



**SUSTAINABILITY
REPORT 2006**

ARAMEX

Table of Contents

Note: In this PDF file, the Table of Contents and all page references in the report function as links; clicking on any of them will take you directly to the referenced section or page. You can also use the Bookmarks tab to navigate through the report.

PAGE	CONTENT
1	Table of Contents
2	Mission, Purpose, and The Sustainability Opportunity
3	Sustainability Performance Snapshot
5-9	Overview of Aramex
9-12	Report Profile
13-14	Letter from the Founder and CEO
15	Sustainability Philosophy and Framework
16-17	Stakeholders – Who, How We Engage, Key Issues and Responses
18-19	Key Sustainability Issues and KPIs with 3-year and Long-Term Goals
20-22	Governance, Ethics, Management Systems and External Commitments
23-24	Memberships
25-27	Disclosures on Management Approach
28	Creating Economic Value
29-34	Our Contribution to Economic Growth and Development
35	Creating Social Value
36-41	Our Customer Relationships
42-58	Our People: Human Resources Developments
59-65	Health, Safety and Security
66-70	Our Cities: Urban Impacts
71-79	Our Communities: Investment in Society
80-82	Our Business Partners and the Global Distribution Alliance
83	Environmental Leadership
84-91	Our Planet: Climate Change, Environment, and Sustainability Innovation
92	Catalyzing Sustainability
93-94	Catalyzing Sustainability Where We Operate
95-97	Looking Forward – Summary of Commitments
98	Independent Assurance
99-101	Assurance Statement
102	Supporting Resources
102-103	GRI Index
104-105	Glossary
106	Acronyms

Aramex is a provider of international and domestic express package delivery, freight forwarding, logistics and other transportation services

Our Mission

To be recognized as the 5th global logistics and express transportation service provider in the world by the year 2010

Our Purpose

To enable and facilitate regional and global trade and commerce

The Sustainability Opportunity

Our definition of sustainability management is the integrated development and growth of our economic, environmental, and social performance in a manner that optimizes value for all of our stakeholders. We believe the concept of sustainability holds tremendous opportunity for our company and our stakeholders, and for our world.

For Aramex, sustainability means:

- Recognition as an outstanding place to work. We aim to be recognized as a top employer wherever we operate
- Becoming recognized as the 5th global logistics and express transportation company, playing a major role in facilitating regional global trade and commerce
- Continuously enhancing and developing new services, including sustainability-oriented service innovations such as zero-carbon shipments
- Strengthening the communities in which we live, in particularly aiming to reduce marginalization and respond to urgent and ongoing humanitarian crises
- Becoming carbon neutral, i.e. having zero net emissions of greenhouse gases which are warming our planet. We aim to be the first "total transportation solutions provider" in the world to achieve this
- Aiming for zero safety incidents – zero accidents, zero injuries, zero fatalities
- Reducing our urban impacts, particularly congestion and noise, and contributing to road safety
- Being a recognized leader in catalyzing the uptake of sustainability in the Middle East and Gulf, and maintaining continued sustainability leadership and innovation in the region.

We are convinced this is the future direction of business. We aim to be pioneers in the Middle East and Gulf, and ultimately earn our place among the world's leadership companies. These are dramatic targets. But our track record, combined with our culture, suggest that we can and will ultimately achieve these objectives.

Sustainability will transform the way we think about our business. It will lead to new types of services, new levels of understanding, new ways of collaboration, renewed respect for our place in the world, and a profound commitment to environmental preservation through sustainability innovation, all of which will benefit shareholders and stakeholders alike.

Sustainability Performance Snapshot

Business success and profitability requires the management of a wide range of stakeholder considerations across economic, environmental, social and ethical dimensions. Here is a snapshot of our performance:

Sustainability Issues	Our Priority Indicators	Performance		
		2004	2005	2006
Governance				
Governance	% of independent directors	N/A	87%	87%
	% of women directors	N/A	0%	0%
Creating Economic Value				
Our Shareholders	Profit	12.957M	20.259M	25.928M
	Growth in profit	29%	56%	28%
	Brand ranking ⁽¹⁾	NA	NA	13th
Our Direct Economic Impacts				
Economic value generated	Revenues	188.7M	232.5M	371.3M
Economic value distributed:				
To Suppliers	Operating costs / total procurement	133.4M	158.7M	266.2M
To Employees	Wages and benefits paid	40.89M	51.92M	76.85M
To Providers of Capital	Interest expenses	233.2K	243.6K	901.0K
To Governments	Taxes paid	881.9K	1.069M	1.208M
To Communities	Total \$ value of donations to society	357274	345075	220362
	Revenues less distributions	12.957M	20.259M	25.928M
Creating Social Value				
Our People: Unleashing Talent	People employed	2954	3934	5823
	Average training hours per employee	NA	8.5	8.45
	Workplace equity			
	% female workers	13%	13%	13%
	% females in senior management (Level 1)	NA	NA	0%
	% females in middle management (Levels 2 and 3)	NA	NA	10.40%
	Turnover rate	21.70%	19.50%	12.70%
Our People: Health and Safety	Fatalities ⁽²⁾	5	1	1
	Absentee rate	0.50%	0.40%	0.39%
Our Customers	% on-time delivery	NA	88%	94%
	Overall customer satisfaction (Survey 2004)	95%	N/A	N/A
Our Business Partners/ Supplies and the Global Distribution Alliance	GDA On-time payment (approx)	90%	90%	90%
Our Society - Reducing Marginalization	% of pre-tax profit invested in community	2.58%	1.76%	0.81%
Environmental Leadership				
Our materials footprint ⁽³⁾	Fuel consumption - diesel (L)	3,444,251	3,815,390	5,275,432
	Fuel consumption - unleaded (L)	2,020,897	2,373,828	3,284,388
	Fuel consumption - leaded (L)	539,444	641,693	778,498
	Water consumption (cubic meters)	463,890	563,930	957,957
Our Cities: Traffic, Congestion, and Urban Pollution	# of stations using routing technology	N/A	N/A	2

* Any financial amounts are reported in US dollar

* M: Million / K: Thousands / L: Liters

NA = Not Available / N/A = Not Applicable

(1) "Top 40 Arab Brands" by Forbes

(2) 13 stations reporting, representing 55% of revenue

(3) Fuel: 22 stations and TwoWay reporting, representing 77.38 % of revenue

Water: 31 stations representing 72% of revenue



OVERVIEW OF ARAMEX



Overview of Aramex

Aramex is a provider of international and domestic express package delivery, freight forwarding, logistics and other transportation services primarily to, from and within the Middle East and South Asia. Aramex has recently expanded its presence in Europe by acquiring TwoWay Vanguard, a logistics and freight service provider that has offices in the Netherlands, Ireland and the United Kingdom.

Since its inception in 1982, Aramex has expanded its station/office network to include more than 240 locations in 35 countries with over 6,000 employees as of March 2007.

Services

Aramex prides itself on providing 'total transportation solutions' to its customers by offering a wide range of standard services in addition to unique and customized products, all under one roof. The main products and services of Aramex are:

➤ International Express Delivery

Express shipments consist of small packages, typically ranging in weight from 0.1 kilograms to 50 kilograms, with time-sensitive delivery requirements. Aramex offers its international express delivery services to both retail and wholesale express accounts and offers its customers the ability to track their shipments on the World Wide Web through the company's web site (www.aramex.com).

Retail express delivery customers include trading companies, pharmaceutical companies, banks, service and information companies and manufacturing and regional distribution companies, and are not concentrated in any one industry. Wholesale express delivery customers consist primarily of: (a) members of the Global Distribution Alliance, and (b) express delivery companies with express packages that have an Aramex destination and require Aramex's network to deliver their shipments. The end-user remains a customer of Aramex's wholesale client.

➤ Freight Forwarding

Aramex offers a wide range of freight forwarding services including air, land and ocean transport. Forwarding of loose cargo or consolidated freight, warehousing, customs clearance and break-bulk services and inter-modal transportation such as air/land, sea/land, etc, are some of the additional services on offer from Aramex today. Freight shipments typically have gross weights in excess of 50 kilograms on average. These require more specialized handling and are normally less time-sensitive than express shipments. Aramex provides full "door-to-door" services from, to and within the Middle East and South Asia, and last year we added an important part of West Europe to this service cycle by acquiring TwoWay Vanguard in the Netherlands, Ireland and the United Kingdom. A significant portion of Aramex's freight forwarding business involves consignee sales (or routed imports) and, to a lesser extent, exports by air, ocean and land modes.

We launched our freight forwarding business in 1987 out of selected stations, and from 1993, at every Aramex station in the Aramex network. Whereas express shipments in the Aramex network virtually always pass through one of its international hubs or gateways, freight forwarding shipments are routed directly from origin to destination on board the operating carriers that are active on these routes or on the wings of the commercial lift available on city-pair basis around the globe. Usually the freight route is selected to best suit the size, weight and time-sensitivity of the shipment on hand.

In 2006, Aramex continued to expand the ground transportation portion of its freight forwarding business. Ground transportation shipments typically consist of a wide range of materials ranging from heavy-weight packages, high-value electronics, computer equipment and other similar electronic items, to heavy machinery and household goods that do not have as time-sensitive delivery requirements as the small packages sent by Aramex's express delivery system. The inland service delivers shipments at lower costs than express delivery shipments or than the air freight delivery system. Aramex usually delivers its ground transportation shipments by truck and inland hauling. Aramex wet-leases most of the trucks it uses for these services today. Wet-leases are leases from local trucking companies of vehicles, drivers and other personnel needed to complete the service.

Aramex started providing such ground transportation and land freight services in 1998 through a network of trucking routes from Dubai, UAE, to each of Riyadh in Saudi Arabia and Amman in Jordan. At present the company has

expanded its ground transportation network in the Arabian Gulf by adding additional routes linking Dubai to Muscat (Oman), Kuwait City (Kuwait), Manama (Bahrain) and Doha (Qatar) and the rest of Saudi Arabia. This expansion included such routes as Dubai/Amman, Amman/Beirut and Istanbul/Levant sectors. Recently we added Cairo/Khartoum and Cairo/Tripoli runs. The company has also established extensions from several of these cities to surrounding areas. Aramex has focused on the expansion of its ground transportation network in the Arabian Gulf States due to its belief that such a region constitutes a number of highly under-developed markets with rising demand for “efficient” ground transportation delivery services between them. Aramex plans to further expand its ground transportation network in the Middle East at large and in the Levant region in particular, according to the increasing demands from its local and network clients.

➤ **Logistics**

Aramex offers third-party logistics services through a network of logistics facilities located at major areas in the Arabian Gulf, Middle East, North Africa and North-Western Europe. Three of these centers are located at free zones in Jebel Ali in the UAE, Bahrain and Queen Alia International Airport in Jordan. Aramex also has several local logistics centers in Saudi Arabia, Lebanon, Jordan, Egypt, Kuwait and the USA.

A wide range of customized services is offered through these centers including warehousing and its management, distribution, supply chain management, customs brokerage, order fulfillment, inventory management and value-added services. Aramex also offers multiple storage options that range from temperature-controlled to rack, bulk and open-yard. The logistics centers are operated using world-class warehouse management systems and are monitored 24 hours a day. All shipments coming in and out of the logistics centers can be monitored and tracked on the World Wide Web through the company’s web site (www.aramex.com).

➤ **Domestic Express Delivery**

Aramex has developed an extensive network for the express delivery of small parcels, and has the capability to pick-up and deliver shipments from city to city and within cities in every country in which it operates. Aramex offers a wide range of domestic delivery services to satisfy customers' local distribution needs; from standard services like same-day, next-day and deferred delivery, to customized business solutions including inter-branch mail delivery, ad hoc and regular mass mail, and secure distribution of credit cards for financial institutions to their customers.

Aramex’s domestic solutions are highly customizable, for example our customers in the telecom sector store high value devices with us to be delivered upon notification their customers’ doors. These solutions can be further customized with value added services including collecting of payments for invoices or sold goods (Cash on Delivery), and Document Return for important documents that need to be signed and swiftly returned.

Aramex holds a leading position in the domestic express delivery market in countries where it operates. Its customers include e-commerce-related businesses, local distributors, pharmaceutical companies, telecom operators, and banks.

➤ **Document Management**

In early 2005, Aramex acquired InfoFort, a leading document records management company in the Middle East and North Africa. InfoFort offers a full range of comprehensive information storage, management and production services including record management, off-site data protection, digital archiving, secure shredding and film and sound archives.

➤ **U.S. and U.K. Mailbox Service**

In 2000, Aramex started offering a specialized service called Shop&Ship. The service gives customers personal mailing addresses in the US and the UK to use for receiving correspondence as well as personal and business packages such as Internet orders, gifts, magazine subscriptions, bank statements, etc. Aramex forwards the mailbox contents to the customer at their local address in any of the 19 cities in which this service is available.

➤ **Shopping Services**

Aramex offers end-to-end shopping services from mail order catalog companies and internet shopping sites to its retail customers. The service is known as "Shop the World" and was developed in response to Middle Eastern customer requests to receive goods marketed through foreign catalogs and online shopping sites that do not offer international shipping options.

➤ Magazines and Newspaper Distribution

In November 2002, Aramex acquired Jordan Distribution Agency, which is the leading distributor of foreign and local publications, including mass circulation of the major newspapers in Jordan. Aramex has introduced the latest distribution mechanisms to the acquired company and expanded its network in the country and abroad.

Customers

Aramex has a diverse customer base, totaling over 50,000 accounts in the year 2006, which spans a broad geographic area, concentrated across in the Middle East, Europe, South Asia and North America, and includes companies in a wide range of industries. Customers, both retail and wholesale, are also diverse in terms of their service needs. Aramex's customers are not concentrated in any one particular industry but typical customers include trading companies, pharmaceutical companies, banks, service and information companies, manufacturing and regional distribution companies and express companies. The broad range of services, which the company offers, has developed in response to the growing diversity of its customers. Aramex's customers are making increased use of the high value-added services provided by the company, from express services to door-to-door airfreight forwarding to customized special services.

Aramex has both retail and wholesale customers. Retail customers (i.e., those who are serviced and billed directly by the company) include both express and freight forwarding accounts. Wholesale customers consist primarily of express accounts.

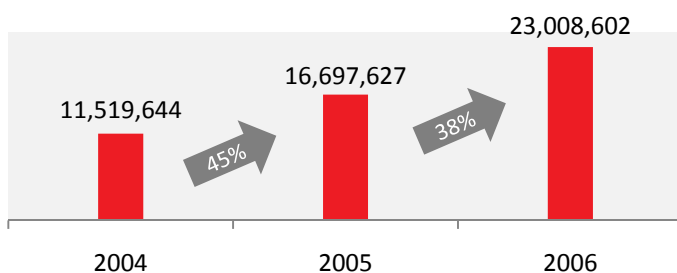
Growth Strategy

Aramex's growth strategy includes the following key elements:

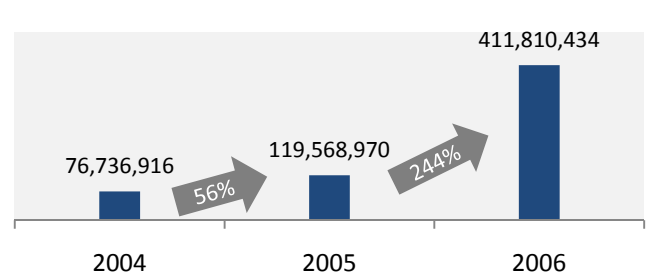
- Expanding market geographic presence in the Middle East, South Asia, and other contiguous emerging markets in order to 1) enhance regional market presence 2) expand customer base, and 3) reduce geographic revenue concentration
- Providing 'Total Transportation Solutions', including 1) logistics management 2) multi-modal regional transportation and distribution (express air freight, air freight forwarding and ground distribution) 3) inventory management, and 4) local warehousing
- Continued emphasis on technology to continuously enhance quality of customer service, and quality and efficiency of operations
- Marketing our services through 'Aramex teams' – cross-functional, personalized customer teams who possess the marketing skills, local market knowledge, service expertise and industry experience necessary to identify and effectively address individual customer's transportation requirements at each of our stations
- Achieving growth through strategic alliances and acquisitions. Aramex has established strategic relationships with a large number of industry participants through its participation in Global Distribution Alliance. The company has also undertaken several acquisitions in 2005 and continued this course of action in 2006. Acquisitions in 2006 are listed on page 9.

Our growth performance in different aspects of our business is captured in charts below and on the next page.

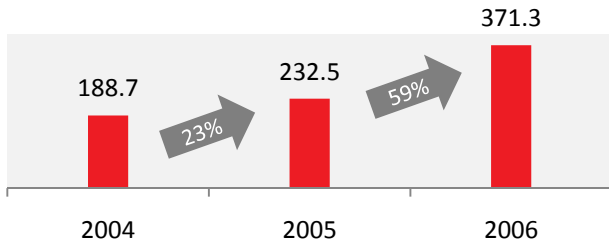
Growth in Total Number of Shipments



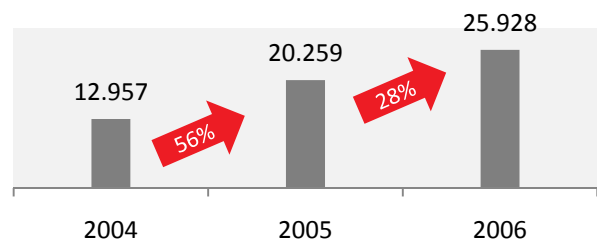
Assets Growth (USD)



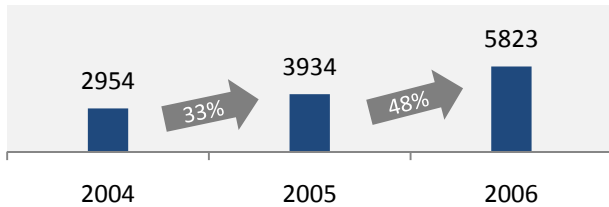
Revenue Growth (USD million)



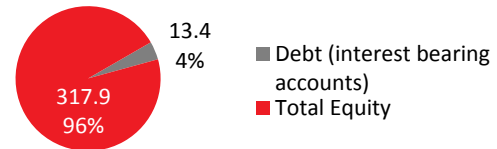
Profit Growth (USD millions)



Growth in Employees



Total Capitalization 2006 (USD millions)

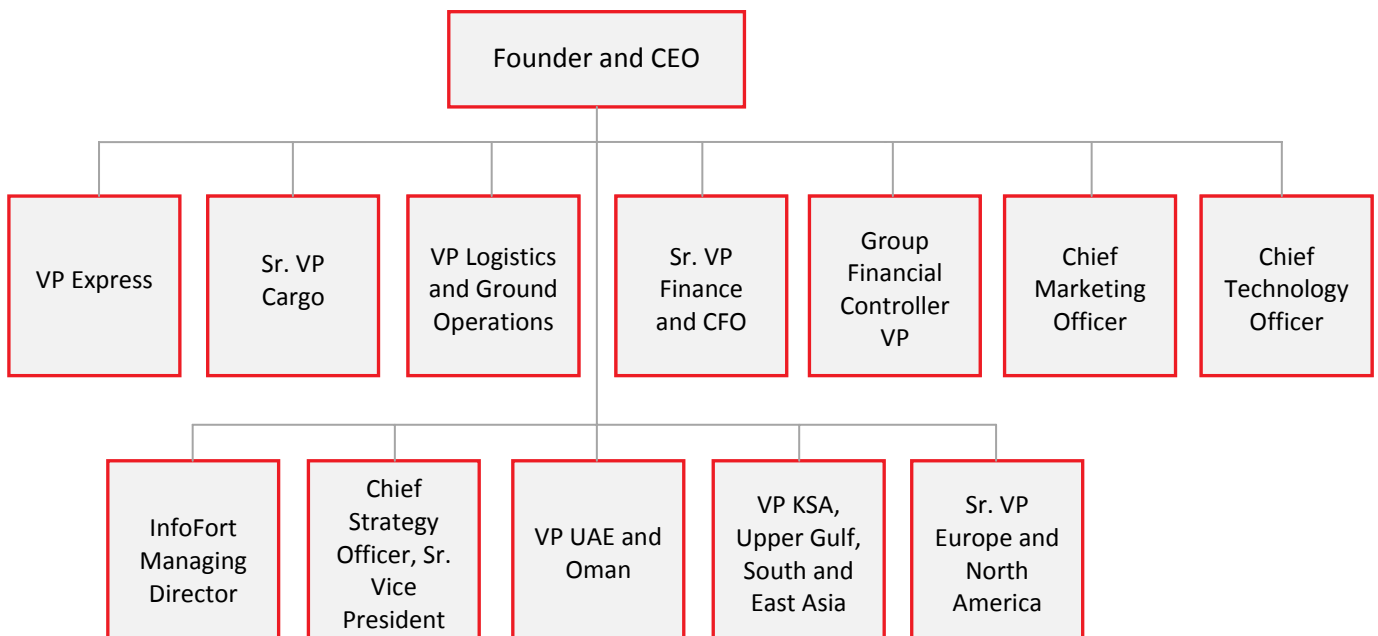


Total = USD 331.3 million

Organizational Structure

Aramex is a public joint stock company registered under the laws of the United Arab Emirates with its shares publicly traded on the Dubai Financial Market as of July 2005. Aramex headquarters is located in Amman, Jordan. The headquarters is referred to as the 'General Services Office' (GSO), to emphasize its function as a support unit and service center to the operations. The company is managed along two tracks: 1) by service, with senior managers for each key service line, which is cross-linked 2) geographically, with regional senior managers, country managers, and cross-functional country-based 'Aramex teams' offering coordination of all Aramex services on a customized basis to Aramex customers.

Corporate Management Structure



Global Network

Aramex is a founding member and chair of the Global Distribution Alliance (GDA), which comprises of over 40 leading express transportation and logistics providers with over 12,000 offices worldwide, more than 66,000 employees, an excess of 33,000 vehicles and operations in more than 220 countries throughout the world. The Global Distribution Alliance is strategically positioned to provide swift and reliable global transportation solutions.

Each member of the alliance provides extensive coverage and in depth expertise in a different region of the world. Together, the members provide total world coverage with thorough local knowledge, ensuring a seamless and reliable service in every corner of the globe.

Acquisitions in 2006

On January 1, 2006 Aramex acquired Freight Professionals, a freight forwarding company based in Egypt specializing in air and ocean freight. In April we acquired TwoWay Vanguard, a major Dublin-based Logistics and Freight Forwarding company. With this acquisition, Aramex acquired TwoWay Vanguard's 15-office network across Ireland, the United Kingdom and The Netherlands, and over 350 employees. The company, whose revenue in 2005 topped \$85 million, offers a complete range of logistics solutions that focus on Global Air Freight, Global Ocean Freight, UK-Ireland-UK Express Road Freight and Value Added Logistics. In November, we acquired Dubai-based Docman Limited, a documents and records storage, scanning and management specialist. Docman will be teamed with InfoFort, Aramex's regional and market leading wholly-owned document records management company, which was acquired in 2005. The move will consolidate InfoFort's position as the only premier documents storage and management enterprise in the region and offers synergies with its core business and markets.

Company Structure

Aramex PJSC is a Public Joint Stock Company listed on the Dubai Financial Market, the company was registered in the Emirate of Dubai, UAE on 15 February 2005 under the UAE Federal law No 8 of 1984 (as amended). On 22 June 2005, the company acquired 100% shareholding in Aramex International Limited, a company incorporated under the laws of Bermuda.

Aramex is a global provider of total transportation solutions offering express delivery, freight forwarding and logistics services.

Awards and Certifications

Aramex received a number of awards in 2006 including:

- "Global Express Delivery Company 2006", from the Institute of Transport Management (ITM), the UK-based international standards-setting organization for the sector.
- Three "Middle East Logistics Awards 2006" (MELA) awards: "Best Express Operator", "Entrepreneurship in Logistics - Outstanding Achievement" and "Personality of the Year - Land Transport Industry".

Also in 2006, Aramex received a globally recognized certification as a result of its successful application of the highest international standards for security across its logistics network. The Technology Asset Protection Association (TAPA) – the transportation industry's global technical authority - has certified the security structure and organization that Aramex applies throughout its supply chain.

Aramex is certified to the globally recognized ISO9001:2000 generic management systems standard for quality management. Our scope of registration is: "The provision of an international express and domestic express courier and freight forwarding logistics service".

Report Profile

This report, which is the company's first sustainability report, covers the sustainability performance of Aramex for the 2006 calendar year. Where possible, data for preceding years is provided for comparison purposes. The following sections present information about Aramex International Limited for the years 2004 and 2005 and information about Aramex PJSC for the year 2006.

This is the company's first sustainability report. Social, environmental, health and safety, and other performances were not previously reported.

This report outlines commitments and targets for priority performance aspects for 2007. The company will report on its performance against these goals next year, and intends to issue a sustainability report annually.

