

aramex



2023 Aramex Annual
Integrated Report

CLOSER THAN EVER

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INTRODUCTION



CHAIRMAN LETTER

Turning to our industry, logistics and supply chain presented unique and dynamic opportunities for diversified growth-oriented players during 2023.

Dear valued stakeholders,

On behalf of the Board of Directors, it is an honour to present to you Aramex's 2023 Annual Report. I am pleased to begin by expressing my gratitude to Aramex's leadership and their respective teams for their exceptional dedication and the Company's performance throughout the year. The Board of Directors takes great pride in Aramex's collective efforts and great service standards, which have been instrumental in propelling regional economies forward. The past year witnessed a global economic landscape riddled with uncertainties, hindering economic activity across borders, and proving a challenging operating environment for growing sectors including logistics. Aramex's global operations were impacted by macroeconomic headwinds including inflationary pressures, rising interest rates, and continued global supply chain disruptions. However, our home markets across the Gulf Cooperation Council (GCC) have exhibited great resilience in navigating this challenging economic landscape. Bolstered by key economic visions, resulting in increased government spending and economic diversification initiatives, GCC economies noted remarkable resilience in

economic activity. These strategic initiatives have significantly fortified the region's growing significance in the global economy, particularly as a burgeoning trade hub as the region ramps up non-oil exports. This is evident in the estimated GDP growth of 3.8% in the non-oil sector of the GCC in 2023, while overall GDP growth in the region was modest at 0.5% for 2023 and is expected to pick up to 2.7%. For our key markets in the United Arab Emirates (UAE) and the Kingdom of Saudi Arabia (KSA), non-oil GDP growth in 2023 is estimated at 5% and 4%, respectively, as per the latest data released by the International Monetary Fund (IMF) and Emirates NBD Outlook in January 2024. Elsewhere across the world, the US GDP growth was 2.5% and the Euro zone was stable with an estimated 0.5% growth in GDP. Emerging Markets and developing Asia recorded the highest estimated GDP growth of 5.4%, while GDP in Sub-Saharan Africa is estimated to have grown 3.3%.

Turning to our industry, logistics and supply chain presented unique and dynamic opportunities for diversified growth-oriented players during 2023. Despite geopolitical risks and subdued economic

performance across key markets including Europe, UK, and China, the ongoing expansion of ecommerce, logistics and warehousing have and will continue to offer clear growth opportunities. For instance, the global ecommerce fulfilment market is estimated to grow at a compounded annual growth rate (CAGR) of 10% between 2022 and 2030. In certain markets including the GCC, economic ambitions have driven further sectoral expansion with the addition of new and specialized product lines further supported by online user growth, growing infrastructure and transport networks.

In addition, the freight and logistics market across the GCC is estimated at \$47.59 billion in 2023, and is expected to reach \$66.61 billion by 2029, growing at a CAGR of 5.76% during the forecast period (2023-2029), according to Mordor Intelligence.

I view 2023 as a year where Aramex delivered consistent and responsible performance while remaining resilient amidst a challenging macroeconomic and geopolitical landscape. Revenues for the full year 2023 reached AED 5.69 billion and Gross Profit was maintained at AED 1.43 billion with a strong margin of 25%, representing an improvement of one percentage point. EBITDA also improved to AED 628 million, with a healthy margin of 11%, exemplifying Aramex's adept navigation through the complexities of the business landscape. Net Profit for the full year reached AED 129 million.

These results translated from the Company's steadfast commitment to strengthening its foundation, wherein management diligently focused on revenue growth, enhanced operational efficiencies and executed cost optimization strategies in 2023. This focus on robustness and adaptability not only enabled Aramex to maintain a resilient performance but strategically positions the Company for sustained success in the long term.

During the year, Aramex remained focussed on investing in new technologies, primarily across automation of facilities and route optimization for our last mile journey, in addition to leveraging the many opportunities presented by the growth in ecommerce and digitalization. The Company continued to grow its footprint of warehouses and pick up & delivery points. Aramex's core advantage remains diversification, reflected in its expansive product portfolio and industry verticals and more so evident in its strategically diversified geographical presence that continues to enable greater adaptability and flexibility against economic and sector-specific headwinds.

In our strive for operational excellence, Aramex remained committed to sustainability as the UAE hosted the United Nations Climate Conference, COP28. During the year, the Company accelerated the integration of sustainable practices across its operations including the introduction of a clean mobility EV fleet across the Emirates in addition to testing drone and robotic delivery. Through strategic collaborations and partnerships, Aramex is a proud contributor to the UAE's sustainability ambitions and aims to consistently achieve its climate pledge to reach carbon neutrality by 2030.

Looking ahead, we anticipate the continued growth of e-commerce and cross-border trade, alongside further adoption of automation and artificial intelligence. We are confident that Aramex, with its commitment to innovation, sustainability, customer-centricity, and wide-reaching network, is well-positioned to capitalize on these opportunities and remain a leading player in the ever-evolving landscape of logistics and transportation.

We remain committed to our esteemed shareholders, and in our pursuit of sustainable long-term value creation.

Once again, I extend my sincere appreciation to the entire Aramex family for their hard work, dedication and contributions throughout 2023, which have been instrumental in driving our continued growth and fostering a culture of excellence.

Sincerely yours,
Captain Mohamed Juma Alshamsi
Chairman of the Board of Directors

Aramex PJSC





CEO LETTER

We prioritized quality revenue growth, operational efficiency and cost optimization through the economic cycle delivering a healthy and stable Gross Profit of AED 1.43 billion for the full year 2023 and a strong gross profit margin of 25%.

Dear valued stakeholders,

The world is in flux and our industry has felt the effects caused by uncertainty. Uncertainty in economic drivers and predictions, uncertainty in transport routes and access, and uncertainty in life as we know it.

As a young boy, I grew up in an area affected by geopolitical conflict and I have seen the enduring impact it leaves on people, livelihoods, and business. Founded more than 40 years ago in the Middle East, Aramex had and has many employees who have lived through uncertainty. What defines and unites us all is our resilience and passion for a shared vision of the future, for a better tomorrow. So, I would like to start this letter by thanking our 16,000+ strong employee base, by thanking each and every Aramexian for their dedication during another challenging year. Driven by hard work and an entrepreneurial spirit, Aramex has been a reliable partner to consumers and businesses around the world. I am proud to say that we enabled companies across industries to widen their reach and maintain the trust of their customers

despite supply chain disruptions. For our B2C customer base we provided faster and reliable solutions, access to new markets, and more visibility across a shipment's journey thanks to our improved technology, customer experience and customer service.

At the time of writing this letter, I see an acceleration in the global supply chain diversification trend, and persistent uncertainties that are redefining the way goods are being moved, stored, and fulfilled. The current situation at the Red Sea has caused a new disruption in the global shipping industry, and I am proud that Aramex is able to support customers with alternative solutions. Thanks to our large trucking fleet in the region, we have been able to deploy our own-operated trucks via Dubai, United Arab Emirates (UAE) and via Dammam, Kingdom of Saudi Arabia (KSA) for shipments arriving from Asia and via Port Said, Egypt for shipments arriving from Europe. This provides a solution to the Red Sea route or the alternative route via Cape of Good Hope which takes approximately 7 to 14 days longer on average, depending on specific locations in Asia and Europe.



Over the past few years, ongoing supply chain disruptions have led to changes such as nearshoring. Businesses require more local solutions, to ship and fulfill regionally to be able to service their customers without interruption. In response, we have repositioned our business with four well defined products and specialism: domestic express, international express, warehousing and supply chain, and freight forwarding (across sea, air and land). We invested in technology and automation, and built capabilities in specialized sectors such as e-commerce, energy and pharma. We can offer our customers an end-to-end solution, or a customized solution across the first mile (freight forwarding), mid-mile (warehousing, storage and fulfillment) and last-mile (courier express services). More information on our redefined business model is provided in this annual report, in the "Strategic context and market environment" section.



Our Performance

Turning to financial performance, we have been impacted by the ongoing global challenges, inflation and currency fluctuations. Aramex delivered a robust revenue of AED 5.69 billion for the year. Excluding the impact of year-on-year currency fluctuations, our Group Revenue declined 1% compared to the reported decline of 4%.

Our home markets in the GCC and MENAT significantly contributed to the Group's performance, accounting for half of the Group's total revenues and gross profit. Looking at our performance across our regions, we witnessed double digit growth in gross profit in the GCC during the year, and a stable performance in the MENAT region which was heavily impacted by FX. Our outbound markets including Europe and United Kingdom grappled with subdued consumer sentiment and rising inflationary pressures which impacted e-tailers and other businesses. In South Asia we saw growth in gross profit, while in Oceania, we continued our restructuring plan and this market contributed with approximately 40% of the volume of our global domestic express product. In the US we doubled our gross profit, on the back of the MyUS acquisition.

The management team prioritized quality revenue growth, operational efficiency and cost optimization through the economic cycle delivering a healthy and stable Gross Profit of AED 1.43 billion for the full year 2023 and a strong gross profit margin of 25%, representing a growth of one percentage point over 2022.

We adopted a prudent cost management strategy to help us navigate the financial challenges of 2023 characterized by currency fluctuations and rising inflation. For our organic business (excluding MyUS), we delivered a 10% decline in general, and administrative expenses. As for our selling expenses for the organic business, the 7% increase aligns with our strategy to increase sales competencies in key verticals across key markets to ensure sustainable and quality revenue growth in the future.

Our focus on quality business, and increased investments in operational efficiency and technology further drove cost efficiencies across the board. Group EBITDA increased 2% to AED 628 million, despite the decline of 4% in Revenues, while the EBITDA margin also improved to 11% for the full year 2023.

Net Profit for the year was AED 129 million, a decline of 22% driven by the increase in interest rate expenses associated with the MyUS acquisition loan taken in Q4 2022. The organic business improved net income by 7% for the year 2023 compared to the year 2022.

Throughout the year, we continued to pursue further diversification within current verticals including retail, energy, e-commerce, healthcare and industrial. Our ability to deliver tailored solutions coupled with a strong and diverse portfolio of customers across specialized industries has been key to strengthening our position across our markets. At the end of 2023, our biggest customer accounted for 6% of total Group Revenues.



A dynamic macro-economic environment

The global economy experienced a slower growth rate in 2023, marked by higher interest rates and inflation. Nevertheless, the year ended with modest expansions seen in the US and

UK, while growth across the non-oil sector in the GCC remained remarkably firm. Across our home markets, government investments linked to various economic diversification agendas taking place across the region are expected to remain a primary driver of economic activity. In turn, this can translate to an uplift in consumer sentiment and increased spending. The UAE and KSA specifically boast fast-growing ecommerce industries, supported by tech savvy consumers with a preference for online shopping. We also see development of enhanced logistics infrastructure across the region, better connectivity with global gateways, and most importantly economic reforms spurring trade and economic diversification.

Economic developments coupled with the GCC's growing importance as both a market and a trade hub continue to offer growth opportunities for expanding into new verticals. We are focused on developing our healthcare, SMEs, and specialized solutions, while continuing to grow our key verticals across e-commerce, retail and industrials.



Building Blocks of Excellence

For over 40 years, dedication, proactiveness, and agility have been the cornerstones of Aramex's success. Our journey is shaped by our commitment to our shareholders, employees, partners, and customers. As a people-centric business, we understand the significance of building for the future and to that end our focus remains on investing in technology, sustainable operations and of course the development of our people.

Technology & Innovation

Our investments in technology improve operational efficiency and our customer experience. In 2023 we made good progress in redefining the customer journey from route optimization and quicker deliveries to increased transparency and connectivity. To that end, from groundbreaking AI products to comprehensive training programs, we're empowering our employees to harness the power of technology to improve the way we move goods.

We rolled out Google routing optimization and live tracking in the GCC for last-mile efficiency; and optimized our Gateways and Hubs performance through the launch of the Global Customs tracking and cross-border compliance system. These initiatives offer customers superior experiences with greater transparency supported with real-time, in-depth tracking. In October 2023, Aramex unveiled its largest automation system to date in Sydney, Australia. This multi-million-dollar investment streamlines operations and increases daily capacity, but also unlocks faster delivery times and enhances service levels. This complements our ongoing automation roadmap covering projects across Singapore, Saudi Arabia, Oman, Qatar, and other markets.

Additionally, we introduced our in-house developed Warehouse Management System (WMS), which has streamlined our e-commerce operations. We also concluded the roll out of our cloud-based warehouse management system which is used globally in all our warehouse facilities, enabling the delivery of enhanced data analytics for customers.

Delivering Good

We stand committed to the Science Based Target initiative (SBTi) to reduce our greenhouse gas emissions as part of our sustainability strategy and to ensure that our progress towards net-zero carbon is aligned with climate science.



Aramex has developed a promising pipeline of projects to reduce its emissions, focused primarily on Scope 1 and 2. These projects will build on existing efforts, driving increased EV adoption across our fleet as well as expanding our solar energy capabilities across our warehouses and facilities. Last mile efficiency remains a key priority and is driven by technology investments and data analytics that provide us with greater visibility for decision-making. We are seeing increased demand from our customers for sustainable operations, and we are glad to be able to contribute to their sustainability goals.

In keeping with our "Delivering Good" strategy, during 2023 we continued to promote youth empowerment and education through various community initiatives in some of our key markets. We also provided emergency relief, extending our support for earthquake affected areas in Turkey, Syria and Morocco and war struck Gaza through employee matching campaigns. Further detail on these activities is provided in the Sustainability section of this report.

Empowering Excellence

Emphasizing Diversity, Equality, and Inclusion (DEI), our workforce includes over 104 nationalities and is a cornerstone of our strength. In 2023, we conducted a comprehensive Global Policy review, externally benchmarking our policies to align with industry best practices worldwide. In line with our commitment to nationalization targets, we successfully achieved set goals in the UAE and KSA, reflecting our dedication to creating an integrated and representative workforce.

We are actively working to enhance gender balance, introducing targeted development programs such as the 'Stand-out Development Path for Women' and 'Embracing Equity' learning path in 2023. As one of the first 50 companies in the UAE pledging with the Gender Balance Council, we aim to reach 30% women's representation in mid and senior positions by 2025. With 22% female representation on our Board of Directors, our efforts toward women's empowerment and gender balance continue.

Our Way Forward

Whilst we remain committed to expanding our operations globally, we take pride in being a regional champion across the GCC and MENAT. Thus, when accounting for that notable contribution and for the region's projected economic growth, we reiterate our commitment to furthering our investments across the region and our ambition to maintain a leading position in the region.

Elsewhere across our global operations, we see good growth opportunities in South Asia and in Africa; we expect to start seeing the results of the turnaround strategy in Australia; and we are excited to chart new routes across Asia, India Subcontinent, GCC and East Africa through our joint venture with our shareholder AD Ports which will become operational in 2024. For our international express operations in the US, we will move our Shop'n'Ship origins from JFK, New York, to Sarasota, Florida to further consolidate our operations with MyUS and drive more efficiencies.

Looking ahead to 2024 we will continue to address market changes and emerging industry trends through investing further in technologies, capabilities, and systems. This will allow for greater agility across our infrastructure and operations, and improved customer experiences. I would like to thank our esteemed Board of Directors for their ongoing support and guidance; and thank our shareholders for their trust in the Aramex brand. I would also like to thank my team, all Aramexians, for their valuable contributions to the business, and to our partners and customers for their support.

Sincerely yours,
Othman Aljeda
Group CEO

Aramex PJSC

ABOUT ARAMEX



600+ cities across 70 countries, Aramex employs over 16,000 professionals.

Founded in 1982, Aramex has emerged as a global leader in logistics and transportation, renowned for its innovative services tailored to businesses and consumers. As a listed company on the Dubai Financial Market (since 2005) and headquartered in the UAE, our strategic location facilitates extensive customer reach worldwide, bridging the gap between East and West.

With operations in 600+ cities across 70 countries, Aramex employs over 16,000 professionals. Our success is attributed to four distinct business products that provide scalable, diversified, and end-to-end services for customers. These products are:

- International Express, encompassing Aramex's Parcel Forwarding Business (Shop & Ship and MyUS).
- Domestic Express

- Freight Forwarding
- Logistics & Supply Chain Solutions

Sustainability is at the core of our vision and mission. To build a truly sustainable business, we leverage our core competencies to make a positive impact as responsible members of the communities we serve. Through partnerships with local and international organizations, we strive to expand our reach and benefit more individuals through targeted programs and initiatives. To address environmental concerns and combat climate change, we have committed to the Science Based Targets initiative (SBTi), renowned globally. This commitment propels us to accelerate our climate action goals, aiming for Carbon-Neutrality by 2030 and Net-Zero emissions by 2050.



OUR SERVICES

Operational Highlights 2023



International Express

The International Express product, which also includes Aramex’s Parcel Forwarding Business (Shop & Ship and the MyUS business that was acquired in 2022), delivers efficient cross-border door-to-door shipping services and timely delivery solutions across diverse business sectors. Our comprehensive suite of international express solutions caters to customer preferences in terms of cost, speed, automatic delivery notifications, and real-time online tracking updates.

We also provide an array of import, export, and customs clearance services. Operating globally, our primary trading lanes connect the US, Europe, and Asia to the GCC and the broader MEA region, alongside intra-GCC trading lanes.

Expanding cross border expertise

In 2023, we continued on the path of operational excellence and efficiency initiatives by optimizing our Gateways and Hubs performance through the launch of the Global

Customs tracking and cross-border compliance system. Our system offers real-time, in-depth tracking of clearance-related activities and measures, providing customers with greater transparency on customs procedures. We also continued to build on our strategic partnership with DPD group’s European network through direct injection covering major EU countries, enhancing our infrastructure, gateway access and clearance capabilities. Our B2B and B2C customers are benefitting with premium services and competitive last-mile delivery rates and transit time.

Growing through a Customer-First Mindset

We further cemented our position as a global delivery platform for online shoppers in 2023. We expanded our reach following the acquisition of the delivery platform MyUS – our largest acquisition to date. MyUS is a subscription-based service that enables consumers from around the world to receive purchased goods from online stores in the US, UK, and Asia. The business has significantly increased the number of new destinations to our cross-border operations while complementing our Middle East flows.

Shop & Ship continues to grow its international presence following the introduction of new destinations in Africa and Southeast Asia, in addition to our ongoing expansion into the Czech Republic, Singapore, the UK and Switzerland. Shop & Ship now serves customers with a virtual address in 41 countries, offering a choice of plans for a seamless shopping and shipping experience. We are focused on unlocking further efficiencies with MyUS and therefore, we plan to move all Shop & Ship lanes from our facility in New York to the MyUS facility in Florida. This will enhance our customer proposition, enabling us to offer customers tax-free addresses (up to 10% savings on local tax) when using the MyUS Florida address.

Domestic Express

Domestic Express ensures seamless door-to-door parcel and package deliveries nationwide, offering choices between same-day or next-business-day services. Additional options include cash-on-delivery, along with convenient package collection and returns services.



Our largest investment in 2023 was the deployment of a multi-million automation system in our Sydney facility which became operational in Q4 2023. This automation system will help improve our operational efficiency and increase our daily capacity in Australia

Enhancing Efficiency through Strategic Modernization

In 2023, we concentrated our efforts on improving cost and operational efficiencies through more modernized core systems and infrastructure, enhanced capacity planning, improved sortation systems, warehouse automation and AI solutions throughout the value chain across several markets, most notably in the GCC and Australia.

We started rolling out Google routing optimization and live tracking in the GCC for last-mile efficiency, while the deployment of mini distribution centers enhanced the overall customer experience and improved successful delivery percentage.

These initiatives increase our operational efficiency and help our couriers deliver more shipments in a shorter time by reducing and optimizing their driving area which in turn reduces fuel consumption and costs. The Google routing optimization is a milestone initiative, and Aramex is the first logistics company in the GCC region to launch live

tracking for courier drivers, significantly enhancing customer experience and satisfaction.

Our express warehouse footprint was bolstered in 2023 as we opened two state-of-the-art facilities in the GCC that will provide seamless, streamlined, and faster logistics solutions for e-commerce and industrial sectors. The 18,007 sqm facility in Jeddah includes a cold storage area and will increase our processing capacity, while a second 1,300 sqm warehouse opened in Oman. The Oman warehouse, which is strategically positioned near the Muscat airport, will support economic growth and community development, creating numerous employment opportunities in the process. The Oman facility is equipped with the state-of-the-art sorting and processing technology, enhancing delivery times, and optimizing logistics management.

We have continued our automation roadmap through several key projects covering Qatar, Singapore and Turkey. Our largest

investment in 2023 was the deployment of a multi-million automation system in our Sydney facility which became operational in Q4 2023. This automation system will help improve our operational efficiency and increase our daily capacity in Australia, while also improving delivery time and service levels.

Our last mile infrastructure benefited with the addition of new pickup and drop-off locations in the GCC and MENAT, as well as in Australia, bringing the total number of pickup and drop-off locations across our network to more than 3,000.

New technologies are playing a crucial role in the future of logistics. We have initiated companywide enablement programs for testing AI products and rolling out AI trainings for our employees. Our future vehicle program is an example of such an initiative, and we are pleased with the progress made during 2023 having successfully conducted autonomous deliveries in the UAE, KSA and Oman.



Freight Forwarding



With more than 500 trucks, Aramex operates one of the largest and most advanced land freight networks in the GCC region and between UK and Ireland.

Resilient Performance Amidst Global Market Challenges

Aramex's freight-forwarding business exhibited strong resilience against a challenging industry backdrop in 2023, delivering solid volume growth and profitability.

Strengthening our capabilities in operations and sales, coupled with advanced systems and technology roll out, formed the backbone of our success in 2023. Our performance was underpinned by robust volume growth across both sea and land freight, as trade lanes across the globe from Houston – Dubai, Houston – KSA, India – UAE, Europe – Middle East, and the Far East – Middle East increased. Strong demand from high-growth verticals, such as retail across Aramex's network continued, while turnkey projects in the energy sector also helped to drive sales. Additionally, the global Freight team

successfully negotiated linehaul rates from airlines on key trade lanes, further enhancing our competitive advantage.

Improving Customer Experience through Technology-Centric Innovations

We continue to embrace innovative technology to empower our customers to deliver the efficient and flexible services they want and expect. First impressions count, and we want our customers' experience to be positive from the outset. Over the past year, we have invested time and resources to improve our website (Aramex.com) to increase its visibility and connectivity for a superior client experience. We also activated an e-booking system with multiple ocean and air carriers within our freight operating system. Some customers can now book and track their ocean shipments on our



new customer-facing platform, which is integrated with our freight operating system.

Partnering to Chart New Routes

In 2023, we announced a significant initiative that will enhance supply chain connectivity along several main trade lanes: Asia- India Sub, Asia – GCC, Asia – East Africa, India-GCC, India-East Africa and intra-GCC. This is a joint venture with AD Ports Group, one of our strategic shareholders, to develop and operate a new Non-Vessel Operating Common Carrier (“NVOCC”) enterprise that will move goods and provide tailored solutions to Freight-Forwarding industry players on key regional trade lanes. The NVOCC will buy an initial 10,000 containers for its launch in 2024 with plans to expand over the medium to long term.

Our key Freight Forwarding services

Aramex’s freight forwarding product includes air freight, land freight and sea freight, serving a customer base across multiple industries. Key focus verticals include industrials, energy, retail, e-commerce and healthcare.

Air Freight:

Our global air freight network provides an array of swift and cost-effective delivery solutions tailored to meet our customers’ business requirements. From the moment an order is initiated until it reaches its final destination,

we ensure seamless door-to-door transportation and efficient customs clearance. Central to our growth strategy, strategic partnerships play a vital role. In 2023, we broadened our space agreements and secured favorable rates with leading airlines servicing our core markets. Responding to the growing demand from our industrial accounts, we expanded our air chartering presence.

Land Freight:

With more than 500 trucks, Aramex operates one of the largest and most advanced land freight networks in the GCC region and between UK and Ireland. We are a leading operator with a modern fleet equipped with GPS-tracking technology. Our diversified Less than Truck Load shipping (LTL) and Full Truck Load shipping (FTL) solutions, coupled with strategically placed hubs, result in time-definite and reliable transportation for our customers. In 2023, we continued to increase our capacity across the GCC as a response to the demand resulting from strict customs regulations affecting our competitor’s fleet. We also continued to enhance our costing model to ensure our dominance and leadership in the GCC LTL market. Furthermore, we continue to implement several sustainable initiatives in collaboration with local authorities.

Sea Freight:

In 2023, we bolstered our presence and expertise in sea

chartering, responding to heightened demand from our industrial accounts for specialized solutions. Dedicated to overseeing our customers’ cargo comprehensively, from collection through customs to final delivery, we leverage our global network, a highly skilled team of experts, and advanced technology systems. This strategic approach allows us to cover key shipping lines and trade routes worldwide, ensuring seamless and efficient shipping processes.

Navigating 2024: Our Strategic Vision and Commitments

Looking ahead to 2024, the Freight team remains dedicated to elevating customer experience, prioritizing real-time visibility, communication, and responsiveness. With increased business activity in KSA, we aim to strengthen capabilities and enhance our operating model in the Kingdom while on key trade lanes connecting the world to our home markets in GCC / MENA we are enhancing our Hub & Spoke model. Sustainability will continue to be center stage for us with a commitment to reduce carbon emissions and provide customers with visibility on environmental impact. Last-mile delivery and reverse logistics will be key components of our freight forwarding services, responding to evolving customer demands. Additionally, we foresee heightened collaboration among logistics providers, carriers, and technology firms, offering comprehensive end-to-end solutions.



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Logistics

Expanding Global Infrastructure and Logistics Excellence

Aramex delivers customized logistics solutions to its clients by seamlessly integrating a global network of warehouses, distribution fleets, and value-added services. Underpinning our approach is a comprehensive, end-to-end logistics infrastructure that makes it possible for us to provide our customers with a technologically advanced, highly efficient and transparent transfer of goods across the supply chain. Supporting this is a strategically located network of logistics centers that span the GCC, Levant, Africa, Europe, the US, and Asia. This international reach, married with local touchpoints, makes it possible for us to guarantee a safe, timely and highly visible end-to-end logistics experience across the supply chain from factories till the end user.

Space is a growth enabler in logistics, and in light of the economic headwinds faced in 2023, we have been conservative in our expansion approach and established new facilities in Saudi Arabia, India and the United States. We currently manage 24 sites worldwide with a total warehousing footprint of over 800,000 square meters, handling three billion inbound and outbound items every year. Furthermore, our 4PL service is a valuable offering wherein we leverage our team's extensive logistics experience and top-notch warehousing technology to manage our customers' facilities.

Diverse Industry-Centric Services: Tailored Solutions, and Vertical-Driven Growth

Our comprehensive suite of services includes pick and pack, storage, fulfillment, value-added services and returns management. Complementing this is a strong portfolio of solutions tailored to specific industries. Services tailored to the retail and e-commerce verticals saw the highest growth in 2023, having benefited from synergies between our warehousing and last-mile solutions. Energy, which offers a one-stop-shop to our clients for freight forwarding, warehousing, customs and last-mile completion was our second-best performing growth vertical during the year.

In 2023, our key target verticals driving sales have been E-commerce, Retail, and Energy. Looking forward to 2024, Aramex is poised to strategically expand into Healthcare, underscoring our commitment to business diversification and meeting the evolving needs of our customers in this vital industry.

To leverage this opportunity, we have developed a strategic commitment to servicing the storage and handling requirements of pharmaceutical products. We are creating several Good Distribution Practice (GDP) compliant sites over the next two years, in addition to the introduction of a fleet of temperature-controlled vehicles, ensuring integrity and safety throughout the supply chain.

KPIs and Standardization: Driving Efficiency

In 2023, Aramex intensified its focus on operational excellence, implementing key performance indicators (KPIs) across all facilities.

These KPIs, assessing both operational and commercial aspects, underscore our unwavering commitment to excellence and continual improvement. Embracing a culture of progress, Aramex Logistics unveiled an enhanced online curriculum, fostering further standardization across our operations and streamlining onboarding. The foundational curriculum is mandatory for logistics personnel and aligns with our global training policy. Our enhanced Global Cycle Count Policy, another important milestone for the year, demonstrates our dedication to stringent inventory management, ensuring live visibility for operations and clients, and maintaining precise inventory levels for reliable and timely deliveries.

Innovation & Expansion: Our Tech-Driven Growth

In 2023, Aramex intensified its focus on operational excellence, implementing key performance indicators (KPIs) across all facilities. These KPIs, assessing both operational and commercial aspects, underscore our unwavering commitment to excellence and continual improvement. Embracing a culture of progress, Aramex Logistics unveiled an enhanced online curriculum, fostering further standardization across our operations and streamlining onboarding. The foundational curriculum is mandatory for logistics personnel and aligns with our global training policy. Our enhanced Global Cycle Count Policy, another important milestone for the year, demonstrates our dedication to stringent inventory management, ensuring live visibility for operations and clients, and maintaining precise inventory levels for reliable and timely deliveries.

Innovation & Expansion: Our Tech-Driven Growth

At Aramex we recognize the critical importance of staying at the forefront of technological innovation to meet the evolving needs of our customers and maintain a competitive edge in the industry.

In 2023 we launched our in-house developed e-commerce Warehouse Management System (WMS), which has streamlined our e-commerce operations and improved order fulfillment accuracy, significantly elevating customer satisfaction. Furthermore, the successful implementation of our Order Management System (OMS) has increased operational flexibility and made the customer onboarding process faster. By simplifying the integration process, we not only enhance customer satisfaction but also improve operational efficiency, setting the stage for seamless and scalable growth.

During the year, we concluded the roll out of our cloud-based warehouse management system (INFOR) which is used globally in all our warehouse facilities. This will enable us to focus on future IT projects that deliver better data analytics for our customer through the integration of our various systems. On the ground, the installation of automated spiral chutes with sorting conveyors in our fulfillment centers are significantly boosting productivity. Adoption of next-generation technologies enrich our ability to deliver service excellence and will continue to be an area of focus going forward.

Strategic Highlights & Business Model



Strategic context and market environment

During the year 2023 we continued implementing our strategy to rebalance the business from a B2C express parcel driven organization to a more diversified operating model: we aim to provide an end-to-end service offering to our customers through four well-defined products, namely our international express and domestic express products, as well as our freight forwarding and logistics & supply chain products, which continue to be underpinned by an asset light operating model. This means that we remain flexible and agile in responding to our customer's requirements for transportation and logistics. In the entire history of our company, this has never been more relevant than today.

The year 2023 saw an acceleration in market shifts and new industry trends, resulting in a dynamic operating environment for our company and our customers. Global supply chain diversification and rising economic uncertainties are redefining the way goods are being moved, stored, and fulfilled. Raising inflation and interest rates, as well as currency devaluation in certain markets are impacting our customer's spending power and priorities. We continue to be partially insulated from some of the challenging global market forces due to the favorable GDP

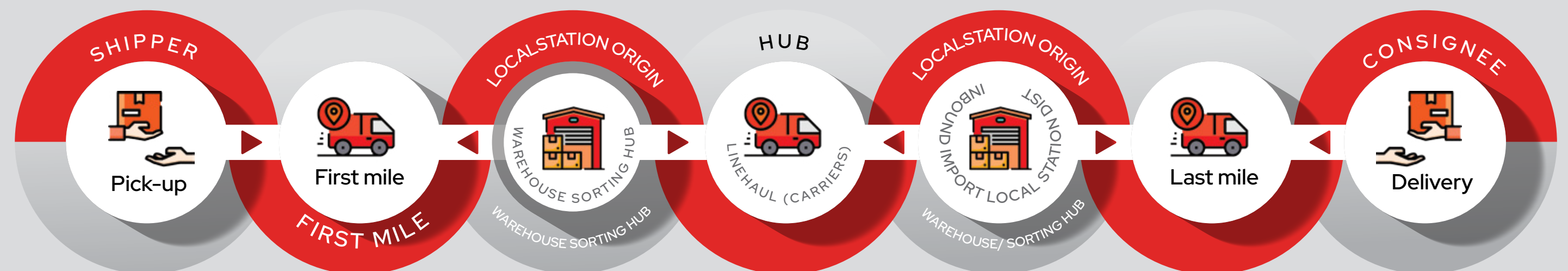
developments in our home markets in the GCC, especially the United Arab Emirates and Saudi Arabia. The resilience of economic activity in these home markets (our inbound markets) also contributed to solid demand from our main outbound markets in the US and UK, as well as new origins in emerging markets. But Aramex is of course still subject to changes in its industry environment. Global rates in shipping and freight forwarding have drastically reduced compared to the pandemic years. In domestic express we see increased competition, leading to an increasingly commoditized last mile industry where service differentiation and developing premium offerings are key to maintaining attractive margins. Supply chain disruptions are leading to changes such as nearshoring, whereby we are seeing certain customers requiring more local solutions, to ship and fulfill regionally. This impacts all our products, in various ways and we believe that Aramex is uniquely positioned to benefit from some of these market changes. Our integrated offering across the four products is a distinct competitive advantage and a unique end-to-end service capability in many of our key markets. This model provides cross selling opportunities for Aramex, with many customers looking for a partner with both express and logistics capabilities as well as freight forwarding and warehousing capabilities, while others prefer to break down the supply chain and require bespoke and tailored solutions.

Shipment lifecycle

We believe that Aramex's unique ability to provide a full spectrum of services to its customers across the logistics value chain will increasingly become an advantage vis-à-vis our competitors that are only able to provide more fragmented services.

We are leveraging our strengths and 40-year-history in the domestic and international express business, while further growing our freight and logistics operations across our network. Additionally, our value proposition to customers is also focused on tapping into niche market segments that are attractive to the industry, such as healthcare and energy.

In the next few years, through a combination of organic and inorganic steps, we expect to move towards fairly balanced group revenues between our domestic and express products, and our logistics and freight forwarding products.



Our business model



Organization – High-level

Aramex
Global Accounts

Aramex Stations
in 70 countries

Aramex
Support Offices

Aramex
Franchisees and Agents

Current positioning and progress

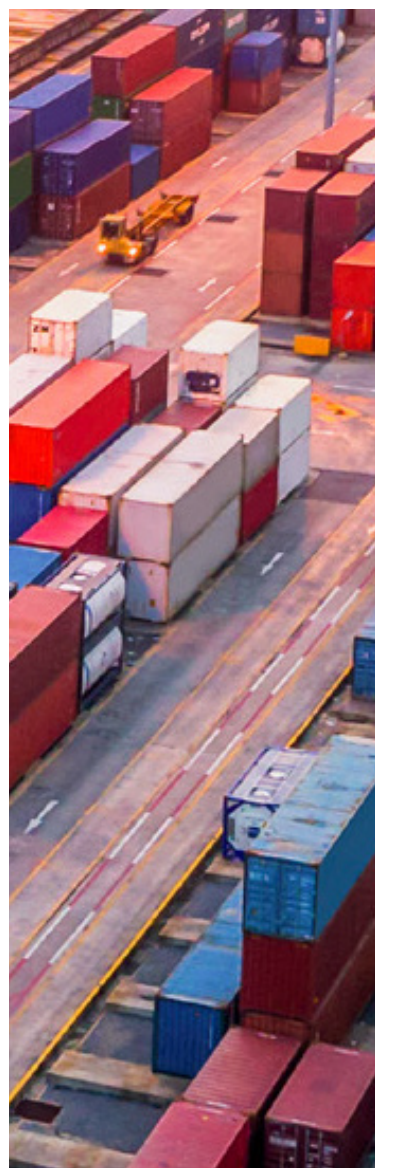
Throughout 2023 we strengthened our four products, with more focus and investment in technologies, capabilities and systems. Our current infrastructure is becoming more agile and can more flexibly accommodate an increase in volumes, which will be directly accretive to the bottom line.

- As a cross border specialist, we offer international express services in the Middle East and Africa (inbound regions), connecting these regions to important trade lanes out of the US, Europe, China, and Hong Kong (outbound regions). We also have a large international express operation intra-GCC and the wider MENA region. Our focus this year was on driving operational efficiencies, reducing linehaul costs and developing our Shop and Ship product in line with the acquisition of MyUS.

- We are a large domestic express player in key markets across MENA, Sub Sahara, Oceania and Asia, with a focus on further increasing market share to reach a dominant position in key growth markets. In 2023 we continued with the mobilization of innovations such as PUDO and lockers, EVS, drone and robot pilots, and fleet management solutions. Route optimization and operational efficiencies led to significant improvements in in courier productivity, while the addition of premium products enhanced our customer offering.

- Our rapidly expanding freight forwarding services across air and sea freight are operational on lanes including Europe/US to Middle East and Africa; and land freight intra GCC and MENA, as well as Ireland / UK. We are focused on industrials, energy, retail, e-commerce and healthcare verticals.

- The Logistics business consists of warehousing and supply chain solutions across key markets, boasting 800,000 sqm in facilities catering to customers in high growth verticals including e-commerce and retail, industrials and healthcare. Following the strategic review concluded last year, the focus for 2023 was on winning quality business and driving margin improvement. Focus areas are expanding our healthcare offering in key markets, while improving and developing our warehouses to cater for an increase in e-commerce business (implementing micro-fulfillment, mezzanine structures, and others).



Product Dynamics Summary

International express

- Macroeconomics and geopolitics impact consumer spending
- Focus on key international trade lanes (US and Europe) into our home markets as well as intra-regional with a particular focus on MENAT, GCC, South Asia and Oceania. Increase the focus on direct customers, SMEs, and B2B business as well as high margin verticals.
- Grow new products such as premium services and dangerous goods for international express.
- Further expansion of MyUs and SnS business which comes at high margins.



Domestic express

- Focus on gaining market share while leveraging existing infrastructure. Continue investing in automation and technology for operational efficiency.
- Turnaround strategy in Oceania, which is a key contributor to our domestic express product.
- High competition in home markets, leading to a commoditized last mile business, while entry of new Chinese players leads to further price erosion.
- Infrastructure, technology and operational excellence underpinned by sustainable operations are key competitive differentiators.

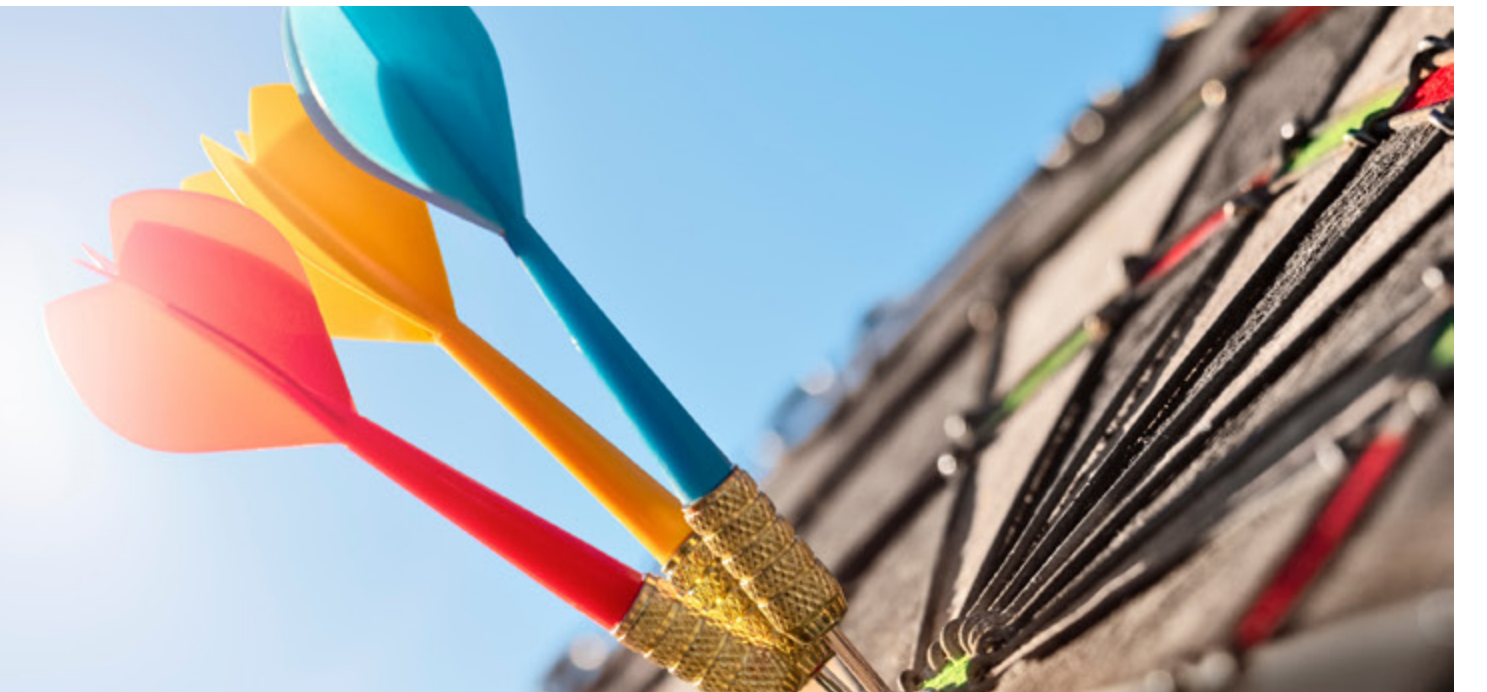
Freight

- Global rates in shipping and freight forwarding continue to fluctuate significantly, hence our focus on product profitability.
- Significant opportunity for growth in a highly fragmented market. Focus sales efforts on key global trade lanes into the GCC, MENAT and Africa and our strategic verticals.
- Deep specialization in strategic verticals from a sales and operational perspective.

Logistics

- Logistics will grow in line with warehouse utilization and sqm expansion currently at approximately 800 thousand across owned, leased and managed.
- Focus on quality revenue and specialism in strategic verticals such as retail, energy, pharma.
- Leverage logistics strategically, by continuing to offer customers an integrated solution that covers the whole supply chain elements.

Strategic Priorities and Key Enablers



Our strategic priorities



Key Enablers

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



Technology Strategic goals on the technological side, our focus will be on the following:

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



Human Resources Strategic goals

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

- Strengthen and Build our Talent Pipeline
- Drive a High-Performance Culture
- Improve Compensation & Benefits Offering
- Fit for today & future - Learning and Development Tools
- Manage Efficiency, Drive Productivity
- Employee Engagement & Culture



Sustainability Goals

- SBTi commitment to reach Carbon Neutrality by 2030 and Net Zero by 2050
- Focus on operational activities that align with sustainability goals, such as route optimization and last mile efficiency, solar energy, EV adoption.
- Climate risk assessment and action plan

ABOUT OUR INTEGRATED REPORT



We are proud to share our 14th integrated report with our stakeholders. This report also marks the 18th year in which we report on our sustainability and Corporate activities, and it includes the culmination of rigorous monitoring and evaluation of our activities across the entirety of our operations, business units, and sustainability efforts. Additionally, this report covers our financials, operational, and ESG (Environmental, Social, and Governance) activities and progress, along with our Green House Gas (GHG) emissions footprint for 2023 from January 1st to December 31st, and it follows our 2022 report .



Sustainability and ESG at Aramex

Since our inception, sustainability has been a part of our Aramex DNA, integrated at every level and within every function. This remains the case 40+ years on.

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

In line with this, we center integrated thinking across our operations and business activities, ensuring that we consistently and deliberately make coordinated efforts to connect our strategy, governance, performance, and opportunities. By embedding integrated thinking, we proactively consider the different relationships and dynamics between our operations, functional units, and across our value chain, ensuring that we are sustainably, strategically, and holistically creating value in the financial, environmental, social, and governance realms over the short-, medium-, and long-term. Our strategy development and implementation are done collaboratively as we work towards common goals in connection with our shareholders, business clients, and critical stakeholders. This approach enhances decision-making, accountability, and communication.

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

We center sustainability and forward-thinking across Aramex, building strategic partnerships and collaborations, proactively managing risks, and capitalizing on opportunities to enhance our innovation and competitiveness, improve our resiliency, and respond to long-term, industry material environmental, social, and governance (ESG) needs, requirements, and risks.

Material issues are determined using a stakeholder-centric approach, through which we consider both financial and business materiality along with ESG importance and the intersections among them. We must be proactive and responsive to risks, changes, and challenges, which emerge both within our operations or due to external dynamics. We comprehensively monitor, measure, and manage capital flows (Financial as well as Human, Social, and Relationship, Manufactured, Intellectual, and Natural), practices, procedures, and impacts and holistically create, preserve, and deliver value. For more on our management approaches to ESG and sustainability matters, please refer to page 114.



Precautionary Approach

Utilizing a precautionary approach is important for Aramex to maintain its position as a responsible and sustainable business and proactively mitigate any negative impacts that may result from our operations, business, and value chain activities. This is relevant for the mitigation of climate risks and impacts and for safeguarding our Natural capital. As such, we make sure to conduct climate risk assessments and engage with our supply chain to find ways to tackle our environmental and carbon footprints, which is a challenge, given our asset-light model since a significant proportion of our impact occurs outside our control. Our application precautionary approach also involves the proactive management of health and safety matters, preservation of human rights, and upholding labor rights, anti-bribery and anti-corruption, and compliance with relevant regulations and laws and our code of conduct. Throughout this report, we refer to the different policies, controls, and procedures that allow us to apply the precautionary principle holistically. Additionally, we outline our environmental strategy, approach, and activities, as well as the results of our climate risk assessment in pages 35, as per the requirements of the Task Force on Climate-Related Financial Disclosures (TCFD).

Navigating Our Report

Our integrated report follows several International Standards to ensure that our stakeholders can comprehensively obtain information about our business operations, sustainability efforts, and governance. More information on our reporting process can be found on page 109.



The International Integrated Reporting <IIR> Framework

WE SUPPORT



United Nation Global Compact (UNGC)



Sustainable Development Goals (SDGs)



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

We also report in accordance to:

- SASB
- TCFD and CDP
- AA1000
- SA8000

Global Reporting Initiative (GRI) Sustainability Reporting Standard

Our report is in line with the GRI standards. Therefore, we report on several material topics using disclosures, spanning Economic, Environmental, and Social concerns listed in our materiality matrix on page 111. Since we report on GRI following in accordance option, the disclosures related to our material topics can be found highlighted with the GRI Index on page 115.

International Integrated Reporting Framework (IIR)

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

We observe, map out, and address emerging standards that are most relevant to our industry and international best practices and regulatory requirements in our effort to ensure that we are in line with evolving reporting standards and maintain our position as Integrated and Sustainability Reporting Pioneers in our industry.

Icon	Capital Icon	Definition
	Financial	The pool of funds that is available for us to use in the production of goods and services, obtained through financing or generated through operations and/ or investments.
	Manufactured	Manufactured physical objects that are available for our use in the provision of our services, including buildings, vehicles, equipment, 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.

Figure 4: IIR Six Capital Definitions

United Nations Global Compact

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

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

Sustainable Development Goals (SDGs)

Aramex is committed to leveraging its sustainability and business activities to support the achievement of the United Nations Sustainable.

Development Goals (SDGs), directly or indirectly through our value creation and impact. Our sustainability efforts involve a strategic approach to SDGs, especially those listed below, while also contributing to others. This is a non-binding and voluntary initiative taken on Aramex's behalf and is driven by our belief in the value of this work.

Strategic focus



Business responsibility



Impact



Value Creation Model

01 INPUT

<p>Financial</p> <p>Total Assets: AED 5,828 Million</p>	<p>Manufactured</p> <ul style="list-style-type: none"> • Geographical presence in >70 countries • Expansion of Micro Distributions Hubs and Dark Stores • 300 New Pick and Drop locations 	<p>Natural</p> <ul style="list-style-type: none"> • Climate Risk Assessment • 49,727,400 KWH Energy Consumed • Degradable pouches used for majority of Express shipments" • Two New Solar Energy Projects • Updated Waste Management Procedure and Sustainable Procurement Policy 	<p>Intellectual</p> <ul style="list-style-type: none"> • Expansion of operational efficiency and optimization programs, R&D, and innovation projects • Training on innovation, technology, and sustainability • Enhanced Approach to Integrated Reporting and data management • Periodic review of policies and procedures 	<p>Human</p> <ul style="list-style-type: none"> • Over 16,000 talented employees • 101,988 Training Hours • Diversity, Equity and Inclusion policies • Enhanced Maternal/ Paternal leave • Flexible working hours • Competitive benefits 	<p>Social and Relationship</p> <ul style="list-style-type: none"> • Engagement with community and sustainability organizations • Supplier engagement platform • 1.2% Pre-tax profit contribution to social and community projects • Annual stakeholder engagement activities
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Mission:
Connect people & businesses, reliably & responsibly.



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

02 OUTPUT

<p>Financial</p> <ul style="list-style-type: none"> • 5,694 Million AED Total Revenue • 628 Million AED EBITDA 	<p>Manufactured</p> <ul style="list-style-type: none"> • 2% Growth in Express Revenue • >3,000 Pick and Drop locations across the Network 	<p>Natural</p> <ul style="list-style-type: none"> • Climate Risk Framework and Mitigation Action Plans • CDP disclosure • 12,349,599 Kwh generated from renewable energy • 7 Solar projects across the network • 47 sites ISO 14001 certified 	<p>Intellectual</p> <ul style="list-style-type: none"> • Introduction of robots and expansion of Future Vehicles Program • > 400 km travel distance a from piloting Robot use. Route optimization reduced driving distance by 1,123,200 Kms in 5 months • MEIRA Award for Annual Integrated Report • 39 stations 9001 certified 	<p>Human</p> <ul style="list-style-type: none"> • >100 nationalities • 6.2 Average training hours per employee • 20% female employees • 47 stations ISO 45001 certified 	<p>Social and Relationship</p> <ul style="list-style-type: none"> • Sustainability advocacy partnerships with the UNGC, COP28, and more • >85% of our locations implemented community and social projects • Incorporating emerging reporting standards and engaging with CDP and ESG rankings
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03 IMPACT

<p>Financial</p> <p>Manufactured</p> <p>Enhanced operational and resource efficiency across the network</p>	<p>Natural</p> <ul style="list-style-type: none"> • 11% reduction in GHG emissions • 29% reduction in water consumption 	<p>Intellectual</p> <ul style="list-style-type: none"> • A reduction of 1,238,000 KgCO₂e from route optimization and 60Kg CO₂e from Robot use • Global leadership positioning and enhanced sustainability advocacy 	<p>Human</p> <ul style="list-style-type: none"> • Maintaining an inclusive, inspiring, and safe work environment • 75 OHI score • >100% nationalization goals met • 39% of employees with a tenure of over 5 years 	<p>Social and Relationship</p> <ul style="list-style-type: none"> • >90% local suppliers • >160,000 Beneficiaries • Enhanced ESG reporting and transparency
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ESG KPIs

Environmental data	Unit of measure	2023	2022	2021	2020
Total Emissions	tons (tCO2)	524,332	589,121	669,258	727,344
Scope 1 Emissions	tons (tCO2)	55,314	63,268	64,414	59,334
Scope 2 Emissions	tons (tCO2)	27,337	23,643	31,008	39,326
Scope 3 Emissions	tons (tCO2)	441,682	502,210	573,836	628,684
Electricity	kwh	50,167,734	43,350,256	55,024,089	61,276,783
Fuel	Liters	22,362,950	25,438,603	25,715,644	24,267,172
Intensity KPIs					
Energy Intensity		8.1	8.8	8.7	9.2
KgCO2e per Shipment		4.2	4.8	5.1	5.7
Electricity per Shipment		0.40	0.35	0.41	0.5
Fuel per Shipment		0.18	0.21	0.19	0.20
Renewable Energy					
Number of solar projects	Number	7	5	5	5
Energy generated from solar projects	KWH	12,349,599	11,778,833	11,321,094	6,858,752
Social data					
	Unit of measure	2023	2022	2021	2020
Total Employees (full-time workforce)	Number of employees	16,413	16,305	16,359	17,404
Gender Diversity (Male/Female)					
Percentage of Male Employees	%	80	81	81	81
Percentage of Female Employees	%	20	19	19	19

Environmental data	Unit of measure	2023	2022	2021	2020
Gender Diversity, Management: %					
Senior Leadership (M/F)	%	(%8 - %92)	(%0 - %100)	(%0 - %100)	(%24 - %76)
Middle Management (M/F)	%	(%17 - %83)	(83% - 17%)	(%19 - %81)	(%18 - %82)
Others (M/F)	%	(%27 - %73)	(%28 - %72)	(%25 - %75)	(%25 - %75)
Age distribution					
Employees <21	%	1	1	3	
Employees 30-21	%	31	35	63	
Employees 40-31	%	40	39	25	
Employees 50-41	%	20	19	7	
Employees 64-51	%	8	6	2	
Employees >64	%	0	0	0	
Employee Years of Service					
<1 year	%	10	19		22
1-5 years	%	51	46		45
6-10 years	%	20	18		18
11-15 years	%	10	10		10
16-20 years		6	5		3
21-25 years	%	2	2		1
>25 years	%	1	1		0
Return to Work rate after maternity Leave	%	98	99	97	100

Environmental data	Unit of measure	2023	2022	2021	2020
Organizational Health Index (OHI)					
Aramex Pulse participants	%	80	82	80.0	
OHI score		75	74.5		
Learning and Development					
Learning Hours	Hours	101,988	114,221	57,753	60,439
Average Hours per Employee	Hr/Employee	6.2	7.91		
Average Courses per Employee	Courses/Employee	8.4	6.88		
National Vs Expat:	%	(40 / 60)	(40 / 60)		
Nationalization Targets:					
KSA	%	33 (102% met)	29 (100% met)		
UAE	%	4 (100% met)	2 (100% met)		
% spending on local Suppliers (Except holding companies)	%	<90	:98		
Lost Time Injury Frequency Rate (LTIFR)		2.78	2.22	2.58	1.83
Lost Time Injury Incident Rate (LTIIR)		0.71	0.57	0.66	0.53
Lost Time Injury Rate (LTIR)		0.56	0.44	0.52	0.37
Lost Days Rate (LDR)		6.03	8.8	13.85	13.45
Accidents per Million Shipments		8.38	8.18	7.26	7.54
Fatalities		2	3		
Fatality Rate	Number	0.0067	0.054		1
Sustainability Coverage	%	85	87	86	96
Beneficiaries	Number	160,000	140,000	1,060,000	356,419

Environmental data	Unit of measure	2023	2022	2021	2020
Management System Certifications					
ISO 9001 (Quality) - Number of Locations	Sites Certified	39	35	27	
ISO 45001 (Health & Safety) - Number of Locations	Sites Certified	47	39	15	
ISO 14001 (Environment) - Number of Locations	Sites Certified	47	38	18	
Employee training on Code of Conduct, including human rights and anti-corruption					
Compliance to Code of Conduct training	% of targeted employees	93	91	84	82

Figure 5: Key ESG Statistics



Stakeholder Mapping

Maintaining a strong relationship with our stakeholders is key to our value creation. By consistently and periodically mapping our stakeholder groups, we better understand and meet their expectations and needs, while enhancing our value creation and minimizing any possible negative impacts that might result from our operations. For more on our stakeholder engagement, please refer to our consultant report on page 179.






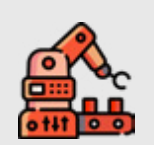








Stakeholder Group	Employees	Customers	Shareholders and the Investment Community	Government and Regulators	Business Partners and Suppliers	Our Communities
Highlights	In 2023, we had 16,413 employees, spanning over 104 nationalities. 94% of our workforce are full-time employees.	84.7% customer satisfaction rating for our new live chat channels as well as chat resolution rates of 85%.	Our top shareholders are Geopost with 28.0% ownership and Abu Dhabi Ports with 22.3% ownership, with the rest owned by a mix of local, regional, and foreign institutional and retail investors. Aramex has no majority shareholder. As of May 2022, the Aramex stock is 100% open to foreign ownership, being the first onshore UAE company listed on the Dubai Financial Market (DFM) to fully remove foreign ownership restrictions. Aramex has a clear set of disclosure principles, policies, and practices to ensure its disclosure and communications with all shareholders and the investment community are relevant, transparent, simultaneous, accurate, and timely. These are summarized in the Investor Relations ("IR") Policy and published on our IR website.	We have continuously engaged with government and regulators to ensure adhering to requirements and addressing all key issues that arise.	More than 90% of our suppliers are local in our key stations. In 2023, all our new suppliers were evaluated based on our supplier evaluation criteria (page 70)	In 2023, we continued to enhance our Corporate Citizenship partnership model and strategies internally, while supporting a number of projects reaching a diverse base of beneficiaries across multiple geographical locations.
How we manage the relationship	<p>Our people-centered philosophy guides our relationship with our employees. We have a dedicated HR center of excellence as well as a Regional HR Structure of Directors and associated Business Partner teams, which manage and set the strategies related to our local and Global HR agendas.</p> <p>We engage and collect feedback from our employees through several channels, including regular performance quarterly check-in conversations, Bi-annual Aramex Pulse Survey, and Town Hall meetings (including Global Strategy Townhalls). We use internal communication channels such as our intranet, Yammer, and emails to share information on events, circulars, and other relevant communication.</p> 	<p>We have several engagement channels to ensure that we proactively manage our relationship with our customers. We continually work with our employees to implement the best practices related to customer service.</p> <p>We employ different communication channels on different platforms, ensuring that we are reachable for our customers' concerns. We have added live chat as a communication method for customers in the GCC for smoother and faster communication for those customers that want near-immediate answers to queries.</p> <p>Our customer teams conduct frequent check ins to gather feedback on our services.</p> <p>We use Social Media, WhatsApp Business, and Chatbots, to increase responsiveness.</p> <p>We regularly conduct customer service and call center training and establish KPIs to ensure faster response times.</p>	<p>Aramex is committed to adhering to and implementing best practices in investor relations. Therefore, Aramex aims to:</p> <ul style="list-style-type: none"> Proactively engage with the investment community to communicate a clear and accurate representation of Aramex's investment proposition, including our past and current performance as well as our growth prospects and strategy plans. Maintain an open dialogue with the investment community and regularly request feedback on company IR communications and practices with the aim of improving these to satisfy the requirements of our shareholders. In November 2023, the annual investor feedback survey was conducted, with investors notified and invited to participate via email while a link to the survey was also published in the quarterly investor presentation on the IR website. Provide the investment community with equal and regular access to Aramex material information through published materials on the IR website, and through meetings or conferences with senior management and the investor relations department. Ensure all investor communications abide by regulatory disclosure obligations. 	<p>A core part of our engagement with regulators and government organizations is ensuring our compliance with all relevant local and international laws and regulations.</p> <p>We conduct frequent assessments and training to ensure that we are up to date with any relevant policies and regulations.</p>	<p>In 2023, we continued our robust due diligence efforts with third parties, including training programs.</p> <p>We conducted online and offline engagement and meetings as necessary. We also conducted site visits and stakeholder engagement sessions.</p> <p>We conducted trainings for our suppliers through Ariba. Additionally, we onboard our new suppliers and they are subject to our due diligence process. All suppliers must also fill out our Supplier evaluation questionnaires.</p>	<p>We manage our relationship with our communities through our social projects, partnerships with community organizations, and stakeholder engagement. Additionally, we conduct assessments to understand our social impacts and set strategies to ensure that we are adding value to the communities in which we operate. We have regular meetings with our partners to track project progress and updates related to impacts, we also continually conduct research into best practices and approaches for community engagement, youth empowerment and education, and entrepreneurship.</p>
Stakeholder needs and expectations	Our employees' most pressing needs are competitive compensation, rewards and recognition, career advancement, effective engagement, learning and development, and work and life balance.	Our customers express that ease of communication, ensuring timely service delivery and effective handling of complaints, along with safeguarding privacy and security are top issues of concern.	Our shareholders' needs and expectations center on good company governance, shareholder value creation, and transparent and timely disclosure of material information, including accessibility and a direct line of communication with the Company through the investor relations department	Adherence and compliance with laws and upholding data security and privacy are the most pressing concerns for regulators.	For our major business partners and suppliers, ensuring compliance and fair supplier selection and procurement were priority areas, along with ensuring effective procedures and process, including supplier assessments on ethical practices and ensuring reputational assessment.	Through discussions with community-based organizations and NGOs, we have come to understand the priority issues that we need to focus our social projects on. Organizations have expressed the need for projects that focus on education and women and youth empowerment, both being areas that we currently work on and keep expanding. Additionally, ensuring ethical business conduct is a priority for our community stakeholders as well.
Key objectives and metrics	<ul style="list-style-type: none"> Employee Engagement and retention Diversity Learning and development Performance Management Talent Management <p>For more on our HR initiatives, please refer to page 41.</p>	<ul style="list-style-type: none"> Customer satisfaction Resolution rates Number of new customers Net Promoter Score (NPS) Tenders winning ratio Customer retention <p>For more on how we response to customer needs, please refer to page 55.</p>	<p>Aramex measures shareholder value creation using several metrics including, but not limited to:</p> <ul style="list-style-type: none"> Net profit attributable to shareholders Earnings per share Total shareholder returns Return on equity Return on invested capital <p>For more information, please refer to our governance section on page 72.</p>	<p>-Aramex works closely with regulators, such as stock markets, to promote and mandate sustainability reporting and ensure awareness on relevant laws and regulations</p> <p>- Aramex works with relevant stakeholders to uphold compliance with international and national laws and advancing internal compliance training to ensure adherence with best practices. For more on this, please refer to page 104.</p>	<ul style="list-style-type: none"> Number of suppliers evaluated/trained Number of local suppliers <p>For more on our suppliers and procurement processes, please refer to page 70.</p>	<ul style="list-style-type: none"> Direct beneficiaries reached Project goals and impact Partnerships per geographical location <p>For more on our social initiatives and projects, please refer to page 60.</p>
Capitals impacted	  <p>Human Social and Relationship</p>	   <p>Social and Relationship Financial Intellectual</p>	  <p>Social and Relationship Intellectual</p>	  <p>Social and Relationship Intellectual</p>	   <p>Social and Relationship Intellectual Social and Relationship</p>	 <p>Social and Relationship</p>

Figure 6: Stakeholder Mapping

Highlights of 2023 Financial Results

In Thousands of UAE Dirhams	FY 2023	FY 2022	Change % (YoY)
Revenues	5,694,022	5,926,005	(4%)
Revenues Change excl FX %			(1%)
Gross Profit	1,426,929	1,424,304	0%
Gross Profit Margin	25%	24%	
EBIT	266,661	245,331	9%
EBIT Margin	5%	4%	
EBITDA	627,732	614,005	2%
EBITDA Margin	11%	10%	
Net Profit	129,297	165,379	(22%)
Net Profit Margin	2%	3%	

Amid challenging market conditions and currency fluctuations, Aramex delivered a resilient full year performance in 2023. Revenue was healthy at AED 5.69 billion, representing a decline of 4% in 2023 compared to 2022. When excluding the impact of currency translation, full year Revenue decline was 1% year-on-year compared to reported decline of 4%.

Revenue growth of 2% in International Express for the year 2023 was offset by the decline in revenues from other products. Freight Forwarding was impacted by the decline in global rates in the Freight-Forwarding industry, while the Domestic Express and Logistics businesses reported marginal decline in revenues, impacted by currency translation. Excluding the impact of currency translation, both Domestic Express and Logistics reported growth of 2% in revenue for the year 2023 compared to the year 2022.

With the management's resolute focus on quality revenue, operational efficiency, and cost optimization, Aramex maintained Gross Profit at AED 1.43 billion for the year 2023 and delivered an improvement of a one percentage point in the Gross Profit margin to 25%.

The Company's fiscal discipline was further showcased through its improvement in Group Selling, General, and Administrative (SG&A) Expenses, returning to pre-pandemic levels for the cost structure. The organic business (excluding MyUS) delivered a 10% decline in general, and administrative expenses. A 7% increase in selling expenses for the organic business reflects the Company's strategy to increase sales competencies in key verticals across key markets to ensure sustainable and quality revenue growth in the future.

Group EBITDA increased 2% to AED 628 million, despite the decline of 4% in Revenues, while the EBITDA margin also improved to 11% for the full year 2023. EBITDA improvement was driven by an increased focus on quality revenue, enhanced operational efficiencies and a one-time logistics business boost from settlement claims in the fourth quarter of the year.

Net Income witnessed a 22% decline to AED 129 million in 2023, attributed mainly to the increase in finance expenses associated with the MyUS acquisition loan taken in Q4 2022, and to a lesser extent, to the currency translation impact. Net income for the organic business increased 7% YoY in 2023 compared to 2022, demonstrating the underlying strength of our operations.

Aramex maintained a strong balance sheet position with Net Debt-to-EBITDA ratio of 2.4x and a healthy cash balance of AED 575 million as of 31 December 2023.



Business Performance

International Express (Including Shop & Ship and MyUS)

In Thousands of UAE Dirhams	FY 2023	FY 2022	Change % (YoY)
Revenues	2,295,412	2,248,885	2%
Gross Profit	780,241	713,329	9%
Gross Profit Margin	34%	32%	

International Express Shipment Volumes (in millions)

In millions of shipments	FY 2023	FY 2022	Change % (YoY)
Total Number of Shipments	23.3	22.2	5%

Revenue increased to AED 2.3 billion in 2023, a growth of 2% year-on-year, driven by the growth in volumes. International Express delivered 5% growth in volumes to reach 23.3 million shipments in 2023. Aramex's investments in driving efficiencies have resulted in a strong and agile infrastructure, able to accommodate the growing business in a sustainable and profitable manner. The Gross Profit for 2023 was AED 780 million,, a year-on-year increase of 9% while the corresponding Gross Profit Margin grew to 34%.

Domestic Express

In Thousands of UAE Dirhams	FY 2023	FY 2022	Change % (YoY)
Revenues	1,427,360	1,496,683	(5%)
Gross Profit	312,826	370,289	(16%)
Gross Profit Margin	22%	25%	

Domestic Express Shipment Volumes

In millions of shipments	FY 2023	FY 2022	Change % (YoY)
Total Number of Shipments	100.0	100.1	(0%)

Domestic Express delivered a resilient performance in the face of softened retail activity worldwide during 2023. Volumes were stable at 100 million shipments and Revenue for the full year 2023 declined by 5% year-on-year to AED 1.43 billion mainly due to due to FX impacts. Excluding the currency impact, Revenue grew 2% in 2023.

The Gross Profit Margin decreased double digits in 2023, primarily due to the softness in Oceania, certain adjustments in Group reporting as well as currency fluctuations. Upon removing FX effects, the Gross Profit declined 8% for the full year 2023 compared to the year 2022.

Freight-Forwarding

In Thousands of UAE Dirhams	FY 2023	FY 2022	Change % (YoY)
Revenues	1,495,870	1,684,376	(11%)
Gross Profit	229,338	232,693	(1%)
Gross Profit Margin	15%	14%	

Freight-Forwarding Shipment Volumes

In Thousands of UAE Dirhams	FY 2023	FY 2022	Change % (YoY)
(Air Freight (KGs	44,832,629	52,525,834	(15%)
(Sea Freight (FCL TEU	30,787	31,133	(1%)
(Sea Freight (LCL CBM	24,733	18,526	34%
(Land Freight (FTL	29,153	29,036	0%
(Land Freight (LTL KGs	174,521,104	153,489,529	14%

Aramex’s Freight-Forwarding business was resilient in a challenging market characterized by the decline in global freight rates, leading to a downward impact on pricing as seen across the freight forwarding industry worldwide. Aramex was also impacted, with 2023 registering AED 1.50 billion in Revenue, representing a decline of 11% compared to the year 2022.

