



**COM 1151 - (J) Aramex
Due Diligence Policy -
External**



Policy and Purpose Statement

The purpose of the Aramex Due Diligence Policy “Policy” is to give clear instructions to Aramex employees and other related parties¹ on knowing our External Parties and performing appropriate due diligence.

This Policy:

- Describes the various stages of Aramex’s due diligence process.
- Illustrates situations where a red flag may exist when dealing with External Parties.
- Details the avenues of support to be used for reporting compliance concerns and gaining additional guidance.

Applicability

This Policy applies to all employees of Aramex and its world-wide related parties, including officers, directors, full-timers, part-timers, contract and temporary employees that are part of the process of selecting, evaluating, or any part of the decision making related to External Parties.

Applicable Laws

Aramex is committed to fair and ethical business practices and avoiding corruption of all kinds, including dealing with unethical External Parties. We will abide by all applicable laws, including, but not limited to, the Foreign Corrupt Practices Act (FCPA) of the United States, the U.K. Bribery Act (UKBA), the United Nations Convention against Corruption (UNCAC), applicable Anti-money laundering and terrorist financing laws and the local laws in every country in which we operate (“Applicable Laws”).

As a general rule, we follow the most stringent law, regulation or policy applicable to our business in those countries.

The combination of Applicable Laws and our global presence require maximum alertness to corruption and full awareness of how to recognize and eliminate it from any transaction we are part of. In case of any doubt about what is expected of you under the Applicable Laws or Policy, you must seek guidance from the Compliance or Legal Departments.

Responsibility (Call for Action)

As employees and related parties of Aramex, we are all responsible for upholding the company’s values and conducting business with integrity and honesty. The following actions must be taken to fulfill our commitment to fair and ethical business practices:

¹ **Related Parties:** subsidiaries, affiliates, joint ventures, franchisees, agents, consultants, contractors, sub-contractors and anyone else who does work for or acts on behalf of Aramex.



- Step away from situations that involve a conflict of interest when selecting External Parties, or any unethical action related.
- Stay alert to any red flags suggesting wrongdoing by another employee or a related party.
- Support and encourage other employees and related parties to comply with this Policy.

Reporting Arrangements and Anonymity

If you witness any potential violations, you *must* speak up. We operate under a no-retaliation policy, which means that we will never retaliate against or subject any person to unfavorable treatment, who reports a genuine concern in good faith.

*Potential violations could be reported *anonymously* via methods provided in **Appendix I** (end of the document).

What is Due Diligence?

Due Diligence

Engaging with external parties is a necessary part of our business. These external parties are essentially an extension of Aramex, and any corrupt acts they carry out while conducting business for us may impose risks on our company. Therefore, we must only choose business partners that feel comfortable representing our brand and values.

The Due Diligence process is designed to assess and identify the risks associated with business relationships with external parties. It helps prevent engaging with restricted or sanctioned entities and protects our organization from engaging in illegal activities such as money laundering, terrorist financing, and financial crimes.

Know Your Supplier (KYS):

It is the Due Diligence process Aramex undertakes to verify the identity of its external suppliers or third-party partners and evaluate the risks associated with them.

Know Your Customer (KYC):

It is a process used by Aramex to verify the identity of its customers (individuals or entities) and assess their suitability and the potential risks of illegal intentions, such as money laundering or terrorist financing.



Due Diligence Process and Background Checks

The process can be divided into the following main stages:

1. Gathering Required documents and information:

1.1. Know Your Supplier (KYS) requirements:

- Registration documents
- Trade licenses
- Customs license
- Bank documents
- Shareholder and ultimate beneficial owners' details for Agents and Franchisees
- A properly filled-in Aramex Corporate Questionnaire

1.2. Know Your Customer (KYC) requirements:

- Registration documents
- Trade licenses
- Signed service agreement
- Filled and signed credit application form (CAF)

This information is utilized to learn more about our external parties, understand what they do, and assess their connections, among other things, to evaluate the risks associated with them.

2. Denied Party Screening and Due Diligence:

2.1. Denied Party Screening: All external parties and related entities, such as board members, shareholders, owners, legal names, and ultimate beneficial owners, are screened against applicable sanctions and restricted party lists.

- Cleared external parties proceed to the next stage of Due Diligence.
- External parties identified on sanctions lists, international blacklists, or relevant local lists require further review and are subjected to rejection.
- Identified external parties on Restricted Party Lists are managed through internal compliance processes. The agreed-upon list is communicated to stations requesting to cease business engagements.

2.2. Due Diligence: Depending on the risk level of the external party, due diligence can involve varying levels of investigation:

- **Simplified Due Diligence:** Basic checks such as identity verification and sanctioned ownership screening.
- **Standard Due Diligence:** Additional checks including ownership and control verification.



- **Enhanced Due Diligence:** More detailed checks, including comprehensive background searches, adverse media searches, and senior management approval.
- **Expanded Due Diligence:** The most thorough checks, often involving external third-party investigations, and covering high-risk factors like complex ownership structures.

3. Identifying and Communicating Red Flags

As we go about finalizing our due diligence process for External Parties, certain “red flags” or warning signs maybe identified about the party that suggest a likelihood of wrongdoing in a sense of paying a bribe, engaging in corruption or be otherwise unsuited to carry out their responsibilities.

The following is a list of common red flags:

- Questionable background or reputation, such as allegations of improper business practices (like paying bribes).
- Lack of reputable business/personal references.
- Government entities referrals.
- Unwilling to reveal identities of its owners, principals, directors or employees.
- Not open to agreeing with our Code of Conduct.
- Unusual requests or payment arrangements, including cash payments or changes from the originally agreed terms—such as using different currencies, payment methods, or bank accounts.
- Has members who are or were Aramex employees or are related to Aramex employees.