For questions or feedback on the content of this report, please contact:
Raji Hattar, Chief Sustainability and Compliance Officer (Email: sustainability@aramex.com)
Or write to: Sustainability Team, Aramex GSO, P.O. Box 960913, Amman 11196, Jordan

We expect this report to be used extensively by sustainability experts. We also hope for and intend to encourage its use by all of the key stakeholders outlined in this report - we believe this report presents an outstanding platform for improved dialogue, collaboration, and sustainability innovation. For example, we hope that it will serve as both a motivational tool for our employees, particularly as an inspiration for innovation and for improved performance across all dimensions of sustainability. As one of the first sustainability reports in the Arab world, we also hope that it will be reviewed by opinion leaders and chief executive officers and provide inspiration for the widespread take-up of sustainability in the region.

Scope of the Report

> **Determining our Priority Sustainability Issues**

We have undertaken a systematic process for identifying the company's priority sustainability issues. We have applied each of the principles for defining report content. Our process has resulted in the identification of seven major sustainability issues that will drive our sustainability strategy. We report on each of these major issues in this report. These issues are all deemed essential to business success and are not prioritized. Prioritization within each issue is defined in the form of a selected group of Key Performance Indicators (KPIs) and related targets that we have determined as the best means of achieving progress towards sustainability. We provide 3 year and 1 year targets for these KPIs.

We have determined our sustainability issues - and thus materiality - using a process consistent with the G3 'Reporting Principles for Defining Content'. In particular:

Materiality: We considered and believe we have covered all topics (and included associated indicators) that reflect the organization's significant economic, environmental, and social impacts, or that would substantively influence the assessments and decisions of stakeholders. This includes main issues raised by stakeholders, issues reported on by our peers, standards and guidelines including the GRI G3 Reporting Guidelines and the GRI Logistics and Transportation Sector Supplement (see GRI index, page 102), regulations and laws in our countries of operation, critical factors for enabling success including our corporate culture, the state of existing systems within the company, and the significant potential of our core competencies to contribute to sustainable development.

Stakeholder inclusiveness: We considered and believe we have identified all of our key stakeholders and have outlined how we engage them, our understanding of their interests and expectations, and how we have responded.

Sustainability context: We considered our sustainability context, taking into account global trends towards sustainability but also considering regional and local contexts in which we operate. In some cases we point out the different priorities among these contexts, and how we try to best address these issues from multiple perspectives

Reporting boundaries and completeness: We aimed to ensure that our report boundaries covered as much of our economic, environmental, and social impacts as possible, while also yielding quality information for the report and clearly defined boundaries. We believe this report enables stakeholders to assess Aramex's performance in this reporting period. We furthermore commit to expanding our coverage in future years.

> **Ensuring Quality in our Sustainability Reporting**

Quality is a core element of the Aramex culture and we have vigorously attempted to achieve highest level of quality within the restrictions of our current management systems. We have used the GRI 'Reporting Principles for Defining Quality', including:

Balance: We believe this report presents both the positive aspects of our performance, as well as areas requiring significant improvement.

Comparability: Wherever possible we have provided year on year data, and have attempted wherever possible to follow the GRI Indicator Protocols in order to facilitate comparison of our report against industry peers and other companies practicing sustainability.

Accuracy: We have aimed for maximum accuracy. Where estimations or other limitations to the data are involved, this is identified.

Timeliness: This report is being released within 4 months of 2006 year end, and will be presented at Aramex Annual Leaders Conference celebrating the company's 25th anniversary in order to allow for discussion of all aspects of our performance in 2006.

Clarity: Sustainability is a relatively new concept to many regions where we operate and we have made an effort to provide introductory information where useful to facilitate reader understanding of the report content.

Reliability: We have obtained third-party assurance for this report, the scope of which is outlined in the assurance provider statement. We have furthermore committed to improving management systems and data capture for all key performance indicators as identified in this report, and a substantial number of other GRI indicators.

Reporting Boundaries and Limitations

The report covers our global operations. Most of the data in the report includes all 100% owned companies and stations, including recent acquisitions (see next page). Where this is not the case, it is clearly stated.

➤ Limitations

Aramex is a non-asset based company. This means that the company generally does not maintain assets and instead uses the services of other transportation providers (such as airlines), and leases the majority of its vehicles. (Aramex does maintain a small vehicle fleet). In some markets, most notably India, the company also sub-contracts pickup and delivery of express packages to local companies.

These considerations have major implications looking at factors such as fuel consumption and overall emissions, including greenhouse gas emissions. For this report, our calculation of fuel consumption (from which emissions might be derived) includes only fuel used for owned and leased vehicles, and not for example airplane fuel or the third-party contractors. We recognize this underestimates our overall emissions levels, at the same time as understanding that there is ongoing debate about responsibility for such shared emissions. In the coming year we aim to explore how best to track such emissions in the future – including considerations as to who should bear responsibility for what percentage of emissions (including but not limited to, for example in the case of an airline – the passengers, the airline, our customer, or ourselves).

This report also does not include:

- Franchises, of which there are 3 (Yemen, Switzerland, and Bulgaria) except for the financial relationship (paying their invoices for delivering our packages). We hope to include these in 2007 reporting
- The Global Distribution Alliance (GDA). This is a global network independent of Aramex. As value chain partners we do hope to positively and constructively engage the GDA in order to shift this alliance towards sustainability. This will allow for the dual benefit of 1) significantly reducing our overall environmental impact, and 2) being able to better measure our overall emissions and impacts.

This report partially includes:

- Sub-contracted operations: The major market in which this approach is used is India. This report includes fleet information, fatality information, and environment and health survey information from our sub-contracted Indian operations, as well as the normal accounting of its financial impact on our financial statements. It does not include statistical human resources data for sub-contracted operations but does comment in places on these aspects (for example, see section 'Global Workplace Conditions'). We are trying to determine the best way to approach the inclusion of sub-contractors, and we commit to expanding our coverage to include further aspects of our sub-contracted operations. The current exclusion is a result of the challenges of a first sustainability report and meaningful extension of this work to sub-contractors. We are not aware of any material issues or concerns that require immediate reporting or action.
- Fuel consumption and emissions estimates – we have calculated our fuel consumption but it is our concern that an emissions estimate would not meet sufficient quality considerations. We aim to provide emissions data, along with comparable historical data where possible, as soon as we have obtained sufficient data to

enable an accurate and reliable volume of emissions. We will be making our emissions estimate available online in the coming months, prior to our next report.

- Environment – as noted, this report does not include fuel consumption or emissions (including greenhouse gases) from aircraft and ships used in transportation of products. As we determine better means of assessing these emissions, we will ensure that data is presented in a manner that allows for comparability of performance year over year.

➤ Other Considerations

Acquisition strategy: The company is currently undertaking rapid growth through an aggressive acquisition strategy. We will attempt to present future data in a manner that allows for clear comparability and understandability. For this year's report, we did not distinguish the added impact of any acquisitions with regard to any indicators.

Data measurement techniques: Unless otherwise stated, indicators include global coverage, subject to the above considerations. Different indicators may have different levels of preciseness. For example, the company already has in place strong management and information systems for financial data and human resources data and therefore this data is more accurate than other areas, such as water consumption where data is being collected for the first time with no prior information systems. This necessarily involves some level of estimation. We have provided an explanation of any estimation including the level of accuracy and approach to data collection for the relevant indicator.

Where possible, data for preceding years is provided for comparison purposes.

Where currently not complete, we aim to enhance data completeness, expand data coverage beyond the boundaries of this report, and expand coverage in terms of number of indicators.

Key Performance Indicators: The report references a set of Key Performance Indicators (KPIs). Many of the proposed KPIs have no previous measurement but nonetheless we have determined that these indicators will ultimately be more meaningful than indicators for which we could present current data. In 2007 we intend to establish baseline measurements of current performance for all KPIs.

This report includes a GRI content index. It can be found on page 102.



The Sustainability Opportunity

Sustainability fits. It fits with our goal of creating long-term value for our investors by being the company of choice for all of our key stakeholders. It fits with our corporate culture, which has always focused on entrepreneurship and innovation, opportunities for growth and development, diversity across our global network and respect for others. It fits with our aim of finding the most efficient ways of meeting our customers' growing needs. It fits with our role of facilitating responsible economic commerce and development. It fits with our understanding of our role in society and the history of actions which faithfully reflect it. And it fits with our growing recognition of the need to aggressively and urgently work to eliminate any harmful environmental impacts.

Most excitingly, applying a sustainability lens to our view of the world has helped us to illuminate tremendous business opportunities, as well as expanded responsibilities. Our role as a global company is to look deeply and responsibly at the impact of our business on our stakeholders and the world at large.

This report is a starting point. It uses the GRI guidelines, including the 'Logistics and Transportation Sector Supplement'. We self-declare this report to be Level B+, and have obtained Level B+ through third party assurance from Ernst and Young. The Global Reporting Initiative (GRI) has also reviewed this report and rated it B+.

➤ Our Sustainability Context

We are primarily a non-asset based company; although we operate in a traditionally asset-intensive business, we deliver our services using minimal owned assets. This strategy has been key to our overall business success. We also believe it holds great potential for our sustainability performance because it permits us to more rapidly implement less capital intensive environmental enhancements and allows us to integrate environmental performance as criterion in choosing between prospective business partners whose services we use in our shipment delivery cycle.

Another unique aspect of our business is the Global Distribution Alliance (GDA), a partnership network of 40 leading logistics and transportation companies for which we act as an elected coordinating and administrative body. This network allows us to have global reach without extensive duplication of office and operational facilities, which positively influences our environmental footprint but also creates additional challenges in promoting sustainability through our value chain.

We are a Middle East-based company, historically focused on delivering services in the Arab world and South Asia. There are many international and regional issues that must be factored into our sustainability context, including both real and perceived cultural positions on some sustainability issues; for example, the role of women in the workplace. Many aspects of sustainable development are only beginning to appear on the public radar (e.g., environment). There is limited sustainability take-up by companies. In fact, to our knowledge there are few if any other indigenous companies issuing sustainability reports.

Our definition of sustainability management is the integrated development and growth of our economic, environmental, and social performance in a manner that optimizes value for all of our stakeholders.

➤ Strategy and Analysis

Our Sustainability analysis and strategy have been informed by several sources:

- The perspectives, concerns, and opportunities identified by our own direct stakeholders
- International standards, guidelines, and expectations, including the Global Reporting Initiative, AccountAbility 1000, the UN Global Compact
- Trends in sustainability leadership by the world's leading sustainability-oriented companies
- Sustainability-related global trends, key indicators, and performance in the logistics and transportation sector

In 2006, we undertook a sustainability assessment and benchmarking process that assimilated / consolidated this information, and arrived at seven priority Sustainability Drivers for our business:

- Attract and retain the best talent
- Workplace, Road Safety, and Security
- Economic Growth and Development
- Marginalization in Society
- Climate Change, the Environment, Sustainability-driven Innovation
- Urban Impacts: Road Traffic, Congestion, and Urban Pollution
- Overall opportunities related to the trend Towards Sustainable Development (by businesses, markets, investors, governments, civil society, consumers)

Further descriptions of these drivers, along with our associated strategies, Key Performance Indicators, and short and long-term targets are captured in a table on page 18 and 19. They form the basis for our sustainability management and reporting.

➤ Setting Dramatic Targets

We are convinced that sustainability is the future direction of business. We also consider it to be imperative to sustained prosperity, peace, and ecosystem integrity in our world. Although we are starting later than our international counterparts in some aspects, we aim to be overall pioneers in sustainability, especially in the Middle East region. Towards this end, we have set the following major sustainability targets:

- Become carbon neutral, succeeding as the first company in our industry globally to achieve this distinction
- Achieve a reduction of 50% in emissions within 3 years
- Achieve a reduction of 50% percent in vehicular accidents and injuries, and have zero fatalities within 3 years
- Work with other leading companies in the Middle East to help achieve a goal of at least 100 sustainability reporters in the region within 5 years.

If these targets seem overly optimistic and ambitious, we agree. If they seem difficult, they are. But we are convinced this is the future direction of business. We aim to be pioneers.

We also ask you to temporarily suspend judgment and take a look at our ambitious plans for achieving these goals, as outlined in this report. We have a 25-year history of surprising our stakeholders in positive ways. And I personally believe that aiming for sustainability is the most important undertaking ever pursued by our company.

In closing, let me reiterate: Sustainability will transform the way we think about our business. It will lead to new types of services, new levels of understanding, new ways of collaboration, renewed respect for our place in the world, and a profound commitment to ecological preservation through sustainability innovation, all of which will benefit shareholders and stakeholders alike.



Fadi Ghandour
Founder and CEO

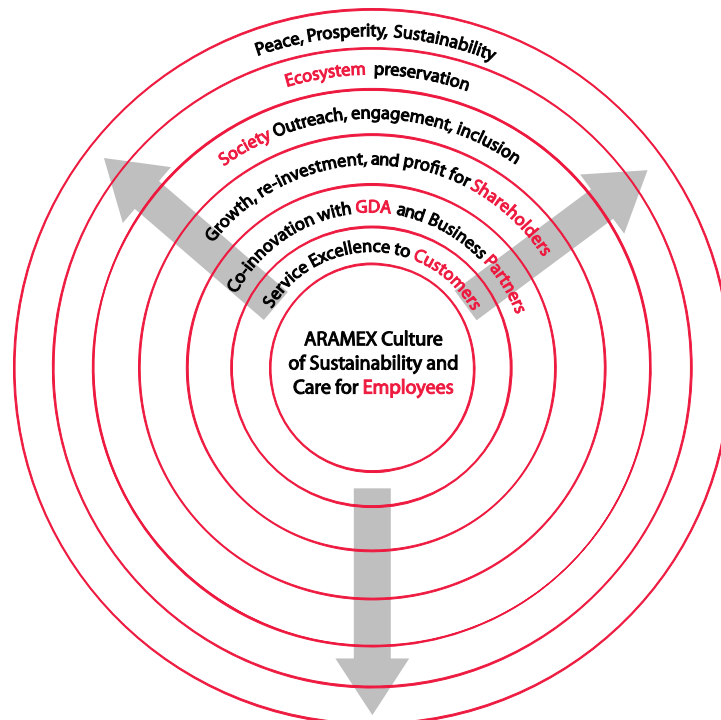
Sustainability Philosophy and Framework

As an effort to capture our growing understanding of sustainability and how we can maximize our sustainability strategy performance, we have adopted the following sustainability philosophy:

Aramex is committed to sustainability. We believe:

- That ultimately our business success, and the success of our customers, is dependent on achieving optimal performance across economic, environmental and social performance – our sustainability performance.
- That we will best succeed when we are the company of choice for all our key stakeholders – customers, shareholders, employees, business partners, governments, and the communities in which we work and live.
- That as a logistics and transportation solutions company, sustainability is at the heart of our business, and that we have a responsibility to lead a transition to zero negative environmental impact.
- That sustainability is consistent with, and the logical extension of, our corporate culture. It is consistent from an ethical standpoint, from a belonging in the community standpoint, and from a quality, creativity and entrepreneurship standpoint.
- That sustainability can drive our innovation agenda to new heights of success, and that we can find ways to innovate which simultaneously create economic, environmental, and social value.
- Through our products and services, we help bring the world closer together. This is an important time to be committed to this long-term endeavor.

Aramex Sustainability Framework



Stakeholder Summary: Who, How we Engage, Priority Considerations, and our Response

➤ Our Approach to Engagement with Stakeholders

We are a company that feels passionately about our role in society, and the importance of understanding that responsibility. In principle, we have always acknowledged a compelling need to listen carefully to our stakeholders and aim to be the company of choice for all of them. We define stakeholders as those individuals or groups who impact on or are impacted by our business. We profile our key stakeholders in the tables in this section.

We believe that engagement with our stakeholders is at the heart of sustainability. It allows us to do our best to understand, respond to, and work with our stakeholders to accelerate innovation and optimize development across economic, social and environmental dimensions. At the same time, sustainability management gives us a framework for more systematic, efficient and effective engagement. In 2007 we will be using the AccountAbility 1000 Stakeholder Engagement Standard as a learning tool and guide to achieve this. We aim to be able to assure our sustainability reporting against the AccountAbility 1000 Assurance Standard by 2009.

The table on this page and the next page represents an overview of our key stakeholders and our existing approaches to engagement. Near the end of 2006, as part of our first steps in implementing sustainability, we also conducted smaller scale surveys including a very limited survey of employees on the quality of management's engagement with employees, and a survey of a small number of country operations managers to better determine their priority issues in health, safety, and environment. We will be incorporating these and other survey questions into a company-wide employee survey that we will begin conducting annually from 2007. This engagement will form the basis of several Key Performance Indicators including a Safety Culture perception index, a Sustainability Innovation perception index, a Sustainability Culture perception index, an Employee Satisfaction perception index and a Quality of Engagement perception index.

Stakeholder	How we Engage	Priority Issues of Stakeholder	Our Response and Performance
Employees			
<p>We have 5823* full-time and 778 part-time employees across seven regions. Our workforce is relatively young, with the largest number falling between the ages of 30 and 50.</p> <p>* End of Year 2006</p>	<p>Primary methods of engagement include regular team and operational meetings, brainstorming meetings, performance appraisals, surveys, focus groups, and an annual leaders conference.</p>	<p>Priority considerations include:</p> <ul style="list-style-type: none"> ▪ Salary ▪ Benefits ▪ Opportunity for development and promotion; Job security and safety ▪ Overall great place to work with good reputation ▪ Staff development and training 	<p>We aim to be employer of choice for top talent in our markets of operation. We are a highly regarded employer in markets where we have our largest presence.</p> <p>Overall great place to work and reputation: Page 55 Salary: Page 56 Benefits: Page 56 Opportunities for development and promotion: Page 52 Job security and safety: Page 56</p>
Customers			
<p>We serve over 50,000 customers, spanning a broad geographic area, concentrated mainly in the Middle East, Europe, South Asia and North America.</p>	<p>Engaging the customers is an ongoing process, as our Teams consistently communicate with customers and gather their feedback through one-on-one meetings, the online system, contact centers, and surveys.</p>	<p>Priority considerations include:</p> <ul style="list-style-type: none"> ▪ Cost-effective services ▪ On-time delivery ▪ Safety and Privacy ▪ Customized Service 	<p>We aim to engage our customer base in all regions that we operate, and gather their feedback to use it in our strategy.</p> <p>Customer care: Page 38 Systems and tools: Page 39 Customer engagement: Page 39 Safety and Privacy: Page 41 Responsible Marketing: Page 41</p>

Stakeholder	How we Engage	Priority Issues of Stakeholder	Our Response and Performance
GDA and Business Partners			
<p>The Global Distribution Alliance (GDA) is a partnership of over 40 leading logistics and transportation companies.</p> <p>Other business partners include vehicle leasing companies, suppliers of product components, suppliers of our assets (e.g., vehicles), and service providers, among others.</p>	<p>The Engagement process with the GDA is well structured, and includes: an elected Board of Partners that acts as a strategic and policy setting group for the network; provision of a full-time staff at Aramex GSO to interact with and address the day to day GDA issues operationally and administratively; an Annual GDA Conference, for which the GDA staff at the GSO handles the coordination and arrangements.</p> <p>Engagement with sub-contractors and suppliers occurs primarily during negotiating, transactions, and servicing.</p>	<p>Ensure global reach, high quality of services provided by each member, and overall ability of GDA members to compete on par with biggest global logistics and transportation companies.</p> <p>Require coordination and fairness of GDA issues such as: Pricing, quality standards, membership standards, competition and collaboration among members, and equitable dispute mechanisms.</p> <p>Suppliers are primarily concerned with on-time payment, ongoing securing of Aramex business, and ability to compete for Aramex business.</p>	<p>GDA management: We fully support the GDA as a critical strategic business partner and have been elected to manage the GDA from our GSO offices. Page 82</p> <p>Suppliers: We aim to treat our business partners with the same respect and level of quality that we expect from them in our business dealings. Page 80</p>
Shareholders			
<p>Our shares are widely held. We had 36524 shareholders at the end of 2006. Our largest shareholder owns approximately 9.9%. Our institutional investors hold approximately 51 % of the total shares.</p> <p>We increasingly hope to also attract worldwide investors applying sustainability criteria to investments.</p>	<p>Primarily through our Annual General Meeting, Annual Report, quarterly earnings reports, press releases, the investor relations section on our website, and our investor relations office and contact persons for direct inquiries or concerns.</p>	<ul style="list-style-type: none"> • Above average return on investment • High integrity, efficiently and effectively managed company • Outstanding corporate reputation and brand • Excellent continuous growth 	<p>We have achieved outstanding profitability and growth along with reputation for integrity and results.</p> <p>Profitability: Page 30 Growth: Page 30 Reputation and brand: Aramex ranked 13th by Forbes 'Top Arab Brands', 2006. Page 3 Return on investment: Page 31</p>
Communities and Society			
<p>The wider society of the cities and countries in which we do business. This includes the communities where our operations are located. It also includes marginalized communities where we operate, and communities impacted by natural and human disasters in our regions of operation.</p>	<p>Methods of engagement include:</p> <ul style="list-style-type: none"> ▪ Through our stores and outlets (as customers) ▪ Through our employees and their families ▪ Through direct feedback mechanisms – such as any community concerns around noise, traffic, and road safety ▪ Through our contributions and participation in community events, including sporting events ▪ Through direct engagement at major initiatives such as Ruwwad Foundation and Jabal Al-Natheef 	<p>Being a good corporate citizen, including:</p> <ul style="list-style-type: none"> ▪ Noise management ▪ Road safety ▪ Traffic congestion ▪ Job creation, local hiring, paying good wages and caring for employees ▪ Giving back to society and communities where we operate through charitable donations ▪ Expectation to respond to disasters and be a delivery vehicle for people to make their own contributions to disaster relief ▪ At Jabal Al-Natheef, support in empowerment through lobbying for basic services 	<p>We strive to be well-regarded as an outstanding corporate citizen.</p> <p>Noise management: Page 68 Road safety: Page 68 Traffic congestion: Page 69 Job Creation: Page 77 Charitable donations: Page 74 Emergency relief: Page 78 Jabal Al-Natheef (case study): Page 75</p>

Sustainability Issues, Key Performance Indicators, and 3-year and Long-Term Goals

Based on our Sustainability Philosophy and Framework, we prioritized our key sustainability issues. Although we consider each of them important as we set aggressive performance indicators to achieve our goals. The following table lists the issues, offering a brief description of the issue and then outlining our response – starting with our perspective and then outlining our related Key Performance Indicators and 3 year and long-term targets.

Sustainability Issue	Summary of the Issue	Our Perspective
1. Human Resources Development: Attracting and retaining the best talent	Quality human resources are one of Aramex's most important assets. Adopting sustainability can be a major motivating factor for attracting top talent. Sustainability suits the Aramex culture and is a logical next step for us. Sustainability leadership also offers visibility to top talent in markets where Aramex has a smaller presence.	Our business success will ultimately only be sustained by the quality of our people.
2. Workplace and Road Safety, and Security	This is increasingly considered to be a basic principle of management excellence and a non-negotiable aspect of the best places to work. In addition to the direct costs of accidents, road safety is moving to the forefront of the public eye in many major Aramex markets and thus can affect reputation.	We are committed to the health and safety of all our employees, and all persons affected by our operations.
3. Economic Growth and Development	Sustainability is not separate from the business profit requirement. Sustainability is a core management approach that recognizes shareholders as a key stakeholder and aims to secure profits in the short and long-term. Profitability can be improved with sustainable practices.	We believe that we will be rewarded financially for continuing excellence in service quality, customer care, and innovation towards sustainability.
4. Marginalization in society	Two forms of marginalization pose moral and business dilemmas – economic and social; marginalized populations within the Middle East (such as refugee camps, or regions affected by natural disaster), and the growing global polarization between the economically developed and developing countries.	We believe that all people should have equal opportunity and equal rights.
5. Climate change, environment, sustainability-driven innovation	Climate change is currently a low-ranked issue in the Middle East, but is the top environmental or social challenge for the transportation sector globally (due to greenhouse gas emissions from transport). Elimination of emissions will become central to business success and a key focus of innovation.	We must innovate towards an economy that does no harm to, and helps to regenerate, our environment.
6. Urban impact: Road Traffic, Congestion, and Urban Pollution	Urban congestion is becoming a major irritant in many of Aramex's key markets, and as such it is also becoming a very public issue. This issue also has both direct costs (e.g., fuel, safety) and reputation costs (e.g., missed delivery deadlines, and Aramex may be viewed as contributing to congestion).	We are committed to playing our part in helping to reduce traffic congestion and pollution to ensure high mobility, vibrant, safe, healthy and clean cities.
7. Overall opportunities related to the trend towards sustainable development (by business, markets, investors, governments, civil society, and consumers)	More than half of all Fortune 500 companies have adopted sustainability. Major stock markets have sustainability indices, with investors viewing sustainability as the next step in management excellence. There is, however, little or no sustainability reporting in the Middle East, representing an enormous opportunity.	We believe that sustainable development is the only viable path forward.

