company.

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 2021 and 2020, 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:					
	2021	22,444	1,208	4,629	1,432
	2020	1,615	1,197	53	970
Joint ventures in which the parent is a venture:					
	2021	150,119	640	40,651	-
	2020	83,105	981	25,329	53
Companies controlled by previous shareholders (c)					
	2021	-	-	-	-
	2020	60,808	-	-	-
Related parties and companies controlled by shareholders (d) and (e)					
	2021	44,721	-	36,028	685
	2020	658	-	4,721	-

(a) These amounts are classified as accounts receivable.

(b) These amounts are classified as accounts payable.

(c) Transactions with the previous shareholders and entities under common control by the shareholders were presented for the period from 1 January 2020 to 17 September 2020. The related outstanding balances as at 31 December 2020 are not included in the above disclosure since those entities ceased to be related parties on 17 September 2020.

(d) Included in the above disclosure balances as at 31 December 2021 and transactions for the year ended 31 December 2021 and for the period from 20 October 2021 to 31 December 2021 by the new shareholder, GeoPost, which acquired 24.93% of Aramex PJSC's issued shares during October 2021 as detailed in Note 1.

(e) Included in the above disclosure balances as at 31 December 2021 and transactions for the period from 17 September 2020 to 31 December 2021 with companies under common control by the new shareholder, Alpha Oryx Limited, which acquired 22.5% of Aramex PJSC's issued shares on 17 September 2020 as detailed in Note 1.

ARAMEX PJSC AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2021 (continued)

32 Earnings per share

	31 December 2021	31 December 2020
Profit attributable to shareholders of the Parent (AED'000)		
Profit for the year from continuing operations	179,295	244,843
Profit for the year from discontinued operations	46,246	21,809
	225,541	266,652
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)	0.122	0.167
Basic and diluted earnings per share from discontinued operations (AED)	0.032	0.015

33 Net gain/(loss) 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.

Based on the Group's assessment, management booked a provision of AED 7,712 thousand (AED 1,469 thousand representing property damages and AED 6,243 thousand representing estimated loss on the customers goods) and AED 45,173 thousand (AED 1,102 thousand representing property damages and AED 44,071 thousand representing estimated loss on the customers goods) to cover the estimated losses as at 31 December 2020 for Aramex Lebanon and Aramex Morocco respectively.

An additional provision was taken for a legal claim that occurred as a result of the fire incident in Morocco during the year ended 31 December 2020 with a total value of AED 36,726 thousand, this provision is related to a settlement agreement dated 16 March 2021 between the Company and a customer. On 28 March 2021, an amount of AED 36,726 was fully paid to the customer.

During the year ended 31 December 2021, a gain is recognized in connection with Aramex Lebanon amounting to AED 8,950 thousand representing a collection from the insurance company amounting to AED 6,611 thousand and a reversal of provision amounting to AED 2,339 thousand. The remaining provision related to Aramex Lebanon as at 31 December 2021 amounted to AED 411 thousand related to a minor customer claim.

During the current year, a gain is recognized in connection with Aramex Morocco Logistics SARL amounting to AED 24,717 thousand representing a collection from the insurance company amounting to AED 6,244 thousand and a reversal of provision amounting to AED 18,473 thousand following a settlement with the insurance company. The remaining provision related to Aramex Morocco Logistics SARL as at 31 December 2021 amounted to AED 19,354 thousand related to multiple claims from different customers.

ARAMEX PJSC AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2021 (continued)

34 Segmental information

For management purposes, the Group is organised into four operating segments:

- 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.
- 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 catalogue shipping services, document storage, airline ticketing and travel, visa services, and publication and distribution.

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 2021 and 2020, respectively.

	Courier** AED'000	Freight forwarding AED'000	Logistics AED'000	Others AED'000	Total AED'000
Year ended 31 December 2021					
Revenue					
Total revenues	4,143,962	1,325,551	434,856	164,436	6,068,805
Timing of revenue recognition					
Goods transferred at a point in time	4,143,962	1,325,551	434,856	164,436	6,068,805
Services transferred overtime	-	-	-	-	-
Total revenues from contracts with customers	4,143,962	1,325,551	434,856	164,436	6,068,805
Gross profit	1,147,792	153,875	42,481	86,719	1,430,867
Earnings before interest and tax*	266,879	14,312	22,463	2,020	305,674
Year ended 31 December 2020					
Revenue					
Total revenues	3,935,399	1,084,731	374,862	115,307	5,510,299
Timing of revenue recognition					
Goods transferred at a point in time	3,935,399	1,084,731	374,862	115,307	5,510,299
Services transferred overtime	-	-	-	-	-
Total revenues from contracts with customers	3,935,399	1,084,731	374,862	115,307	5,510,299
Gross profit	1,273,801	135,357	49,903	74,730	1,533,791
Earnings/(losses) before interest and tax *	457,705	16,519	(84,705)	10,029	399,548

ARAMEX PJSC AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2021 (continued)

34 Segmental information (continued)

* Earnings before interest and tax from "Logistics" is AED 5,758, after excluding losses from the incidents of AED 89,611 (Note 33), and impairment losses on bank balances of AED 852 thousand for the year ended 31 December 2020.