Costs were effectively managed, aligning with Revenue, resulting in a stable Gross Profit of AED 229 million and an improvement in the Gross Profit Margin to 15% for the year 2023.

Land freight delivered robust growth in volumes, with Aramex boasting a large trucking fleet in the GCC and wider region. During the year, the decline in sea freight rates has led to a shift in volumes from air freight to sea freight which is also reflected in the volume performance of Aramex.

As we write this report, the shipping industry is impacted by the situation at the Red Sea which is causing an increase in rates and disruption in transportation routes. Aramex is able to support clients with alternative transportation routes thanks to its strong network and infrastructure in the region.

Logistics and Supply Chain Solutions

In Thousands of UAE Dirhams	FY 2023	FY 2022	Change % (YoY)
Revenues	428,927	449,807	(5%)
Gross Profit	65,283	69,026	(5%)
Gross Profit Margin	15%	15%	

In 2023, the Logistics and Supply Chain Solutions reported Revenues of AED 429 million, a decline of 5% compared to FY2022. Foreign exchange translations had a significant role to play throughout the year. When excluding the impact of currency translation, Revenue grew 2% for the full year 2023, compared to the year 2022.

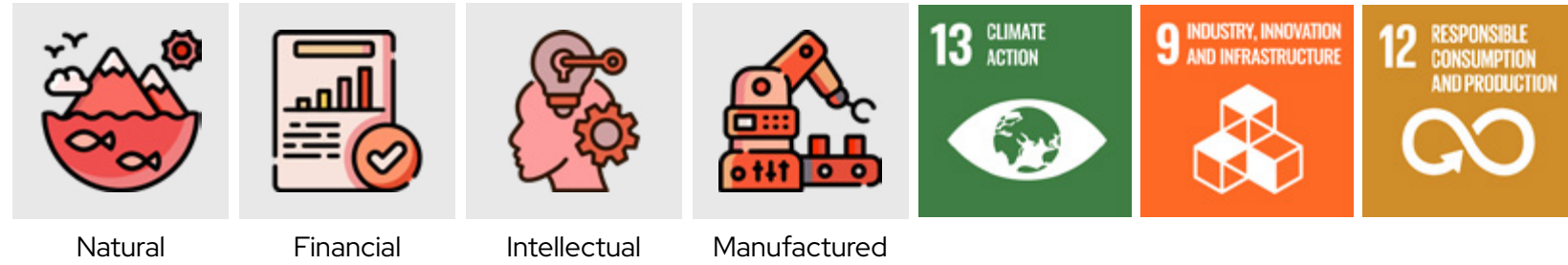
Aramex continued to focus on enhancing operational efficiencies and maintained a disciplined approach to cost management. For the full year 2023, Gross Profit declined in line with Revenue and the margin was maintained at a healthy 15%.





ENVIRONMENT

Environmental Stewardship and Climate Change Mitigation



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

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

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

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

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

Measuring Our Environmental Impact

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

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

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

Figure 8: Carbon Emission over 5 years

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

^[2] Refrigerant emissions are not included in our Scope 1 calculation

11% Reduction in total GHG Emissions since 2022

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

Year over Year Performance

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

Figure 9: Emissions, Electricity and Fuel Data

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

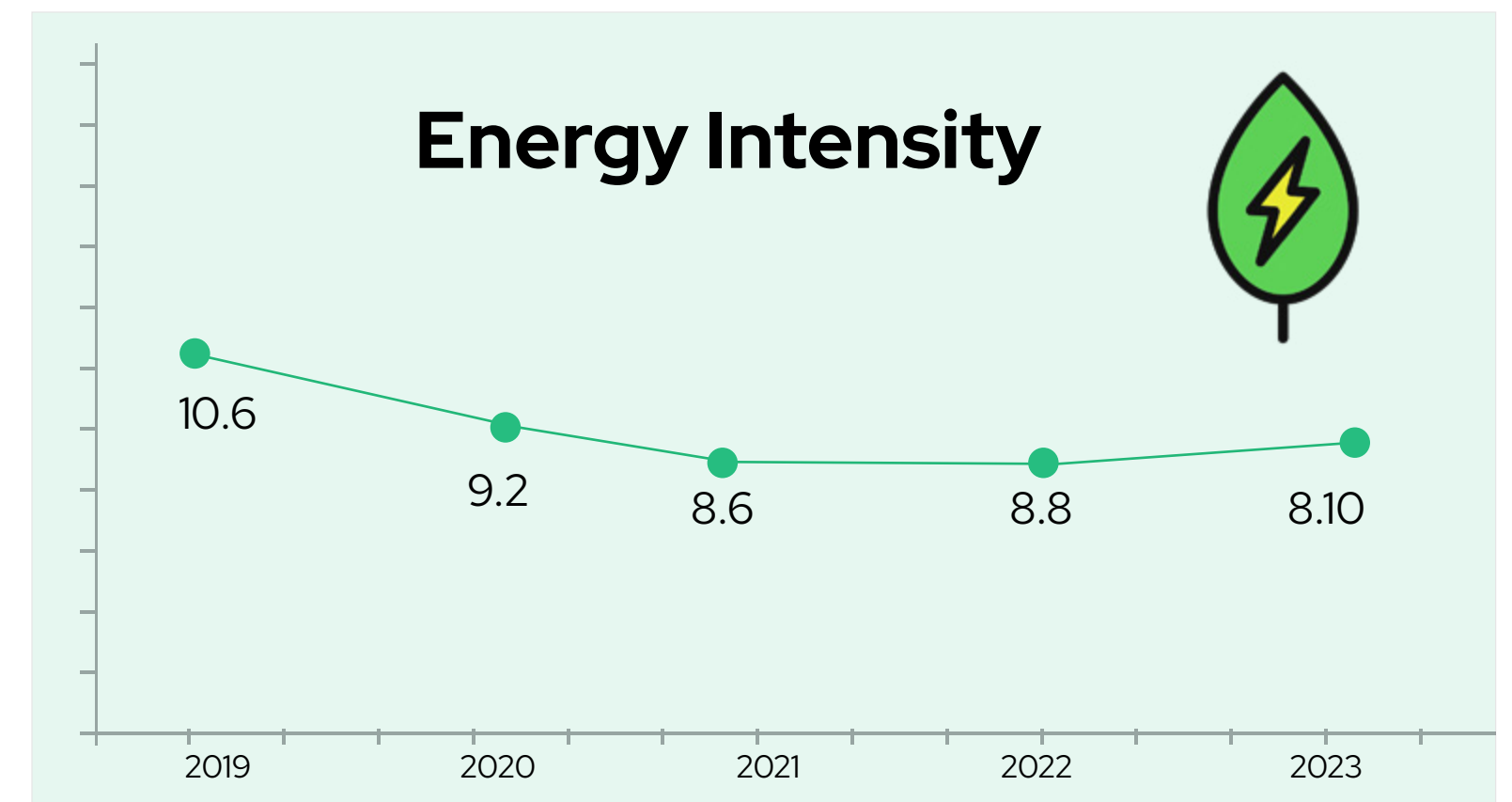
Fuel reduction is due to enhancement in route optimization, operational efficiency, fleet electrification, and introduction of LEVs. Detailed initiatives can be found on page 38.



SOx and NOx for the last five years

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

Figure 10: SOx and NOx



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

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

Our Climate Risk Governance Structure

Aramex's oversight of climate related risks and opportunities is embedded within our ESG Sustainability Governance structure. This includes joint collaborations between the Risk and Sustainability teams on climate risk plans, the upskilling of Climate Risk Champions to implement action plans, and the oversight from the ESG committee. We are continually evolving our Corporate governance structure in recognition of the urgency of climate action and in response to our increasing understanding of the impact of climate change on our business. Therefore, we present a holistic and transversal structure that maximizes the involvement and commitment of all internal stakeholders in the pursuit of the objectives set in sustainability matters. For more on our ESG governance structure, please refer to our Disclosures on Management Approaches on page 114.



Our Climate Risk Framework

As a result of our Climate Risk Assessment, we have developed a customized Climate Risk Framework, which is integrated into our enterprise risk management processes. This framework will allow us to regularly review previously identified climate risks, update the climate risk inventory if necessary, and ensure that suitable mitigation and adaptation plans are in place. To support the integration of our climate risk framework and promote climate risk understanding and awareness, we have developed a capacity-building program that was rolled out in 2023 for our internal stakeholders. These actions demonstrate our commitment to limiting the impact of climate risks on our business and stakeholders and will ensure that we are in a position to take direct effective action moving forward.

Our customized climate risk framework is founded on the four core principles of TCFD. Our climate risk framework provides a structured approach for identifying climate risks, evaluating various climate scenarios, assessing the impact of risks on the business, progressing action plans, and developing monitoring instruments. The framework can be found on page 39 of our 2022 report.

Moreover, we developed a monitoring toolkit to support the processes of the climate risk framework, which will allow us to maintain and improve our performance. What's more? We are currently in the process of assessing and

prioritizing the identified climate risks in terms of their business impact. The prioritization of risks will serve as the basis for us to effectively allocate the necessary resources and measures for addressing the most relevant risks and track our performance.

Our climate risk framework will undergo regular reviews to ensure that the identified risks are appropriately managed and that the risk framework is updated, if necessary, to reflect emerging risks. To complement our actions, we are also planning a three-tiered approach to capacity building for specific to general internal stakeholders. These sessions are directed toward our relevant stakeholders, aiming to support our climate risk assessment and management efforts. The sessions address general topics of climate change and climate risk management, global policy, and our Corporate actions toward managing climate risks, TCFD, and the risk framework.

The structure of our climate risk framework and the assessment tool was shared with relevant teams and internal stakeholders and was further developed based on their feedback. In doing so, we make sure that we upskill and embed what we learned in the assessment throughout our different functions, fostering shared ownership and empowering our people with the right knowledge, skill set, and tools to successfully implement our climate risk agenda. All these engagements will allow us to disseminate the essential knowledge and understanding of

climate risk assessment and management across our key functions. Furthermore, the sessions will communicate and demonstrate our commitment to identifying, mitigating, and managing our relevant climate risks, eventually building climate resilience in everything we do.

Defining Climate Risks

The **climate risks** to be addressed are divided into **two groups: transitional and physical risks**.

Transition risks are those associated with the pace and extent at which an organization manages and adapts to the internal and external pace of change to reduce greenhouse gas emissions and transition to renewable energy. This group incorporates aspects related to legislative and regulatory changes, availability of technologies with an impact on the organization, economic Disruptions, and new business models and topics with an impact on the reputation of the company.

On the other hand, **Physical risks** include acute and chronic risks caused by changes in the environment and ecosystems, namely extreme weather events, pollution, and depletion of resources, among others.

As a result, and since these groups present different characteristics, the **Climate Risk Framework** defines slightly different approaches to ensure maximum effectiveness and reliability of the entire process.

Scenarios and Scenario Planning

Our climate risk assessment was conducted with three different climate scenarios in mind:

1. No Policies and Worst-Case Scenario

The most severe scenario in which no type of policies to reduce emissions or fight climate change will be applied, representing an increase in global average temperature to approximately 4 °C in 2100

2. Business as Usual

The intermediate scenario assumes that governments will maintain the current pace of implementing policies and commitments to fight climate change, representing an increase in temperature between 2 and 3°C until 2100.

3. 1.5-2 °C or Paris Agreement (PA) Scenario

It is the most ambitious scenario with the average global temperature increase by only 1.5-2°C until 2100, as a result of a substantial reinforcement of the policies and commitments assumed by countries in the coming years.

Each climate scenario provides a credible alternative view of how the future could evolve from a climate change perspective. These scenarios provide a holistic view of the potential future risk impact on the business sustainability. By considering each scenario, we are able to future proof our strategy and risk management.



Risk Prioritization

Prioritization of risks for each category was performed based on the final risk score that is shown below. All of the risks on this slide are considered critical (the final score >= 10) except for the physical risks that are considered important (the final score >= 9).

This prioritization was developed based on the Climate Risk Assessment methodology outlined above. The following formula was used to calculate the final risk score:

Final risk score = max (Importance to peers; Importance to Aramex) + Severity + Likelihood

Time Horizon	10-15 years		
Scenarios	1.5	1.5	2.0
Modeling Simulation	Scope 1 reduction of %42 by 2030	Scope 2 reduction of %42 by 2030	Scope 3 reduction of 25 % by 2030*
Business Scope	Upstream, direct operation and downstream	Upstream, direct operation and downstream	Upstream and downstream
Risk Categories	<p>Policy risks and legal risks</p> <ul style="list-style-type: none"> a. Enforcement of supply chain control b. Enforcement of carbon-pricing mechanisms to reduce GHG emissions c. More stringent CO₂ emission performance standards for vans and heavy-duty vehicles, new fuel standards d. Introduction of more stringent regulation on packaging and packaging waste e. Enforcement of renewable energy consumption <p>Technology risks</p> <ul style="list-style-type: none"> f. Lack of availability of low emission and electric vehicles and necessary infrastructure (ex. charging stations) <p>Market risks</p> <ul style="list-style-type: none"> g. Competitive disadvantage of not fulfilling ambitious climate actions h. Failure to fulfill publicly disclosed climate goals, SBTi targets i. Change of input prices for natural resources j. Change in customer behavior k. Change of insurance costs <p>Physical risks (Acute and Chronic)</p> <ul style="list-style-type: none"> l. Coastal flooding and erosion m. Extreme heat and extreme precipitation events n. Increase in the mean temperature 		

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

Figure 11: Priority Climate Risks



The above risks correspond to our highest priority risks but are not exhaustive of all risks assessed. In total, 30 different climate risks were assessed.

Opportunities Resulting from Climate Action

We believe that our climate action will have positive results across our value chain, enabling us to deepen our value creation and Corporate responsibility; as such, our climate risk assessment revealed the following opportunity areas that we are embedding into our strategic goals.

1. Products and Services

There is an opportunity for Aramex to further its collaboration with 3rd parties regarding the development of low-carbon solutions to reduce scope 3 emissions and emissions beyond the value.

We are working on increasing our service offering to include low-carbon deliveries for customers (e.g. ensuring electric vehicle delivery for clients with net zero targets, Bio-diesel for cross-border routes between UAE and GCC).

2. Energy Source and Resource Efficiency

We are working to engage with local governments to promote and foster more favorable conditions for PV installation and autonomous vehicle use and on infrastructure development for EVs and low-emission fuels for aviation and marine transportation, where available and applicable.



3. Resilience

We are working to enhance our resilience against climate risks. This includes working with our risk and compliance and procurement departments to expand our supplier evaluation to include more detailed carbon and physical-related requirements for the 3rd parties based on the procurement size.

We will be also conducting studies, including hotspot analyses across transportation routes and infrastructure regarding the exposure to the most drastic climate change scenarios. The research would allow for adjusting the most exposed and critical infrastructural points (like sea terminals) for possible future changes or considering relocating the company's assets or warehouses to other locations. We will also initiate studies to analyze the effect of nearshoring on different revenue channels by geography and products and identify where this risk is most likely to emerge faster. This directly relates to our micro-distribution centers and the enhancement of our Pick-Up and Drop Off solutions.

Aramex's Environmental Stewardship and Climate Risk Mitigation Efforts

1. Reduction of Direct Emissions

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

Our goal is to convert our fleet into Low Emission and electrify our fleet based on the availability of electric vehicles that meet our operations' needs in our markets. We have also entered into a leasing agreement in UAE to lease electric vehicles, if unavailable, then only LEVs. We have also begun piloting the use of biofuels and biodiesel mixes in the UAE to test the feasibility of using biofuels to reduce our scope 1 emissions.

(Relevant Priority Risks (Figure 11): b, c, g, h, i, j, k)

Highlights

Our fleet optimization initiatives in the UAE saw two major milestones in 2023:

- By streamlining our routes and verticals, we reduced the driving distance of 100-120 km per truck per day (1,123,200 KMs total in 5 months), estimating a reduction of 1,238,000 KgCO2e in emissions in 2023.
- We upgraded 73 trucks to Euro V emission standard 2023, which on average is estimated to cut emissions down by 13% compared to previous models.

In 2023, we also successfully converted and onboarded sixty-five 15m trailers, covering both dry and reefer types. This resulted in a total of 857 trips, transporting around 11 million kilograms over approximately 1,584,400.00 kilometers, which resulted in cutting down the emissions from these trips by 9%.

2. Route and Process Optimization
 We have several initiatives to improve route optimization, while also utilizing micro hubs/ distribution centers, stemming from an understanding that we need to reduce emissions while also keeping up with the rising demand of last-mile operations. As such, the Micro Distribution Centers project continued its expansion in 2023, adding 5 new dark stores/hubs and 1 new location. For more information on this project, please refer to page 34 of our 2022 report. This project helps reduce the total distance moved by our couriers on the ground by consolidating business to Micro Distribution Centers, thus reducing our GHG emissions and operational costs.

Additionally, we are committed to expanding our future vehicles program, exploring delivery options using drones and autonomous vehicles, as well as optimizing our processes using different automation and technological investments. For more on our innovation and technological transformation projects, please refer to page 57.

Additionally, in 2023, we worked on tactical planning and territory optimization to enhance efficiency. This allowed us to use real-time traffic and stem time analysis to optimize our Delivery Champions' working hours throughout the day. The optimization model can assign different targets for various areas based on factors such as distance from a starting point, traffic conditions, and area density, to optimize driving conditions, reducing unnecessary driving distance and idling time, which in turn enhances fuel efficiency and reduces emissions. Enhancing route optimization and delivery window scheduling ensures less fuel is wasted due to missed delivery attempts, and that delivery and timings are planned in the most resource efficient manner, furthering our carbon footprint reduction. (Relevant Priority Risks (Figure 11): b, c, g, h, i, j, k)

3. Enhancing Energy Efficiency
 We are committed to enhancing our energy efficiency to optimize and reduce our natural resource use and inputs. We are also committed to certifying our facilities according to the ISO 14001 standards, along with our LEED certification on our owned facilities, where feasible and possible. Additionally, we conduct energy audits in different locations and facilities to understand our energy use and identify potential energy savings. Moreover, we have initiated an energy efficiency project in the UAE logistics warehouses to reduce energy usage by 10% by the coming year, noting that 60% of the energy supplied to these warehouses comes from renewable energy (solar). (Relevant Priority Risks (Figure 11): b, g, h, i, j, k)

LEED Certification

Site	Country	Category
Aramex Warehouse	Jordan	Silver
Aramex Burg El-Arab	Egypt	Silver
Aramex Mashreq Warehouse	Egypt	Silver
Aramex Office – Block A	Dubai	Gold
Aramex Office – Block B	Dubai	Gold
Aramex Logistics- 3 PL Warehouse	Oman	Gold

4. Renewable Energy Investments

We made commitments to invest in renewable energy projects where possible. In 2023, we added two new solar energy systems in Egypt. We currently have 7 solar energy systems installed, covering a major part of our energy needs for our warehouse in Dubai, UAE, Amman, Jordan, and Egypt.

Our goal is to install around 5 solar installations per year until 2030, as per technology availability and where regulations permit.

(Relevant Priority Risks (Figure 11): e, b, g, h, i, j, k)



5. Material and Waste Management

Throughout our operations, we encourage employees to limit the use of paper and to digitize where possible. In the UAE, Aramex has embarked on a project to digitalize all documents, as well as internal processes to become fully paperless, and currently the progress has reached 99%. We are aiming to expand this across our network. Our material use is mainly domestic and related to our operations in warehouses and shipments. Where possible, we include recycling bins in our facilities and reuse wooden pallets in our warehouses.

We have established waste reduction and recycling programs since foundation across our facilities, and we are aiming to minimize waste sent to landfills and promote a circular economy in the upcoming 5 years. Additionally, we currently employ eco-friendly packaging materials (degradable) and are exploring alternative options with various suppliers. This year, we have updated our Recycling project across all UAE branches to ensure 100 % segregation of the recyclable items from the general waste. The project started in February 2023 and we managed to recycle 520 tons of waste. For a breakdown of our material use and recycling, please refer to page 175.

(Relevant Priority Risks (Figure 11): a, d, g, h, i, j, k)

Stakeholder Engagement on Climate Related Issues

We engage with our stakeholders in determining our material matters as part of our annual stakeholder engagement. This includes engaging with stakeholders on our climate change mitigation efforts, our emission reduction efforts and targets, and our environmental activities.

As such, we conduct annual stakeholder engagement sessions in key geographies, as well as online surveys, to gather stakeholder inputs and concerns, and take note of their specific needs, then integrate these responses into our overall strategy, which extends to climate risks and opportunities.

Our annual integrated reports outline our strategy, emissions, and climate related risks and opportunities. The report provides a tool to communicate with our stakeholders on a timely manner on our material issues. We also seek feedback on our annual reports and are in the process of integrating a direct feedback channel for our stakeholders to respond to, seek further information, and comment on our sustainability performance, including our climate mitigation efforts. Additionally, we report on the Carbon Disclosure Project (CDP) in order to ensure

transparency as it relates to our climate mitigation strategy, efforts, and targets, as well as the assessment and evaluation of climate risks and opportunities as they are related to our business continuity and sustainability.

Given that the majority of our emissions are attributed to our scope 3 emissions, we extend our stakeholder engagement to include working together with our suppliers on managing emissions and environmental impacts. This includes our Supplier Evaluation Process, through which all suppliers are screened using our supplier questionnaire during the onboarding process, which covers our third-party due diligence policy, as well as supplier and Aramex codes of conduct, covering diverse ESG topics including environmental impact, child and compulsory labor, human rights, collective bargaining, and social impact. Questionnaires are reviewed by compliance, procurement, finance, accounting, sustainability, and health and safety teams depending on the nature of the supplier. We also work closely with our clients to reduce their carbon emissions and provide them with emissions data based on their shipments and activities to allow them to monitor and manage their carbon footprints.





SOCIAL

OUR PEOPLE



Our Human Capital strategy

Our Human Capital strategy centers on empowerment and partnership, putting our Human Resources function front and center as a key enabler to our strategy and business goals. The Aramex Corporate culture puts our people first to attract, retain, and empower talent, solidifying our position as the **employer of choice**.

Our Human Capital strategy is built on the following pillars:



Figure 12: Our Human Capital Strategy Pillars



Our Human Capital strategy and practices continued to evolve in 2023 building on our Centers of Excellence structure. Additional information available [here](#). The expertise in these functions allowed us to embed new strategies and HR best practices across the network.

In 2023, we embarked on a full Global Policy review, whereby we externally benchmarked our policies to ensure that we are aligned with best practices within our industry and across the globe.

Additionally, we successfully accelerated our performance management process in 2023 to create a focused and aligned performance-driven workforce through targeted process and system enhancements. On the talent management and development front, we established our internal succession planning for critical roles while expanding our leadership and commercial

academies to foster business continuity.

2023 was a successful year for our Talent Acquisition projects, which focused on commercial initiatives and nationalization, along with revamping our Career Page to highlight our global and regional Employee Value Propositions (EVP) offerings. We also conducted a review of our full-scale compensation benchmarking framework across all markets globally, allowing us to better manage compensation and related performance management strategies for the future.

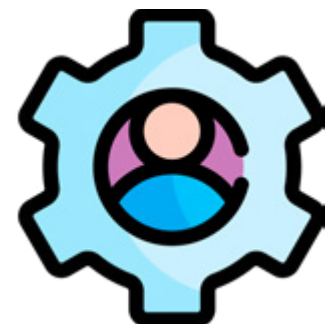
Finally, we were proud to have enhanced and harmonized our leave benefits structure across the network in terms of annual, maternity, paternity, marriage and bereavement leaves. Moreover, as part of our benefits harmonization strategy, we extended life insurance to all employees of Aramex worldwide.



We are committed to putting the HR function at the forefront as a key enabler for our company strategy, operations, and sustainability by building and maintaining strong business practices, partnerships, and programs that center around our people’s talent development, well-being, and career growth.

Sustaining Organizational Health and Engagement

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



Human Capital by Region

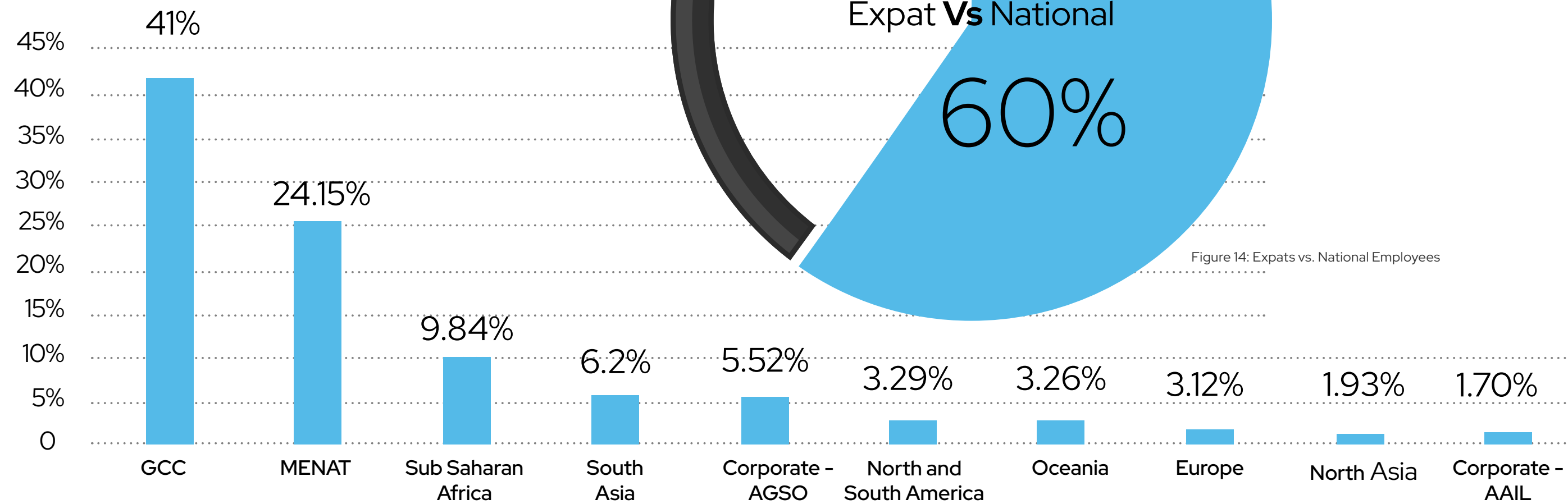


Figure 13: Human Capital Distribution per Region

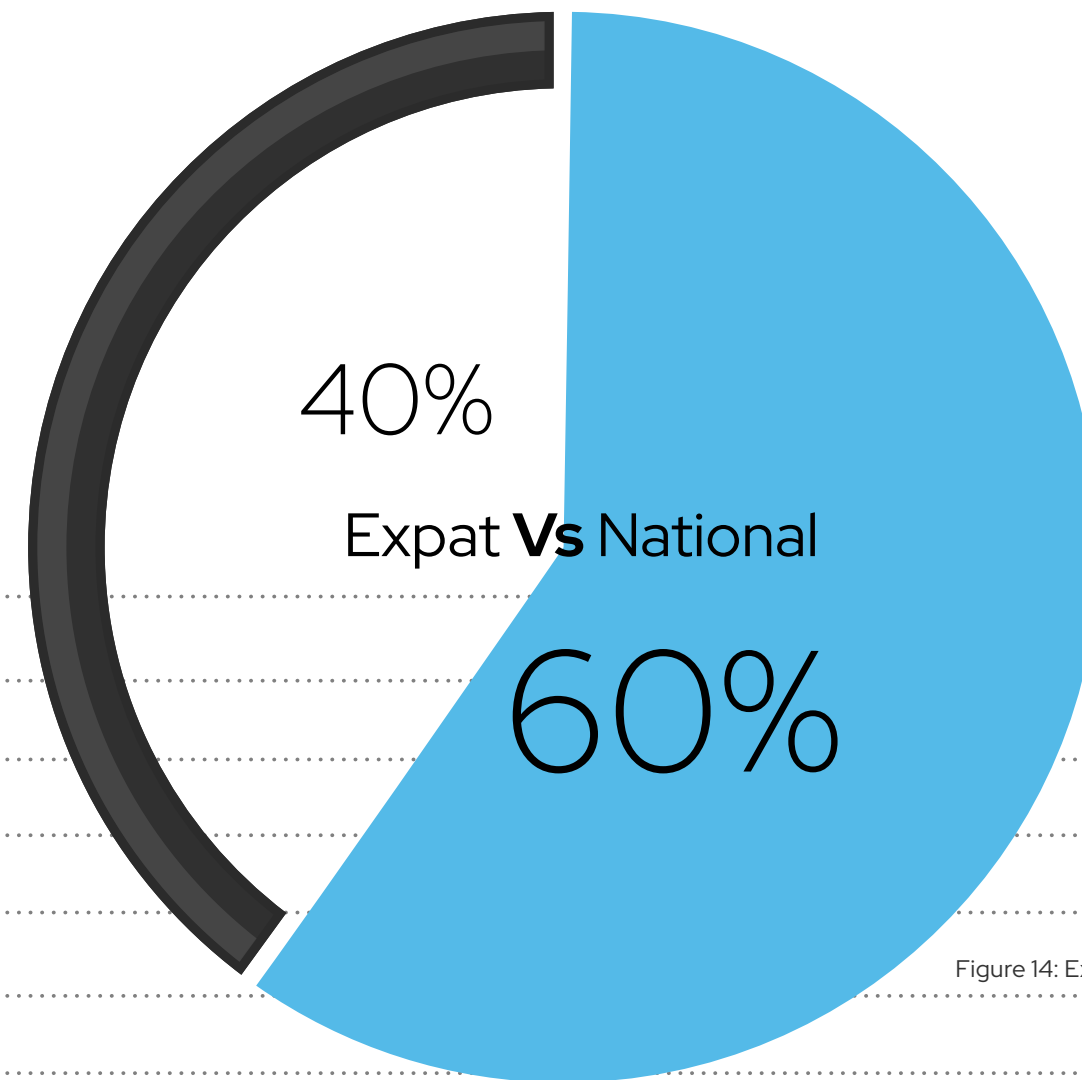


Figure 14: Expats vs. National Employees

Expat Vs National per Management Level

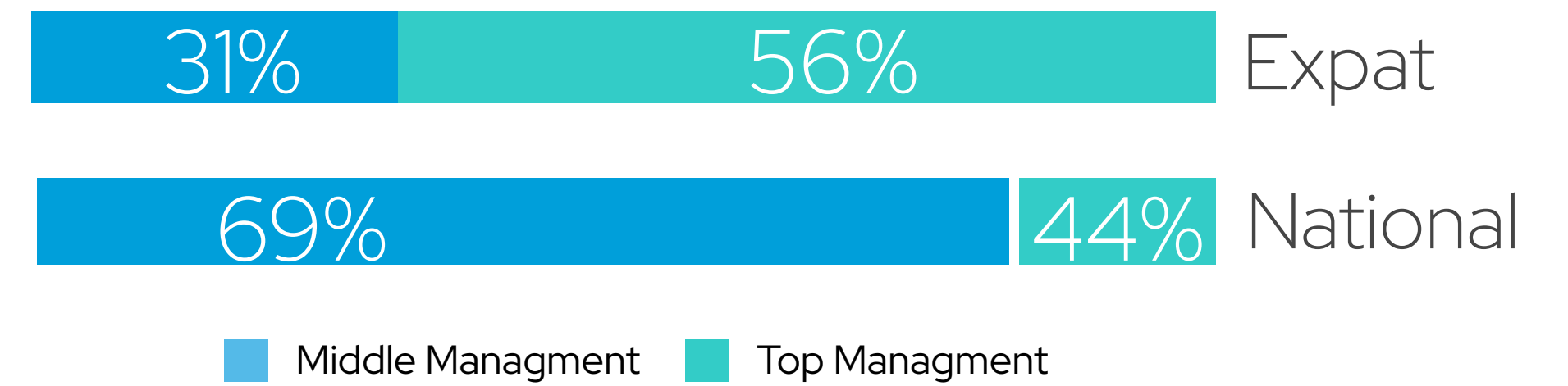


Figure 15- Expats Vs National Employees per Management Level

Human Capital per Age Distribution

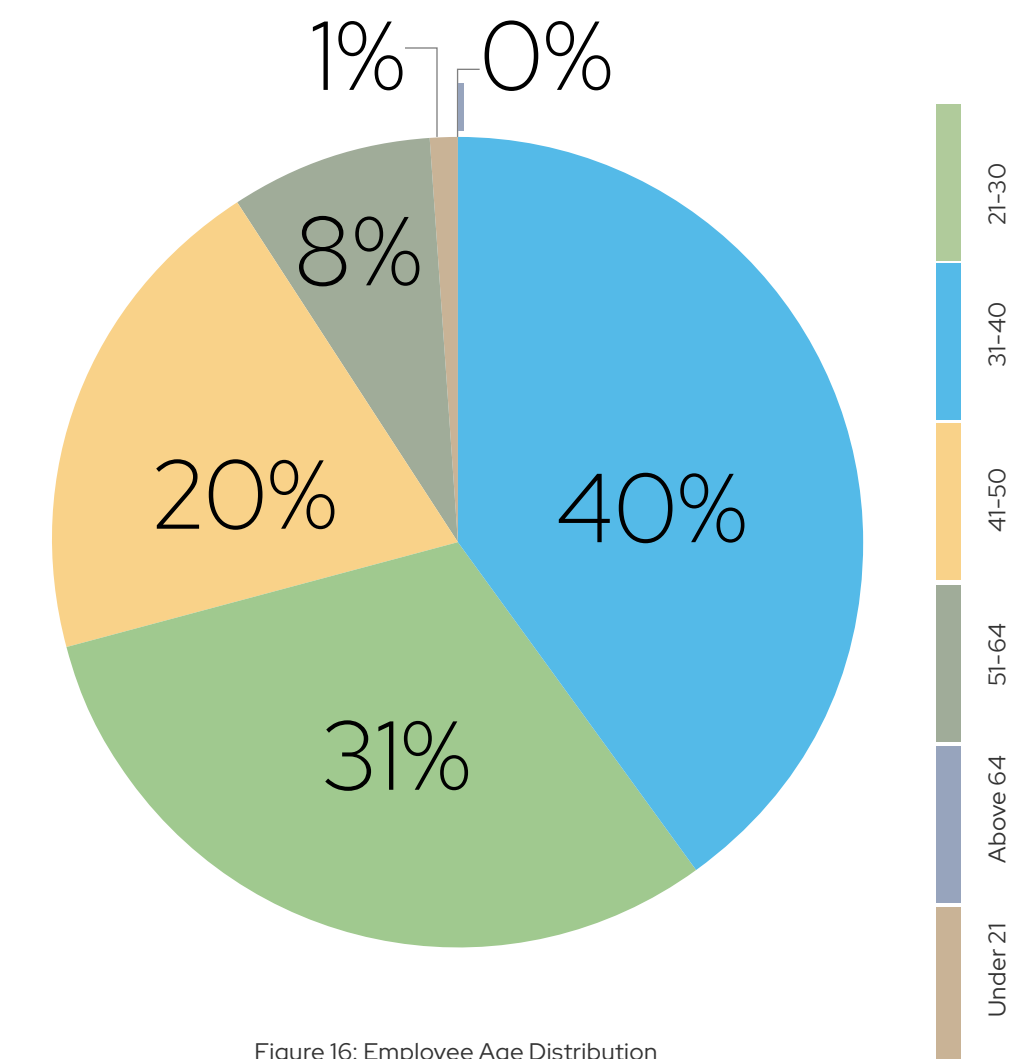


Figure 16: Employee Age Distribution



In 2023, we conducted our biannual “Aramex Pulse” to measure and gather greater insights into our overall organizational health. Our state-of-the-art platform allows managers to assess their team members’ engagement levels and come up with action plans to address issues, empower managers’ decision-making abilities, improve team management approaches, and create a more transparent culture leveraging bottom-up performance management and enhancements.

On the Corporate level, we continued to communicate the overall organization results during our global Town Hall events, while focusing on key areas of improvement and plans, such as employee communications, compensation and benefit offerings enhancement, and increased career and development opportunities.

To maintain our position as a responsible employer, our employee engagement also focuses on Health and Safety, as well as Compliance matters, to gather insights and feedback on areas of improvement.

Performance Management at Aramex



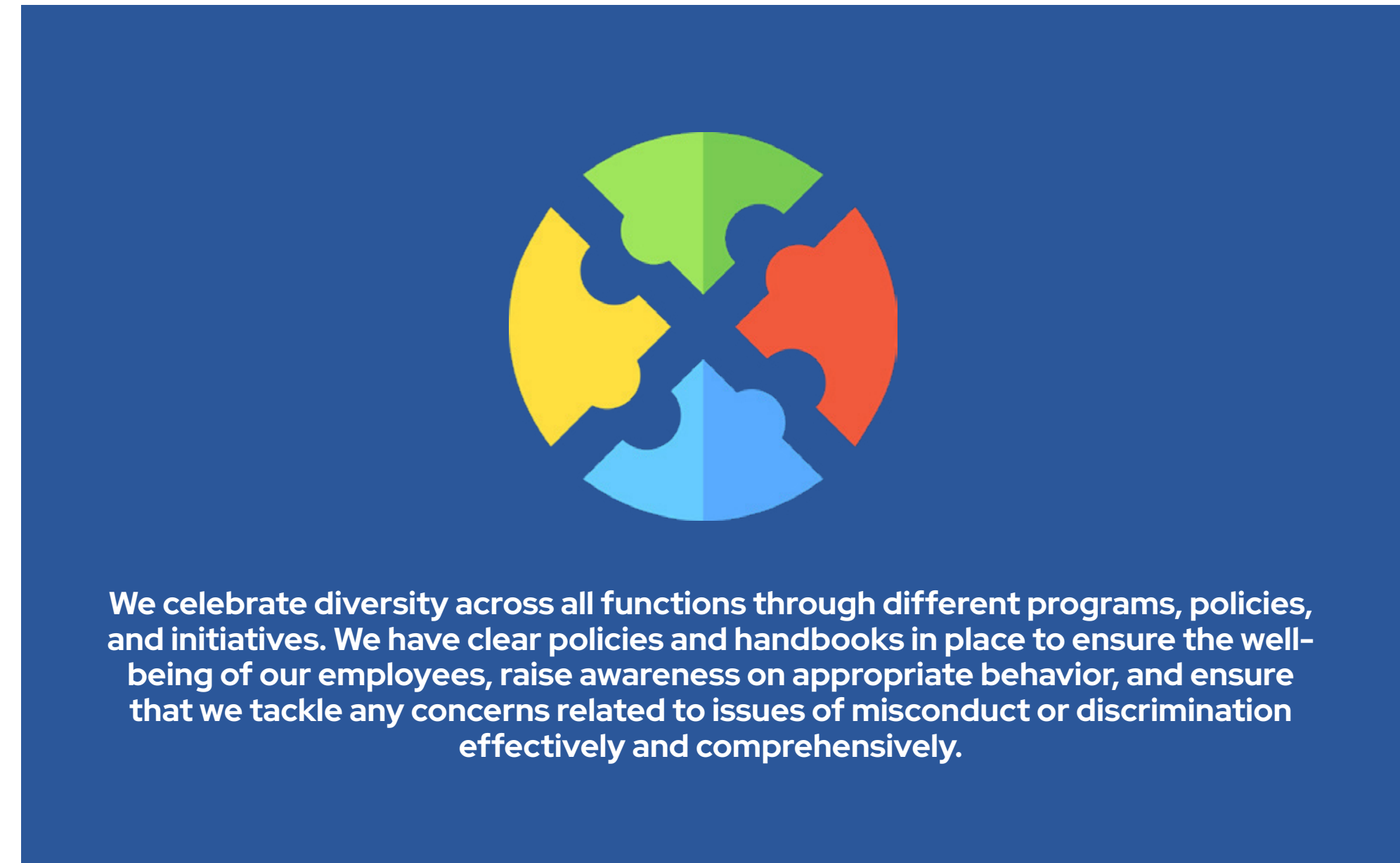
Aramex prioritizes a result-oriented approach, where team members and their managers are responsible for maintaining an effective performance management system. We emphasize the importance of coaching and development to strengthen the collaboration between employees and managers and to acknowledge the contributions of our people.

In 2023, we focused on ensuring that the performance management process and system are consistent, straightforward, and relevant to employees and their managers. Training for managers on goal setting and coaching is part of this effort. Additionally, regular performance evaluations with frequent feedback sessions are conducted to support employee development through quarterly check-ins.

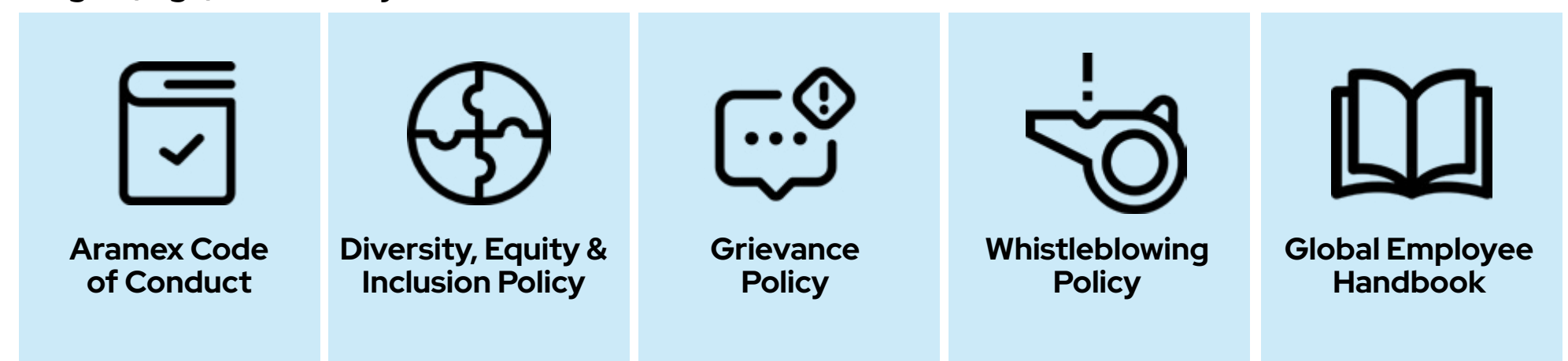
We have also streamlined our performance evaluation process, differentiating it for various job levels to make it more targeted and practical. For senior employees, our approach is strategic, whereas for junior staff, the focus is on concrete goals and behaviors to support their career growth. Career development workshops have been introduced to help employees define their career objectives, both in the short and long term and to provide them with the necessary tools and guidance, like LinkedIn Learning, to achieve their professional goals.

Diversity, Equality, and Inclusion

Diversity, Equality, and Inclusion (DEI) are key to our Human Capital Strategy at Aramex. Our Diverse workforce, which includes over 104 nationalities, is one of our key strengths, and as such, we work to ensure that all our employees have a sense of belonging, fostering equality and inclusion across all our operations.



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



All our HR policies are available on Aramex's intranet and are subject to periodic reviews and shared with employees. In 2023, these policies were aligned with and externally benchmarked against best practices. For more on our Code of Conduct and Corporate policies, please refer to page (106). In 2023, we set forward our DEI Strategy that will be rolled out in 2024.

Our confidential 'SpeakUp' platform underscores our zero-tolerance policies for discrimination, harassment, and bullying on any grounds, including gender, and helps enhance the overall understanding of our code of conduct and related compliance policies. We continually build awareness of our 'SpeakUp' and our Whistleblowing Policy and Reporting System (page 106) through internal communication, including from our Group CEO.

Commitment to Gender Equality and Representation

In 2023, in line with our vision and updated policies, we established two key development programs: 'Stand-out Development Path for Women' and 'Embracing Equity' learning path'. In the majority of our key markets, warehouse logistics and ground courier services jobs are male dominated, which impacts our gender breakdown (20% Female and 80% Male). Despite this, we are committed to enhancing our gender balance and developing specific and targeted opportunities for women. Additionally, we ensure that our benefits and compensation are based on performance by committing to equal and fair pay regardless of gender. Additionally, we provide support to working parents, including parental leave, enhanced maternity pay, and leave benefits. In line with benefits harmonization, we enhanced our maternity benefits as well in 2023. The rate of return of new mothers following full maternity leave was 98% in 2023.

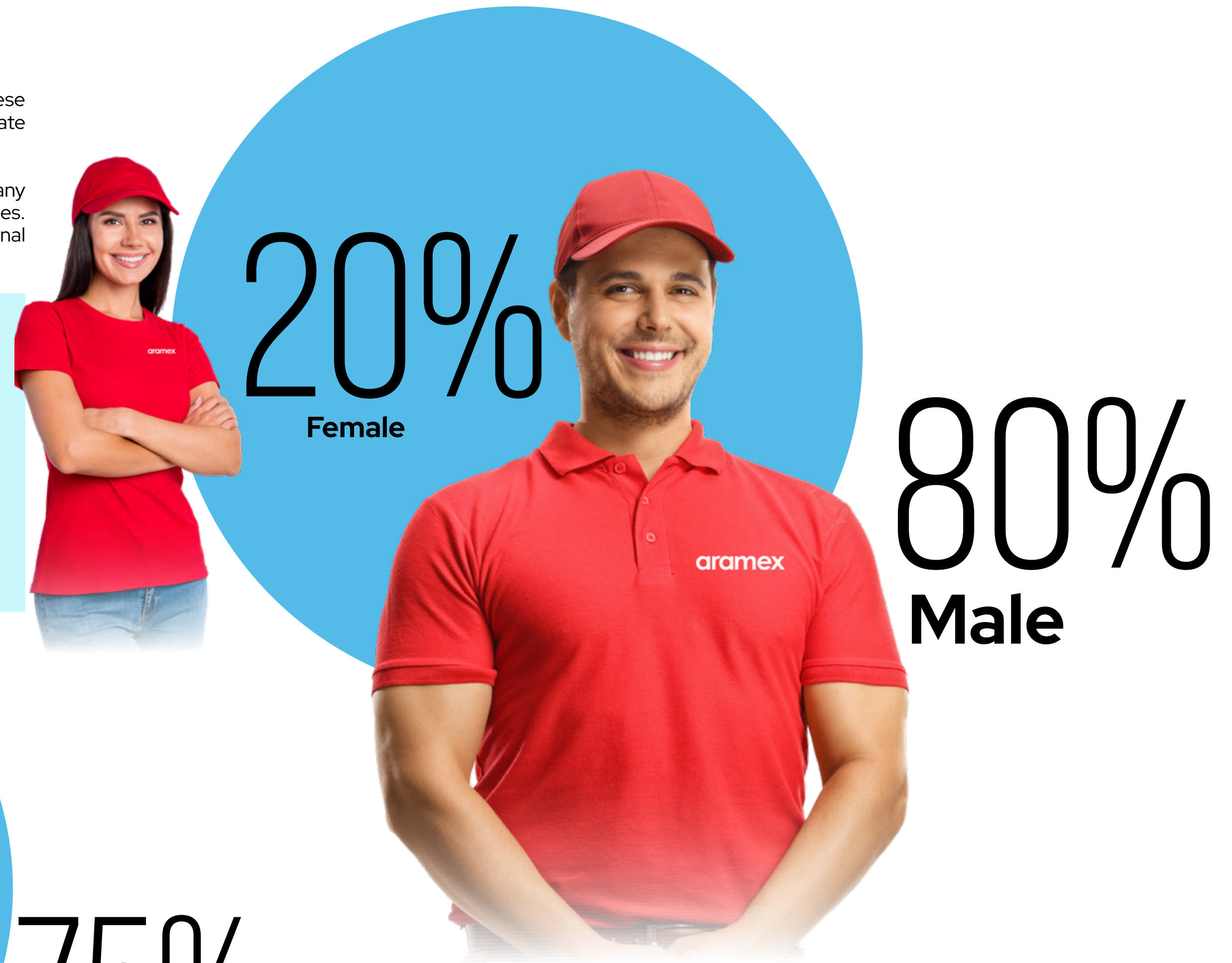


Figure 17: Employee Breakdown per Gender



Figure 15- Expats Vs National Employees per Management Level

Employees per Level of Management per Gender

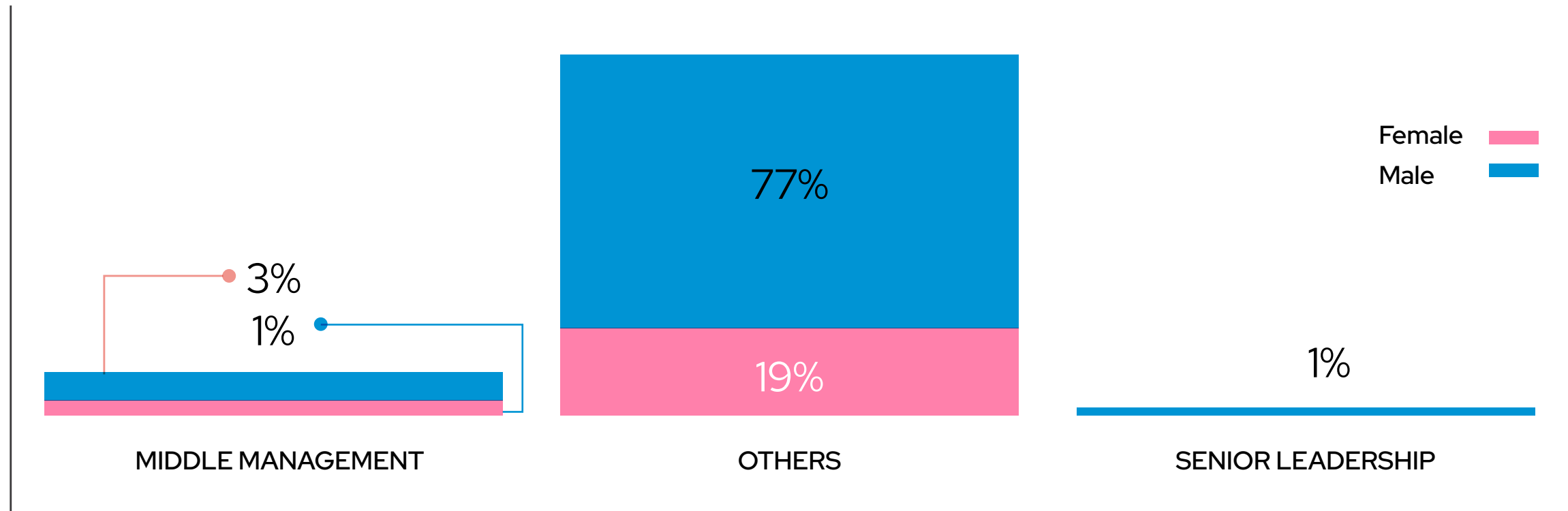



Figure 19: Employee Breakdown per Gender per Management Level

Human Capital- Years of Service

Years of Service	%
Less than 1 year	9.99%
1 - 5	50.86%
6 - 10	19.87%
11 - 15	9.96%
16 - 20	6.60%
21 - 25	1.96%
Above 25 Years	0.77%

Figure 20: Employee Breakdown by Years of Service



Female Representation at Aramex

20%	52%	31%	26%	2
Network	Corporate Head Offices	2023 New Hires	2023 Promotions	Female Board of Directors



Aramex is amongst the first 50 companies in the UAE to pledge with the UAE Gender Balance Council to increase women’s representation in mid- and senior positions to reach 30% by 2025. Key elements of the pledge include:

1. Ensuring equal pay and fair compensation practices
2. Promoting gender-equitable recruitment and promotion
3. Reflecting our ambitions through policies and programs
4. Being transparent with our progress through annual reporting to the UAE Gender Balance Council

This initiative is not limited to the UAE but is part of our efforts toward women’s empowerment and achieving gender balance across all our locations globally. The pledge provides the roadmap for our ongoing DEI strategy.

Employee Relations

A core part of our Human Capital strategy is ensuring that we create and maintain positive working relationships with our employees. We updated our Global Employee Handbook in 2023 to ensure we have clearly defined principles and guidance around our HR policies that apply to our people across the network. Ensuring that we effectively communicate and share these guidelines provides employees with an understanding of our policies, appropriate conduct, and the necessary actions to maintain a healthy and safe working environment and safeguard our employee relations. Our enhanced global policies aim to encourage better synergy and uniformity across all practices and procedures, locally and globally.

We share these policies along with awareness campaigns through various internal communication channels. We also have training programs organized through our Corporate University to reinforce these policies and guidance.

Internal Communication

Internal communication remains key to the implementation of our Human Capital Strategy. In 2023, we continued to leverage our internal Communications to drive transparency, ease the flow of information, and increase engagement, allowing us to bring the Aramex network and its people closer together despite geographical distances. Our Group CEO facilitated global and local Town Hall sessions across the network to provide a space to share updates and for employees to share their concerns and questions. In addition to these Town Hall sessions, our internal communication function ensures communication on our network-wide Safety Week, International Women’s Day, as well as our Global Engagement results and ongoing strategic and operational progress.

Promoting Healthy Communities

We have partnered with Ministries of Health and Industry bodies in KSA, United Kingdom, India, Georgia, South Africa, Ireland, and Jordan to promote and participate in several events centering on health and wellbeing, including blood donation drives, Flu shots, free medical services, and awareness campaigns for World Hepatitis Day and Breast Cancer. This included raising funds for Breast Cancer research through our Wear It Pink Strong Platform in the UK and a focus on mental health awareness in Ireland.



#GenderEquity

**LET'S LOOK
BEYOND GENDER.**

Happy Women’s Day.



Employee Well-Being

Employee well-being is paramount to the preservation of our human capital and ensuring enhanced performance and career growth. As such, we are dedicated to enhancing their wellness through different initiatives and programs. Our comprehensive program offers a series of well-being sessions, including sessions led by qualified psychologists, which cover a variety of topics to strengthen employees’ wellness. These include practical advice on managing anxiety, utilizing sensory strategies effectively, navigating challenging situations without becoming overwhelmed, and engaging in brave, honest conversations. We also focus on topics such as fostering emotionally intelligent children, unlocking the secrets of a healthy mind, and setting goals to live your best life.

Our sessions also teach the cultivation of self-compassion during tough times, distinguishing toxic positivity from authentic happiness, and transforming lives through mindfulness and meditation. Our collaboration with “The Lighthouse Arabia” seeks to build awareness of best practices in diversity, equity, inclusion, and general well-being, addressing issues such as mental health in adults and children, understanding ADHD, emotional resilience, stress management, and anxiety coping mechanisms. All sessions are available globally to our employees and can be accessed through our Learning Management System, with recordings available for convenience.



aramex
delivery unlimited

Join us for a healthy dose of free services.

Health Day 2023!
Date: December 4 - 5
Time: From 10:00am - 2:00pm
Place: Innovation Center

The free medical services you can look forward to:

1. Eye Care Services
2. Skin Care Consultations
3. Medical Laboratory Services
4. Nutrition Counseling



Talent Acquisition

Our Talent Acquisition team works diligently to ensure that we recruit the best person for the right position. Our recruitment focus is on candidates who not only have the necessary skills but also align with our culture and are geared for career growth and learning. Fundamental to our talent acquisition is ensuring we maintain our status as the employer of choice through our broader HR Strategies and EVPs.

In 2023, we were recognized by LinkedIn for our learning and talent acquisition strategy.

Aramex is proud to partner with best-in-class providers such as LinkedIn for learning and recruitment solutions, as well as universities across the globe to onboard fresh graduates and support them in growing their careers at Aramex. Our Talent Acquisition partners are up to date with the latest recruitment trends and activities and are regularly trained, using training platforms like LinkedIn Recruiter to enhance their talent acquisition skills.

Learning and Development

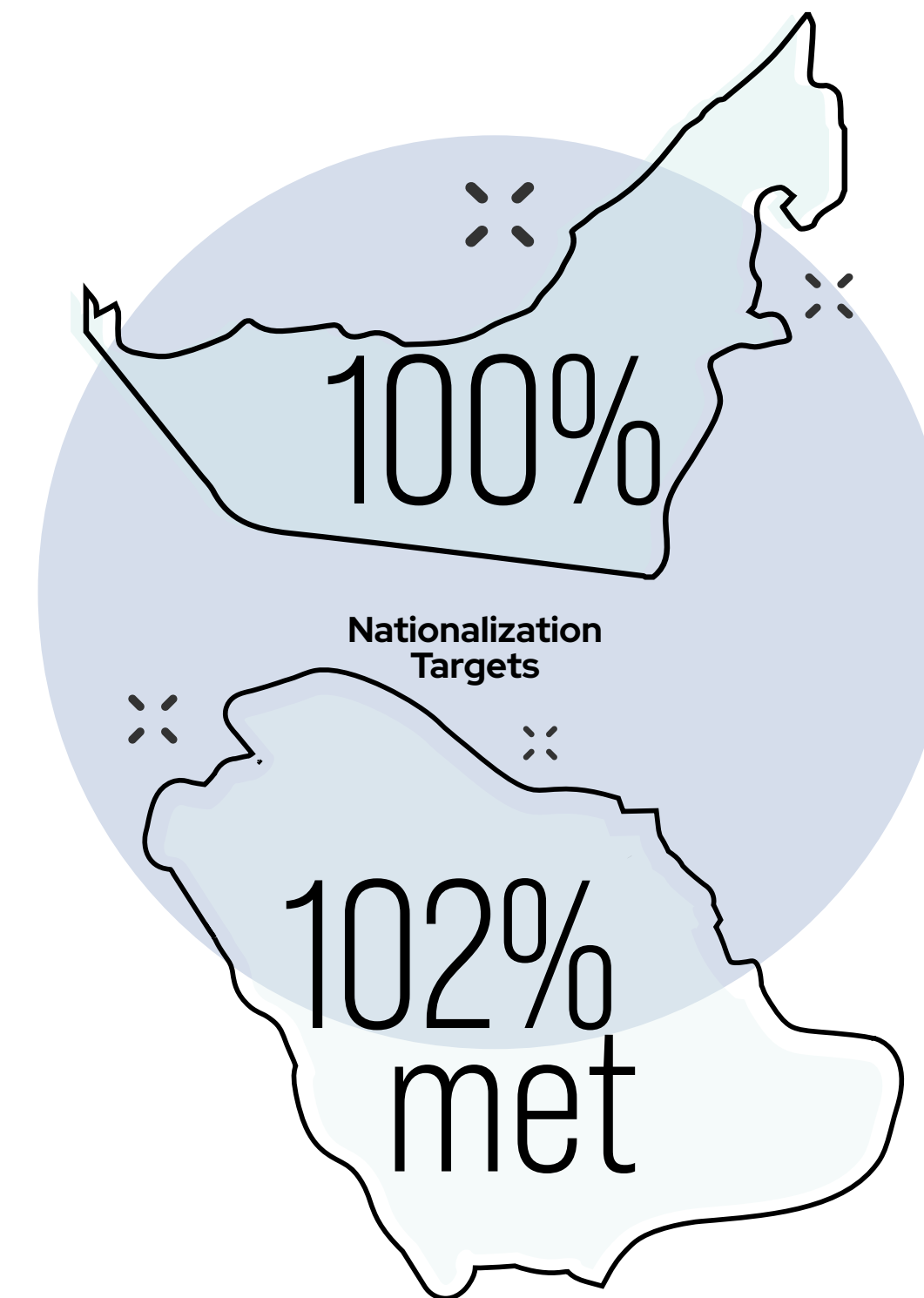
In 2023, our L&D strategy has been characterized by a blended approach, featuring traditional classroom learning with hands-on field experience, augmented by digital interaction and tailored feedback based on results. This approach is driven by our commitment to empowering employees to take control of their learning paths, equipping them with the necessary tools to advance in their careers and preparing them to step into leadership roles within our company.

Our Training in Numbers

	2023	2022	Training Highlights	2023	2022
Number of Learners	14,383	14,432	Total Training Hours including Linked in	101,988	114,221
Number of Courses	3,475	3,149	Total Linked-in Learning Hours	17,871	14,261
Learning Hours	101,988	114,221	Total Hours Female	30,486	31,989
Average Hours per Employee	6.2	7.91	Total Hours Male	71,502	82,232
Average Courses per Employee	8.4	6.88	Total Hours excluding Linked in	84,117	99,960
Female Learners	3,148	3,203	Average Hours – Active Learner	7.1	7.9
Male Learners	11,235	11,229	Average Hours - Headcount	6.2	7.0

GCC Nationalization Targets

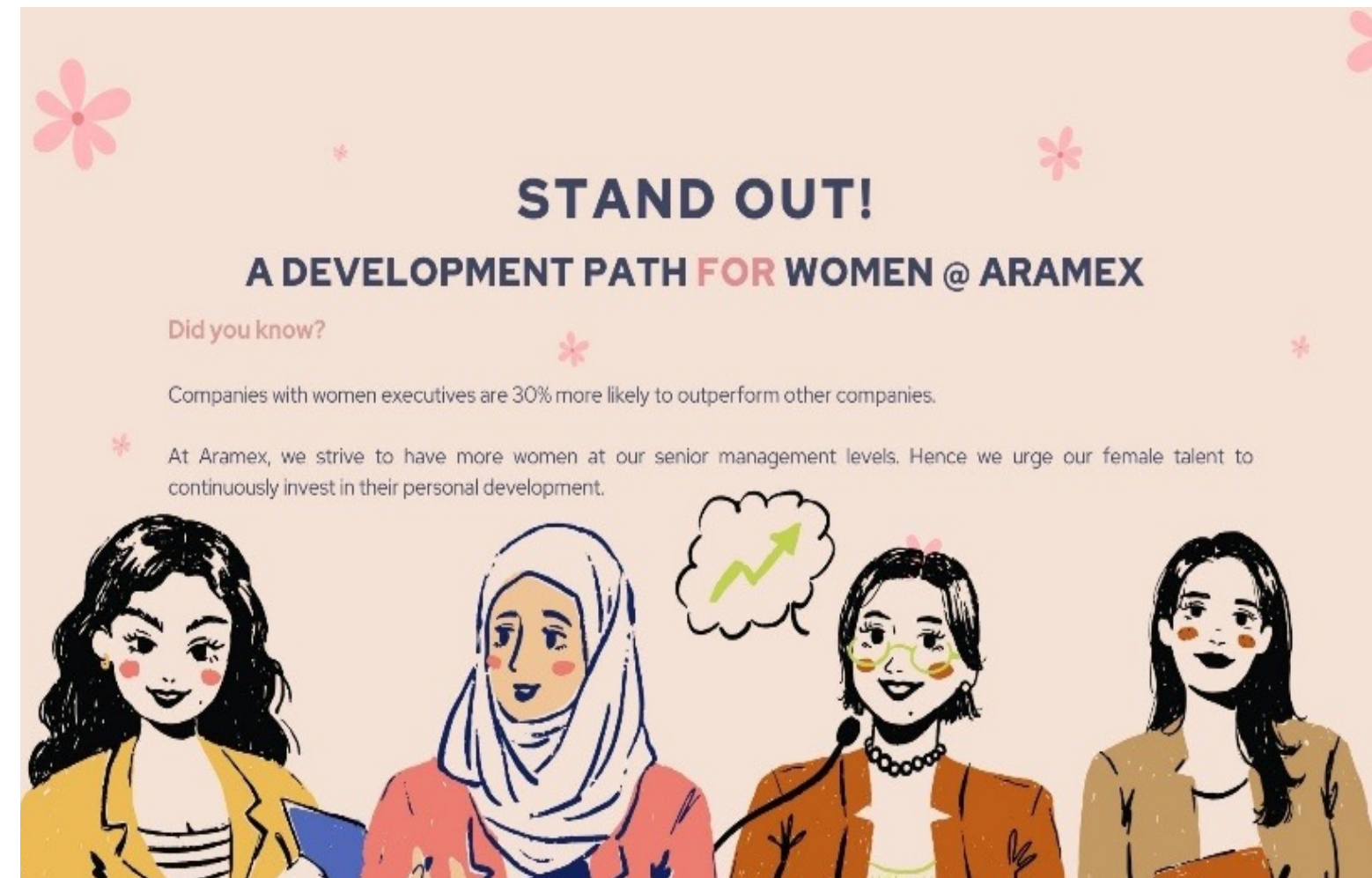
In 2023, we continued to work on our nationalization targets across the UAE and KSA to achieve national targets set by government authorities. We can confirm that we have achieved all the targets set out in 2023, noting that our ambition is to partner on delivering beyond mandates and to truly reflect an integrated and representative workforce.



Central to our L&D achievements this year was the rollout of the **Leadership Academy at Aramex University**, in collaboration with the prestigious HULT Business School. In 2023, the academy offered an Executive program for senior leaders and a Leadership Essentials program for mid-level managers, both of which have been praised by participants. The positive reception and the evident impact on leadership skills have set the stage for increased enrollment and investment in the coming years.

Learning Path for Women

We launched a specific learning path for women through LinkedIn whereby more than 150 women have completed the course



We have also made significant strides in enhancing the leadership capabilities of our Country Managers and Station Managers through the three-tier Station Manager Development Program, designed to prepare current and prospective talents for these critical roles. We also launched the High Impact Selling program, spread across regions including the GCC, MENAT, South Africa, Europe, and Asia, and have successfully trained trainers to deliver high-quality content globally and continue building capabilities for all the current and new employees.

Furthermore, we launched a digitally accessible Logistics and Freight curriculum to deepen employees' industry expertise. Simultaneously, we continued to leverage our digital platforms and assets, such as LinkedIn Learning, to upskill the organization through customized learning paths and upskill our frontline workforce in areas, such as communication and customer service, to meet the evolving demands of our customers and industry, maintaining our customer centricity and focus on customer experience. Operational excellence remains at our core and as such we continue with our commitment and pursuit of continuous improvement in a structured, impactful manner by hosting a series of Lean Six Sigma programs focusing on cultivating internal Lean Champions, starting with Kaizen Workshops and advancing through to Yellow and Green Belt certifications. The Lean Program not only reinforces our operational strategies, but also serves as a powerful platform for sharing knowledge and best practices across our global network, fostering a cohesive and continuously improving organizational culture.

Aramex's commitment to L&D has not only strengthened individual competencies, but has also emerged as a strategic asset to our overarching business strategy, positioning us for continued growth and innovation in the years ahead.

Forward Focus: Our 2024 Goals and Initiatives

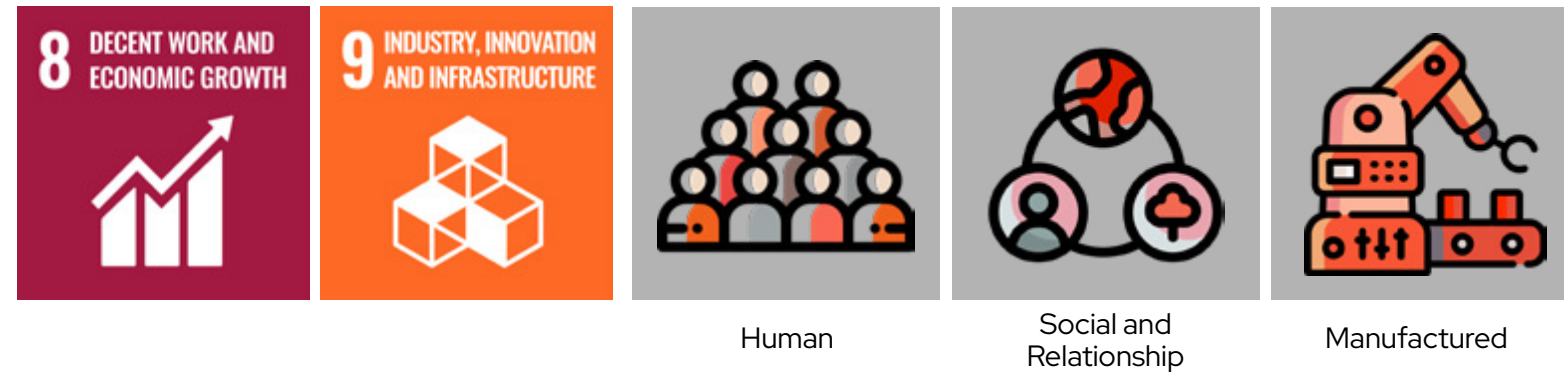
Our goals for 2024 are in line with the continuation of our 5-year HR Strategy initiated in 2022.