Key Performance Indicators	Long-Term Strategic Goal	Short-Term 2009 Strategic Targets
<p>Employee Satisfaction and Motivation Index</p> <p>Salaries and benefits</p> <p>Training per employee</p> <p>Women in management</p> <p>External rankings</p> <p>Workplace conditions</p>	<p>Foster a sustainability-rooted culture of excellence in innovation, entrepreneurship, creativity, dynamism, results, and respect and care for our employees and others - to be our number one competitive asset</p>	<p>40 hours per employee annual average, with some level of training offered to 100% of employees</p> <p>10% women in senior management, 20% in middle management, 25% among 'leaders'</p> <p>Top 10 Most Respected Employers / Best Places to Work / Most innovative companies in the Middle East</p> <p>All stations capable of successful certification against SA8000</p>
<p>Fatalities</p> <p>Lost-time injury (LTI) rate</p> <p>At-fault accident rate</p>	<p>Drive for Zero; zero at-fault fatalities, zero at-fault injuries, zero at-fault accidents</p>	<p>50% reduction in accidents/shipment</p> <p>50% reduction in LTI/shipment</p> <p>0 fatalities</p>
<p>Growth</p> <p>Profitability</p> <p>International recognition</p>	<p>To be recognized as the 5th global logistics and express transportation company in the world</p>	<p>Achieve 18% growth in revenue and 20% in profitability</p>
<p>Number of marginalized persons or families positively effected</p>	<p>Create opportunities and initiate meaningful change in marginalized societies, touching over 1 million underprivileged persons</p>	<p>Invest 1% of pre-tax profits into the communities where we operate</p> <p>Continue to take a leadership role in facilitating humanitarian assistance in emergency situations</p>
<p>Greenhouse Gas Emission reductions</p> <p>Fuel consumption</p> <p>Fleet composition – emissions rating</p> <p>Service Innovations and revenue from green services</p>	<p>Be the first global logistics and express transportation provider in the world to be carbon neutral</p>	<p>50% reduction in emissions per shipment</p> <p>20% reduction in fuel</p> <p>100% elimination of leaded gas consumption</p> <p>50% of fleet transitioned towards LEV (minimum Euro 4) where applicable</p> <p>10 hybrid electric vehicles</p> <p>2% of revenue from green services</p>
<p>Driving delivery time</p> <p>NO_x and other smog emission reductions</p> <p>Partnerships and service Innovations</p>	<p>To create innovative services that will help shape and accelerate 'sustainable cities'</p>	<p>50% reduction in NO_x and other smog-related emissions from road fleet</p> <p>10% reduction in driving delivery time</p>
<p>Public and media recognition as sustainability leader</p> <p>Direct impact on take-up of sustainability in countries where we operate</p>	<p>Be the pioneer in the Middle East, Gulf, and North Africa. Ultimately, earn ranking among international sustainability leaders. Achieve corresponding recognition and growth in customers and 'green' customers</p>	<p>Be the sustainability performance and reporting leader, as ranked by public opinion, sustainability indices, and relevant major international sustainability rankings</p> <p>Engage at least 20 other companies plus GDA members in Sustainability Excellence Leadership Forums</p>

Governance, Ethics, Management Systems, and External Commitments

➤ Governance and Board of Directors

We strive to be a governance leader. In 2005 we were listed on the Dubai Financial Market, where we met all its requirements. The Emirates Securities and Commodities Authority has recently released 'Corporate Governance Regulations for Joint-Stock Companies and Institutional Discipline Criteria'. We are actively and confidently working to meet all criteria before they come into effect.

Aramex is overseen by a Board of Directors. They are responsible for adherence to and implementation of our "Board of Directors' Charter and Corporate Governance Guidelines". There are currently eight male members, of which seven (87%) are independent directors. The only management representative on the Board is Fadi Ghandour, the Founder and CEO of Aramex. The chairperson of the Board is an independent director. Board members are not currently required to own shares. Each year the Board recommends to the Company's shareholders the amount of remuneration to be paid to the Company's directors. For the year ended 2006, the Board recommended and the Company's shareholders approved during the annual general meeting, that the directors would receive AED 100,000 each.

2006 was our first full year of operating with a Board. The Board physically meets four times per year. There are currently two standing Committees – the Audit Committee and the Executive Committee. We aim to seek out highly qualified board members, with several specific criteria outlined in our "Board of Directors' Charter and Corporate Governance Guidelines", but also based on wider knowledge and best practice considerations. Conflicts of interest are self-declared by members of the Board and those members are excused from relevant discussions. Where necessary, the Chair or another member can identify a potential conflict of interest involving another Board member.

The Board generally does not have direct contact with employees, but learns of their concerns and considerations via the feedback processes within the Aramex system. With regard to shareholder resolutions, a shareholder must own 10% of the company to automatically succeed in placing an item on the agenda. There are currently no shareholders with 10% or more ownership (the three largest ownerships are 9.9%, 4.6%, and 4.2%). As such, agenda items are at the discretion of the Board. Any shareholder can raise an issue during the Annual General Meeting. Information about the Board and Aramex governance can be found in our Annual Report.

As part of the continuous improvement of our governance, management systems and controls, an Internal Audit Department was established in June 2005. The Internal Audit function provides the Board of Directors, Audit Committee and the management of Aramex with objective and reliable information that is useful in appraising performance and measuring compliance with policies and procedures. It provides independent, objective assurance and consulting services designed to add value and improve our operations. In-line with the Institute of Internal Auditors standards, it uses a systematic, disciplined approach to evaluating and improving the effectiveness of risk management, control and governance process.

The Executive Team at Aramex is also governed by a strict system that measures their performance against the indirect goals. On a yearly basis, and based on the economic growth of each region or station, financial targets, quality of services and innovation, and internal and external leadership practices, the compensation is determined by representatives of the top senior management.

➤ Governance oversight of economic, environmental and social impacts

Sustainability considerations are indirectly addressed by the Board in its review of ongoing priority strategic considerations. There is not yet a direct mechanism for specific overview of broader sustainability issues, but this will be integrated into future Board reporting and agendas beginning in 2007. The Board has already been briefed, and its buy-in secured, for Aramex's commitment to sustainability and we aim to continually increase the Board's knowledge of sustainability management. The Board will be briefed on progress against sustainability targets at every board meeting. There are not yet any additional requirements for qualifications for board members relating to broader sustainability aspects such as environment, but this is subject to change in the near future.

➤ Internal Codes and Values Statements

Core Values and Principles Document: In 2006 we underwent a process to clearly articulate the core values and principles of its culture. The purpose was to help ensure strong integrity and maintain Aramex's unique culture in a

business climate of rapid growth. This process involved the participation of a large number of leaders in the Aramex network; the resulting 'Aramex Culture – Core Values and Principles' document has been released in early 2007.

Code of Conduct: Also in 2006, we developed a Code of Conduct that captured the key integrity elements of the culture and further outlined broader sustainability considerations across ethical, economic, environmental and social dimensions. The Code will be launched in 2007, with a commitment to both training and a policy of sign-off by all employees.

➤ **Management Systems and Continuous Improvement**

Among our management systems, all processes that affect the quality of service provided to the customers have related procedures, policies and standards in the Documented Quality Management System (DQMS). These procedures, policies and standards detail the accountability for implementation and for quality assurance of the processes. All documented procedures required in the international standard ISO9001:2000 are also defined. The DQMS is implemented, maintained and continually improved in accordance to the changes in the business and is always directed to better meet the needs of our customers.

We have developed our DQMS to be compliant with ISO 9001:2000 and it is certified by British Standards Institute (BSI) for "The provision of an international express and domestic express courier and freight forwarding logistics service".

Aramex deploys a continual improvement philosophy throughout the entire organization by:

- Having well qualified, competent and trained Quality Representatives in our stations around the world, to make sure our corporate policies, standards, and procedures are monitored and followed.
- Planning of improvements of the quality system within the framework of management reviews. The output of this planning is expressed in the form of quality system objectives at all relevant departments within the organization. Aramex Quality objectives can be classified into:
 - **Policy objectives:** these objectives are principal and strategic objectives that apply to the whole organization.
 - **Quality Performance objectives:** these objectives set specific, measurable targets for improving operational performance. They are established, documented, and monitored through the performance appraisal on semi-annual basis.
 - **Service and Product Quality objectives:** these objectives pertain to the improvement of services and products, as well as maintaining a consistent acceptable service level that meets Aramex standards, which is verified through the QSA audits.
 - **Quality System objectives:** These objectives relate to the improvement of quality system processes and performance.
- The establishment of several awards, which provides appropriate recognition to those individuals and teams at Aramex who contribute significantly to the vitality and strength of the company.

We adopt additional management systems and related tools with regard to specific activities. For example, we have developed a Vehicle Tracking System, Stock Management System, and other technical systems that support management and quality procedures. Our approach to management systems is further detailed at the beginning of relevant sections of this report.

➤ **External Management System Standards and External Commitments**

In addition to being ISO9001:2000 certified, as we move forward in adopting sustainability management we are planning to use an increasing range of external management system standards and sustainability assurance and quality standards. We have used the Global Reporting Initiative's G3 Reporting Guidelines for this report, and we are committed to using several external management systems standards to provide insights and guide our work in the development of enhanced Aramex management systems. The standards we will be using include the AA1000 for effective stakeholder engagement and overall sustainability assurance; the OHSAS18000 for guidance on health and safety, the ISO14000 for guidance on environmental management systems, the SA8000 with regard to managing labor conditions, and the London Benchmarking Group model for our community investment. For most of these management system tools, we intend to ensure that we could successfully be audited against them by end

With the release of this report we commit ourselves to the UN Global Compact

of 2009. However, we have not yet committed to those audits until we can assess both the value of the above systems to our work, and any additional value from accreditation of such systems.

More information on our management systems can be found in our Disclosures on Management Approach section, and in the relevant sections of this report.

Based on our sustainability performance assessment and issues identification, we are committed to the Precautionary Principle with regard to the environment as evidenced by our direct statement of concern regarding the human contribution to global warming, and our commitment to be the first company in our sector to be carbon neutral.

With the release of this report we also commit ourselves to the United Nations Global Compact. Our newly developed internal Code of Conduct is consistent with the Global Compact.

Memberships

Aramex, based on its location and operation, is a member of the following entities.

	Entity
Freight	Member of International Air Transport Association (IATA) Members on individual station basis. All our other stations are under processing to become IATA-approved. We are IATA-approved agents with individual CODE/CASS numbers in each of: Amman, Amsterdam, Bahrain, Bangalore, Beirut, Birmingham, Cairo, Chennai, Cork, Dammam, New Delhi, Doha, Dubai, Jeddah, Manchester, Mumbai, Riyadh, Shannon, and New York.
	Members of Fédération Internationale des Associations de Transitaires et Assimilés / "International Federation of Freight Forwarders Associations (FIATA)
	Members of The International Air Cargo Association (TIACA)
	Member of World Freight Alliance (WFA)
Logistics and Ground Operations	Member of the Supply Chain and Logistics Group.
Express	Member of Global Distribution Alliance (GDA)
	Member of Express Delivery and Logistic Association
Information Technology	Member of Information Technology Association of Jordan (INTAJ)
Quality	BSI Registered (British Standards Institute)
Security	Member of Transported Assets Protection Association (TAPA) – Jordan
	Member of Transportation Security Association (TSA) - USA / Aramex is an indirect air carrier
	Member of Customs Trade Partnership Against Terrorism (C-TPAT) - USA / Customs Dept. Aramex NYC is member
	Department of Transport (DfT) - UK / TwoWay and Priority are listed agents
Others	Aramex – JFK Membership: KAMCO: Brokerage ABANA: Arab Banks for North America MCAA: Association for messenger companies (Recently joined)

➤ Forums, Foundations, Associations, and NGOs:

Aramex, through international forums, business associations and civil society organizations and foundations, is involved in the following entities as an active member:

- The World Economic Forum
- The Arab Foundation for Sustainable Development "Ruwwad"
- The American Chamber of Commerce in Jordan (AmCham-Jordan)
- Jordan European Business Association (JEBA)
- World Trade Center – Jordan Chapter
- Jordan Exporters Association
- Young Entrepreneurs Association (YEA)
- INJAZ - Jordan

➤ CEO memberships or involvements in public policy and civil society

Aramex Founder and CEO is also an active member in different forums and high profile entities and committees that are working on public policy issues. Such as:

The World Economic Forum

Founding Member of the Executive Committee of the "Arab Business Council" (2003-2006)

The Arab Business Council (ABC) is composed of the leading representatives of the Arab private sector who are committed to enhancing economic competitiveness in the Arab world.

The ABC aims to facilitate cooperation among the leading business institutions and corporate leaders in the Arab world in order to help equip their societies to compete in the global economy and to contribute to the development of an equitable society. The ABC is acknowledged as a credible and legitimate voice of the Arab business community within the international community.

"Kuluna Al-Urdun" (We Are All Jordan) Initiative

Member

This initiative aims to identify and address Jordan's national, social, political and economic priorities, as well as reach a national consensus on mechanisms that assure that those priorities are met.

Young Presidents Organization (YPO)

Founding Member of the Jordan Chapter / Middle East and North Africa Area Chairman 2003 to 2005

YPO develops "Better Leaders through Education and Idea Exchange" by providing a challenging environment that promotes the exchange of ideas and shared experiences. By inspiring the continual improvement of each individual leader, YPO facilitates the acquisition of knowledge—and, more importantly, the development of wisdom.

Ethics, and avoidance of bribery and corruption

We believe we have an excellent record with regard to avoiding bribery and corruption, which are strictly forbidden at Aramex. Our main tool for monitoring risks relating to bribery and corruption in our business units are our standard financial accounting and auditing – we do not currently undertake extra analysis of such risks. Our Code of Conduct, which will be adopted aggressively in 2007, provides guidance on this issue and more detailed policies and procedures will be developed, as well as a tracking mechanism for incidents and actions taken. In 2007 we will be training employees on these enhanced anti-bribery and anti-corruption policies and procedures.

We feel that our sector in the Middle East and Gulf could benefit from collective efforts to help ensure the integrity of the industry. In 2007, we hope to initiate a multi-stakeholder project together with high credibility NGOs in the field of transparency and the reduction of bribery and corruption, and with willing companies, in an effort to ensure a level playing field.

We have never been the subject of legal actions for anti-competitive behavior, anti-trust or monopoly practices, or profiteering. We are confident in competing legitimately and fairly with other companies. For our compliance with Law, there were no instances of significant monetary fines or non-monetary sanctions for non-compliance with laws and regulations.

Public Policy and Political Affiliations

Our public policy positions are consistent with our sustainability positions and commitments. There are no notable public policy issues in which we are aggressively involved. We support public policy development in areas of concern to us where existing public policy is lacking. We do not make any financial or in-kind donations to any political parties, politicians, candidates, or related institutions.

Disclosures on Management Approach

The Global Reporting Initiative's G3 Guidelines for Sustainability Reporting request that we clearly present our management approach to each aspect listed across economic, environmental and social performance in the GRI. As such, we summarize our management approaches here. Additional information on our management approaches can often be found in relevant sections.

➤ Our approach to managing Economic Impacts

Economic Performance: Our economic performance is well managed through a combination of our Documented Quality Management System, the Sage Accpac financial reporting system, and our internal controls environment including periodic and continuous internal audit reviews. Our financial accounts are guided by the International Financial Reporting Standards (IFRS) and are also assured by external auditors. We are ISO9001 certified for our quality of management practices including economic management. We have designated Quality Representatives in almost all of our stations.

Market Presence: Our human resources management system allows for tracking and oversight of local hiring. Our Code of Conduct stipulates the necessity of complying with the minimum wage requirements per country or location in all of our markets. Our Stock Management System tracks a growing number of materials procurement, including the location of the sourcing of the items. We do not have any policy in place that stipulates local purchasing criteria. We can also track our market presence and costs of goods purchased in various markets through a review of our costs on a station-by-station basis using our financial management systems.

Indirect Economic Impacts: We currently do not have a system for managing our indirect economic impacts.

➤ Our approach to managing Environmental Impacts

Overall: Although we do not currently have an 'environmental management system' in place, in some instances we use other systems that yield similar information for the majority of our operations (e.g., supporting documentation from financial accounting systems can yield environmental data and tracking). However, our TwoWay Vanguard operations have an ISO14001 certified environmental management system in place. In 2007 we will take serious steps to implement a company-wide environmental management system.

Materials: Our Stock Management System tracks a growing number of our procurements, including by unit and by weight, allowing us to assess and monitor our consumption. Our Fleet Management System –currently under implementation– will track fuel purchases and consumption.

Energy: Documentation of our electricity bills allows us to determine our electricity (indirect energy) consumption.

Water: Documentation of our water bills allows us to determine the majority of our water consumption. However, in some locations we pay a flat fee for water and thus precise water consumption is not readily available.

Biodiversity: We do not have any system for managing any impact on biodiversity. We consider our biodiversity impact to be minimal.

Emissions, Effluents, and Waste: We do not yet have any systematic mechanism for calculating emissions. Our Fleet Management System being implemented will track fuel consumption, fuel efficiency, kilometers driven, types of fuel, etc., allowing for good quality emissions data. We currently calculate effluents and waste based on input quantity (of water and materials), since no recycling occurs.

Products and Services: There are currently no systems in place to manage the environmental impact of this aspect, although the amount of plastic and other materials used is measured using our Stock Management System and thus forms the basis for measured performance improvement.

Compliance: Our stations must be aware of environmental laws and regulations and adhere to them. In many cases, the leasing companies share or lead in some of these responsibilities – for example, in most cases, the leasing company is responsible for undertaking obligatory maintenance and emissions testing.

Transport: There are currently no systems in place to manage the environmental impact of this aspect.

For further information on environment management systems, see pages 83 -91.

➤ **Our approach to managing Social Impact – Labor**

Aramex has in place a human resources management system that captures many of the GRI Labor aspects. A comprehensive new human resources system is being implemented in 2007. The HR management system is the platform for HR management by the HR department. Depending on the size of the station, we have either full-time or part time (full-time persons with several areas of responsibilities) HR representatives appointed at all stations.

Employment: Employment-related data is managed daily using the human resources management system.

Labor-Management Relations: There are currently no employee or representative forums within the company, and thus no supporting systems. Labor-management relations are assessed and managed using regular meetings, performance evaluations, and surveys and follow up action plans.

Occupational Health and Safety: Safety is currently the responsibility of operations managers and security managers within the stations, including adherence to any specifications outlined in our Documented Quality Management System. Aramex will begin to put in a place a comprehensive OHS management system in 2007.

Training and Education: In 2007 we will begin systematically tracking training and education through the soon-to-be-launched Aramex corporate university.

Diversity and Equal Opportunity: Performance against our stated practices relating to diversity and equal opportunity are periodically checked by our HR department. We track gender and age information, but not information on religion.

For further information on HR management systems, see pages 42 - 58.

➤ **Our approach to managing Social Impact – Human Rights**

We abide by the laws and regulations in the countries where we operate, or our own Code, whichever is the more stringent. Most human rights related aspects are managed through the HR department.

Investment and Procurement Practices: Our significant procurement practices – in particular our sub-contracted Indian operations, include clauses relating to minimum working age and working hours. These are periodically verified. Our investment practices currently do not include human rights screening.

Non-discrimination: We currently do not have in place a systematic process for documenting cases of discrimination within our management system. With the launch of our Code of Conduct in 2007, we are also implementing a more effective procedure for reporting cases of discrimination that will give employees a higher level of confidence in reporting any incidents.

Freedom of Association and Collective Bargaining: We do not have any policy against Freedom of Association and Collective Bargaining.

Abolition of Child Labor: Our policies specifically state that we abide by international law and that we only hire high school graduates (except in some locations). Our HR system tracks the age of all employees. We do not have a system in place to verify the age of employees or contractors of our sub-contracted operations, but intend to implement this upon a review of major risks in 2007.

Prevention of Forced and Compulsory Labor: Our policies specifically state that we abide by international law and include no forced labor. In cases where drivers routinely run long shifts, their agreements fully comply with international standards. Our Fleet Management System currently being implemented is designed to more accurately track the working hours of every courier driver, thus improving our ability to manage this aspect.

Complaints and Grievance Practices: The HR department has a procedure (HRT 513HR) for processing Employee Grievance. This procedure covers the process of handling a grievance for any employee who feels that he or she is being treated unfairly.

Security Practices: Aramex has published security procedures that cover all aspects of the business cycle. Aramex stations comply with their local governmental security rules and regulations at each site, Aramex also has 2 TAPA (Transported Assets Protection Association) certified sites in Jordan, and is working on preparing 4 more sites in the Middle East to be TAPA certified.

Indigenous rights: To our understanding, this does not materially impact our business.

➤ Our approach to managing Social Impact – Society

Community: We currently respond to community concerns about our operations on a case by case basis. We intend to put in systems to better track and monitor concerns relating to noise, driver behavior, impact on specific communities near our operations, and other issues. We currently track our positive investments in society with a specific line item in our Sage Accpac system for charitable donations. However, this line item significantly underestimates our contribution vis-à-vis the London Benchmarking Model for calculating charitable investment. This line item does not include in-kind donations, volunteer time, leveraged donations (such as our campaigns to secure and then transport aid for disaster-struck zones), or investments in society with a commercial benefit.

Corruption: Bribery and corruption are strictly forbidden at Aramex. Our main tool for monitoring risks relating to bribery and corruption in our business units are our standard financial accounting and auditing - we do not currently undertake extra analysis of such risks. Our Code of Conduct which will be adopted aggressively in 2007 provides guidance on this issue and more detailed policies and procedures will be developed, as well as a tracking mechanism for incidents and action taken.

Public Policy: Any financial contributions made to political parties would be transparently accounted for as such in our Sage Accpac system. There are no such financial contributions. Our public policy position, when we have such, is consistent with our business and sustainability strategy.

Anti-competitive Behavior: It is our policy not to engage in anti-competitive behavior.

Compliance: It is our policy to be compliant with all laws and regulations in the countries where we operate. Our country managers, regional managers, and legal department are responsible for our performance and track our performance. Our legal department would become engaged in any cases of non-compliance.

➤ Our approach to managing Social Impact – Product Responsibility

In general, our InfoAXS system tracks the majority of information relating to our products and services.

Customer Health and Safety: We comply with TAPA and IATA standards with regard to product safety, particularly as it relates to safe handling of products.

Product and Service Labeling: We comply with good practice on the labeling of our products and services, including for example the identification and proper handling of hazardous waste. This information is collected by the Freight division through information tracking systems. We also have at least one individual in all of our Express Outbound Operations who is trained to deal with dangerous and hazardous materials.

Marketing Communications: Our policy is to adhere to ethical and transparent marketing communications in all related types of communications.

Customer Privacy: Our policy is to ensure all sufficient conditions are set to protect customer confidentiality, and to never compromise or allow customers' information to leak, directly or indirectly, knowingly or negligently, as stated in our Code of Conduct and internal policies.

Compliance: It is our policy to be compliant with all laws and regulations relating to the provision and use of products and services in the countries where we operate.



CREATING ECONOMIC VALUE

Our Perspective

We believe that we will be rewarded financially for continuing excellence in service quality, customer care, and innovation towards sustainability.

Long-Term Strategic Goal

Be recognized as the 5th global logistics and express transportation company in the world.

Our Contribution to Economic Growth and Development

Inside this Section:

- **Facilitating regional and global trade and commerce** Page 30
- **Factoring the global trend towards sustainable development** Page 30
- **Our Economic Performance and Direct Impacts** Page 30

2006 Highlights	2007 Goals	2009 Goals
<ul style="list-style-type: none"> ▪ Acquired Freight Professionals, TwoWay Vanguard, and Docman ▪ Growth in shipments 37.8% ▪ Growth in revenue 59.7% ▪ Growth in profitability 28.0% 	<ul style="list-style-type: none"> ▪ Growth in revenue of 18% ▪ Growth in profitability of 20% 	<ul style="list-style-type: none"> ▪ To be recognized as the 5th global logistics and express transportation company by 2010

➤ Facilitating regional and global trade and commerce

Our purpose is to enable and facilitate global trade and commerce. Our primary indicator for measuring our success in achieving this goal is the number of shipments delivered. (In this report, 'shipments' refers to the total number of packages and shipments for all product lines, unless otherwise noted). We have achieved phenomenal growth over recent years, including 45% growth in shipments in 2005 and 38% growth in shipments in 2006. This growth is partly organic growth and partly as a result of the implementation of our strategic plan that calls for rapid growth through an aggressive acquisition strategy.

Total number of shipments grew by 45% in 2005 and 38% in 2006.

Number of Shipments					
	2004	2005	2006	2005 Growth	2006 Growth
Shop&Ship	14585	217527	334442	1391%	54%
Express	2557685	2927576	3303228	14%	13%
Domestic	8817606	13385340	19166672	52%	43%
Freight	127764	165179	202254	29%	22%
Total	11519644	16697627	23008602	45%	38%

➤ Factoring the global trend towards sustainable development

The dramatic economic boom in the Arabian Gulf and many parts of the Middle East and Asia represents outstanding opportunities for continued growth and contribution to trade and commerce, as do our growing links and business with the rest of the world. However, care must be taken by all stakeholders that this economic development is sustainable, and that corresponding social indicators and poverty reduction levels also improve at similar or better rates. In many of the regions where we operate and particularly the Arab world, the young demographic is enormous and requires massive economic development and job creation within a very limited time span. We believe that this growth can be better achieved through global linkages in trade, commerce, and other connections which we help to facilitate. Furthermore, healthy economies and prosperous and socially dynamic societies require an ecologically healthy natural environment. Minimizing environmental impact is perhaps something not yet seriously considered in the region, but we believe requires immediate attention.