** Courier segment includes international express and domestic express.

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.

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.

Revenues, assets and liabilities by geographical segment are as follows:

	2021 AED'000	2020 AED'000
Revenues		
United Arab Emirates	887,667	824,987
Gulf Cooperation Council excluding United Arab Emirates	1,276,568	1,246,314
Middle East, North Africa and Turkey	750,269	700,881
East and South Africa	330,361	266,329
Europe	772,819	682,645
North America	285,056	216,977
North Asia	598,892	686,344
South Asia	534,176	384,215
Oceania	632,997	501,607
	6,068,805	5,510,299
Assets		
United Arab Emirates	1,899,450	2,561,367
Gulf Cooperation Council excluding United Arab Emirates	802,861	799,407
Middle East, North Africa and Turkey	642,291	700,885
East and South Africa	177,303	166,578
Europe	592,904	557,409
North America	160,316	164,070
North Asia	211,145	274,517
South Asia	251,179	239,005
Oceania	662,499	651,932
	5,399,948	6,115,170
Non - current assets*		
United Arab Emirates	765,315	839,590
Gulf Cooperation Council excluding United Arab Emirates	334,843	293,109
Middle East, North Africa and Turkey	279,749	344,380
East and South Africa	68,016	49,928
Europe	160,731	123,597
North America	41,351	45,116
North Asia	36,499	9,529
South Asia	62,367	66,311
Oceania	343,166	356,983
	2,092,037	2,128,543

ARAMEX PJSC AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2021 (continued)

34 Segmental information (continued)

Geographical segments (continued)	2021 AED'000	2020 AED'000
Liabilities		
United Arab Emirates	833,340	1,311,396
Gulf Cooperation Council excluding United Arab Emirates	598,522	730,287
Middle East, North Africa and Turkey	276,322	362,874
East and South Africa	71,024	58,178
Europe	206,444	185,060
North America	70,480	75,935
North Asia	135,837	126,008
South Asia	78,856	88,475
Oceania	453,130	469,996
	2,723,955	3,408,209

* 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).

35 Commitments and contingencies

Guarantees

	2021 AED'000	2020 AED'000
Letters of guarantee	146,997	138,995

Capital commitments

As at 31 December 2021, the Group has capital commitments of AED 34 million (2020: AED 15 million) towards purchase/construction of property and equipment.

Legal claims contingency

The Group is a defendant in a number of lawsuits amounting to AED 41,942 thousand representing legal actions and claims related to its ordinary course of business (2020: AED 302,490 thousand). Management and its legal advisors believe that the provision recorded of AED 13,350 thousand as of 31 December 2021 is sufficient to meet the obligations that may arise from the lawsuits (2020: AED 47,628 thousand).

During 2020, a portion of the AED 302,490 thousand represents a lawsuit from a customer claiming a total amount of AED 149,008 thousand resulting from the fire incident in one of the Group's subsidiaries, Aramex Morocco Logistics SARL. During 2021, an amount of AED 36,726 thousand was settled by the Group as a final settlement against the claim.

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.

36 COVID-19 impact assessment

In January 2020, the World Health Organization (WHO) announced a global health emergency because of (the "COVID-19 outbreak") which, in March 2020, was declared as a pandemic based on the rapid increase in exposure and infections across the world. The pandemic nature of this disease has necessitated global travel restrictions and total lockdown in most countries of the world, with negative implications on the global economy and social life. As of 31 December 2021, the Group is continuously monitoring the impact of COVID-19 pandemic on the business, operations and its finances, particularly on the international express costs which was affected mainly due to the transportation restrictions imposed globally.

ARAMEX PJSC AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2021 (continued)

36 COVID-19 impact assessment (continued)

COVID-19 impact on measurement of ECL

IFRS 9 framework requires the estimation of Expected Credit Loss ("ECL") based on current and forecast economic conditions. In order to assess ECL under forecast economic conditions, the Group utilises a range of economic scenarios of varying severity, and with appropriate weightings, to ensure that ECL estimates are representative of a range of possible economic outcomes. The Group has reviewed the potential impact of COVID-19 outbreak on the inputs and assumptions for IFRS 9 ECL measurement in light of available information. Overall, the COVID-19 situation remains fluid and is evolving at this point, which makes it challenging to reliably reflect impacts on the ECL estimates.