Our core focus will be around Culture Transformation as we will be launching our revamped leadership behaviors training and awareness program to build on the momentum and energy of our executive level to support our business aspirations.

In the coming year, we will build on our engagement survey data to enhance our DEI strategy and programs. From a compensation and rewards perspective, we will be leveraging the benchmarking data and frameworks we have built in 2023 to act on compensation strategies to better attract and retain key talent.

As part of employee engagement and development, we plan to build on and expand the 'Career Opportunities' element from the Career Development workshops launched in 2023 through technology, building career pathways, training on career development, and succession planning.

We also foresee an exciting year ahead by further investing in our Talent Acquisition practices and strategy, as well as by leveraging the best-in-class assessments and system enhancements through the power of AI to drive efficiency, effectiveness, and meaningful experiences with internal and external stakeholders.



Health, Safety, and Security

At Aramex, the Health, Safety, and Security (HSS) of our people, stakeholders, and facilities are of the utmost importance and central to our ability to create value and maintain our Human, Manufactured, and Social and Relationship Capitals.

Our occupational health and safety (OHS) management system provides the framework for all our operations to provide a safe and healthy working environment and sets out clear policies, procedures, manuals, and training to guide all relevant stakeholders to ensure our compliance with all relevant internal and external regulations and policies. Our health and safety approach aims to achieve the target of zero fatalities. OHS targets are further depicted within our OHS Objectives and targets.

Below is a snapshot of our Health, Safety, and Security policies and procedures:

Health and Safety Policy	Warehouse Safety Manual
Driving Policy	Land Transportation Safety Manual
Substance Abuse Policy	Permit to Work Procedure
Stop Work Policy	Safe Use of Work Equipment Procedure
No Smoking Policy	Hazard Identification and Risk Assessment Procedure
Health and Safety Manual	Security Policy


Figure 22: Snapshot of Our Health, Safety, and Security (HSS) Policies and Procedures



All relevant employees are required to attend periodic HSS training and be aware of all policies, manuals, and procedures. Additionally, all our employees and subcontractors are covered within our occupational health and safety management system.

We expanded our use of our 'Riskconnect' tool, which is used to report and investigate HSS incidents, to all our stations. Increased monitoring and reporting of incidents enable us to capture and mitigate any potential weak points in our HSS systems and procedures. We also utilize the tool to capture an overview of all Aramex facilities and the safety standards within them, which allows us to conduct internal safety and security assessments. In 2023, we expanded the scope of 'Riskconnect' to cover annual health and safety audits, alongside daily, weekly, and monthly security inspections to ensure that all stations complete these tasks on time.

Our incident reporting procedure requires all designated HSS employees across the network to report all safety and security-related incidents, including near misses, through the 'Riskconnect' tool. These incidents are then investigated by the respective station's HSS representatives using a root cause analysis (RCA) approach for all incidents and high potential/ high risk near miss observations. Appropriate Corrective and Prevention actions are raised based on the RCA outcomes. Incident investigation outcomes are communicated to the relevant stakeholders to ensure that appropriate actions are taken to prevent similar incidents from re-occurring. Furthermore, we have an internal platform for all employees who can also report near misses, safety observations, and accidents, whereby HSS employees take further action.



Our systems, software, policies, and procedures undergo continual monitoring and updates, combined with our hazard identification and risk assessment procedure, to ensure that all HSS components are prepared to address changing business needs, mitigate risks, and tackle gaps and threats.

Health and Safety Committees



Aramex Safety Committees are formed in each station and are chaired by Station managers. These committees serve as an official platform for employees to discuss any issues related to HSS and to ensure proper follow-up and corrective actions. The committee meets quarterly and includes employees from different functions and levels. The committee ensures active employee participation and engagement in health and safety matters and concerns. This is also facilitated by the internal platform for employees to report HSS observations and incidents.

Regular facility walk-throughs are another way to engage employees and management from different functions in HSS. These walkthroughs help identify any possible health concerns and determine areas of improvement.

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

Health and Safety Training and Awareness

17



courses on Health and Safety

180

drivers trained on defensive driving in the UAE



Our in-house HSS training program is developed based on an evaluation of the training needs of employees and relevant stakeholders. These include our Health and Safety induction program, Permit-to-work procedure, along with additional general and on-the-job HSS training modules (such as Forklift truck training and Fire safety training).

Handling Hazardous Materials and Dangerous Goods

Our Competency-Based Training and Assessment Center (CBTA) program was launched in 2023, in partnership with the International Air Transport Association IATA. The dangerous goods training programs are based on a competency-based training and assessment approach and in compliance with international and industry standards.

963 Ground Operations and Ground Courier team members attended Dangerous Goods Awareness and Training programs in 2023.

Our chemical handling procedure provides necessary guidance on the safe handling of chemical and hazardous goods with Aramex worksites and on the assessment and mitigation of risks associated with these goods. The procedure outlines the necessary safety data sheets, required training, and the emergency response plan. It also advises on relevant Health and Safety regulations to ensure compliance with appropriate procedures and requirements at any point where and when chemical handling is undertaken.

These guidelines are continuously reviewed with function owners while “Safety Data Sheets” are reviewed by trained employees. Emergency plans are also initiated or revised to include any changes. Additionally, all our stations strive to comply with local and international standards, regulations, and best practices relating to the handling of dangerous goods or hazardous materials.

In addition to our dangerous goods training, we also have our International Carriage of Dangerous Goods by Road training for all employees involved in land transportation. This is in addition to IATA CAT3 and CAT6 in many locations and hubs.

Working Closely with Subcontractors

Working closely and proactively with our subcontractors is critical for maintaining HSS across all Aramex operations and locations. Through our Health and Safety Management system, we make sure that we assess our subcontractors’ ability to comply with our policies, procedures, and responsibilities and make sure that contractual agreements clearly outline these expectations at the outset. All subcontractors are informed through:

- Undergoing the Aramex Health and Safety and Permit-to-Work training and procedures
- Attending weekly toolbox meetings and HSS campaigns.
- Encouraging all subcontractors to report any issues or concerns with our HSS, as well as any near misses and other observations.

Our HSS team works together with subcontractors to ensure effective communication and participation in all matters to safeguard HSS overall.

Highlights from Our HSS Activities in 2023 - Fostering a Safety Culture

In 2023, Aramex launched our First “Global Safety Week” Campaign to raise awareness on critical HSS topics including fire safety, road safety, and warehouse safety, and it will be an annual campaign to enhance HSS culture.

8,651 employees in 31 countries joined the campaign and attended sessions and trainings throughout the week.



Additionally, Our HSS team launched a Health Campaign offering health screenings in coordination with Al Noor Polyclinic Group in the UAE, which saw the participation of 700 employees and contractors.



Aramex UAE participated in a local campaign, “A Day without accidents,” launched by Dubai Police in UAE, where 850 Aramex employees participated in 21 training sessions across the United Arab Emirates.

As part of safety procedures, employees were trained on:

- Road Safety Awareness
- Fire Safety Awareness
- Forklift Truck Safety Awareness
- Chemical Safety Awareness
- Working at height
- Slip, trip, and fall

This year, we implemented defensive driving training, which is mandatory for all drivers departing from the UAE to other regions, including drivers transporting chemicals. Driver behavior will be monitored for excessive speed, harsh braking, sharp turning, etc. remotely through enhanced GPS tracking devices. The Journey Management System will be enhanced with two levels of truck inspections, such as pre- and post-load, by qualified staff to ensure the truck conditions and properly secure the load to avoid transportation-related incidents.

Moreover, in partnership with service providers, our GPS

tracking solution was further enhanced in 2023 with additional “Safety reporting” features to monitor and track our fleet in various locations. To further incentivize the application of safe driving, we initiated a recognition program this year to reward the top 3 safest drivers of the month. Our objective is to expand the program in 2024 to include other locations where the GPS solution is available.

In recognition of our HSS efforts, Aramex facilities in the Dubai Logistics City were awarded the Fire Safety Campaign Award by the Dubai Aviation City for the second year in a row.

Health and Safety in Numbers

Health and Safety Indicators						
Year	2019	2020	2021	2022	2023	
Lost time Injury Frequency rate (LTIFR)	2.88	1.83	2.58	2.22	2.78	Aramex experienced 2.78 LTIs for every 1,000,000 hours worked over the past year
Lost time Injury Incident rate (LTIIR)	0.62	0.53	0.66	0.57	0.71	Aramex experienced 0.71 LTIs per hundred employees
Severity Rate (SR)	16.45	17.61	17.72	11.90	11.25	On average, each LTI resulted in 11.25 days off work
Lost time injury Rate (LTIR)	0.58	0.37	0.52	0.44	0.56	For every 100 employees, 0.56 employees have been involved in LTI
Vehicle related Lost days rate (LDR)	12.27	8.03	6.93	3.87	2.20	Aramex experienced 2.20 vehicle related Lost days per million shipments
WH and Office related Lost days rate (LDR)	3.63	5.42	6.92	4.94	3.82	Aramex experienced 3.82 WH & Office related lost days per million shipments
Lost days rate (LDR)	15.90	13.45	13.85	8.80	6.03	Aramex experienced 6.03 lost days per million shipments
Accidents per Million shipments	9.21	7.54	7.26	8.18	8.38	Aramex experienced 8.38 accidents per million shipments

Figure 23: Health and Safety Indicators and Numbers

	2022	2023	
Fatality Rate	0.054	0.067	Aramex experienced 0.067 Fatality for every 1,000,000 hours worked over the past year
Near misses	118	299	ARAMEX reported 299 Near misses Last year
High Risk incident of total Incident	0.022	0.008	ARAMEX reported 0.008 Major incident from all incidents reported last year

Figure 24: Health and Safety in Numbers



Health and Safety Statistics in 2023

Total Number of Fatalities including non-occupational related	2
Total Number of Lost time injuries	116
Total Number of days lost	1,305
Total number of incidents resulted in minor or no injuries	907
Total number of incidents resulted in injuries	143
Total number of incidents	1,050

Figure 25: Health and Safety in Numbers

Vehicle HSS Statistics

Total number of vehicle-related incidents resulted in minor or no injuries	738
Total Number of vehicle-related incidents resulted in injuries	23
Total Number of vehicle-related incidents resulted in Lost time injuries	57
Total number of vehicle-related incidents	761
Total number of days lost due to vehicle incidents	826

Figure 26: Vehicle HSS Statistics

Warehouse HSS Statistics

Total number of Warehouse- and Office-related incidents resulted in minor or no injuries	169
Total Number of Warehouse- and Office-related incidents resulted in injuries	120
Total Number of Warehouse- and Office-related incidents resulted in Lost time injuries	59
Total number of Warehouse- and Office-related incidents	289
Total number of days lost due to Warehouse- and Office-related incidents	479

Figure 27: Warehouse HSS Statistics

In 2023, the number of “Near misses” reported increased by 150% because of the global safety campaign and increased awareness on the importance of reporting safety-related observations and unsafe activities. The severity level of “Lost working days” was maintained and lower than in previous years, in addition to the lower percentage of “Sever/major Incidents,” which indicates that the incidents of 2023 were of moderate- to low- impact level.

In 2023, unfortunately, and with heavy hearts we reported 2 fatalities, both of which were related to “Land freight” operations.

Both heavy truck drivers passed away due to road accidents. For both cases, support was provided to the deceased’s families including financial and insurance benefits. We started introducing the mandatory “defensive driving training” for all drivers, in addition to a full upgrade of the GPS to monitor and measure driver safety behavior, and in 2024, a reward scheme will be introduced to all heavy truck drivers who achieve high scores with “driver safety monitoring system.”

For the 7th year in a row, Aramex did not experience any accidents involving contact with chemicals.

There were no major incidents or accidents reported in our Oil and Gas transport operation, and our pre-trip inspections helped us ensure that trucks and loads are secured.

Security



Physical security threats to the supply chain continued to evolve in 2023, especially given the disruptions in the global supply chain overall. Some of the challenges included ensuring thorough cargo screening to ensure detection of any contraband of illegal commodities, while also mitigating delays and managing lowered capacity due to security measures.

All security incidents are captured using the ‘Riskconnect’ tool, which enables the security team to have a better understanding of incident trends and make informed decisions to mitigate risks on country and regional levels.

Efforts were made to continue upgrading our security system, including CCTV and intrusion alarm, meeting the best industry standards and enabling us to renew our TAPA FSR – A certificates in various locations.

In 2023 and for the third year in a row, we completed the global Security property assessment on the top 96 facilities, which helped us identify the gaps and address them accordingly.

New facilities are planned for TAPA Facility Security Requirements (FSR) – C certification, with our goal for 2024 to ensure that all logistics facilities are certified and improve the assessment scoring for the facilities evaluated in 2023.

We also participated in various workgroups to support the targeting of illegal substance detection for express courier, postal, and freight cargo governed by United Nations International Narcotics Control Board (INCB) and will continue to participate in such forums on an annual basis.



**OUR
CUSTOMERS**

Pioneering Engagement, Acceleration, and Opportunity

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

Customer Solutions Available Anytime, Anywhere

Aramex maintains an extensive array of communication tools, empowering individuals to effortlessly manage their shipments from anywhere at any time. Following the redesign of our Aramex mobile application, we further improved our customer communication channels by introducing Sprinklr—the new omnichannel solution. This AI-powered solution integrates various channels and experiences, unifying consumer business communication and enhancing the overall experience through a single omnichannel platform. It ensures a consistent level of automation across all social media channels. Sprinklr not only facilitates visibility into historical consumer conversations and transactions across all channels, but also lays the groundwork for proactive Artificial Intelligence processes. This system is instrumental in supporting Aramex’s commitment to delivering exceptional ‘Last Mile’ services by prioritizing digital acceleration.

In the second half of the year, we conducted a strategic review of our customer experience to identify how to best transform and enable our customer service teams to deliver industry-leading Customer Experience (CX). We continue to invest in our CX strategic partnership Sprinklr, with 2024 being earmarked for further investment in our CX AI capabilities.

Capturing Customer Feedback

Capturing customer feedback and insights is integral to enhancing our engagement strategies, refining service delivery, and bolstering customer retention. The Aramex Voice of the Customer program facilitates feedback gathering through diverse channels, encompassing phone, SMS, web, our mobile application, and various social media platforms. Additionally, frequent customer surveys are employed to solicit detailed feedback. These channels and data collection processes adhere to the practices outlined in the General Data Protection Regulation.

The program systematically captures a multitude of feedback data points across various metrics. These data sets are meticulously analyzed and shared with pertinent teams, both at the local and global levels, to iteratively enhance the customer journey.

In 2023, we established new practices in our Voice of Customer program to receive real-time feedback from our consumers across different points in their Aramex journey. The Aramex Voice of the Customer program facilitates feedback gathering through diverse channels, encompassing phone, SMS, web, our mobile application, and various social media platforms. This feedback is then utilized to improve how we operate, particularly in our

contact centers, to improve the service we are providing to our customers.

Additionally, frequent customer surveys are employed to solicit detailed feedback. These channels and data collection processes adhere to the practices outlined in the General Data Protection Regulation.

The program systematically captures a multitude of feedback data points across various metrics. These data sets are meticulously analyzed and shared with pertinent teams, both at the local and global levels, to iteratively enhance the customer journey.

We appointed a new CX Director to oversee the global transformation of our customer experience program, unify our standards, and continue building on the work started in the digital transformation of our customer services functions. Also, we launched a live chatbot service in the GCC, which will be rolled out across several channels and regions in 2024. During this time, our Aramex bot handled 14% of inquiries seamlessly and effortlessly. The introduction of live chat and the BOT was a direct response to the research we conducted with our customers who told us they needed immediate answers to their inquiries, and it allowed us to provide a channel of communication that is appropriate for our younger, more digitally active demographic in the GCC.



Based on feedback from our customers requesting more visibility on delivery windows and shorter delivery times, we prioritized the improvement of our last-mile customer journey.

In 2023, we partnered with Google to enable our customers to track our couriers in real-time, allowing them more freedom to go about their day-to-day activities while waiting for their shipments to be delivered. This is currently being piloted in Dubai, with the aim of expanding this service to more regions in 2024.

SME Program

Our SME program continued to grow in 2023, with the support of our dedicated SME business development executives and account managers, focusing on all types of SMEs and startups, including social media sellers and e-commerce. We continue to tailor our service offering to fit SMEs and startup needs, requirements, and growth forecasts across all our services.

In 2023, we partnered with Meydan Freezone to connect with and provide SMEs with preferred rates, and our goal is to expand such partnerships.

Moving forward, our goal is to expand the program’s focus from e-commerce to include verticals such as B2B SME.

One of the highlights of 2023 is our partnership with Mastercard and The UAE Ministry of Economy’s Entrepreneurial Nation to launch the ScaleUp platform to facilitate SME growth. The program provides an opportunity for startups and SMEs in the UAE to pitch innovative ideas to win AED 250,000 (US\$68,000) and meet with angel investors, along with additional benefits including exposure, business mentorship, and preferential rates. For more on the story of our SME program, please refer to page 68.

Technological Transformation, Innovation, and Research and Development (R&D)

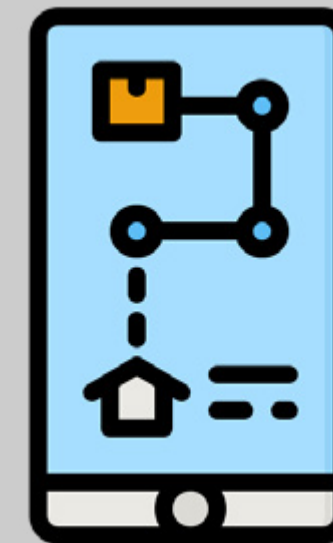
At Aramex, Technology supports and enables our business and allows us to continue innovating. Our digital transformation and innovation are core to our ability to create and deliver value to our stakeholders. We continually leverage our technological capabilities and expertise to invest in and integrate technological innovation across our value chain while keeping up with the evolving technological and innovation landscape. Part of our strategy is to enhance and up-scale our technological business capabilities to meet customer needs, improve operational efficiency and profitability, and ensure the future resilience of our business.



Innovation and transformation in technology lay the essential groundwork for us to deliver value to our customers and clients with efficiency and effectiveness. We possess a range of technological and IT solutions that undergo continuous evolution and investment, aimed at optimizing resilience and operations, and enhancing trust in alignment with the evolving needs of our customers.

At Aramex, we consider innovation and research and development (R&D) as the cornerstone of our commitment to delivering cutting-edge solutions and staying ahead in the dynamic landscape of technology. The past year has been marked by significant strides in our pursuit of groundbreaking advancements, driven by our dedicated efforts in innovation and R&D.

As we continue to witness the rapid evolution of artificial intelligence around us, we are proud to share that our organization has already been successfully utilizing various branches of artificial intelligence, starting with our Big Data and Machine Learning initiatives to help optimize our operations, Conversational AI for our external and internal chatbots, and recently, Robotic Process Automation (RPA) to help automate the process. We are proud to enable the organization by educating and thus fostering internal innovation ideas by initiating an AI-specific seminar series, the first of which took place in Q4 2023.



In 2023, Aramex undertook a groundbreaking collaboration with the Google Maps Platform, unveiling a set of innovative features. Our Real-Time Tracking system, launched in the UAE, reminiscent of Uber-style tracking, now brings unparalleled visibility to your awaited packages. Embracing a customer-centric approach, we introduced the 2-Hour Precision Deliveries system, eliminating day-long waits and providing a concise two-hour delivery window. Additionally, through this partnership we are able to continue optimizing route efficiency, ensuring swift deliveries, while also being environmentally conscious. This collaboration marks Aramex as one of the first global pioneers alongside Google, jointly shaping the future of delivery experiences. **We are not merely discussing innovation; we are actively contributing to a transformative shift in the delivery landscape.**

Our 5-year strategic plan, set in 2021, centers around the following pillars:

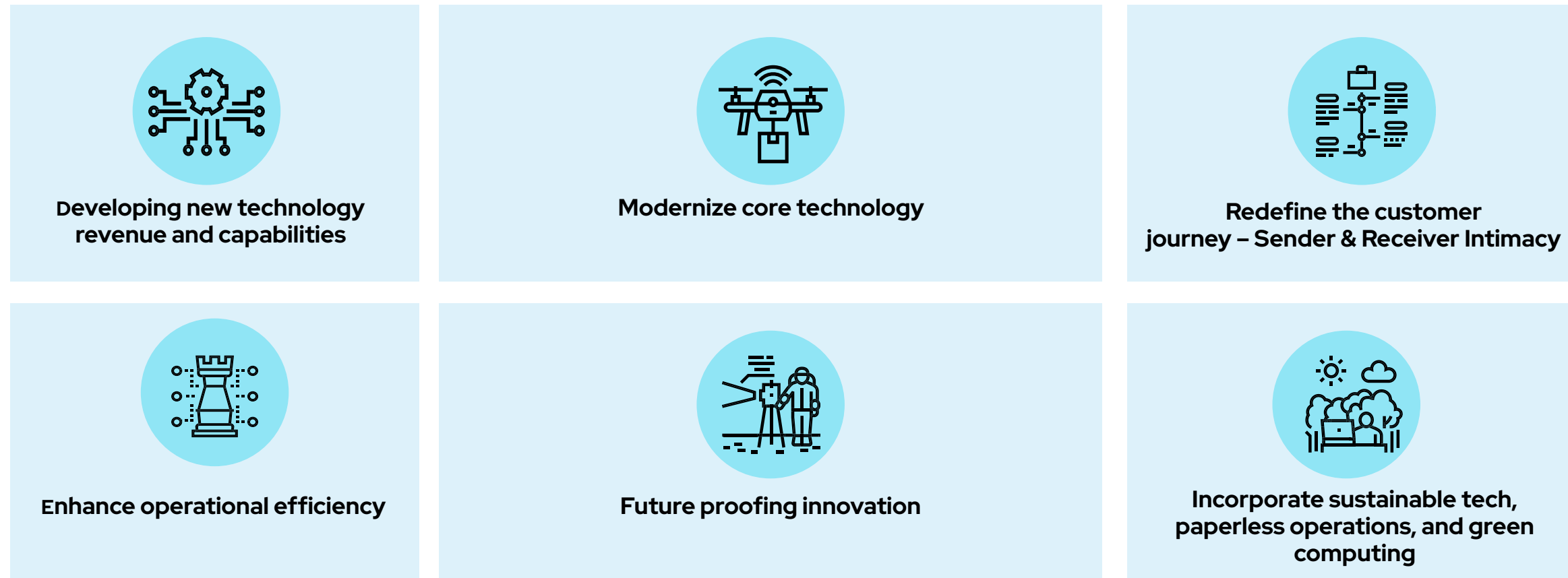


Figure 7: Technology and Innovation 5 Year Strategic Plan

We currently have the following overarching transformation programs:

1. Future Vehicle Program: Aramex is leveraging the power of AI self-driving vehicles to deliver packages to its customers. So far, our autonomous drones and robots have been operational for over 12 months, trailing and performing actual delivery to our customers. These vehicles have demonstrated the ability to disrupt the First-middle -last mile services as they allow for optimal routing, scalable operations, and enhanced labor efficiency. With the soft launch of the program completed in 2022, we focused this year on expanding the program to new locations and services. With the ever-advancing field of autonomous driving, we've worked with products tailored to the industry's particular needs and challenges to allow Aramex to streamline and exponentially grow this program:

•Drone Deliveries: Aramex is venturing into the cargo drone delivery market by solidifying its partnership with companies, such as Dronamics, which operate remotely-piloted cargo aircrafts. Cargo drones can offer up to 80% faster and 50% cheaper freight solutions that produce 60% less CO2e emissions compared to traditional transport services, making them well suited for express deliveries. We are currently working with the regulatory authorities in the UAE to prepare for the first cargo drone flight by 2024, by completing offshore test flights to ensure a safe and efficient process.

Autonomous Bot Deliveries: Aramex scaled up its autonomous bot delivery operations and expanded them to

provide services in KSA while continuing its program in the UAE. A total of 5 robots are live and delivering packages to customers with fully streamlined operations. In line with our goal for continual enhancement of this program, in 2023, we launched a multi-cabin robot allowing for more than one delivery per trip, significantly enhancing operational efficiency. As part of this, the bots completed more than 400 km travel distance and saved more than 60 Kgs in CO2e emissions.

•Autonomous Sea Deliveries: Aramex is preparing to expand its future vehicle program to cover smart sea transportation of goods. As an initial step, we are piloting use cases across the region with traditional last-mile marine transportation of goods between coastal cities. We will use what we learn to develop our autonomous operation, building on our partnerships with leading companies such as Regent Craft. We are piloting remotely operated seagliders that run within a wingspan of the water's surface, allowing them to overcome the traditional speed and reach of airplanes, thus paving the way for a cheaper, faster, and eco-friendly marine transportation of goods.

2. Fleet Electrification Program: To reduce our environmental impact and carbon footprint, we are approaching vehicle and asset electrification from a global and local perspectives simultaneously to meet our operational and commercial needs on a country level then scale up to a global scale. This allows us to engage with leading global and regional OEMs in the market and removes the barriers of fleet availability, which highly fluctuates on a country level. We've streamlined our efforts to create lasting partnerships with leading OEMs and regulators alike to guide and support the development and implementation of our EV strategy and plans. For more information on our existing EVs, please refer to our environment section on page 38.

3. Pick and Drop Program: With the success captured in 2022's core market expansion of pickup and drop-off locations, this year we opened around 300 new locations, enabling new territories in the GCC and MENAT to deploy smart lockers and other pick-up drop-off models to elevate our customers' experience and allow them the flexibility to select the last mile option that best suits their needs. We also expanded our pickup and drop-off footprint in Australia with over 2,000 new locations.

4. Courier of the Future Program: In 2023, Aramex looked into how tools, such as Augmented Reality glasses, can play a role in transforming couriers' last mile tasks. Aramex will also be investigating how Augmented Reality can impact freight and logistics services through streamlining activities, such as picking, and ensuring seamless operations of warehouses and facilities.

5. Investig-AI-te Program: Aramex is leading a transformative change driven by various AI applications, such as Generative AI, Interactive AI, and many others as we fully comprehend its ability to transform both employees'

and customers' experiences alike. We've recognized how fast this field is growing, thus the importance of tackling it not only from a holistic perspective but also from a "plug-and-play" approach, enabling us to adapt to changes while centering on our innovation and needs. In 2023, we have made several strides, including:

- We've upskilled more than 340 employees across the network on different AI and Gen AI tools available in the market by training them on how to best utilize those tools in the workplace. This spurred massive creative suggestions and innovative ideas which were channeled through RedLab, our internal idea generator, which allows employees to share ideas with the innovation team for possible implementation. Based on those ideas, we're currently assessing AI tools that allow for demand forecasting and reduce usage barriers for existing data dashboards by easing human interaction and data extraction.
- AI Voice Assistants were used to educate and bring awareness on the launch of Arabai, our robot delivery services, to ensure full transparency and a smooth experience for our customers.
- We are investigating the potential value of Humanoids and their ability to conduct human-like tasks in our warehouse facilities to offset labor shortage trends and reduce exposure to heavy lifting for our existing employees.

6. Crowdsourcing Program: FLEET is a crowdsourcing platform that supports Aramex with onboarding part-time couriers. Since its launch in 2016, this product has been made available across 12 geographies and has successfully delivered nearly 8 million shipments. This year, we've introduced a pickup module, increasing part-time couriers' potential earnings and reducing the workload of our ground couriers.



Our goal is to envision tomorrow's logistics and actively deliver it today. We follow an iterative and agile approach that allows us to explore how major industry and technology trends can transform our products and services, address challenges, meet customer needs, improve operational efficiency, productivity, and profitability, and ensure the future resilience of our business.

Information and Cyber Security

As we embrace technological innovation, automation, and digital transformation, the significance of information security has become a paramount focus for Aramex. Our dedication to safeguarding customer and information privacy aligns with our commitment to human rights. Ensuring the security of data and making privacy a top priority are integral aspects of our pledge to customers, business partners, and stakeholders. We actively cultivate a culture of information security across all departments, levels, and verticals. This involves empowering employees with awareness and knowledge to uphold customer privacy, information security, and compliance with relevant internal and external laws and regulations related to data and information management.



At Aramex, we consider information security and privacy as the responsibility of every employee. We integrate awareness and participation into all activities and processes, from the boardroom to the frontline.

Aramex continues to have a robust Disaster Recovery plan in place, defining measures to ensure the continuity of company operations in the face of disasters or other disruptive events. Moreover, we ensure that proper controls are in place to avoid any service interruption by using tier-one security companies, such as implementing an advanced CDN provider. Moreover, a new SOC service was introduced to monitor and mitigate the potential risks. Additionally, we have onboarded a new service Incident Response Retainer with the best in the world Mandiant/Google.

In addition, our commitment to information security extends to actively working on compliance with various regulations and laws, with a primary focus on the GCC, the Far East, and Africa. Acquiring the PCI-DSS certificate underscores our dedication to protecting customer credit card information according to the highest standards and requirements. In constructing our Corporate data privacy framework, we have embraced the European General Data Protection Regulation (GDPR) as a foundation, applying it not only to our European operations but throughout our entire network. Adhering to GDPR has facilitated compliance with subsequent regulations introduced in various countries. Furthermore, our application of binding Corporate rules, exemplified by our Privacy Protection Framework, illustrates Aramex's dedication to safeguarding personal information across the entire organization at the highest standards.

We had one substantiated case of breach of customer privacy, which as a precautionary measure has been notified to the relevant supervisory authorities.

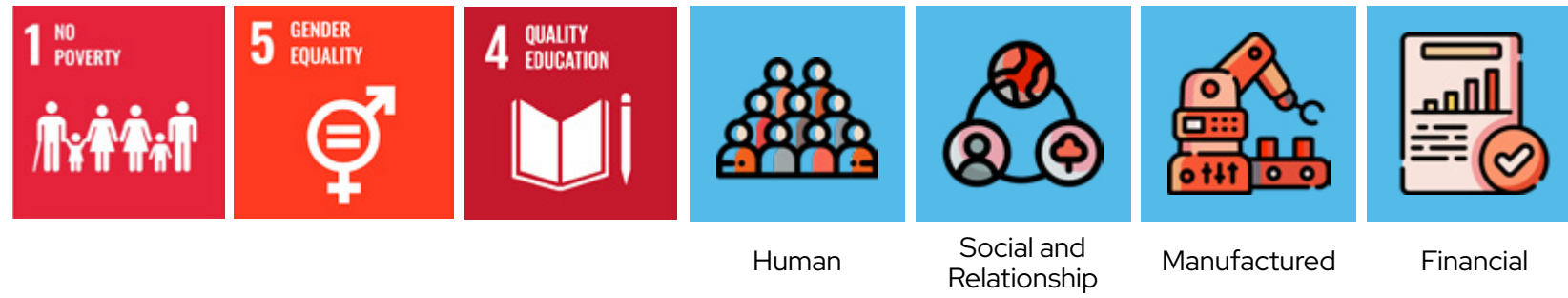


Information security measures and certificates

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



OUR COMMUNITIES



Working together with our communities to enhance well-being, contributing to sustainable development, and creating and preserving value are all key elements of our sustainability embedded into our Aramex values and strategic outlook. Aramex prides itself on creating lasting partnerships with communities and community organizations to create positive, sustainable, and effective impacts.

Contributing to social good and maintaining our position as a responsible business is a core component of our Social and Relationship Capital Strategy. As we have local entities in each area of operation, we are part of the local community. Key to our sustainability strategy is ensuring that we are aware of and responsive to the varying needs of our stakeholders and communities where we exist. At Aramex, our work with communities is embedded in our overall approach to value creation, ensuring that we work within and outside of our operations, leveraging our capabilities, and engaging stakeholders in our projects.

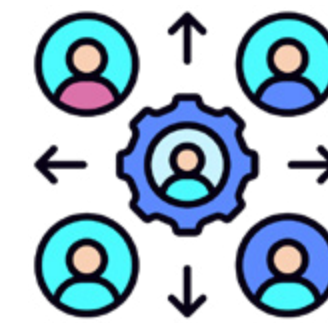
We build on our 40+ years of experience to uphold our social projects, while also using an evidence-based model that utilizes assessments, research, and active engagement with community organizations to understand needs and best approaches.

Our Social and Community Projects under “Delivering Good” Corporate Citizenship Strategy center on the following key areas:

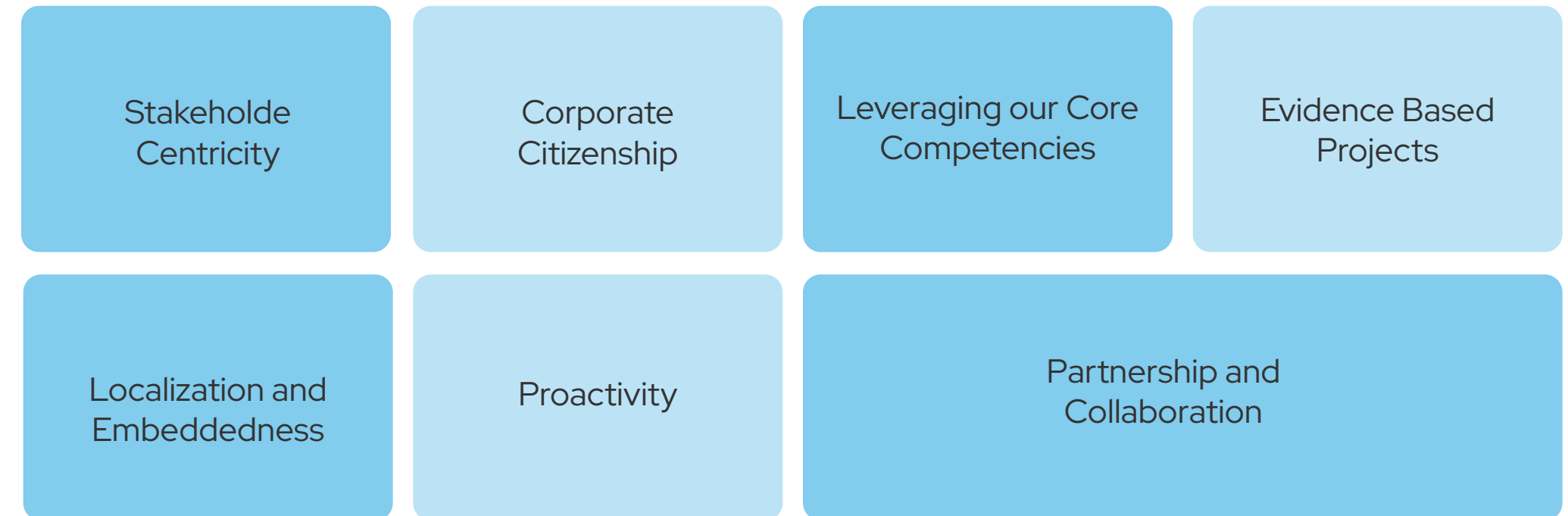
- Community Engagement
- Youth Education and Empowerment
- Entrepreneurship

Additionally, we are leveraging our operations to support humanitarian and emergency relief.

Our network-wide Corporate Citizenship program was developed to build on our Aramex shared values and contribute to social good in our communities. As such, our employees are key to our community work, as we encourage their active participation in our Corporate Citizenship program. However, this goes beyond simply volunteering; employees share with us their ideas for projects and partnerships, building on their knowledge of their communities and the causes most relevant and close to their hearts and encouraging a sense of ownership of these social projects.



Our Social Projects Guiding Philosophy



In 2023, we continued to build on our internal processes and policies relevant to our social projects, revamped our sustainability champions program, and launched our Corporate Citizenship guide and partner due diligence process to empower employees at all levels to propose and implement social projects that they care about, enhancing the embeddedness and localization of our social projects, while aligning with our key pillars.

Grassroots Community Development- Ruwwad- Jordan, Palestine, and Lebanon



Our flagship community development and education and youth empowerment project is implemented through a longstanding partnership with Ruwwad Al-Tanmeya, a non-profit community development organization established in 2005 by the private sector led by Aramex. Ruwwad works with disenfranchised communities and has presence in Jordan, Palestine, and Lebanon, impacting communities through education, youth volunteerism, and grassroots organizing via four main programs: Child development, adolescent development, youth organizing, and community support.

Ruwwad in the Region

In 2023, a total of 382 youth scholars benefited from the youth scholarship funds in Ruwwad’s three community centers in Jordan, Lebanon, and Palestine, and contributed more than 31,936 community service hours through volunteering and supporting Ruwwad’s different programs, operational tracks, projects, initiatives, and campaigns.

Since its foundation, a total of 2,147 youth students have benefitted from Ruwwad’s scholarship program, 1,437 of them from East of Amman / Jabal Al-Natheef, Al Tafilah, and Al Beidha in Jordan; 425 from Tripoli in Lebanon; and 285 from Budrus, Neilin, and Qibya in Palestine.

In 2023, 72 Ruwwad youth scholars graduated from universities, of which 44 came from Jordan, 19 from Lebanon, and 9 from Palestine.



Ruwwad Jordan

This year, under the Youth Development program, Ruwwad Jordan worked with 170 youth scholars who gave 15,705 community service hours, equivalent to over 1,900 working days. Their efforts were directed towards working with children, adolescents, and parents throughout the year.

In East Amman, 38 Dardashat sessions were conducted, covering key topics such as the self and the other, with an average attendance of 116 committed youth scholars. The primary objective of Dardashat sessions was to ensure freedom of speech, providing a platform for youth scholars to share their experiences and opinions courageously without fear of judgment. Additionally, 30 enrichment sessions were organized by Ruwwad’s team or through external volunteers. These sessions aimed to help youth scholars develop their Business and Digital Skills, focusing on areas such as Emotional Intelligence at the Workplace, Public Speaking Skills,

Presentation Skills, Digital Literacy, Digital Fabrication, and Design thinking.

In Ruwwad Al-Tafilah, 51 youth scholars attended 45 Dardashat sessions. Moreover, a total of 21 youth-led initiatives were launched in Tafilah, benefiting 1,212 local community citizen beneficiaries.

As part of the Child Development program activities in Jordan, 525 repeat children from the local community participated in various components, including academic support, child literature, creative art, and winter and summer clubs. Additionally, 4,044 school students across 39 neighboring schools benefited from enrichment activities focusing on children’s literature and creative arts.

Under the Adolescent Development Program, and within the Psychosocial Support unit in East Amman, the team engaged with 89 adolescents this year. These adolescents underwent a learning journey that included courses such as ‘Connect to your Power,’ where they explored their personal compass, learned the power of a growth mindset, and developed skills such as empathy, mindfulness, emotional resilience, and critical thinking. This journey aimed to help them understand the universality of human dignity and human rights, enhancing their readiness to embrace diversity. The program also reached a total of 1,169 students in 12 neighboring schools. Furthermore, Ruwwad’s Innovation Space in East Amman welcomed 87 adolescents throughout the year. The objective was to assist them in developing skills related to Design Thinking and Digital Fabrication, encouraging them to find innovative solutions to real-life problems using engineering, science, and technology. The goal is to nurture problem-solving abilities, critical thinking skills, and the capacity to be agents of positive change.

In 2023, Ruwwad supported 1,475 families through the Community Support Program within the components of women’s economic empowerment, rights-based services, and partnerships. Ruwwad also supported 252 vulnerable families in East Amman/ Jabal Al-Natheef through “Byoot Ahaleena” annual winter and Ramadan campaigns through providing in-kind contributions.

Throughout 2023, Ruwwad Jordan cooperated with 82 national, regional, and international partners, as well as 72 external volunteers who worked collaboratively with Ruwwad’s programs’ and projects’ teams to support different engagements with the communities we serve.

During the year 2023, Ruwwad worked with different partners on the implementation of 7 projects that focused on protection against violence, entrepreneurship, economic empowerment, and employment, which directly benefited 1,018 citizens.



Ruwwad Lebanon

In 2023, Ruwwad Lebanon’s Youth Scholarship Fund program empowered 165 youth scholars who actively contributed over 10,000 community service hours to support Ruwwad’s programs, projects, and the social enterprise ‘Atayeb Tarabulus’ community kitchen. Beyond their service, youth scholars engaged in 26 Dardashat sessions, covering diverse topics such as habits and behaviors, self-esteem, and artificial intelligence.

In addition to these sessions, 11 enrichment training programs were provided. Furthermore, Ruwwad Lebanon established valuable partnerships with numerous national and international stakeholders, collectively working to build the capacity of 80 youth scholars. The focus of these collaborations centered around foreign language proficiency, coding, technical skills, and topics of identity, among others. Moreover, a total of 6 youth-led initiatives were launched in Lebanon this year.

As part of the Child Development program activities in Lebanon, 224 repeat children (aged 9-12) from the local community participated in various components, including academic support, child literature, creative art, and winter and summer clubs. Additionally, 120 repeat adolescents (aged 13-17) were engaged throughout the year, with a focus on their holistic development.

In the Community Support Program, Ruwwad Lebanon supported 4,825 individuals through the various employability and emergency response projects that took place under this program. Moreover, 788 individuals benefited from the Help Desk, be it through in-kind distributions, awareness sessions, referrals, or medical examinations.

In 2023, Ruwwad spearheaded health campaigns addressing mental health, female hygiene, and eye examinations, benefiting 474 community members. Furthermore, benefitting from the program were 31 women, of which 22 worked in ATCK, and 590 families, of which 177 are repeats.

Under the project’s track, Ruwwad Lebanon partnered with national and international organizations to focus on economic empowerment, employment, and employability. In 2023, Ruwwad worked on the implementation of 3 projects, directly benefiting 4,825 individuals.



Ruwwad Palestine

In Ruwwad Palestine, under the Youth Program, the Youth Scholarship Fund benefited 47 youth scholars who participated in more than 6,187 community service hours to support Ruwwad’s projects and the communities of Budrus, Neilin and Qibya. 64 Dardashat sessions took place in 2023 to enhance these scholars’ personal and professional skills in different fields.

Furthermore, Ruwwad’s Palestine Child Program led activities with 310 repeat children under different programmatic components, such as academic support, child literature, and creative arts. Moreover, 400 school students participated in different enrichment activities in 4 neighboring village schools, focusing on child literature and creative arts.

Social and Community project highlights in 2023:

Community Engagement

Immersive Fundraising for the Homeless- Ireland

The Aramex Team Dublin braved the cold, dark, and superstitions on Friday 13th by sleeping outdoors overnight outside Aramex's Dublin HQ to raise funds in support of [Focus Ireland's](#) Homelessness Campaign.



Action in Focus – Kenya

We have partnered with [Action in Focus](#) donating in-kind transportation support where our delivery champion collected the medicine and food that was distributed at the camp. Action in Focus is a non-profit locally registered Non-governmental organization with the mission of serving the poor, the needy, and the suffering, while strengthening children, their families, and their communities. The organization runs yearly medical camps for community members that need medical support but are unable to access them. In 2023, 3,500 people attended the medical camp and 1,000 food packages were distributed to each family. The Medical Team comprised of different medical doctors and provided clinics for eye, dental, mental health, HIV, and Cancer screening. Minor surgeries were also conducted. A full pharmacy was also available for all the patients to get the needed medications. Aramex was involved providing in-kind transportation for the necessary resources and logistical support through employee volunteering and engagement.



Teaching in Inspiration Day Program- Indonesia

In partnership with Kelas Inspirasi Lombok, Aramex Indonesia hosted inspiration days that involved volunteering to teach and hold educational activities with 50+ children with special needs.

Volunteering for the Planet- Global

Across our network, Aramex employees volunteered to plant trees where possible. In Indonesia, more than 50 employees planted 1,000 mangrove trees to support ecosystem health, enhance mangrove benefits, and prevent soil erosion. In Kuwait, employees planted 200+ trees around different parts of the country, while our team in Egypt planted 400 trees around the Aramex facilities.





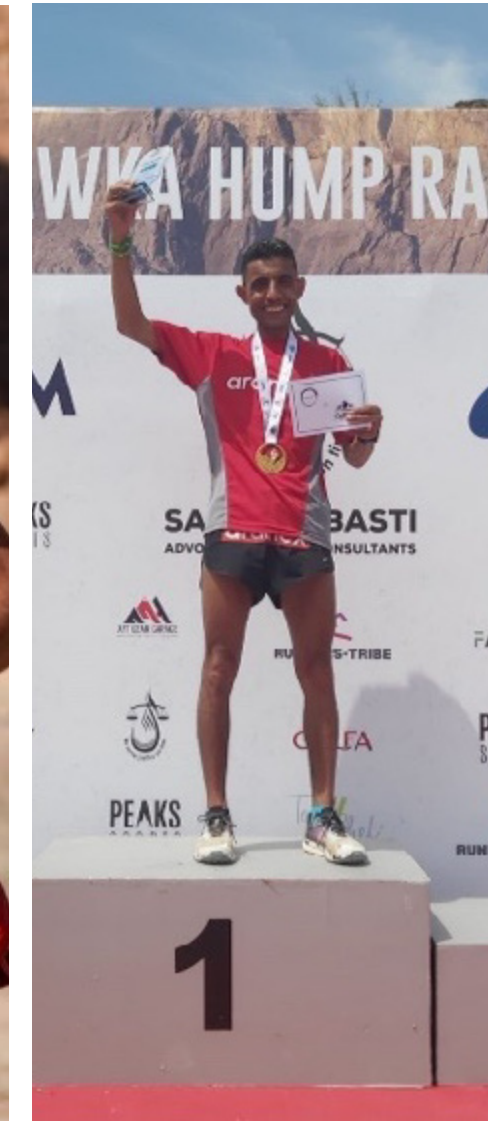
Supporting Champions Inspiring Communities – Morocco and Jordan

We've been proudly sponsoring Lama and Rana Qubbaj, two professional Jordanian Jiu-Jitsu competitors, for almost a decade.

"In 2023 our main goal was to qualify for and compete in some of the big four events of BJJ, qualifying both of us to compete in the World Championship."

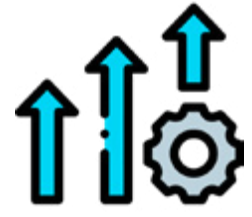
In their respective divisions, Rana is now ranked 10th in the world and Lama is ranked 6th in the world. Lama and Rana also volunteer their time to train marginalized youth in Jordan.

We continued to support our two Jordanian marathon runners Salameh Al Aqra since 2007, who achieved 1st place in 5 marathons in 2023 and Mohammad Al Sweiti since 2000 who has achieved 1st place in 1 marathon in 2023.



We proudly supported our champion, Ahmed Errahili, for the IRONMAN 70.3 World Championship qualification in Tangier, Morocco

Youth Education and Empowerment



Engaging with Youth for Career Development - Global

Across our operations, where possible, we partner with universities and educational organizations to host students at our facilities to get a first-hand experience of business operations and practices. This aims to offer them an understanding of the logistics industry as a possible career path. During these visits, students not only learn about our industry, but also about business operations, sustainability, health and safety, human resources, risk, compliance, and more.

We welcome students from universities to learn more about Aramex and the business world as well as discuss sustainability at Aramex to raise awareness and exposure to the business world and the logistics industry.



World of Work Program- Ireland

Our World of Work Program is a long-standing partnership with Business in the Community Ireland (BITCI) and Balbriggan Community College. The goal of the program is to help those who struggle academically to enhance their skill development. The program has the following goals:

- To give students an insight into the World of Work
- To encourage students to recognize the value of completing their education
- To assist student skill development by understanding those skills most valued in workplaces

Aramex Ireland has completed this program for a number of years and have seen first-hand the impact it has on the students. Our partners report improved communication, enhanced student engagement in the classroom, and improved student attitude, focus, and commitment for around 40 students in 2023.



Entrepreneurship

Leaving Our Mark on the Entrepreneurship Landscape

Aramex’s entrepreneurial journey drives our belief in the power entrepreneurs have to create social good in their communities, enhance economies, and create employment opportunities. Our goal is to continue supporting the growth of startups and SMEs while using our sustainability expertise to help them embed sustainability and integrated thinking in their operations from the ground up. This is exemplified by our SME program, designed to offer startups and SMEs special business rates catered to their specific needs. Participants in turn can enroll in training on business, ESG, and sustainability issues. The program has been integrated into our business operations and service operations and exemplifies how we embed sustainability and Corporate Citizenship into our business practices.

For more information on this program highlights, please refer to page 57.

Disaster Response and Emergency Relief

Given the reach of our network, operational bases, and expertise, we have always been willing and ready to use our capacity, capabilities, and human, financial, intellectual, manufactured, and social and relationship capitals to deliver emergency relief and support when needed. This includes, but is not limited to, the distribution of necessary medicinal and food supplies, facilitation of information flow, and working with partners on the ground.

Emergency Relief in Response to the Turkey and Syria Earthquake

In response to the devastating Earthquakes that hit Turkey and Syria, local Aramex teams worked to distribute food, cleaning supplies, and drinking water to 420+ families. Additionally, we opened a donation box for employees across our network and pledged to match their financial donation. The donations were used to purchase food, water, warm clothing, power banks, and other essentials for those affected by the earthquake. Aramex also provided in-kind support, distributing these products to families in Turkey and Syria.

Emergency Relief Response to the Morocco Earthquake

On the following morning, less than 12 hours after the catastrophic earthquake in Morocco, our strategy was to use our logistics and transportation expertise to help in this national emergency. The approach was systematic and inclusive. Starting by offering donation transportation to our B2B clients, we later expanded this opportunity to all companies ready to contribute. Through collaborations with notable associations, we guaranteed that donations effectively reached the impacted regions. We welcomed contributions from individuals at our outlets, resulting in an incredible response from members of parliament, celebrities, influencers, and the public. The social media post announcing the open donations reached over 70,000 people in the initial 24 hours, not to mention the inundated phone lines.

Our logistics and domestic teams worked tirelessly to maximize impact resulting in the transportation of over 600 tons of donations in less than a week.

We were joined by other transportation and logistics providers as well as digital creators to expand on the reach and impact. The team in Morocco shared that they are actively reflecting on this experience and using what they learned to explore options for the coming year on how best to continue serving the community and creating lasting positive impacts for all those affected by the earthquake.

Employee organized Donation Drives for Gaza- Global

In support of those affected and displaced in Gaza, a companywide campaign was launched to collect donations that were urgently needed aid.

Additionally, our employees in Singapore volunteered and donated more than 1,000 blankets for Gaza, and Aramex provided necessary in-kind support and logistics.



Partnership with UAE Red Crescent



Transportation and Logistical Support to the Emirati Jordanian Refugee Camp- Jordan and UAE

Aramex provided in-kind transportation support to The Mrajeeb Al Fhood, the Emirati Jordanian Refugee Camp, to ship 25 housing units made of eco-friendly palm boards and equipped with solar units.

The project is under Her Highness Sheikha Shamma bint Sultan bin Khalifa Al Nahyan, the Director of the UAE Independent Climate Change Accelerators (UICCA) and the Founder of the Shamma bint Sultan Sustainability Initiatives social enterprise.

Partnerships for Good

At Aramex, we are aware that partnerships and advocacy are crucial for sustainable development and climate action. Beyond our efforts within our own operations and supply chain, we also work to advocate for transparent and robust climate action, sustainability, human and labor rights, and compliance matters on the policy and regulatory level, as well as working with partners to push forward programs and projects in line with our values and Corporate Citizenship, including environmentally and climate friendly solutions and technologies. These partnerships include working with different private, public, and civil organizations at different scales across different geographies. We also work with startups, entrepreneurs, and other firms for the procurement and piloting of green tech solutions. Additionally, we partner with universities to upskill youth, enhance career prospects, and raise awareness on ESG matters and sustainability.

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-term.

Some of these partnerships include:

Global Partnerships:

United Nations Global Compact (UNGC), World Green Building Council (WGBC)

Regional Partnerships:

INJAZ

Local Partnerships:

Jordan GBC, INJAZ Jordan, Dubai Chamber, Abu Dhabi Sustainability Group (ADSG), Jordan Stock Market, Dubai Financial Market, UNGC Jordan



Participation and Advocacy during COP28

Aramex Sustainability team and Chief Sustainability Officer represented Aramex during COP28, participating in 15 panels, spanning different topics, including Sustainable Humanitarian Supply Chain, Youth Impact on Climate Change, and Government-Business Collaboration for Technological Solutions to Climate Change.

Below are some of our highlights for 2023:

UNGC Jordan

In efforts to contribute to a sustainable ecosystem in partnership with the UNDP and the Ministry of Planning, together with representatives from the private sector, Aramex led the partnership with Jordanian companies to establish the United Nations Global Compact (UNGC) Jordan Chapter in 2007 in Amman, Jordan.

UNGC Jordan now includes 58 companies are engaged in promoting and enhancing sustainability reporting, SDGs, and responsible business practices that lead to local national and international prosperity.

Highlights of UNGC and Aramex engagements in 2023 include:

- Guest speaker on regional info circle themed: SDGs and 10 Principles
- Participated in the fourth WEPs Jordan Network meeting
- Participated in the Male Allyship session at COP28 in Dubai
- Partnership to promote ESG Maturity Model to Amman Stock Exchange listed companies.
- Attended GRI Reporting Training and Private Sector Forum: Economic Modernization Vision
- Participated and moderated a panel in the Ring the Bell for Gender equality Ceremony in collaboration with ASE, IFC, UN Women
- Took part in Climate Ambition Accelerator second cohort and Target Gender equality 3rd cohort
- Attended a series of Climate awareness sessions with the following topics, Demystifying Climate Concepts, Taking Action on Climate Change, and Nature-Based Solutions where more than 80 employees from UAE, KSA, Lebanon & Jordan attended

Spotlight

WE SUPPORT

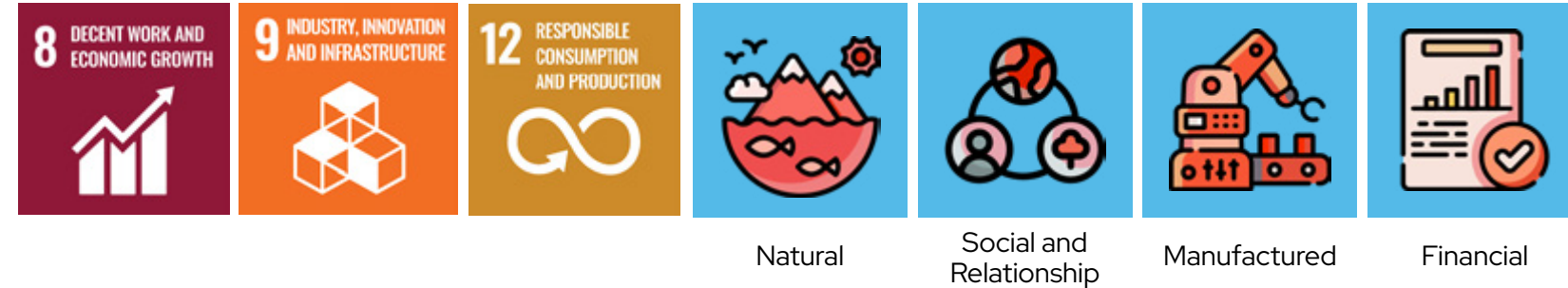


In 2022, Aramex became one of the first members to join the UAE Alliance for Climate Action (UACA) and is part of the working groups aiming to exchange knowledge and accelerate climate action. UACA is the 10th Alliance for Climate Action and the first in the MENA region as well as the first UAE tailored alliance for climate action aiming to increase momentum of Paris-aligned targets and see greater collaboration, and it is convened by Emirates Nature WWF, whose mission is to conserve nature and reduce the most pressing threats to the environment for the benefit of society.

UACA is catalyzing net zero ambitions in the UAE, in alignment with Paris Agreement targets and the Marrakesh Partnership for Global Climate Action (MPGCA), which calls for greater collaboration between government and non-government stakeholders. Aramex also joined Road2.0, powered by UACA and developed in partnership with Boston Consulting Group (BCG), which is also endorsed by the UAE Ministry of Energy and Infrastructure aiming to accelerate the transition to green road transport alternatives through early and tangible action from organizations across the UAE transport ecosystem, with initial focus on reducing road transport emissions, and increasing progressive collaboration across all transport modes.



Procurement and Supplier Relations



Extending our sustainability and Corporate responsibility to our supply chain is key to ensuring the long-term value creation that Aramex promises its stakeholders. As part of our Corporate governance, risk, and compliance, we proactively work with our procurement function and our suppliers to ensure that our Code of Conduct, along with adherence to applicable local and international laws and regulations, is upheld externally across our value chain as it is internally within our operations and business units. Therefore, we employ a strict, yet user friendly and transparent process for our procurement and purchasing, with the strategic goal of sourcing locally, responsibly, and cost-effectively in line with the needs of our business units, customers, and stakeholders.

As part of our procurement process, we engage with suppliers through online and offline channels, site visits, and stakeholder engagement sessions, gathering insights and understanding our supplier base and business needs.

We implemented SAP Ariba in 2022, and in 2024, new features such as taking the tender process online on Ariba from start to finish, will be added with the aim of further enhancing business resilience, relationship management, and cost management.

Our supplier training, conducted through Ariba, ensures all new suppliers are trained on the Aramex procurement process and code of conduct. In 2023, we were able to train all our registered supplier base.

We have also launched an internal awareness campaign for all employees on the role of the procurement function.

Following our efforts and accomplishments in 2022 to enhance our procurement process (link to 2022 report), we continued to refine our supplier due diligence and screening processes this year and engaging with suppliers on human, labor, and environmental matters. As part of our compliance process, all new suppliers are screened using different social, environmental, and compliance criteria. Additionally, we conduct a procurement evaluation for our strategic suppliers (high risk or high spend, based on KPIs that are embedded in our contracts, such as customer service, quality, delivery, and lead time). Our procurement and purchasing strategies and internal systems allow for efficient response to procurement needs. To ensure that we appropriately handle any issues, our procurement framework includes a mechanism to report grievances and issues to be investigated and dealt with through existing channels. Through our procurement system, we ensure that decisions on major transactions take into consideration our overall strategy, including sustainability related risks and opportunities. As such, we engage with the Risk and Compliance, sustainability, and Health and Safety functions in our evaluations.

Where possible, we prioritize local suppliers* to contribute to local economic development and sustainability, more than 90% of our suppliers are local in our key stations***.**

*Local Suppliers: Suppliers that are based in the country of the specific Aramex operation/ Station
 ** This number excludes holding companies/ global suppliers
 ***Key stations: Stations where we have significant operations, in terms of volume of business, size of operation, and its expenses/budget

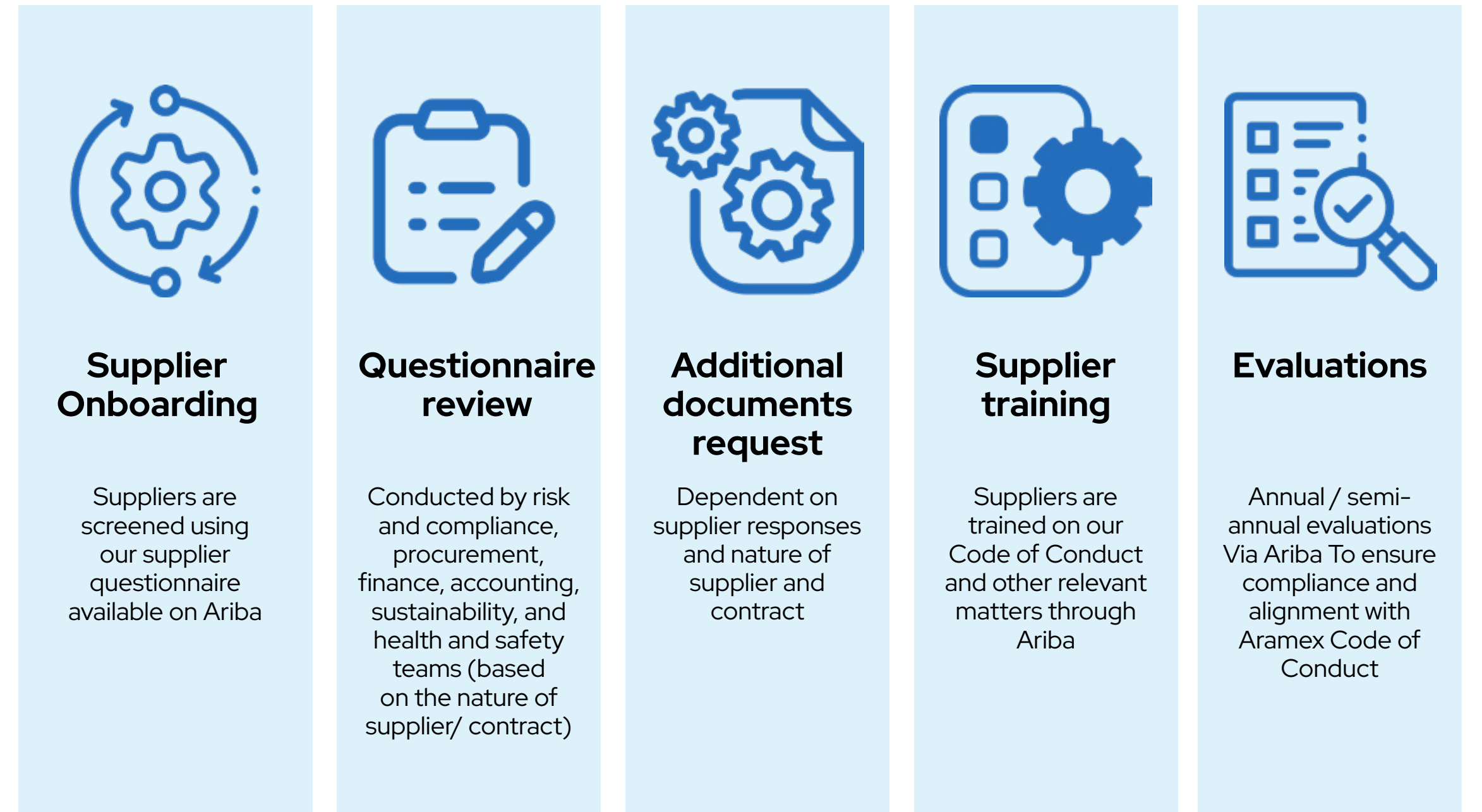


Figure 28: Supplier Engagement Processes

Our supplier questionnaire covers our third-party due diligence policy, supplier, and Aramex codes of conduct and includes diverse ESG topics including environmental conduct and impacts of manufacturing or service delivery, measures to ensure no child and compulsory labor abuses and other labor matters, adherence to human rights, allowance of collective bargaining, and transparency relevant to health and safety and social impact of business operations.

Memberships and Associations

Memberships		
Freight	International Air Transport Association (IATA)	We are IATA-approved agents with individual CODE/CASS numbers in Algeria, Bahrain, Bangladesh, Canada, China, Cyprus, Czech Republic, Egypt, Ethiopia, France, Germany, Ghana, India, Indonesia, Iran, Iraq, Ireland, Jordan, Kuwait, Lebanon, Libya, Malta, Mauritius, Morocco, Nepal, Netherlands, Oman, Qatar, Saudi Arabia, Shanghai, Singapore, Slovakia, Sri Lanka, Sudan, Switzerland, Syria, Turkey, UAE, UK, USA and Vietnam. Some main stations are individual members, while the remaining stations are in the process of becoming-IATA-approved.
Logistics and Ground Operations	The International Air Cargo Association (TIACA)	Member
Express	Fédération Internationale de Associationsde Transitaires et Assimilés/International Federation of Freight Forwarders Associations (FIATA)	Founder
Business Improvement	World Freight Alliance (WFA)	President
Security	Freight Forwarding Syndicate	Member
Environment	Fenex	Member
Others	Supply Chain and Logistics Group	Member
	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	

Figure 29: Memberships and Associations



GOVERNANCE



Governance Practices

In 2023, Aramex's Board of Directors and Management team have diligently worked to embed and elevate governance best practices throughout the organization. Being a prominent entity in its field, Aramex's governance practices are meticulously shaped by the "Chairman of Authority's Board of Directors' Decision no. (3/Chairman) of 2020 concerning Approval of Joint Stock Companies Governance Guide" along with its subsequent amendments, collectively referred to in this Report as the "SCA Governance Code."

Aramex's approach to governance is dynamic and evolving. Significant efforts and resources are dedicated to regularly reassessing and refining Aramex's governance framework, which involves a continuous process of enhancing practices, policies, and procedures to ensure they not only comply with local regulations but also align with global best practices.

In 2023, the Board of Directors persisted in its proactive initiatives to advance Aramex's governance structure and systems. These included comprehensive revisions of existing governance policies and procedures, and introducing new ones, ensuring that the Company's practices remain contemporary and in line with international standards, as well as local legal and regulatory mandates. Key updates encompassed a review of the Board and its Committees' charters, the introduction of Board travel and training policies, as well as a revamp of the Company's Human Resources Delegation of Authority Matrix.

These updates were carefully calibrated to reflect our evolving business objectives, organizational structure, and our long-term strategic vision. Additionally, the Directors participated in an offsite workshop to discuss strategic initiatives of the Company and attended a training session on ESG conducted by an external consultant.

Further, our Board of Directors undertook a comprehensive internal evaluation in 2023 aimed at assessing the effectiveness of the Board and its Committees' governance practices, the efficiency of its operations, and its alignment with the strategic objectives of the Company. The primary goal of this evaluation was to identify areas of strength and opportunities for improvement, ensuring that our Board continues to operate at the highest standards of governance and oversight. The findings and the subsequent action plan derived from this evaluation will be thoroughly addressed and implemented in 2024. This proactive approach underscores our commitment to transparency, accountability, and excellence in governance, reinforcing our dedication to delivering value to our shareholders and stakeholders alike.

A significant development in 2023 that marks a new chapter for Aramex is the General Assembly's appointment of a new Board of Directors for a term of three years. This newly elected Board is a diverse union of expertise and experience, bringing together individuals with varied talent, perspectives, and skill sets. Their collective knowledge and insights are crucial in steering the Company toward a trajectory of sustained growth and strategic oversight, driving it forward, and laying the foundation for continued success and responsible governance in the years to come.

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

The Company strictly adheres to the Board-approved Insider Trading Policy, which governs all dealings in Aramex securities. This Policy is applicable not only to Board Members and employees, but also to any individuals identified as insiders under the Policy's scope. Furthermore, it extends to transactions involving the securities of Aramex's subsidiaries and associate companies.

In accordance with this Policy, the Board of Directors, employees, and other designated insiders are permitted to engage in the buying and selling of Aramex securities, provided that these transactions strictly conform to the Policy's guidelines. Transactions that do not adhere to the stipulations of this Policy are considered invalid. Insiders, as defined in the Policy, are fully conscious of their duty to disclose their dealings in Aramex securities. The Board remains committed to fulfilling all disclosure requirements as mandated by the Securities and Commodities Authority and the Dubai Financial Market (DFM).