Indeed, climate change poses significant opportunities and risks for our company. The impending emergence of a carbon-restricted economy has many implications for Aramex, not least:

- the possibility of reduced trade and movement of goods to reduce environmental impacts, where travel across distances outweighs benefits of local production
- the costs of carbon associated with shipping

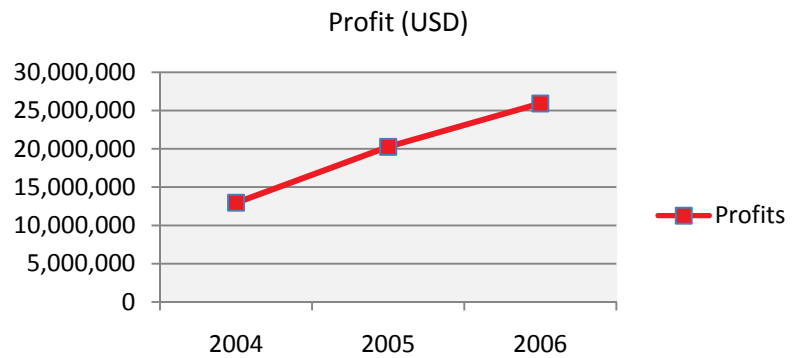
However, we see these more as opportunities to reduce our environmental impact while making our services more competitive and attractive in an economy where low environmental impact is a distinct competitive advantage. Not only could we potentially eliminate loss of business, but we might actually increase business if we can contribute to the overall competitiveness of products. We intend to launch low-carbon and zero-carbon services at the earliest feasible timeline as outlined in this report.

➤ Our Economic Performance and Direct Impacts

Profitability

Sustainability is fully aligned with the business profit imperative. Sustainability is a core management approach that recognizes shareholders as key stakeholders and aims to secure sustained profits over the long-term. Profitability should be improved with sustainable practices. We aim to be rewarded financially in terms of key dimensions of our sustainability approach including excellence in service quality, customer care, employee relations, health and safety, and innovation towards environmental sustainability. We intend for sustainability management and reporting to assist us in achieving our mission of being recognized as the fifth global logistics and express transportation service provider by 2010.

In 2006, our profit increased 28% to 25.928M USD, following growth of 56% in 2005. As with revenue and shipments, this was driven by a mix of both organic growth and growth by acquisition.



Economic Impacts

We are a rapidly growing company with a wide variety of economic impacts. Some of our main direct economic impacts are captured in the following table.

Direct Economic Value Generated and Distributed (USD)			
	2004	2005	2006
Total Revenue	188,736,413	232,492,773	371,345,471
Operating Costs	133,413,049	158,654,600	266,239,916
Employee Wages and Benefits	40,893,631	51,921,842	76,847,719
Interest Exp	233,184	243,606	901,029
Taxes	881,924	1,068,830	1,208,132
Contribution and Donations		345,075	220,362
Economic Value Retained	12,957,351	20,258,821	25,928,313

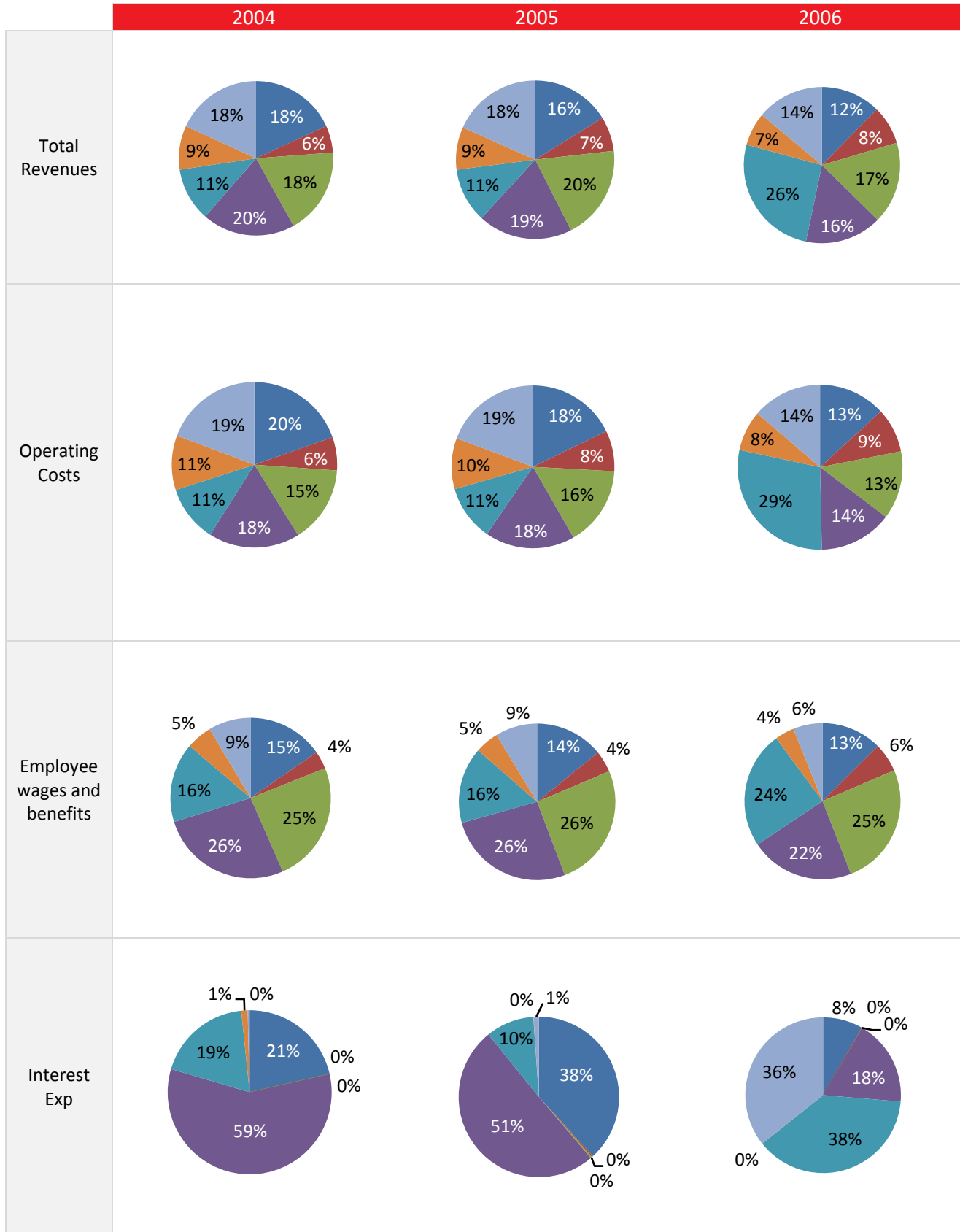
Market Presence

Our growth also involves rapid geographical expansion and growth in new markets. We aim to contribute positively to economic development in the communities where we operate. The charts on the following two pages help indicate the distribution of our overall direct economic value across the main regions where we operate.

Of note is the significant growth in several markets including the tremendous growth in North Africa (in part as a result of the acquisition of Freight Professionals on January 1, 2006), and including a major increase in revenue in Europe (as a result of the acquisition of TwoWay Vanguard in April). With regard to expenses and suppliers, we currently do not have any policy or practices in place for spending on locally-based suppliers at significant locations of operation – we hope to explore our options on this in greater detail in the next year. Regarding donations, we talk later in this report in the investment in society section about enhancing the geographic distribution of charitable donations, the majority of which positively impact Jordan (through the GSO), and the Levant (including Jordan, Iraq, Syria, Lebanon, and the Occupied Palestinian Territories).

Overall Direct Economic Value Distributed across the Main Regions

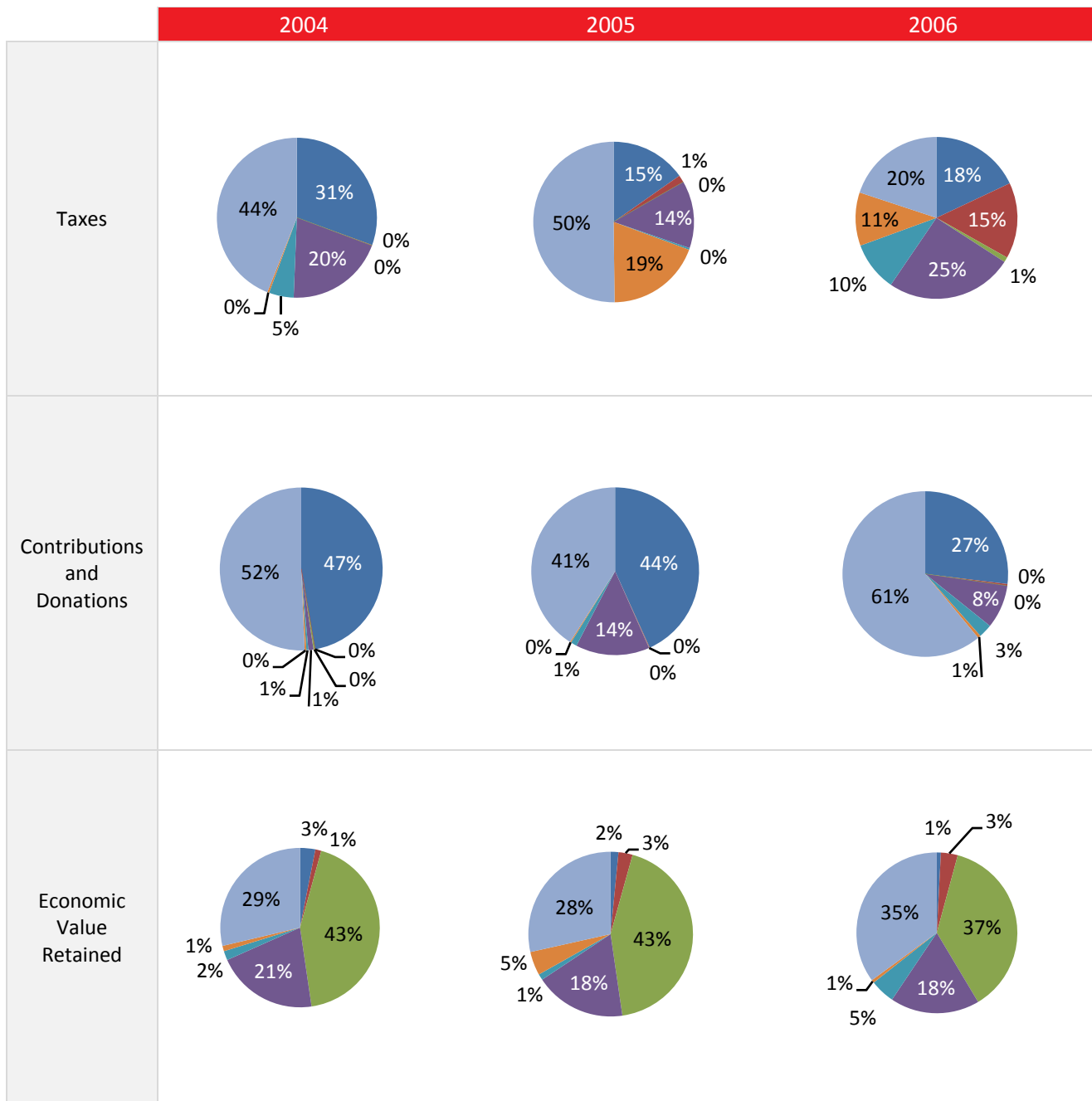
■ Levant
 ■ North Africa
 ■ UAE
 ■ KSA and Upper Gulf
 ■ Europe and N.A
 ■ India and Far East
 ■ GSO and BERMUDA



■ Levant
 ■ North Africa
 ■ UAE
 ■ KSA and Upper Gulf
 ■ Europe and N.A
 ■ India and Far East
 ■ GSO and BERMUDA

Overall Direct Economic Value Distributed across the Main Regions (continued)

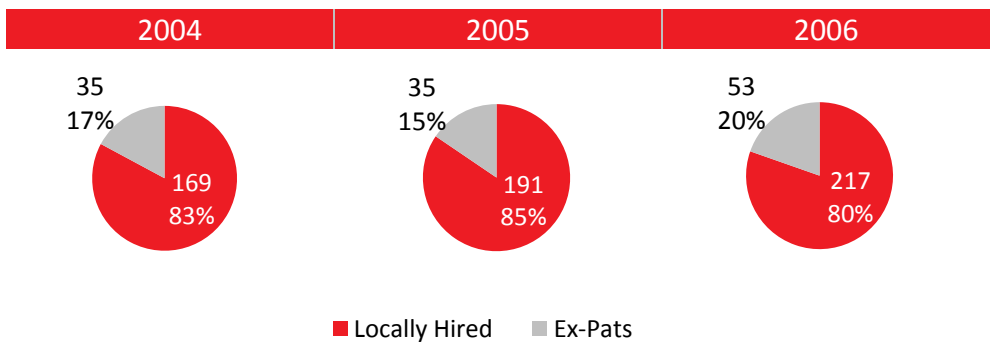
■ Levant ■ North Africa ■ UAE ■ KSA and Upper Gulf ■ Europe and N.A ■ India and Far East ■ GSO and BERMUDA



■ Levant ■ North Africa ■ UAE ■ KSA and Upper Gulf ■ Europe and N.A ■ India and Far East ■ GSO and BERMUDA

When assessing our local impacts relating to human resources management, our standard entry level wages meet all minimum wage requirements in the countries where we operate. With regard to local leadership, we do not have a formal policy of local hiring, but support it in principle. In 2005 we increased the number of managers in our country stations by 22 people, all of them locally hired. In 2006 our performance declined slightly, due to the opening of an office in Jeddah, Saudi Arabia, which we have initially staffed with one locally hired and 16 ex-pat managers but intend to transition to locally-led management. Excluding Jeddah, our performance would have continued its uptrend to 86%.

Locally Hired Management



CREATING SOCIAL VALUE



Our Customer Relationships

Page 36



Our People: Human Resources Development

Page 42



Health, Safety, and Security

Page 59



Our Cities: Urban Impacts

Page 66



Our Communities: Investment in Society

Page 71



Our Business Partners and the GDA

Page 80



OUR CUSTOMER RELATIONSHIPS

Our Perspective

We believe that our own success depends on the success of our customers, and we must always regard our customers as a long-term business partner, and help their business to grow to our mutual benefit.

Long-Term Strategic Goal

Innovate and deliver a wide range of cost effective, secured, on-time, and customized services using the best technology solutions for our customers.

Inside this Section:

- **Overview** Page 38
- **Customer Management** Page 38
- **Customer Service** Page 39
- **Customer Management Tools** Page 39
- **Customer Engagement** Page 39
- **Service Level Measurement** Page 41
- **Care for the customers' documents and goods and Customer Privacy** Page 41
- **Responsible Marketing** Page 41
- **Product and Service Compliance with Laws** Page 41

2006 Highlights	2007 Goals	2009 Goals
<ul style="list-style-type: none"> ▪ Put in place an Interactive Frontline SharePoint on company intranet to share knowledge ▪ Established customer service structures across the network, key performance indicators, and customer service core values that would lead to creating a customer focused culture ▪ Launched The Golden Customer Service Award 	<ul style="list-style-type: none"> ▪ Maintain 95% in customer satisfaction ▪ Maintain 95% in on-time delivery rate ▪ Build capacity of frontline personnel across the network ▪ Increase customer tools access through aramex.com, PACK, and ePOD ▪ Increase Sage Accpac CRM development and utilization ▪ Structuring Contact Center processes, applications and procedures ▪ Conduct customer survey 	<ul style="list-style-type: none"> ▪ Positioning Aramex as the company of choice in the region ▪ Exceed 95% in customer satisfaction for all products and services ▪ Exceed 95% on-time delivery rate for all products and services

Our Customer Relationships

Overview

Aramex has a diverse customer base, totaling over 50,000 customers in the year 2006, spanning a broad geographic area, concentrated mainly in the Middle East, North Africa, Europe, South Asia and North America.

The customers' spectrum ranges from individuals to blue chip companies in both retail and wholesale. Aramex serves many customer segments including trading companies, pharmaceutical companies, banks, service and information companies, manufacturing and regional distribution companies and express companies.

In response to the growing diversity of its customers, Aramex is continuously developing and offering a broad range of services; from express services to door-to-door airfreight forwarding to customized special services. In addition to the broad range of services, we offer our customers value-added services to meet their ever increasing demands.

Customer Management

Aramex aims at continuously developing consistent, dependable and convenient interaction with customers in every point of contact to build better customer relationships.

We understand that being a customer focused organization means having a sustainable framework that involves focusing strategies, business processes, people, training, knowledge and organizational structures around customers in order to build strong customer relationships; hence the Aramex structure is team based. At the heart of its teams, Aramex Customer Teams are the single point of contact for customers. The teams manage the customer relationship from acquisition to service to strengthening. Using this model, Aramex provides customers with efficient, consistent and convenient interaction.

Customer teams are segment (industry) based, enabling further specialized and customized customer support on a sector by sector basis. This enables better understanding of customer needs and the building of a knowledgeable team to respond to customer needs and develop them further.

Over the next two years Aramex will further establish grass root principles, as follows:

Principle 1: Know more about customers; needs, value and anticipating relationship

Principle 2: Consolidate and make available all customer interaction information from all points of contact

Principle 3: Continuously develop a customer centric infrastructure that can consistently support the customized treatment of each customer

Principle 4: Assign dedicated people, process and technology resources to achieve profitable results

Ultimately, by implementing CRM solutions, customers can expect:

1. Lowered cost, and improved service
2. Increased efficiency and effectiveness
3. Improved communications
4. Integration of end-to-end business processes

Customer Service Core Values:

1. Empowerment
2. Timeliness
3. Customer Centric
4. Consistency
5. Proactiveness
6. Courtesy
7. Knowledge and Competency
8. Efficiency
9. Pride of Work

➤ Customer Service

Our customers entrust us with their valuable and important documents and goods, and entrust us to deliver these documents and goods on-time in order to meet their critical business and personal needs. We take this confidence and trust and responsibility extremely seriously.

On-time delivery rate			
	2004	2005	2006
% on-time delivery	NA	88%	94%

One of the ways in which we demonstrate our commitment to customer service is through providing excellent on-time services. In 2006, our overall on-time delivery rate was 94% covering the services and products that we offer our customers in every part of the world. Our international network allows us to successfully achieve this core commitment.

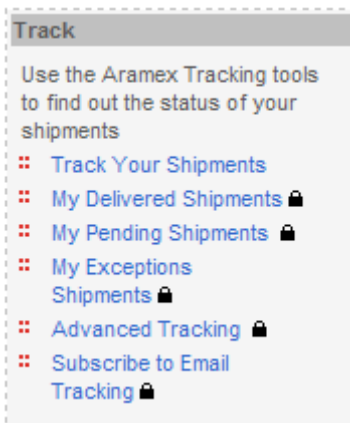
➤ Customer Management Tools

To facilitate customer interactions, Aramex has invested in its customer tools which are the means by which customers access or request Aramex services. Aramex Customer tools include aramex.com, PACK, and ePOD which are designed to provide customers with convenient channels and improve service at no cost to customers.

In managing customer relationship, Aramex addresses customers' needs through:

➤ Global Tracking System on www.aramex.com

Customers anywhere in the world at any time can communicate with Aramex to request various services and make inquiries. Customer in any part of the world, and through the global tracking system, can track in a speedy and simplified way all the outbound, inbound, and third party shipments.



www.aramex.com is designed with the customer in mind; where specific tabs are created to ensure ease of use; "My Delivered Shipments", "My Pending Shipments", and "My Exceptions Shipments". Customers can also prepare their shipments online and, print waybills, create and manage their address books, view shipment history, and generate customized reports. Online booking will automatically trigger a pickup request which is directly queued with the dispatcher for the shipment origin entity.

PACK is a software that allows account customers to manage their shipping needs electronically. PACK enables customers to build consignee lists, alert shipments, and provides online communication. PACK interfaces with Aramex systems online to send and receive shipments information.

ePOD is the Electronic Proof Of Delivery. With ePOD customers can be notified on the status of their shipments from pickup time till delivery through their email or fax. The service saves customers the cost and time of manually tracking their shipments. ePOD notifications can be customized to suit customer business needs.

➤ Contact Center

Aramex is investing in further developing contacting centers to enable customers to communicate seamlessly, through voice, web, email, fax, WAP, and XML. Currently, contact centers handle the majority of shipment tracking and pickup requests placed by customers.

➤ Customer Engagement

Aramex engages customers, mainly, through its Customer Teams. Additionally, Aramex conducts tailor-made surveys to gather customers' feedback and measure their satisfaction with services offered.

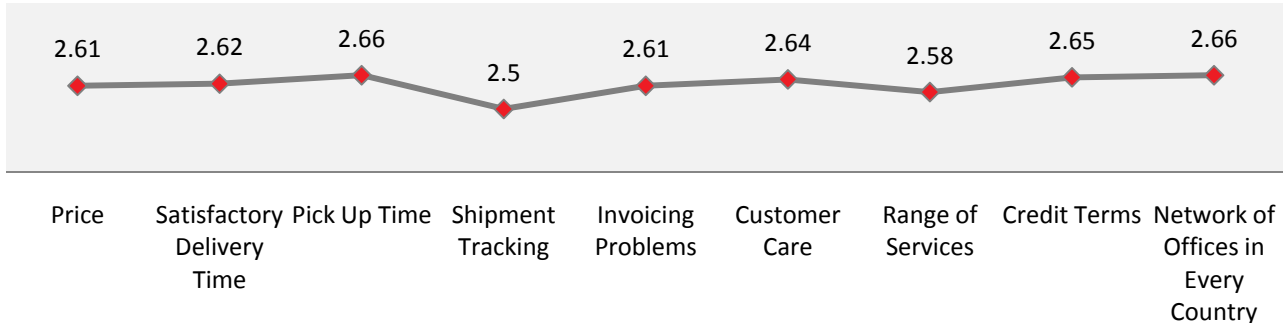
In 2004, an independent market research company conducted a comprehensive survey in Amman, Dubai, Kuwait, Riyadh, Jeddah, Cairo, and Beirut, reaching for more than 1000 customers to study their satisfaction towards the eight listed attributes:

1. Professionalism
2. Customer Care
3. Speed
4. Flexibility
5. Wide Range of Services
6. Competitive Pricing
7. Friendliness
8. Global Coverage

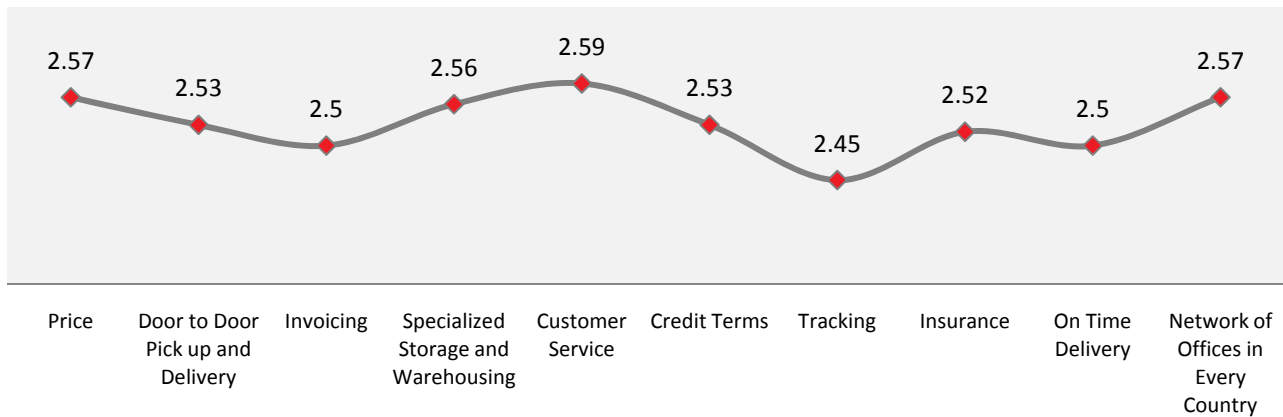
Based on the customers' responses across all target stations, Aramex scored an average of 95% for its well rounded services in the Express, Domestic and Freight services.

	Express	Freight	Domestic
Performance Ratings	96%	94%	96%

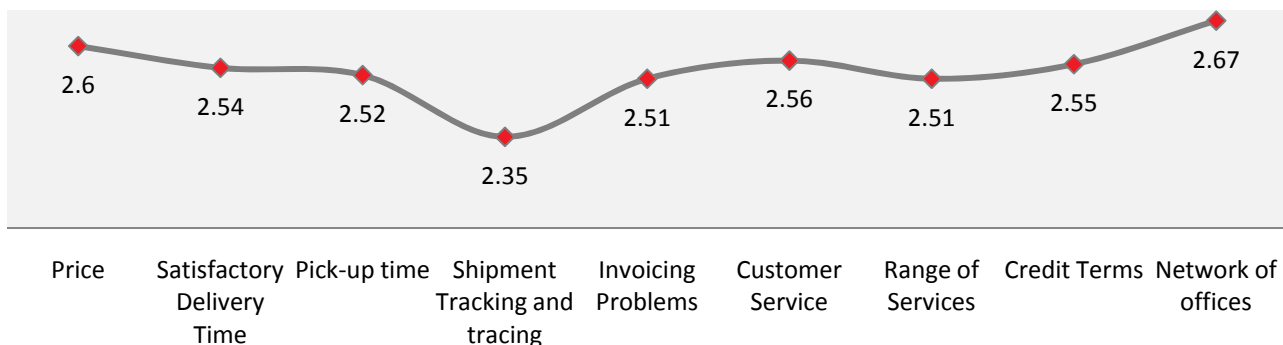
Performance Rating (Out of 3) on Express



Performance Rating (Out of 3) on Freight



Performance Rating (Out of 3) on Domestic



Aramex has initiated a customer surveying process, which will ensure tracking customer perception online through the CRM system. These surveys will serve as a continuous customer feedback on Aramex and its service and be a platform of engaging customers. In 2007, a survey and focus group sessions will be conducted to cover more regions and a bigger segment of customers to calculate their overall satisfaction.