However, management has performed revised assessments and no material impact has been accounted for in these consolidated financial statements. These assumptions will be revisited at each reporting date according to the evolution of the situation and the availability of data allowing better estimation.

Liquidity management

The global market stress brought on by the COVID-19 crisis can negatively affect the liquidity. In this environment, the Group has taken measures to manage liquidity risk until the crisis is over. The Group's credit and treasury department is closely monitoring the cash flows and forecasts.

Business continuity planning

The Group is closely monitoring the situation and has invoked crisis management actions to ensure the safety and security of the Group's staff as well as uninterrupted customer service. Alternative working arrangements have been made and administrative staff are currently working remotely.

37 Financial instruments by category

	2021 AED'000	2020 AED'000
Financial assets at fair value through other comprehensive income		
Equity instruments	15,317	23,645
Debt instruments	2,321	1,806
	17,638	25,451
Financial assets at amortised cost		
Accounts receivable and other current assets (excluding prepayment, advances to suppliers and withholding tax)	1,355,603	1,219,116
Restricted cash, margins and bank deposits	57,641	279,279
Cash and bank balances	711,800	975,487
	2,125,044	2,473,882
Financial liabilities at amortised cost		
Bank overdrafts	153,113	68,059
Lease liabilities	935,315	887,738
Interest-bearing loans and borrowings	164,683	704,841
Accounts payable, income tax provision, and other current liabilities (excluding deferred revenue)	1,236,631	1,420,449
	2,489,742	3,081,087

For the purpose of the financial instruments disclosure, non-financial assets amounting to AED 157,528 thousand (2020: AED 146,685 thousand) have been excluded from accounts receivable and other current assets. Non-financial liabilities amounting to AED 20,467 thousand (2020: AED 25,570 thousand) have been excluded from accounts payable, income tax provision, and other 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.

ARAMEX PJSC AND ITS SUBSIDIARIES
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31 DECEMBER 2021 (continued)

38 Restricted cash reclassification

As of 31 December 2020, cash and cash equivalents included an amount of AED 26,920 thousand (net of ECL) held in Lebanese commercial banks. Cash and cash equivalents are defined as cash on hand, demand deposits and short-term investments that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value. Given the financial and economic crisis in Lebanon and due to the restrictions imposed by the Lebanese banks, the balances held with banks are considered to be subject to significant increase in credit risk rather than cash on hand or highly liquid investments. The significant credit risk would also indicate there is a significant risk in terms of the changes in value (notes 3.1(b) and 17). These balances were reclassified as part of 'Restricted cash, margins and fixed deposits', that is shown separately on the face of the consolidated statement of financial position, as they do not meet the definition of cash and cash equivalents (note 2.10). The comparatives were changed in accordance with the requirements of IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors".

The reclassification did not result in any change to the prior year's reported consolidated profits or to the balances reported in the consolidated statement of changes in equity.

A third consolidated statement of financial position has not been presented as there were no provisions in earlier periods.

Consolidated statement of financial position as at 31 December 2020

	As previously reported AED	Reclassifications increase/ (decrease) AED	As reclassified AED
Restricted cash, margins and fixed deposits	252,359	26,920	279,279
Cash and cash equivalents	1,002,407	(26,920)	975,487

Consolidated statement of cash flows for the year ended 31 December 2020

	As previously reported AED	Reclassifications (decrease) AED	As reclassified AED
Restricted cash	-	(48,221)	(48,221)
Net cash flows used in investing activities	(150,806)	(48,221)	(199,027)
NET INCREASE IN CASH AND CASH EQUIVALENTS	393,695	(48,221)	345,474
Cash and cash equivalents	955,649	(48,221)	907,428

39 Non-cash transactions

	2021 AED'000	2020 AED'000
Additions of right of use assets (Note 6)	353,537	332,531
Disposals of right of use assets (Note 6)	41,104	61,467
Property and equipment (Note 5)	-	2,820

Cash flow from operating, investing and financing activities of discontinued operations as of 31 December 2021 and 31 December 2020 are disclosed in Note 10.

40 Subsequent events

(1) On 20 January 2022, Alpha Oryx Limited, a subsidiary of Abu Dhabi Development Holding Company ("ADQ") transferred 22.32% of Aramex PJSC's issued share capital to Abu Dhabi Ports Group which is also a subsidiary of Abu Dhabi Development Holding Company noting that the ultimate owner have not changed.

(2) On 11 February 2022, the Group concluded on the true-up adjustment related to the SPA of Information Fort LLC. The Group considers this a non-adjusting event.

(3) Subsequent to 31 December 2021, the Group partially disposed of a group of assets that were held for sale in the consolidated statement of financial position as at 31 December 2021. The Group considers this a non-adjusting event.


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