In line with the Company's commitment to transparency, the annual declaration of interest forms, signed by the Directors of the Board, provide a clear record of their transactions, as well as the transactions of their immediate family members, in Aramex securities during the year 2023. The following table offers a detailed account of these transactions, underscoring the adherence to the highest standards of regulatory compliance and ethical conduct:

Board Members as of 31 December 2023								
Name	Position	Dealings of Board Members			Relation	Dealings of Board Members' Relatives		
		Total Sold Shares	Total Purchased Shares	Number of Shares as of 31 December 2023		Total Sold Shares	Total Purchased Shares	Number of Shares as at 31 December 2023
Mr. Mohamed Alshamsi	Chairman	-	-	-	-	-	-	-
Mr. Benjamin Démogé	Vice Chairman	-	-	-	-	-	-	-
Mr. David Haglund	Director	-	-	6,655	-	-	-	-
Ms. Elaine Kerr	Director	-	-	-	-	-	-	-
Mr. Fahad Al Qassim	Director	-	-	10,000	-	-	-	-
Mr. Gamal El Sadat	Director	-	-	-	-	-	-	-
Ms. Iman Alqasim	Director	-	-	-	Father	-	-	1,903
Mr. Murtaza Hussain	Director	-	-	-	-	-	-	-
Mr. Yves Delmas	Director	-	-	-	-	-	-	-
Board Members who have held office until 18 April 2023								
Mr. Arif Albastaki	Director	-	-	-	-	-	-	-
Ms. Fatma Hussain	Director	-	-	-	-	-	-	-
Mr. Omar Alhashmi	Director	-	-	-	-	-	-	-

Formation of the Board of Directors

The Board of Directors at Aramex comprises nine independent non-executive members, each elected by the General Assembly. Endowed with the comprehensive authority necessary for managing the Company's affairs, the Board is empowered to execute all actions and transactions on behalf of the Company as outlined in its Articles of Association.

The table below provides an overview of the current composition of Aramex's Board of Directors. It includes information on each Member's status, their directorship roles in other joint-stock companies, and any significant positions they hold in regulatory, government, or commercial entities in the UAE. Additionally, the table details the duration of each Member's service on Aramex's Board, starting from the date of their initial appointment.

Board Members as of 31 December 2023:

Name	Position	Status		Directorships and Substantial Positions in the UAE	Date of Appointment to the Aramex Board
Mr. Mohamed Alshamsi	Chairman	Independent	Non-Executive	<ul style="list-style-type: none"> - Board Member and Group CEO of Abu Dhabi Ports Co PJSC - Board Member of Etihad Aviation Group - Board Member of Abu Dhabi Airports Co. PJSC - Chairman of Abu Dhabi Coop, Cooperative Society - Board Member of ADQ Aviation 	22-June-2020
Mr. Benjamin Démogé	Vice Chairman	Independent	Non-Executive		9-February-2022
Mr. David Haglund	Director	Independent	Non-Executive		22-June-2020
Ms. Elaine Kerr	Director	Independent	Non-Executive		18-April-2023
Mr. Fahad Al Qassim	Director	Independent	Non-Executive	<ul style="list-style-type: none"> - Acting Director General of Abu Dhabi Endowments' and Minors' Funds Authority - Chairman of Eshraq Investments PJSC - Board Member at Daman Healthcare Insurance PJSC 	22-June-2020

Name	Position	Status		Other Directorships and Substantial Positions in the UAE	Date of Appointment to the Aramex Board
Mr. Gamal El Sadat	Director	Independent	Non-Executive		18-April-2023
Ms. Iman Alqasim	Director	Independent	Non-Executive	<ul style="list-style-type: none"> - EVP at EGA – Emirates Global Aluminum PJSC - Board Member at TAQA – Abu Dhabi National Energy Company PJSC - Board Member at ADNEC – Abu Dhabi National Exhibition Center PJSC - Board Member at UPP – United Printing & Publishing PJSC 	18-April-2023
Mr. Murtaza Hussain	Director	Independent	Non-Executive	<ul style="list-style-type: none"> - Chief Investment Officer at Abu Dhabi Developmental Holding Company (ADQ)) 	22-June-2020
Mr. Yves Delmas	Director	Independent	Non-Executive		9-February-2022

Board Members who have held office until 18 April 2023

Name	Position	Status		Date of Appointment to the Aramex Board
Mr. Arif Albastaki	Director	Independent	Non-Executive	10-May-2019
Ms. Fatma Hussain	Director	Independent	Non-Executive	22-June-2020
Mr. Omar Alhashmi	Director	Independent	Non-Executive	22-June-2020



Positions and Qualifications

Mr. Mohamed Alshamsi

Chairman



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

Captain Mohamed Juma Al Shamisi is the Managing Director and Group Chief Executive Officer of AD Ports Group, the leading global facilitator of logistics, industry, and trade. Listed on the Abu Dhabi Securities Exchange, AD Ports Group's vertically integrated business approach covers Digital, Economic Cities & Free Zones, Logistics, Maritime, and Ports, with a diverse portfolio of assets that includes more than 25 ports and terminals around the world.

In his role, Captain Al Shamisi is responsible for the organization's strategy, direction, and global operations. He also takes the lead on the growth and expansion of AD Ports Group's assets and development activities. Under his premiership, AD Ports Group has emerged as one of the most dynamic and innovative companies in the maritime, logistics and trade sectors; he has led the growth of the organization from a local company to a publicly listed global entity, with a perpetually expanding worldwide presence.

A strong, determined, and entrepreneurial leader, with almost 20 years of maritime and trade industry experience, Captain Al Shamisi capitalizes on his substantial executive knowledge to guide the Group toward accelerating the UAE leadership's vision of diversifying the non-oil and gas economy. During his tenure, AD Ports Group has evolved into a significant driver for economic growth and diversification, contributing AED 152.8 billion to UAE GDP, which represents 13 percent of the UAE's non-oil GDP.

Captain Al Shamisi joined AD Ports Group in 2008 and has since held key leadership positions, which include the Executive Vice President for the company's Ports Unit. In this role, he was instrumental in a major strategic restructuring of the unit and the rationalization of its assets. He also oversaw the completion and commissioning of the first phase of the flagship port, Khalifa Port and the adjacent KEZAD, the largest integrated trade, logistics, and industrial business grouping in the Middle East.

In addition to serving as Managing Director and GCEO at AD Ports Group, Captain Al Shamisi is currently the Chairman of Aramex, Chairman of Abu Dhabi Co-operative Society, and the Vice Chairman of UAE Sailing & Rowing Federation. He is also a Board Member of the Etihad Aviation Group, Abu Dhabi Airports Company, and MAKE A WISH Foundation, UAE.

Captain Al Shamisi holds an MBA, an advanced Diploma of Applied Science (shipmaster), and a Graduate Certificate of Management from the University of Tasmania, Australia.

Amongst his numerous personal accolades, Captain Al Shamisi was awarded the Peter Morris Prize from the Australian Maritime College (AMC) for his significant contributions to the maritime industry, as well as the AMC Baird Publication Prize for Best Performance in Navigation Studies. He is also a recipient of the Sheikh Rashid Award for Academic Excellence.

In 2012, he was named 'Young Personality of the Year' at the Seatrade Middle East and Indian Subcontinent Awards, and has repeatedly been ranked number one in Logistics News Middle East's CEO Power List, achieving this accolade in 2018, 2020, and 2021.



Positions and Qualifications

Mr. Benjamin Démogé

Vice Chairman

Master's degree in industrial engineering from École des Ponts ParisTech – Paris, France
Master of Business Administration (MBA) in Corporate Finance from École des Ponts ParisTech – Paris, France

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

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

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

Mr. Démogé holds several Board positions at global companies, namely DTDC Express Limited in India, Yurtiçi Kargo Servisi A.Ş. in Turkey, and Ninja Van, a leading courier company in Southeast Asia. He held several other senior management positions at La Poste group, as well as a number of previous leadership roles in global organizations, including L'Oréal and Michelin.

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



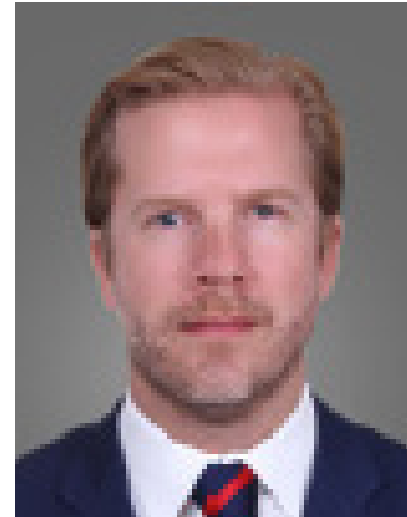


Positions and Qualifications

Mr. David Haglund

Director

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



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

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

Mr. Haglund serves as a non-executive Director in Aramex, one of the largest logistics public companies in the MENA region, where he focuses on strategy, risk, ESG, and corporate governance. He is also a member of the Audit, Investment and Growth, and Nomination & Remuneration Committees.

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

Mr. Haglund is passionate about corporate governance and ESG. He holds a certificate in Corporate Governance from INSEAD and is a certified director at Hawkamah Institute for Corporate Governance. He also holds a CFA Institute Certificate in ESG investing and a Diploma in Audit Committees in a New Era of Governance at Harvard University.



Positions and Qualifications

Ms. Elaine Kerr

Director

Higher National Certificate in Accounting from Kirkcaldy College

Ms. Kerr is the Chief Executive Officer of DPDgroup in the UK, a position she has held since 2021.

Her journey with DPDgroup began over 30 years ago when she joined as a Sales Executive based in the Northwest. Throughout her tenure, she has taken on various roles, including Customer Relationship Manager and Head of CRM. In 2008, she was promoted to the DPD UK senior management team as the Director of Sales, CRM.

In 2020, Elaine assumed the role of Executive Director, overseeing Sales, CRM, and Customer Services. Her unwavering dedication to placing customers at the core of DPD's operations remains as strong as ever.

Ms. Kerr's contributions have been instrumental in expanding DPD's impressive customer base, which now includes many renowned brands in the UK. She is committed to enhancing the customer experience by leveraging cutting-edge technology and embracing the latest innovations. Additionally, she aims for DPD to become the leading sustainable delivery company in the UK.

Ms. Kerr holds a Higher National Certificate in Accounting from Kirkcaldy College, and completed Level 2 of Association of Chartered Certified Accountants (ACCA) from Edinburgh Napier in 1988.





Positions and Qualifications

Mr. Fahad Al Qassim

Director



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 Acting Director General of Abu Dhabi Endowments' and Minors' Funds Authority. He is also the Chairman of Eshraq Investments PJSC and is currently a Board Member of Daman Healthcare Insurance PJSC and Aramex PJSC.

Mr. Al Qassim has more than 25 years of experience in the investment banking, government and commercial sectors.

Mr. Al Qassim has served as CEO of Healthcare, Pharma, and Financial Services at ADQ since 2021, and prior to that as CEO of Emirates NBD Capital, where he was responsible for the 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



Positions and Qualifications

Mr. Gamal El Sadat

Director

Bachelor's Degree in Chemical Engineering from the University of Cairo

Eng. Gamal El Sadat is the Chairman of Etisalat Egypt by e&. He has held this position since the company's inception in 2007 and has played a vital role in driving e& Egypt to excel in providing tech-telco services in Egypt's highly competitive market.

In 1979, El Sadat graduated from Cairo University's Faculty of Engineering. His extensive experience started at Osman Ahmed Osman Group, one of Egypt's oldest institutions and largest engineering and contracting companies, working his way up from an engineering consultant in 1979 to become a member of the Board of Directors.

In 1986, El Sadat joined the Bankers Training Program at Chase Manhattan Bank in the United States, where he later obtained a license for investment banking services. He also worked as an investment banker at Furman Selz, and in 1992 he returned to his position as a member of the Board of Directors at Osman Group and served as the Managing Director of Techno Mechanic.

With over 43 years of experience in business, asset management, and investments, El Sadat has successfully established and managed numerous commercial projects at both local and international levels and continues to create opportunities for economic development by strengthening Egyptian-Emirati trade and investment relations. El Sadat also holds the position of Chairman of the Egyptian-Emirati Business Council.





Positions and Qualifications

Ms. Iman Alqasim

Director

MBA from the University of Bath

Ms. Alqasim is an accomplished Human Resources leader and change agent with over 20 years of experience in organizational transformation across various industries such as Finance, Energy, Automotive, and Retail. She has a deep understanding of the changing needs of human capital & talent management, and a proven track-record of agility and strategic oversight in the most challenging business and economic conditions.

She is currently the Executive Vice President – Human Capital at Emirates Global Aluminum (EGA), where she is responsible for leading the Talent agenda on all matters, including executive compensation, manpower cost optimization, and succession planning.

In addition to her current role at EGA, Ms. Al Qasim serves as a Member of the Board of Directors of various leading companies including TAQA, Aramex, ADNEC, and UPP.

Prior to joining EGA, Ms. Alqasim served as Group HR Director at ENOC, where she led the People & Organization agenda for over 10,000 employees. Before this, she was Executive Director of Human Capital at Mubadala Investment Company (MIC), leading all People & Organization matters. Prior to Mubadala, Ms. Alqasim served as Deputy Vice President, Human Resources at Dolphin Energy

She holds an MBA from the University of Bath and was granted the honorary Sheikh Rashid Award for outstanding education achievement.





Positions and Qualifications

Mr. Murtaza Hussain

Director

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 18 years of private equity, corporate finance, and restructuring experience and has held several senior management and board positions in organizations locally and internationally.

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

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





Positions and Qualifications

Mr. Yves Delmas

Director



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

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

Prior to his current position, Mr. Delmas was the Executive Vice-President Europe of GeoPost, the parcel-express division of the La Poste Group.

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

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

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

Diversity on the Board

In its continued commitment to fostering a culture of diversity, equity, and inclusion, the Board of Directors at Aramex actively promotes these values, recognizing them as essential drivers of Aramex's organizational success and innovation. This commitment to diversity is not only a moral imperative but also a strategic one, as it brings a range of perspectives and experiences that are crucial for informed decision-making and comprehensive governance.

In a significant stride towards enhancing gender diversity within the Company's Board of Directors, April 2023 marked the shareholders' election of Ms. Iman Alqasim and Ms. Elaine Kerr to Aramex's Board of Directors. Their appointments have been a pivotal step in increasing female representation on the Board, which now stands at 22% (2 out of 9 Board Members). The increase in female representation on the Board is a testament to Aramex's progressive approach towards embracing diversity at the highest levels of governance, emphasizing that a diverse Board not only enhances corporate reputation but also aligns with the Company's broader commitment to social responsibility and sets a positive example for companies in the UAE and beyond.

Board of Directors' Remuneration:

Aramex's approach to remunerating the Board of Directors is guided by principles of fairness and alignment with the Company's performance and shareholder interests. The remuneration structure is designed to attract and retain qualified and experienced Board Members, while ensuring that their compensation is commensurate with their responsibilities and the value they bring to the Company. Aramex's Board Member Remuneration Policy is published on the Company's website.

The below details the remuneration structure for the Board of Directors, reflecting the Company's commitment to transparency and adherence to best practices in corporate governance.

- 2022 Remuneration:** The total remuneration dispensed to the Board Members for the year 2022 amounted to AED 2,986,667. This figure represents the aggregate compensation for their contributions throughout the year.
- Proposed 2023 Remuneration:** For the year 2023, the proposed total remuneration for the Board of Directors is set at AED 2,675,068. This proposed amount comprises AED 2,215,068 in Board fees and AED 460,000 allocated for Committees' attendance fees. This proposal will be subject to approval at the upcoming Annual General Meeting. The breakdown of these figures is further elaborated in the table provided below.
- No Additional Allowances:** It is important to note that Board Members do not receive any allowances beyond the aforementioned remuneration.
- Inclusion of Committee Attendance Allowances:** The aforementioned remuneration figures include the attendance allowances for members of the Board Committees, which are set at AED 10,000 per Committee meeting. The following table details provide a comprehensive view of these allowances.

Name	Allowance (AED)	Number of Meetings Attended			Total Remuneration (AED)
		Audit Committee	Nomination and Remuneration Committee	Strategy Committee*	
Mr. Benjamin Démogé**	-	12	-	6	-
Mr. David Haglund**	-	12	10	6	-
Ms. Elaine Kerr**	-	-	9	-	-
Mr. Fahad Al Qassim	10,000	12	-	5	170,000
Mr. Gamal El Sadat	10,000	-	-	5	50,000
Ms. Iman Alqasim	10,000	-	10	-	100,000
Mr. Murtaza Hussain	10,000	-	-	4	40,000
Mr. Arif Albastaki	10,000	-	3	1	40,000
Ms. Fatma Hussain	10,000	-	3	-	30,000
Mr. Omar Alhashmi	10,000	-	3	-	30,000
Total					460,000

* Formerly, the Strategy Committee (until 27 April 2023)

** Waived compensation.

Meetings of the Board of Directors

The Board of Directors held 9 meetings during the year 2023, with details of attendance as follows:

No.	Date of Board Meeting	Mr. Mohamed Alshamsi	Mr. Benjamin Démogé	Mr. David Haglund	Ms. Elaine Kerr	Mr. Fahad Al Qassim	Mr. Gamal El Sadat	Ms. Iman Alqasim	Mr. Murtaza Hussain	Mr. Yves Delmas	Mr. Arif Albastaki	Ms. Fatma Hussain	Mr. Omar Alhashmi
1	8 February 2023	✓	✓	✓	-	✓	-	-	Proxy	✓	✓	✓	✓
2	15 March 2023	✓	✓	✓	-	✓	-	-	✓	✓	✓	✓	✓
3	10 April 2023	✓	✓	✓	-	✓	-	-	Proxy	Proxy	✓	✓	✓
4	27 April 2023	✓	✓	✓	✓	✓	✓	✓	Proxy	✓	-	-	-
5	10 May 2023	✓	✓	✓	✓	Proxy	✓	✓	✓	✓	-	-	-
6	9 August 2023	✓	✓	✓	✓	✓	✓	✓	✓	✓	-	-	-
7	8 November 2023	✓	✓	✓	✓	✓	✓	✓	✓	✓	-	-	-
8	8 December 2023	✓	✓	✓	✓	✓	✓	✓	✓	✓	-	-	-
9	13 December 2023	✓	✓	✓	✓	✓	✓	✓	✓	✓	-	-	-

The Board of Directors did not issue any resolutions in writing (by passing/circulation) during the financial year 2023.

Audit Committee

The Audit Committee, an integral part of the Company's governance structure, consists of three independent non-executive members of the Board of Directors of Aramex. This Committee convenes as required, maintaining a minimum frequency of once every quarter. Its primary role is to aid the Board in its oversight duties, particularly concerning the integrity of financial statements, the appointment and independence of external auditors, the efficacy of the Company's Internal Audit function, and the strength of internal controls and risk management processes. The Committee operates under a clearly defined charter that outlines its objectives, duties, responsibilities, composition, guidelines for meeting administration, and its reporting framework. This structured approach ensures that the Committee effectively upholds its critical role in overseeing and enhancing the Company's financial and audit-related practices.

As the Chairman of the Audit Committee, Mr. Fahad Al Qassim recognizes his pivotal role in guiding the Committee's direction. He is committed to thoroughly reviewing the Committee's functions and continuously ensuring its effectiveness. His leadership involves overseeing the various aspects of the Committee's operations, making certain that it operates efficiently and fulfills its responsibilities within the governance framework.

Following are the members of the Audit Committee:

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

The Audit Committee held 12 meetings during the year 2023, detailed as follows:

	Mr. Fahad Al Qassim	Mr. Benjamin Démogé	Mr. David Haglund
6 February 2023	✓	✓	✓
13 March 2023	✓	✓	✓
22 March 2023	✓	✓	✓
31 March 2023	✓	✓	✓
8 May 2023	✓	✓	✓
23 May 2023	✓	✓	✓
31 May 2023	✓	✓	✓
7 August 2023	✓	✓	✓
30 August 2023	✓	✓	✓
21 September 2023	✓	✓	✓
6 November 2023	✓	✓	✓
27 November 2023	✓	✓	✓
Total Attendance	12	12	12

Nomination and Remuneration Committee

The Nomination and Remuneration Committee, an essential component of the Company's governance structure, consists of three independent non-executive Board Members. This Committee convenes as required, ensuring that it meets at least once quarterly. Its primary role is to support the Board of Directors in key areas, such as the composition, nomination, appointment, evaluation, and remuneration of the Board of Directors and its Committees. Additionally, the Committee is responsible for overseeing matters related to induction, ongoing development, and the governance framework and policies.

The Committee also plays a crucial role in reviewing and guiding Executive Management's succession planning, compensation strategies, and the overarching Human Resources strategy, policies, and processes at Aramex. Its responsibilities are clearly articulated in its charter, which delineates the Committee's purpose, duties, and responsibilities, as well as guidelines for membership, meeting administration, and reporting procedures. This structured approach ensures that the Committee effectively contributes to the strategic and responsible management of human resources and remuneration matters within the Company.

From the date of her appointment as the Chairperson of the Nomination and Remuneration Committee, Ms. Iman Alqasim has recognized and embraced her responsibility for guiding the Committee's operations. Her role includes diligently reviewing the functions of the Committee and ensuring its effectiveness, a task she undertakes with a commitment to maintaining the highest standards of governance and oversight.

Following are the Members of the Nomination and Remuneration Committee:

Members until the date of the Annual General Meeting held on 18 April 2023:

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

Members as of the re-formation of the Committee on 27 April 2023:

Name	Position
Ms. Iman Alqasim	Chairperson
Mr. David Haglund	Member
Ms. Elaine Kerr	Member

The Nomination and Remuneration Committee held 13 meetings during the year 2023, as per the following details:

	Ms. Iman Alqasim*	Mr. David Haglund*	Ms. Elaine Kerr*	Mr. Omar Alhashmi**	Mr. Arif Albastaki**	Ms. Fatma Hussain**
23 February 2023	-	-	-	✓	✓	✓
21 March 2023	-	-	-	✓	✓	✓
7 April 2023	-	-	-	✓	✓	✓
26 May 2023	✓	✓	✓	-	-	-
12 June 2023	✓	✓	✓	-	-	-
7 July 2023	✓	✓	✓	-	-	-
1 September 2023	✓	✓	✓	-	-	-
6 October 2023	✓	✓	✓	-	-	-
30 October 2023	✓	✓	✓	-	-	-
17 November 2023	✓	✓	-	-	-	-
20 November 2023	✓	✓	✓	-	-	-
24 November 2023	✓	✓	✓	-	-	-
8 December 2023	✓	✓	✓	-	-	-
Total Attendance	10	10	9	3	3	3

* Served as members of the Nomination and Remuneration Committee as of the Committee re-formation on 27 April 2023

**Served as a member of the Nomination and Remuneration Committee until the date of the Annual General Assembly held on 18 April 2023.

Insider Trading Management Committee

The Insider Trading Management Committee, established by the Board of Directors of the Company, is composed of five members from the Executive Management, along with the Board Secretary and Senior Governance Officer. This Committee is entrusted with the critical task of assessing the effectiveness of the Company’s insider management controls and maintaining a register of insiders. It is also responsible for ensuring that the Company complies with all relevant regulations and disclosure requirements related to insider trading. Additionally, the Committee oversees and regulates the trading activities of insiders in the Company’s shares.

The Committee convenes at least once a year and is committed to providing regular reports to the Board. These reports, delivered annually or more frequently if needed, detail the Committee’s activities and findings. The Committee operates under a well-defined charter that outlines its purpose, scope of duties and responsibilities, composition, and guidelines for conducting meetings and reporting. This structure ensures that the Committee diligently upholds its responsibility to manage insider trading effectively, thereby safeguarding the integrity and transparency of the Company’s operations.

As the Chairman of the Insider Trading Management Committee, Mr. Othman Al-Jeda (the Company’s Group Chief Executive Officer) recognizes his crucial responsibility for overseeing the Committee’s operations. His duties include regularly assessing the Committee’s functions and actively ensuring their effectiveness, seeing to it that the Committee fulfills its role efficiently and in accordance with its objectives.

As per its charter, the members of the Insider Trading Management Committee are as follows:

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

The Committee convened once during the year 2023.

Investment and Growth Committee

The Investment and Growth Committee, previously known as the Strategy Committee until 18 April 2023, consists of five independent non-executive members of the Board of Directors of Aramex. This Committee is convened as needed, but it meets a minimum of four times per year. Its primary role is to support the Board of Directors, the Group CEO, and the Management Team in various aspects concerning the Company, particularly in the domains of corporate and M&A strategy, operational and financial performance monitoring, and budgeting processes.

Furthermore, the Committee plays a crucial role in examining potential acquisitions, mergers, and divestments. It also provides insights and guidance on international strategic initiatives and keeps a pulse on emerging trends that could disrupt the business landscape. Operating under a clearly defined charter, the Committee has well-established guidelines for its purpose, duties, responsibilities, composition, meeting administration, and reporting protocols. This structured approach ensures the Committee effectively contributes to the strategic decision-making and growth trajectory of the Company.

Mr. Benjamin Démogé, who served as the Chairman of the Investment and Growth Committee (previously referred to as the Strategy Committee until 18 April 2023), acknowledges his pivotal role in guiding the Committee's operations. He is responsible for overseeing the direction of the Committee, ensuring the effectiveness of its functions, and continuously reviewing its activities to maintain its efficacy in aligning with the Company's strategic objectives.

Following are the members of the Company's Investment and Growth Committee:

Name	Position
Mr. Benjamin Démogé	Chairman
Mr. David Haglund	Member
Mr. Fahad Al Qassim*	Member
Mr. Gamal El Sadat*	Member
Mr. Murtaza Hussain	Member
Mr. Arif Albastaki**	Member
Mr. Omar Alhashmi**	Member

* Served as members of the Investment and Growth Committee as of the date of the Committee's formation on 27 April 2023

**Served as members of the Strategy Committee until the date of the Annual General Assembly, held on 18 April 2023.

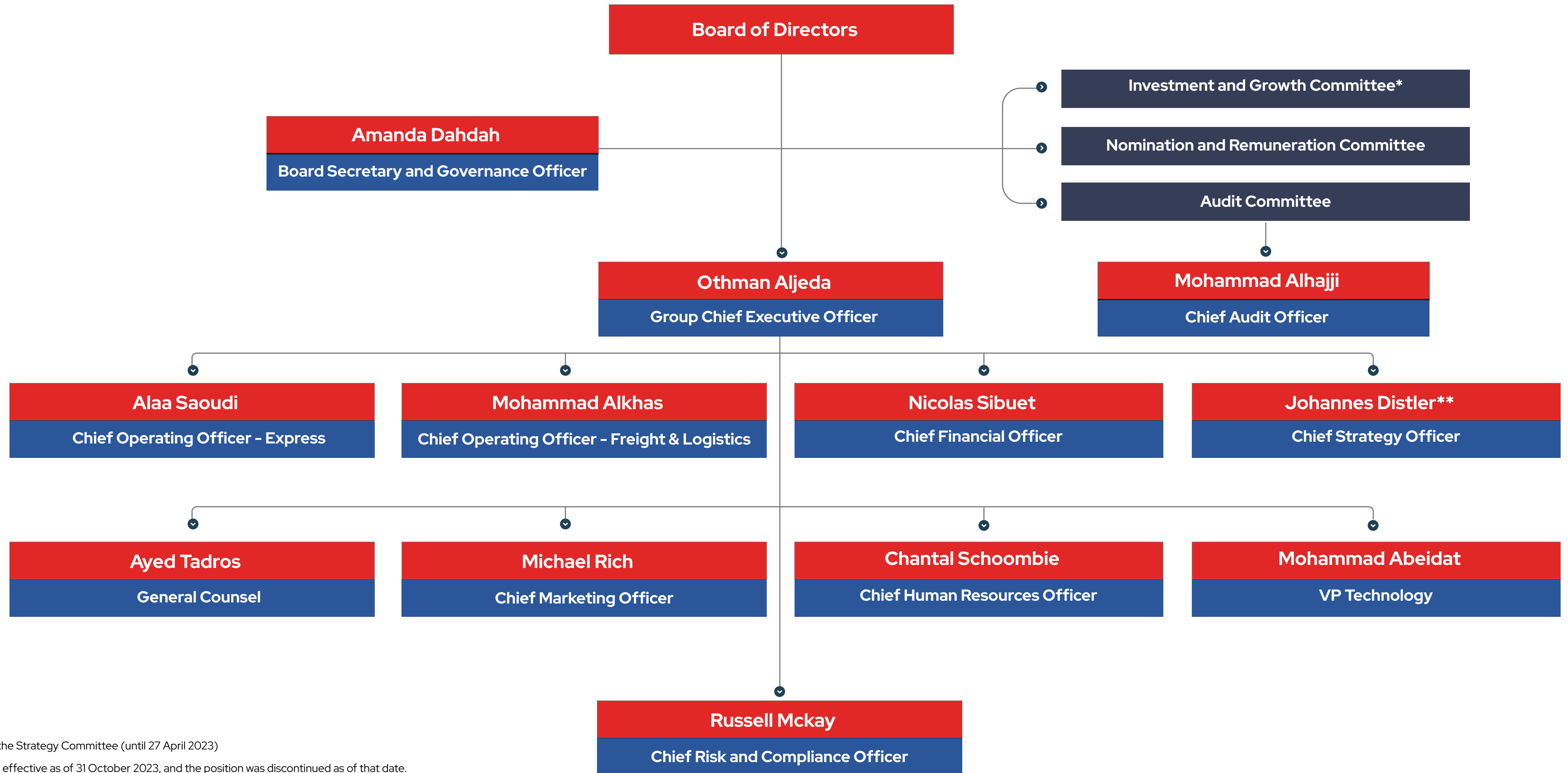
The Investment and Growth Committee (known as the Strategy Committee until 18 April 2023) held 6 meetings during the year 2023, with the following attendance details:

	Mr. Benjamin Démogé	Mr. David Haglund	Mr. Fahad Al Qassim*	Mr. Gamal El Sadat*	Mr. Murtaza Hussain	Mr. Arif Albastaki**	Mr. Omar Alhashmi**
2 March 2023	✓	✓	-	-	✓	✓	-
5 June 2023	✓	✓	✓	✓	✓	-	-
16 June 2023	✓	✓	✓	✓	✓	-	-
3 July 2023	✓	✓	✓	✓	-	-	-
28 July 2023	✓	✓	✓	✓	-	-	-
21 November 2023	✓	✓	✓	✓	✓	-	-
Total Attendance	6	6	5	5	4	1	0

* Served as members of the Investment and Growth Committee as of the date of the Committee's formation on 27 April 2023

**Served as members of the Strategy Committee until the date of the Annual General Assembly, held on 18 April 2023

Company Organization Chart



* Formerly, the Strategy Committee (until 27 April 2023)

** Resigned effective as of 31 October 2023, and the position was discontinued as of that date.

Aramex's Executive Management – Tenure and Compensation

Following is a statement of the names, positions, and joining dates of the Company's Executive Management along with their total salaries, allowances, and bonuses paid during the year 2023:

Position	Date of Joining	Total Salaries and Allowances (AED)	2022 Bonus Paid in 2023 (AED)	Total (AED)	Other Bonuses/ Payments (AED)
Group Chief Executive Officer	19-Mar-94	2,564,412.00	-	2,564,412.00	-
Chief Financial Officer	6-Jan-22	1,680,000.00	-	1,680,000.00	-
Chief Operating Officer – Freight and Logistics	22-Aug-21	1,440,000.00	-	1,440,000.00	-
Chief Operating Officer – Express	1-Jul-98	1,440,000.00	-	1,440,000.00	-
Chief Strategy Officer*	15-Aug-21	1,200,000.00	-	1,200,000.00	-

* Resigned in 2023

External Auditor

PwC is a network of firms in 151 countries with nearly 364,000 people who are committed to delivering quality in assurance, advisory, and tax services. More information on PwC's services and network is available at www.pwc.com.

Established in the Middle East for over 40 years, PwC Middle East has 30 offices across 12 countries in the region with around 11,000 people. (<http://www.pwc.com/me>).

No reservations were made by the external auditors on the annual financial statements for the year ended 31 December 2023.

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 2023.

Name of Audit Firm and Partner Auditor	PricewaterhouseCoopers, Ara Fermanian
Number of Years Spent as the Auditor of the Company	5 years
Number of Years the Partner Auditor Spent Auditing the Company's Accounts	2 years
Total Audit Fees for the Year 2023 (AED) - Group	7,289,398
Total Audit Fee (AED)	7,289,398

Fees and costs of services provided to the Company by its external auditor, PwC, other than for the audit of the financial statements of the Company for the year 2023 (in AED):

Audit Firm	Service Type	Fees and Expense (AED)
PWC	Corporate Tax & VAT Consultancy	259,428
Total		259,428

Services provided to the Company by external audit firms (other than the Company's appointed external auditors) in the year 2023:

Audit Firm	Service Type
KPMG	VAT, TAX, and Transfer Pricing Consulting Services
KPMG	MyUs Integration and Tax Consultancy
KPMG	Payroll Compliance
KPMG	Business Consultancy
Deloitte	Corporate Tax & Transfer Pricing Consulting
Local advisors	VAT, Tax, and Transfer Pricing Consulting Services
Local advisors	Payroll Compliance
EY	VAT, TAX, and Transfer Pricing Consulting Services
EY	Business Continuity Management

Delegation of Authority

In 2022, Aramex updated its Delegation of Authority Matrix, aligning it with the Company’s evolving business objectives, current organizational structure, and long-term strategic vision. This Matrix was designed to reinforce proper governance and internal control over the authorization and execution of business transactions, to oversee complex capital expenditure projects, and to enhance the efficiency of business decision-making processes. Embodying best practices, the Matrix fosters agility and was built on the philosophy of decentralizing decision-making authority to the most practical organizational level. This approach empowers employees across all levels with the necessary authority to fulfill their responsibilities effectively.

The Delegation of Authority Matrix, reviewed and approved by the Board of Aramex PJSC in 2022, remains effective as of that date, covering the delegation of authority across various operational facets, including the “recommendation”, “review”, and “approval” of transactions pertinent to Aramex’s business and activities, both at the corporate/global and country/station levels.

As of 2023, the overall structure of the Delegation of Authority Matrix remained consistent with the previous year, spanning seven key areas: Corporate, Commercial, Finance, Procurement, Legal, HR, and External Communications.

While the Delegation of Authority Matrix has maintained overall stability, there has been an update in the HR section of it, as approved by the Board of Directors on 13 December 2023, aimed at refining protocols for improved consistency and better alignment between the holding company and station levels. The other areas of the Matrix remain unchanged and in alignment with the Company’s broader governance and operational objectives.

To guarantee the achievement of the primary goals within the process of delegating authority, specific limits have been set on the extent of capital and operational authority that can be assigned. These limits are detailed in the following table:

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

Internal Control System

The Board of Directors recognizes its duty to oversee and ensure the effectiveness of the Company's internal control system. The responsibility for monitoring risk management and compliance activities, particularly in trade and corporate compliance, lies with the Internal Control department, also known as the Risk and Compliance department. The Risk Management section is tasked with identifying, assessing, and managing key risks in collaboration with senior management and has also taken on the additional role of overseeing Business Continuity Management. The Compliance section is divided principally into Trade Compliance (Export Controls), and Corporate Compliance. Trade Compliance is dedicated to adhering to all local and international regulations, including import requirements, export controls, and sanctions.

Corporate Compliance is focused on implementing and upholding various corporate policies, such as the code of conduct, anti-bribery and corruption policies, conflict of interest, improper gifts and entertainment, and whistleblowing procedures. Corporate Compliance also provides guidance and review on the due diligence process for third parties. Furthermore, the Risk and Compliance department encompasses additional areas of risk assurance, including corporate insurance and health, safety, and security matters.

In 2023, the Risk and Compliance department was under the leadership of Mr. Russell McKay. Mr. McKay, who assumed his role on April 7, 2019, brings over two decades of expertise in the fields of Risk Management, Compliance, Internal Audit, Insurance, and Risk Consulting, with significant experience in both the UAE and the UK. His career in the UK included a tenure with Willis Limited, a major multinational insurance broker, where he provided Risk Management and Liability Assessments to various multinational corporations. In 2005, he transitioned into strategic risk management consultancy at Ernst & Young, prior to relocating to the UAE in 2010. Before his engagement with Aramex, Mr. McKay offered Risk Management consultancy services at Ernst & Young and subsequently joined Etisalat in 2011. At Etisalat, he played a pivotal role in establishing Enterprise Risk Management (ERM) capabilities across the Etisalat Group and its operating companies, in addition to overseeing Corporate Compliance. Academically, Mr. McKay is well-qualified, holding a Bachelor of Arts (BA Hons) in Risk Management and a Master of Business Administration, both from Glasgow Caledonian University, UK.

The Risk and Compliance department issued 8 reports to the Board of Directors in 2023.

Irregularities of the Financial Year 2023

No irregularities were identified during the 2023 financial year.

Company Contribution to Community Development and Environment Preservation During the Year 2023

Ever since the release of its inaugural Sustainability Report in 2006, the Company has adhered to a steadfast approach to sustainability, encompassing strategic partnerships, project development and implementation, input and impact measurement and monitoring, and comprehensive and integrated reporting. This approach has been instrumental in guiding the Company's sustainability initiatives and practices continuously, serving as a foundational platform to enable Aramex to strategically expand its impact across key material issues. The sustainability pillars of Aramex are: Environmental Stewardship and Climate Change Mitigation, Youth Education and Empowerment, Entrepreneurship, and Community Projects driven by our Corporate Citizenship Program. We also leverage our capabilities and network to respond to emergencies and disasters when needed.

In 2023, the Company actively engaged in social and environmental initiatives and projects, contributing a total of AED 1,768,875. This amount was allocated as follows: AED 1,320,190 in partnerships, AED 260,922 in sponsorships, and AED 187,763 in other related activities. These contributions represented 1.2% of the profits before tax from continuing operations for the year.

General Information Obtained From Dubai Financial Market

Following is a statement of the Company's stock market price (highest and lowest prices) at the end of each month during the year 2023:

Month	Month – High (AED)	Month – Low (AED)	Closing Price (AED)
January	3.62	3.38	3.62
February	3.65	3.44	3.60
March	3.61	3.25	3.29
April	3.39	3.02	3.27
May	3.31	2.92	2.92
June	3.00	2.70	2.81
July	3.05	2.82	3.00
August	2.96	2.51	2.54
September	2.59	2.10	2.15
October	2.68	2.15	2.30
November	2.37	1.96	1.97
December	2.30	1.93	2.29

Following is a statement of the Company's stock price comparative performance with the general market index and the sector index during the year 2023:

Month	ARMX	DFMGI	TRANSPORTATION
January	3.620	3303.27	2402.09
February	3.600	3437.76	2502.08
March	3.290	3406.72	2524.89
April	3.270	3544.79	2625.01
May	2.920	3576.63	2639.02
June	2.810	3791.99	2837.73
July	3.000	4059.27	3026.00
August	2.540	4082.87	3158.99
September	2.150	4163.58	3077.38
October	2.300	3877.08	2915.76
November	1.970	3992.36	2882.14
December	2.290	4059.80	2998.50

Following is the shareholders distribution as of 31 December 2023 (Individual, Company, and Government) categorized into UAE, GCC, Arab, and Foreign:

Category	Individuals		Companies		Governments		Total	
	Number of Shares	Percentage of Shares*	Number of Shares	Percentage of Shares	Number of Shares	Percentage of Shares*	Number of Shares	Percentage of Shares*
UAE	218,881,750	14.95	526,677,865	35.97	2,000	0.00	745,561,615	50.92
GCC	28,911,427	1.97	82,827,483	5.66	0	0.00	111,738,910	7.63
Arab	27,719,037	1.89	5,705,103	0.39	0	0.00	33,424,140	2.28
Foreign	19,324,191	1.32	554,051,144	37.84	0	0.00	573,375,335	39.16
Total	294,836,405	20.14	1,169,261,595	79.86	2,000	0.00	1,464,100,000	100%

* Percentages were rounded to 2 decimal places

Following is a statement of shareholders who own 5% or more of the Company's capital as of 31 December 2023:

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

Following is a statement of shareholders distribution by shares ownership as of 31 December 2023:

Shares Ownership	Number of Shareholders	Number of Shares	Percentage of Shares*
Less than 50,000	19,524	80,818,470	5.520
From 50,000 to less than 500,000	626	92,433,064	6.313
From 500,000 to less than 5,000,000	155	236,241,568	16.136
More than 5,000,000	26	1,054,606,898	72.031
Total	20,331	1,464,100,000	100%

* Percentages were rounded to 2 decimal places

Investor Relations

In adherence to the SCA Governance Code, the Company's Investor Relations page is accessible on its website. The Investor Relations division, proficient in bilingual communication and backed by extensive experience in the field, is led by Ms. Anca Cighi, Aramex's Investor Relations Officer. For any inquiries or further information, Ms. Cighi and her team can be reached at the following contact details:

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

To explore more about our Investor Relations, please visit the following link to Aramex's website: [Overview \(aramex.com\)](#)

Special Resolutions

The Annual General Meeting was held on Tuesday, 18 April 2023. No special resolutions were presented to the shareholders for approval during the said meeting.

Board Secretary

Ms. Amanda Dahdah served as the Company's Board Secretary and Governance Officer for the year 2023. Ms. Dahdah initially assumed these responsibilities in an acting role, later being officially appointed to the position following a Board resolution on 30 June 2023. Ms. Dahdah's educational background includes a Bachelor's degree in Law, obtained in 2004 from the University of Jordan.

Her journey with the Company began within the Legal Team in 2011, where she offered her expertise until 2021. As a DFM Certified Board Secretary, her contributions play a crucial part in supporting the Board of Directors and its Committees, not only in managing their mandates but also in organizing and documenting their meetings and disclosures. Her responsibilities also encompass the effective coordination between Board Members and the Executive Management team. Beyond administrative duties, Ms. Dahdah actively engages in the enhancement of governance practices within the Company, such as developing and implementing induction programs, training, and assessments for the Directors. Her role as an advisor to the Board Members on governance-related matters is pivotal in ensuring that the Company adheres to the highest standards of corporate governance.

Material Events

Following are the Company's material events during the year 2023:

1. Election of new Board of Directors for the next three years [April 18, 2023]
2. Election of Chairman and Vice Chairman for the next three years [April 27, 2023]
3. Entering a Joint Venture agreement with Abu Dhabi Ports Group to develop a new NVOCC enterprise [May 15, 2023]

Emiratization

The percentage of UAE Nationals in the Company is as follows: 0.30% on 31 December 2021, 0.64% on 31 December 2022, and 0.86% as of 31 December 2023.

Innovative Projects and Initiatives

The Company has worked on developing the following innovative projects and initiatives during the year 2023:

1. Enterprise System Transformations:

- Implemented Salesforce network-wide for commercial transformation, streamlining the sales process and gaining a competitive edge in data analysis.
- Completed implementation SAP Ariba to digitize the procurement process across the network, improving cost management and vendor oversight.

2. Core Technology:

Security and Infrastructure:

- **Cybersecurity:** Dedicated efforts to bolster Aramex's cybersecurity capabilities through collaboration with leading providers, establishment of a Security Operations Center, and a strong focus on brand hygiene to uphold the integrity, reputation, and value of the company. Successfully implemented a tier-one Anti-DDoS provider and renewed security compliance certificates for PCI DSS and ISO27001.
- **Disaster Recovery:** Implemented a disaster recovery site for Aramex's core operational systems in the cloud. This ensures the company's ability to safeguard service availability and performs a quicker recovery in the event of infrastructure failure.

System Modernization:

Standardized logistics and freight technology by successfully implementing a Tier 1 Warehouse Management System (WMS) across the entire network, in addition to the single Tier 1 already in existence for Freight. This system facilitates e-commerce logistics and provides valuable insights for both Aramex and its customers.

Robotics Process Automation





Established a Center of Excellence for Robotics to leverage advanced technologies, foster innovation, and optimize operational efficiency. The benefits include enhanced automation capabilities, streamlined processes, and a platform for continuous learning and development.

3. Data Science:

Address Geocoding has been optimized to a level that has enabled the recent route optimization and prediction of delivery window that was launched in the UAE recently; this is a process that is innovative and unique to Aramex, for which we have actually applied for a patent through UAE Ministry of Economy. This will be rolled out further in 2024.

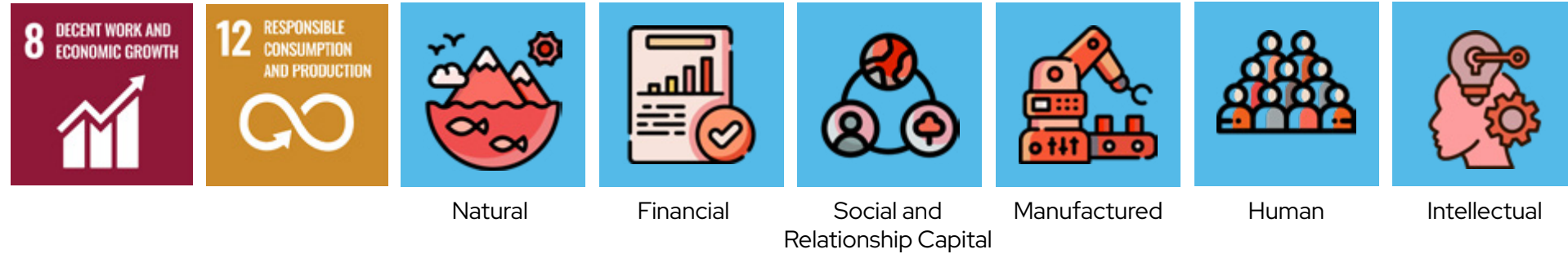
4. Customer Journey Transformation:

Implemented a freight tracking feature on the aramex.com portal, redesigned the company's main website and app, and collaborated with Google to launch real-time tracking with two-hour precision deliveries.

Chairman of the Board of Directors	Chairman of the Audit Committee	Chairperson of the Nomination and Remuneration Committee	Chief Risk and Compliance Officer
			
<p>Mohamed Alshamsi</p>	<p>Fahad Al Qassim</p>	<p>Iman Alqasim</p>	<p>Russell McKay</p>
<p>Date:</p>	<p>Date:</p>	<p>Date:</p>	<p>Date:</p>
<p>4/3/2024</p>	<p>4/3/2024</p>	<p>4/3/2024</p>	<p>4/3/2024</p>



Risk and Compliance



Risk management and compliance are integral to our Corporate governance and responsible business practices. Risk and Compliance within Aramex include the activities and processes related to risk management, compliance, health, safety, security, as well as our Corporate insurance.

The Aramex Risk Management function’s objectives involve comprehensively and holistically identifying, assessing, mitigating, monitoring risks to support effective decision-making across the company, and safeguarding stakeholders and assets.

We understand that the dynamic and ever-changing business landscape impacts and evolves Aramex’s risk profile, which is why we work to remain responsive and diligent. As part of our risk management and compliance culture, we strive to protect our employees, serve our customers and communities, and respond to any arising global challenges.

Through our Enterprise Risk Management (ERM) Framework, we proactively manage strategic, financial, compliance, operational, and sustainability risks across Corporate, country, process, and project levels. This involves supporting Aramex’s strategic objectives and planning in the short-, medium-, and long-term.

Our ERM framework also ensures that we identify, manage, and oversee key risks using a consistent approach that provides a holistic overview of how these risks emerge and are managed.

Aligned with the Aramex strategy, our Enterprise Risk Management Framework includes defined processes, policies, and procedures for risk identification, assessment, and management across all levels of the company and business operations.

More details can be found on pages 106-107 in our [2022 report](#).

Risk Capability Network	Risk Champions from different Aramex functions and locations are identified and empowered to support with risk assessments, monitoring, and management.
Risk Governance	The Management Risk Committee, which is chaired by the Group CEO and includes the Executive Leadership team, meets quarterly to discuss and review key risks and challenges.
Risk Monitoring	Continuous review of risks, including updates on “risks drivers”, and the status of “Key Risk Indicators”, along with the review and tracking of planned risk actions are undertaken by the risk management team and the risk committee.
Risk Reporting	Dedicated Board meetings are conducted on Risk Management and Internal Audit issues where detailed quarterly risk reports are presented, allowing the Audit Committee to ensure the effectiveness of the Risk Management program and its processes.
Risk Assessment	Periodic risk assessments on different risk categories, functions, or sites are conducted to identify potential risks and their impacts and support in the process of risk prioritization and management strategies.
Risk Mitigation	Implementing measures for the prevention or mitigation of risks, such as adopting policies, procedures, and controls to reduce risk likelihood or employing contingency plans to mitigate risk impacts.
Risk Review and Evaluation	The Risk Committee regularly reviews and evaluates Aramex’s risks and management strategies to ensure effectiveness.

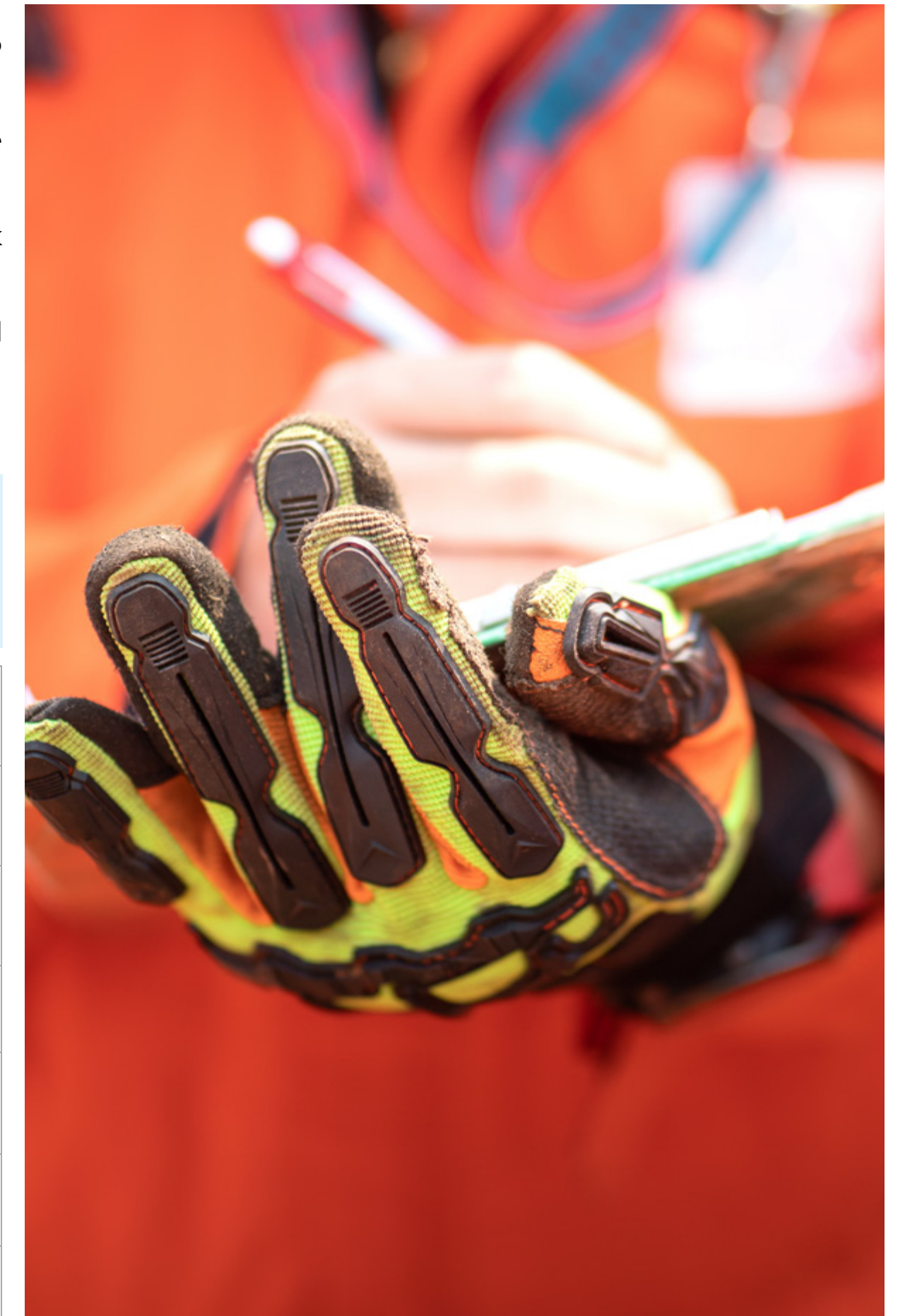


Figure 30 Elements of Our Risk Management Approach

Ensuring Accountability

Accountability is critical in our risk management processes, and as such, an Executive owner is assigned to each key Corporate risk, including environmental and sustainability risk areas. Executive owners are responsible for ensuring that appropriate controls, action plans, monitoring, and reporting processes are implemented. Key risks are reported and reviewed quarterly during the Executive Management Risk Committee, as well as the Board Audit Committee meetings.

Managing Uncertainties and Emerging Risks

Managing uncertainty is an important part of risk management. We might face instances where information on emerging risks may be insufficient for us to fully understand the impact and scale of these risks. Our risk management process accounts for and continuously monitors certain emerging risks that may impact Aramex. Examples of such emerging risks include: Impact of Environment & Climate Changes, Geo-Political & Economic Uncertainty, and Digital Disruption, among others. Our holistic approach to risk management allows us to minimize the uncertainties from emerging risks, accounting for them in our contingency and mitigation plans.

Climate Risk Assessment and Management

Climate change poses a critical risk concern for Aramex, both due to the physical risks (i.e. caused by the increased frequency and severity of extreme weather events) and the transition-related risks (i.e. economic, technology, or regulatory challenges related to moving to a greener economy).

Driven by our understanding of these critical risks, Environmental Sustainability risks are included in our Corporate Risk Profile. This includes monitoring environment and climate risk related metrics and developing action plans to respond to climate related risks and opportunities, following the processes and procedures of our Corporate risks. Our Chief Sustainability Officer heads the sustainability agenda as part of our purpose-led strategy and has overall accountability for managing our efforts to mitigate climate change risks and impacts.

To know more about how we manage our environmental and climate related risks, please refer to our section on Environmental Stewardship on page 35.



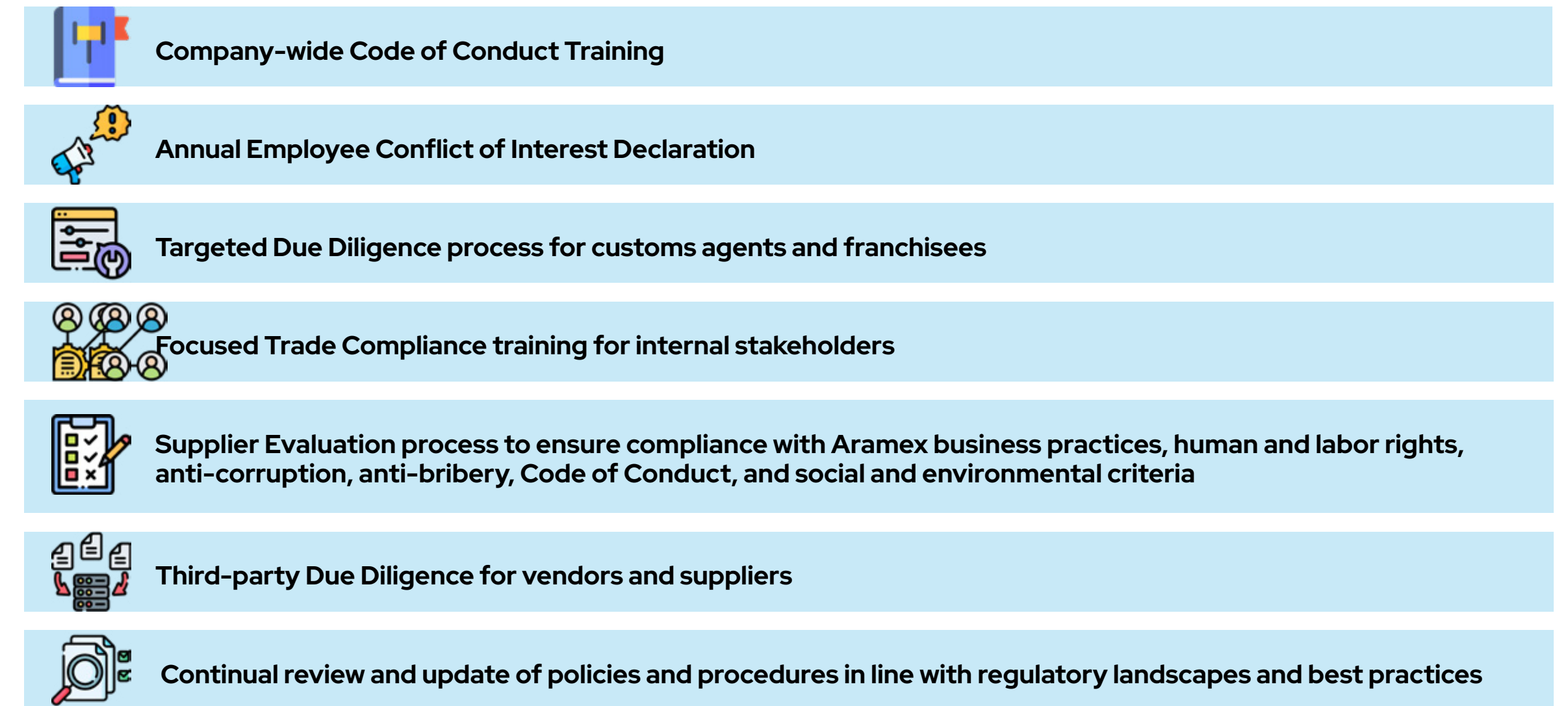
Compliance at Aramex

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

Within Aramex, we employ a precautionary and proactive approach to ensure compliance through training and internal and external policies, procedures, and controls that are embedded across the various Aramex functions. Our programs are consistently driving change and improvement in ethical and compliant behavior. Our main precautionary measures are our training programs, trade compliance, and Corporate compliance policies and procedures. These policies and procedures are also increasingly assimilated within the different Aramex functions via controls and process change to manage and reduce risk.

Corporate Compliance Programs and Initiatives

Figure 31: Corporate Compliance Programs



Trade Compliance

As a logistics and freight forwarding company, ensuring trade compliance is an important part of our compliance function. Our trade compliance program allows us to be informed and comply with all relevant trade laws and regulations across all our markets and areas of operations. The program includes import and export controls, sanctions monitoring and controls, and denied-party screening. Through the program, we screen customers, vendors, and transactions against sanctioned and other risky entities to ensure we are not inadvertently doing business with a denied person or party. This is to ensure that we minimize our risk exposure and safeguard the reputation of Aramex and its stakeholders.

Compliance Training

Awareness of compliance issues, our Code of Conduct, and Corporate policies is crucial for ensuring each and every Aramex employee is able to uphold our policies and ethical business practices. Compliance training is part of our overall compliance strategy and our efforts to guide and empower employees to respond appropriately to relevant challenges or concerns.

All our employees receive automated training sessions. Additionally, our annual employee training initiative provides employees with the opportunity to enhance their understanding of our Code of Conduct and compliance guidelines and include a learner survey to assess their level of knowledge on relevant compliance matters. We also provide focused classroom sessions when needed or upon request.

Compliance Training (Total including couriers)	2021	2022	2023
Targeted Employees	14,749	15,609	15,771
Completed	84%	91%	93%

Figure 32: Compliance Trainings in Numbers

Our Aramex Code of Conduct

Our Code of Conduct provides the blueprint for our internal stakeholders to guide them in their interactions, transactions, and conduct on all business and internal operational levels. Employees are trained on the Code of Conduct as part of their onboarding, and it guides the development of our policies, processes, and procedures.

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

Figure 33: Aramex Code of Conduct

Aramex Policies

Our policies provide additional guidance for our employees and stakeholders on how to handle different aspects of the business and adequately and appropriately deal with any topics and issues. Our policies cover different domains within our operations and engagement with different stakeholders. Policies are periodically reviewed and revised as needed to keep up with the evolving business and market needs, regulatory environments, and best practices.

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

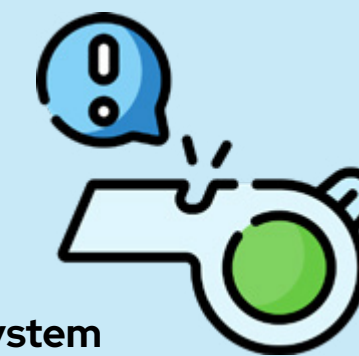
- The World Economic Forum’s Partnering Against Corruption Initiative (PACI)
- UK Bribery Act
- U.S Foreign Corruption Practice Act (FCPA)
- Accountability principles standards AA1000
- International Labor Organization (ILO)
- UN Declaration on Human Rights
- Environmental standards (ISO 14001, LEED,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

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

ISO Certificate	Countries Certified	Sites certified
ISO 9001	24	39
ISO 14001	30	47
ISO 45001	31	47

Aramex Code of Conduct		
 Environment <ul style="list-style-type: none"> • Environmental Stewardship Policy • Sustainable Water Policy 	 Social <ul style="list-style-type: none"> • Health and Safety Policy • Human and Labor Rights(including the right of collective bargaining and freedom of association) • Diversity, Equity & Inclusion • Charitable Donations and Sponsorships 	 Governance <ul style="list-style-type: none"> • Non-Compliance Disciplinary Policy • Export and Trade Compliance Policy • Gifts Entertainment & Hospitality • Conflict of Interest • Anti-Money laundering • Third Party Due Diligence • Anti Bribery and Corruption Policy • Sanctioned Countries Bank Transactions Policy • Political contributions and involvement • Whistleblowing • Supplier Code of conduct

Figure 34: Snapshot of Aramex Policies



Whistleblowing System

Our whistleblowing policy and process provides all Aramex stakeholders with a mechanism to report any grievances or concerns related to possible misconduct, irregularities, suspicion of fraud, or issues related to the application of our Code of Conduct or social and environmental performance. The process of our whistleblowing system is outlined in our whistleblowing policy, which is shared with our employees and publicly available and accessible, in order to encourage stakeholders to use it when needed.

The following channels are available to report external and/ or internal grievances and concerns:

Case Management System “Lighthouse” www.lighthouse-services.com/aramex
 Hotline “Toll-Free” Telephone available 24/7.
 For more information, please refer to the [Aramex Whistleblowing Policy](#).

All received cases are treated with the highest level of confidentiality. The Risk & Compliance function ensures that cases reported are handled promptly. An investigation is conducted into each case. A summary report of the quarterly whistleblowing cases received and investigated is reported to the Board Audit Committee as part of the Risk and Compliance report. Ad hoc investigations are also undertaken by the Risk and Compliance team where possible cases of corruption, fraud, or non-compliance are identified and reported outside of the Whistleblowing system.

Our Aramex Code of Conduct

Our internal audit function monitors and evaluates risk and control across Aramex and our network and aligns with our Audit Committee, regularly presenting reports and evaluations to Aramex’s Executive Management team and Quarterly to the Audit Committee.

A dual reporting mechanism, which involves functional reporting to the Audit Committee and administrative reporting to the Group CEO, maintains the function’s independence. Our strategy ensures that assurance and audit reviews are aligned with Corporate strategic objectives, achieved by the internal audit function through prioritizing a risk-based approach supported by data analytics, ongoing monitoring, and evaluation.

Our internal audit plan is designed to ensure reasonable assurances over the Aramex network, built on the following verticals:

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

More details can be found on pages 109 and 110 of our 2022 annual report.

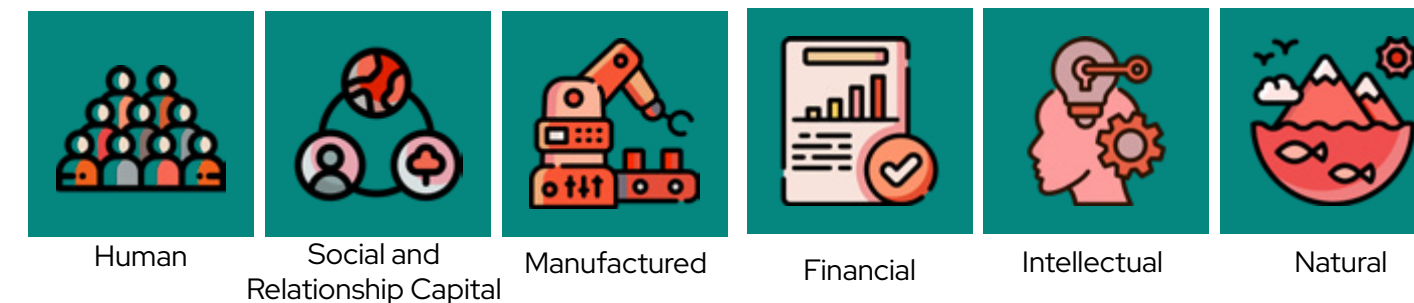




SUSTAINABILITY REPORTING APPROACH



REPORTING APPROACH



This is our 14th integrated report and 18th sustainability report. In this report, we cover our key activities, impacts, and accomplishments for the 2023 fiscal year, including our management of Environmental, Social, and Governance (ESG) matters. We prepare our annual integrated reports in accordance with the Global Reporting Initiative (GRI) Standards (in accordance option). This report is also in line with the regulatory requirements of the Securities and Commodities Authority (SCA) of the United Arab Emirates' financial and governance standards. Our reporting process is guided by the International Integrated Reporting (IIR) Framework, United Nations Global Compact (UNGC), Sustainability Accounting Standards Board (SASB), Carbon Disclosure Project (CDP) reporting requirements, and International Financial Reporting Standards (IFRS).