➤ **Service Level Measurement**

Aramex runs regular monitoring of service levels provided to customers through its quality of service standards audit system. Aramex currently has set standards that can be audited automatically by the system. In addition to regular timely audits, this system enables entities to self-measure their performance. These audits provide tools for Customer Teams to proactively resolve discrepancies before escalation. We are working on further building the Customer Relationship Team capacity for frontline personnel across the network, and providing the empowerment tools for them to promote resolving customer issues on the spot.

➤ **Care for the customers' documents and goods and Customer Privacy**

We take all steps possible to ensure that shipments are not damaged or lost. Through Aramex tracking system, all shipments can be traced. The customer Relationship Management Team has a clear and set polices to handle any customers complaints.

Our policy is to ensure all sufficient conditions are set to protect customer confidentiality, and to never compromise or allow customers' information to leak, directly or indirectly, knowingly or negligently, as stated in our Code of Conduct and internal policies. To our knowledge, there were no breaches of customer privacy or any substantiated complaints regarding breaches of customer privacy and losses of data. We are working to ensure that any personal data is always protected and handled in privacy according to best practices, and governing laws and regulation.

➤ **Responsible Marketing**

Our approach to marketing is to provide truthful and accurate information about our products and services, in a creative and straightforward manner. Also our sales approach through specialized 'Aramex Teams' allows us to market our services directly to customers rather than through a third party.

There were no substantiated complaints regarding breaches of customer privacy or instances of non-compliance with copyright laws in our marketing communications.

➤ **Product and Service Compliance with Laws**

There were no instances of significant monetary fines or non-monetary sanctions for non-compliance with laws and regulations, concerning the provision and use of products and services"



OUR PEOPLE

HUMAN RESOURCES DEVELOPMENT

Our Perspective

Our business success will ultimately only be sustained by the quality of our people.

Long-Term Strategic Goal

Foster a sustainability-rooted culture of excellence in innovation, entrepreneurship, creativity, dynamism, results, and respect and care for our employees and others – to be our number one competitive asset.

Inside this Section:

➤ Putting Sustainability at the heart of Aramex culture Page 46

2006 Highlights	2007 Goals	2009 Goals
<ul style="list-style-type: none"> Conducted benchmarking against global best practice and established key priorities Established a Sustainability Team and key working groups 	<ul style="list-style-type: none"> Implement corporate-wide training on Sustainability Establish global network of champions Integrate into performance appraisals 	<ul style="list-style-type: none"> Have sustainability recognized as overall management framework Aramex 'Culture of Sustainability' is well-known throughout the region

➤ Engaging Employees Page 47

2006 Highlights	2007 Goals	2009 Goals
<ul style="list-style-type: none"> First ever ground operations conference Annual employee conference Conducted two courier surveys 	<ul style="list-style-type: none"> Use AccountAbility1000 Stakeholder Engagement Standard to enhance quality of engagement 	<ul style="list-style-type: none"> Accelerated rate of innovation Be in a position to assure quality of engagement against AA1000

➤ Opportunities for Development Page 52

2006 Highlights	2007 Goals	2009 Goals
<ul style="list-style-type: none"> Significant increase in training provided Groundwork laid for Aramex Corporate University 	<ul style="list-style-type: none"> Launch of Aramex Corporate university 20 average hours training per employee 13% women in middle management 	<ul style="list-style-type: none"> 40 average hours training per employee, with 100% coverage Women in management: 10% senior, 20% middle, 25% leaders

➤ Global Workplace Conditions Page 55

2006 Highlights	2007 Goals	2009 Goals
<ul style="list-style-type: none"> Conducted survey including working hours of couriers 	<ul style="list-style-type: none"> Conduct a review of our labor performance against the SA8000 	<ul style="list-style-type: none"> All stations capable of successful certification against SA8000, with regular internal monitoring (This extends to major sub-contractors)

➤ Employee Satisfaction Page 56

2006 Highlights	2007 Goals	2009 Goals
<ul style="list-style-type: none"> Significant increase in training provided Groundwork laid for Aramex training university Continued to encourage healthy lifestyles among employees 	<ul style="list-style-type: none"> Establish Employee Satisfaction Index Enhance benefits and address any gaps in benefits across all stations 	<ul style="list-style-type: none"> 80% average 'Excellent' score in satisfaction survey Secure a Top 10 ranking in any external 'Best Places to Work' surveys in the Middle East

Aramex is a fast-growing, fast-paced company in a high-pressure industry. Every day, thousands of our customers rely on our people to meet many of their critical business needs.

At the end of 2006 we had 5823 full-time employees – an increase of 52% during the year and more than double in a two year period, both from natural growth and from acquisitions. In the same period, the number of packages and shipments our company moved also more than doubled, our range of services expanded significantly, and the needs of our customers became even more intense and varied amidst the dramatic economic development in the Middle East, Gulf, India and Asia and our continuing growth in other markets.

Our ability to provide a consistently high quality of service to our customers, enhance our relations with key stakeholders, and continuously innovate to meet customer needs is the cornerstone of our business. We are strengthening the core elements of our culture in the midst of this massive growth of business, and our success is a testament to the quality and caliber of our people.

The Aramex Culture

At Aramex, we have long believed that our people – and our culture – are among the greatest strengths of the company.

We aim to attract the best people, offer them opportunities to achieve and innovate, and properly reward performance. Key elements of our culture include a focus on innovation, quality, merit-based opportunity, mutual respect, health and wellness, and commitment to society.

Innovation is a vital ingredient of the Aramex culture and has been, and will continue to be at the heart of the company's successes. We take great pride in our innovativeness – as a non-asset company, in our product innovation, and in our delivery innovation.

Entrepreneurship is encouraged and supported throughout the whole organization; our entrepreneurs have been promoted so they can develop their ideas into new products and divisions. Shop&Ship and Aramex@Home are just two children of the entrepreneurial efforts of our people.

Merit-based opportunity may be taken for granted in some parts of the world, but in many of the regions where we operate this is a practice in its early stages, and is more often preached than delivered. While we also struggle to overcome powerful traditions, we have built a culture recognized for its merit-based approach.

Mutual respect and openness: We believe we have created a culture that both transcends and respects cultural boundaries, and we think this is important given where our company is headquartered and our goal of outreach to the world. We seek to be responsible 'global citizens'. We foster openness and encourage dialogue on challenging issues.

Health and wellness: We encourage the physical and mental health of our people, believing that physical health is linked to mental health and productivity.

Commitment to society: We recognize that our company, and every employee, is a part of society. We try to see ourselves in the context of society, and we believe it is important to be actively involved. We are well-known for our community efforts, particularly when man-made and natural disasters strike.

We know that highly talented people seeking these cultural elements gravitate towards Aramex, and that this offers us tremendous advantage. Indeed, in many of our major markets (Middle East, North Africa, Gulf, India, Asia), young people make up the biggest percentage of the population demographic. This younger generation in particular is seeking – and the best are demanding – this type of workplace and philosophy; Aramex is recognized as offering such an opportunity. As a result, our workforce is young, and we attract many of the best talent out of universities. This also reflects our confidence in this well-educated and talented generation.

We recognize that we still have a lot to do to take advantage of everything our people have to offer. Despite our focus on talent and innovation, we have been told by our people that there is much more we can do to encourage and reward excellence in innovation and performance. We are continuously striving to improve our human resources management systems to respond to this opportunity.

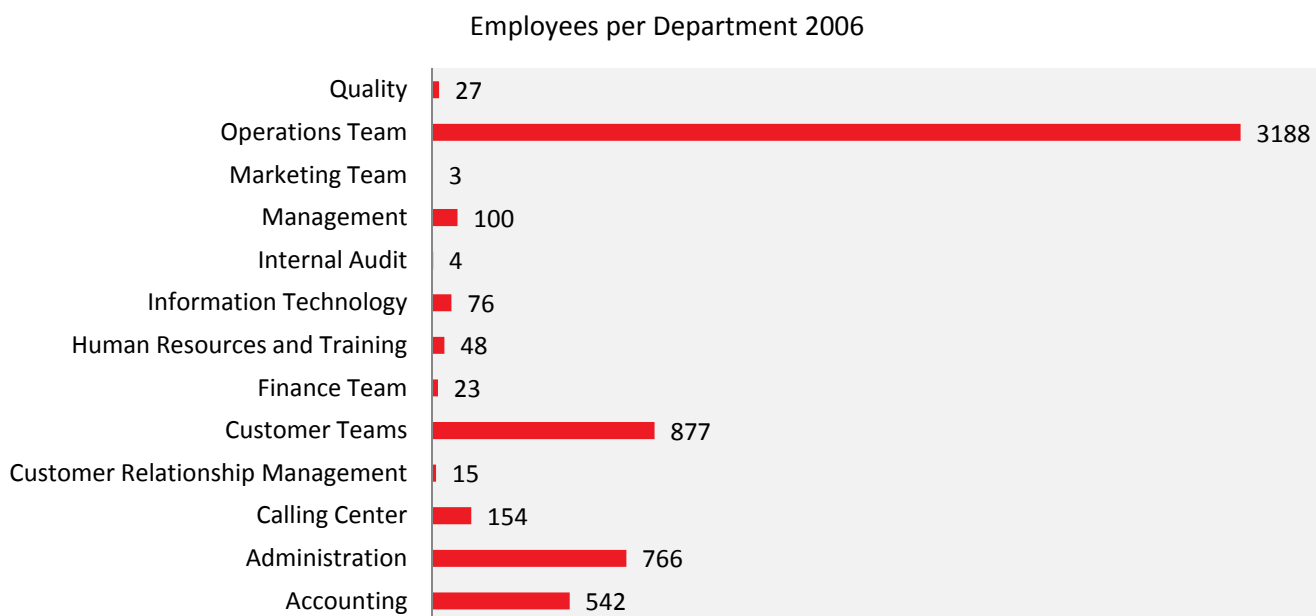
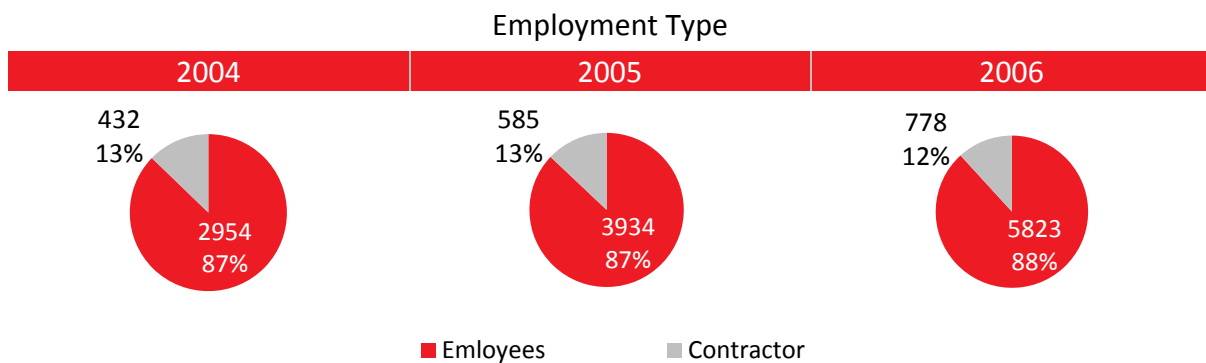
Human Resources Management System

Given the importance of people to our success, and given the growth of the company, human resources management is a major challenge. Some of the specific challenges include 1) attracting and maintaining talent 2) development and succession planning, and 3) handling the numerous acquisitions, which have been both an opportunity but also a challenge to work towards an integrated – and improved – system after every acquisition.

Aramex has an HR management system in place including extensive policies and procedures which are part of Aramex’s ISO9001:2000 certified quality management system. Key functions of the system include: 1) recruitment, 2) training and development, and 3) career planning.

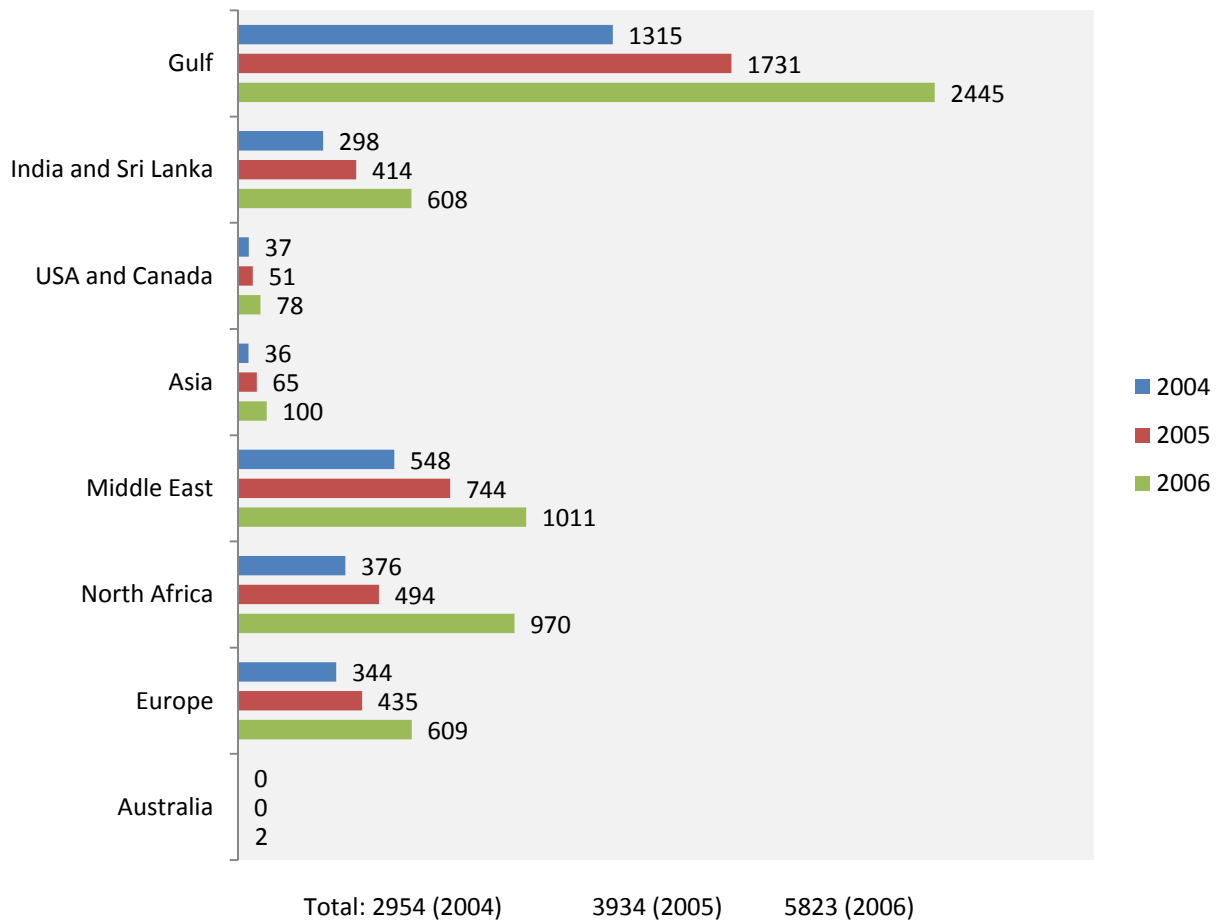
Human resources services, as with most Aramex support functions, are coordinated out of the company’s central office in Amman, Jordan, which is known as the ‘General Services Office’ (GSO). The GSO had 180 staff at the end of 2006, of which 5 were dedicated to HR. The company has 51 dedicated human resources and training staff worldwide. In general, all stations with more than 50 people have at least one dedicated HR employee. Recruiting responsibilities are shared between local stations and the GSO. Smaller stations are supported by one HR person who will also have the responsibility for another function in the station such as IT or quality.

The human resources department intends to make a significant investment in an HR management tracking system in 2007. Added features of the software will include performance management, succession planning, and training. The expected benefits include better talent management, development of staff and payroll controls. This will also dramatically improve the tracking and reliability of factors such as training and health and safety incidents, which in turn will allow us to better focus our efforts on improved performance in these areas.

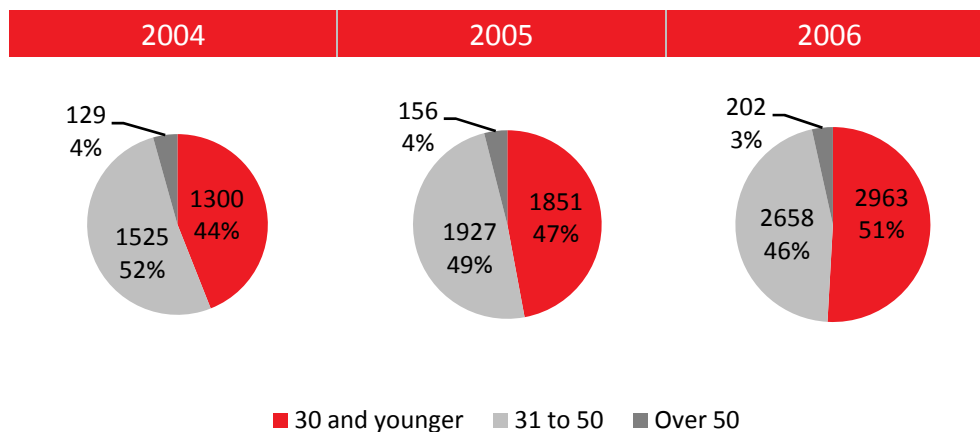


Total number of employees: 5823

Employees per Region



Employee profile: Age



Key Area 1: Putting Sustainability at the heart of the Aramex culture

In many ways, we see Sustainability as the logical extension and evolution of the Aramex culture. At the same time, however, it is a huge step. It includes a fundamental shift in thinking, about many aspects of our business – for example our environmental impact.

We believe that we can only successfully adopt sustainability management if it takes its place at the heart of our culture. Furthermore, it is our firm belief that if we do put sustainability at the heart of our culture, the scale of innovation and the benefits to all stakeholders will be dramatically and positively impacted. Sustainability management is both a responsibility, and a tremendous business opportunity.

Driven by the commitment and support of the CEO towards sustainability, we took the first steps in integrating sustainability into the corporate culture. We immediately recognized the importance of ensuring understanding and

commitment of the senior management team. As with any business, but especially in the Middle East culture, signals and actions from senior management are critical means of communicating importance. In this regard, in 2006 we:

- Undertook a sustainability benchmarking and assessment against international best practice, which included conversations and engagement with senior management
- Presented the sustainability concept and benefits to shareholders and to our Board of Directors

Based on senior management support, we took the following steps towards a structured implementation of sustainability, and integration into the corporate culture:

- Established sustainability team
- Established working groups, led by members of the sustainability team, for key issue areas
- Engaged a wide number of managers and employees in data and content collection for the sustainability report, most notably the station operations managers for environmental and health and safety performance
- Introduced sustainability to all operations managers at the annual operations conference, in the context of performance improvement

In 2007, we aim to:

- Bolster the strength and effectiveness of the sustainability team
- Identify station/country and regional champions to work closely with sustainability team as a global network
- Expand the working groups to involve a wider range of critically important staff
- Undertake an Awareness Campaign for Sustainability (focusing on sustainability as core to culture, reinforcing performance goals, and highlighting international success and leadership stories)
- Design and deliver targeted Sustainability Training. Including but not limited to Basic Training Plan (BTP)
- Integrate sustainability performance into performance evaluations at all levels
- Continue to establish and relentlessly pursue dramatic sustainability goals
- Establish a Key Performance Indicator which assesses employee perceptions of the take-up of corporate sustainability, including support provided for implementation, target setting and performance against targets, and overall integration into corporate culture. These questions will be incorporated into an annual employee survey and will take the form of a 'Sustainability Culture Index'

Key Area 2: Engaging Employees

We aim to operate as a global team, executing fast-paced service delivery for our customers. This necessitates excellent communication among all managers and employees, and an ability to address any challenges rapidly as they arise. To achieve this, we have attempted to maintain a relatively flat structure where people are empowered in their positions, along with a focus on open and honest communication. On the whole we believe there is a solid working relationship between management and employees, with good responsiveness to employee considerations, which in turn has resulted in no attempts, to our knowledge, to unionize. The goal: Encourage innovation, performance improvement, constructive working environment, quality, employee satisfaction and retain our best people.

In this section, we try to present not just what our employees have identified as critical issues, but also our overall process for effective engagement of employees. We increasingly aim to use the AccountAbility1000 Stakeholder Engagement Standard as guidance for improving our engagement of employees. We look at engagement in terms of:

- The ways in which we engage employees (How we engage)
- How well we understand what we are told
- How well we consider and respond

➤ Ways of Engaging Employees

Aramex offers opportunities for its employees to pass their opinions and raise their own issues and concerns regarding different work-related topics using a variety of approaches, including surveys, team meetings, bi-annual appraisals, surveys, and leadership meetings.

Surveys: In the past two years we conducted 4 major surveys and 1 small survey that explored both priority employee issues while also assessing the quality of our employee engagement. A 'Leadership Survey' was conducted in August 2005, two surveys of our ground couriers in November 2005 and again in August 2006 to assess progress, and a 'Training Survey' conducted in April 2005. Some of the findings of these surveys are provided. As they demonstrate, we are doing reasonably well but there is a lot more progress that can be made. The plan is to re-conduct each survey to assess improvements.

The company also undertakes employee satisfaction surveys - conducted every 6 months, results are sent to each station to come up with an action plan that they send back to the GSO. The results of the survey are also communicated to the employees in the station.

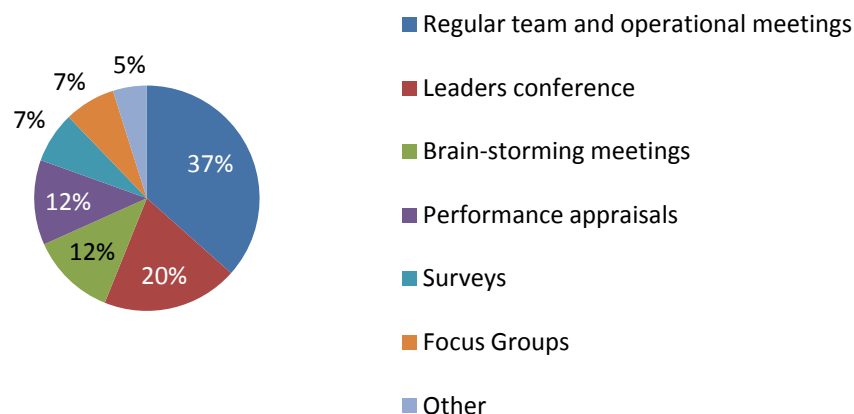
Performance appraisals: Aramex policy is there to ensure that formal performance appraisal process is developed and implemented. Employees and leaders should engage in the Employee Performance Evaluation discussions on:

- Annual or semi-annual basis according to position
- After the completion of the probationary period
- Leaders Performance Evaluation discussions once every year

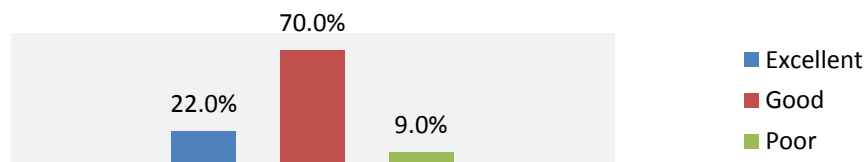
Team meetings: Meetings are held on a weekly basis at team level for the majority of departments in the stations.

Leadership retreats and conferences: This includes leadership retreats - conducted for potential managers in the network, who engaged with the CEO and Senior Management directly for 2 full days. This also includes annual conferences - attended by managers and leaders in the network. In 2006 Aramex held, for the first time, a ground operations conference to discuss operational matters and issues with operations managers in the network. Some stations also conduct an annual meeting to discuss the station's projects, growth, revenues, plans, etc.