Identified red flags will be promptly reported to business owners along with the Compliance team’s recommendations.

4. Ongoing Monitoring

After approval, the Compliance Team continues to monitor and examine red flags, if any arise.

Risk Assessment

The Compliance team regularly conducts risk assessments on all active External Parties based on a range of risk factors such as geographical, operational, and business-related considerations

**Values Checkpoint!****Scenario 1:**

A customer registered in the UAE approached your branch in Lebanon for logistics and warehousing services. Despite the risks involved, the team at the Lebanon branch approved the service without consulting the Compliance department. The services include warehousing and international shipping, which raise several concerns due to the nature of the transactions and the location.

Red Flags:

1. **High-Risk Country:** Lebanon is facing political instability, economic challenges, and international sanctions, which could complicate operations, payment processing, and legal compliance.
2. **Customer in a Different Country:** The customer is based in the UAE, creating cross-border risks complexities.
3. **Potential for Exploitation:** The type of service being provided—warehousing and shipping—could potentially be misused for illegal activities, such as smuggling narcotics, particularly given Lebanon's geographic proximity to regions involved in such activities.

Response:

Despite the business owner's decision to approve the service, the situation raises significant red flags that were not fully addressed. **The approval should have been reviewed by the Compliance team to assess potential risks** related to political instability, cross-border legal issues, and the possibility of illicit activity. It is strongly recommended that the Compliance team conducts an immediate review to evaluate the associated risks. Based on their findings, additional controls or mitigation strategies (such as enhanced due diligence, security protocols, or legal safeguards) should be implemented to ensure compliance with local and international laws and to prevent potential exploitation of the service.



Scenario 2:

A customer, registered in the same location as our service provider, approached us for logistics and warehousing services. During the negotiation phase, the customer requested that all payments be made in cash, and the amounts involved were unusually large. The customer did not provide a clear or legitimate reason for these large cash transactions. Despite this, the business owner suggested that we move forward with the deal, as the customer seemed eager to engage quickly. I agreed and proceeded to send the customer our standard service agreement.

Red Flags:

1. **Unusual Payment Method:** The request for all payments to be made in cash, particularly large amounts, is atypical for business transactions and may indicate an attempt to bypass standard financial controls or create opacity in financial reporting.
2. **Lack of Transparency:** The customer provided no specific or legitimate reason for the large cash payments, raising questions about the purpose and source of the funds.
3. **Potential for Money Laundering:** Large, unexplained cash transactions could be a red flag for money laundering activities or other illegal financial practices, especially when no clear business rationale is provided for the payment method.
4. **High-Risk Payment Practices:** Accepting large cash payments without proper documentation or a clear justification could expose the company to regulatory scrutiny, financial fraud risks, and potential violations of anti-money laundering (AML) laws.

Response:

In this scenario, the business owner moving forward without addressing the red flags around the customer's payment request was not in line with our values or best practices. While the customer's eagerness to engage may have seemed like an opportunity, the request for large cash payments without a clear explanation should have raised serious concerns. **The situation should have been reviewed by the Compliance Department** before proceeding. The Compliance team could have advised on the need for enhanced due diligence, including verifying the source of the funds, understanding the customer's intentions, and ensuring that the company complies with anti-money laundering (AML) regulations. They might also have recommended refusing the payment method or introducing additional safeguards to prevent the company from unknowingly facilitating illegal financial activity.



Conclusion

Thank you for reading our Due Diligence policy. The information in this Policy supplements our Code of Conduct, serves as a manual to help identify corrupted External Parties and provides you the knowledge and tools necessary to make the right decision.

Most importantly, this Policy demonstrates our commitment to supporting you as an Aramex employee or related party, and our genuine interest in helping you make decisions in accordance with our values.

If the situation does not feel right, you have our full support to walk away from it and seek further guidance from various resources within the company.

For further information on our values and commitment to ethical conduct, please view our Code of Conduct.

Appendix I: Methods of reporting a potential violation anonymously

Potential violations could be anonymously reported via the following **methods**:

a. Case Management System

Concerns can be reported through our reporting [channel](#), following the various steps below:

- a. Select your language accordingly.
- b. Then, click the Submit key to start reporting your case.
- c. Please note that you will need to answer a few questions related to your allegation prior to reporting the allegations' description.

b. Hotline "Toll-Free" Telephone as follow:

- By calling one of the various external telephone numbers as below:



Region	Country	Telephone Number
GCC	United Arab Emirates (UAE)	800 0320692
	Saudi Arabia (KSA)	800 850 1502
MENAT	Jordan	06 429 6441
North Africa	Egypt	150 169 2053
Sub Saharan Africa	South Africa	080 098 2093
North America	USA & Canada (English)	833-203-5713
	USA & Canada (Spanish)	800-216-1288
	Canada (French speaking)	855-725-0002



c. Anonymous Reporting App from Lighthouse Services

This app can be downloaded to your phone and will enable you to submit new anonymous reports and follow up on anonymous reports related to an issue at your company or organization. To use the app:

First, download it to your phone and install it.

<ul style="list-style-type: none">• If your phone is an iPhone, download the app here or scan this code 	<ul style="list-style-type: none">• If your phone is not an iPhone, download the app here or scan this code 
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Your report will be treated with the highest level of confidentiality, and we will use our best efforts to ensure that your identity is not disclosed. In certain countries, there are additional reporting mechanisms, which should be discussed with the Risk and Compliance Department.

To assist in assessing or investigating your concerns, it is essential to report in good faith and provide all required details of the reported allegations.