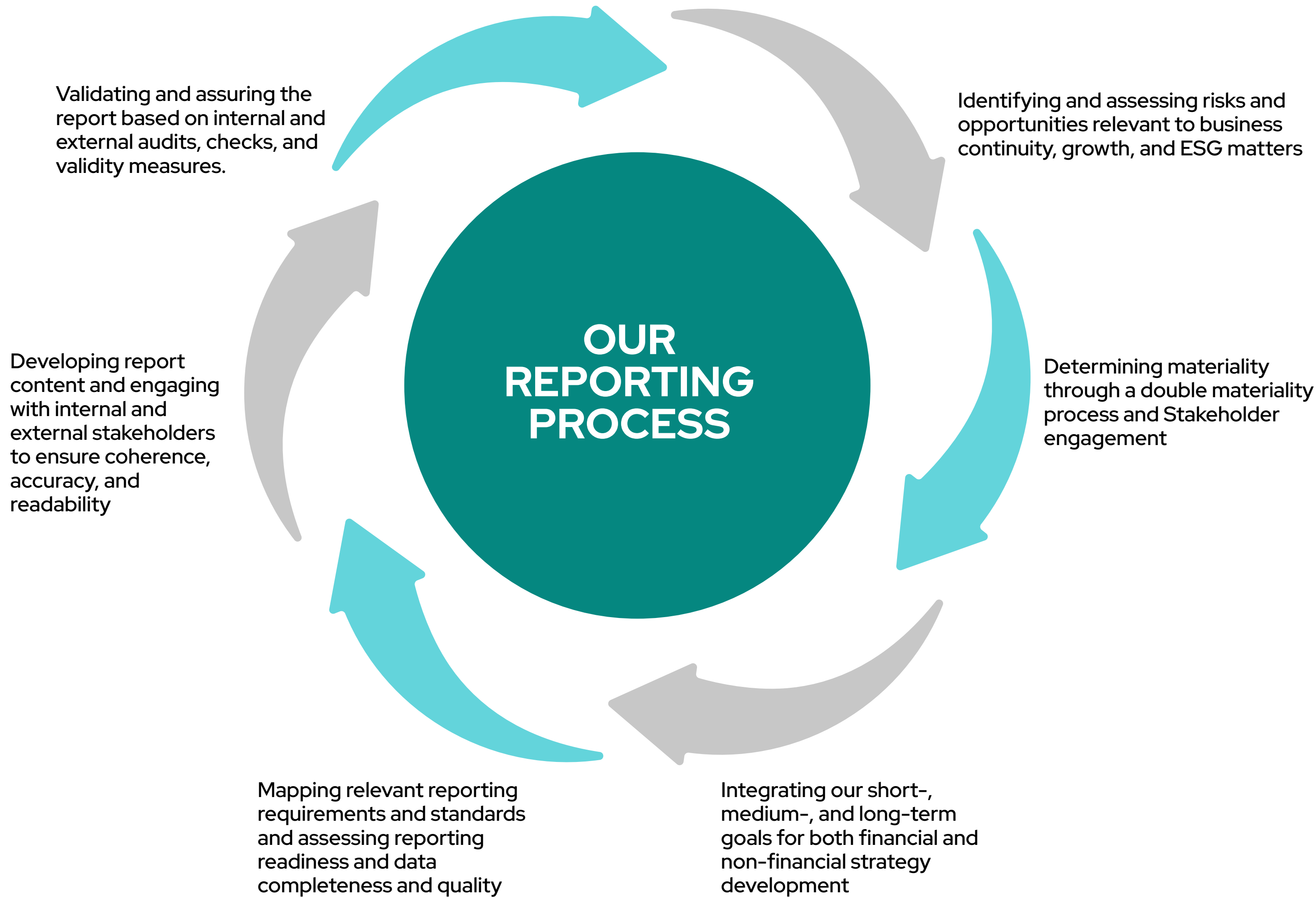


Figure 36: Reporting Process

At Aramex, we are proud of our position as sustainability and integrated reporting pioneers. We actively work to evolve our reporting process, measurement control, and analyses, while also sharing our expertise with others to upskill reporting across all our regions of operation and within our industry. Our stakeholder feedback is key in shaping our report development, in addition to keeping up with the evolving reporting landscapes, new and updated standards, and best practices.

Our reporting covers our operations, management, governance, and sustainability activities, it includes financial and non-financial topics, along with our business impacts on Human, Intellectual, Natural, Financial, Manufactured, Social and Relationship Capitals. Our report also covers our value creation model, inputs, outputs, and outcomes and outlines how we enhance our value preservation and minimize its erosion, in line with our overall strategic vision.

Our annual integrated reports act as a powerful tool that underscores our commitment to transparently communicating with our stakeholders and tracking yearly progress, updates, and impacts.

We are proud to have received the Middle East Investor Relations Association (MEIRA) award- Print Category - Mid-Cap - Middle East for our 2022 Annual Integrated Report. This award exemplifies our commitment to the highest reporting standards.



Determining Our Priority Issues, Material topics and Impacts

Our approach to materiality ensures that we 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.

In determining our priority issues and reporting focus, we take seriously the concept of double materiality, whereas we consider aspects that are relevant in terms of their implications on our financial value and business strategy as well as the impact on the world at large.

We ensure that we report both on how our business is impacted by sustainability and ESG matters (“outside-in”) and how our activities impact society and the environment (“inside-out”).

Materiality and priority areas are determined through a comprehensive process that considers what is material on the operational and business side, what is material to our stakeholders, and what is material in terms of our social and environmental impacts from the Aramex point of view. These material issues are identified across all our owned operations and within our network. We utilize assessments conducted internally and by 3rd parties, along with expert knowledge and stakeholder feedback collected through multiple channels, including engagement sessions conducted by a Third party, to fully capture materiality.

Stakeholder engagement and consultation

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

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

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

Figure 37: Materiality Assessment Process

Following our materiality assessment, we map material issues against GRI disclosures, and they are scored based on their importance within Aramex and to external stakeholders, as well as relevance to industry best practices based on expert opinion. The resulting materiality matrix for 2023 is below

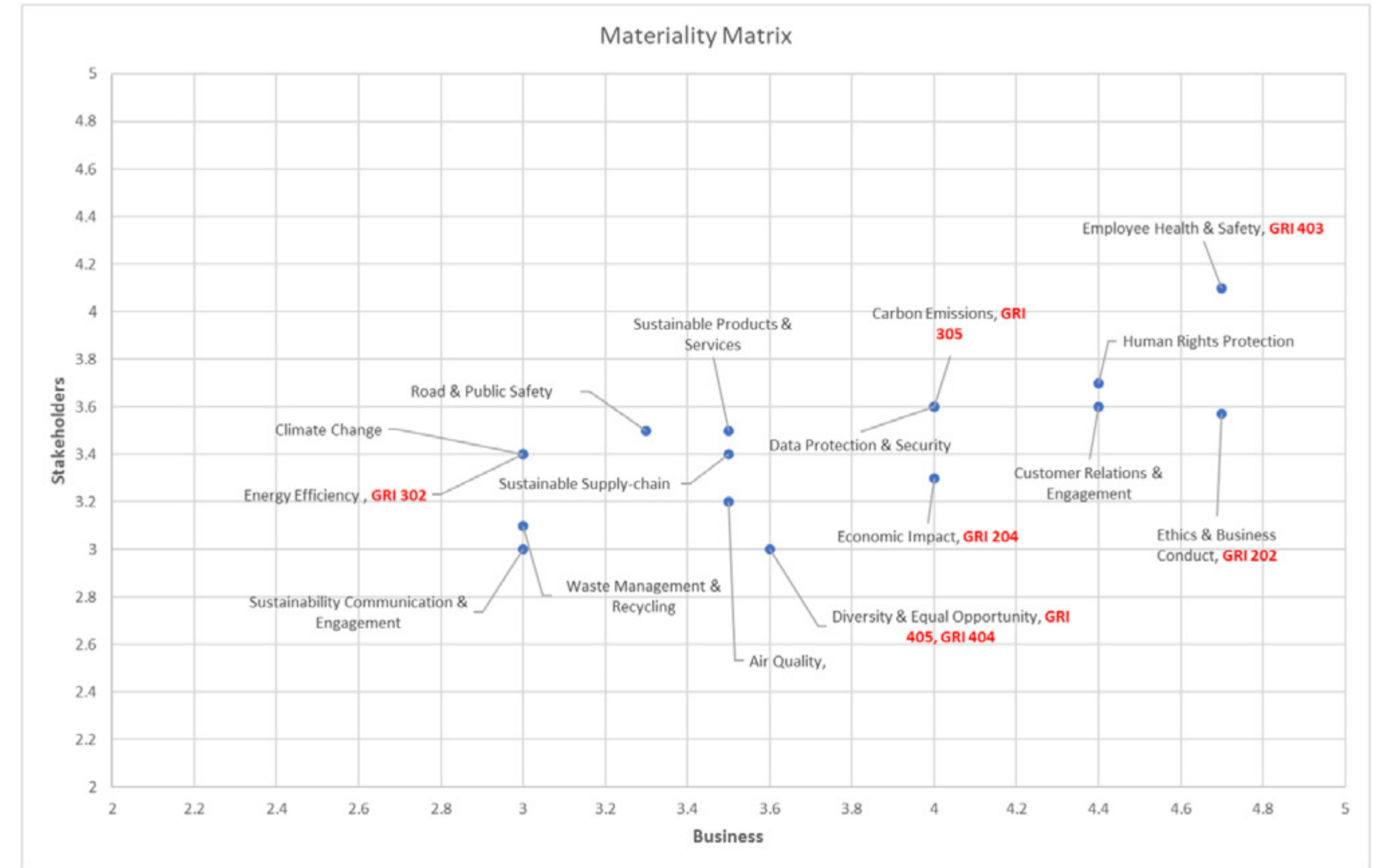


Figure 38- Materiality Matrix

- Ethics and Business Conduct
- Disclosure 202-1: Ratios of standard entry level wage by gender compared to local minimum wage
- Economic Impact
- Disclosure 204-1: Proportion of spending on local supplier
- Employee Health and Safety
- Disclosure 403-1: Occupational health and safety management system
- Disclosure 403-9: Work-related injuries
- Diversity and Equal Opportunity
- Disclosure 405-2: Ratio of basic salary and remuneration of women to men
- Disclosure 404-1: Average hours of training per year per employee
- Carbon Emissions
- Disclosure 305-1: Direct (Scope 1) GHG emissions
- Disclosure 305-2: Energy indirect (Scope 2) GHG emissions
- Disclosure 305-3: Other indirect (Scope 3) GHG emissions
- Disclosure 305-4: GHG emissions intensity
- Disclosure 305-7: Nitrogen oxides (NOX), sulfur oxide (SOX), and other significant air emissions
- Climate Change
- Energy Efficiency
- Disclosure 302-3: Energy Intensity
- Sustainability communication and engagement
- Waste Management and recycling
- Road and public safety
- Sustainable products and services
- Sustainable supply chain
- Air quality
- Data protection and security
- Human Rights protection
- Customer relations and engagement

The threshold for materiality for stakeholders is defined starting from 3.5 and 4 for top management, out of 5. Considering the set thresholds, the defined material topics are the following:

Employee Health and Safety	Carbon Emissions	Human Rights Management
Ethics and Business Conduct	Customer Relations and Engagement	Data Protection and Security

Rankings indicate the extent to which internal and external stakeholders find a topic to be important or relevant to our industry or geographical location, and they provide us with insights on what issues matter to our stakeholders.

These disclosures reflect our material topics and undergo a rigorous external assurance process by our third-party assurance partners (Page 131).

These disclosures are also highlighted in the GRI index. In addition, we report in accordance with the GRI, whereby we report on all disclosures, beyond the highly material disclosures listed above.

For more details on our stakeholders and our stakeholder engagement activities, please refer to the stakeholder mapping page 29, our and our stakeholder engagement report in Annex 4 (Page 179).

Reporting Boundaries

Understanding priority and material topic boundaries is a critical part of our reporting process. As such, we map where within our operations, supply chain, and geographies these topics are most relevant and the extent of their reach and impact.

For internal topics related to our operations, the boundaries include all owned entities across our geographical locations and joint ventures with ownership above 50% and exclude franchisees. The financial reporting scope is clarified in the financial section (page 133). External topic boundaries involved the regulatory environment we operate in, our supply chain, and business networks.

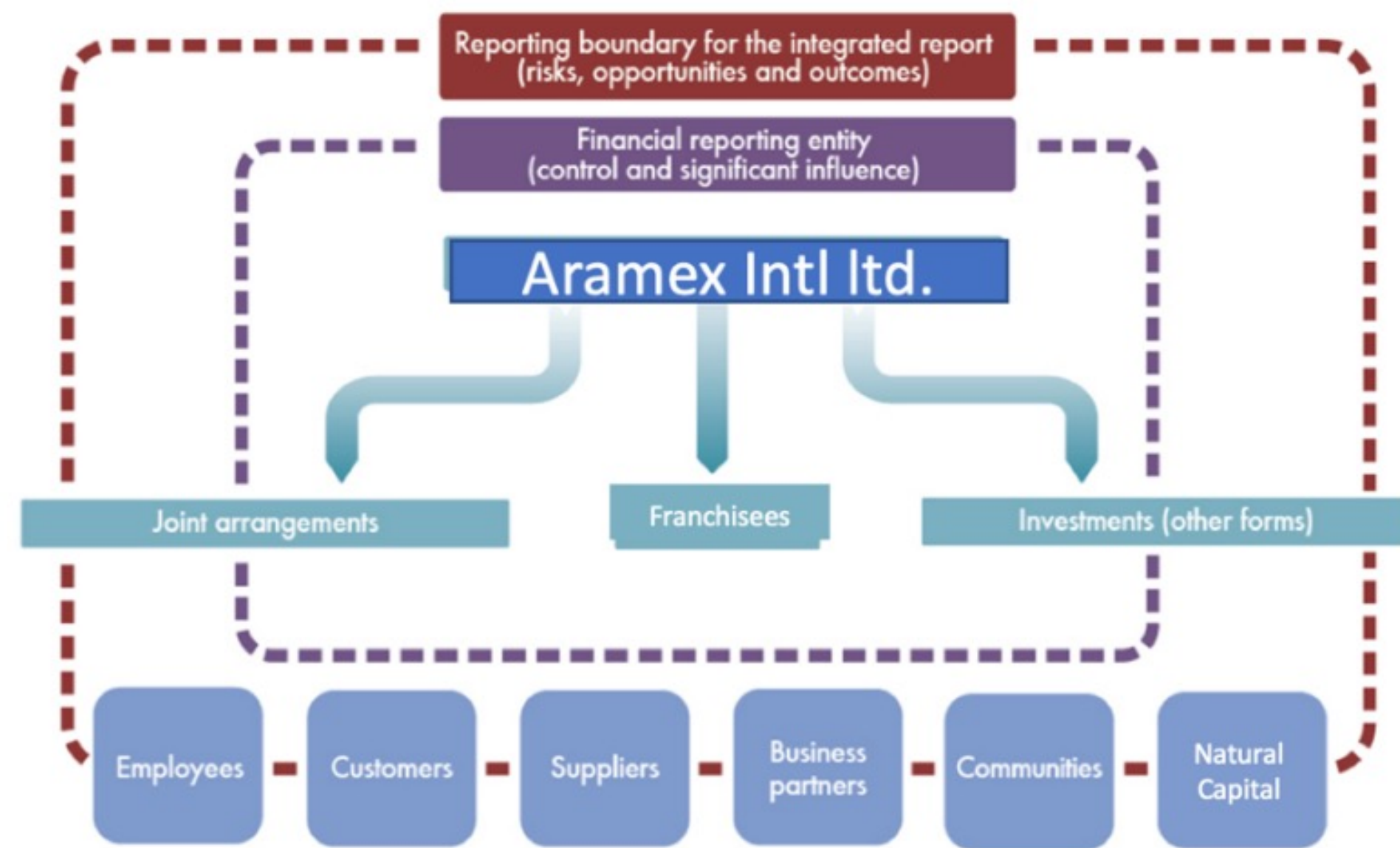


Figure 39: Reporting Boundaries

Ensuring the Quality of Our Sustainability Reporting

We follow a combination of GRI Standards and IIR Reporting Principles for defining reporting quality to ensure the quality of our sustainability and integrated reporting.

GRI Reporting Guiding Principles

<p>Balance</p> <p>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.</p>	<p>Comparability</p> <p>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.</p>	<p>Accuracy</p> <p>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.</p>
<p>Clarity</p> <p>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.</p>	<p>Reliability</p> <p>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.</p>	<p>Timeliness</p> <p>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.</p>



Figure 40: Reporting Guiding Principles



Integrated Reporting

- In our report, we maintained a clear strategic focus and future orientation in relation to our operations and activities. We worked to ensure clear connectivity of information, by highlighting value creation across all our operations and activities and showcasing the six capitals and the dynamics within them;
- We maintained open and strong stakeholder relationships, both by utilizing stakeholder feedback to determine key topics and materiality and by setting a plan to disseminate this report along with information on our operations and activities to our stakeholders.
- We ensured that we considered materiality by evaluating priority and material topics.
- We maintained conciseness by only reporting on material issues and referring to where more information can be found where relevant.
- We utilized different mechanisms such as robust internal reporting systems, appropriate stakeholder engagement, and independent, external assurance to ensure reliability and completeness of our report.
- We maintained consistency and comparability by providing 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 13th consecutive year in which we report on our annual GHG emissions. Details on our emissions can be found on pages 33 - 34. We adhere to the principles of the Green House Gas (GHG) Protocol accounting tool developed by the World Business Council for Sustainable Development (WBCSD) and World Resources Institute (WRI) in measuring our emissions and carbon footprint. We utilize an operational control approach to measure our emissions, which means that we include facilities and operations over which we have operational control, excluding our franchisees and joint ventures (with ownership under 50%). We also use International Energy Agency (IEA) tools and emission factors to calculate our Scope 2 emissions.
- We calculate our fuel consumption from the leased vehicles and the owner-operator vehicles and electricity and water consumption from leased facilities and warehouses.

Data Measurement Techniques

- Unless otherwise stated, disclosures provide global coverage across our entire network, subject to the reporting boundaries and limitations outlined on page 108. We strive to provide accurate and comprehensive data and therefore have different controls, data collection processes, and management systems in place. However, despite our efforts, the precision of different disclosures may vary.
- Data measurement necessarily involves some level of estimation. Wherever estimations have been made, we have explained this, including the level of accuracy and approach to data collection used to produce the relevant disclosure.

Limitations

As an asset-light 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 subcontractors for the pickup and delivery of express packages in certain markets – most notably India. We calculate our fuel consumption from the leased vehicles and also from the owner-operator vehicles.

- Our asset-light model keeps us agile and enables us to adopt sustainable and environmentally friendly improvements when they become available. However, this also means that we often must rely on the estimates and data provided by our suppliers for our emissions that take place outside of our company boundaries as a result of our operations, mainly our Scope 3 emissions.
- We actively work with our suppliers and business partners to ensure and improve data completeness and accuracy. We are aware, however, that we face limitations in the availability of data from suppliers, and we are in a continual process to remedy this issue.
- At present, our fuel consumption calculations (from which emissions are derived) include only the fuel used in our owned and leased vehicles on a tank-to-wheel basis.

Assessment and evaluation of our reports

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

Disclosures on Management Approaches

Central to our ESG and sustainability efforts is the ability to create and preserve value for our stakeholders, fulfill our strategic goals, maintain competitiveness and profitability, and future-proof our operations. Our holistic and integrated focus on ESG provides a framework for us to manage relevant risks, impacts, challenges, and opportunities across our value chain globally, with oversight from the Board of Directors and executive management team for addressing relevant social, environmental, governance matters, as well as our internal performance and external economic matters.

Our CEO letter on page 6 elaborates on our performance as well as economic matters and financial results, which are handled by our management team (view our management team [here](#)). We ensure that these matters are handled ethically and sustainably, which includes compliance with all national and international norms and legislations, such as the World Economic Forum's Partnering Against Corruption Initiative (PACI), UK Bribery Act, US Foreign Corrupt Practices Act (FCPA), International Labor Organization (ILO), UN Declaration on Human Rights, and others.

More information on compliance, policies, human rights, grievance mechanisms, and more such as our whistleblowing system can be found on page 105.

Driven by our commitment to our people and ensuring we continue to be the employer of choice, our internal social and economic 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, limiting compulsory labor, and allowing the right of collective bargaining. More information on our approach to Human Capital management can be found on page 41.

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

Additionally, the Health and Safety function is led by our Global Director-Safety, Securities, and Facilities and has clear Occupational Health and Safety targets that are reported regularly. The health & safety function sits within the Corporate Risk and Compliance team, ensuring it is governed by our Group Chief Risk & Compliance Officer, who reports to the Group CEO and the Board of Directors. In addition, the Health and Safety KPIs are incorporated within station managers' annual performance metrics with SMART objectives agreed upon. For more on our Health and Safety, please refer to page 50.

Integrated governance of our ESG and sustainability matters is key to achieving our strategy, as such, it is embedded into our governance and management structures. Oversight of our environmental, social, and overall sustainability programs, policies, and goals, is provided by the ESG Steering Committee, which reports directly to the Group CEO. The Board is engaged in oversight of the strategy and through the budgeting process. Additionally, environmental concerns and efforts and sustainability goals and activities are discussed and approved by the ESG Steering Committee.

The Investment and Growth Committee is a Board of Directors' overseeing as part of its strategic planning and capital allocation mandates the ESG and climate related issues, strategies and plans that are implemented by the different functions and operations. Furthermore, the Board is updated on ESG initiatives as part of Management's regular update reports to the Board and approves plans where necessary in alignment with the Company's Delegation of Authority Matrix that are implemented by the different functions and operations. The Board is engaged through setting the Company's strategy including environmental concerns, efforts, and sustainability goals and activities, and through the budgeting process. The Committee meets periodically and is tasked with reviewing and guiding annual budgets and strategy, including climate mitigation and transition budgets, overseeing major capital expenditures, overseeing, and guiding the development of a transition.

The ESG Steering Committee is comprised of a team of 5 C-level executives of the Company, including the Group CEO and Chief Sustainability Officer. The role of the Committee is to align, direct, and strengthen the ESG activities. The Committee is tasked with managing annual budgets for climate mitigation activities, managing major capital and/or operational expenditures related to low-carbon products or services (including R&D), managing climate-related acquisitions, mergers, and divestitures, providing climate-related employee incentives, developing a climate transition plan, integrating climate-related issues into the strategy, setting climate-related Corporate targets, monitoring progress against climate-related corporate targets, managing public policy engagement that may impact the climate, managing value chain engagement on climate-related issues, and assessing climate-related risks and opportunities.

The Audit Committee is a Board of Directors' Committee overseeing the Corporate top risks and their mitigation strategies. Detailed risk reports and dashboards for the organization-wide top risks, including the environmental and sustainability risks, are provided to the Audit Committee for their consideration and review on a periodic basis. This allows the Audit Committee to review, monitor, and ensure the operational effectiveness of the Enterprise Risk Management program and processes.

The Chief Sustainability Officer (CSO) leads sustainability programs, which set out to reduce negative and increase positive impacts on environmental and external social areas linked to Aramex. Oversight of our environmental, social, and overall sustainability programs, policies, and goals, is provided by the ESG Steering Committee.

The Chief Sustainability Officer reports on the broad scope of activities and initiatives in the pipeline or those implemented to support climate mitigation, risk, and adaptation efforts as part of Aramex's Sustainability efforts and our climate stewardship pillar. The board is regularly updated to ensure their endorsement of commitments, goals, and progress. The role of the Chief Sustainability Officer includes managing annual budgets for climate mitigation activities, as well as major capital/ operational expenditures related to low carbon products/ services (including R&D). Additionally, the Chief Sustainability Officer manages the outreach and advocacy activities, assesses climate related risks and opportunities, provides climate-related employee incentives, and develops and implements the climate transition plan and integrated climate-related issues into the strategy. Additionally, the Chief Sustainability Officer is in charge of monitoring the progress against climate-related Corporate targets and managing public policy engagement that may impact climate related risks and opportunities. To support all these functions, Aramex has a sustainability team specialized in ESG topics with the necessary expertise to engage on initiatives and projects. When needed, Aramex also engages with third party and external experts in order to enhance know-how and skills.

The Chief Sustainability Officer reports to the **Chief Strategy Officer** who is tasked with reporting on the broad scope of activities and initiatives in the pipeline or those implemented to support climate mitigation, risk, and adaptation efforts as part of Aramex's Sustainability efforts and our climate stewardship pillar. As such, the Board is regularly (at least quarterly) updated to ensure their endorsement of commitments, goals, and progress.

The Chief Risk and Compliance Officer (CRCO), who reports to the Group CEO, leads the Enterprise Risk Management (ERM) function as well as other functions, such as Corporate Compliance, Health, Safety, and Facilities Management and Insurance Management.

Our sustainability efforts are in line with our goal to nurture and develop our Social and Relationship Capital and safeguard our Natural Capital, while also ensuring we mitigate any negative environmental impacts associated with our operations, especially our emissions.

As part of our efforts to safeguard our Natural capital, we implement several initiatives to reduce Green House Gas (GHG) emissions, increase energy efficiency, reduce material use and waste, promote recycling, and provide our customers with alternative and sustainable packaging materials. These efforts are in line with our aim to support the circular economy.

Furthermore, we continue expanding our investment in renewable energy, such as solar, to power our facilities and continue increasing our fleet of low or emissions-free vehicles, where available. We also work on reducing our material inputs and waste streams, while increasing recycling and reclamation at our facilities, where feasible. These initiatives reduce value erosion related to our Natural Capital, particularly nonrenewable Natural Capital. For more information on these activities, please refer to page 33.

Extending our efforts to our value chain, the Aramex Sustainable procurement policy and Environmental stewardship policy guide our approach to managing our environmental procedures internally as well as within our supply chain, more information can be found on page 70. Furthermore, in efforts to continually assess our impact and be proactive in managing environmental risk, we have undertaken a climate risk assessment with a third party to inform and strengthen our management approach addressing any potential risks across our capitals and value chain. The summary of the assessment, findings, and follow up plans can be found on page 35.

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

These projects include the SME program, which supports innovative startups and helps accelerate development in their communities. We also support and sponsor athletes at sports events to promote good health and boost company morale. We approach our social projects through a partnership approach and engage with NGOs and other socially driven and community-based organizations. These partnerships are always apolitical and areligious. For more information on sustainability, including goals and targets, please refer to pages 21,60-69.

We also leverage our core capacities, operations, and networks to respond to emergencies and provide disaster relief where possible. More information can be found on page 68.

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

For a snapshot of our ESG performance, please refer to page 25.

GRI Content Index

Statement of use	Aramex has reported in accordance with the GRI Standards for the period [January 2023- 31 December 2023]
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	Not applicable



*The material topics in the GRI Content Index are highlighted in green.

The threshold for materiality for stakeholders is defined starting from 3.5 and 4 for top management, out of 5. Considering the set thresholds, the defined material topics are the following:

Employee Health and Safety	Carbon Emissions	Human Rights Management
Ethics and Business Conduct	Customer Relations and Engagement	Data Protection and Security

For the Content Index –Advanced Service, GRI Services reviewed that the GRI content index has been presented in a way consistent with the requirements for reporting in accordance with the GRI Standards, and that the information in the index is clearly presented and accessible to the stakeholders.

The service was performed on the English version of the report.

				OMISSION					
GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	TOPIC BOUNDARY	REQUIREMENT(S) OMITTED	REASON	EXPLANATION	NOTES	GRI SECTOR STANDARD REF. NO.	
General disclosures – Sustainability Communication and Engagement									
GRI 2: General Disclosures 2021	2-1 Organizational details	About Aramex (Page 9)	Includes all our fully owned operations (Franchisees only included in financials)	A gray cell indicates that reasons for omission are not permitted for the disclosure or that a GRI Sector Standard reference number is not available.					
	2-2 Entities included in the organization’s sustainability reporting	About Aramex, About Our Integrated Report, Reporting Approach (Pages 9,20,108-114)	Includes all our fully owned operations (Franchisees only included in financials)						
	2-3 Reporting period, frequency and contact point	The report’s contact point is our Senior Sustainability Manager, Natalie Na’was. (nataliena@aramex.com)	Includes all our fully owned operations (Franchisees only included in financials)						
	2-4 Restatements of information	There have been no re-statements of information	Includes all our fully owned operations						
	2-5 External assurance	External Assurance (Pages 131-132)	Our owned operations						
	2-6 Activities, value chain and other business relationships	About Aramex, Our Business Model, Procurement and Supplier Relations (Pages 9,17,70)	Within our entire fully owned operations and outside the organization as it relates to our shareholders, suppliers and other stakeholders						
	2-7 Employees	Our people (Pages 41-54)	Within our entire fully owned operations and outside the organization as it relates to our shareholders, suppliers and other stakeholders					*National Employees are defined as those who are nationals/ citizens of the country in which they are employed, whereas expats indicate that the employees are not nationals/citizens of the country where they are employed.	
	2-8 Workers who are not employees	Our people, Annex 3 (Pages 41-54, 176-178)	Within our entire operations and outside the organization as it relates to subcontracts and business partnerships						
	2-9 Governance structure and composition	Governance (Pages 72-103)	Within our entire fully owned operations and outside the organization as it relates to our shareholders, suppliers and other stakeholders						
	2-10 Nomination and selection of the highest governance body	Governance (Pages 72- 103)	Within our entire fully owned operations and outside the organization as it relates to our shareholders, suppliers and other stakeholders						

				OMISSION				
GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	TOPIC BOUNDARY	REQUIREMENT(S) OMITTED	REASON	EXPLANATION	NOTES	GRI SECTOR STANDARD REF. NO.
General disclosures - Sustainability Communication and Engagement								
GRI 2: General Disclosures 2021	2-11 Chair of the highest governance body	Governance (Pages 72-103)	Within our entire fully owned operations and outside the organization as it relates to our shareholders, suppliers and other stakeholders	A gray cell indicates that reasons for omission are not permitted for the disclosure or that a GRI Sector Standard reference number is not available.				
	2-12 Role of the highest governance body in overseeing the management of impacts	Governance (Pages 72-103)	Within our entire fully owned operations and outside the organization as it relates to our shareholders, suppliers and other stakeholders					
	2-13 Delegation of responsibility for managing impacts	Governance (Pages 72-103)	Within our entire fully owned operations and outside the organization as it relates to our shareholders, suppliers and other stakeholders					
	2-14 Role of the highest governance body in sustainability reporting	Disclosures on Management Approaches (Page 114)	Within our entire fully owned operations and outside the organization as it relates to our shareholders, suppliers and other stakeholders					
	2-15 Conflicts of interest	Governance (Pages 72-103)	Within our entire fully owned operations and outside the organization as it relates to our shareholders					
	2-16 Communication of critical concerns	Governance, Disclosures on Management Approaches (Pages 72-103, 114)	Within our entire fully owned operations and outside the organization as it relates to our shareholders, suppliers and other stakeholders					
	2-17 Collective knowledge of the highest governance body	Governance (Pages 72-103)	Within our entire fully owned operations and outside the organization as it relates to our shareholders, suppliers and other stakeholders					
	2-18 Evaluation of the performance of the highest governance body	Governance (Pages 72-103)	Within our entire fully owned operations and outside the organization as it relates to our shareholders, suppliers and other stakeholders					
	2-19 Remuneration policies	Governance (Pages 72-103)	Within our entire fully owned operations and outside the organization as it relates to our shareholders					
	2-20 Process to determine remuneration	Governance (Pages 72-103)	Within our entire fully owned operations and outside the organization as it relates to our shareholders					

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	TOPIC BOUNDARY	OMISSION			NOTES	GRI SECTOR STANDARD REF. NO.
				REQUIREMENT(S) OMITTED	REASON	EXPLANATION		
General disclosures - Sustainability Communication and Engagement								
GRI 2: General Disclosures 2021	2-21 Annual total compensation ratio	Governance (Pages 72-103)	Within our entire fully owned operations and outside the organization as it relates to our shareholders					
	2-22 Statement on sustainable development strategy	About Our Integrated Report, Sustainability and ESG at Aramex (Pages 20, 21-23)	Within our entire fully owned operations and outside the organization as it relates to our shareholders, suppliers and other stakeholders					
	2-23 Policy commitments	About Our Integrated Report, Sustainability and ESG at Aramex, Risk and Compliance (Pages 20, 21-23, 104 -107)	Within our entire fully owned operations and outside the organization as it relates to our shareholders, suppliers and other stakeholders					
	2-24 Embedding policy commitments	About Our Integrated Report, Sustainability and ESG at Aramex, Risk and Compliance (Pages 20, 21-23, 104 -107)	Within our entire fully owned operations and outside the organization as it relates to our shareholders					
	2-25 Processes to remediate negative impacts	About Our Integrated Report, Sustainability and ESG at Aramex, Disclosures on Management Approaches (Pages 20, 21-23,114)	Within our entire fully owned operations and outside the organization as it relates to our shareholders, suppliers and other stakeholders					
	2-26 Mechanisms for seeking advice and raising concerns	Disclosures on Management Approaches, Risk and Compliance, Our people (Pages 114, 104-107, 41-54)	Within our entire fully owned operations and outside the organization as it relates to our shareholders, suppliers and other stakeholders					
	2-27 Compliance with laws and regulations	Risk and Compliance (Pages 104-107)	Within our entire fully owned operations and outside the organization as it relates to our shareholders, suppliers and other stakeholders					
	2-28 Membership associations	Memberships and Associations (Pages 71)	Within our entire fully owned operations and outside the organization as it relates to our shareholders, suppliers and other stakeholders					
	2-29 Approach to stakeholder engagement	Stakeholder Mapping, Annex 4 (Pages 29, 68, 179-186)	Within our entire fully owned operations and outside the organization as it relates to our shareholders					
	2-30 Collective bargaining agreements	Sustainability Reporting Approach, Risk and Compliance, Disclosures on Management Approaches (Pages 106, 108-114)	Within our entire fully owned operations and outside the organization as it relates to our shareholders					

				OMISSION				
GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	TOPIC BOUNDARY	REQUIREMENT(S) OMITTED	REASON	EXPLANATION	NOTES	GRI SECTOR STANDARD REF. NO.
Material and Non-Material Topics								
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Sustainability Reporting Approach (Pages 108-114)	Within our entire fully owned operations and outside the organization as it relates to our shareholders, suppliers and other stakeholders	A gray cell indicates that reasons for omission are not permitted for the disclosure or that a GRI Sector Standard reference number is not available.				
	3-2 List of material topics	Sustainability Reporting Approach (Pages 21,111 108-114) List of material topics (Page 181)	Within our entire fully owned operations and outside the organization as it relates to our shareholders, suppliers and other stakeholders					
Economic performance – Economic Impact								
GRI 3: Material Topics 2021	3-3 Management of material topics	Disclosures on Management Approaches (Pages 114)	Within our entire fully owned operations and outside the organization as it relates to our shareholders, suppliers and other stakeholders					
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Group Financial Performance Commentary (Pages 30-31)	Within our entire fully owned operations (and our franchisees)					
	201-2 Financial implications and other risks and opportunities due to climate change	Environment, Risk and Compliance (Pages 32-39, 104-107)	Within our entire fully owned operations and outside the organization as it relates to our shareholders, suppliers and other stakeholders					
	201-3 Defined benefit plan obligations and other retirement plans	Our Financial Performance (Pages 133-170)	Within our entire fully owned operations (excluding our franchisees)					
	201-4 Financial assistance received from government	Risk and Compliance (Pages 104-107)	Within our entire fully owned operations and outside the organization as it relates to our shareholders, suppliers and other stakeholders				Aramex has a strict policy against receiving or giving any financial government assistance. It is important for our stakeholders to ensure that our company is not affiliated with any political or governmental system	
Market presence								
GRI 3: Material Topics 2021	3-3 Management of material topics	Disclosures on Management Approaches (Page 114)	Within our entire fully owned operations and outside the organization as it relates to our shareholders, suppliers and other stakeholders					
GRI 202: Market presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	Annex 3 (Pages 176-178)	Within our entire fully owned operations and outside the organization as it relates to our shareholders, suppliers and other stakeholders				We aim to offer competitive wages to our employees – for our entry level employees, these are equal and often in excess of the local minimum wage. Our wages are important to our employees as well as other stakeholders as they are indicative of our impact on the community.	
	202-2 Proportion of senior management hired from the local community	Our People (Page 43)	Within our entire fully owned operations and outside the organization as it relates to our shareholders, suppliers and other stakeholders					

				OMISSION				
GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	TOPIC BOUNDARY	REQUIREMENT(S) OMITTED	REASON	EXPLANATION	NOTES	GRI SECTOR STANDARD REF. NO.
Indirect economic impacts								
GRI 3: Material Topics 2021	3-3 Management of material topics	Disclosures on Management Approaches (Page 114)	Within our entire fully owned operations and outside the organization as it relates to our shareholders, suppliers and other stakeholders					
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	Our Services, Value Creation Model, Environment, Our Customers (Pages 10 - 15, 24, 32-39, 55-59)	Within our entire fully owned operations and outside the organization as it relates to our shareholders, suppliers and other stakeholders					
	203-2 Significant indirect economic	Sustainability and ESG at Aramex, Value Creation Model, Environment, Our Communities, Risk and Compliance (Pages 21-23, 24, 32-39, 60-69, 104-107)	Within our entire fully owned operations and outside the organization as it relates to our shareholders, suppliers and other stakeholders					
Procurement practices - Sustainable Supply Chain								
GRI 3: Material Topics 2021	3-3 Management of material topics	Disclosures on Management Approaches (Page 114)	Within our entire fully owned operations and outside the organization as it relates to our shareholders, suppliers and other stakeholders					
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Procurement and Supplier Relations (Page 70)	Within our entire fully owned operations and outside the organization as it relates to our shareholders, suppliers and other stakeholders					
Anti-corruption - Ethics and Business Conduct								
GRI 3: Material Topics 2021	3-3 Management of material topics	Disclosures on Management Approaches (Page 114)	Within our entire fully owned operations and outside the organization as it relates to our shareholders, suppliers and other stakeholders					
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Risk and Compliance (Pages 104-107)	Within our entire fully owned operations and outside the organization as it relates to our shareholders, suppliers and other stakeholders				Any such risks are assessed and evaluated (and investigated where required). The results of any such investigations are internal and confidential	
	205-2 Communication and training about anti-corruption policies and procedures	Our People, Risk and Compliance (Pages 41-54, 104-107)	Within our entire fully owned operations and outside the organization as it relates to our shareholders, suppliers and other stakeholders					
	205-3 Confirmed incidents of corruption and actions taken	GRI Index (Page 119)	Within our entire fully owned operations and outside the organization as it relates to our shareholders, suppliers and other stakeholders				To the best of our knowledge, no incidents of corruption took place in 2023.	

				OMISSION				
GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	TOPIC BOUNDARY	REQUIREMENT(S) OMITTED	REASON	EXPLANATION	NOTES	GRI SECTOR STANDARD REF. NO.
Anti-competitive behavior								
GRI 3: Material Topics 2021	3-3 Management of material topics	Disclosures on Management Approaches (Page 114)	Within our entire fully owned operations and outside the organization as it relates to our shareholders, suppliers and other stakeholders					
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	GRI Index (Page 120)	Within our entire fully owned operations and outside the organization as it relates to our shareholders, suppliers and other stakeholders				To the best of our knowledge, no legal action for anti-competitive behavior anti-trust and monopoly practices took place in 2023. However, Aramex received requests for information in two jurisdictions in relation to certain anti-competition inquiries in these markets.	
Tax								
GRI 3: Material Topics 2021	3-3 Management of material topics	Disclosures on Management Approaches (Page 114)	Within our entire fully owned operations and outside the organization as it relates to our shareholders, suppliers and other stakeholders					
GRI 207: Tax 2019	207-1 Approach to tax	Our Financial Performance (Pages 133-170)	All Financial boundaries are included in the financial statements				We are a public shareholding company; we abide by local and international tax laws and regulations. Information on our financials and taxation can be found in our financial statements	
	207-2 Tax governance, control, and risk management	Our Financial Performance (Pages 133-170)	All Financial boundaries are included in the financial statements				We are a public shareholding company; we abide by local and international tax laws and regulations. Information on our financials and taxation can be found in our financial statements	
	207-3 Stakeholder engagement and management of concerns related to tax	Our Financial Performance (Pages 133-170)	All Financial boundaries are included in the financial statements				We are a public shareholding company; we abide by local and international tax laws and regulations. Information on our financials and taxation can be found in our financial statements	
	207-4 Country-by-country reporting	Our Financial Performance (Pages 133-170)	All Financial boundaries are included in the financial statements				We are a public shareholding company; we abide by local and international tax laws and regulations. Information on our financials and taxation can be found in our financial statements and reported at Group level.	

				OMISSION				
GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	TOPIC BOUNDARY	REQUIREMENT(S) OMITTED	REASON	EXPLANATION	NOTES	GRI SECTOR STANDARD REF. NO.
Materials								
GRI 3: Material Topics 2021	3-3 Management of material topics	Disclosures on Management Approaches (Page 114)	Within our entire fully owned operations and outside the organization as it relates to our shareholders, suppliers and other stakeholders					
GRI 301: Materials 2016	301-1 Materials used by weight or volume	Annex 2 (Page175)	Within our fully owned operations				In our operations, our degradable pouches are used for 99% of our shipments, making up a large proportion of the materials we use. Other materials include envelopes, labels, AWBs, canvas and bag tags.	
	301-2 Recycled input materials used	Environmental Stewardship and Climate Change Mitigation, Annex 2 (Pages 32-39, 175)	Within our fully owned operations				Given that most of the materials we use in our operations are sourced from degradable plastics (non-renewable) and paper, both have environmental impacts – it is important that we work to recycle these materials in order to reduce our environmental impacts.	
	301-3 Reclaimed products and their packaging materials	Environmental Stewardship and Climate Change Mitigation, Annex 2 (Pages 32-39, 175)	Within our fully owned operations				We aim to reduce our waste and also planning to launch a campaign to recycle reclaimed packaging material	
Energy - Energy Efficiency								
GRI 3: Material Topics 2021	3-3 Management of material topics	Disclosures on Management Approaches (Page 114)	Within our entire fully owned operations and outside the organization as it relates to our shareholders, suppliers and other stakeholders					
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Environment (Pages 32-39)	Within our fully owned operations					
	302-2 Energy consumption outside of the organization	Environment (Pages 32-39)	Within our entire fully owned operations and outside the organization as it relates to our shareholders, suppliers and other stakeholders					
	302-3 Energy intensity	Value Creation Model, Environment (Pages 24, page 32-39)	Within our entire fully owned operations and outside the organization as it relates to our shareholders, suppliers and other stakeholders					
	302-4 Reduction of energy consumption	Value Creation Model, Environment (Pages 24, page 32-39)	Within our entire fully owned operations and outside the organization as it relates to our shareholders, suppliers and other stakeholders					
	302-5 Reductions in energy requirements of products and services	Value Creation Model, Environment (Pages 24, page 32-39)	Within our entire fully owned operations and outside the organization as it relates to our shareholders, suppliers and other stakeholders					

				OMISSION				
GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	TOPIC BOUNDARY	REQUIREMENT(S) OMITTED	REASON	EXPLANATION	NOTES	GRI SECTOR STANDARD REF. NO.
Water and effluents								
GRI 3: Material Topics 2021	3-3 Management of material topics	Disclosures on Management Approaches (Page 114)	Within our fully owned operations and outside our organization as it relates to impact on water resources					
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Environment (Pages 32-39)	Within our fully owned operations and outside our organization as it relates to impact on water resources	Low Relevance	Not applicable	Our water usage is limited to municipal water resources utilized within our offices and warehouses for municipal use.		
	303-2 Management of water discharge-related impacts	Environment (Pages 32-39)	Within our fully owned operations and outside our organization as it relates to impact on water resources	Low Relevance	Not applicable	Our water usage is limited to municipal water resources utilized within our offices and warehouses for municipal use.		
	303-3 Water withdrawal	GRI Index, Annex 2 (Pages 175)	Within our fully owned operations and outside our organization as it relates to impact on water resources	Low Relevance	Not applicable	Our water usage is limited to municipal water resources utilized within our offices and warehouses for municipal use.		
	303-4 Water discharge	GRI Index, Annex 2 (Pages 175)	Within our fully owned operations and outside our organization as it relates to impact on water resources	Low Relevance	Not applicable	Our water usage is limited to municipal water resources utilized within our offices and warehouses for municipal use.		
	303-5 Water consumption	GRI Index, Annex 2 (Pages 175)	Within our fully owned operations and outside our organization as it relates to impact on water resources	Low Relevance	Not applicable	Our water usage is limited to municipal water resources utilized within our offices and warehouses for municipal use.	Water Consumption for 2023 is 127,764.94 Liters	
Biodiversity - Climate Change								
GRI 3: Material Topics 2021	3-3 Management of material topics	Disclosures on Management Approaches (Page 114)	N/A					
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	N/A	N/A	Low Relevance	Not applicable	Not applicable, since we ensure that we do not lease or own land adjacent to protected or high biodiversity areas		
	304-2 Significant impacts of activities, products and services on biodiversity	N/A	N/A	Low Relevance	Not applicable	Not applicable, since we ensure that we do not lease or own land adjacent to protected or high biodiversity areas		
	304-3 Habitats protected or restored	N/A	N/A	Low Relevance	Not applicable	We are a service-oriented company. Therefore, we do not manufacture products. The products we use for our services are degradable.		
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	N/A	N/A	N/A	Low Relevance	Not applicable	We were not involved in any habitat protection or restoration activities	

				OMISSION				
GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	TOPIC BOUNDARY	REQUIREMENT(S) OMITTED	REASON	EXPLANATION	NOTES	GRI SECTOR STANDARD REF. NO.
Emissions - Carbon Emissions								
GRI 3: Material Topics 2021	3-3 Management of material topics	Disclosures on Management Approaches (Page 114)	Within our entire fully owned operations and outside the organization as it relates to our shareholders, suppliers and other stakeholders					
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Environment (Pages 32-39)	Within our fully owned operations					
	305-2 Energy indirect (Scope 2) GHG emissions	Environment (Pages 32-39)	Within our fully owned operations					
	305-3 Other indirect (Scope 3) GHG emissions	Environment (Pages 32-39)	Within our entire fully owned operations and outside the organization as it relates to our shareholders, suppliers and other stakeholders					
	305-4 GHG emissions intensity	Value Creation Model, Environment (Pages 24, 32-39)	Within our entire fully owned operations and outside the organization as it relates to our shareholders, suppliers and other stakeholders					
	305-5 Reduction of GHG emissions	Value Creation Model, Environment (Pages 24, 32-39)	Within our entire fully owned operations and outside the organization as it relates to our shareholders, suppliers and other stakeholders					
	305-6 Emissions of ozone-depleting substances (ODS)	Environment (Pages 32-39)	Within our entire fully owned operations and outside the organization as it relates to our shareholders, suppliers and other stakeholders					
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Environment (Page 34)	Within our entire fully owned operations and outside the organization as it relates to our shareholders, suppliers and other stakeholders					
Waste - Waste Management and Recycling								
GRI 3: Material Topics 2021	3-3 Management of material topics	Disclosures on Management Approaches (Page 114)	Within our entire fully owned operations and outside the organization as it relates to our shareholders, suppliers and other stakeholders					
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Annex 2 (Page 175)	Within our fully owned operations					

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	TOPIC BOUNDARY	OMISSION			NOTES	GRI SECTOR STANDARD REF. NO.
				REQUIREMENT(S) OMITTED	REASON	EXPLANATION		
Waste								
GRI 306: Waste 2020	306-2 Management of significant waste-related impacts	Annex 2 (Page 175)	Within our fully owned operations					
	306-3 Waste generated	Annex 2 (Page 175)	Within our fully owned operations					
	306-4 Waste diverted from disposal	Annex 2 (Page 175)	Within our fully owned operations					
	306-5 Waste directed to disposal	GRI Index	Within our fully owned operations				Waste which is directed to disposal is handled by waste management companies according to local regulations. Much of the waste is municipal waste or as a result of packaging (much of it is degradable). As such, this information is not captured.	
Supplier environmental assessment								
GRI 3: Material Topics 2021	3-3 Management of material topics	Disclosures on Management Approaches (Pages 114)	Within our entire fully owned operations and outside the organization as it relates to our shareholders, suppliers and other stakeholders					
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Procurement and Supplier Relations (Page 70)	Within our entire fully owned operations and outside the organization as it relates to our shareholders, suppliers and other stakeholders					
	308-2 Negative environmental impacts in the supply chain and actions taken	Procurement and Supplier Relations (Page 70)	Within our entire fully owned operations and outside the organization as it relates to our shareholders, suppliers and other stakeholders					

				OMISSION				
GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	TOPIC BOUNDARY	REQUIREMENT(S) OMITTED	REASON	EXPLANATION	NOTES	GRI SECTOR STANDARD REF. NO.
Employment								
GRI 3: Material Topics 2021	3-3 Management of material topics	Disclosures on Management Approaches (Page 114)	Within our fully owned operations					
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Our People, Annex 3, (Pages 41-54, 176-178)	Within our fully owned operations					
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Our People (Pages 41-54)	Within our fully owned operations					
	401-3 Parental leave	Our People (Pages 41-54)	Within our fully owned operations					
Labor/management relations								
GRI 3: Material Topics 2021	3-3 Management of material topics	Disclosures on Management Approaches (Page 114)	Within our entire fully owned operations and outside the organization as it relates to our shareholders, suppliers and other stakeholders					
GRI 402: Labor/Management Relations 2016	402-1 Minimum notice periods regarding operational changes	GRI Index (page 125)	Within our entire fully owned operations				Whenever we have any operational changes, we meet with related stakeholders and ensure proper communication for the roll-out of these changes	

				OMISSION				
GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	TOPIC BOUNDARY	REQUIREMENT(S) OMITTED	REASON	EXPLANATION	NOTES	GRI SECTOR STANDARD REF. NO.
Occupational health and safety - Employee Health and Safety								
GRI 3: Material Topics 2021	3-3 Management of material topics	Disclosures on Management Approaches (Page 114)	Within our entire fully owned operations and outside the organization (relevant to subcontractors and business partners) as it relates to our shareholders, suppliers and other stakeholders					
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Health and Safety (Pages 50-54)	Within our entire fully owned operations and outside the organization (relevant to subcontractors and business partners) as it relates to our shareholders, suppliers and other stakeholders					
	403-2 Hazard identification, risk assessment, and incident investigation	Health and Safety (Pages 50-54)	Within our entire fully owned operations and outside the organization (relevant to subcontractors and business partners) as it relates to our shareholders, suppliers and other stakeholders					
	403-3 Occupational health services	Health and Safety (Pages 50-54)	Within our entire fully owned operations and outside the organization (relevant to subcontractors and business partners) as it relates to our shareholders, suppliers and other stakeholders					
	403-4 Worker participation, consultation, and communication on occupational health and safety	Our People, Health and Safety (Pages 41-54)	Within our entire fully owned operations and outside the organization (relevant to subcontractors and business partners) as it relates to our shareholders, suppliers and other stakeholders					
	403-5 Worker training on occupational health and safety	Our People, Health and Safety (Pages 41-54)	Within our entire fully owned operations and outside the organization (relevant to subcontractors and business partners) as it relates to our shareholders, suppliers and other stakeholders					
	403-6 Promotion of worker health	Our People, Health and Safety (Pages 41-54)	Within our entire fully owned operations and outside the organization (relevant to subcontractors and business partners) as it relates to our shareholders, suppliers and other stakeholders					
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Health and Safety (Pages 50-54)	Within our entire fully owned operations and outside the organization (relevant to subcontractors and business partners) as it relates to our shareholders, suppliers and other stakeholders					
	403-8 Workers covered by an occupational health and safety management system	Health and Safety (Pages 50-54)	Within our entire fully owned operations and outside the organization (relevant to subcontractors and business partners) as it relates to our shareholders, suppliers and other stakeholders					
	403-9 Work-related injuries	Health and Safety (Pages 50-54)	Within our entire fully owned operations and outside the organization (relevant to subcontractors and business partners) as it relates to our shareholders, suppliers and other stakeholders					
	403-10 Work-related ill health	Health and Safety (Pages 50-54)	Within our entire fully owned operations and outside the organization (relevant to subcontractors and business partners) as it relates to our shareholders, suppliers and other stakeholders					

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	TOPIC BOUNDARY	OMISSION			NOTES	GRI SECTOR STANDARD REF. NO.
				REQUIREMENT(S) OMITTED	REASON	EXPLANATION		
Training and education								
GRI 3: Material Topics 2021	3-3 Management of material topics	Disclosures on Management Approaches (Page 114)	Within our entire fully owned operations					
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Learning and Development (Page 48)	Within our entire fully owned operations					
	404-2 Programs for upgrading employee skills and transition assistance programs	Learning and Development (Page 48)	Within our entire fully owned operations					
	404-3 Percentage of employees receiving regular performance and career development reviews	Our People (Pages 41- 54)	Within our entire fully owned operations. %100 for system users and in 2024 will include non-system users.					
Diversity and Equal Opportunity - Diversity and Equal Opportunity								
GRI 3: Material Topics 2021	3-3 Management of material topics	Disclosures on Management Approaches (Page 114)	Within our entire fully owned operations and outside the organization as it relates to our shareholders, suppliers and other stakeholders					
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Governance (Pages 72-103)	Within our entire fully owned operations and outside the organization as it relates to our shareholders, suppliers and other stakeholders					
	405-2 Ratio of basic salary and remuneration of women to men	Annex 3 (Page 176-178)	Within our entire fully owned operations					
Non-discrimination								
GRI 3: Material Topics 2021	3-3 Management of material topics	Disclosures on Management Approaches (Page 114)	Within our entire fully owned operations and outside the organization as it relates to our shareholders, suppliers and other stakeholders					
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Annex 3 (Page 176-178)	Within our entire fully owned operations				To the best of our knowledge, no incidents of discrimination and corrective actions taken took place in 2023.	

				OMISSION				
GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	TOPIC BOUNDARY	REQUIREMENT(S) OMITTED	REASON	EXPLANATION	NOTES	GRI SECTOR STANDARD REF. NO.
Freedom of association and collective bargaining								
GRI 3: Material Topics 2021	3-3 Management of material topics	Disclosures on Management Approaches (Page 114)	Within our entire fully owned operations and outside the organization as it relates to our shareholders, suppliers and other stakeholders					
GRI 407: Freedom of Association and Collective bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Risk and Compliance, Procurement and Supplier Relations (Pages, 70, 104 - 107)	Within our entire fully owned operations and outside the organization as it relates to our shareholders, suppliers and other stakeholders					
Child labor								
GRI 3: Material Topics 2021	3-3 Management of material topics	Disclosures on Management Approaches (Page 114)	Within our entire fully owned operations and outside the organization as it relates to our shareholders, suppliers and other stakeholders					
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	Disclosures on Management Approaches, Risk and Compliance, Procurement and Supplier Relations (Pages 114, 104-107, 70)	Within our entire fully owned operations and outside the organization as it relates to our shareholders, suppliers and other stakeholders					
Forced or compulsory labor - Human Rights Management								
GRI 3: Material Topics 2021	3-3 Management of material topics	Disclosures on Management Approaches (Page 114)	Within our entire fully owned operations and outside the organization as it relates to our shareholders, suppliers and other stakeholders					
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Risk and Compliance, Procurement and Supplier Relations (Pages 70, 104-107)	Within our entire fully owned operations and outside the organization as it relates to our shareholders, suppliers and other stakeholders					
Security practices								
GRI 3: Material Topics 2021	3-3 Management of material topics	Disclosures on Management Approaches (Page 114)						
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	Risk and Compliance, GRI Index (Page 104-107, 128)	Within our entire fully owned operations and outside the organization as it relates to our shareholders, suppliers and other stakeholders.. %44 of full-time security personnel trained in human rights policies or procedures					
Rights of indigenous peoples								
GRI 3: Material Topics 2021	3-3 Management of material topics	Disclosures on Management Approaches (Page 114)	Within our entire fully owned operations and outside the organization as it relates to our shareholders, suppliers and other stakeholders					
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples	N/A	N/A	Low Relevance	Not applicable	We do not own or lease land in areas with indigenous populations or that have indigenous rights – therefore this is not applicable to our operations		

				OMISSION				
GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	TOPIC BOUNDARY	REQUIREMENT(S) OMITTED	REASON	EXPLANATION	NOTES	GRI SECTOR STANDARD REF. NO.
Local communities - Road and Public Safety								
GRI 3: Material Topics 2021	3-3 Management of material topics	Disclosures on Management Approaches (Page 114)	Within our entire fully owned operations and outside the organization as it relates to our shareholders, suppliers and other stakeholders					
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Sustainability and ESG at Aramex, Our Communities (Pages 21-23, 60-69)	Within our entire fully owned operations and outside the organization as it relates to our shareholders, suppliers and other stakeholders					
	413-2 Operations with significant actual and potential negative impacts on local communities	Sustainability and ESG, About our Integrated Report, Our Communities (Pages 20-23, 60-69)	Within our entire fully owned operations and outside the organization as it relates to our shareholders, suppliers and other stakeholders					
Supplier social assessment								
GRI 3: Material Topics 2021	3-3 Management of material topics	Disclosures on Management Approaches (Page 114)	Within our entire fully owned operations and outside the organization as it relates to our shareholders, suppliers and other stakeholders					
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Procurement and Supplier Relations, Risk and Compliance (Pages 70, 104-107)	Within our entire fully owned operations and outside the organization as it relates to our shareholders, suppliers and other stakeholders					
	414-2 Negative social impacts in the supply chain and actions taken	Procurement and Supplier Relations, Risk and Compliance (Pages 70, 104-107)	Within our entire fully owned operations and outside the organization as it relates to our shareholders, suppliers and other stakeholders				To the best of our knowledge, no negative social impacts took place in 2023. The event reported on page 183 of the 2022 Annual Report is still ongoing	
Public policy								
GRI 3: Material Topics 2021	3-3 Management of material topics	Disclosures on Management Approaches (Page 114)	Within our entire fully owned operations and outside the organization as it relates to our shareholders, suppliers and other stakeholders					
GRI 415: Public Policy 2016	415-1 Political contributions	Risk and Compliance, GRI index (Pages 104-107, 129)	Within our entire operations and outside the organization as it is related to our stakeholders, the governments and policies of the countries in which we operate				As we do not affiliate ourselves with any political or governmental system, we have a strict policy against giving or receiving any political contributions/ governments assistance	

				OMISSION				
GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	TOPIC BOUNDARY	REQUIREMENT(S) OMITTED	REASON	EXPLANATION	NOTES	GRI SECTOR STANDARD REF. NO.
Customer health and safety - Sustainable Products and Services								
GRI 3: Material Topics 2021	3-3 Management of material topics	Disclosures on Management Approaches (Page 114)	Within our entire fully owned operations and outside the organization as it relates to our shareholders, suppliers and other stakeholders					
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	N/A	Within our entire fully owned operations and outside the organization as it relates to our shareholders, suppliers and other stakeholders	Low Relevance	Not applicable	We do not sell or manufacture any products. We consider the health and safety of the provision of our services, which is elaborated on in our health and safety section		
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	GRI Index (Page 130)	Within our entire fully owned operations and outside the organization as it relates to our shareholders, suppliers and other stakeholders				In 2023, there was no incidents of non-compliance concerning health and safety of our services. With regards to the event reported in the 2022 Annual Report, such matter is now closed.	
Marketing and labeling - Customer Relations and Engagement								
GRI 3: Material Topics 2021	3-3 Management of material topics	Disclosures on Management Approaches (Page 114)	Within our entire fully owned operations and outside the organization as it relates to our shareholders, suppliers and other stakeholders					
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	GRI Index (Page 130)	Within our entire fully owned operations and outside the organization as it relates to our shareholders, suppliers and other stakeholders				We do not produce any products, we abide by relevant national and international labeling and service information where applicable.	
	417-2 Incidents of non-compliance concerning product and service information and labeling	GRI Index (Page 130)	Within our entire fully owned operations and outside the organization as it relates to our shareholders, suppliers and other stakeholders				To the best of our knowledge, no incidents of non-compliance concerning product and service information and labeling took place in 2023	
	417-3 Incidents of non-compliance concerning marketing communications	GRI Index (Page 130)	Within our entire fully owned operations and outside the organization as it relates to our shareholders, suppliers and other stakeholders				To the best of our knowledge, no incidents of non-compliance concerning marketing communications.	
Customer privacy - Data Protection and Security								
GRI 3: Material Topics 2021	3-3 Management of material topics	Disclosures on Management Approaches (Page 114)	Within our entire fully owned operations and outside the organization as it relates to our shareholders, suppliers and other stakeholders					
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Our Customers (Page 59)	Within our entire fully owned operations and outside the organization as it relates to our shareholders, suppliers and other stakeholders					

ASSURANCE LETTER



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Independent limited assurance report to Aramex PJSC ("Aramex") on selected sustainability metrics disclosed in Aramex's Annual Integrated Report for the year ended 31 December 2023

To the Board of Directors of Aramex PJSC ("Aramex")

We have been engaged by the Board of Directors of Aramex PJSC ("the Company" or "Aramex") to carry out a limited assurance engagement in order to state whether anything has come to our attention that causes us to believe that the subject matter information detailed below ("Subject Matter"), has not been prepared, in all material respects, in accordance with the applicable criteria ("Applicable Criteria") as set out below.

Subject Matter

The Subject Matter for our limited assurance engagement were the selected sustainability metrics ("Limited Assurance Sustainability Parameters") as identified below for the following two sites being Dubai (United Arab Emirates) and Doha (Qatar). The Limited Assurance Sustainability Parameters are included in Aramex's 2023 Annual Integrated Report for the year ended 31 December 2023 ("the Report") as prepared by management of the Company.

The Limited Assurance Sustainability Parameters covered by our limited assurance engagement are:

Limited Assurance Sustainability Parameters	Annual Integrated Report Page
302-3: Energy Intensity	25, 34
305-1: Direct (Scope 1) GHG emissions	25, 33
305-2: Energy indirect (Scope 2) GHG emissions	25, 33
305-3: Other indirect (Scope 3) GHG emissions	25, 33
305-4: GHG emission intensity	25, 34
305-7: Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emission	34
403-1: Occupational health and safety management system	50
403-9: Work-related injuries	27, 53
404-1: Average hours of training per year per employee	48, 178
405-2: Ratio of basic salary and remuneration of women to men	176
202-1: Ratios of standard entry level wage by gender compared to local minimum wage	118
204-1: Proportion of spending on local supplier	70



Aramex PJSC
 Independent Limited Assurance Report

Applicable Criteria

The Applicable Criteria for this limited assurance engagement were the reporting requirements of the Global Reporting Initiative ("GRI") Sustainability Reporting Standard 2021, as issued by the Global Sustainability Standards Board ("GSSB") and as applicable to the Subject Matter.

Aramex's responsibility

Management of the Company is responsible for preparing the Subject Matter that is free from material misstatement in accordance with the Applicable Criteria and for the information contained therein.

This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation of the Subject Matter that is free from material misstatement, whether due to fraud or error. It also includes selecting the Applicable Criteria as the criteria against which to evaluate the Subject Matter.

Management of the Company is also responsible for preventing and detecting fraud and for identifying and ensuring that the Company complies with the laws and regulations applicable to its activities. Management of the Company is responsible for ensuring that staff involved with the preparation of the Subject Matter are properly trained, systems are properly updated and that any changes in reporting encompass all significant business units.

Our responsibility

Our responsibility is to examine the Subject Matter prepared by the Company and to report thereon in the form of an independent limited assurance conclusion based on the procedures we have performed and the evidence obtained. We conducted our engagement in accordance with the ISAE 3000 (Revised) Assurance Engagements other than Audits or Reviews of Historical Financial Information (the "ISAE 3000") and International Standard on Assurance Engagements (ISAE) 3410, Assurance Engagements on Greenhouse Gas Statements (the "ISAE 3410") issued by the International Auditing and Assurance Standards Board and the terms and conditions for this engagement as agreed with the Company's management. ISAE 3000 (Revised) and ISAE 3410 require that we plan and perform the engagement to obtain limited assurance about whether the Subject Matter has been properly prepared, in all material respects, in accordance with the Applicable Criteria.

Our firm applies the International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have complied with the independence and other ethical requirements of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants, (including International Independence Standards) (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The procedures selected depend on our understanding of the Subject Matter and other engagement circumstances, and our consideration of areas where material misstatements are likely to arise.

A limited assurance engagement in accordance with ISAE 3000 (Revised) and ISAE 3410 involves assessing the risks of material misstatement of the Subject Matter, whether due to fraud or error, responding to the assessed risks as necessary in the circumstances of the engagement. The nature, timing and extent of procedures selected depend on our understanding of the Subject Matter and other engagement circumstances, and our consideration of areas where material misstatements of the Subject Matter are likely to arise.

In developing our understanding of the Subject Matter and other engagement circumstances, we have considered the process used to prepare the Subject Matter in order to design assurance procedures that are appropriate in the circumstances, but not for the purposes of expressing a conclusion as to the effectiveness of the Company's internal control over the preparation of the Subject Matter.

Our engagement also included: assessing the appropriateness of the Subject Matter, the suitability of the criteria used by the Company in preparing the Subject Matter in the circumstances of the engagement, evaluating the appropriateness of the procedures used in the preparation of the Subject Matter and the reasonableness of estimates made by the Company.



Aramex PJSC
Independent Limited Assurance Report

Our responsibility (continued)

Limited assurance is less than absolute assurance and reasonable assurance. The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

As part of this engagement, we have not performed any procedures by way of audit, review or verification of the Subject Matter nor of the underlying records or other sources from which the Subject Matter was extracted.

Procedures performed

Our limited assurance engagement on the Subject Matter consisted of making enquiries, primarily of persons responsible for the preparation of the Subject Matter, and applying analytical and other procedures, as appropriate. These procedures were based on our professional judgement and included the following, amongst others, for the year ended 31 December 2023:

- Interviewing with senior management and relevant staff concerning sustainability strategy and policies for material issues, and the implementation of these across the business locations;
- Performing enquiries with management to gain an understanding of Aramex's processes for determining material issues for Aramex's key stakeholder groups;
- Performing enquiries with relevant staff at corporate and selected site level responsible for the preparation of the Subject Matter;
- Performing enquiries about the design and implementation of the systems and methods used to collect and report the Subject Matter, including the aggregation of the reported information; and
- Comparing the Subject Matter to relevant underlying sources on a sample basis to determine whether all the relevant information has been appropriately included in the Annual Integrated Report.

Characteristics and limitations

Due to the inherent limitations of any internal control structure, it is possible that errors or irregularities in the information presented in the Subject Matter may occur and not be detected. The assurance relies on documentation furnished by the Company and interactions with relevant personnel within the Company to validate the self-assessment. Our engagement is not designed to detect all weaknesses in the internal controls over the preparation of the Subject Matter.

Our engagement was not designed to test, verify or audit the completeness and accuracy of system outputs from the Company.

Furthermore, for the purpose of this limited assurance engagement, we have not performed any procedures around:

- Assessing compliance of any other indicators or related information, either qualitative or quantitative, which is not part of the Subject Matter, featuring in the Report with the disclosure requirements of the Applicable Criteria;
- Assessment of accuracy and completeness of the reporting boundaries determined by management for the purposes of the Report;
- Audit, review or verification of the Subject Matter nor of the underlying records or other sources from which the Subject Matter was extracted;
- Assessing the appropriateness of the materiality approach applied by management in preparation of the Report;
- Checking the accuracy of the GRI content indexation, as featured in the Report;
- Detecting any weaknesses in the internal controls over the preparation of the Subject Matter as the procedures performed will be undertaken on a test basis;
- Testing, verifying or auditing the completeness and accuracy of outputs from Aramex's data collecting systems used for the compilation of the Subject Matter;
- Verifying the local minimum wage as per local law for Dubai (United Arab Emirates); and
- Completeness of the disclosure requirements provided by the Global Reporting Initiative ("GRI") Sustainability Reporting Standard 2021 as part of our limited assurance engagement.

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Aramex PJSC
Independent Limited Assurance Report

Limited assurance conclusion

Our conclusion has been formed on the basis of, and is subject to, the matters outlined in this report. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the Subject Matter is not prepared, in all material respects, in accordance with the Applicable Criteria.

Restriction of use of our report

Our report should not be regarded as suitable to be used or relied on by any party wishing to acquire rights against us other than the Company, for any purpose or in any context. Any party other than the Company who obtains access to our report or a copy thereof and chooses to rely on our report (or any part thereof) will do so at its own risk. To the fullest extent permitted by law, we accept or assume no responsibility and deny any liability to any party other than the Company for our work, for this independent limited assurance report, or for the conclusions we have reached.

Our report is released to the Company on the basis that it shall not be copied, referred to or disclosed, in whole (save for the Company's own internal purposes) or in part, without our prior written consent.

KPMG
KPMG Lower Gulf Limited
Date: 2 March 2024
Dubai, United Arab Emirates



FINANCIAL



ARAMEX PJSC AND ITS SUBSIDIARIES

**REPORT OF THE DIRECTORS AND
CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED
31 DECEMBER 2023**

ARAMEX PJSC AND ITS SUBSIDIARIES

**Report of the directors and consolidated financial statements
for the year ended 31 December 2023**

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Independent auditor's report to the shareholders of Aramex PJSC

Report on the audit of the consolidated financial statements

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Aramex PJSC (the "Company") and its subsidiaries (together the "Group") as at 31 December 2023, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards.