What is the most effective way in which the company interacts - or 'engages' - with you? Respondents were allowed to indicate multiple responses if they felt multiple techniques were effective. (n=23)

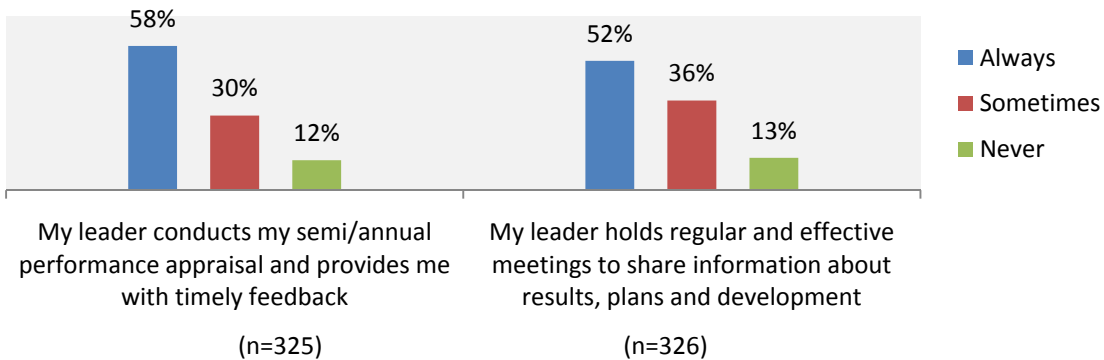


Quality of Engagement Survey

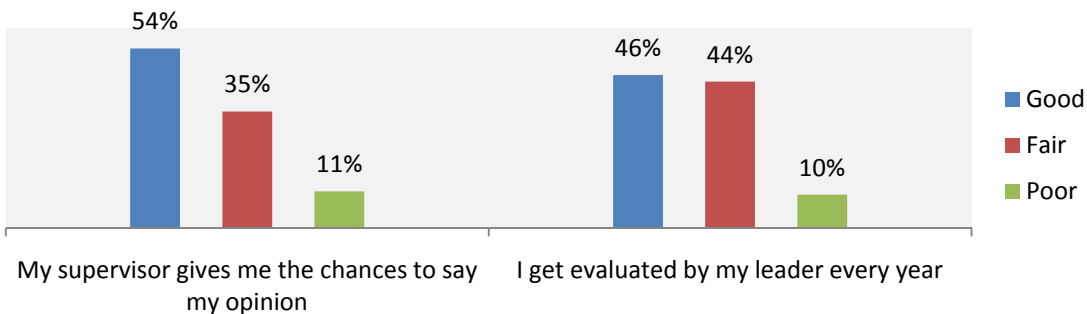


Overall, how effective are the current methods of engagement for allowing you to share your ideas, inputs, needs, and expectations? (n=25)

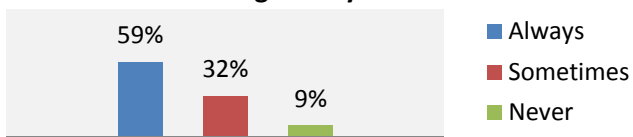
Leadership Survey



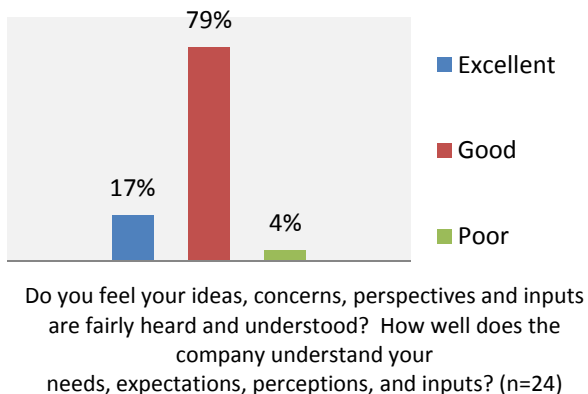
Courier Survey



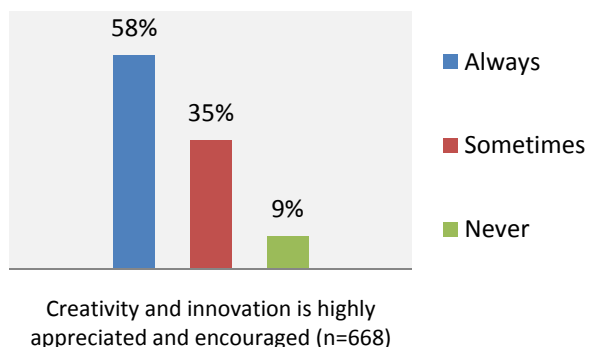
Training Survey



Quality of Engagement Survey



Leadership Survey



➤ **Understanding what we are told (Employee Ideas, Inputs, Concerns, and Perspectives)**

Seeking input, versus understanding what we have been told as seen from the perspective of the employee, is an important distinction. Again, our survey results suggest that our efforts are appreciated, but there is an expectation that we should be able to improve on our ability to understand priority employee needs.

Our top five results across our surveys and other means of input included: 1) creativity and innovation, 2) empowerment of leaders for decision making, 3) leadership role, 4) investment in training, and 5) encouragement for training.

Significant findings included the responses in our leadership survey to the statement: Creativity and innovation is highly appreciated and encouraged. We were disappointed with our scores, given the importance of innovation to the company, and are working to better understand this result and identify means of improvement.

Our worst four results across our surveys (i.e., poor performance combined with high importance to employee) are listed in the table in the next section, along with a brief description of how we have tried to respond to these employee considerations.

➤ **How we respond (demonstrating responsiveness)**

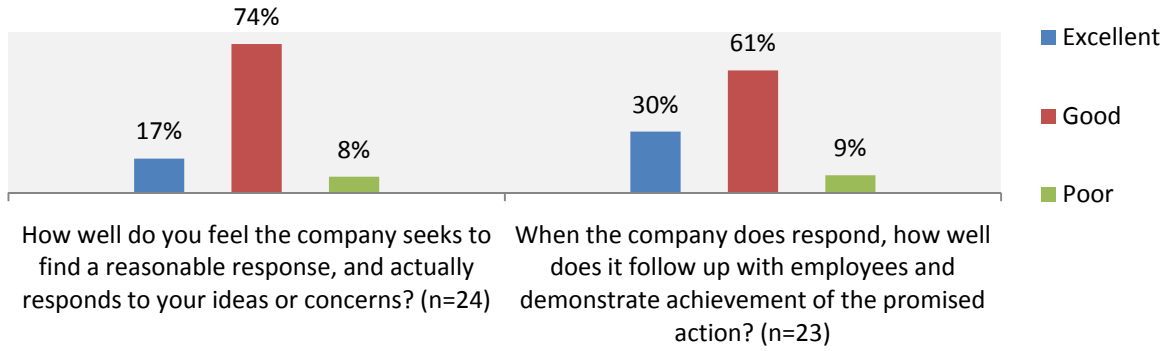
We recognize that the most important element of engagement, in terms of performance gains, morale, and credibility, is to respond coherently to what employees tell us. After every employee satisfaction survey, the survey results are shared with the employees and the stations develop action plans which are assessed by the GSO. Beginning in 2007, we will also share these action plans with the employees.

Some of the key issues raised in the surveys and other types of dialogue, and our responses, are summarized as follows:

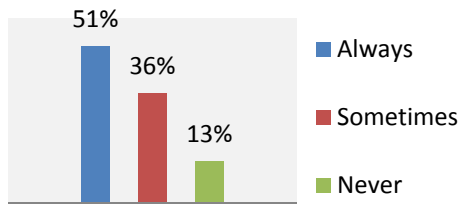
Key Issue for Employee	Our response
Too many points of contact for our most valued customer, also creating challenges with internal coordination	Created the 'VIP' team concept and applied across all stations.
Senior leaders requested that they get new training programs that can help them develop more to move forward to more senior levels to take on more responsibilities	Executive development program was initiated in 2006 for all chosen leaders who are potential managers.
Issues facing employees with leadership and requests of leaders in network on their skills	We started leadership training courses in 2004 with an external trainer for leaders in stations, and we also did the leadership retreats with the CEO. We are continuing with the leadership external training which we conducted in 2006 and on going to cover all new leaders.
Many points on training whether internal or external; not enough courses being conducted	We initiated the concept of corporate university to work closely on employees' competency gaps, needs and development for internal and external courses.

In principle, we aim to engage and respond to stakeholder considerations and inputs in all aspects of our decision making, from broad strategy to everyday decisions. This includes highest level considerations, such as the Aramex Mission and Purpose which were derived from the leadership retreats.

Quality of Engagement Survey

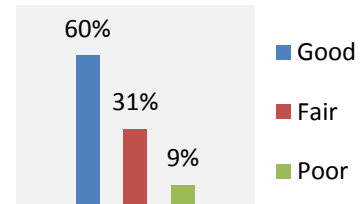


Leadership Survey



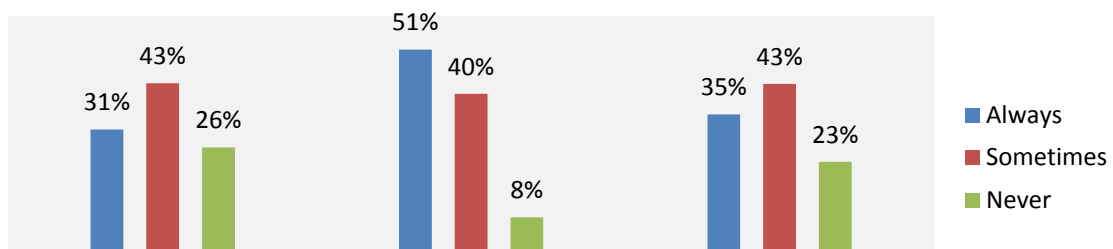
My leader helps me set S.M.A.R.T objectives (n=326)

Courier Survey



My supervisor helps me in solving problems

Training Survey

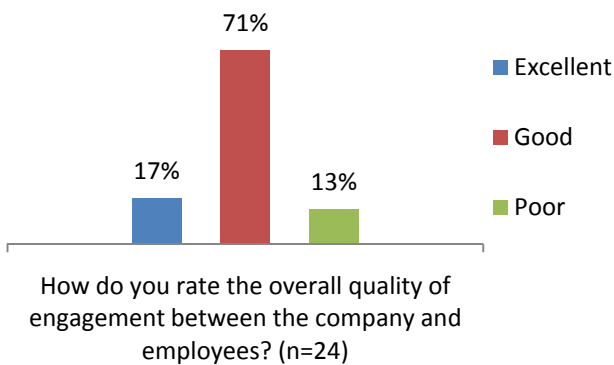


My requests and needs for external training are fulfilled (n=589)

My requests and needs for internal training are fulfilled (n=599)

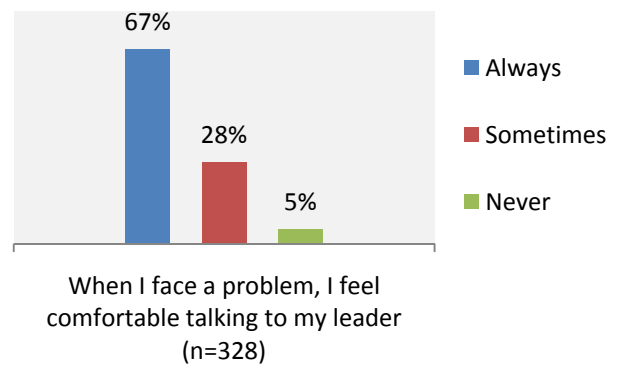
When my external requests are fulfilled, it is within an acceptable period of time (n=575)

Quality of Engagement Survey



How do you rate the overall quality of engagement between the company and employees? (n=24)

Leadership Survey



When I face a problem, I feel comfortable talking to my leader (n=328)

➤ **Overall quality of the engagement process**

We asked a small sample of our employees what they felt the benefits would be for the company of improved employee engagement.

If there is an opportunity for improved engagement with employees, what is the most likely benefit to the company: (Ranked with 1 as highest) (n=23)



Key Area 3: Opportunities for Development

Investing in our people is important both because it is essential to the health and growth of our business, but also because we believe in supporting the development of our people. We have identified five key areas of focus with regard to human resources development:

- Training
- Focus on ‘leaders’ and leadership development
- Opportunities for women
- Continuous improvement in the performance review process
- Equality in the workplace across our operations (to which we dedicate the section Global Workplace Conditions)

➤ **Training**

We divide our training into three broad categories:

- Internal training for new hires prepared according to each position
- Internal training for current employees as part of their training and development
- External training, which is any training that is conducted by an external body (training center, external trainer, university, etc.).

These sessions can be either requested and managed by GSO or directly managed by the stations themselves

Training at Aramex		
	2005	2006
Number of internal training sessions	1419	1775
Number of internal training participants	8060	7743
Number of external training sessions	113	153
Number of external training participants	547	1548
Average training hours per employee	8.50	8.45

Our training needs are determined by:

- Our policies and procedures, such as those relating to Basic Introductory Training, and those relating to new policies as they emerge, such as the anticipated corporate wide training on sustainability
- The needs as identified by our stations, and by individual employees through trainings needs assessments and performance appraisals

In 2006, training highlights included:

- Intelligent leadership for leaders and potential leaders (3-day program).
- Sales for sales leaders and sales trainers. This was conducted for sales leaders in Dubai and in Amman, and the Amman training included an additional train the trainer 4-day program for trainers from other stations.
- Executive development management program for potential managers. This is a 6-day program in Amman. Two sessions were held in 2006, with two more scheduled for 2007.
- Country managers and VPs attending an executive development program in Wharton Business School of University of Pennsylvania
- Customer service training for customer service managers, a number of customer account executives, and customer service employees (2 days), ground couriers (2 days) and customer service trainers (attended both 2 day sessions). This was conducted in 2005.
- Leadership for customer service managers.

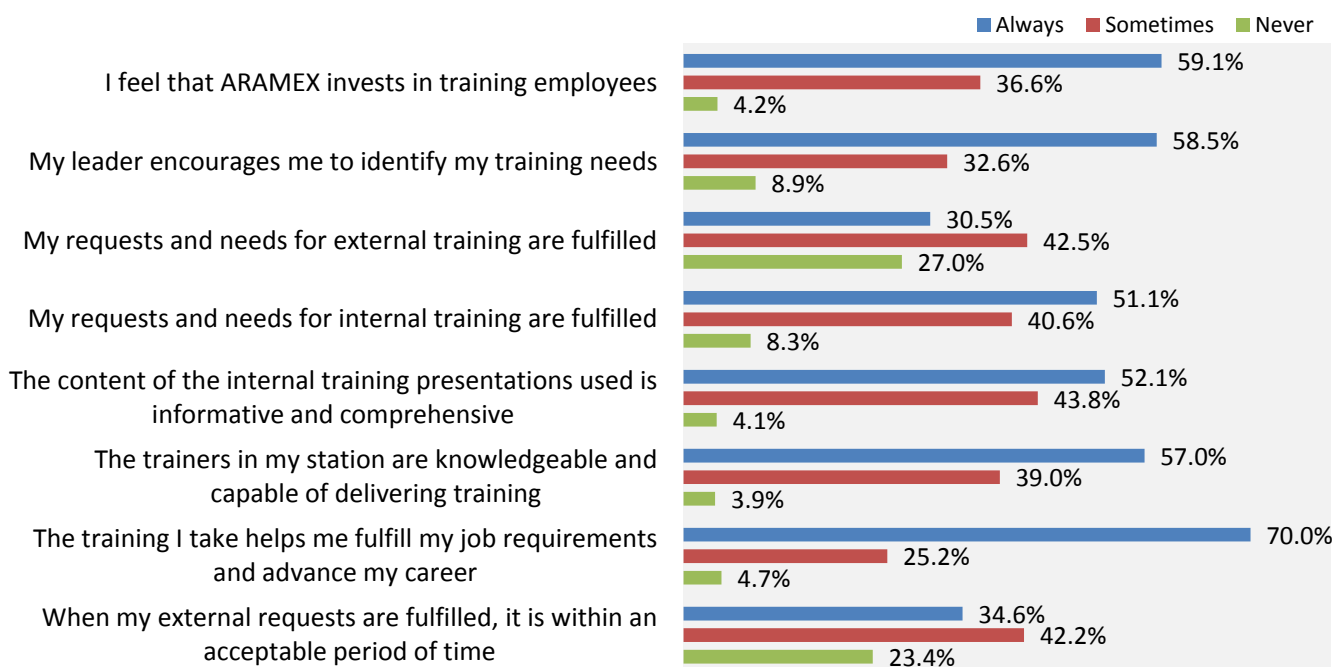
Basic Training Program for new recruits	
	Hours per BTP
Accounting	59.5
CRM	61.5
Express	61.5
Freight	61.5
HR	45
IT	45
Marketing	45
MED	45
SNS	45
Logistics	61.5
Quality	61.5
Ground Couriers	38
Contact Center	38

Training related to health and safety is captured in the Health and Safety section of this report. We also laid the groundwork for the Aramex Corporate University – this will be launched in 2007 and will become a focal point for improved quality, efficiency, and support for training within the company. All training for Aramex will be done through this university, and it will align the company's training efforts with other activities on a strategic level for developing and educating employees, customers, and suppliers. Aramex Corporate University will upgrade and design new curriculums and develop partnerships and alliances with universities.

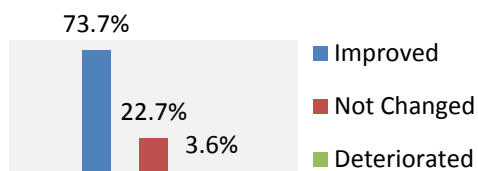
Quality and employee satisfaction relating to training

In 2005 we undertook a survey to assess the quality and employee satisfaction with our training. This followed a period of efforts to improve training, based on prior input on its importance. We were pleased to find that almost 74% of participants at that time felt that the Aramex training had improved over the previous year. There are still many categories where dramatic improvements can be made. In response, we have focused our efforts on: 1) Initiating a corporate university, 2) having dedicated training coordinators and managers in big stations, 3) developing and maintaining internal training material, and 4) creating qualified trainers in the stations and regions to conduct external training done by external training centers.

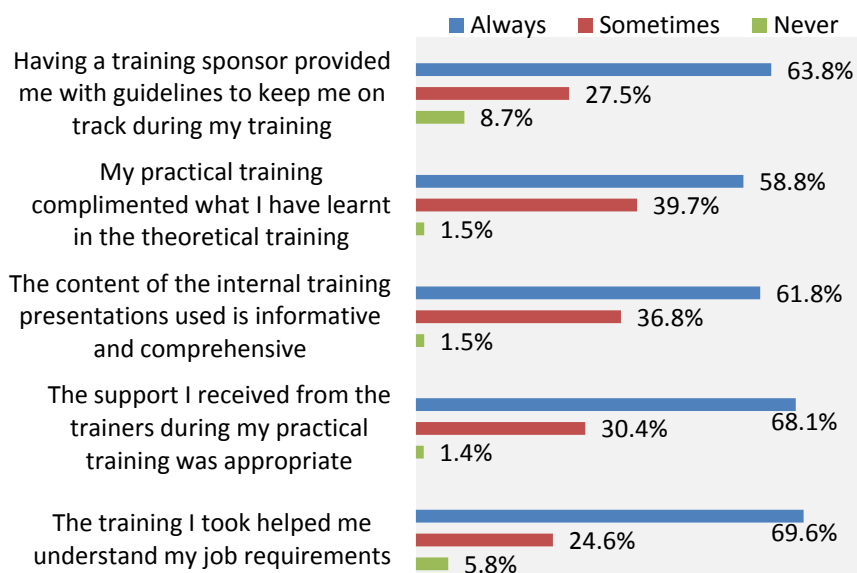
In 2007 we aim not only to improve the quality of training, but also the tracking of training given. We would like to be able to provide a more informative picture on equality of training opportunities, equality of employees' development, and their successors.



Years of service > 6 months



In the past year, training programs at ARAMEX have



Years of Service <= 6 months

➤ **Focus on ‘leaders’ and leadership development**

As a means of finding the best way for our staff to work together to meet customer needs and deliver efficient operations, Aramex has established the concept of ‘teams’. Each team is assigned a ‘Leader’. These leaders are the backbone of Aramex – working with the people, operations and customers on the frontline, making decisions and leading their teams, and handling team targets and achievements. These ‘Leader’ roles are being increasingly invested in by Aramex, in part because of their importance and also because of staff feedback as noted previously. These ‘leaders’ are the recognized leadership pipeline of the company. The ‘Leaders’ concept also offers a great opportunity to enhance equality in the workplace by, for example, increasing the number of women leaders as a means of increasing the number of women in senior and middle management over the medium-term. There were 1100 leaders in the company at the end of 2006.

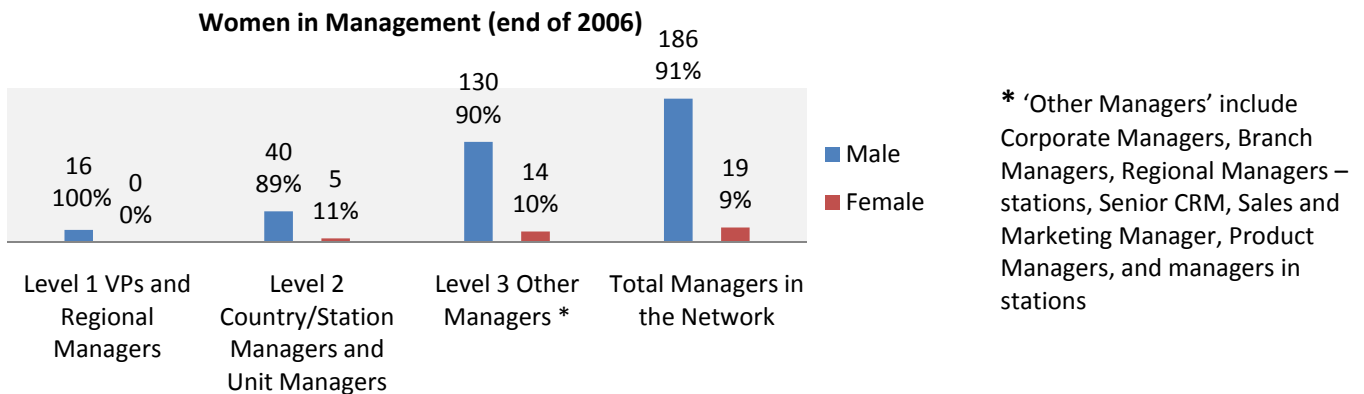
➤ **Equal opportunities:**

It is Aramex policy to not discriminate on the basis of nationality, color, ethnicity, religion, gender, marital status, personal circumstances, disability or health. We aim to undertake a major effort in 2007 and the following two years to ensure that we are doing everything we can to avoid any systemic discrimination that is arguably present in many places where we operate. We identify some of these labor challenges under ‘Global Workplace Conditions’.

Workforce Gender Mix						
Gender	2004		2005		2006	
	Count	%	Count	%	Count	%
Female	372	13%	522	13%	772	13%
Male	2582	87%	3412	87%	5051	87%

➤ **Opportunities for Women**

The right of equal opportunity for women is an important issue. It is also a well-recognized international issue related to The Middle East. We acknowledge that our performance numbers in this regard are weak, even though they are not significantly out of line with regional performance and indeed are probably better than average regional data.



We could provide many cultural reasons for our performance – some of them valid, many of them increasingly challenged. We hold a tremendous respect for the cultures in which we operate, but we do not necessarily buy into some of the cultural validations nor do we view culture as static. Indeed, we have worked as a company to contribute to redefining commercial, economic and social bonds through the services offered by our company worldwide, and we believe we can have a very dramatic impact as we begin our drive towards sustainability.

In 2007 we intend to better understand the underlying factors behind our performance numbers to determine what kind of creative solutions or straightforward initiatives might best have a positive impact on the number of women employed and in management. We believe there is a significant and achievable opportunity to break down barriers both in management but also in terms of employees across the network.

➤ **Continuous improvement in the performance review process**

Our team, through implementing the HR strategy, will work to provide the best opportunities for employees. A new process will be set to ensure communication with employees to gather their feedback on all important issues of concern. The new HR system will help analyze and understand the performance of our employees, and will be the basis of continuing improvement in the process of every aspect of their work.

Key Area 4: Global Workplace Conditions

We are committed to equality in the workplace across our operations. While local laws and practices can cause complications in achieving this, it is not insurmountable and we also recognize immediate steps that can be taken.

We intend to use the Social Accountability 8000 standard for labor conditions to guide our policies and procedures relating to labor conditions and human rights. Although we have not yet committed to certification, we want to ensure that all of our stations are capable of successful certification against SA8000, with regular internal monitoring, and extended to major subcontractors, no later than 2009.

In 2007, we aim to conduct a full review of our labor performance against the SA8000. We will:

- Identify top 5 issues and top 5 locations that may be at risk
- Conduct evaluation (or survey) to assess actual performance
- If there are violations, identify and implement suitable solutions that minimize harm to the affected worker and avoid future instances.
- Determine most appropriate monitoring program, and implement
- Establish appropriate policies and procedures.

We already recognize that some systemic practices in the regions where we operate may be of concern, and these will fall within the scope of our 2007 efforts. For example:

Handling of personal documents: in some countries it is a legal requirement to retain the passport of immigrant workers. We work within this system while doing our utmost to respect and protect the rights of our workers. We intend to work with relevant authorities to find a long-term improvement to this practice. In the short-term, we intend to begin reporting on any incidents or complaints from our staff relating to passport holding (including providing training on rights, and a safe and credible complaint line).

Equal pay for equal merit: We know that in some countries, standard pay may differ for the local hired employee. But workers will accept and negotiate within certain pay scales. We intend to review our pay scales and structures to ensure we meet our commitments. We believe there is a tremendous opportunity to attract the best talent. In general, we believe that we offer competitive or above-average pay in all of our areas of operation, and always meet or exceed local laws.