What we have audited

The Group's consolidated financial statements comprise:

- the consolidated statement of financial position as at 31 December 2023;
- the consolidated statement of profit or loss for the year then ended;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information 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.



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

Our audit approach

Overview

- | | |
|-------------------|---|
| Key Audit Matters | <ul style="list-style-type: none"> • Revenue recognition; and • Impairment of goodwill. |
|-------------------|---|

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

Report on the audit of the consolidated financial statements

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Aramex PJSC (the "Company") and its subsidiaries (together the "Group") as at 31 December 2023, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards.

What we have audited

The Group's consolidated financial statements comprise:

- the consolidated statement of financial position as at 31 December 2023;
- the consolidated statement of profit or loss for the year then ended;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information 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.



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

Our audit approach

Overview

- | | |
|-------------------|---|
| Key Audit Matters | <ul style="list-style-type: none"> • Revenue recognition; and • Impairment of goodwill. |
|-------------------|---|

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)

Our audit approach (continued)

Key audit matters (continued)

Key audit matter	How our audit addressed the key audit matter
<p>Revenue recognition</p> <p>The Group focuses on revenues as a key performance measure and as a driver for growth and expansion. For the year ended 31 December 2023, the Group had revenue of AED 5.7 billion (2022: AED 5.9 billion) - Note 26.</p> <p>Due to the materiality of the amounts involved, diversity of the Group's geographical footprint, and susceptibility of such revenues to misstatements and fraud risk, we consider revenue recognition as a key audit matter.</p>	<p>Our audit procedures performed in relation to revenue recognition included:</p> <ul style="list-style-type: none"> • considering the appropriateness and testing the consistency of the Group's revenue recognition policies; • assessing the compliance of such policies with the applicable IFRS Accounting 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 Accounting Standards.
<p>Impairment of goodwill</p> <p>As at 31 December 2023, the Group had goodwill of AED 1,750 million (2022: AED 1,758 million) - Note 7. As required by IAS 36 – 'Impairment of Assets', the Group is required to annually test goodwill for impairment.</p> <p>Management's assessment process is complex and highly judgmental, 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.</p>	<p>Our audit procedures performed in relation to the impairment assessment of goodwill included:</p> <ul style="list-style-type: none"> • testing the integrity of the model and on a sample basis the discounted cash flow model and assessed that the methodology used is consistent with IAS 36; • assessing the appropriateness of forecast revenue and net operating profit before taxes growth rates through comparison to historical data; • assessing the appropriateness of weighted average cost of capital through comparison with external economic benchmarking data to determine if it provided corroborative or contradictory evidence in relation to management's assumptions; • involving our internal valuation expert, we assessed the discount rate assumptions and the mathematical accuracy of the impairment models and the methodology applied by management for consistency with the requirements of IAS 36; and • assessing the completeness and accuracy of disclosures within the consolidated financial statements in accordance with IFRS Accounting Standards.



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

Other information

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

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

The Directors are responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards and their preparation in compliance with the applicable provisions of the UAE Federal Decree Law No. (32) of 2021, and for such internal control as Directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have 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.



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

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

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



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

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

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.

Report on other legal and regulatory requirements

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

- we have obtained all the information we considered necessary for the purposes of our audit;
- the consolidated financial statements have been prepared and comply, in all material respects, with the applicable provisions of the UAE Federal Decree Law No. (32) of 2021;
- the Group has maintained proper books of account;
- the financial information included in the Report of the Directors is consistent with the books of account of the Group;
- notes 10, 11, and 12 to the consolidated financial statements disclose the Group's investments in shares during the year ended 31 December 2023;
- note 31 to the consolidated financial statements discloses material related party transactions, and the terms under which they were conducted;
- 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 2023 any of the applicable provisions of the UAE Federal Decree Law No. (32) of 2021, or in respect of the Company, its Articles of Association which would materially affect its activities or its financial position as at 31 December 2023; and
- note 28 to the consolidated financial statements discloses the social contributions made during the year ended 31 December 2023.

PricewaterhouseCoopers Limited Partnership Dubai Branch
8 February 2024

Ara Shahe Fermanian
Registered Auditor Number 5559
Dubai, United Arab Emirates



ARAMEX PJSC AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023

	Note	As at 31 December	
		2023 AED'000	2022 AED'000
ASSETS			
Non-current assets			
Property and equipment	5	881,142	883,697
Right of use assets	6	863,982	860,524
Goodwill	7	1,750,191	1,757,680
Other intangible assets	8	309,935	324,362
Investments in joint ventures and associates	10,11	35,007	24,961
Financial assets at fair value through other comprehensive income	12	17,574	17,667
Deferred tax assets	13	26,110	28,135
Other non-current assets		7,019	5,912
		<u>3,890,960</u>	<u>3,902,938</u>
Current assets			
Accounts receivable, net	14	1,090,468	1,130,410
Other current assets	15	266,304	284,150
Restricted cash, margins and fixed deposits	16	8,021	9,488
Cash and cash equivalents	16	567,189	758,954
		<u>1,931,982</u>	<u>2,183,002</u>
Assets held for sale		4,898	6,569
TOTAL ASSETS		<u>5,827,840</u>	<u>6,092,509</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	17	1,464,100	1,464,100
Statutory reserve	18	500,814	471,734
Foreign currency translation reserve	18	(560,017)	(529,432)
Reserve arising from acquisition of non-controlling interests	18	(336,986)	(329,908)
Reserve arising from other comprehensive income items	18	(12,015)	(11,804)
Retained earnings		1,405,470	1,444,833
		<u>2,461,366</u>	<u>2,509,523</u>
Equity attributable to equity holders of the Parent		<u>2,461,366</u>	<u>2,509,523</u>
Non-controlling interests	9	6,554	8,865
Total equity		<u>2,467,920</u>	<u>2,518,388</u>
LIABILITIES			
Non-current liabilities			
Interest-bearing loans and borrowings	20	1,067,335	1,086,304
Lease liabilities	6	771,906	757,036
Employees' end of service benefits	21	169,968	164,136
Deferred tax liabilities	13	36,198	30,828
Other non-current liabilities	25	13,002	15,960
		<u>2,058,409</u>	<u>2,054,264</u>
Current liabilities			
Accounts payable	22	326,364	324,776
Lease liabilities	6	176,680	181,687
Bank overdrafts	23	2,848	131,353
Interest-bearing loans and borrowings	20	48,505	38,865
Income tax provision	13	36,676	46,038
Provisions	24	47,674	71,380
Other current liabilities	25	659,839	720,851
		<u>1,298,586</u>	<u>1,514,950</u>
Liabilities held for sale		2,925	4,907
Total liabilities		<u>3,359,920</u>	<u>3,574,121</u>
TOTAL EQUITY AND LIABILITIES		<u>5,827,840</u>	<u>6,092,509</u>

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 2023.

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

ARAMEX PJSC AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	For the year ended 31 December	
		2023 AED'000	2022 AED'000
Continuing operations			
Rendering of services	26	5,694,022	5,926,005
Cost of services	27	(4,267,093)	(4,501,701)
Gross profit		<u>1,426,929</u>	<u>1,424,304</u>
Selling and marketing expenses		(308,453)	(257,637)
Net impairment loss on accounts receivable	14	(19,812)	(17,532)
Net impairment (loss)/reversal on restricted cash	16	(227)	1,434
Administrative expenses	28	(845,128)	(907,648)
Other income, net	29	13,352	2,409
Operating profit		<u>266,661</u>	<u>245,330</u>
Finance income		8,367	4,933
Finance expense		(128,152)	(72,773)
Share of results of joint ventures and associates	10,11	5,572	9,203
Profit before tax from continuing operations		<u>152,448</u>	<u>186,693</u>
Income tax expense	13	(22,713)	(25,674)
Profit for the year from continuing operations		<u>129,735</u>	<u>161,019</u>
Discontinued operations			
(Loss)/profit after tax for the year from discontinued operations		(1,329)	852
Gain on sale of a subsidiary		-	3,515
Profit for the year		<u>128,406</u>	<u>165,386</u>
Attributable to:			
<i>Equity holders of the Parent</i>			
Profit for the year from continuing operations		130,626	161,012
(Loss)/profit for the year from discontinued operations		(1,329)	4,367
		<u>129,297</u>	<u>165,379</u>
<i>Non-controlling interests</i>			
(Loss)/profit for the year from continuing operations		(891)	7
		<u>128,406</u>	<u>165,386</u>
Earnings per share attributable to the equity holders of the Parent:			
Basic and diluted earnings per share from continuing operations (AED)	32	0.089	0.110
Basic and diluted earnings per share from discontinued operations (AED)	32	(0.001)	0.003
Total basic and diluted earnings per share (AED)	32	<u>0.088</u>	<u>0.113</u>

ARAMEX PJSC AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2023

	For the year ended 31 December	
	2023	2022
Note	AED'000	AED'000
Profit for the year	128,406	165,386
Other comprehensive loss, net of tax:		
<i>Other comprehensive income/(loss) items that may be reclassified to the consolidated statement of profit or loss in subsequent periods:</i>		
Exchange differences on translation of foreign operations	(34,376)	(139,259)
Impact of hyperinflation	9,420	4,398
(Loss)/gain on debt instruments at fair value through other comprehensive income	(92)	32
	<u>(25,048)</u>	<u>(134,829)</u>
<i>Other comprehensive (loss)/income items not to be reclassified to the consolidated statement of profit or loss in subsequent periods:</i>		
Remeasurements of post-employment benefits obligations through other comprehensive income	21 (119)	172
	<u>(119)</u>	<u>172</u>
Other comprehensive loss for the year, net of tax	(25,167)	(134,657)
Total comprehensive income for the year	103,239	30,729
Attributable to:		
Equity holders of the Parent	104,986	32,070
Non-controlling interests	(1,747)	(1,341)
	<u>103,239</u>	<u>30,729</u>
Total comprehensive income attributable to equity holders of the Parent arises from:		
Continuing operations	106,315	27,703
Discontinued operations	(1,329)	4,367
	<u>104,986</u>	<u>32,070</u>

The notes on pages 16 to 72 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 2023

	Attributable to equity holders of the Parent							Non-controlling interests	Equity AED'000
	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		
For the year ended 31 December 2023									
At 31 December 2022	1,464,100	471,734	(529,432)	(329,908)	(11,804)	1,444,833	2,509,523	8,865	2,518,388
Impact of hyperinflation (Note 4)	-	-	(6,485)	-	-	-	(6,485)	-	(6,485)
At 1 January 2023 (adjusted)	1,464,100	471,734	(535,917)	(329,908)	(11,804)	1,444,833	2,503,038	8,865	2,511,903
Profit for the year	-	-	-	-	-	129,297	129,297	(891)	128,406
Other comprehensive loss	-	-	(24,100)	-	(211)	-	(24,311)	(856)	(25,167)
Total comprehensive (loss)/income for the year	-	-	(24,100)	-	(211)	129,297	104,986	(1,747)	103,239
Non-controlling interests	-	-	-	(7,078)	-	-	(7,078)	(564)	(7,642)
Dividends to shareholders (Note 19)	-	-	-	-	-	(139,580)	(139,580)	-	(139,580)
Transfer to statutory reserve (Note 18)	-	29,080	-	-	-	(29,080)	-	-	-
At 31 December 2023	1,464,100	500,814	(560,017)	(336,986)	(12,015)	1,405,470	2,461,366	6,554	2,467,920

The notes on pages 16 to 72 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 2023 (CONTINUED)**

	Attributable to equity holders of the Parent								Equity AED'000
	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 holders of the Parent AED'000	Non-controlling interests AED'000	
For the year ended 31 December 2022									
At 31 December 2021	1,464,100	440,802	(398,529)	(329,759)	(12,008)	1,500,570	2,665,176	10,817	2,675,993
Impact of hyperinflation (Note 4)	-	-	2,610	-	-	-	2,610	-	2,610
At 1 January 2022 (adjusted)	<u>1,464,100</u>	<u>440,802</u>	<u>(395,919)</u>	<u>(329,759)</u>	<u>(12,008)</u>	<u>1,500,570</u>	<u>2,667,786</u>	<u>10,817</u>	<u>2,678,603</u>
Profit for the year	-	-	-	-	-	165,379	165,379	7	165,386
Other comprehensive (loss)/income	-	-	(133,513)	-	204	-	(133,309)	(1,348)	(134,657)
Total comprehensive (loss)/income for the year	-	-	(133,513)	-	204	165,379	32,070	(1,341)	30,729
Transfer of gain on non-controlling interests on disposal of a subsidiary to retained earnings	-	-	-	(149)	-	149	-	-	-
Non-controlling interests	-	-	-	-	-	-	-	(611)	(611)
Dividends to shareholders (Note 19)	-	-	-	-	-	(190,333)	(190,333)	-	(190,333)
Transfer to statutory reserve (Note 18)	-	30,932	-	-	-	(30,932)	-	-	-
At 31 December 2022	<u>1,464,100</u>	<u>471,734</u>	<u>(529,432)</u>	<u>(329,908)</u>	<u>(11,804)</u>	<u>1,444,833</u>	<u>2,509,523</u>	<u>8,865</u>	<u>2,518,388</u>

The notes on pages 16 to 72 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 2023**

	Note	For the year ended 31 December	
		2023 AED'000	2022 AED'000
OPERATING ACTIVITIES			
Profit before tax from continuing operations		152,448	186,693
(Loss)/profit before tax from discontinued operations		(1,450)	4,468
Profit before tax		<u>150,998</u>	<u>191,161</u>
Adjustments for:			
Depreciation of property and equipment		113,622	116,718
Depreciation of right of use assets		235,852	248,908
Amortisation of other intangible assets	8	13,563	5,008
Loss on disposal of property and equipment		1,160	12,143
Provision for employees' end of service benefits	21	33,758	35,066
Net impairment loss on financial assets		20,158	15,493
Finance costs, net		70,389	21,497
Finance costs – lease liabilities		49,582	46,505
Gain on sale of a subsidiary		-	(3,515)
Gain on disposal of right of use assets and lease liabilities		(1,247)	(754)
Gain on reversal of provision for property and customer goods		-	(1,291)
Share of results of joint ventures and associates	10,11	(5,572)	(9,203)
		<u>682,263</u>	<u>677,736</u>
Working capital adjustments:			
Accounts receivable		19,735	80,057
Accounts payable		2,962	(26,068)
Other current assets		(30,453)	17,702
Provisions		(22,567)	(13,628)
Other current liabilities		(80,511)	(87,801)
Other non-current liabilities		(2,958)	(2,345)
Net cash flows generated from operating activities before employees' end of service benefits and income tax paid		<u>568,471</u>	<u>645,653</u>
Employees' end of service benefits paid	21	(25,997)	(20,417)
Income tax paid	13	(34,357)	(58,782)
Net cash flows generated from operating activities		<u>508,117</u>	<u>566,454</u>
INVESTING ACTIVITIES			
Purchase of property and equipment		(128,013)	(79,141)
Payment for acquisition of a subsidiary, net of cash acquired	35	-	(943,033)
Proceeds from escrow account	35	11,287	-
Proceeds from disposal of property and equipment		5,157	3,579
Interest received		8,367	4,933
Proceeds from sale of a subsidiary		36,082	16,450
Dividends from joint ventures		5,731	18,209
Other non-current assets		(1,107)	(2,185)
Restricted cash	16	(141)	3,968
Margin deposits		863	355
Fixed deposits		915	45,264
Net cash flows used in investing activities		<u>(60,859)</u>	<u>(931,601)</u>

The notes on pages 16 to 72 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 2023 (CONTINUED)**

	For the year ended 31 December	
	2023	2022
Note	AED'000	AED'000
FINANCING ACTIVITIES		
Finance costs paid	(109,031)	(60,187)
Proceeds from loans and borrowings	34,636	996,034
Repayment of loans and borrowings	(56,540)	(24,791)
Principal elements of lease payments	(226,275)	(241,039)
Dividends paid to non-controlling interests	(2)	(223)
Dividends paid to shareholders	(139,580)	(190,333)
Acquisition of non-controlling interest	(7,639)	-
Net cash flows (used in)/generated from financing activities	(504,431)	479,461
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS (net of bank overdrafts)		
Net foreign exchange difference	(57,173)	114,314
Cash and cash equivalents at 1 January (net of bank overdrafts)	(6,087)	(45,400)
CASH AND CASH EQUIVALENTS AT 31 DECEMBER (net of bank overdrafts)	16 564,341	627,601

Non-cash transactions:

Non-cash transactions are disclosed in Note 37.

**ARAMEX PJSC AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2023**

1 General information

Aramex PJSC (the "Parent Company" or "Company") was established as a Public Joint Stock Company on 15 February 2005 and is registered in the Emirate of Dubai, United Arab Emirates under the Federal Decree Law No. (32) of 2021. The consolidated financial statements of the Company as at 31 December 2023 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.

As at 31 December 2023, the major shareholders of Aramex PJSC are GeoPost, the express parcel arm of French Groupe La Poste and Abu Dhabi Ports Company PJSC ("ADP"), a subsidiary of Abu Dhabi Developmental Holding Company ("ADQ") which own 28% and 22.32% of Aramex PJSC's issued share capital, respectively.

The consolidated financial statements were authorised for issue by the Board of Directors on 8 February 2024.

2 Material accounting policies

2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with IFRS Accounting Standards. IFRS Accounting Standards comprise the following authoritative literature:

- IFRS Accounting Standards;
- IAS Standards; and
- Interpretations developed by the IFRS Interpretations Committee (IFRIC Interpretations) or its predecessor body, the Standing Interpretations Committee (SIC Interpretations).

The consolidated financial statements comply with IFRS as issued by the International Accounting Standards Board (IASB), and applicable requirements of UAE Federal Decree Law No. (32) of 2021.

The accounting policies used in the preparation of these consolidated financial statements are consistent with those audited annual consolidated financial statements for the year ended 31 December 2022, except when otherwise indicated.

The consolidated financial statements are presented in UAE Dirhams (AED), being the functional currency of the Parent Company 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 at the present value of future obligations using the Projected Unit Credit Method and assets held for sale which are measured at the lower of carrying amount and fair value less costs to sell. The material accounting policies applied in the preparation of these consolidated financial statements are set out below.

The Lebanese and Turkish economies are considered to be hyperinflationary. Accordingly, the results, cash flows and financial position of the group's subsidiaries, Aramex Lebanon S.A.L. and Aramex International Hava Kargo ve Keye Anonim Sirketyi have been expressed in terms of measuring unit current at the reporting date.

ARAMEX PJSC AND ITS SUBSIDIARIES
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 31 DECEMBER 2023 (continued)

2 Material accounting policies (continued)

2.2 Changes in accounting policies

New and revised IFRS accounting standards 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 2023, have been adopted in these consolidated financial statements. The application of these revised IFRS, except where stated, have not had any material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

- (a) **IFRS 17, 'Insurance contracts'** – This standard replaced IFRS 4, which permitted a wide variety of practices in accounting for insurance contracts. IFRS 17 fundamentally changes the accounting by all entities that issue insurance contracts.
- (b) **Narrow scope amendments to IAS 1, Practice statement 2 and IAS 8** – The amendments aim to improve accounting policy disclosures and to help users of the financial statements to distinguish between changes in accounting estimates and changes in accounting policies.
- (c) **Amendment to IAS 12 – deferred tax related to assets and liabilities arising from a single transaction** – These amendments require companies to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences.
- (d) **Amendment to IAS 12 – International tax reform** – These amendments give companies temporary relief from accounting for deferred taxes arising from the Minimum Tax Implementation Handbook international tax reform. The amendments also introduce targeted disclosure requirements for affected companies.

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

- (a) **Amendment to IFRS 16 – Leases on sale and leaseback (effective 1 January 2024)** – These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.
- (b) **Amendment to IAS 1 – Non-current liabilities with covenants (effective 1 January 2024)** – These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve information an entity provides related to liabilities subject to these conditions.
- (c) **Amendment to IAS 7 and IFRS 7 – Supplier finance (effective 1 January 2024)** – These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on an entity's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis.
- (d) **Amendments to IAS 21 – Lack of Exchangeability (effective 1 January 2025)** – An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations.

ARAMEX PJSC AND ITS SUBSIDIARIES
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 31 DECEMBER 2023 (continued)

2 Material accounting policies (continued)

2.2 Changes in accounting policies (continued)

New and revised sustainability disclosure standards issued but not yet effective and not early adopted

- (a) **IFRS S1, 'General requirements for disclosure of sustainability-related financial information (effective 1 January 2024, subject to endorsement by local jurisdictions)** – This standard includes the core framework for the disclosure of material information about sustainability-related risks and opportunities across an entity's value chain.
- (b) **IFRS S2, 'Climate-related disclosures' (effective 1 January 2024, subject to endorsement by local jurisdictions)** – This is the first thematic standard issued that sets out requirements for entities to disclose information about climate-related risks and opportunities.

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 2023 and 31 December 2022. 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 arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns and previous shareholders' meetings.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and/or ceases when the Group loses control over the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss of each component of other comprehensive income is attributable to the owners of the Group and to the non-controlling interests. Total comprehensive income of subsidiaries is attributable to the owners of the Group and to the non-controlling interest even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of the subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intragroup assets, liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

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.

ARAMEX PJSC AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2023 (continued)

2 Material accounting policies (continued)

2.3 Basis of consolidation (continued)

When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognised in consolidated statement of profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified the consolidated statement of profit or loss.

2.4 Property and equipment

Property and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the property and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of property and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the consolidated statement of profit or loss during the financial period in which they are incurred.

Except for capital work in progress and land, depreciation is calculated on a straight-line basis, the estimated useful lives of the assets is as follows:

Leasehold improvements*	4-7 years
Buildings	8-50 years
Furniture and fixtures	5-10 years
Warehousing racks	15 years
Office equipment	3-7 years
Computers	3-5 years
Vehicles	4-5 years

Depreciation relating to the property and equipment of Aramex Lebanon S.A.L. and Aramex International Hava Kargo ve Keye Anonim Sirketyi are based on restated amounts, which have been adjusted for the effects of hyperinflation.

The carrying values of property and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount, being the higher of their fair value less costs to sell and their value in use.

An item of property and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and carrying amount of the asset) is included in the consolidated statement of profit or loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

* The leasehold improvements range represents the shorter between the lease term and the useful life of the asset.

ARAMEX PJSC AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2023 (continued)

2 Material accounting policies (continued)

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 profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value, with changes in fair value recognised in the consolidated statement of profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in the consolidated statement of profit or loss.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in the consolidated statement of profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

2.6 Other intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

The useful lives of these intangible assets are assessed as either finite or indefinite.

ARAMEX PJSC AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2023 (continued)

2 Material accounting policies (continued)

2.6 Other intangible assets (continued)

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the consolidated statement of profit or loss in the expense category that is consistent with the function of the intangible assets.

Intangible assets with finite lives are amortised over their economic lives as follows:

Customer lists and other intangible assets with definite useful life	10-30 years
Other intangible assets	7 years
Brand	20 years

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the consolidated statement of profit or loss when the asset is derecognised.

2.7 Investments in associates and joint arrangements

(i) Associates

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting (Note 2.7 – iii), after initially being recognised at cost.

(ii) Joint arrangements

Under IFRS 11 'Joint Arrangements', investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. The Group has only joint ventures.

Joint ventures

Interests in joint ventures are accounted for using the equity method (Note 2.7 – iii), after initially being recognised at cost in the consolidated statement of financial position.

(iii) Equity method

Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment separately.

The consolidated statement of profit or loss reflects the Group's share of the results of operations of the associate or joint venture. Any change in other comprehensive income (OCI) of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

Where the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

ARAMEX PJSC AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2023 (continued)

2 Material accounting policies (continued)

2.7 Investments in associates and joint arrangements (continued)

(iii) Equity method (continued)

The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the consolidated statement of profit or loss and represents profit or loss after tax and non-controlling interests in the associate or joint venture.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss as 'Share of profit of an associates and joint ventures' in the consolidated statement of profit or loss.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in the consolidated statement of profit or loss.

2.8 Prepaid agency fees

Amounts paid in advance to agents to purchase or alter their agency rights are accounted for as prepayments. As these amounts are paid in lieu of annual payments they are expensed to consolidated statement of profit or loss over the period equivalent to the number of years of agency fees paid in advance.

2.9 Impairment of non-financial assets

Further disclosures relating to impairment of non-financial assets are provided in the following notes:

Disclosures for significant assumptions	Note 4
Goodwill	Note 7
Other intangible assets	Note 8

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. A long term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations are recognised in the consolidated statement of profit or loss in expense categories consistent with the function of the impaired asset.

ARAMEX PJSC AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2023 (continued)

2 Material accounting policies (continued)

2.9 Impairment of non-financial assets (continued)

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the consolidated statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Goodwill is tested for impairment annually as at 31 December and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

2.10 Restricted cash, margins and fixed deposits

Restricted cash, margins and fixed deposits in the consolidated statement of financial position comprise restricted cash and long-term deposits with maturity of more than three months. Restricted cash represents cash held at Lebanese banks which can be withdrawn at unfavourable rates.

2.11 Cash and cash equivalents

Cash and bank equivalents in the consolidated statement of financial position comprise cash at banks, cash on hand and short-term deposits with a maturity of three months or less which are subject to an insignificant risk of changes in value.

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents includes cash on hand, deposits held with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

2.12 Accounts receivable

Accounts receivable are amounts due from customers for services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets. Accounts receivable are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the accounts receivable with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less provision for impairment.

The Group's accounts receivable are subject to the expected credit loss model. The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all accounts receivable. To measure the expected credit losses, accounts receivable have been grouped based on shared credit risk characteristics and the days past due.

Accounts receivable are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments for a period of greater than 365 days past due.

Impairment losses on accounts receivable are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

ARAMEX PJSC AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2023 (continued)

2 Material accounting policies (continued)

2.13 Financial assets

Financial assets are classified as follows:

- those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in the consolidated statement of profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

(a) Classification

(i) Investments at fair value through other comprehensive income

Investments at fair value through other comprehensive income, are those which are designated as such or do not qualify to be classified as designated at fair value through profit or loss or amortised cost. Investments at fair value through other comprehensive income include certain equity and debt instruments. These investments may be sold in response to needs for liquidity or changes in interest rates, exchange rates or equity prices. Financial assets at fair value through other comprehensive income comprise:

Equity securities which are not held for trading, and which the Group has irrevocably elected at initial recognition are recognised in this category. These are strategic investments, and the Group considers this classification to be more relevant.

Debt securities where the contractual cash flows are solely principal and interest and the objective of the Group's business model is achieved both by collecting contractual cash flows and selling financial assets.

(ii) Financial assets at amortised cost

Financial assets at amortised cost are non-derivative financial assets with fixed or determinable payments. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period.

The Group classifies its financial assets as at amortised cost only if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cash flows, and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

(b) Initial recognition and subsequent measurement

The Group recognises on the trade date the regular way purchases and sales of financial assets which is the date on which the Group commits to purchase or sell the asset.

At initial recognition the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in the consolidated statement of profit or loss.

(i) Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in the consolidated statement of profit or loss and presented in other income. Impairment losses are presented as separate line item in the consolidated statement of profit or loss.

ARAMEX PJSC AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2023 (continued)

2 Material accounting policies (continued)

2.13 Financial assets (continued)

(b) *Initial recognition and subsequent measurement (continued)*

(i) Debt instruments (continued)

FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in the consolidated statement of profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to the consolidated statement of profit or loss and recognised in other income.

Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other income and impairment expenses are presented as separate line item in the consolidated statement of profit or loss.

FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in the consolidated statement of profit or loss and presented net within other income in the period in which it arises.

(ii) Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to the consolidated statement of profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in the consolidated statement of profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in other income in the consolidated statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

(c) *Derecognition of financial assets*

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised where:

- the Group's rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and
- either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

On disposal of equity investments, any related balance within the FVOCI reserve is reclassified to retained earnings.

2.14 Impairment and un-collectability of financial assets

The Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For accounts receivable, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables, see Note 3.1 for further details.

ARAMEX PJSC AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2023 (continued)

2 Material accounting policies (continued)

2.15 Loans, borrowings and other financial liabilities

All financial liabilities are recognised initially at fair value, and in the case of loans and borrowings and payables, net of directly attributable transaction costs.

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate (EIR) method. Gains and losses are recognised in the consolidated statement of profit or loss when the liabilities are derecognised as well as through EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in the consolidated statement of profit or loss.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the consolidated statement of profit or loss.

2.16 Accounts payable and accruals

These amounts represent unsettled liabilities for goods and services provided to the Group prior to the end of financial year. These amounts are unsecured and are usually paid within 60 days of the date of recognition. Trade and other payables are presented as current liabilities, except those whose payment is due after 12 months of the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

2.17 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the consolidated statement of profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.18 Employees' end of service benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the consolidated statement of financial position.

A provision is made for the estimated liability for employees' entitlement to annual leave and leave passage as a result of services rendered by eligible employees up to the reporting date. The provision relating to annual leave and leave passage is considered as a current liability.

(ii) Other long-term employee benefit obligations

In some countries, the Group also has liabilities for long service end of service benefits that are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. These obligations are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period, using the projected unit credit method.

ARAMEX PJSC AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2023 (continued)

2 Material accounting policies (continued)

2.21 Revenue recognition

The Group recognises revenue from contracts with customers based on five step model as sets out in IFRS 15 - Revenue from contracts with customers:

- Step 1: Identify the contract(s) with a customer;
- Step 2: Identify the performance obligations in the contract;
- Step 3: Determine the transaction price;
- Step 4: Allocate the transaction price to the performance obligations in the contract; and
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

Revenue is measured based on the consideration to which the Group expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control of a product or service to a customer.

Revenue represents the value of services rendered to customers and is stated net of discounts and sales taxes or similar levies.

The standards require that revenue be recognised as a company satisfies a performance obligation by transferring control of a good or service. A performance obligation can be satisfied over time or at a point in time.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty or discounts. The Group assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent. The Group has concluded that it is acting as a principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements, has pricing latitude and is exposed to credit risks.

The specific recognition criteria described below must also be met before revenue is recognised.

Express and shop 'n' ship services revenue

The Group provides courier and express to businesses and private customers. Delivery occurs when the packages have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the end user, and either the end user has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied. It is therefore accounted for as a single performance obligation satisfied over time and revenue is recognised over the performance period.

Freight forwarding revenue

The Group provides transportation services to businesses and private customers. Delivery occurs when the packages have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the end user, and either the end user has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied. It is therefore accounted for as a single performance obligation satisfied over time and revenue is recognised over the performance period.

Revenue from logistics services

The Group provides logistics and warehousing services to customers. Delivery of service occurs when the contractual terms of agreement are satisfied, and either the end user has accepted the services in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

ARAMEX PJSC AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2023 (continued)

2 Material accounting policies (continued)

2.21 Revenue recognition (continued)

Revenue from logistics services (continued)

All the contracts and work orders include a single deliverable, and does not include an integration service and could not be performed by another party. It is therefore accounted for as a single performance obligation satisfied over time and revenue is recognised over the performance period.

2.22 Interest income

Interest income is recorded using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability. Interest income is included in finance income in the consolidated statement of profit or loss.

2.23 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.24 Taxes

Current income tax

The Group provides for income taxes in accordance with IAS 12. As the Parent Company is incorporated in the UAE, profits from operations of the Parent Company are not subject to current income taxation. However, certain subsidiaries of the Parent Company are based in taxable jurisdictions and are therefore liable to tax. Income tax on the profit or loss for the year comprises of current and deferred tax on the profits of these subsidiaries. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. Deferred income tax is determined using tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. Management periodically evaluates position taken in the tax returns with respect to situation in which applicable tax regulations are subject to interpretation and establishes provision where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

ARAMEX PJSC AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2023 (continued)

2 Material accounting policies (continued)

2.25 Leases (continued)

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payment that are based on an index or a rate;
- Amounts expected to be payable by the lessee under residual value guarantees;
- The exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right of use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received,
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Group, which does not have recent third party financing, and
- makes adjustments specific to the lease, ie, term, country, currency and security.

The Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right of use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to the consolidated statement of profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right of use assets are initially measured at cost comprising the following:

- The amount of the initial measurement of lease liability,
- Any lease payments made at or before the commencement date less any lease incentives received,
- Any initial direct costs, and
- Restoration costs.

Right of use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. Depreciation relating to Aramex Lebanon S.A.L. and Aramex International Hava Kargo ve Keye Anonim Sirketyi is based on restated amounts, which have been adjusted for the effects of hyperinflation. If the Group is reasonably certain to exercise a purchase option, the right of use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in the consolidated statement of profit or loss. Short-term leases are leases with a lease term of 12 months or less.

Extension and termination options are included in a number of property and equipment leases across the Group. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor.

ARAMEX PJSC AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2023 (continued)

2 Material accounting policies (continued)

2.26 Cash dividend

The Group recognises a liability to make cash or non-cash distributions to equity holders of the parent when the distribution is authorised and the distribution is no longer at the discretion of the Group. As per the corporate laws, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

2.27 Earnings per share

The Group presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of shares outstanding during the period. The weighted average number of ordinary shares outstanding during the period and for all periods presented is adjusted for the issue of bonus shares.

2.28 Discontinued operations

The Group classifies non-current assets and disposal groups as held for distribution to equity holders of the parent if their carrying amounts will be recovered principally through a distribution rather than through continuing use. Such non-current assets and disposal groups classified as held for distribution are measured at the lower of their carrying amount and fair value less costs to sell or to distribute. Costs to distribute are the incremental costs directly attributable to the distribution, excluding the finance costs and income tax expense.

The criteria for held for distribution classification is regarded as met only when the distribution is highly probable and the asset or disposal group is available for immediate distribution in its present condition. Actions required to complete the distribution should indicate that it is unlikely that significant changes to the distribution will be made or that the decision to distribute will be withdrawn. Management must be committed to the distribution expected within one year from the date of the classification.

Property and equipment and intangible assets are not depreciated or amortised once classified as held for distribution.

Assets and liabilities classified as held for distribution are presented separately as current items in the consolidated statement of financial position.

A disposal group qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- Represents a separate major line of business or geographical area of operations;
- Is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or
- Is a subsidiary acquired exclusively with a view to resale.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the consolidated statement of profit or loss.

All other notes to the consolidated financial statements include amounts for continuing operations, unless otherwise mentioned.

2.29 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the consolidated statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

ARAMEX PJSC AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2023 (continued)

2 Material accounting policies (continued)

2.30 Fair value of financial instruments

The fair value of financial instruments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the close of business on the consolidated statement of financial position date. For financial instruments where there is no active market, fair value is determined using valuation techniques. Such techniques may include using recent arm's length market transactions, reference to the current fair value of instruments that are substantially similar, discounted cash flow analysis or other valuation models.

2.31 Amortised cost of financial instruments

Amortised cost is computed using the effective interest method less any provision for impairment and principal repayment or discounts. The calculation takes into account any premium or discount on acquisition and includes transaction costs and fees that are an integral part of the effective interest rate.

2.32 Current versus non-current classification

The Group presents assets and liabilities in the consolidated statement of financial position based on current/non-current classification. An asset as current when it is:

- Expected to be realised or intended to sold or consumed in normal operating cycle,
- Held primarily for the purpose of trading,
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle,
- It is held primarily for the purpose of trading,
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

2.33 Foreign currencies

The Group's consolidated financial statements are presented in AED, which is also the Parent Company's functional currency. For each entity, the Group determines the functional currency and items included in the consolidated financial statements of each entity are measured using that functional currency.

Also, when an entity's functional currency is the currency of a hyperinflationary economy, the entity shall restate its financial statements in accordance with IAS 29 before applying the translation method, except for comparative amounts that are translated into a currency of a non-hyperinflationary economy. When the economy ceases to be hyperinflationary and the entity no longer restates its financial statements in accordance with IAS 29, it shall use as the historical costs for translation into the presentation currency the amounts restated to the price level at the date the entity ceased restating its financial statements.

The results and financial position of foreign operations (which has the currency of a hyperinflationary economy) are translated into the presentation currency as follows:

All amounts (i.e. assets, liabilities, equity items, income and expenses, including comparatives) shall be translated at the closing rate at the date of the most recent statement of financial position, except that when amounts are translated into the currency of a non-hyperinflationary economy, comparative amounts shall be those that were presented as current year amounts in the relevant prior year financial statements (i.e. not adjusted for subsequent changes in the price level or subsequent changes in exchange rates).

ARAMEX PJSC AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2023 (continued)

2 Material accounting policies (continued)

2.33 Foreign currencies (continued)

Transactions and balances

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date of the transaction first qualify for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rate of exchange at the reporting date.

Differences arising on settlement or translation of monetary items are recognised in the consolidated statement of profit or loss with the exception of monetary items that are designated as part of the hedge of the Group's net investment in a foreign operation. These are recognised in other comprehensive income until the net investment is disposed, at which time, the cumulative amount is reclassified to the consolidated statement of profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in other comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of gain or loss on the change in fair value of the item (i.e. translation differences on items whose fair value gain or loss is recognised in other comprehensive profit or loss or the consolidated statement of profit or loss are also recognised in other comprehensive income or consolidated statement of profit or loss, respectively).

Group companies

On consolidation, the assets and liabilities of foreign operations are translated into AED's, at the rate of exchange prevailing at the reporting date and their consolidated statement of profit or loss are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in the consolidated statement of profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

The results, cash flows and financial position of the group entities which are accounted for as entities operating in hyperinflationary economies and that have functional currencies different from the presentation currency of the group are translated into the presentation currency of its immediate parent at rates of exchange ruling at the reporting date. As the presentation currency of the group is that of a non-hyperinflationary economy, comparative amounts are not adjusted for changes in the price level or exchange rates in the current financial year.

As a result of the deep economic and financial crisis in Lebanon, companies in Lebanon have been transacting in "Lebanese Pound" (LBP), "Lebanese Dollars" (US Dollars held in local banks that are subject to the restrictions on withdrawal) and "US Dollars" (referred to as "Fresh Dollars") at multiple exchange rates depending on the nature of transactions and stakeholders.

Management performed an assessment to identify the most appropriate rate to be used for the translation of foreign operations in Lebanon for the year ended 31 December 2023.

2.34 Hyperinflation

The financial statements (including comparative amounts) of the Group entities whose functional currencies are the currencies of hyperinflationary economies are adjusted in terms of the measuring unit current at the end of the reporting period.

ARAMEX PJSC AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2023 (continued)

2 Material accounting policies (continued)

2.34 Hyperinflation (continued)

As the presentation currency of the group or the company is that of a non-hyperinflationary economy, comparative amounts are not adjusted for changes in the price level in the current year. Differences between these comparative amounts and current year hyperinflation adjusted equity balances are recognised in other comprehensive income.

The carrying amounts of non-monetary assets and liabilities are adjusted to reflect the change in the general price index from the date of acquisition to the end of the reporting period. On initial application of hyperinflation prior period gains and losses are recognised directly in equity. An impairment loss is recognised in profit or loss if the restated amount of a non-monetary item exceeds its estimated recoverable amount.

Gains or losses on the net monetary position are recognised in the consolidated statement of profit or loss.

All items recognised in the consolidated statement of profit or loss are restated by applying the change in the general price index from the dates when the items of income and expenses were initially earned or incurred.

At the beginning of the first period of application, the components of equity, except retained earnings, are restated by applying a general price index from the dates the components were contributed or otherwise arose. These restatements are recognised directly in equity as an adjustment to opening retained earnings. Restated retained earnings are derived from all other amounts in the restated statement of financial position. If on initial application of hyperinflation accounting the restated value of the non-monetary assets exceed their recoverable amount, the amount in excess of the recoverable amount is recorded as a reduction in retained earnings. At the end of the first period and in subsequent periods, all components of equity are restated by applying a general price index from the beginning of the period or the date of contribution, if later.

All items in the statement of cash flows are expressed in terms of the general price index at the end of the reporting period.

The Lebanese and Turkish economies have been classified as hyperinflationary. Accordingly, the results, cash flows and financial position of the Group's subsidiaries; Aramex Lebanon S.A.L. and Aramex International Hava Kargo ve Keye Anonim Sirketyi have been expressed in terms of the measuring unit current at the reporting date. Impact of applying IAS 29 for the years ended 31 December 2023 and 31 December 2022 has been disclosed in each impacted financial statement line item note.

3 Financial risk management

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance as well as policies covering specific areas.

The Group's risk management is predominantly controlled by a central treasury and credit department under policies approved by the management. Group treasury identifies, evaluates and hedges financial risks in close co-operation with the group's operating units. The management provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

(a) Market risk

(i) Foreign currency risk

Foreign currency risk is the risk that the fair value of future cash flows of financial instruments will fluctuate because of changes in foreign currency exchange rates.

ARAMEX PJSC AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2023 (continued)

3 Financial risk management (continued)

3.1 Financial risk factors (continued)

(a) Market risk (continued)

(i) Foreign currency risk (continued)

The Group is exposed to currency risk mainly on purchases and sales that are denominated in a currency other than the respective functional currencies of the Group entities, primarily the United States Dollar (USD), Euro (EUR), Egyptian Pound (EGP), Sterling (GBP), South African Rand (ZAR), Turkish Lira (TRY) and the Indian Rupee (INR). The currencies in which these transactions are primarily denominated are Euro, USD, ZAR, TRY and GBP. The Parent Company and a number of other Group entities' functional currencies are either the USD or currencies that are pegged to the USD. As a significant portion of the Group's transactions are denominated in USD, this reduces currency risk. The Group also has currency exposures to currencies that are not pegged to the USD.

Significant portion of the Group's trade payables and all of its foreign currency receivables, denominated in a currency other than the functional currency of the respective Group entities, are subject to risks associated with currency exchange fluctuation. The Group reduces some of this currency exposure by maintaining some of its bank balances in foreign currencies in which some of its trade payables are denominated.

The following table demonstrates the sensitivity to a reasonably possible change in the AED exchange rate, with all other variables held constant, of the Group's profit before tax (due to changes in the fair value of monetary assets and liabilities).

	Changes in currency rate to AED %	Effect on profit before tax AED'000
2023		
EUR	+10	(670)
INR	+10	402
GBP	+10	2,552
EGP	+10	(88)
TRY	+10	(4,448)
ZAR	+10	(398)
2022		
EUR	+10	(862)
INR	+10	98
GBP	+10	3,387
EGP	+10	(210)
TRY	+10	(195)
ZAR	+10	(33)

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

(ii) Price risk

The Group is not exposed to price risk as the Group has not invested in listed securities.

(iii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group is exposed to interest rate risk on its interest bearing liabilities which carry variable interest rates (bank overdrafts, notes payable and term loans).

Term deposits issued at fixed interest rates expose the Group to fair value interest rate risk. The Group's management monitors the interest rate fluctuations on a continuous basis and acts accordingly.

ARAMEX PJSC AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2023 (continued)

3 Financial risk management (continued)

3.1 Financial risk factors (continued)

(a) *Market risk (continued)*

(iii) Interest rate risk (continued)

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

	2023 AED'000	2022 AED'000
Variable rate instruments		
+100 bps	(11,187)	(12,565)
- 100 bps	11,187	12,565

As at the reporting date, the Group is primarily exposed to Risk Free Rate (RFR) rates which is subject to the interest rate benchmark reform, Bank Bill Swap Bid Rate (BBSY); main interest rate benchmark in Australia, Bank Bill Benchmark Rate (BKBM); main interest rate benchmark in New Zealand, Sterling Overnight Index Average (SONIA); main interest rate benchmark in the United Kingdom and Secured Overnight Financing Rate (SOFR); main interest rate benchmark in the United States of America.

(b) *Credit risk*

The Group is exposed to credit risk, which is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to meet an obligation.

Credit risk arises from cash and bank balances, deposits with banks (including fixed and margin deposits) and financial institutions, as well as credit exposures to customers, including outstanding receivables. Individual risk limits are based on management's assessment on a case-by-case basis. The utilisation of credit limits is regularly monitored.

The maximum exposure to credit risk at the reporting date is the carrying amount of the financial assets as presented in the consolidated statement of financial position.

Risk management

Credit risk is managed on a Group basis. The Group's policy is to place cash and cash equivalents with reputable banks and financial institutions that have average credit ratings with respect to each economy in which the Group operates.

The Group trades only with recognised, creditworthy third parties in addition to establishing credit limits for customers' balances. Receivable balances and credit limits are monitored on an ongoing basis with the result of discontinuing the service for customers exceeding certain limits for a certain period of time. The Group earns its revenues from a large number of customers spread across different geographical segments. However, geographically 66% percent of the Group's Accounts receivable are based in Middle East and Africa. Credit risks limited to the carrying values of financial assets in the consolidated statement of financial position.

Aramex is exposed to risk of loss from climate changes and is implementing processes aimed at monitoring and mitigating those risks, including commissioning across the Group and introducing electric vehicles as part of the "Green Mobility" initiative. Further, sustainability is integrated into its operations at all levels to respond to the dynamic changes occurring globally, regionally, and locally.

At 31 December 2023, the Group had 5 customers (2022: 5 customers) that accounted for approximately 32% (2022: 29%) of all the receivables outstanding.

The Group's investments in debt instruments are considered to be low risk investments. The credit ratings of the investments are monitored for credit deterioration.

ARAMEX PJSC AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2023 (continued)

3 Financial risk management (continued)

3.1 Financial risk factors (continued)

(b) *Credit risk (continued)*

Impairment of financial assets

The Group has four types of financial assets that are subject to the expected credit loss model:

- accounts receivable,
- debt investments carried at FVOCI,
- cash and bank balances,
- restricted cash, margins and bank deposits, and
- other current assets.

While other receivables are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 90 days past due in making a contractual payment.

Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either but not limited to the following main criteria are generally not recoverable.

- when there is a breach of financial covenants by the counterparty; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above analysis, the Group considers that potential default may occur when a financial asset is more than 365 days after invoice issuance date.

Accounts receivable

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all accounts receivable and contract assets.

To measure the expected credit losses, accounts receivable have been grouped based on shared credit risk characteristics and the days past due. The impairment loss for accounts receivable is based on assumptions about risk of default and expected loss rates.

The expected loss rates are based on the roll rates of receivables over a period of 12 quarters before 31 December 2023 or 1 January 2023 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.

ARAMEX PJSC AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2023 (continued)

3 Financial risk management (continued)

3.1 Financial risk factors (continued)

(b) *Credit risk* (continued)

Impairment of financial assets (continued)

Accounts receivable (continued)

On that basis, the impairment loss as at 31 December 2023 and 31 December 2022 was determined as follows for accounts receivable:

	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
31 December 2023						
Expected loss rate	1%	11%	30%	66%	100%	8%
Gross carrying amount – Accounts receivable in AED'000	998,407	81,250	33,640	15,312	56,324	1,184,933
Expected credit loss in AED'000	8,984	8,939	10,158	10,060	56,324	94,465
Carrying amount in AED'000	989,423	72,311	23,482	5,252	-	1,090,468
31 December 2022						
Expected loss rate	1%	11%	49%	59%	100%	8%
Gross carrying amount – Accounts receivable in AED'000	1,053,386	82,002	20,879	14,159	55,905	1,226,331
Expected credit loss in AED'000	12,494	8,977	10,223	8,322	55,905	95,921
Carrying amount in AED'000	1,040,892	73,025	10,656	5,837	-	1,130,410

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.

ARAMEX PJSC AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2023 (continued)

3 Financial risk management (continued)

3.1 Financial risk factors (continued)

(b) *Credit risk* (continued)

Restricted cash, margins and fixed deposits

During the year ended 31 December 2023 the impairment loss on restricted cash amounted to AED 227 thousand (2022: reversal of AED 1,434 thousand) due to the economic situation in Lebanon as detailed in Note 16.

(c) *Liquidity risk*

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents, the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Management aims to maintain flexibility in funding by keeping committed credit lines available.

The management is confident that the current assets are sufficient to cover the current liabilities of the Group. The Group has complied with the financial covenants of its borrowing facilities during the 2023 and 2022 reporting periods (Note 20).

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the reporting period to the contractual maturity date.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	Less than 3 months	Between 3 – 12 months	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total contractual cash flows	Carrying amount
	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000
31 December 2023							
Interest-bearing loans and borrowings	58,378	64,679	19,591	644,475	411,068	1,198,191	1,115,840
Lease liabilities	79,600	141,442	169,267	308,127	587,749	1,286,185	948,586
Bank overdrafts	3,032	-	-	-	-	3,032	2,848
Accounts payable, income tax provision, provisions, and other non-current and current liabilities (excluding deferred revenue and deferred income)	1,055,249	-	-	-	-	1,055,249	1,055,249
	1,196,259	206,121	188,858	952,602	998,817	3,542,657	3,122,523
31 December 2022							
Interest-bearing loans and borrowings	45,994	59,777	19,276	110,383	969,577	1,205,007	1,125,169
Lease liabilities	68,570	150,288	174,112	285,765	582,762	1,261,497	938,723
Bank overdrafts	131,793	-	-	-	-	131,793	131,353
Accounts payable, income tax provision, provisions, and other non-current and current liabilities (excluding deferred revenue and deferred income)	1,139,892	-	925	-	-	1,140,817	1,140,817
	1,386,249	210,065	194,313	396,148	1,552,339	3,739,114	3,336,062

ARAMEX PJSC AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2023 (continued)

3 Financial risk management (continued)

3.2 Capital risk management

The Group's objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide returns for its shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the Group consists of net debt (interest-bearing loans and borrowings disclosed in note 20 after deducting cash and bank balances) and equity of the Group (comprising share capital, statutory reserve and retained earnings).

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total equity plus net debt. Net debt is calculated as total loans and borrowings (including current and non-current interest-bearing loans borrowings as shown in the consolidated statement of financial position) less cash and bank balances. Total capital is calculated as total equity as shown in the consolidated statement of financial position plus net debt.

The gearing ratios at 31 December 2023 and 2022 was as follows:

	2023 AED'000	2022 AED'000
Interest-bearing loans and borrowings (excluding bank overdraft) (Note 20)	1,115,840	1,125,169
Less: Cash and cash equivalents (Note 16)	<u>(564,341)</u>	<u>(627,601)</u>
Net debt	551,499	497,568
Equity (comprising share capital, statutory reserve and retained earnings)	<u>3,370,384</u>	<u>3,880,667</u>
Capital	<u>3,921,883</u>	<u>4,378,235</u>
Gearing ratio	<u>14%</u>	<u>11%</u>

Loan covenants

Under the terms of the major borrowing facilities, the Group is required to comply with the certain financial covenants. The Group has complied with these covenants as of the end of the reporting period.

3.3 Fair value estimation

Fair values of financial instruments

The Group uses the following hierarchy for determining and disclosing the fair value of assets and liabilities by valuation technique:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: Techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

During the year ended 31 December 2023 and 2022, 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 2023, items measured at fair value have been measured at level 3 valuation techniques for an amount of AED 17,574 (2022: AED 17,667 thousand), the movement in level 3 is disclosed in Note 12.

ARAMEX PJSC AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2023 (continued)

3 Financial risk management (continued)

3.3 Fair value estimation (continued)

Fair values of financial instruments (continued)

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 2023, the Group utilised the same approach as the prior year to obtain the recent transaction price as a fair value measurement of the investment.

Management believes that no reasonably possible change in any of the above key assumptions would cause the carrying value of the unit to materially exceed its recoverable amount.

4 Key estimates and judgments

Provision for expected credit losses of accounts receivable

Measurement of ECLs is a significant estimate that involves determination methodology, models and data inputs. Details of ECL measurement methodology are disclosed in Note 3.1. The following components have a major impact on credit loss allowance: definition of default, probability of default ("PD"), exposure at default ("EAD"), and loss given default ("LGD"). The Group regularly reviews and validates the models and inputs of the models to reduce any differences between expected credit loss estimates and actual credit loss experience.

The Group uses a provision matrix to calculate ECLs for accounts receivable. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating, and coverage by letters of credit and other forms of credit insurance).

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

Management believes that no reasonably possible change in any of the above key assumptions would cause the carrying value of the unit to materially exceed its recoverable amount.

Useful lives of property and equipment

The Group's management determines the estimated useful lives of its property and equipment for calculating depreciation. This estimate is determined after considering the expected usage of the asset or physical wear and tear. Management reviews the residual value and useful lives annually and future depreciation charge would be adjusted where the management believes the useful lives differ from previous estimates.

The sensitivity analysis calculates the effect of a reasonably possible movement in the useful lives on the consolidated statement of profit or loss:

	Changes in useful lives %	Effect on profit before tax AED '000
Leasehold improvements	+10	(1,410)
Buildings	+10	(1,623)
Furniture and fixtures	+10	(605)
Warehousing racks	+10	(521)
Office equipment	+10	(2,488)
Computers	+10	(3,810)
Vehicles	+10	(878)

ARAMEX PJSC AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2023 (continued)

4 Key estimates and judgments (continued)

Hyperinflation

The Group exercises significant judgement in determining the onset of hyperinflation in countries in which it operates and whether the functional currency of its subsidiaries, associates or joint ventures is the currency of a hyperinflationary economy.

Various characteristics of the economic environment of each country are taken into account.

These characteristics include, but are not limited to, whether:

- the general population prefers to keep its wealth in non-monetary assets or in a relatively stable foreign currency;
- prices are quoted in a relatively stable foreign currency;
- sales or purchase prices take expected losses of purchasing power during a short credit period into account;
- interest rates, wages and prices are linked to a price index; and
- the cumulative inflation rate over three years is approaching, or exceeds, 100%.

Management exercises judgement as to when a restatement of the consolidated financial statements of a group entity becomes necessary. Following management's assessment, the group's subsidiaries Aramex Lebanon S.A.L. and Aramex International Hava Kargo Ve Kerye Anonim Sirketi have been accounted for as entities operating in hyperinflationary economies. The results, cash flows and financial positions of Aramex Lebanon S.A.L. and Aramex International Hava Kargo Ve Kerye Anonim Sirketi have been expressed in terms of the measuring units current at the reporting date.

Aramex Lebanon S.A.L.

The economy of Lebanon was assessed to be hyperinflationary during 2020, and hyperinflation accounting has been applied since. Upon application of hyperinflation, net prior period losses of AED 9,660 were recognised directly in equity during 2023 (2022: losses of AED 4,757 thousand were recognised directly in equity during 2022).

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

	Base year	General price index	Inflation rate (%)
31 December 2023*	2023	1.44	2,005
31 December 2022	2022	1.56	1,670
31 December 2021	2021	2.04	753

* The cumulative inflation rate over three years as at 31 December 2023 is 2,005% (2022: 1,670%). The average adjustment factor used for 2023 was 1.44 (2022: 1.56).

Aramex International Hava Kargo Ve Kerye Anonim Sirketi

The economy of Turkey was assessed to be hyperinflationary during 2023, and hyperinflation accounting has been applied since. Upon application of hyperinflation, net prior period gain of AED 3,174 thousand were recognised directly in equity during 2023.

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

	Base year	General price index	Inflation rate (%)
31 December 2023	2023	1.28	268
31 December 2022	2022	1.18	156
31 December 2021	2021	1.23	74

* The cumulative inflation rate over three years as at 31 December 2023 is 268% (2022: 156%). The average adjustment factor used for 2023 was 1.28 (2022: 1.18).

ARAMEX PJSC AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2023 (continued)

4 Key estimates and judgments (continued)

Goodwill impairment

The impairment test is based on the "value in use" calculation. These calculations have used cash flow projections based on actual operating results and future expected performance, refer to Note 7 for the additional key assumptions used in calculating the goodwill impairment.

Provision for tax

The Group reviews the provision for tax on a regular basis. In determining the provision for tax, laws of particular jurisdictions (where applicable entity is registered) are taken into account. The management considers the provision for tax to be a reasonable estimate of potential tax liability after considering the applicable laws and past experience.

End of service benefits

In determining the appropriate discount rate, management considers the interest rates of corporate bonds in the respective currency with at least AA rating, with extrapolated maturities corresponding to the expected duration of the defined benefit obligation. The underlying bonds are further reviewed for quality, and those having excessive credit spreads are removed from the population of bonds on which the discount rate is based, on the basis that they do not represent high quality bonds.

The mortality rate is based on publicly available mortality tables for the related countries. Future salary increases are based on expected future inflation rates for the respective country, refer to Note 21 for the actuarial assumptions and sensitivity.

Intangible assets with indefinite lives

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable, refer to Note 8 for the additional key assumptions used in calculating the impairment of the intangible assets with indefinite lives.

Lease extension, termination options and incremental borrowing rate

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). Potential future cash outflows exceeding the lease term have not been included in the lease liability because it is not reasonably certain that the leases will be extended (or not terminated).

The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee. During the year ended 31 December 2023, 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 on the Group entities credit portfolio by making adjustments specific to the lease, (i.e., 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 2023 (continued)

5 Property and equipment	Land	Leasehold	Buildings	Furniture	Warehousing	Office	Computers	Vehicles	Capital work	Total
	AED '000	improvements	AED '000	and fixtures	racks	equipment	AED '000	AED '000	in progress	
	AED '000	AED '000	AED '000	AED '000	AED '000	AED '000	AED '000	AED '000	AED '000	AED '000
2023										
Cost:										
At 1 January 2023	76,592	136,198	516,520	56,122	75,966	271,478	373,235	84,216	14,404	1,604,731
Additions	4,828	16,429	18,005	3,727	5,855	32,990	24,968	12,769	8,442	128,013
Transfers	-	38	-	-	3,122	6,694	2,934	597	(13,385)	-
Disposals	(27)	(21,091)	-	(6,424)	(3,674)	(18,084)	(38,210)	(6,962)	-	(94,472)
Reclassification	-	395	-	(3,685)	-	3,308	(18)	-	-	-
Impact of hyperinflation	-	1,601	509	197	370	1,145	631	1,794	-	6,247
Exchange differences	(2,116)	(1,257)	(2,907)	(869)	(1,635)	(3,105)	(1,483)	(4,759)	-	(18,131)
At 31 December 2023	79,277	132,313	532,127	49,068	80,004	294,426	362,057	87,655	9,461	1,626,388
Depreciation:										
At 1 January 2023	-	79,028	125,538	30,108	29,392	145,771	252,673	58,524	-	721,034
Charge for the year	-	14,101	16,229	6,054	5,214	24,876	38,096	8,776	-	113,346
Disposals	-	(17,814)	(10)	(5,906)	(3,154)	(17,171)	(36,868)	(6,092)	-	(87,015)
Impact of hyperinflation	-	1,930	509	161	239	614	488	1,178	-	5,119
Exchange differences	-	(753)	(853)	(513)	(495)	(1,173)	(645)	(2,806)	-	(7,238)
At 31 December 2023	-	76,492	141,413	29,904	31,196	152,917	253,744	59,580	-	745,246
Net book value:										
At 31 December 2023	79,277	55,821	390,714	19,164	48,808	141,509	108,313	28,075	9,461	881,142

ARAMEX PJSC AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2023 (continued)

5 Property and equipment (continued)	Land	Leasehold	Buildings	Furniture	Warehousing	Office	Computers	Vehicles	Capital work	Total
	AED '000	improvements	AED '000	and fixtures	racks	equipment	AED '000	AED '000	in progress	
	AED '000	AED '000	AED '000	AED '000	AED '000	AED '000	AED '000	AED '000	AED '000	AED '000
2022										
Cost:										
At 1 January 2022	84,156	139,017	525,761	49,447	72,957	262,176	364,325	84,688	33,647	1,616,174
Acquisition of a subsidiary (Note 35)	-	1,967	-	11,281	-	-	3,623	-	8,268	25,139
Additions	-	7,908	1,253	3,304	6,575	18,733	17,875	11,120	12,373	79,141
Transfers	-	6,232	-	-	4,794	8,904	13,513	-	(33,443)	-
Disposals	-	(13,825)	-	(5,822)	(2,378)	(7,663)	(16,278)	(6,769)	(6,441)	(59,176)
Reclassification	-	-	-	-	(6)	6	-	-	-	-
Impact of hyperinflation	-	1,346	472	34	338	617	801	2,130	-	5,738
Exchange differences	(7,564)	(6,447)	(10,966)	(2,122)	(6,314)	(11,295)	(10,624)	(6,953)	-	(62,285)
At 31 December 2022	76,592	136,198	516,520	56,122	75,966	271,478	373,235	84,216	14,404	1,604,731
Depreciation:										
At 1 January 2022	-	79,398	113,924	31,837	27,768	134,329	228,908	58,580	-	674,744
Charge for the year	-	15,037	14,650	4,919	5,728	24,234	42,687	9,166	-	116,421
Disposals	-	(12,865)	-	(5,324)	(2,064)	(6,406)	(11,027)	(5,768)	-	(43,454)
Impact of hyperinflation	-	1,159	472	21	170	315	730	1,839	-	4,706
Exchange differences	-	(3,701)	(3,508)	(1,345)	(2,210)	(6,701)	(8,625)	(5,293)	-	(31,383)
At 31 December 2022	-	76,492	141,413	29,904	31,196	152,917	253,744	59,580	-	745,246
Net book value:										
At 31 December 2022	76,592	57,170	390,982	26,014	46,574	125,707	120,562	25,692	14,404	883,697

ARAMEX PJSC AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2023 (continued)

5 Property and equipment (continued)

Depreciation charge for the year is allocated as follows:

	2023 AED'000	2022 AED'000
Administrative expense (Note 28)	75,605	78,908
Cost of services (Note 27)	37,741	37,513
	<u>113,346</u>	<u>116,421</u>

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 2022	174,762	848,455	6,840	235,574	1,265,631
Additions	13,406	250,637	1,535	60,109	325,687
Reclassification	-	-	507	(507)	-
Disposals	(1,193)	(192,317)	(3,955)	(70,190)	(267,655)
Exchange differences	(291)	(43,117)	(480)	(10,945)	(54,833)
Impact of hyperinflation	-	7,699	-	(38)	7,661
At 31 December 2022	<u>186,684</u>	<u>871,357</u>	<u>4,447</u>	<u>214,003</u>	<u>1,276,491</u>
Additions	3,423	197,553	2,993	44,368	248,337
Disposals	(589)	(67,523)	(2,084)	(48,584)	(118,780)
Exchange differences	(100)	(5,475)	18	(3,214)	(8,771)
Impact of hyperinflation	-	9,327	-	328	9,655
At 31 December 2023	<u>189,418</u>	<u>1,005,239</u>	<u>5,374</u>	<u>206,901</u>	<u>1,406,932</u>

Accumulated depreciation:

At 1 January 2022	17,197	248,587	4,498	101,083	371,365
Charge for the year	7,502	171,099	1,936	66,707	247,244
Disposals	(1,183)	(122,132)	(3,854)	(58,255)	(185,424)
Exchange rate difference	(116)	(17,027)	(364)	(4,537)	(22,044)
Impact of hyperinflation	-	4,914	-	(88)	4,826
At 31 December 2022	<u>23,400</u>	<u>285,441</u>	<u>2,216</u>	<u>104,910</u>	<u>415,967</u>
Charge for the year	6,538	170,903	977	55,745	234,163
Disposals	(589)	(60,265)	(1,738)	(43,588)	(106,180)
Exchange rate difference	(49)	(3,137)	30	(1,799)	(4,955)
Impact of hyperinflation	-	4,009	-	(54)	3,955
At 31 December 2023	<u>29,300</u>	<u>396,951</u>	<u>1,485</u>	<u>115,214</u>	<u>542,950</u>

Net book value:

At 31 December 2022	<u>160,118</u>	<u>608,288</u>	<u>3,889</u>	<u>91,687</u>	<u>863,982</u>
At 31 December 2023	<u>163,284</u>	<u>585,916</u>	<u>2,231</u>	<u>109,093</u>	<u>860,524</u>

The consolidated statement of profit or loss shows the following amounts relating to leases:

	2023 AED'000	2022 AED'000
Depreciation charge of right of use assets		
Administrative expense (Note 28)	51,157	68,344
Cost of services (Note 27)	183,006	178,900
	<u>234,163</u>	<u>247,244</u>
Finance costs – lease liabilities	49,395	46,343
Expense relating to short-term and low-value leases (included in cost of services)	3,669	2,171
Expense relating to short-term and low-value leases (included in administrative expenses)	3,310	2,551

ARAMEX PJSC AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2023 (continued)

6 Leases (continued)

Right of use assets (continued)

The total cash outflow for leases in 2023 was AED 226,275 thousand (2022: AED 241,039 thousand).

Lease liabilities

	Future minimum lease payments AED'000	Interest AED'000	Present value of minimum lease payments AED'000
2023			
Within one year	221,042	44,362	176,680
After one year	1,065,143	293,237	771,906
Total	<u>1,286,185</u>	<u>337,599</u>	<u>948,586</u>
2022			
Within one year	218,858	37,171	181,687
After one year	1,042,640	285,604	757,036
Total	<u>1,261,498</u>	<u>322,775</u>	<u>938,723</u>

Lease liabilities measured at present value were unwound during the year ended 31 December 2023 for an amount of AED 49,395 thousand (2022: AED 46,343 thousand) where a portion amounting to AED 1,412 thousand was unpaid as of 31 December 2023 (2022: AED 184 thousand).

7 Goodwill

	2023 AED'000	2022 AED'000
At 1 January	1,757,680	1,002,568
Acquisitions*	-	790,077
Measurement period adjustment**	(949)	-
Exchange differences	(6,540)	(34,965)
At 31 December	<u>1,750,191</u>	<u>1,757,680</u>

* On 1 June 2022, the Group entered into an acquisition agreement through a Sale and Purchase Agreement (SPA) to acquire 100% equity securities of "Access Shipping LLC"; a cross-border e-commerce platform, providing cost-effective package forwarding solutions to customers. The excess between the provisional fair value of the groups of assets acquired and the consideration paid amounted to AED 790,077 thousand which was recognised as goodwill (Note 35).

** The allocation of the purchase price has been modified during the measurement period, as more information was obtained about the fair value of assets acquired and liabilities assumed. The net impact on Goodwill was a decrease of AED 949 thousand (total net identifiable assets at fair value increased by AED 4,567 thousand while the total final consideration increased by AED 3,618 thousand upon the final collection of the escrow account).

The Group performed its annual impairment test on 31 December 2023 and 2022. The Group considers the relationship between its market capitalisation and its book value among other factors, when reviewing for indicators of impairment.

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.

ARAMEX PJSC AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2023 (continued)

7 Goodwill (continued)

The goodwill was allocated to the following groups of cash generating units:

	2023 AED'000	2022 AED'000
Publication and distribution	6,212	6,212
Aramex: *		
Express shipping**	1,049,463	1,051,604
Domestic shipping	460,395	464,533
Freight forwarding	161,908	162,745
Logistics	72,213	72,586
	<u>1,750,191</u>	<u>1,757,680</u>

* Aramex is the cash generating unit which includes sub segments related to domestic shipping, express shipping, freight forwarding logistics.

** As at 31 December 2022, MyUS goodwill of AED 790,077 thousand was disclosed as a separate line within the corresponding disclosure in the prior year consolidated financial statements.

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

The calculation of the value-in-use is most sensitive to the following assumptions:

Transaction volumes for the main cash generating units – based on average annual growth rate over the five-year forecast period; based on past performance and management's expectations of market development. The terminal value was determined using the fifth year projections adjusted by incorporating the weighted average cost of capital (WACC) and the growth rate.