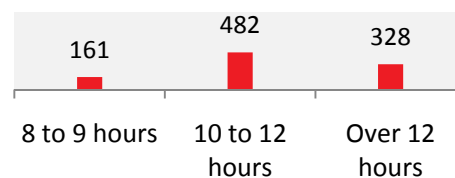
Working hours of couriers: Many of our couriers work long shifts. When the shifts exceed standard hours, we pay overtime wages. Couriers typically agree as part of their employment agreement to overtime hours with extra pay on demand, and as such are required to accept overtime when requested or necessary. Many couriers also actually wish to work long hours – both to secure better pay and to secure overtime pay. Many of the priority issues for couriers – and their assessment of Aramex's performance – are captured in the survey to the right.

Sub-contractor compliance with Aramex policy: Traditionally we have had limited control over sub-contractors. To the best of our knowledge (based on our ongoing relationship and direct questioning), all of our sub-contractors comply with critical elements of the SA8000 (for example child labor and forced labor), but we intend to review this in detail with our sub-contractors and develop appropriate mechanisms for ensuring SA8000 alignment and for sustainability-screening of all sub-contractors.

With regard to contracts, we have two kinds: a) Employment Contracts for senior staff in the Network and regular staff according to country laws if required, and b) Employment offers which result in an employment record.

With regard to child labor, Aramex policy is to not hire anyone without high school education, which reduces this risk. We do not employ child labor in any instance. With regard to freedom of association, the Aramex workforce is not unionized, and to our knowledge there have been no attempts to unionize. We recognize the right of employees to freedom of association. This is a lesser-known concept in our main regions of operation and we will strive to make this option known to our employees. However, it is always our aim to maintain excellent relations with employees and we feel we have an excellent track record in this regard.

Courier Survey (Sept. 2006)
Average hours per shift
(subjective)



Number of stations surveyed = 17
Number of employees who replied = 929

There were no cases discrimination recorded in 2004-2006. While we believe we do an excellent job in fostering a non-discriminatory work environment, we recognize that the absence of any reported cases may be a function of the status of any mechanisms that allow for confidential reporting of cases of discrimination.

Key Area 5: Employee Satisfaction

We care for our employees and aim for a high level of satisfaction. We also believe that highly satisfied employees make for outstanding employees and outstanding corporate performance.

Some of the most important considerations as identified by our people in past surveys and other means of engagement include: 1) Salary; 2) Benefits; 3) Opportunity for development and promotion; and 4) Job security and safety.

➤ Salaries

In our endeavors to recruit and retain excellent and motivated workforce, and taking into account the best practices that also match the culture of Aramex, the management of the company has put in place a flexible HR system and policies to govern the recruitment process that is linked directly with the corporate structure that is growing in different regions in the world. Based on that, and HR policies, a flexible structure and a general salary scale were set to assist the stations in each region or station to use this structure and create their own salary scale based on the market. Our HR principles, that are consistent with our core values state that we do not discriminate according to gender. The recruitment process, employment, and the salary are based on set criteria which apply to both women and men equally.

Aramex has a strict policy to comply with labor laws and regulations that govern relationships between the company and the employees, the minimum wages, and overtime payments. A yearly salary increment between 5-10%, based on the performance of the employee, is given and added to the basic salary. Also, a cash bonus is distributed among the different teams on a quarterly or six months basis based on the station financial performance in reaching set goals.

➤ Benefits, including Health Insurance

In terms of benefits, one of our key benefits is health insurance. At many of our stations, health insurance is already provided by the government. Where it is not, we aim to ensure that gap is filled. Of 29 stations reviewed 23 offered health insurance to all employees, 1 offered 50%, 1 offered coverage by choice, 1 offered coverage only to ex-pats, and 1 offered coverage only to locals, while only 2 did not offer any coverage. Where coverage is offered, 25 of 29 offered the same coverage to all employees. 6 of the 29 stations offered life insurance to employees. In terms of encouraging healthy and physically vibrant lifestyles, 11 of the 29 stations reported offering rebates for gym memberships, while 4 stations organized employee sports teams or rented sporting fields and facilities regularly for employee use.

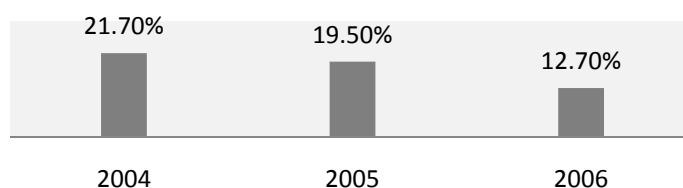
➤ Opportunity for development and promotion As per previous section

➤ Job security and safety

We are a fast-growing company and typically our challenge is in finding great people in a short time. In 2006 we hired 2686 people (309 hired and resigned, 2377 remained) this is excluding around 400 who were transferred from our acquisition of TwoWay Vanguard. Of our entire workforce, 576 resigned (including 117 on probation) and 166 were released (including 47 on probation) by the company in 2006. All of the reasons for release were related to performance – none were due to workforce reductions (which never happened in the history of the company). Our turnover rates are outlined in the chart to the right. Information on health and safety training can be found in the health and safety section.

Total Exiting Employees		2004		2005		2006	
During Probation period	Resignation	160	109	185	116	164	117
	Termination		51		69		47
All Exiting	Resignation	641	483	768	573	742	576
	Termination		158		195		166

Employee Turnover Rate



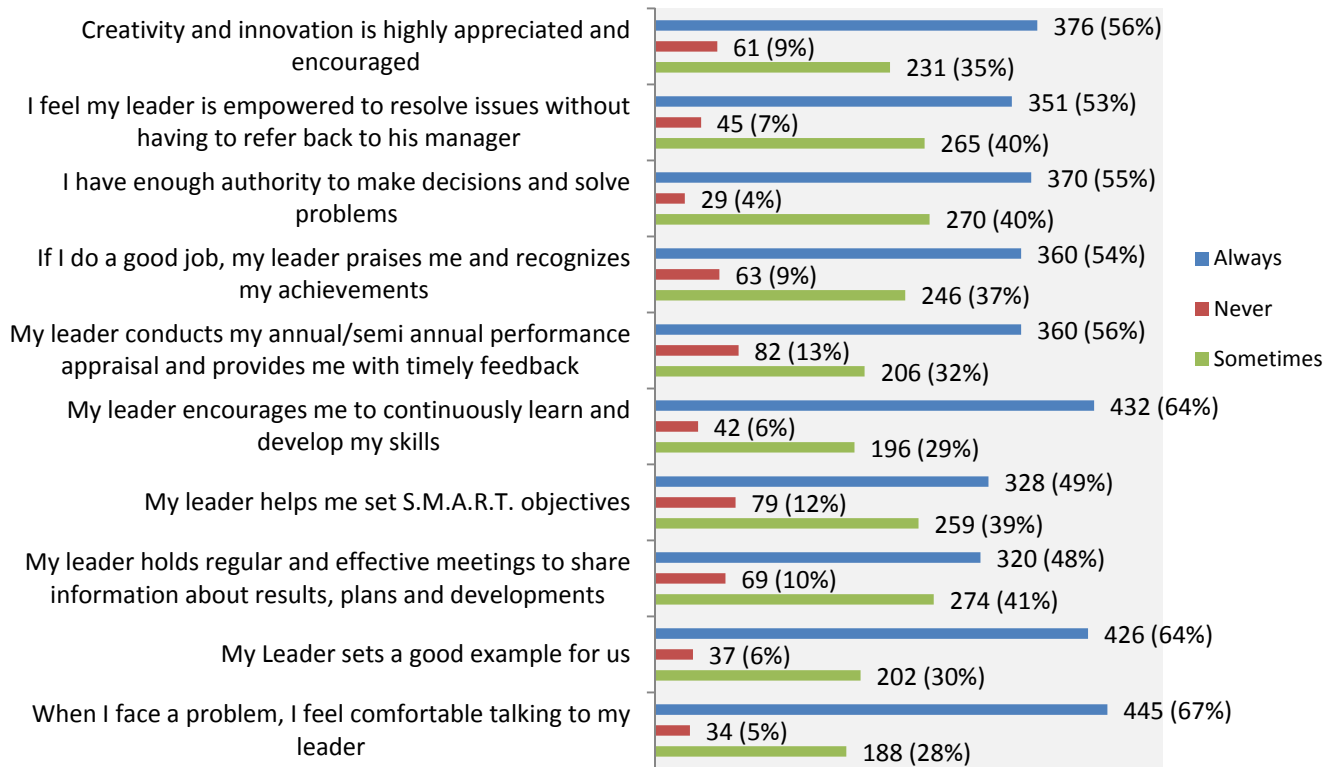
How we measure satisfaction

We currently measure satisfaction levels both directly and indirectly through:

- Leadership surveys. Although not a direct measure, the general scoring provides us with a good indication of sentiment and satisfaction
- Relevant questions among other surveys
- Evaluation sessions
- Turnover and absenteeism rates

In 2007 we intend to develop such an indicator as part of our surveying process that provides an overall assessment of employee satisfaction. We have set a 3-year target to achieve an 80% average of 'excellent' rating.

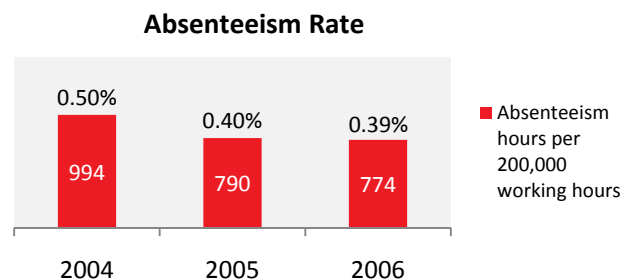
The following chart shows the results of our Leadership Survey, conducted in August 2005.



In November 2005 and again in August 2006, we conducted a survey of our couriers' opinions. While the comparison between the surveys showed a decline in "Poor" responses across all categories – shifting to the "Fair" category, it also showed a decline in "Good" responses across all categories. Part of the decline may be attributable to the fact that the first survey in November 2005 included responses from both couriers and ground operations staff and managers, while the August 2006 survey included only couriers. Regardless, the results were of concern. A conference was held in Amman for operations supervisors and managers and the results of the courier survey were discussed with them, and they were required to develop and submit an action plan to improve the situation at each of their stations. The discussion of the survey results involved the operations managers, GSO Human Resources, the Vice President Ground Services and CEO who was present to emphasize that senior management supports the importance of surveys and making action plans to address key considerations. A comparison of the courier survey results are represented on the next page.

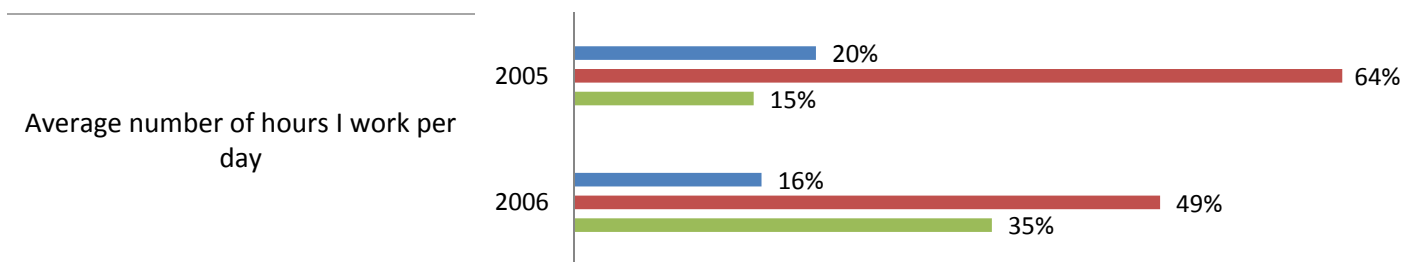
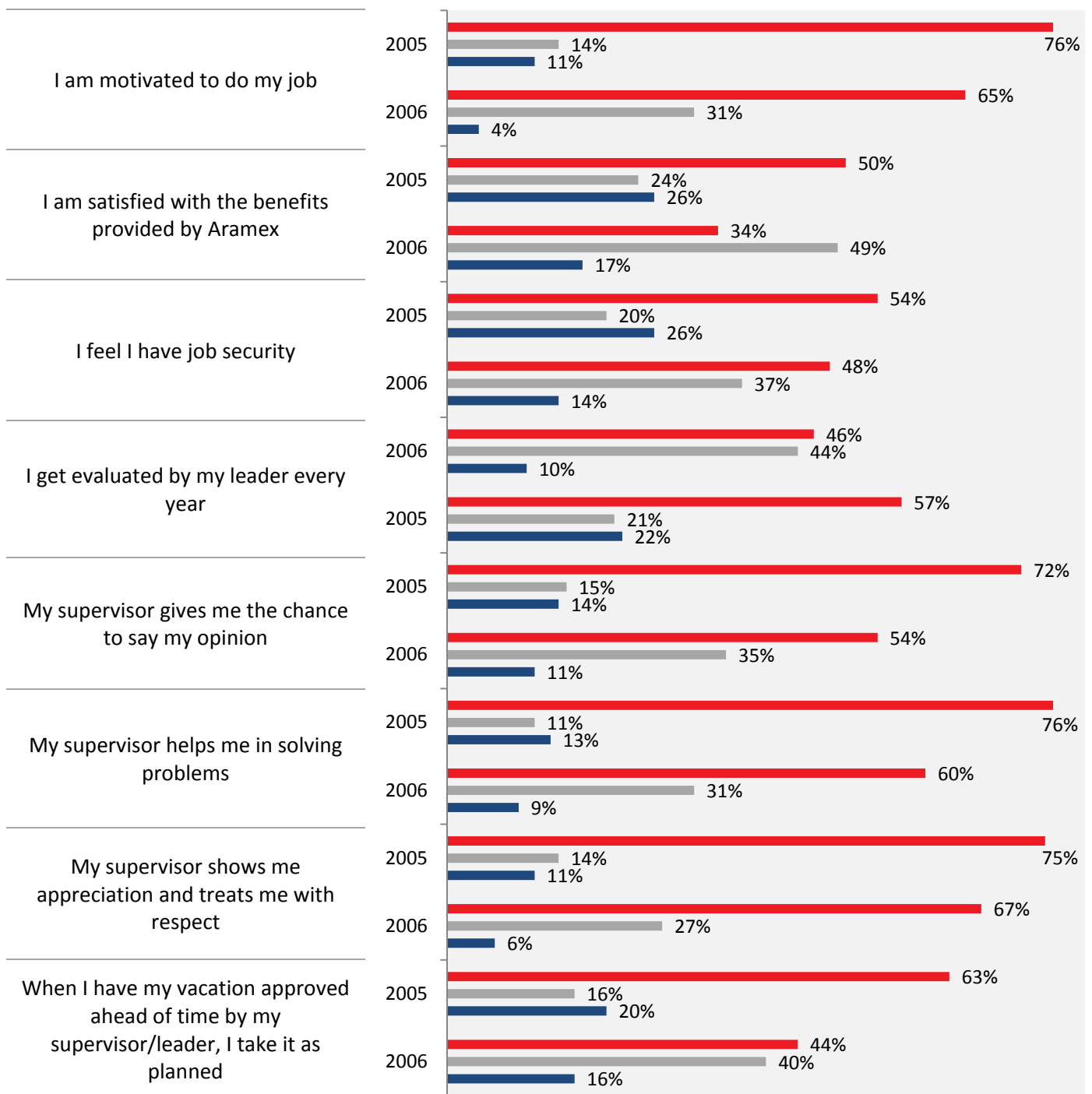
➤ Absenteeism

Absenteeism rates can be viewed as an indicator of the general health of our workforce. To a lesser extent, it can also be viewed as an indicator of overall employee satisfaction.



Courier Survey

■ Good ■ Fair ■ Poor



■ 8 to 9 Hours ■ 10 to 12 Hours ■ Over 12 Hours



HEALTH, SAFETY, AND SECURITY

Our Perspective

We are committed to the health and safety of all our employees, customers and all persons affected by our operations.

Long-Term Strategic Goal

Drive for Zero; zero at-fault fatalities, zero at-fault injuries, and zero at-fault accidents.

Inside this Section:

➤ Create a Safety Culture Page 61

2006 Highlights	2007 Goals	2009 Goals
<ul style="list-style-type: none"> Established Health and Safety Working Group at GSO Conducted first company-wide survey to determine safety incident data and primary causes, prioritize safety risks, concerns, and identify opportunities for improvement 	<ul style="list-style-type: none"> Establish H&S Index to measure degree to which safety is equated to corporate culture 	<ul style="list-style-type: none"> Achieve 80% average of 'Excellent' score on H&S Index

➤ Health and Safety Management Systems Page 62

2006 Highlights	2007 Goals	2009 Goals
<ul style="list-style-type: none"> Established Key Performance Indicators for Health and Safety Identified key gaps in data collection 	<ul style="list-style-type: none"> Design and implement H&S management system based on OHSAS18000 Begin tracking of H&S KPIs 	<ul style="list-style-type: none"> Be capable of certification to OHSAS18001

➤ Achieve Dramatic Performance Improvement Page 63

2006 Highlights	2007 Goals	2009 Goals
<ul style="list-style-type: none"> Expanded our 'Healthy Back' training Identified key gaps in training 	<ul style="list-style-type: none"> Significantly expand H&S training (both road safety and warehouse safety) Undertake warehouse safety equipment audit Establish a baseline at-fault accident rate per shipment, and achieve 10% reduction Establish baseline lost-time injury frequency rate per 200,000 working hours (covering all aspects of our operations), and achieve 10% reduction 0 fatalities 	<ul style="list-style-type: none"> 50% reduction in accident rate 50% reduction in lost-time frequency rate 0 fatalities

Note: Unless otherwise stated, the data from this Health and Safety section is based on 13 stations representing 55% of revenues in 2006. These stations are: Abu Dhabi (United Arab Emirates), Amman (Jordan), Bahrain (Bahrain), Beirut (Lebanon), Cairo (Egypt), Dhaka (Bangladesh), Dubai (United Arab Emirates), Hong Kong (China), India, Jeddah (Saudi Arabia), Kuwait, Riyadh (Saudi Arabia), Tripoli (Libya).

Key Area 1: Create a Safety Culture

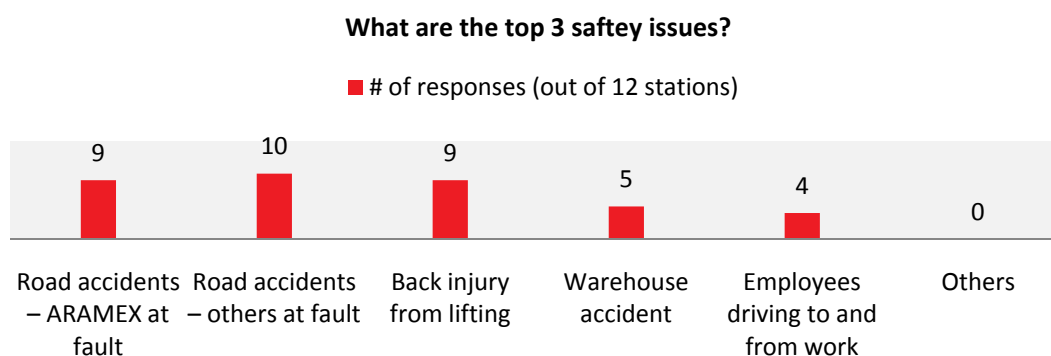
Every day, Thousands of our employees operate motor vehicles to deliver packages for our customers. Their safety is of utmost importance to us, as is the safety of other drivers and passengers with whom they share the roads. Our couriers understand the importance of meeting service deadlines. We also want to do more to reinforce that safety is as crucial as timeliness and cannot be compromised. To do this, we have to first of all set a very clear and aggressive long-term strategic goal: To drive for zero at-fault accidents, zero at-fault fatalities, and zero at-fault injuries.

From an implementation perspective, we are going to:

- Ensure appropriate and high quality training for our couriers
- Improve management systems that allow for the tracking and reporting of accidents, injuries, and any fatalities and their causes, and carefully analyze this data to determine where we can make the most effective improvements
- Increase our engagement with couriers and warehouse floor persons to find out from them how we can help make their jobs safer
- Integrate safety into surveying and establish a safety perception index

Our first step in identifying where to focus our efforts required getting a better understanding of the actual – as opposed to perceived – top safety issues, and the causes of those accidents. We have two major operating safety cases where accidents are most likely to occur: road accidents (vans, cars, and especially motorcycles), and in our warehouses.

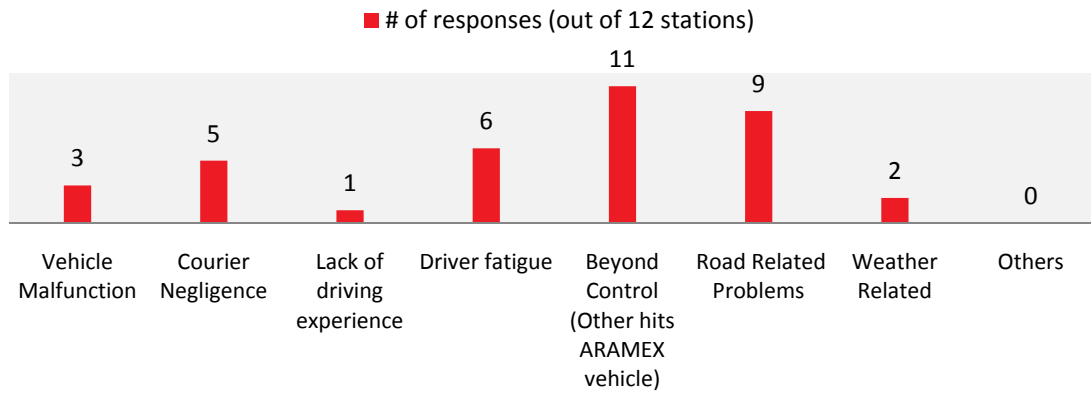
We surveyed 13 of our major stations representing 55% of revenues in 2006 as noted above. The first thing asked was ‘what are the top safety issues’:



According to our survey, road accidents caused by a non-Aramex driver were the most common type of accident or safety incident. Of the four stations that ranked their responses, Aramex at fault scored first three times. Back injuries ranked 3rd four times. Other at fault ranked in top 2 twice, as did warehouse accidents.

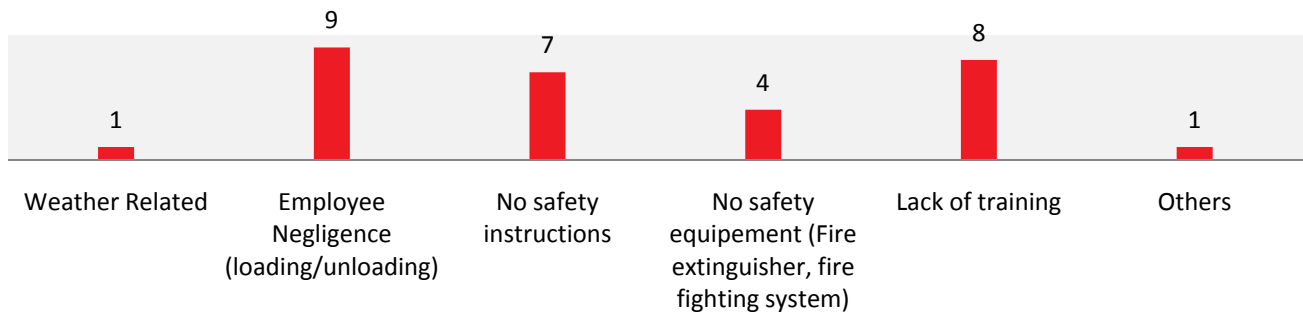
We then proceeded to ask what the top causes of these accidents were. We broke the accidents into two categories – road accidents and warehouse accidents.

What are the top three causes of accidents?



The survey emphasized that on perhaps half of all road accidents, the fault is of the other driver. However, this has led us to commit to defensive driving training and other specialized training to give our couriers better opportunity to anticipate and potentially avoid such accidents. Among factors directly under Aramex control, courier fatigue was the number one rated issue. This is cause for concern and we will be taking immediate steps to determine appropriate action.

Warehouse Accident



For warehouse accidents, we were concerned to learn of the high response rate regarding inadequate safety instructions and training. As a result, for 2007 we have committed to implementing a warehouse safety training program, and to undertaking a safety and safety equipment audit at all our warehouses. In 2006 we opened 4 new warehouses and intend to open 7 warehouses in 2007. All warehouses will comply with Aramex safety procedures which are published as part of the logistics quality manuals, and these procedures will be significantly enhanced as we implement our health and safety management systems and as we learn the results of our safety equipment and safety audit. The enhanced procedures will be applied to all our warehouses effective immediately.

Key Area 2: Health and Safety Management Systems

Although we already provide some training relating to safety and take other measures to mitigate accidents, we currently do not have a good system for tracking our performance with regard to accidents, safety incidents, and safety training. Our number one task for systematically improving our safety record is the development of an effective health and safety management system that is integrated with existing management systems and decision-making. In 2007 we will design and implement an H&S system including key performance indicators (KPIs). The system will be designed using best practice and will be consistent with OHSAS18000. Our 2009 commitment is to ensure that all of our operations are in a position to be certified OHSAS18001 (a decision on certification to OHSAS18001 will be made at a later time – our initial focus is on performance improvements and incident reductions).