Discount rates for the main cash generating units – Discount rates represent the current market assessment of the risks specific to each cash generating unit, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and its operating segments and is derived from its WACC for the industry is 10% (2022: 9.5%). The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the Group's investors. The cost of debt is based on the interest-bearing borrowings the Group is obliged to service. Segment-specific risk is incorporated by applying individual beta factors. The beta factors are evaluated annually based on publicly available market data. Adjustments to the discount rate are made to factor in the specific amount and timing of the future tax flows in order to reflect a pre-tax discount rate.

Growth rate estimates for the main cash generating units – Growth rate used of 3.1% (2022: 3.2%) are based on actual operating results and future expected performance based on current industry trends and including long-term inflation forecasts for each territory of Aramex and MyUS cash generating units, respectively.

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.

ARAMEX PJSC AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2023 (continued)

8 Other intangible assets

	<i>Customer lists and other intangible assets with definite useful life</i> AED'000	<i>Franchises with indefinite useful life*</i> AED'000	<i>Other intangible assets</i> AED'000	<i>Brand</i> AED'000	Total AED'000
Cost:					
At 1 January 2022	56,760	184,099	6,856	-	247,715
Acquisition of a subsidiary (Note 35)	60,451	-	42,789	37,963	141,203
Exchange differences	-	(13,088)	-	-	(13,088)
At 31 December 2022	<u>117,211</u>	<u>171,011</u>	<u>49,645</u>	<u>37,963</u>	<u>375,830</u>
Exchange differences	-	(864)	-	-	(864)
At 31 December 2023	<u>117,211</u>	<u>170,147</u>	<u>49,645</u>	<u>37,963</u>	<u>374,966</u>
Amortisation and impairment:					
At 1 January 2022	39,604	-	6,856	-	46,460
Amortisation	3,340	-	1,273	395	5,008
At 31 December 2022	<u>42,944</u>	<u>-</u>	<u>8,129</u>	<u>395</u>	<u>51,468</u>
Amortisation	5,552	-	6,113	1,898	13,563
At 31 December 2023	<u>48,496</u>	<u>-</u>	<u>14,242</u>	<u>2,293</u>	<u>65,031</u>
Net book value:					
At 31 December 2023	<u>68,715</u>	<u>170,147</u>	<u>35,403</u>	<u>35,670</u>	<u>309,935</u>
At 31 December 2022	<u>74,267</u>	<u>171,011</u>	<u>41,516</u>	<u>37,568</u>	<u>324,362</u>

* Intangible assets acquired through a business combination. These assets have indefinite useful lives and are tested for impairment annually as they represent an operational system used by the Group entities which is considered to have indefinite useful life. The Group intends to renew the franchise continuously and evidence supports its ability to do so. An analysis of market and competitive trends provides evidence that the franchise will generate net cash inflows for the Group for an indefinite period. Therefore, the franchise is carried at cost without amortisation, but is tested for impairment annually.

The Group performed its annual impairment test on 31 December 2023 and 2022. 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 2023, the market capitalisation of the Group was above the book value of its equity. The recoverable amounts of the cash generating units have been determined based on a value in use calculation using cash flow projections from financial forecast approved by board of directors covering a five-year period.

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

The calculation of the value-in-use is most sensitive to the following assumptions:

Transaction volumes – based on average annual growth rate over the five-year forecast period; based on past performance and management's expectations of market development. The terminal value was determined using the fifth year projections adjusted by incorporating the weighted average cost of capital (WACC) and the growth rate.

ARAMEX PJSC AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2023 (continued)

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 2.4% (2022: 2.3%) is based on actual operating results and future expected performance based on current industry trends and including long-term inflation forecasts for each territory.

Discount rates – Discount rates represent the current market assessment of the risks specific to each cash generating unit, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and its operating segments and is derived from its weighted average cost of capital (WACC) for the industry of 9.2% to 9.9% (2022: 9.5% to 9.8%). 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 2023 and 2022, there were no subsidiaries with material non-controlling interest to the Group.

10 Investments in joint ventures

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

	Ownership percentage		Country of incorporation	Nature of activity	Book value	
	2023	2022			2023	2022
	%	%			AED'000	AED'000
				Express, freight and logistics services		
Aramex Sinotrans Co. LTD	50	50	China		18,920	20,564
Aramex Logistics LLC	50	50	Oman	Logistics	12,109	-
					<u>31,029</u>	<u>20,564</u>

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:

	2023		
	Aramex Sinotrans Co. LTD	Aramex Logistics LLC	Total
	AED'000	AED'000	AED'000
Non-current assets	7,218	26,554	33,772
Current assets*	81,788	8,355	90,143
Non-current liabilities	(1,158)	(9,203)	(10,361)
Current liabilities**	(50,009)	(1,488)	(51,497)
Equity	<u>37,839</u>	<u>24,218</u>	<u>62,057</u>
Proportion of the Group's ownership	50%	50%	50%
Carrying amount of the investment	<u>18,920</u>	<u>12,109</u>	<u>31,029</u>

ARAMEX PJSC AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2023 (continued)

10 Investments in joint ventures (continued)

* The current assets of Aramex Sinotrans Co. Ltd include cash at banks amounted to AED 22,306 thousand, accounts receivable amounted to AED 45,911 thousand and other current assets amounted to AED 13,572 thousand.

** The current liabilities of Aramex Sinotrans Co. Ltd include, accruals amounted to AED 14,561 thousand, trade payables amounted to AED 23,459 thousand, other current liabilities amounted to AED 8,549 thousand, tax provisions amounted to AED 545 thousand and lease liability of AED 2,894 thousand.

	2022		
	Aramex Sinotrans Co. LTD	Aramex Logistics LLC	Total
	AED'000	AED'000	AED'000
Non-current assets	10,476	39,370	49,846
Current assets*	77,682	14,527	92,209
Non-current liabilities	(3,364)	(50,105)	(53,469)
Current liabilities**	(43,666)	(3,792)	(47,458)
Equity	<u>41,128</u>	<u>-</u>	<u>41,128</u>
Proportion of the Group's ownership	50%	50%	50%
Carrying amount of the investment	<u>20,564</u>	<u>-</u>	<u>20,564</u>

* The current assets of Aramex Sinotrans Co. Ltd include cash at banks amounted to AED 30,899 thousand, accounts receivable amounted to AED 30,928 thousand and other current assets amounted to AED 15,855 thousand.

** The current liabilities of Aramex Sinotrans Co. Ltd include, accruals amounted to AED 14,878 thousand, trade payables amounted to AED 15,968 thousand, other current liabilities amounted to AED 9,263 thousand, tax provisions amounted to AED 142 thousand and lease liability of AED 3,415 thousand.

Summarised statement of profit or loss of the joint ventures:

	2023		
	Aramex Sinotrans Co. LTD	Aramex Logistics LLC	Total
	AED'000	AED'000	AED'000
Revenue	254,978	13,513	268,491
Cost of sale	(218,733)	(8,728)	(227,461)
Administrative expenses	(19,487)	(2,493)	(21,980)
Other expenses	(4,345)	(614)	(4,959)
Profit before tax	<u>12,413</u>	<u>1,678</u>	<u>14,091</u>
Income tax	(3,044)	1,042	(2,002)
Profit for the year	<u>9,369</u>	<u>2,720</u>	<u>12,089</u>
Group's share of profit for the year	<u>4,684</u>	<u>1,360</u>	<u>6,044</u>

	2022		
	Aramex Sinotrans Co. LTD	Aramex Logistics LLC	Total
	AED'000	AED'000	AED'000
Revenue	393,163	12,943	406,106
Cost of sale	(347,783)	(8,568)	(356,351)
Administrative expenses	(20,080)	(2,395)	(22,475)
Other expenses	(6,658)	(654)	(7,312)
Profit before tax	<u>18,642</u>	<u>1,326</u>	<u>19,968</u>
Income tax	(4,442)	-	(4,442)
Profit for the year	<u>14,200</u>	<u>1,326</u>	<u>15,526</u>
Group's share of profit for the year	<u>7,100</u>	<u>619</u>	<u>7,719</u>

The joint ventures had no contingent liabilities or capital commitments as at 31 December 2023 and 2022.

ARAMEX PJSC AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2023 (continued)

11 Investments in associates

The details of the investments in associates were as follows:

	Ownership percentage		Country of incorporation	Nature of activity	Book value	
	2023	2022			2023	2022
	%	%			AED'000	AED'000
Linehaul Express Australia Pty Ltd	40	37.1	Australia	Domestic services	21	393
WS One Investment LLC	25	25	UAE	Express services	-	-
Aramex Thailand Ltd	49	49	Thailand	Logistics and transportation	3,957	4,004
					<u>3,978</u>	<u>4,397</u>

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

	2023			
	Linehaul Express Australia PTY Ltd	WS One Investment LLC	Aramex Thailand Ltd	Total
	AED'000	AED'000	AED'000	AED'000
Non-current assets	1	2,267	1,193	3,461
Current assets	14,744	1,489	8,902	25,135
Non-current liabilities	-	-	(539)	(539)
Current liabilities	(14,691)	(3,756)	(1,480)	(19,927)
Equity	<u>54</u>	<u>-</u>	<u>8,076</u>	<u>8,130</u>
Proportion of the Group's ownership	40%	25%	49%	-
Group's share	<u>21</u>	<u>-</u>	<u>3,957</u>	<u>3,978</u>
Carrying amount of the investment	<u>21</u>	<u>-</u>	<u>3,957</u>	<u>3,978</u>

	2022			
	Linehaul Express Australia PTY Ltd	WS One Investment LLC	Aramex Thailand Ltd	Total
	AED'000	AED'000	AED'000	AED'000
Non-current assets	149	2,267	775	3,191
Current assets	9,699	1,489	9,212	20,400
Non-current liabilities	-	-	(123)	(123)
Current liabilities	(8,790)	(3,756)	(1,693)	(14,239)
Equity	<u>1,058</u>	<u>-</u>	<u>8,171</u>	<u>9,229</u>
Proportion of the Group's ownership	37.1%	25%	49%	-
Group's share	<u>393</u>	<u>-</u>	<u>4,004</u>	<u>4,397</u>
Carrying amount of the investment	<u>393</u>	<u>-</u>	<u>4,004</u>	<u>4,397</u>

ARAMEX PJSC AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2023 (continued)

11 Investments in associates (continued)

	2023			
	Linehaul Express Australia PTY Ltd	WS One Investment LLC	Aramex Thailand Ltd	Total
	AED'000	AED'000	AED'000	AED'000
Revenue	125,606	-	19,954	145,560
Cost of sale	(120,876)	-	(16,356)	(137,232)
Administrative expenses	(4,451)	-	(2,728)	(7,179)
Other expenses, net	(316)	-	(1,089)	(1,405)
Loss before tax	<u>(37)</u>	<u>-</u>	<u>(219)</u>	<u>(256)</u>
Income tax	(880)	-	3	(877)
Loss for the year	(917)	-	(216)	(1,133)
Group's share of loss for the year	<u>(367)</u>	<u>-</u>	<u>(105)</u>	<u>(472)</u>

	2022			
	Linehaul Express Australia PTY Ltd	WS One Investment LLC	Aramex Thailand Ltd	Total
	AED'000	AED'000	AED'000	AED'000
Revenue	92,176	-	25,672	117,848
Cost of sale	(88,074)	-	(19,478)	(107,552)
Administrative expenses	(3,595)	-	(2,605)	(6,200)
Other income/(expenses), net	255	-	(310)	(55)
Profit before tax	<u>762</u>	<u>-</u>	<u>3,279</u>	<u>4,041</u>
Income tax	(292)	-	(606)	(898)
Profit for the year	470	-	2,673	3,143
Group's share of profit for the year	<u>174</u>	<u>-</u>	<u>1,310</u>	<u>1,484</u>

The associates had no contingent liabilities or capital commitments as at 31 December 2023 and 2022.

12 Financial assets at fair value through other comprehensive income

At 31 December 2023, 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		Country of incorporation	Nature of activity	Book value	
	2023	2022			2023	2022
	%	%			AED'000	AED'000
Unquoted equity financial assets						
What 3 Words Ltd	1.13	1.52	UK	Global addressing systems	15,241	15,241
Jamaloc Inc.	7.49	7.49	British Virgin Islands	Online book retail	-	-
Gutechno Logistics Private Ltd	5.68	5.68	India	Local delivery solutions	-	-
Flirtey Tech Pty Ltd.	0.13	0.13	USA	Drone Technology	70	70
Unquoted debt financial assets						
Cell captive			South Africa	Insurance	1,161	1,254
Shippify Inc			USA	Food delivery	1,102	1,102
					<u>17,574</u>	<u>17,667</u>

ARAMEX PJSC AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2023 (continued)

12 Financial assets at fair value through other comprehensive income (continued)

For equity instruments at fair value through OCI, gains and losses on these financial assets are never recycled to the consolidated statement of profit or loss. Dividends are recognised as other income in the consolidated statement of profit or loss when the right of payment has been established. Equity instruments designated at fair value through OCI are not subject to impairment assessment. During 2023 and 2022, the Group invested in and disposed of certain shares and securities for strategic and commercial purposes as shown in the following table:

	2023 AED'000	2022 AED'000
As at 1 January	17,667	17,638
Gain from revaluation of debt instruments	(5)	111
Exchange differences	(88)	(82)
As at 31 December	<u>17,574</u>	<u>17,667</u>

13 Income tax

The major components of income tax expense for the years ended 31 December 2023 and 2022 are:

Consolidated statement of profit or loss	2023 AED'000	2022 AED'000
Current income tax expense	20,495	51,781
Deferred tax	2,218	(26,107)
Income tax expense reported in the consolidated statement of profit or loss	<u>22,713</u>	<u>25,674</u>

Deferred tax relates to the following:

Provision for expected credit losses	7,354	7,388
Impact of hyperinflation	(2,973)	1,360
Impact of IFRS 16	6,959	8,474
Depreciation	(15,887)	(6,543)
Employees' end of service benefits	8,962	9,015
Net operating losses carried forward	32,832	10,064
Intangible assets with indefinite useful life	(56,160)	(49,378)
Others	8,825	16,927
	<u>(10,088)</u>	<u>(2,693)</u>

Recognised as follows:

As deferred tax assets	26,110	28,135
As deferred tax liabilities	(36,198)	(30,828)
	<u>(10,088)</u>	<u>(2,693)</u>

Reconciliation of deferred tax liability, net:

At 1 January	(2,693)	(34,108)
Deferred tax assets	(2,218)	26,107
Foreign exchange	(5,177)	5,308
At 31 December	<u>(10,088)</u>	<u>(2,693)</u>

ARAMEX PJSC AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2023 (continued)

13 Income tax (continued)

Reconciliation between accounting profit and taxable profit:

	2023 AED'000	2022 AED'000
Accounting profit before income tax*	152,448	190,208
Non-deductible expenses	72,863	107,965
Taxable profit	<u>225,311</u>	<u>298,173</u>
Income tax expense reported in the consolidated statement of profit or loss	<u>22,713</u>	<u>25,674</u>
Effective income tax rate (%)	<u>14.90%</u>	<u>13.50%</u>

*Accounting profit before income tax includes the result of discontinued operations.

Movements on income tax provision were as follows:

At 1 January	46,038	62,547
Income tax expense for the year	20,495	51,781
Income tax paid	(34,357)	(58,782)
Prior period adjustments	9,855	-
Foreign exchange	(5,355)	(9,508)
At 31 December	<u>36,676</u>	<u>46,038</u>

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.

Implementation of UAE Corporation Tax Law and application of IAS 12 Income Taxes

On 9 December 2022, the UAE Ministry of Finance released Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses (Corporate Tax Law or the Law) to enact a Federal Corporate Tax ("CT") regime in the UAE. The CT regime is effective for annual periods beginning on or after 1 June 2023 and accordingly, it has a current income tax related impact on the consolidated financial statements for the Group starting 1 January 2024.

The Cabinet of Ministers Decision No. 116 of 2022 specifies the threshold of income over which the 9% CT rate would apply and accordingly, the Law is now considered to be substantively enacted from the perspective of IAS 12 – Income Taxes. A rate of 9% will apply to taxable income exceeding AED 375,000, a rate of 0% will apply to taxable income not exceeding AED 375,000, and a rate of 0% will apply on qualifying income of qualifying free zone entities.

Based on the information available to date, the Group assessed the deferred tax implications and concluded that it is not expected to be significant as of and for the year ended 31 December 2023. As certain other cabinet decisions are pending as on the date of the consolidated financial statements for the year ended 31 December 2023, the Group will continue to assess the impact of these pending cabinet decisions on deferred taxes as and when finalised and published. Impact if any, will be accordingly reflected in the Group's consolidated financial statements when such additional information will be substantively issued.

Income tax appearing in the consolidated statement of profit or loss represents the income tax expense of the Group's subsidiaries that operates in taxable jurisdiction. Taxes on income are accrued using the applicable tax rates that would be applicable to the expected total annual profit.

Pillar Two

Aramex Group is regarded as a multinational enterprises groups (MNE) for the purposes of Organisation for Economic Co-operation and Development's (OECD) Pillar Two legislation, which essentially requires MNEs with global turnover of EUR 750 million or over to pay tax at an effective rate of at least 15% in every jurisdiction in which it has Constituent entity(ies) (i.e. entities that are included in the consolidated financial statements of the Group) or JVs. The OECD has been issuing the detailed commentary and administrative guidance during 2023 on the model Pillar Two legislation and the transitional rules (i.e. transitional safe harbour rules), with further guidance, updated commentary and signing of the multilateral instrument (MLI) on the subject to tax rule (STTR) expected during 2024. Pillar Two rules are being implemented in various jurisdictions (including the middle east) based on individual countries' local legislative process in a phased manner from 1 January 2024 onwards. The United Arab Emirates (UAE) Ministry of Finance has indicated that Pillar Two will not apply in the UAE in 2024, and that it will be releasing a public consultation on Pillar Two in Q1 of 2024.

ARAMEX PJSC AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2023 (continued)

13 Income tax (continued)

Pillar Two (continued)

Aramex Group has been monitoring the progress of the Pillar Two implementation in the jurisdictions in which it operates through Constituent Entities and Joint Ventures. The Group has also appointed advisers to carry out an assessment on the impact of the rules under the Transitional safe harbour rules (briefly these rules provide an option to MNE groups to rely on CBCR reports/data to determine the jurisdictions that pass one of the three tests and therefore not be required to apply a top-up tax in that jurisdiction under the Pillar Two rules).

The impact assessment exercise is being done for the Aramex Group based on latest available CBCR report (FY 2022) filed by the Group in the UAE. The assessment will highlight the jurisdictions that pass the tests and identify jurisdictions that could have top-up tax liability under Pillar Two rules. The calculation of approximate top-up tax liability based on 2022 data needs to be updated/ revised based on the recent administrative guidance issued by the OECD in December 2023 which requires certain adjustments to the financial data as reported in the Group's CBC Report to evaluate the safe harbour tests (to clarify, there is no top-up tax liability payable under Pillar Two rules for 2022). This exercise is currently ongoing. The assessment will be updated for the FY 2023 financial data based on CBCR report for 2023. These assessments would then form the basis for the Aramex Group to review its group structure and operations so as to understand and optimise its top-up tax liability within the framework and spirit of Pillar Two legislation, when such legislation will apply to the Group for financial year 2024 onwards. The quantification of actual top-up tax liability under Pillar Two rules will be based on intra-group payments and financial numbers/data for the year 2024 and onwards, when Pillar Two legislation will be in effect for the Aramex Group.

The Aramex Group tax team is closely monitoring the developments on implementation of Pillar Two legislation in the jurisdictions that it operates, along with further guidance that is expected to be issued by OECD in 2024 and the signing status of MLI by various countries for the STTR to apply (MLI signing expected in mid-2024). The Group will be updating the 2022 assessment for 2023 financial data to further refine the impact assessment conducted to date.

14 Accounts receivable, net

	2023 AED'000	2022 AED'000
Accounts receivable	1,184,933	1,226,331
Less: impairment for expected credit losses	<u>(94,465)</u>	<u>(95,921)</u>
	<u>1,090,468</u>	<u>1,130,410</u>

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

	2023 %	2022 %
Gulf Cooperation Council	43	49
Middle East, North Africa and Turkey	19	12
East and South Africa	4	5
Europe	11	12
North America	6	6
North Asia	2	2
South Asia	8	8
Oceania	7	6

As at 31 December 2023, accounts receivable at nominal value of AED 94,465 thousand (2022: AED 95,921 thousand) were impaired. Movement on expected credit losses was as follows:

	2023 AED'000	2022 AED'000
At 1 January	95,921	92,044
Charge for the year, net	19,812	17,532
Amounts written-off	(18,153)	(10,156)
Acquisition of a subsidiary	-	3,898
Foreign exchange	<u>(3,115)</u>	<u>(7,397)</u>
At 31 December	<u>94,465</u>	<u>95,921</u>

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.

ARAMEX PJSC AND ITS SUBSIDIARIES
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15 Other current assets

	2023 AED'000	2022 AED'000
Advances to suppliers	55,133	50,636
Prepaid expenses	51,722	55,355
Refundable deposits	41,534	39,665
Withholding tax	24,032	23,262
Escrow receivable	-	54,446
Other receivables*	93,883	60,786
	<u>266,304</u>	<u>284,150</u>

* As at 31 December 2023, the Group had other receivables amounting to AED 93,883 thousand (2022: AED 60,786 thousand) that mainly represent stationery, supplies and other receivables.

16 Cash and bank balances

	2023 AED'000	2022 AED'000
Cash and cash equivalents	567,189	758,954
Restricted cash, margins and fixed deposits*	<u>8,021</u>	<u>9,488</u>
	<u>575,210</u>	<u>768,442</u>

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 4% - 6.88% per annum (2022: 2.6% - 2.8% per annum).

Included in cash at banks are amounts totalling AED 426,753 thousand (2022: AED 503,758 thousand) of cash held at foreign banks abroad and amounts totalling approximately AED 53,468 thousand (2022: AED 60,738 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 6,157 thousand (2022: AED 7,020 thousand) and long-term deposits with maturities greater than 3 months of AED 1,864 thousand (2022: AED 2,779 thousand).

	2023 AED'000	2022 AED'000
Restricted cash	181	40
Less: impairment for expected credit losses	<u>(181)</u>	<u>(38)</u>
	-	2
Exchange rate difference	<u>-</u>	<u>(313)</u>
	<u>-</u>	<u>(311)</u>

Movement on expected credit losses was as follows:

	2023 AED'000	2022 AED'000
At 1 January	38	1,785
Charge/(reversal) for the year	227	(1,434)
Exchange rate difference	<u>(84)</u>	<u>(313)</u>
At 31 December	<u>181</u>	<u>38</u>

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

	2023 AED'000	2022 AED'000
Cash and cash equivalents	567,189	758,954
Less: bank overdrafts (Note 23)	<u>(2,848)</u>	<u>(131,353)</u>
	<u>564,341</u>	<u>627,601</u>

ARAMEX PJSC AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2023 (continued)

17 Share capital

	2023	2022
	AED'000	AED'000
<i>Authorised, issued and paid up capital</i>		
1,464,100,000 ordinary shares of AED 1 each		
(2022: 1,464,100,000 ordinary shares of AED 1 each)	<u>1,464,100</u>	<u>1,464,100</u>

18 Reserves

Statutory reserve

In accordance with the Company's Articles of Association and the UAE Federal Decree Law No. (32) of 2021, 10% of the net profit for each year is required to be transferred to a statutory reserve. Such transfers may be ceased when the statutory reserve equals half of the paid-up share capital of the applicable entities. This reserve is non-distributable except in certain circumstances. The consolidated statutory reserve reflects transfers made post-acquisition for subsidiary companies together with transfers made by the Parent Company. It does not, however, reflect the additional transfers to the consolidated statutory reserves which would be made if the retained post-acquisition profits of the subsidiaries were distributed to the Parent Company.

Foreign currency translation reserve

The foreign currency translation reserve is used to record exchange differences arising from the translation of the consolidated financial statements of foreign subsidiaries.

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.

	2023	2022
	AED'000	AED'000
At 1 January	(12,145)	(12,177)
Net (loss)/gain from revaluation	<u>(92)</u>	<u>32</u>
At 31 December	<u>(12,237)</u>	<u>(12,145)</u>

Remeasurements of post-employment benefit obligations

The remeasurements of post-employment benefit obligations is used to record the differences arising between the end of service benefits recorded in accordance with the local law requirements and the actuarial valuation performed at the end of the reporting period in accordance with IAS 19 – Employee Benefits.

	2023	2022
	AED'000	AED'000
At 1 January	341	169
Remeasurements of post-employment benefit obligations	<u>(119)</u>	<u>172</u>
At 31 December	<u>222</u>	<u>341</u>

19 Dividends

At the Annual General Meeting of the shareholders held on 18 April 2023, the shareholders approved a cash dividend of 9.53% for annual profits of the year ended 31 December 2022 (31 December 2021: cash dividend of 13%) of the issued and paid-up capital amounting to AED 1,464,100 thousand (31 December 2021: AED 1,464,100 thousand). The dividends per share amounted to AED 0.0953 (31 December 2021: AED 0.13).

ARAMEX PJSC AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2023 (continued)

20 Interest-bearing loans and borrowings

	2023	2022
	AED'000	AED'000
Non-current		
Term loans (a)	1,066,766	1,086,091
Notes payable	<u>569</u>	<u>213</u>
	<u>1,067,335</u>	<u>1,086,304</u>
Current		
Term loans (a)	47,176	36,886
Notes payable	<u>1,329</u>	<u>1,979</u>
	<u>48,505</u>	<u>38,865</u>

(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 SOFR. The total limit of this facility is USD 200 million (equivalent to AED 735 million), the total balance utilised as at 31 December 2023 is nil (2022: nil). The purpose of this facility is to fund capital expenditure and working capital requirements including permitted acquisitions. The loan is secured by corporate guarantee extended by Aramex PJSC, Aramex Abu Dhabi LLC, Aramex Emirates LLC, Aramex International LLC, Aramex Hong Kong Limited, Aramex Int'l Egypt for Air & Local Services (Egypt), Aramex Saudi Limited Company, Aramex UK Limited, Aramex Doha WLL and Aramex International Limited (Kuwait).

HSBC loan (1)

During 2022, Aramex Fastway refinanced a 5 year term loan agreement with HSBC Bank Australia that matured in January 2022. The total loan amount is AED 83.2 million (AUD 28.7 million) bearing annual interest rate of AUD (BBSY) plus a margin of 2.1% p.a. The term loan is repayable in 20 consecutive quarterly instalments, the first instalment was due on 31 March 2021. The purpose of the loan is to finance capital expenditure of the Group or general corporate purposes of the Group. The loan is secured by corporate guarantee extended by Aramex PJSC.

HSBC loan (2)

During 2022, Aramex New Zealand refinanced a 5 year term loan agreement with HSBC Bank New Zealand that matured in January 2022. The total loan amount is AED 85 million (NZD 31.62 million) bearing annual interest rate of NZD (BKBM) plus a margin of 2.1% p.a. The term loan is repayable in 20 consecutive quarterly instalments, the first instalment was due on 31 March 2021. The purpose of the loan is to finance capital expenditure of the Group or general corporate purposes of the Group. The loan is secured by corporate guarantee extended by Aramex PJSC.

Acquisition Financing – MyUS Syndicated loan

On 5th of August 2022, Aramex UK and Aramex USA entered into a new 5 year credit facility agreement with a syndicate of banks comprising Emirates NBD Bank PJSC and First Abu Dhabi Bank PJSC. The purpose of this facility is to fund MyUS acquisition. The loan is secured by corporate guarantee extended by Aramex PJSC, Aramex Abu Dhabi LLC, Aramex Emirates LLC, Aramex Hong Kong Limited, Aramex Int'l Egypt for Air & Local Services (Egypt), Aramex Saudi Limited Company, Aramex UK Limited, Aramex Doha WLL, Aramex International Limited (Kuwait), Aramex USA and MyUS. The financing arrangement of the loan has been agreed to be drawn in GBP and USD currencies with interest rates as detailed below:

- (1) The loan was drawn by Aramex UK on 14th October 2022 from Emirates NBD Bank PJSC. The amount drawn under the facility is GBP 53.825 million (AED 239.2 million) bearing a quarterly interest rate which is the aggregate of the over-night SONIA daily rate compounded in arrears plus a margin of 1.25% p.a.
- (2) The loan was drawn by Aramex UK on 17th October 2022 from Emirates NBD Bank PJSC. The amount drawn under the facility is USD 50 million (AED 183.6 million) bearing a quarterly interest rate which is the aggregate of the over-night SOFR daily rate compounded in arrears plus a margin of 1.35% p.a.

ARAMEX PJSC AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2023 (continued)

20 Interest-bearing loans and borrowings (continued)

(a) *Term loans (continued)*

Acquisition Financing – MyUS Syndicated loan (continued)

(3) The loan was drawn by Aramex USA on 17th of October 2022 from First Abu Dhabi Bank PJSC. The amount drawn under the facility is USD 150 million (AED 550.9 million) bearing a quarterly interest rate which is the aggregate of the over-night SOFR daily rate compounded in arrears plus a margin of 1.35% p.a.

There were several financial covenants attached to the interest-bearing loans and borrowings. The Group's subsidiaries complied with financial covenants as of 31 December 2023.

On 6 October 2023, the Group made an early settlement in the amount of GBP 5 million as principal (AED 23.5 million) and interest in the amount of GBP 71 thousand (AED 319 thousand) under Facility B issued under the agreement.

Others

Term loans also include a number of loans obtained by Group with a balance of AED 2 million to finance their operating activities. These loans carry interest at commercial rates, are repayable in regular instalments and are subject to covenants consistent with the Group's borrowing policies. The loans are secured by corporate guarantees extended by various Group's subsidiaries.

The principal instalments payable after 2023 for long-term loans as of 31 December 2023 are as follows:

	AED'000
<i>Year</i>	
2024	47,176
2025	11,926
2026	45,883
2027	48,881
2028 thereafter	<u>960,076</u>
	<u>1,113,942</u>

21 Employees' end of service benefits

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

	2023 AED'000	2022 AED'000
At 1 January	164,136	148,822
Provided during the year	33,758	35,066
Paid during the year	(25,997)	(20,417)
Reclassification during the year	-	1,800
Discontinued operations	(13)	(22)
Actuary valuation through other comprehensive income	119	(172)
Exchange differences	<u>(2,035)</u>	<u>(941)</u>
At 31 December	<u>169,968</u>	<u>164,136</u>

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

	2023 %	2022 %
Discount rate	5.4 - 8.28	4.55 - 8
Salary increase rate	3.3 - 8.5	3.30 - 6
Normal retirement age (years)	64	64
	2023 AED'000	2022 AED'000
Current service cost	21,050	20,323
Past service cost	1,299	-
Finance cost	7,113	2,750

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ARAMEX PJSC AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2023 (continued)

21 Employees' end of service benefits (continued)

The expected maturity analysis of undiscounted employee benefits obligations is as follows:

	2023 AED'000	2022 AED'000
Less than 1 year	18,647	19,750
Between 1 – 5 years	50,918	51,873
Over 5 years	<u>177,044</u>	<u>143,055</u>
	<u>246,609</u>	<u>214,678</u>

A quantitative sensitivity analysis for significant assumptions on the defined benefit obligation as at 31 December 2023 and 31 December 2022 is, as shown below:

	Impact on defined benefit obligation	
	2023 AED'000	2022 AED'000
Discount rate:		
0.5% increase	(660)	(862)
0.5% decrease	<u>635</u>	<u>315</u>
Salary increase rate:		
0.5% increase	636	316
0.5% decrease	<u>(666)</u>	<u>(868)</u>

The sensitivity analyses 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 analyses 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.

22 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.

23 Bank overdrafts

The Group maintains overdrafts and lines of credit with various banks. Overdrafts and lines of credit include the following:

	2023 AED'000	2022 AED'000
Aramex Algeria S.A.L (Citibank)	2,240	-
Aramex Tunisia (Arab Bank)	608	1,520
Aramex International LLC (HSBC)	-	72,222
Aramex Special Logistics (Citibank)	<u>-</u>	<u>57,611</u>
	<u>2,848</u>	<u>131,353</u>

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

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ARAMEX PJSC AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2023 (continued)

24 Provisions

Movements in provisions are as follows:

	<i>Total</i>
	AED'000
Carrying amount at 1 January 2022	85,007
Provided during the year	22,484
Reversed during the year	(23,081)
Paid during the year	(8,968)
Exchange differences	(4,062)
Carrying amount at 31 December 2022	<u>71,380</u>
Provided during the year	27,691
Reversed during the year	(35,899)
Paid during the year	(15,887)
Exchange differences	389
Carrying amount at 31 December 2023	<u>47,674</u>

The above provisions primarily relate to legal and other claims.

25 Other current and non-current liabilities

(A) Other current liabilities	2023	2022
	AED'000	AED'000
Accrued expenses	420,961	479,095
Sales tax and other taxes	69,083	64,682
Customers' deposits	20,255	21,998
Deferred revenue	15,304	23,153
Social security taxes payable	6,402	6,478
Others *	127,834	125,445
	<u>659,839</u>	<u>720,851</u>

* As at 31 December 2023, the Group has had other liabilities related mainly to cash on delivery collected by the Group on behalf of the customers, amounting to AED 53,468 thousand (2022: AED 60,738 thousand) (Note 16).

(B) Other non-current liabilities	2023	2022
	AED'000	AED'000
Deferred income *	13,002	15,035
Employees' benefit liability	-	925
	<u>13,002</u>	<u>15,960</u>

* In August 2021, the Group entered into a license and a software agreement and deed of termination for an amount of AED 19,587 thousand, which was recognised as deferred income and is being amortised over the contract term of 10 years considered as a termination to the old contract and an advance to the new arrangement. An amount of AED 2,033 thousand was amortised during the year and recognised in the consolidated statement of profit or loss (2022: AED 3,270 thousand). The accumulated amortisation as of 31 December 2023 is AED 6,585 thousand.

Deferred income is classified in non-current liabilities and is credited to the consolidated statement of profit or loss on a straight-line basis over the contractual period.

26 Rendering of services

	2023	2022
	AED'000	AED'000
International express	2,295,412	2,248,885
Freight forwarding	1,495,870	1,684,376
Domestic express	1,427,360	1,496,683
Logistics	428,927	449,807
Others*	46,453	46,254
	<u>5,694,022</u>	<u>5,926,005</u>

ARAMEX PJSC AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2023 (continued)

26 Rendering of services (continued)

* 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.

Revenues are being recognised over time, when the services are rendered.

The Group does not expect to have any contracts where the period between the transfer of the promised services to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

Certain comparative figures have been reclassified to conform to the current presentation of "Segment information" (Note 33).

27 Cost of services

	2023	2022
	AED'000	AED'000
Freight forwarding costs	1,120,712	1,286,003
International express costs	1,143,457	1,189,425
Domestic express costs	671,066	694,159
Salaries and benefits (Note 30)	742,160	716,445
Depreciation of right of use assets (Note 6)	183,006	178,900
Logistics costs	92,619	142,851
Vehicle running and maintenance	84,401	89,201
Supplies	48,689	45,464
Depreciation of property and equipment (Note 5)	37,741	37,513
Communication expenses	18,325	17,256
Government fees and taxes	4,033	3,773
Others	120,884	100,711
	<u>4,267,093</u>	<u>4,501,701</u>

Certain comparative figures have been reclassified to conform to the current presentation of "Segment information" (Note 33).

28 Administrative expenses

	2023	2022
	AED'000	AED'000
Salaries and benefits (Note 30)	363,239	364,451
Repairs and maintenance	109,326	108,107
Depreciation of property and equipment (Note 5)	75,605	78,908
Depreciation of right of use assets (Note 6)	51,157	68,344
Professional fees	40,373	55,223
Communication expenses	36,869	46,428
Insurance and security	24,122	31,623
Government fees and taxes	21,407	33,806
Utilities	10,244	11,720
Travel expenses	9,897	11,651
Entertainment	7,139	7,510
Printing and stationary	5,022	5,390
Vehicle running expenses	4,054	3,343
Corporate social responsibility*	1,769	2,901
Legal expenses	2,894	214
Sponsorship	248	302
Others	81,763	77,727
	<u>845,128</u>	<u>907,648</u>

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

ARAMEX PJSC AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2023 (continued)

29 Other income, net	2023	2022
	AED'000	AED'000
Exchange loss	(3,795)	(17,399)
Gain/(loss) on disposals of property and equipment and right of use assets	87	(4,931)
Net gain on property and customer goods	-	1,291
Miscellaneous income	17,060	23,448
	<u>13,352</u>	<u>2,409</u>
30 Staff costs		
	2023	2022
	AED'000	AED'000
Salaries and allowances	1,296,088	1,251,535
End of service benefits	33,758	35,066
Other employees' benefits	16,189	15,286
	<u>1,346,035</u>	<u>1,301,887</u>
Staff costs are allocated as follows:		
Administrative expenses (Note 28)	363,239	364,451
Selling and marketing expenses	240,636	220,991
Cost of services (Note 27)	742,160	716,445
	<u>1,346,035</u>	<u>1,301,887</u>

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 profit or loss are as follows:

Directors' fees paid

Directors' fees of AED 2,675 representing remuneration for attending meetings and compensation for professional services rendered by the directors for the year 2023 were accrued for during 2023 (2022: an amount of AED 2,334 thousand were accrued for during 2022). Directors' fees of AED 2,987 representing remuneration for attending meetings and compensation for professional services rendered by the directors for the year 2022 were paid in 2023 (2022: AED 4,240 thousand representing remuneration for attending meetings and compensation for professional services rendered by the directors for the year 2021 were paid in 2022).

Key management compensation

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

	2023	2022
	AED'000	AED'000
Salaries and other short-term benefits	9,998	8,139
Board remuneration	2,987	4,240
End of service benefits	419	455
	<u>13,404</u>	<u>12,834</u>

Significant subsidiaries of the Group include:

- Aramex Fastway Holdings PTY Ltd.
- Aramex New Zealand Holdings Ltd
- Aramex Nederland B.V.
- Aramex Jordan Ltd.
- Aramex International Egypt for Air and Local services (S.A.E), Egypt
- Aramex Emirates LLC, UAE
- Aramex International Hava Kargo ve Kurye Anonim Sirketyi (Turkey)
- Aramex International Ltd
- Aramex Ireland Limited
- Aramex South Africa PTY Ltd.
- Aramex Hong Kong Limited

ARAMEX PJSC AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2023 (continued)

31 Related party transactions (continued)

Significant subsidiaries of the Group include (continued):

- Aramex Saudi Limited Company
- Aramex International Logistics Private Ltd.
- Aramex (UK) Limited
- Aramex India Private Ltd.
- Access USA Shipping LLC
- Aramex New York 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 2023 and 2022 are included in Notes 14 and 22:

	Sales to related parties AED'000	Cost from related parties AED'000	Amounts owed by related parties (a) AED'000	Amounts owed to related parties (b) AED'000
Associates and partners:				
2023	2,140	1,275	33	839
2022	2,151	1,791	23	1,276
Joint ventures in which the parent is a venture:				
2023	53,557	736	18,503	10
2022	98,052	505	9,865	12,885
Related parties and companies controlled by shareholders (c)				
2023	154,727	-	42,722	1,650
2022	146,434	-	32,498	873

- (a) These amounts are classified as accounts receivable and other non-current assets. No loss allowance was recognised in relation to amounts owed by related parties during 2023 and 2022.
- (b) These amounts are classified as accounts payable.
- (c) Included in the above disclosure balances as at 31 December 2023 and 31 December 2022 and transactions for the year ended 31 December 2023 by the shareholders, GeoPost and Abu Dhabi Ports PJSC, which acquired issued shares of Aramex PJSC during October 2021 and January 2022, respectively, as detailed in Note 1.

32 Earnings per share

	31 December 2023	31 December 2022
Profit attributable to shareholders of the Parent (AED'000)		
Profit for the year from continuing operations	130,626	161,012
(Loss)/profit for the year from discontinued operations	(1,329)	4,367
	<u>129,297</u>	<u>165,379</u>
Weighted average number of shares during the year (shares)	<u>1,464 Million</u>	<u>1,464 Million</u>
Basic and diluted earnings per share from continuing operations (AED)	0.089	0.110
Basic and diluted earnings per share from discontinued operations (AED)	(0.001)	0.003
Total basic and diluted earnings per share (AED)	<u>0.088</u>	<u>0.113</u>

ARAMEX PJSC AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2023 (continued)

33 Segmental information

A business segment is a group of assets and processes that jointly engage in the rendering of products or services subject to risks and rewards that are different from those of other business segments, and which are measured according to reports used by the Group's chief operating decision maker.

The chief operating decision maker who is responsible for allocating resources and assessing performance of the operating segments has been identified collectively as the Group's executive directors, the chief operating decision maker examines the Group's performance both from a product and geographic perspective and has identified four reportable segments of its business:

- Courier: includes delivery of small packages across the globe to both, retail and wholesale customers, and express delivery of small parcels and pick up and deliver shipments within the country, and related royalty and franchise levies.
- Freight forwarding: includes forwarding of loose or consolidated freight through air, land and ocean transport, warehousing, customer clearance and break-bulk services.
- Logistics: includes warehousing and its management distribution, supply chain management, inventory management as well as other value-added services.
- Other operations: includes visa services, publication and distribution services.

Management monitors the operating results of the operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on gross profit.

Transfer prices between operating segments are on an arm's (length basis in a manner similar to transactions with third parties).

The following table presents revenue and profit information for each of the Group's operating segments for the years ended 31 December 2023 and 2022, respectively.

	Courier*	Freight forwarding	Logistics	Others	Total
	AED'000	AED'000	AED'000	AED'000	AED'000
Year ended 31 December 2023					
Revenue					
Total revenues from rendering of services**	4,806,009	1,790,667	429,776	129,800	7,156,252
Inter-segment	(1,083,237)	(294,797)	(849)	(83,347)	(1,462,230)
Total revenues after elimination	<u>3,722,772</u>	<u>1,495,870</u>	<u>428,927</u>	<u>46,453</u>	<u>5,694,022</u>
Gross profit	<u>1,093,067</u>	<u>229,338</u>	<u>65,283</u>	<u>39,241</u>	<u>1,426,929</u>
Earnings before interest and tax	<u>167,876</u>	<u>63,819</u>	<u>17,472</u>	<u>17,494</u>	<u>266,661</u>
Depreciation and amortisation	<u>240,574</u>	<u>28,516</u>	<u>90,740</u>	<u>1,241</u>	<u>361,071</u>
Year ended 31 December 2022					
Revenue					
Total revenues from rendering of services**	4,936,081	2,037,387	450,744	126,303	7,550,515
Inter-segment	(1,190,513)	(353,011)	(937)	(80,049)	(1,624,510)
Total revenues after elimination	<u>3,745,568</u>	<u>1,684,376</u>	<u>449,807</u>	<u>46,254</u>	<u>5,926,005</u>
Gross profit	<u>1,083,618</u>	<u>232,697</u>	<u>69,022</u>	<u>38,967</u>	<u>1,424,304</u>
Earnings before interest and tax	<u>142,493</u>	<u>71,861</u>	<u>9,147</u>	<u>21,829</u>	<u>245,330</u>
Depreciation and amortisation	<u>249,951</u>	<u>29,253</u>	<u>88,056</u>	<u>1,414</u>	<u>368,674</u>

* Courier segment includes international express, domestic express, and operations of Access Shipping LLC ("MyUS").

** Revenues are being recognised over time, when the services are rendered.

Transactions between stations are priced at an arm's length basis. All material intra group transactions have been eliminated on consolidation. The Group does not segregate assets and liabilities by business segments and, accordingly, such information is not presented.

ARAMEX PJSC AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2023 (continued)

33 Segmental information (continued)

There are no customers accounting for more than 10% of total revenue for the years ended 31 December 2023 and 2022.

Comparative figures were reclassified between operating segments to match the current presentation of the segment reporting which has changed during the current period to help the chief operating decision maker take the right decisions for business growth in the future. There is no impact on the consolidated statement of profit or loss as a result of this change.

Geographical segments

The business segments are managed on a worldwide basis, but operate in eight principal geographical areas, Gulf Cooperation Council, Middle East, North Africa and Turkey, East and South Africa, Europe, North America, South Asia, North Asia and Oceania. In presenting information on the geographical segments, segment revenue is based on the geographical location of customers. Segments assets are based on the location of the assets.

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

	2023	2022
	AED'000	AED'000
Revenues		
United Arab Emirates	967,814	1,075,424
Gulf Cooperation Council excluding United Arab Emirates	1,267,171	1,295,663
Middle East, North Africa and Turkey	779,806	776,563
East and South Africa	298,518	346,596
Europe	707,957	745,992
North America	582,407	377,183
North Asia	155,770	286,308
South Asia	415,297	490,065
Oceania	519,282	532,211
	<u>5,694,022</u>	<u>5,926,005</u>
Assets		
United Arab Emirates	1,701,890	1,904,703
Gulf Cooperation Council excluding United Arab Emirates	691,049	695,569
Middle East, North Africa and Turkey	647,205	589,930
East and South Africa	137,475	165,603
Europe	530,342	573,126
North America	1,105,754	1,188,132
North Asia	49,336	86,033
South Asia	264,353	237,771
Oceania	700,436	651,642
	<u>5,827,840</u>	<u>6,092,509</u>
Non - current assets*		
United Arab Emirates	676,566	706,716
Gulf Cooperation Council excluding United Arab Emirates	321,473	299,698
Middle East, North Africa and Turkey	247,521	251,885
East and South Africa	49,510	60,466
Europe	156,455	147,615
North America	179,639	205,763
North Asia	10,158	22,772
South Asia	81,346	63,906
Oceania	384,972	352,390
	<u>2,107,640</u>	<u>2,111,211</u>

ARAMEX PJSC AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2023 (continued)

33 Segmental information (continued)

Geographical segments (continued)

	2023	2022
	AED'000	AED'000
Liabilities		
United Arab Emirates	572,231	795,360
Gulf Cooperation Council excluding United Arab Emirates	609,541	583,134
Middle East, North Africa and Turkey	255,033	249,135
East and South Africa	67,932	77,032
Europe	605,687	630,571
North America	660,949	662,226
North Asia	34,594	49,782
South Asia	101,423	86,816
Oceania	452,530	440,065
	<u>3,359,920</u>	<u>3,574,121</u>

* 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).

34 Commitments and contingencies

Guarantees

	2023	2022
	AED'000	AED'000
Letters of guarantee	<u>143,414</u>	<u>162,881</u>

Guarantees are issued by banks on behalf of the Group.

Capital commitments

As at 31 December 2023, the Group has capital commitments of AED 17 million (2022: AED 18 million) towards purchase/construction of property and equipment.

Legal claims contingency

The Group is a defendant in a number of lawsuits amounting to AED 97,581 thousand representing legal actions and claims related to its ordinary course of business (2022: AED 118,376 thousand). Management and its legal advisors believe that the provision recorded of AED 16,282 thousand as of 31 December 2023 is sufficient to meet the obligations that may arise from the lawsuits (2022: AED 39,217 thousand).

35 Acquisition arrangement

Acquisition of Access Shipping LLC

Purchase consideration and identifiable net assets acquired

The acquisition has been accounted for using the acquisition method of accounting and, accordingly, assets acquired, liabilities assumed, and consideration exchanged were recorded at provisional fair value on the acquisition date. The provisional fair value of assets and liabilities have been determined by management.

The purchase consideration has been allocated to the acquired assets and liabilities using their provisional fair values at the acquisition date. The computation of the purchase consideration and its allocation to the net assets of the Acquired Company is based on their respective provisional fair values as of acquisition date.

The allocation of the purchase price has been modified during the measurement period, as more information was obtained about the fair value of assets acquired and liabilities assumed. The net impact on Goodwill was a decrease of AED 949 thousand (total net identifiable assets at fair value increased by AED 4,567 thousand while the total final consideration increased by AED 3,618 thousand upon the final collection of the escrow account).

ARAMEX PJSC AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2023 (continued)

35 Acquisition arrangement (continued)

Acquisition of Access Shipping LLC (continued)

Purchase consideration and identifiable net assets acquired (continued)

The acquisition-date provisional fair value of the total purchase consideration and its components are as follows:

	2023
	AED'000
Consideration value	940,824
Escrow on acquisition, net*	7,077
Consideration adjustments	<u>(3,459)</u>
Total consideration transferred	<u>944,442</u>

*Escrow account initial balance was AED 18,364 thousand of which AED 11,287 thousand were collected during the year ended 31 December 2023. The remaining balance of AED 7,077 thousand was allocated to the consideration value.

The fair value of identifiable assets and liabilities of the Acquired Company as at the acquisition and finalisation dates are as follows:

Assets acquired and liabilities assumed

	Fair values recognised on finalisation of the acquisition	Fair values recognised on acquisition
	AED'000	AED'000
Assets		
Property and equipment (Note 5)	25,139	25,139
Right of use assets	5,638	5,638
Intangible assets (Brand)	37,963	37,963
Intangible assets (Customer Relationships - B2B)	11,730	11,730
Intangible assets (Customer Relationships - B2C)	48,705	48,705
Intangible assets (Software)	42,789	42,789
Accounts receivable, net	7,847	6,746
Other current assets	3,598	3,598
Cash and cash equivalents	<u>12,696</u>	<u>12,696</u>
	<u>196,105</u>	<u>195,004</u>
Liabilities		
Accounts payable	4,982	4,982
Other current liabilities	29,905	33,371
Lease liabilities	<u>5,904</u>	<u>5,904</u>
	<u>40,791</u>	<u>44,257</u>
Total net identifiable assets at fair value	155,314	150,747
Purchase consideration	<u>(944,442)</u>	<u>(940,824)</u>
Goodwill (Note 7)	<u>789,128</u>	<u>790,077</u>

Impact of the acquisitions on the results of the Group

Acquired receivables

The fair value of acquired trade receivables is AED 7,847 thousand. The gross contractual amount for trade receivables due is AED 7,847 thousand, with a loss allowance of AED nil recognised on acquisition.

ARAMEX PJSC AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2023 (continued)

35 Acquisition arrangement (continued)

Assets acquired and liabilities assumed (continued)

Separate identifiable intangible assets for acquisitions

As at the acquisition date the provisional fair value of the separate identifiable intangible assets arising out of the acquisition amounted to AED 98,398 thousand. This fair value, which is classified as level 3 in the fair value hierarchy, was determined using the following valuation techniques:

- Relief from royalty valuation technique for the brand-based intangible asset.
- Multi-year excess earnings method (MEEM) valuation technique for contract-based intangible assets relating to customer relationships (B2B and B2C).
- Cost to create valuation technique for the software-based intangible asset.

The valuation of the intangibles assets as well as the discount rates applied were determined by management.

The significant unobservable valuation inputs used were discount rates of 11% and terminal growth rates of 3%.

The assumptions used in arriving at projected cash flows were based on past experience and adjusted for any expected changes.

Post-combination expenses

The Group has entered into a deferred proceeds agreement in the amount of AED 26,496 thousand with executive management of MyUS who held a minority share interest in the Acquired Company prior to the acquisition. The payout of the deferred proceeds is based on the number of shares held and key performance indicators met relating to achieving target revenues and earnings before interest, taxes, depreciation, and amortisation for 2023 and 2024 calendar years. The payout is contingent upon continuing employment and will be expensed in the post-combination period. During the year ended 31 December 2023, the Group settled AED 10,625 thousand of the deferred proceeds, and the outstanding contingent balance as of that date is AED 15,871 thousand.

36 Financial instruments by category

	2023 AED'000	2022 AED'000
Financial assets at fair value through other comprehensive income		
Equity instruments	15,311	15,311
Debt instruments	<u>2,263</u>	<u>2,356</u>
	<u>17,574</u>	<u>17,667</u>
Financial assets at amortised cost		
Accounts receivable and other current assets (excluding prepayment, advances to suppliers and withholding tax)	1,225,885	1,285,307
Restricted cash, margins and bank deposits	8,021	9,488
Cash and bank balances	<u>567,189</u>	<u>758,954</u>
	<u>1,801,095</u>	<u>2,053,749</u>
Financial liabilities at amortised cost		
Bank overdrafts	2,848	131,353
Lease liabilities	948,586	938,723
Interest-bearing loans and borrowings	1,115,840	1,125,169
Accounts payable, income tax provision, provisions, and other non-current and current liabilities (excluding deferred revenue and deferred income)	<u>1,055,249</u>	<u>1,140,817</u>
	<u>3,122,523</u>	<u>3,336,062</u>

ARAMEX PJSC AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2023 (continued)

36 Financial instruments by category (continued)

For the purpose of the financial instruments disclosure, non-financial assets amounting to AED 130,887 thousand (2022: AED 129,253 thousand) have been excluded from accounts receivable and other current assets. Non-financial liabilities amounting to AED 28,305 thousand (2022: AED 38,188 thousand) have been excluded from accounts payable, income tax provision, accrued expenses, provisions, and other non-current and current liabilities.

The fair values of the Group's financial assets and financial liabilities carried at amortised cost at the end of reporting period approximate their carrying values. The fair values of the Group's loans and borrowings approximate the carrying amount, as the interest on the borrowings are provided based on the market rates.

37 Non-cash transactions

	2023 AED'000	2022 AED'000
Additions of right of use assets (Note 6)	<u>248,337</u>	<u>325,687</u>
Disposals of right of use assets (Note 6)	<u>12,600</u>	<u>82,231</u>

38 Net debt reconciliation

	2023 AED'000	2022 AED'000
Cash and cash equivalents (Note 16)	564,341	627,601
Borrowings (excluding bank overdraft) (Note 20)	(1,115,840)	(1,125,169)
Lease liabilities (Note 6)	<u>(948,586)</u>	<u>(938,723)</u>
Net debt from financing activities	<u>(1,500,085)</u>	<u>(1,436,291)</u>

	Liabilities from financing activities		
	Borrowings AED'000	Lease liabilities AED'000	Total AED'000
Debt as at 1 January 2022	164,683	935,315	1,099,998
Financing cash flows	971,243	(241,039)	730,204
Additions of right of use assets (Note 6)	-	325,687	325,687
Disposals of right of use assets	-	(82,985)	(82,985)
Discontinued operations	-	1,745	1,745
Foreign exchange adjustments	<u>(10,757)</u>	-	<u>(10,757)</u>
Debt as at 31 December 2022	<u>1,125,169</u>	<u>938,723</u>	<u>2,063,892</u>
Financing cash flows	(21,904)	(226,275)	(248,179)
Additions of right of use assets (Note 6)	-	248,338	248,338
Disposals of right of use assets	-	(13,846)	(13,846)
Discontinued operations	-	1,646	1,646
Foreign exchange adjustments	<u>12,575</u>	-	<u>12,575</u>
Debt as at 31 December 2023	<u>1,115,840</u>	<u>948,586</u>	<u>2,064,426</u>

39 Event after the reporting period

On 15 December 2023, the Group entered into an acquisition arrangement through a Business and Asset Sale Agreement ("BASA") to acquire "Aramex (Melbourne)"; a regional franchise of a courier and freight logistics business for a consideration value of AED 22.3 million. The acquisition was finalised on 30 January 2024. The Group considers this a non-adjusting subsequent event.



APPENDICES AND ANNEXES

Appendices and Annexes

Annex 1 Reporting Standards Indices

International Integrated Reporting (IIR) (Part of IFRS)

International Integrated Reporting (IIR)	Section
What does the organization do and what are the circumstances under which it operates?	<ul style="list-style-type: none"> • About Aramex • Our Services • Strategic Context and Market Environment • Our Business Model
An integrated report should provide insight into the organization’s strategy, how it relates to the organization’s ability to create value in the short-, medium-, and long-term, and its use of and effects on the capitals	<ul style="list-style-type: none"> • About Aramex • Our Services • Strategic Context and Market Environment • Our Business Model • Sustainability and ESG at Aramex • Chairman and CEO Letters
To what extent has the organization achieved its strategic objectives for the period and what are its outcomes in terms of effects on the capitals?	<ul style="list-style-type: none"> • Chairman and CEO Letters • Value Creation Model • Strategic Context and Market Environment
An integrated report should disclose information about matters that substantively affect the organization’s ability to create value over the short-, medium-, and long-term	<ul style="list-style-type: none"> • Chairman and CEO Letters • Value Creation Model • Strategic Context and Market Environment • Environmental Stewardship and Climate Change Mitigation • Risk and Compliance
Where does the organization want to go and how does it intend to get there?	<ul style="list-style-type: none"> • Chairman and CEO Letters
An integrated report should provide insight into the organization’s strategy, how it relates to the organization’s ability to create value in the short-, medium-, and long-term, and its use of and effects on the capitals	<ul style="list-style-type: none"> • Chairman and CEO Letters • Value Creation Model • Strategic Context and Market Environment
What challenges and uncertainties is the organization likely to encounter while pursuing its strategy, and what are the potential implications for its business model and future performance?	<ul style="list-style-type: none"> • Strategic Context and Market Environment • Risk and Compliance
<p>“An integrated report should include a statement from those charged with governance that includes:</p> <ul style="list-style-type: none"> • An acknowledgement of their responsibility to ensure the integrity of the integrated report • Their opinion or conclusion about whether, or the extent to which, the integrated report is presented in accordance with the <IR> Framework.” 	<ul style="list-style-type: none"> • Chairman and CEO Letters • About this report • Disclosure on Management Approaches
How does the organization determine what matters to include in the integrated report and how are such matters quantified or evaluated?	<ul style="list-style-type: none"> • Reporting Approach • About this report • Disclosure on Management Approaches
What is the organization’s business model?	<ul style="list-style-type: none"> • About Aramex • Our Services • Strategic Context and Market Environment • Our Business Model
An integrated report should disclose information about matters that substantively affect the organization’s ability to create value over the short-, medium-, and long-term	Throughout the report

International Integrated Reporting (IIR)	Section
“What are the specific risks and opportunities that affect the organization’s ability to create value over the short-, medium-, and long-term, and how is the organization dealing with them?”	<ul style="list-style-type: none"> • Strategic Context and Market Environment • Environmental Stewardship and Climate Change Mitigation • Risk and Compliance
“What challenges and uncertainties is the organization likely to encounter while pursuing its strategy, and what are the potential implications for its business model and future performance?”	<ul style="list-style-type: none"> • Strategic Context and Market Environment • Environmental Stewardship and Climate Change Mitigation • Risk and Compliance
“An integrated report should provide insight into the nature and quality of the organization’s relationships with its key stakeholders, including how and to what extent the organization understands, takes into account, and responds to their legitimate needs and interests”	<ul style="list-style-type: none"> • Stakeholder Mapping • Stakeholder Engagement Report
“In the case of the unavailability of reliable information or specific legal prohibitions, an integrated report should: <ul style="list-style-type: none"> • Indicate the nature of the information that has been omitted • Explain the reason why it has been omitted • In the case of the unavailability of data, identify the steps being taken to obtain the information and the expected time frame for doing so.” 	<i>Throughout the report we included these aspects and have made references to the Six capitals and added icons for ease of navigation</i>

Figure 42: International Integrated Reporting (IIR) Standards Index

Task Force on Climate-Related Financial Disclosures (TCFD)

	Task Force on Climate-Related Financial Disclosures (TCFD)	Sections
Governance	a. Describe the board’s oversight of climate-related risks and opportunities.	<ul style="list-style-type: none"> • Environmental Stewardship and Climate Change Mitigation • Disclosures on Management Approaches
	b. Describe management’s role in assessing and managing climate related risks and opportunities.	<ul style="list-style-type: none"> • Environmental Stewardship and Climate Change Mitigation • Disclosures on Management Approaches
Strategy	a. Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	<ul style="list-style-type: none"> • Environmental Stewardship and Climate Change Mitigation • Risk and Compliance
	b. Describe the impact of climate-related risks and opportunities on the organization’s businesses, strategy, and financial planning.	<ul style="list-style-type: none"> • Environmental Stewardship and Climate Change Mitigation • Risk and Compliance
	c. Describe the resilience of the organization’s strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	<ul style="list-style-type: none"> • Environmental Stewardship and Climate Change Mitigation • Risk and Compliance
Risk Management	a. Describe the organization’s processes for identifying and assessing climate-related risks.	<ul style="list-style-type: none"> • Environmental Stewardship and Climate Change Mitigation
	b. Describe the organization’s processes for managing climate-related risks.	<ul style="list-style-type: none"> • Environmental Stewardship and Climate Change Mitigation • Risk and Compliance
	c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization’s overall risk management.	<ul style="list-style-type: none"> • Environmental Stewardship and Climate Change Mitigation • Risk and Compliance
Metrics and Targets	a. Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	<ul style="list-style-type: none"> • Environmental Stewardship and Climate Change Mitigation • Reporting Approach
	b. Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.	<ul style="list-style-type: none"> • Environmental Stewardship and Climate Change Mitigation
	c. Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	<ul style="list-style-type: none"> • Environmental Stewardship and Climate Change Mitigation

Figure 42: International Integrated Reporting (IIR) Standards Index

Sustainable Development Goals (SDGs)

Annex 1- Reporting Standards- Definitions

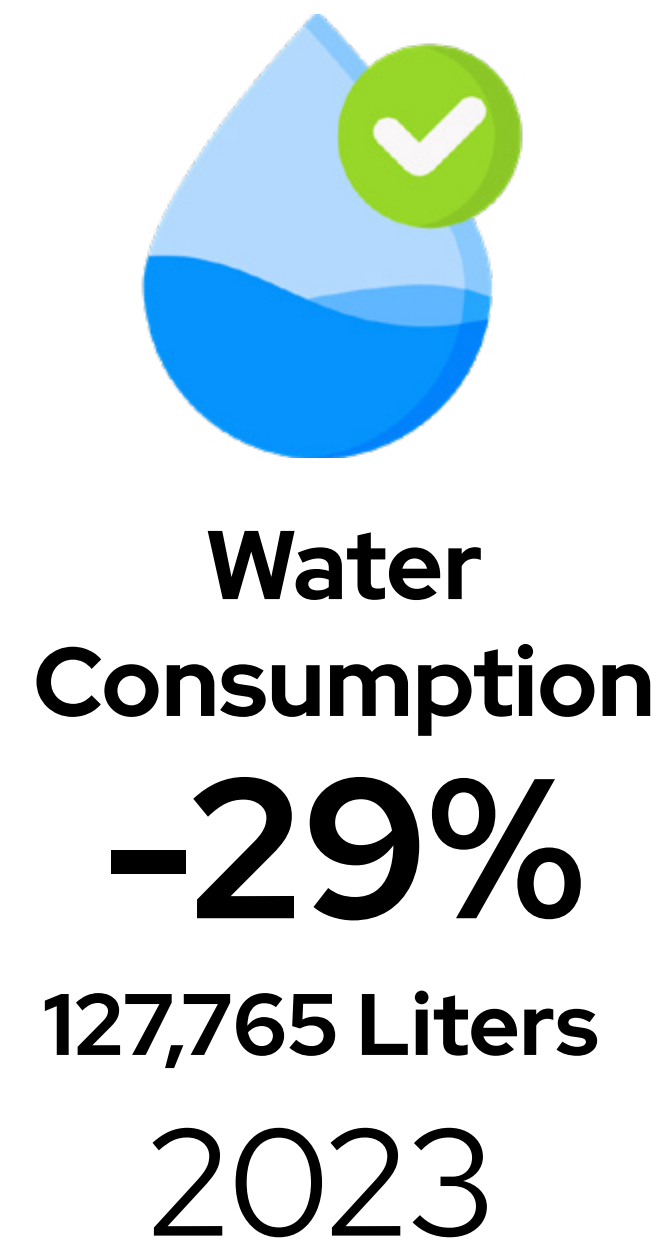
Goals and Definitions		Relevant Section(s)
Goal 1 No Poverty End poverty in all its forms everywhere.		Sustainability and ESG at Aramex Our Communities
GOAL 4 Quality Education Ensure inclusive and equitable quality education and promote life-long learning opportunities for all.		Our Communities Our People
GOAL 5 Gender Equality Achieve gender equality and empower all women and girls		Our People
GOAL 8 Decent Work and Economic Growth Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all		Our People Our Communities Value Creation Model
Goal 9 Industry, Innovation, and Infrastructure Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation		Our Services Technological Transformation, Innovation and Research and Development (R&D) Strategic Highlights and Business Model Our Customers Value Creation Model
Goal 10 Reduced Inequalities Reduce inequality within and among countries		Our Communities Value Creation Model Sustainability and ESG at Aramex
GOAL 12 Responsible Consumption and Production Ensure sustainable consumption and production patterns».		Sustainability and ESG at Aramex Environmental Stewardship and Climate Change Mitigation Procurement and Supplier Relations
GOAL 13 Climate Action Take urgent action to combat climate change and it's impacts		Environmental Stewardship and Climate Change Mitigation
GOAL 17 Partnerships for the Goals Strengthen the means of implementation and revitalize the global partnership for sustainable development		Partnerships for Good



Appendices and Annexes

Annex 2- Environmental Data

International Integrated Reporting (IIR) (Part of IFRS)



Item Category	Item Description	KG
Paper	Paper - Recycled	193575
E-Waste	E-Waste - Recycled	120
Cardboard	Cardboard - Recycled	8385
Plastic film	Plastic film - Recycled	7035
Wooden Pallets	Wooden Pallets - Recycled	64835
Plastic Pallets	Plastic	1500

Figure 46: Material Consumption



Appendices and Annexes

Annex 3- Other Human Capital Details

Ratio of Remuneration of Women to Men in significant Locations

- Female Pay Ratio for New Hires (in 2023) is: 1.00
- Female Pay Ratio for Employees completing Tenure of 5 years: 1.08

Female to Male Ratio 2023		
Country	Entry Level	Middle Management
Egypt	1.01	0.83
Jordan	0.70	0.59
Saudi Arabia	0.88	0.99
UAE	1.19	1.08
Holding Companies	0.93	1.11

Figure 47: Ratio of Remuneration of Women to Men

At Aramex, pay equity analyses reveal a parity in compensation between newly hired females and males globally in 2023, with a pay ratio of 1.00, indicating equal pay for both genders. Additionally, for employees who have completed a tenure of five years, females earn slightly more, with a pay ratio of 1.08 compared to their male counterparts, reflecting the Company's commitment to equitable pay practices across different tenure groups.

Unions Per Country	
Country	Union Members Number of Employee
Bahrain	180
Egypt	3
Jordan	2
Kenya	72
Morocco	14
South Africa	659
Türkiye	121
Grand Total	1,051

Figure 53: Union Membership per Country

Notes

Europe & UK

In EU countries, employees' rights, including those related to union membership, are protected under various directives and national laws. The EU strongly supports workers' rights to form and join unions. Generally, employers are not entitled to inquire about an employee's union membership or activities. Such inquiries can be seen as a form of discrimination or interference in workers' rights.

North America

United States: In the U.S., the National Labor Relations Act (NLRA) protects employees' rights to join or support a union. Employers are generally prohibited from interfering with these rights, which includes inquiring about union membership or activities in many circumstances. Doing so may be considered an unfair labor practice.

Canada:

Similar to the EU and the U.S., Canadian labor laws protect the rights of workers to join and participate in union activities. Employers are typically not allowed to ask about an employee's union membership or activities.

Turnover by age bracket			
Level	Involuntary %	Voluntary %	Total TO %
Under 21	42%	48%	90%
21 - 30	13%	27%	40%
31 - 40	6%	13%	19%
41 - 50	6%	8%	14%
51 - 64	8%	6%	14%
Above 64	14%	13%	28%
Global Turnover	8.3%	15.9%	24.1%

Figure 48: Employee Turnover Data

Turnover by Management Level			
Level	Involuntary %	Voluntary %	Total TO %
Senior Leadership	4%	8%	12%
Middle Management	6%	14%	21%
Others	8%	16%	24%
Global Turnover	8.3%	15.9%	24.1%

Figure 49: Turnover by Management Level

Turnover by Gender			
Level	Involuntary %	Voluntary %	Total TO %
Female	10%	24%	34%
Male	8%	14%	22%
Grand Total	8.3%	15.9%	24.1%

Figure 50: Turnover by Gender

Human Capital by Employment Type	
Employment Type	Number of Employees
Salaried - Full Time	15,377
Other, Not on Payroll	589
Hourly	214
Part-time	166
Casual	61
Not Applicable	4
Weekly	1
Daily	1
Grand Total	16,413

Figure 51: Employment Type

Human Capital by Employment Type	
Employee Type	Headcount
Non-Courier	75%
Ground Courier	22%
Truck Driver	3%
Grand Total	100%

Figure 52: Human Capital by Employment Type

We are pleased to report a downward trend in both our total employee turnover and attrition data vs that of 2022. We have seen enhanced retention of employees with the drop in TO from 26.4% in 2022 to 24.1% in 2023 and similarly a drop in attrition from 17.8% in 2022 to 15.9% in 2023.

Appendices and Annexes

Newly Hired Employees by Region and Gender

Region	Gender	
	Female	Male
GCC	20%	80%
MENAT	24%	76%
Sub Saharan Africa	34%	66%
South Asia	32%	68%
Corporate - AGSO	68%	32%
North and South America	32%	68%
Oceania	41%	59%
Europe	43%	58%
North Asia	45%	55%
Corporate - AAIL	39%	61%
Grand Total	31%	69%

Figure 54: New Hires by Region and Gender

Newly Hired Employees by Age and Gender

Age Bracket	Gender		Total %
	Female	Male	Grand Total
21 - 30	21%	38%	59%
31 - 40	6%	21%	27%
41 - 50	2%	5%	7%
51 - 64	1%	2%	3%
Above 64	0%	0%	0%
Under 21	1%	3%	4%
Grand Total	31%	69%	100%

Figure 55: New Hires by Age and Gender

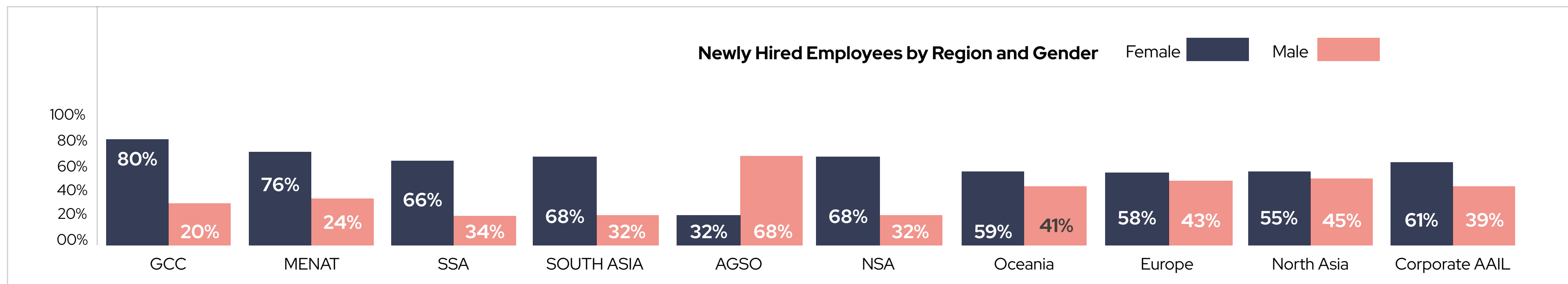


Figure 56: New Hires by Region and Gender

Appendices and Annexes

Promoted & Internal Hires per Region per Gender

Region	Gender		Total %
	Female	Male	Grand Total
*GCC	6%	38%	44%
*MENAT	11%	20%	31%
Sub Saharan Africa	5%	5%	10%
South Asia	2%	5%	6%
Europe	1%	4%	6%
Oceania	1%	2%	3%
North Asia	0%	0%	1%
North and South America	0%	1%	1%
Grand Total	26%	74%	100%

Figure 57: Promoted Employees and New Hires by Region and Gender
*Including our headquarters and shared services

Learning per Management Level and Gender

	Learners	Hours	Headcount	Ratio Learners / HC
Female	3,148	30,487	3,246	%
Middle Management	180	2,107	165	109%
Others	2,938	27,968	3,049	96%
Senior Leadership	30	412	32	94%
Male	11,235	71,502	13,167	%
Middle Management	476	4,713	437	109%
Others	10,602	65,474	12,567	84%
Senior Leadership	157	1,315	163	96%
Grand Total	14,383	101,988	16,413	88%

Figure 59: Training Hours and Learners per Management Level and Gender

Training hours per Region

Region	Hours
Europe	2,608
*GCC	44,601
*MENAT	25,510
North and South America	675
North Asia	1,764
Oceania	522
South Asia	5,529
Sub Saharan Africa	20,779
Grand Total	101,988

Figure 58: Promoted Employees and New Hires by Region and Gender
*Including our headquarters and shared services

*Including our headquarters and shared services

Appendices and Annexes

Annex 4 Stakeholder Engagement Report

Purpose and Summary

This report aims to describe the methodology and outcome of Aramex’s stakeholder engagement conducted in the United Arab Emirates in 2023. In line with its annual sustainability reporting practices, Aramex conducts an annual stakeholder engagement exercise to connect with its key stakeholders, present its sustainability goals and performance, discuss its stakeholders’ needs and expectations, and ultimately generate its materiality matrix.

The 2023 engagement encompassed various stakeholder groups, including suppliers, airline companies, clients, employees, academia, and government entities. The engagement unfolded in two distinct segments: The initial segment concentrated on a comprehensive evaluation of Aramex’s sustainability performance and material topics. The subsequent segment delved into detailed discussions regarding the unique needs and expectations of each stakeholder group. Throughout the engagement process, Aramex gathered valuable inputs from stakeholders, enabling the formulation of its materiality matrix for 2023, which highlighted the key priorities for both stakeholders and Aramex, such as “Employee Health and Safety,” “Carbon Emissions,” “Human Rights Protection”, “Ethics and Business Conduct”, “Customer Relations and Engagement”, and “Data Protection and Security”.

Objectives

Stakeholder engagement is a pivotal driving force in Aramex’s journey as a company. Throughout the years, Aramex has been steadfast in its commitment to fostering a culture of transparency, open communication, and constructive feedback exchange.

This culture extends to its stakeholder management approach, propels its continuous improvement efforts, and empowers Aramex to fulfil its commitments to its stakeholders effectively. Particularly for sustainability performance, stakeholders play an imperative role in supporting Aramex’s sustainability and ESG journey and provide critical feedback and inputs that are used to conduct materiality assessments, define and assess gaps, and help Aramex develop its policies, programs, and projects.

Upholding this commitment, Aramex continued conducting its physical stakeholder engagement sessions in 2023. The session took place in the United Arab Emirates with different key stakeholders present, such as airline companies, suppliers, clients, government entities, academia, employees, and top management. Aramex designed its engagement in collaboration with an external consultancy and focused on fulfilling the following objectives:

-Assess Aramex’s sustainability performance: Inform stakeholders about Aramex’s sustainability goals, achievements, and challenges. Hold open discussion and collect feedback.

-Understand Stakeholder expectations from Aramex: Understand the needs and concerns of its different stakeholder groups and their expectations from Aramex.

-Define improvement areas: Discuss how Aramex can continue creating shared value for its stakeholders and how they can collaborate on solving challenges.

To achieve these objectives, the engagement was constructed in the following three spaces:

1. Inform: The external consultancy shared the objectives of the engagement and gave space to the stakeholders to share their expectations and desired output from the engagement, after which Aramex presented its sustainability context by sharing its sustainability strategy, achievements, challenges, and future plans.

2. Assess: After presenting the sustainability context, the stakeholders were engaged in an evaluation exercise and open discussion spaces where they gave feedback on different aspects of Aramex’s sustainability performance, asked questions, and provided valuable feedback. Within this space, Aramex gathered data on which material topics stakeholders think it should prioritize and how they perceived Aramex performing on these topics.

3. Discuss: To have more in-depth conversations, stakeholders were separated into focus groups to discuss topics that are specifically important to them considering their business relationships with Aramex.

Stakeholder Engagement and Materiality Assessment

As part of its stakeholder engagement process, Aramex partnered with Sustainable Square Consultancy, an independent and external third party to co-design and co-facilitate the assessment and conduct its 2023 stakeholder engagement and materiality exercise.

For this engagement, Aramex expanded the list of its participating stakeholders to include industry experts and representatives from the academic world. This is part of its strategy to assess double materiality and enhance collaboration with experts to enhance its sustainability performance, deepen its knowledge and expertise, and share best practices and analyses.

To conduct the engagement and materiality assessment, Aramex adopts a 5-step process, highlighted in Table 1.

Table 1. Aramex’s materiality assessment five-step process



When reviewing and updating the list of ESG topics to include in the 2023 exercise, Aramex used three lenses:

-Aramex Performance Metrics: In line with its sustainability reporting approach, Aramex established performance metrics, incorporating 12 disclosures (table 3) aligned with the GRI Standards. These metrics encapsulate its ESG priorities and enable Aramex to assess its performance on these topics. To further demonstrate the importance of the set performance metrics, with each reporting cycle, Aramex commissions an external and independent third party to ensure its reporting on them. For further details on the assurance report, please refer to (Page 131)

- Priority Risks: A materiality exercise has the objective of assessing topics of importance to a business and its stakeholders. To ensure the relevance of the selected topics, Aramex also considered the topics and subtopics included in its climate risk assessment exercise, where appropriate. The identified priority risks correspond to matters and topics that are of key importance to Aramex as a result of different assessments of Aramex’s impact and value chain, including climate risks. They represent the topics most likely to influence Aramex substantially.

- 2022 ESG Topics: As part of the process, the list of the 2022 materiality exercise was reviewed and updated based on feedback received following the exercise. The main alterations made to the 2023 topics from 2022 involve the introduction of the topics of “Energy Efficiency”, “Air Quality”, and “Waste Management and Recycling”

Appendices and Annexes

Table 2. List of topics used in the 2023 materiality assessment

Environmental	Social	Governance
Climate Change	Employee Health and Safety	Ethics and Business Conduct
Waste Management and Recycling	Diversity and Inclusion	Data Protection and Security
Energy Efficiency	Customer Relations and Engagement	Sustainable Products and Services
Carbon Emissions	Sustainability Communication and Engagement	Economic Impact
Air Quality	Human Rights Protection	
Sustainable Supply Chain	Road and Public Safety	

Table 3. Aramex performance metrics grouped under material topics

The performance metrics are directly connected to material topics used in the assessment; therefore, performance metrics are grouped under relevant topics in the materiality assessment.

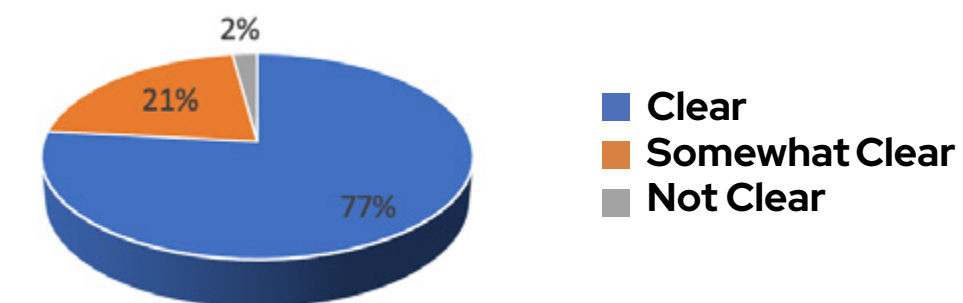
Material Topic	Aramex Performance Metrics
Ethics and Business Conduct	- Disclosure 202-1: Ratios of standard entry level wage by gender compared to local minimum wage
Economic Impact	- Disclosure 204-1: Proportion of spending on local supplier
Employee Health and Safety	- Disclosure 403-1: Occupational health and safety management system - Disclosure 403-9: Work-related injuries
Diversity and Equal Opportunity	- Disclosure 405-2: Ratio of basic salary and remuneration of women to men - Disclosure 404-1: Average hours of training per year per employee
Carbon Emissions	- Disclosure 305-1: Direct (Scope 1) GHG emissions - Disclosure 305-2: Energy indirect (Scope 2) GHG emissions - Disclosure 305-3: Other indirect (Scope 3) GHG emissions - Disclosure 305-4: GHG emissions intensity - Disclosure 305-7: Nitrogen oxides (NOX), sulfur oxide (SOX), and other significant air emissions
Energy Efficiency	- Disclosure 302-3: Energy Intensity

Engagement Output

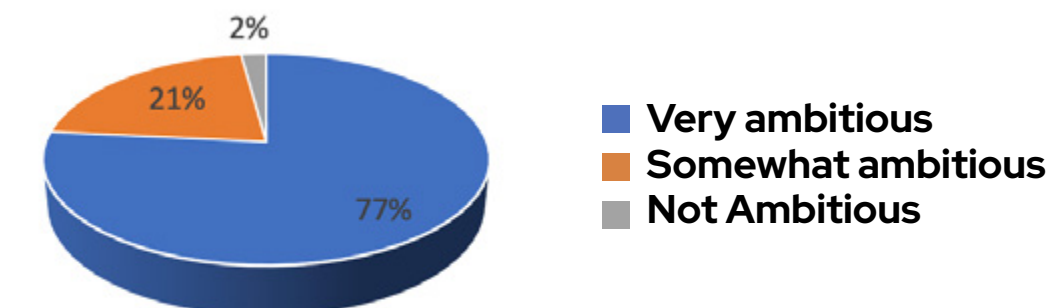
For effective engagement, the materiality assessment is conducted through a physical workshop. The engagement brought together 47 individuals representing diverse stakeholder groups and engaged them in open discussions, allowing everyone to freely share their feedback and opinions and exchange insights and good-case practices. Additionally, the workshop hosted group-focused discussions tailored to address the unique needs and interests of each stakeholder group.

To kickstart the workshop, Aramex shared a comprehensive presentation informing its stakeholders on its ESG strategy and commitments, initiatives and performance, ambitions, and challenges. Subsequently, stakeholders were requested to share their evaluation of Aramex as a responsible business across various criteria by participating in a live assessment survey. The findings from the exercise are highlighted in the following charts.

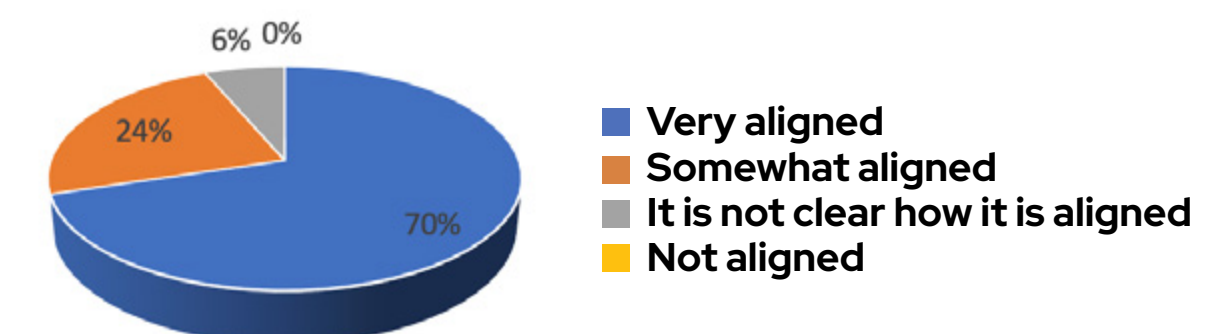
1. How clear do you find Aramex Sustainability Strategy?



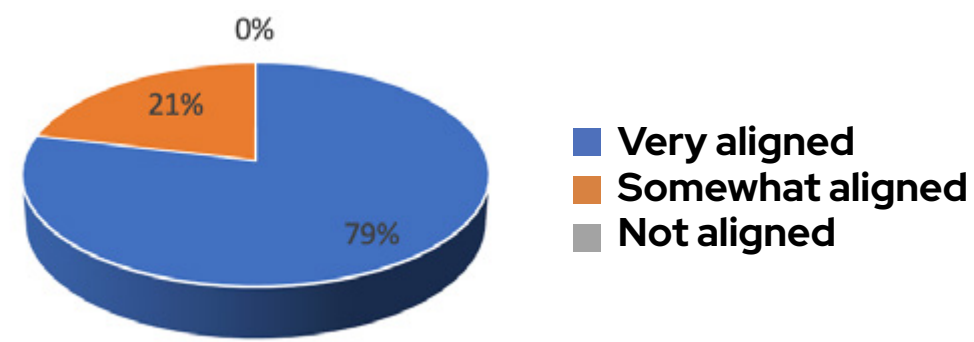
2. How ambitious do you find Aramex Sustainability Strategy?



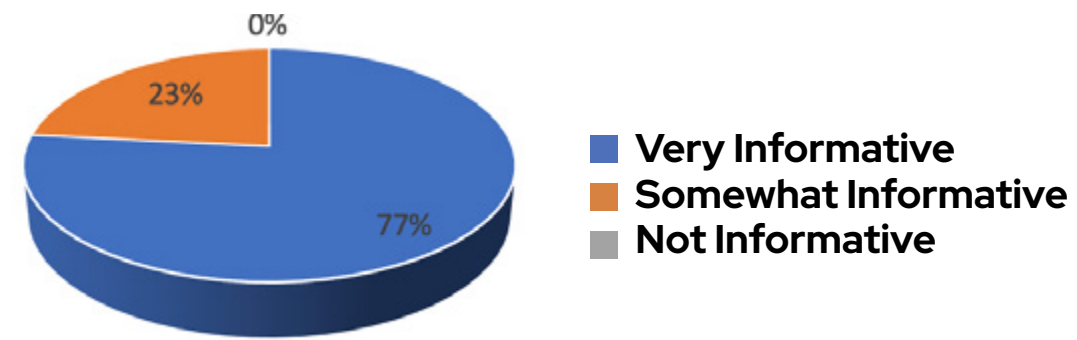
3. How aligned do you find Aramex Sustainability Strategy to the country's directions?



4. How do you find Aramex Sustainability Strategy aligned to its core business?



5. How informative do you find Aramex's Sustainability Communication and Engagement?

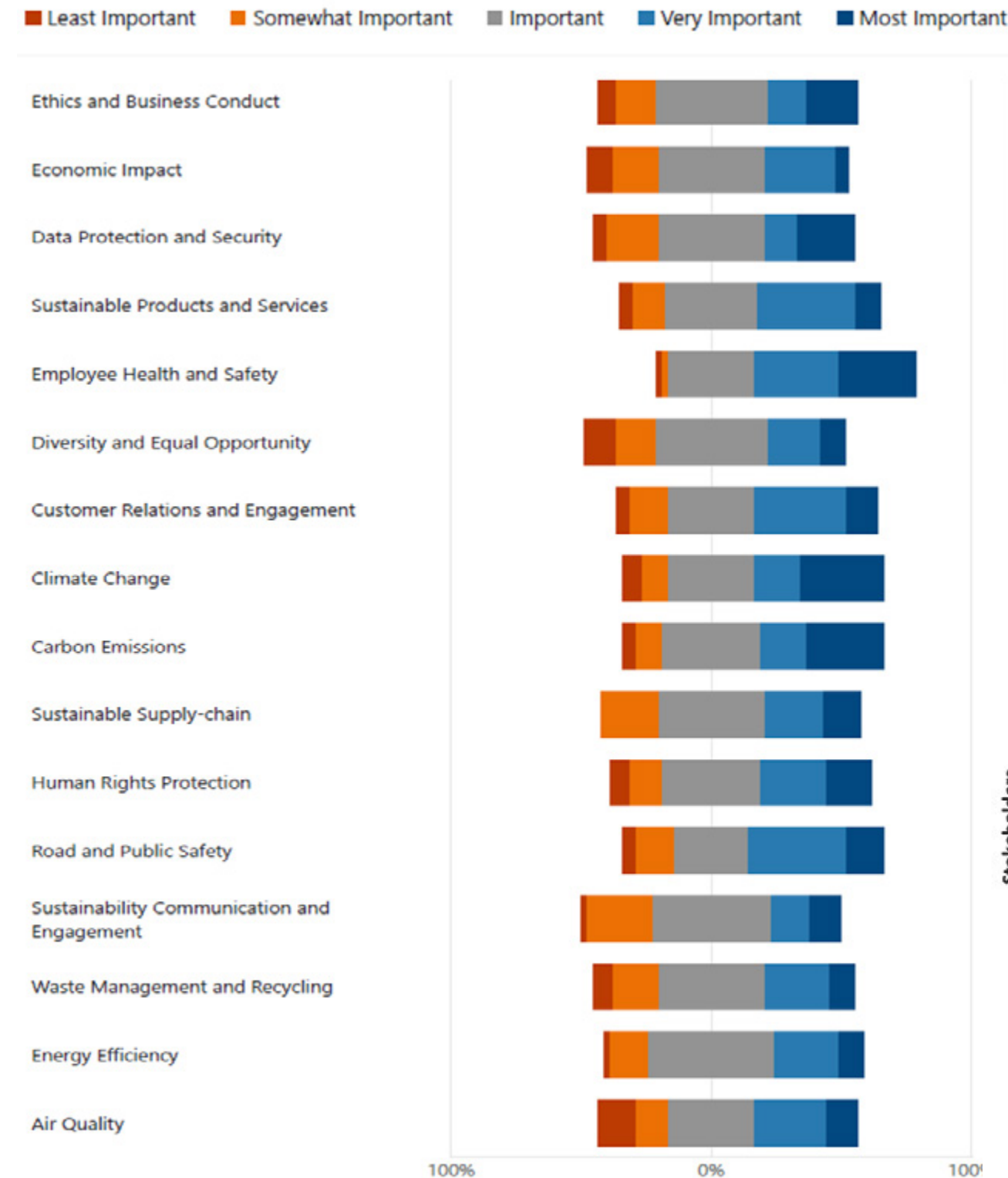


Following their input, stakeholders were engaged in deeper discussions to express their perspectives and reasons underlying their evaluations. Simultaneously, Aramex actively sought additional feedback and suggestions aimed at better understanding stakeholders' issues and enhancing its strategies and communications.

ESG Topics Assessment

The principle of the ESG topics assessment, better known as the materiality assessment, was to ask stakeholders to reflect on a list of ESG topics, keeping in mind the information shared on Aramex's sustainability performance, as well as designating a degree of importance to these topics for Aramex to prioritize. The topics deemed to be most important are material and Aramex is expected to prioritize them.

Materiality considers not only the impact of a business on specific ESG topics from the stakeholders' perspective, but also how the business itself is influenced by its stakeholders and these topics. Aligned with this principle, Aramex's management team was engaged in this process to provide the business perspective on the topics and their prioritization. This not only allows Aramex to have a wider understanding of the topics' importance from different perspectives, but also assesses the level of alignment between the business and its stakeholders regarding their perception of what is material.



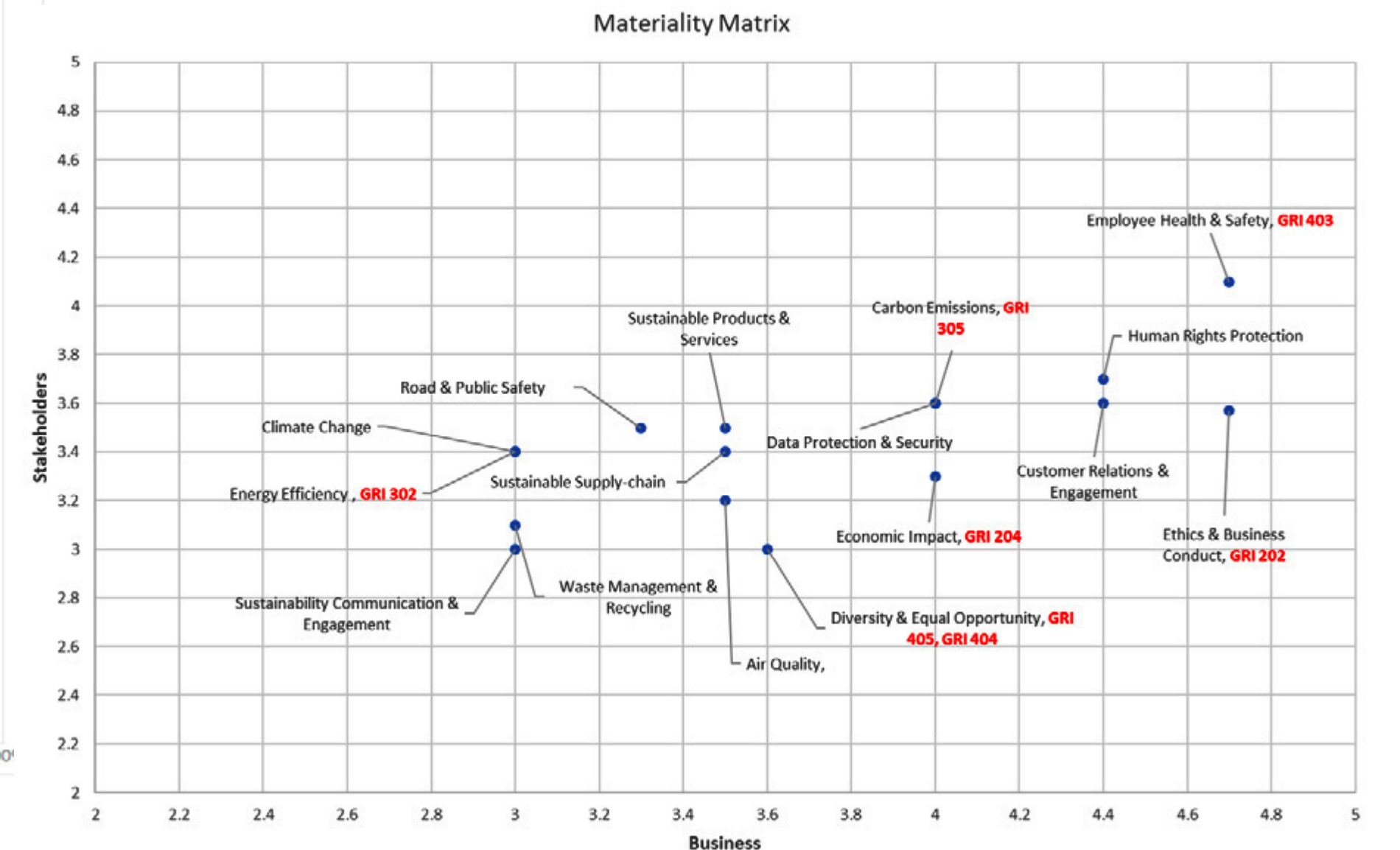
Materiality Matrix

In developing its materiality matrix, Aramex focused on ensuring inclusivity by reaching out to stakeholders in various geographical locations where it operates. Consequently, an online survey was conducted to engage with stakeholders on a global scale. The primary contributors to this survey were employees and customers. Their inputs were amalgamated with those gathered during the physical workshop to create a comprehensive representation of stakeholders' perspective on the topics.

As mentioned previously, the materiality matrix was generated using input from Aramex's management team and stakeholders. The input received from management was used to inform the "X" axis of the matrix while the "Y" axis was informed by the input of stakeholders. The topics "Ethics and Business Conduct" and "Employee Health and Safety" were rated with highest importance by Aramex's management team followed by "Customer Relations and Engagement" and "Human Rights Protection". Whereas for stakeholders, "Employee Health and Safety" was ranked highest, followed by "Human Rights Protection".

The threshold for materiality for stakeholders is defined starting from 3.5 and 4 for top management, out of 5. Considering the set thresholds, the defined material topics are the following:

Employee Health and Safety	Carbon Emissions	Human Rights Management
Ethics and Business Conduct	Customer Relations and Engagement	Data Protection and Security



Material Topic	Aramex's management of the topic
Employee Health and Safety	<p>Health and Safety is a crucial topic for Aramex. This topic is prioritized through the following initiatives:</p> <ul style="list-style-type: none"> • Emphasizing the significance of Health and Safety for Aramex; "Employee Health and Safety" is selected to be one of the topics included in Aramex's external audit assessment, represented by GRI disclosures 403. • Aramex ensures employees from different departments undergo Health, Safety, and Security training. Training is customized based on the nature of the employee's day-to-day work activities. • Aramex established an Employee Safety Committee. Its purpose is to ensure that Health and Safety continues to be an integral part of Aramex's operating procedures, culture, and programs. • The committee provides employees with a platform to communicate any needs and concerns for collective actions. <p>To learn more about Aramex's Health, Safety, and Security focused strategies and initiatives, please refer to the Health and Safety section on page 50.</p>
Human Rights Protection	<p>Managing human and labor rights is a crucial focus under Aramex's governance and sustainability strategy. Aramex manages this topic through the following initiatives:</p> <ul style="list-style-type: none"> • Aramex continually conducts training on labor and human rights, along with its compliance and code of conduct training. • Aramex includes human and labor rights metrics to assess its suppliers by integrating them into its third-party due diligence policy. • Aramex aligns its code of conduct with the guidelines of the International Labor Organization (ILO), the UN Declaration on Human Rights, and other international guidelines. <p>To learn more about Aramex's human rights management, please refer to the Risk and Compliance section of the report (pages 104-107).</p>
Carbon Emissions	<p>Carbon emissions management is an integral focus of Aramex's Environmental agenda. Aramex tackles this topic through the following initiatives:</p> <ul style="list-style-type: none"> • Aramex has set emission-reduction targets in line with the Science Based Targets Initiative (SBTi) in 2021. • Aramex is committed to reducing 42% of absolute scope 1 and 2 by 2030 from 2020 as a base year, and scope 3 by 25%. • Aramex has a Natural Capital Strategy that follows a multi-faceted approach towards the environment and climate change. • The key initiatives under its Natural Capital Strategy are focused on 1. Renewable Energy – Solar Installations and Investment; 2. Sustainable Fleet; and 3. Operational and Energy Efficiency. <p>To learn more about Aramex's environmental and carbon strategies and initiatives, please refer to the section on Environmental Stewardship and Climate Change Mitigation on pages 32-39.</p>
Ethics and Business Conduct	<p>Ethics and business conduct is a material topic for all businesses regardless of the industry. Good business conduct ensures innovation, growth, and sustainability of a business. Aramex's management strives to position the Company as a leader in Corporate governance by embedding and upholding best practices and innovation across the group.</p> <p>For more details on Aramex's governance model, processes, and policies, please refer to the governance chapter in the report on page 72</p>
Customer Relations and Engagement	<p>Aramex adopts a customer-centric philosophy putting customers at the center focus of its strategies to ensure excellence and value are delivered to its customers. Aramex tackles this topic through the following initiatives:</p> <ul style="list-style-type: none"> • To ensure effective communication with customers, Aramex provides several communication channels to its customers, where they can communicate feedback, dissatisfaction, or get any needed information. • Aramex invests in technologies such as AI to understand customers' intent and sentiments and respond to customers within seconds using AI-chatbots. • Aramex caters to the needs of its different customer segments by developing programs aimed at solving specific issues and challenges. <p>For more details on Aramex's customer centricity and management, please refer to the "our customers" section in the report on page 55</p>
Data Protection and Security	<p>Data protection and security is crucial for Aramex as it handles sensitive information about customers and business partners. This topic is material as it can affect customer trust, legal compliance, and business reputation. Aramex tackles this topic through the following initiatives:</p> <ul style="list-style-type: none"> • To ensure high levels of data privacy and security, Aramex invests in acquiring certifications that reflect its level of commitment and management of the topic. Aramex has the following certificates: ISO27001SMS certification, PCI-DSS certificate, and CCC+. • Aramex works across departments to drive a culture of information security by training and raising awareness among employees to ensure that they uphold and protect customer privacy, information security, and adherence to all relevant laws and regulations. <p>For more details on Aramex's data privacy and security management, please refer to page 59.</p>

Stakeholder Group Assessment

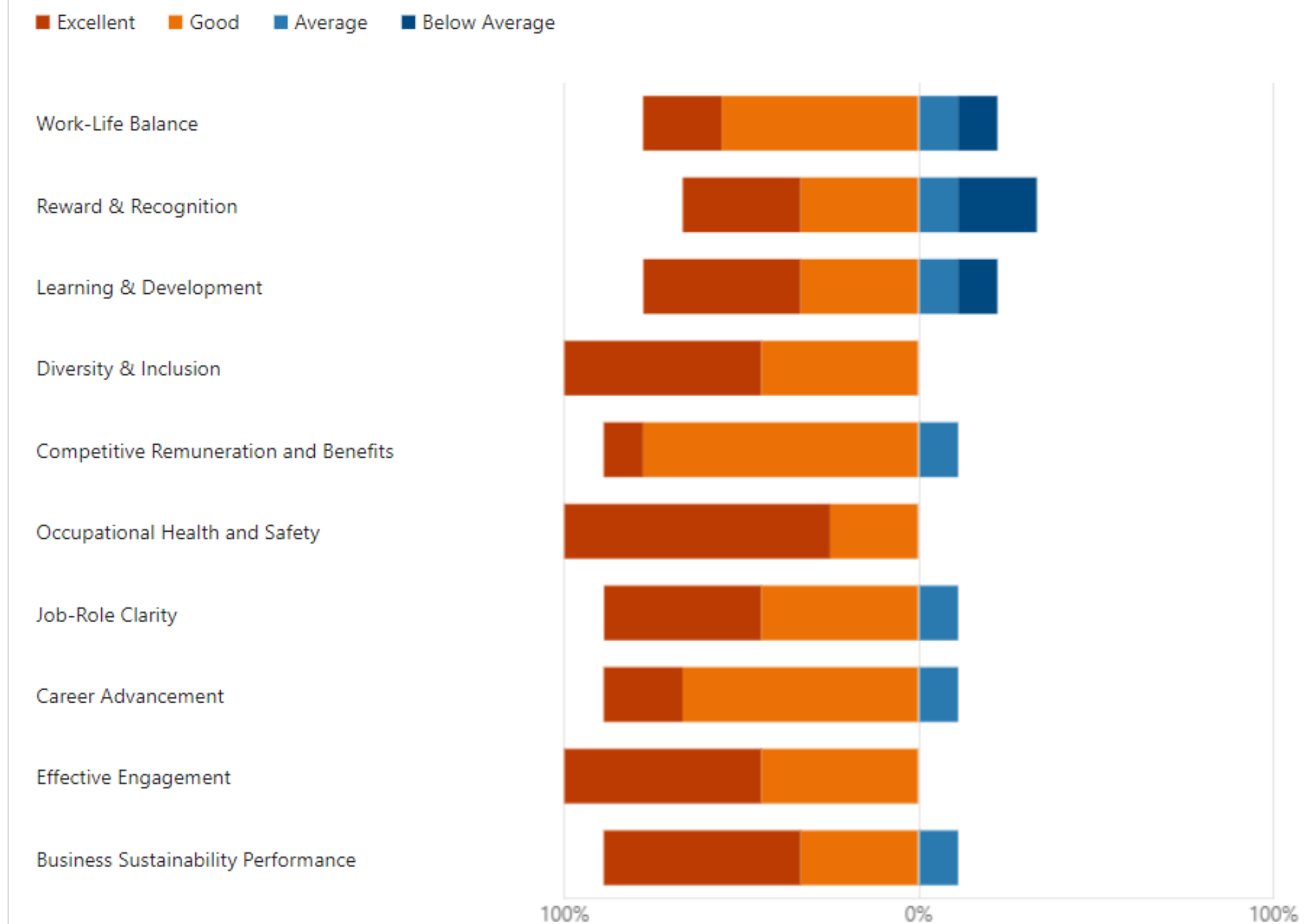
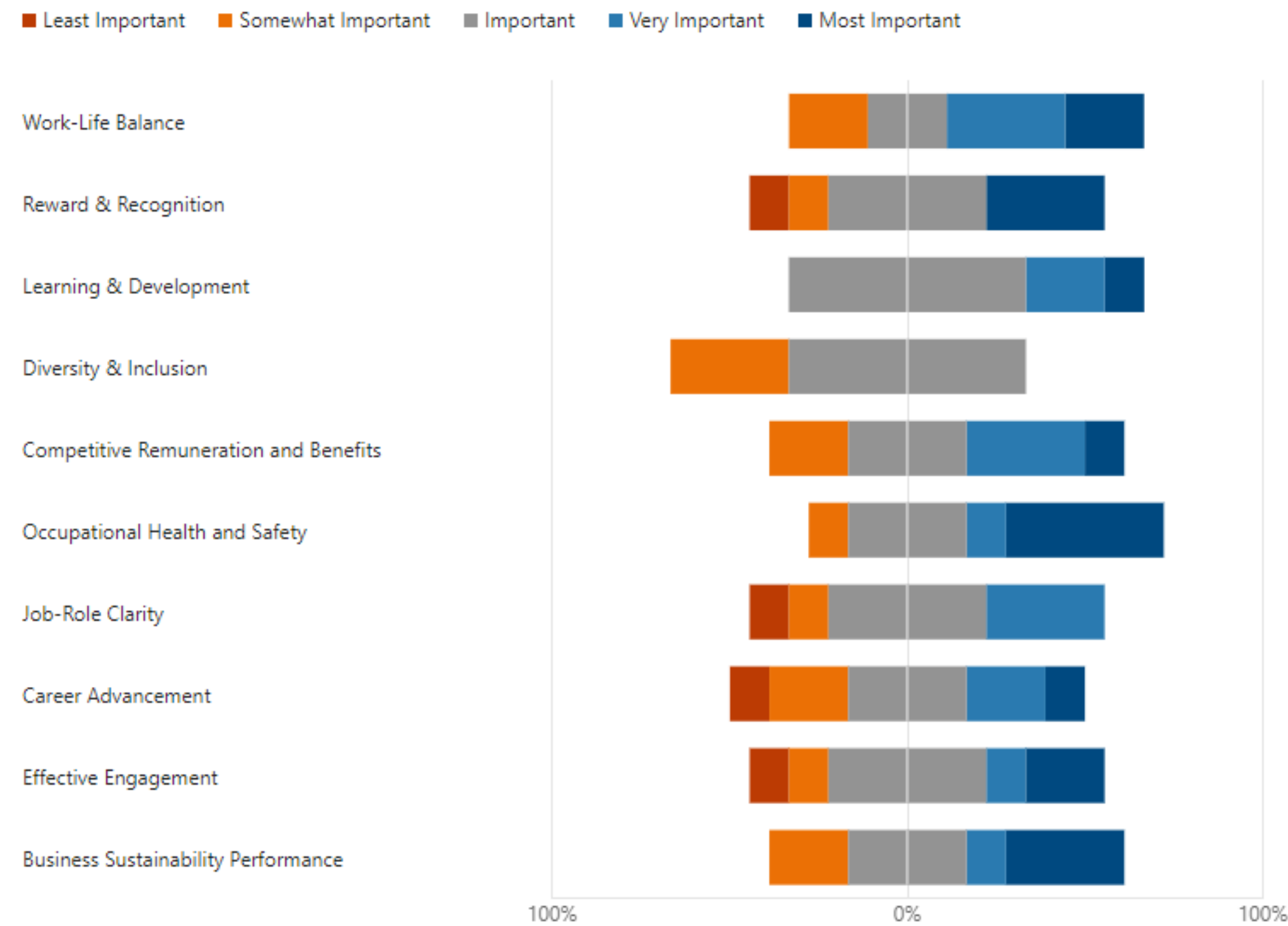
Different stakeholder groups have different needs and expectations from Aramex. These expectations are determined by the type of relationship a stakeholder group holds with the business. Aramex believes that discussing issues and topics specific to each stakeholder group is crucial for its assessment process, as it helps understand stakeholders' specific expectations, identify improvements on a more granular level, and drive more effective cooperation and opportunities for innovation.

The same process used in the materiality assessment was applied to the group assessments. Aramex identified relevant topics for each group according to the nature of their business relationship and held discussions where stakeholders highlighted their most important topics. Additionally, participants were tasked with assessing Aramex's present performance on these topics using a performance scale ranging from 1 to 4, where 1 signifies "Below Average" and 4 signifies "Excellent." The results of this evaluation are detailed in the subsequent section.

Employees Engagement

- The group included employees from various roles including managers, couriers, and senior management. The material topics defined during the exercise are Occupational Health and Safety, Reward and Recognition, and Business Sustainability Performance.

- The Learning and Development topic was considered of higher importance to most employees, whereas Diversity and Inclusion were not ranked as high importance topics.
- Employees indicated that Aramex demonstrates strong performance on the material topics defined in the previous step. However, Reward and Recognition emerged as a topic where employees think there is room for improvement.
- During the exercise, employees were asked to share recommendations and suggestions on how they believe Aramex can improve their experience and its performance on these topics. One of the main recommendations was to increase the number and quality of engagements on Corporate sustainability performance. Employees showed interest in learning more deeply about sustainability and believe that increasing engagement would be an effective approach to doing this. It is important to note that besides its customized training, Aramex includes sustainability and environmental training as part of the employee onboarding process. These training materials are available on its online platforms and accessible to all employees.

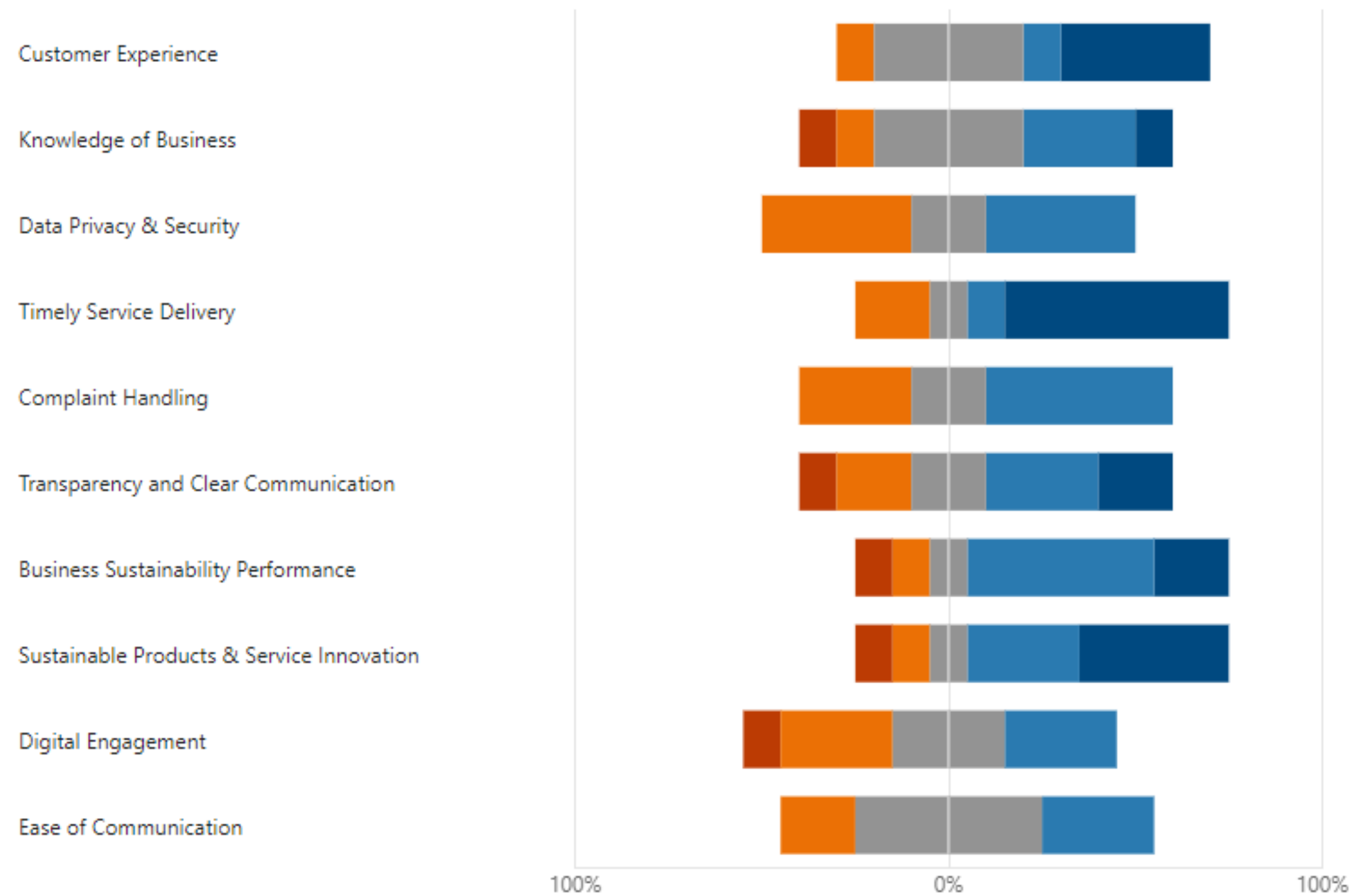


Customers Engagement

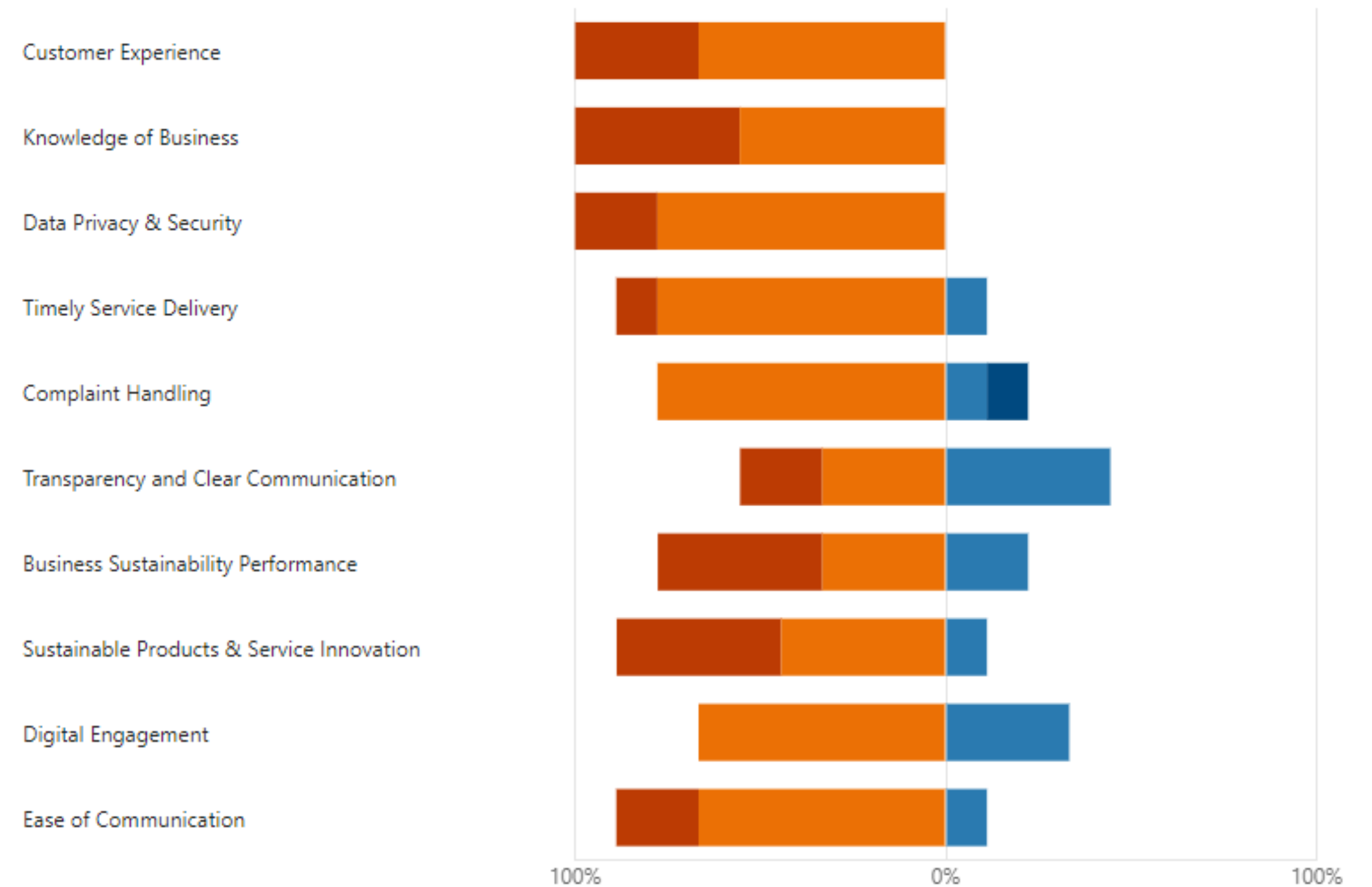
- Participants represented Corporate clients from diverse industries, including pharmaceuticals, personal care, and retail.
- During the engagement, Aramex employees assisted with discussion facilitation, fostering an environment for customers to engage in open and transparent conversations. This space allowed customers to provide direct feedback and address any uncertainties they may have had.
- Customers deemed the following topics to be most material: **“Timely Service Delivery”, “Sustainable Products and Service Innovation”, and “Customer Experience”.**

- When asked to evaluate Aramex’s performance on these topics, most customers rated “Transparency and Clear Communication” as average, followed by “Digital Engagement.” Hence, these topics were highlighted as focal points requiring more attention and improvement from Aramex.
- Customer Experience, “Knowledge of Business,” and “Data Privacy and Security” were rated between “Good” and “Excellent” by all customers.
- “Sustainable Products and Service Innovation”, “Knowledge of Business,” and “Business Sustainability Performance” received an “Excellent” rating by 45% of participating customers.

■ Least Important ■ Somewhat Important ■ Important ■ Very Important ■ Most Important

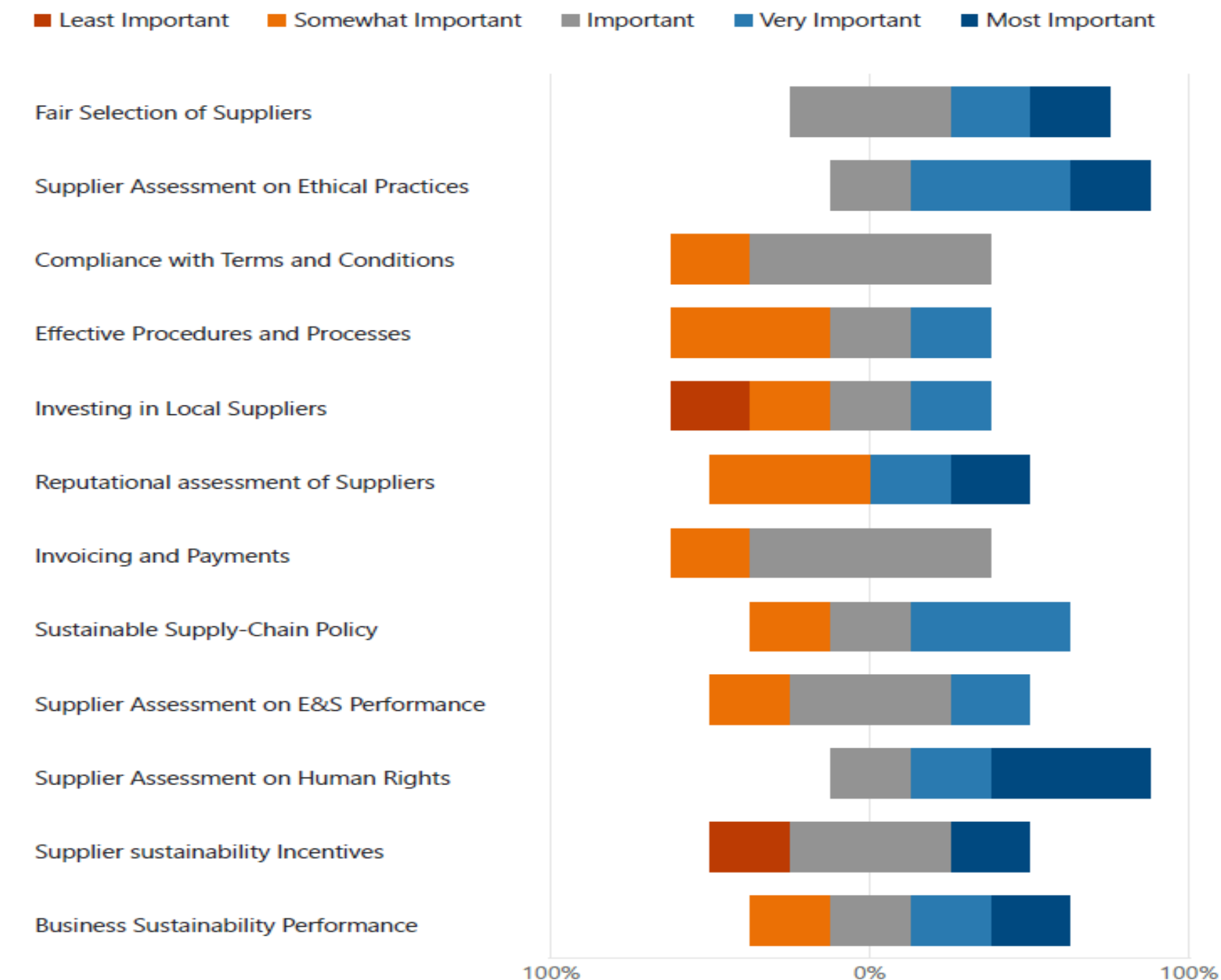


■ Excellent ■ Good ■ Average ■ Below Average

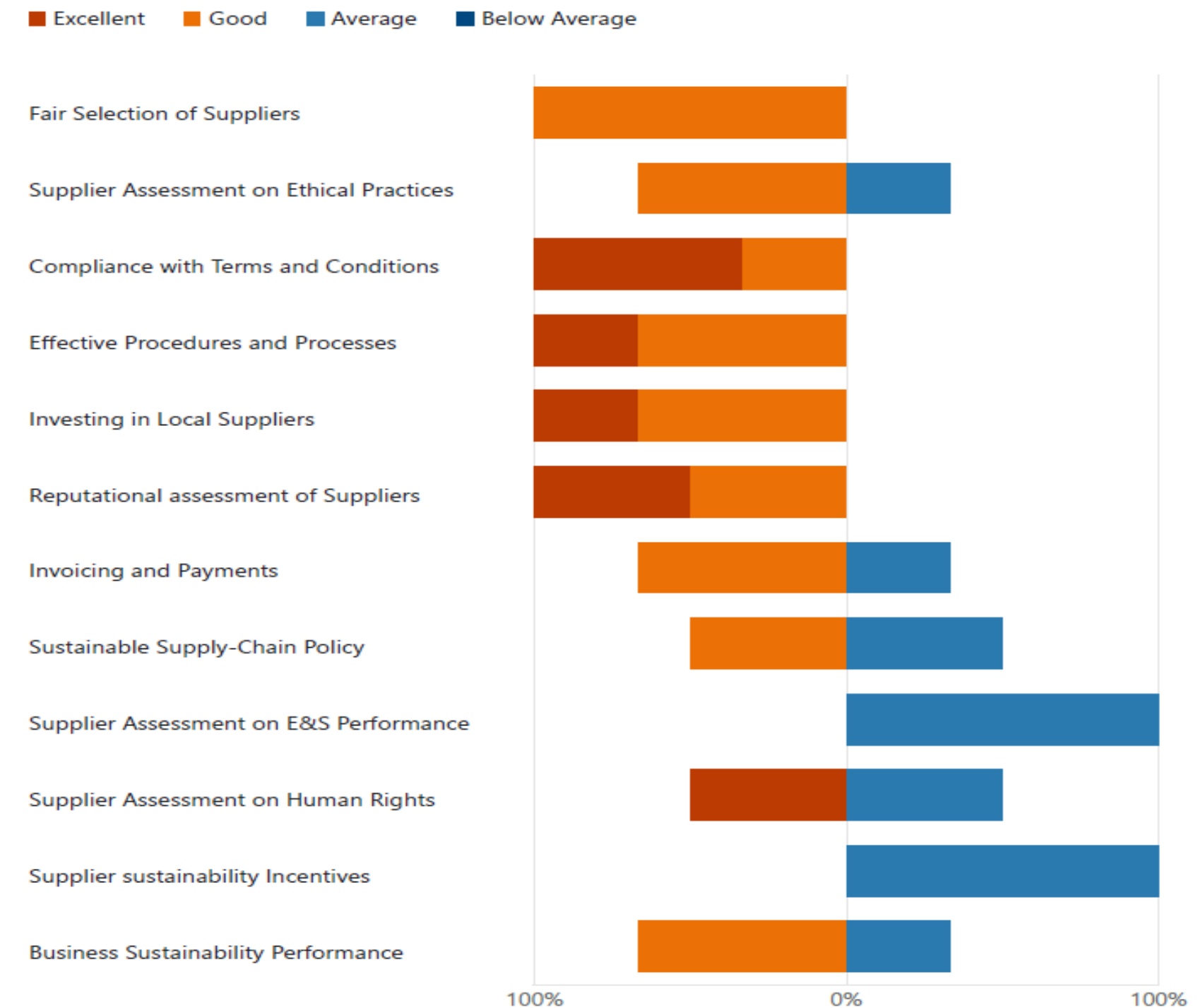


Suppliers Engagement

- Suppliers represented the biggest group participating in the engagement. To address the different needs and interests of its suppliers and facilitate meaningful discussions, Aramex segmented the supplier group into two categories: airline companies and mixed suppliers such as software solutions providers.
- The topics deemed material by Aramex’s suppliers were “Supplier Assessment on Human Rights” and “Supplier Assessment on Ethical Practices”.
- When discussing the material topics, suppliers emphasized the significance of establishing a robust supplier assessment process. Stakeholders argued that such processes motivate suppliers to improve their performance on specific metrics set by clients in such assessments. Furthermore, suppliers suggested that the assessment process be implemented in a way that allows for continuous assessment throughout the year with performance rating scores that allow Aramex to evaluate its suppliers’ sustainability. It is worth noting that Aramex currently has a virtual platform for engaging suppliers through evaluations on different ESG topics, trainings, and questionnaires. For more, please refer to page 70 of the 2023 report and 66 of the 2022 report
- Suppliers suggested Aramex initiate additional discussions to support them in enhancing their sustainability performance and explore how they could best support Aramex in accomplishing its sustainability goals.



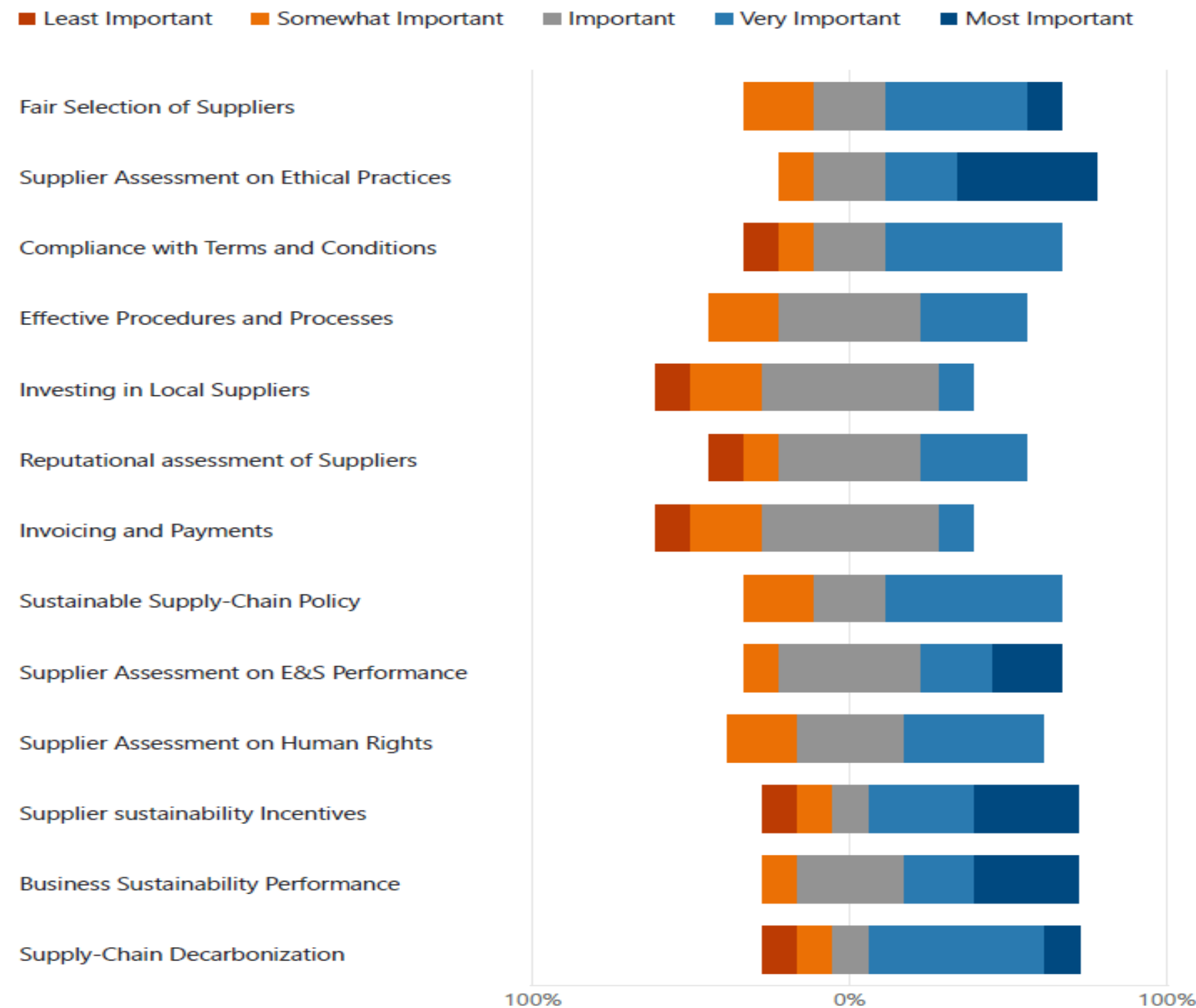
- When asked to evaluate Aramex’s performance on their pertinent topics, suppliers believed Aramex could enhance its alignment with the previously highlighted prioritized topics and suggestions primarily centered around supplier assessments and supplier dedicated initiatives.



Airlines Engagement

Airlines – as a subgroup of Aramex’s suppliers – face different challenges and interests compared to other suppliers. Hence, Aramex engaged with airlines in a separate group from other suppliers.

- The topics deemed material by its airline partners were **“Supplier Assessment on Ethical Practices”, “Supplier Sustainability Incentives,” and “Business Sustainability Performance”**.
- The stakeholders underscored the interrelation between the prioritized topics and their potential mutual influence. They emphasized the importance of supplier assessments regarding human rights and the overall sustainability performance of suppliers. Additionally, airlines emphasized the importance and potential beneficial results of involving suppliers in collaborative discussions to devise solutions - Furthermore, participants discussed the shared challenges faced by airline companies in their sustainability journey and shared good case practices.
- Furthermore, participants discussed the shared challenges faced by airline companies in their sustainability journey and shared good case practices.



- When asked to evaluate Aramex’s performance on their pertinent topics, airlines predominantly rated Aramex’s performance as good or excellent. However, one topic that received a below-average score is **“Supplier Assessment on E&S Performance,”** which echoes the feedback discussed in the preceding evaluation with the other group of suppliers.

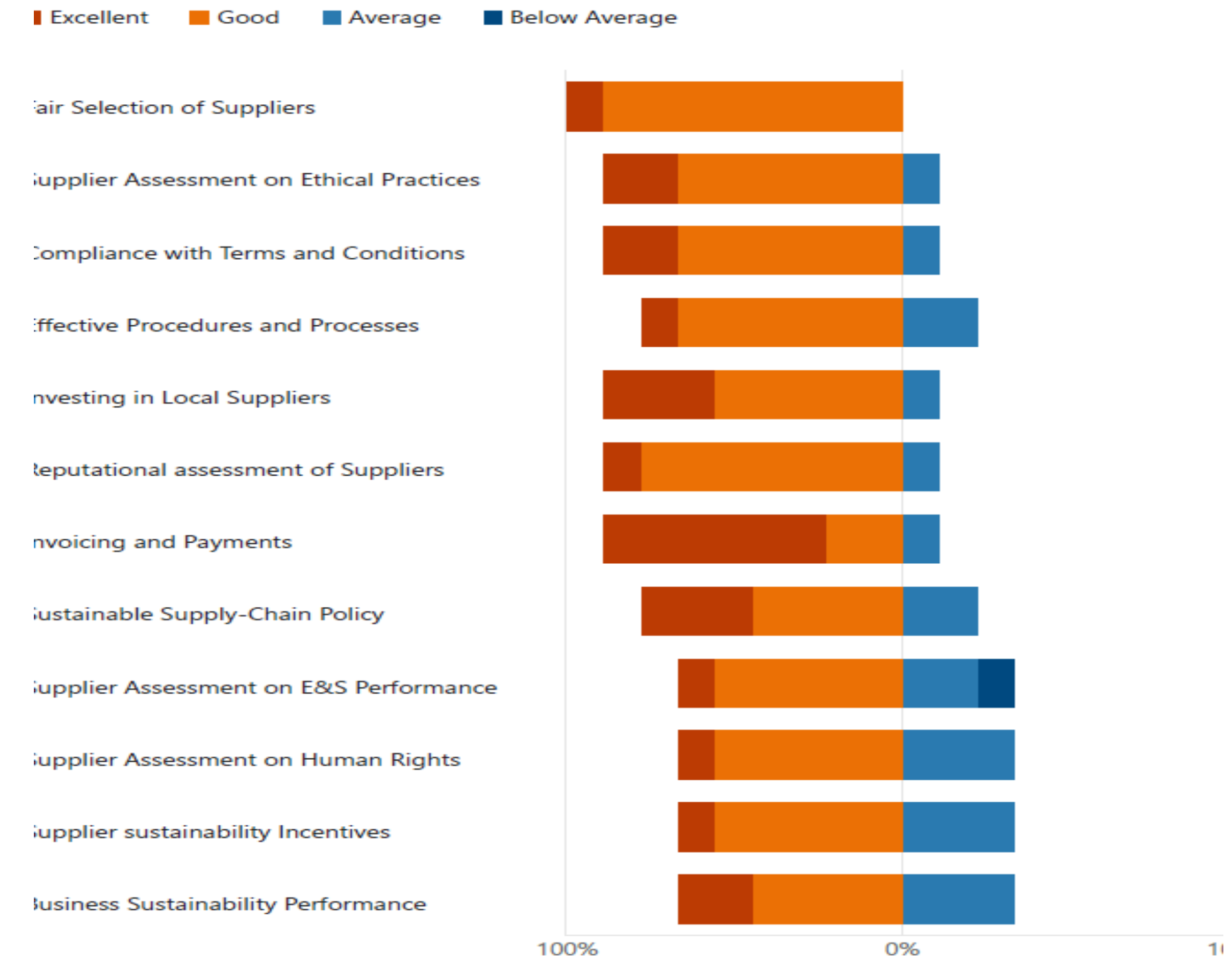


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