We have already initiated this process for a more structured approach to health and safety management. We have established a Health and Safety Working Group at the GSO level. We intend to establish a contact person specifically for H&S at each major station, who will serve as a champion of awareness, training, implementation and tracking of performance at the stations, while also contributing to corporate H&S strategy and plans. For larger stations, these contact persons will coordinate an H&S committee at the station.

Key Area 3: Achieve Dramatic Performance Improvements

Based on: 1) indicators used by other companies in our sector, 2) guidance of the GRI, and 3) our internal capabilities, we intend to develop the following Key Performance Indicators for Health and Safety:

- Fatalities (covering all aspects of our operations);
- Automobile accident rate per shipment¹ (separated for at-fault or not); and
- Lost-time accident (i.e., injury) frequency rate per 200,000 working hours (covering all aspects of our operations)

We aim to be able to report on these indicators in our 2007 Sustainability Report. Due to current limitations to our data tracking, we are not able to present complete data. The implementation of the Fleet Management System and the new Human Resources tracking system will assist us tremendously in tracking this data, and these indicators are being included in their design.

As part of our commitment to aggressively adopt sustainability management, and to reiterate the importance we place on the health and safety of our people, we are committing to aggressive targets for these indicators. Our long-term strategic goal is to drive for zero at-fault incidents for each of the above. On a one year and three year basis, our targets are outlined in the following table:

Key Areas and Key Performance Indicator	2007 Target	2009 Target (3 year)
Automobile accident rate per shipment	10% reduction in at-fault accident rate	50% reduction in accident rate
Fatalities (Aramex, contractors, and third parties)	0 fatalities	0 fatalities
Lost-time accident (i.e., injury) frequency rate per 200,000 working hours (covering all aspects of our operations)	10% reduction in lost-time frequency rate	50% reduction in lost-time frequency rate

There are at least four main elements to achieving these performance gains:

- The commitment to the culture of safety
- Management systems to capture and use data and human support structures in the forms of working groups, committees, and champions
- Well-targeted training
- Implementation - Follow up on training and translation of training into performance gains

➤ Well-Targeted Training

The main type of safety training currently offered at Aramex is related to lifting heavy objects. Originally started in 2004, 'Healthy Back Training' is now offered in at least 12 stations (based on the 13 survey respondents).

In 2007, we aim to ensure that all stations offer the healthy back training to anyone who should receive it but has not yet received it.

In 2007, we also aim to offer targeted driver safety training to 100% of our courier staff. We do understand that the vast majority of our couriers have excellent safety awareness and are careful drivers. This training is meant to both help protect the safety of our couriers, as well as other people who share the streets. We intend to follow up intensely with these locations to ensure corresponding performance gains.

Healthy Back Training			
	2004	2005	2006
Number of stations	5	7	12
Total participants	117	484	624
Total employee hours	145	1309	1763

We also intend in 2007 to develop and begin providing safety procedure and equipment training for warehouse staff.

¹ We will transition this over time to a 'per 100,000 kilometers driven' rate, in order to facilitate comparison against our sector peers. In the short term, our most reliable data is on a per shipment basis.

➤ Implementation and Performance Gains

Our goal is to ensure that our training efforts result in significant performance gains. The Health and Safety Working Group and its anticipated network of Health and Safety station representatives will be responsible for ensuring aggressive follow up. The following paragraphs outline our starting point in terms of data availability and performance.

➤ Reducing road accidents

As a result of no formal tracking system currently in place, we do not have reliable data on the aggregate number of road accidents involving Aramex. As part of an approach that will help to address this, in 2007 we are continuing the rollout of a 'Fleet Management System' (FMS) which tracks accidents for every vehicle in our fleet. Our quality department is also involved in the implementation of FMS to help provide a framework for what constitutes key terms such as an 'accident', and to help ensure the system is being used.

Road accidents involving Aramex vehicles	2004	2005	2006
With injuries	3	4	14
Without injuries	273	312	385
Total	276	316	399

The available data on road accidents is represented in the above table.

Note that:

- 2004 Data represents 7 of 13 surveyed stations (not reporting were Abu Dhabi, Dhaka, Hong Kong, India, Kuwait, Tripoli)
- 2005 data represents 9 of 13 surveyed stations (not reporting were Abu Dhabi, Dhaka, Hong Kong, Tripoli, and India's number represent only accidents causing injury)
- 2006 data represents 10 of 13 surveyed stations (not reporting were Dhaka, Hong Kong, Tripoli, and India's number represent only accidents causing injury)

➤ Reducing Fatalities

Tragically, one of our employees lost their life this year in a road accident. Our stated goal is zero fatalities and as such, any fatality is a terrible tragedy. We are saddened by this development and we extend our sympathy to the family.

Total # of fatalities (deaths) ²	2004	2005	2006
Road	5	1	1
Warehouse	0	0	0
Total	5	1	1

➤ Injuries

We do not have adequate data collection techniques to present injury information for past years. We are ensuring that our new management systems which are being implemented in 2007 will be able to accurately capture this data.

➤ Compliance

To the best of our knowledge, there were no significant fines paid relating to H&S in 2004, 2005, 2006.

² Breakdown of the deaths are as follows: 2004: 1 Beirut, 2 Cairo, 1 Dhaka, 1 Riyadh; 2005: 1 Dhaka; 2006: 1 Dhaka

Security

It is Aramex's policy to take all reasonable measures to protect its assets, customers' shipped goods and other property from loss, destruction or damage, and to protect all its buildings from unauthorized intrusion. Aramex has published security procedures that cover all aspects of the business cycle, from building security to information and data security. At the same time each station has an appointed security officer that takes care of all security issues that are related to his or her station.

Aramex stations comply with their local governmental security rules and regulations at each site, such as the Transportation Security Administration in the USA, the department of Transport in UK, the IATA organization and many other important governmental bodies.

Aramex also has two TAPA certified sites in Jordan, and is working on preparing four more sites in the Middle East and Gulf to be TAPA certified. TAPA (Transported Asset Protection Association) is an association of security professionals and related business partners from technology companies who have come together for the purpose of addressing the emerging security threats that are common to the high tech industry.

Working with international government agencies, Aramex as a transportation solutions provider understands the regulations and laws that govern international trade. As a C-TPAT certified provider, our security measures meet the latest requirements established by U.S. Customs and Border Protection. Our certification in the C-TPAT program highlights our commitment to a secure and efficient supply chain. Aramex also complies with the US bio-terrorism Act, that includes provisions designed to protect the United States against bio-terrorist threats to its food supply including food from foreign sources.

For 2006, in our entire global operations we are aware of only one minor and isolated incident of non-compliance with a regulation resulting in a limited warning and an insignificant fine, for which we took quick action and immediately resolved to the satisfaction of authorities. In addition to our efforts with the above-mentioned associations and standards, we work closely with the relevant authorities in individual countries to ensure strong security measures in all of our regions of operation. We are continuously improving our efforts to adopt best practice approaches to safety and security of our services. Our excellent track record is a testament to our efforts in this regard.



OUR CITIES URBAN IMPACTS

Our Perspective

We are committed to playing our part in helping to reduce traffic congestion and pollution to ensure high mobility, vibrant, safe, healthy and clean cities.

Long-Term Strategic Goal

To create innovative services that will help shape and accelerate 'sustainable cities'.

Inside this Section:

➤ Reduce Noise Impact Page 68

2006 Highlights	2007 Goals	2009 Goals
<ul style="list-style-type: none"> Made several changes to operations procedures and locations in recent years to address community concerns 	<ul style="list-style-type: none"> Begin systematic tracking of noise complaints and develop policy Commitment to move Abu Dhabi outgoing operations center in response to community input 	<ul style="list-style-type: none"> 50% reduction in related community complaints

➤ Ensure Safe and Courteous Driving Page 68

2006 Highlights	2007 Goals	2009 Goals
<ul style="list-style-type: none"> Responded with consideration to any community concerns 	<ul style="list-style-type: none"> Implement systematic tracking of complaints against couriers and solutions undertaken; establish baseline performance 	<ul style="list-style-type: none"> 50% reduction in related community complaints

➤ Reduce road congestion and driving time Page 69

2006 Highlights	2007 Goals	2009 Goals
<ul style="list-style-type: none"> Began implementation of Vehicle Tracking System as the foundation for Route Optimization technology Implementation of innovative 'canal' boat delivery in Dubai to reduce congestion 	<ul style="list-style-type: none"> Implementation of Route Optimization technology in pilot stations 5% reduction in driving delivery time in pilot stations using route optimization technology 	<ul style="list-style-type: none"> 10% reduction in driving delivery time Participation in multiple 'sustainable city' dialogues, and development of at least 2 corresponding innovative services

➤ Reduce Emissions Page 69

2006 Highlights	2007 Goals	2009 Goals
<ul style="list-style-type: none"> Began implementation of Vehicle Tracking System as the foundation for Route Optimization technology 	<ul style="list-style-type: none"> Establish baseline measures for NO_x and other road fleet emissions per shipment, and achieve 15% reduction, as per environment section 	<ul style="list-style-type: none"> 50% reduction in NO_x and other road fleet emissions per package, as per environment section

Urban traffic congestion and road safety are becoming major irritants in many key markets where Aramex operates, and as such are also becoming very public issues. From a business perspective, these issues have both direct financial costs and reputational risks, given the nature of our business and our heavy reliance on motor vehicles to conduct our urban operations. Financial costs include fuel consumption and safety related costs, and reputation costs as well as the greater risk of missed delivery deadlines, or Aramex may be viewed as contributing to congestion or noise or unsafe roads.

We are committed to doing our part in helping reduce traffic congestion, road safety, and air pollution to ensure mobile, safe, clean, vibrant and healthy cities. Our long-term strategic goal is to create innovative services that will help shape and accelerate 'sustainable cities'. Based on dialogue and feedback from stakeholders, and our own assessments including international benchmarking, we have identified several areas where we do have or can have an impact on quality of city life:

- 1) Noise reduction
- 2) Traffic congestion reduction
- 3) Safe and courteous driving
- 4) Emissions reduction
- 5) New types of services

Our immediate priorities for performance improvement include:

➤ **Noise reduction**

One of our most localized and pressing urban issues relates to noise abatement from our motor vehicles. The issue typically arises where our local distribution centers are found in urban residential settings. In many of these cases, these areas were not as heavily populated and even isolated when we established our operations. The fast-growing economies of the Middle East and Asia – and the resulting rapid growth of cities - have often resulted in our operations being engulfed by urban growth. Furthermore, some of our noise challenges arise from trying to address other sustainability issues. For example, by implementing early morning deliveries, we can reduce emissions by avoiding rush hour traffic congestion. However, this results in unwanted early morning noise pollution at our operations centers.

Traditionally we have managed noise complaints on a case-by-case basis. On several occasions, we have either adjusted our operations or moved our operations entirely. For example in Damascus, we changed the indoor and outdoor locations of our operations to reduce noise impact in response to complaints. In Jeddah, we moved our offices from a heavily inhabited area to an isolated area, again in response to complaints. In Riyadh, we moved our offices in 2001 within three months of complaints from neighbors and the municipality, and then in 2002 we received notice from the new municipality asking us to again move our operations, which we did. These noise problems are now resolved.

Not all complaints can be resolved easily, particularly when the solution ultimately involves the moving of locations. We need to balance the interests of our clients and shareholders and the demands of competitiveness with our concern for community well-being. However, we recognize that this is a recurring issue that can be more proactively and effectively managed. We do not currently track the number of complaints. And although we have long been aware that noise management is a recurring challenge, it has been the process of undergoing our first sustainability review that has led us to recognize this as an issue that can be more effectively managed. In 2007 we will establish a policy on noise management and will begin systematically tracking complaints relating to noise. We will provide greater support to our operations in terms of effective engagement and acknowledgment of concerns, even if we cannot immediately address these concerns to full satisfaction.

➤ **Safe and courteous driving**

The residential locations of some of our operations also sometimes result in concerns relating to unsafe driving or generally unsafe residential road conditions. For instance, in Abu Dhabi our outbound operations office is in a densely populated residential area, and we are receiving complaints about our motorcycles driving over the pavement which poses a risk to pedestrians and property. We issue strict warnings to our couriers and we track concerns relating to couriers and take the necessary action to ensure maximum road safety. Regardless, given the level of our vehicle traffic including all sizes of vehicles, some of our residential operations are not tenable over the long term. In the case of this Abu Dhabi location, we intend to move our offices in the coming 4 to 5 months, during 2007.

From time to time we receive complaints about the quality of our couriers' driving on highways and roads. All of our larger vehicles (vans, trucks) have a sticker 'How's my driving?' along with a number to call with complaints. We take these complaints seriously and listen to the perspective of both the concerned citizen and our courier. We take action as appropriate. Our local stations monitor complaints against couriers on their files, but we do not have a system for tracking overall complaints.

A third issue regarding safe and courteous driving relates to parking. We sometimes receive complaints about the locations where our couriers temporarily park to drop off packages. We try to minimize disruptions that lead to such complaints, and abide by Aramex Corporate Procedure for securing our vehicles which states that upon loading and unloading, the ground courier should park the vehicle in a secured area as close as possible to the customer's premises. Separately, a shortage of available parking around some of our offices leads to significant overflow parking in the surrounding streets. This sometimes leads to complaints by local businesses and residents. We try to respond to and respect their concerns.

➤ **Reducing Traffic Congestion and Driver Delivery Time**

We have a 3-year target to reduce driver delivery time by 10%. Naturally, it is in our best interest to reduce and avoid congestion. This contributes directly to business performance (by reducing costs and improving on-time delivery) but also aims to address congestion. We have already taken many steps to reduce this.

A first strategy includes trying to undertake our deliveries before and after rush hour.

As a second strategy, and in an important step towards significant reduction of driver delivery time and related congestion, we began implementation of our Vehicle Tracking System in 2006 (see page 86). This system is equipped with Route Optimization technology advising the driver which way is best and when to take it. We intend to implement the route optimization element of this system in 2007 in key locations, with full implementation by 2009. As such, we hope to see a significant amount of our 3-year 10% reduction target achieved in 2007 and early 2008. We intend to aggressively implement and continuously enhance this system.

As a third strategy for reducing traffic congestion, we use alternative types of vehicles and transport modes. We make extensive use of motorcycles in many markets such as Abu Dhabi, Dubai, Cairo, and several cities in India and Sri Lanka. An innovative example of creativity in service delivery, is in Dubai where congestion is notorious and we have negotiated to use the waterways for our deliveries, thus reducing our road traffic

➤ **Emissions reductions**

Covered in more detail in the Environment section of this report (see page 88), but worth repeating here, are our ambitions regarding emissions reductions. CO₂, NO_x and other emissions from our motor vehicles contribute to smog in cities. In the environment section we discuss our tactics for reducing CO₂ and other emissions including a transition of fuel from leaded to unleaded, a transition to low-emission vehicles and hybrid vehicles, and retrofitting of vehicles. We expect these will reduce our NO_x emissions by 50% by end-2009.

➤ **Service innovation**

In addition to the above efficiency improvements, we believe that fundamentally, we need to continuously explore and rethink our business in line with principles of sustainability. As noted, our long-term strategy is to develop successful new services designed to reduce the impact of congestion and help usher an era of 'sustainable cities'. This approach will require dialogue and partnerships with various stakeholders to explore new models of economically vibrant but environmentally sustainable and socially attractive city cores and surroundings.

We are already taking preliminary steps in this direction in particularly congested markets. As noted, we worked with authorities in Dubai to consider creative new options resulting in the use of waterways for our deliveries. In Cairo, we have been participating in a dialogue with authorities as well as automotive associations and high impact companies and are hoping to see a collective initiative launched. In Amman, in 2005 we acquired Jordan Distribution Agency (now called Aramex Media). We intend to use its network of 7 bookstore outlets located in key strategic areas of Amman to significantly expand our drop off hours and flexibility. This can dramatically reduce distance and frequency traveled by our vehicles (for example, by picking up 20 packages at a time instead of a trip per client request), as well as distance and frequency of travel by clients. We will pilot test this in 2007. Variations on this theme can be applied in other markets.

In 2007, we aim to more proactively and systematically engage in at least one 'sustainable city' multi-stakeholder initiative, with the goal of identifying one or more service innovations that will position us as a leading total transportation solutions provider in the context of more sustainable cities. As articulated in the environment section, we will also be exploring the opportunities relating to offering low-carbon and zero-carbon services.



OUR COMMUNITIES INVESTMENT IN SOCIETY

Our Perspective

We believe that all people should have equal opportunity and equal rights.

Long-Term Strategic Goal

Create opportunities and initiate meaningful change in underprivileged societies, touching over one million underprivileged persons.

Inside this Section:

➤ Amount of contributions and geographical distribution Page 73

2006 Highlights	2007 Goals	2009 Goals
<ul style="list-style-type: none"> Responded with consideration to any community concerns 	<ul style="list-style-type: none"> 1% of pre-tax profits donated annually Significant increase in the geographic distribution of funds 	<ul style="list-style-type: none"> 1% of pre-tax profits donated annually Alignment within 10% of revenue distribution, with the exception of greater weighting for regions with greatest economic need

➤ Reducing Marginalization through Inclusion and Empowerment, includes sub-themes of Youth Empowerment; Sustainable Community Investment; and Emergency Relief Page 73

2006 Highlights	2007 Goals	2009 Goals
<ul style="list-style-type: none"> Invested 0.8% of pre-tax profit into community initiatives Achieved significant sustainable community results at our Jabal Al-Natheef pilot initiative Strongly supported the Arab Foundation for Sustainable Development Organized "Aid Lebanon With Us" campaign and delivered over 500 tons of food and medicines generously donated by people from countries across the Middle East and Gulf 	<ul style="list-style-type: none"> Positively impact 100,000 marginalized people and families Youth Empowerment: 180 young people significantly impacted (scholarship, internship, employment, other) Sustainable Community: Continued investment of time and in-kind to Jabal Al-Natheef pilot initiative Emergency Relief: Respond to major emergencies with campaigns to leverage support and contributions, coordinated shipping, and on-the-ground logistics support 	<ul style="list-style-type: none"> Positively impact 300,000 marginalized people and families Youth Empowerment: Increase impact by 10% per year (300 youth in 2009 and 3-year total of 500) Sustainable Community: Apply lessons learned with Jabal Al-Natheef pilot initiative to a wider range of initiatives across the countries where Aramex operates Emergency Relief: Expand use of our core competencies to support chronic emergencies and marginalized populations

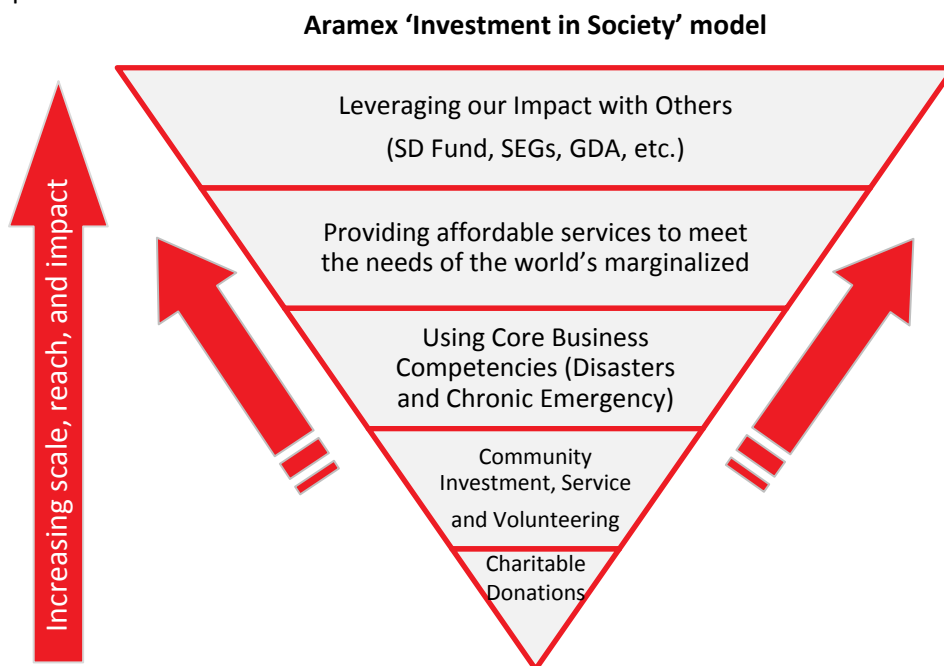
➤ Implement a model for categorizing, managing and measuring impact and performance of our investment in society Page 79

2006 Highlights	2007 Goals	2009 Goals
<ul style="list-style-type: none"> Developed a conceptual model for our 'Investment in Society' 	<ul style="list-style-type: none"> Strengthen our model using the London Benchmarking Group model Improved ability to measure our impact: Determine best means to measure impact at Jabal Al-Natheef, and begin tracking 	<ul style="list-style-type: none"> Our 'Investment in Society' plan, actions, and measures can be audited against the LBG Establish measurement of our "Investment in Society" impact, and measured year-over-year performance improvements

Aramex has a long history of giving back to our communities through our involvement in philanthropic and sporting activities. This stems from our understanding of our connection to the community, our respect for the communities where we operate, and our awareness of the importance of the welfare of these communities.

This past year has witnessed a leap forward in the company's efforts, including a more institutionalized approach to several aspects of our community investment. At the end of 2005 we spearheaded the creation of the Arab Foundation for Sustainable Development "Ruwwad", a non-profit company dedicated to improving the quality of life of communities and individuals in the Arab world. "Ruwwad" serves as a vehicle for part of Aramex's investment in society. 2006 was its first full year of operation and its activities; accomplishments and challenges are summarized within the following pages.

We have also recently begun to develop an Aramex 'Investment in Society' model that allows us to categorize and manage our community involvement and impact. The model builds up on the basis of increasing use of our core resources as a company, and an increasing level of active involvement in initiatives and scale of impact. This model is helping to show us the creative steps we can take to dramatically increase our positive impact on marginalized and disempowered people.



Currently our corporate philanthropy efforts are coordinated via our Sustainability Manager, a member of Aramex senior management. This officer, in coordination with Aramex senior representative on Ruwwad's Board of Directors, works closely to assist with the implementation of social development initiatives that are launched by Ruwwad, and assigns internal Task Forces to major initiatives such as emergency aid relief for disasters.

Reducing Marginalization through Inclusion and Empowerment

While our efforts are directed with the entire community in mind, we have concentrated on under-privileged areas where unmet needs exist. We are concerned about marginalization in society – marginalization between the economically developed and developing nations, which ultimately directly impacts our business for better or worse. But more potent and perhaps microcosms of these marginalization arise in the divisions between the wealthy and the marginalized across all of the countries and cities where we operate. We further divide them into three key areas, in ascending order in our model:

- **Youth development**, with a focus on youth empowerment
- **Sustainable community development**, with a focus on marginalized communities
- **Emergency and disaster relief**, responding rapidly to devastating natural and human disasters

In 2006 we donated \$220,362 through our various approaches to investment in community. This was a decline of 41% from \$374,898 in 2005, also lower than our total contributions in 2004 of \$357,274. Our performance in 2006 amounts to 0.81% of pre-tax profits. Our goal is to maintain at least 1% pre-tax profits and we commit to meeting that objective for 2007. We also aim to maximize the leveraging that can be achieved through our efforts and via our core competencies.

The geographic breakdown by region of our community investments is captured in the corresponding pie chart on page 33. We recognize that the regional distribution is heavily favored towards Jordan, our initial market and home of our General Services Office. This will remain skewed to some extent while we pilot our sustainable community development project at Jabal Al-Natheef in Amman, Jordan. However, it is our goal to increasingly disperse our investments in society according to our revenue percentages, and also according to our theme of reducing marginalization and finding means of empowering the most disenfranchised in our society. In 2006 we invested \$93,552 in Jabal Al-Natheef.

\$ invested in community as % of pre-tax profit			
	2004	2005	2006
% of pre-tax profits	2.58%	1.76%	0.81%

The dollar amounts used in this section correspond to the community investments as identified in our financial statements. This underestimates our contributions to society because not all stations identify all contributions with a separate line item. It also does not factor in our significant in-kind contributions. However we present these numbers as comparable and conservative figures for the past three years. As part of our commitments for 2007, we intend to adopt more comprehensive systems for tracking our contributions, as well as adopting the London Benchmarking Group guidelines for reporting on charitable donations to improve the overall comparability of our community investments against international best practice, peers, and competitors.

Similarly, while we know that our employees volunteer extensively in the community – and in fact Aramex allows employees paid time for volunteering for certain initiatives – we do not have a good method for tracking these in-kind donations of employee time. We intend to incorporate a tracking system for volunteering within 12-18 months.

Youth Empowerment

In many of the countries where we operate, young people (14 to 22 years old) are a majority. It is estimated that the economies of the Middle East will need to create more job opportunity over the coming ten years in order to maintain current employment levels.

The task of finding rewarding employment will be particularly challenging for young people in marginalized communities with fewer educational opportunities, fewer resources for education, fewer opportunities to gain job experience, and tremendous short-term financial pressures, regardless of being equally talented. Our goal is to find ways to empower these talented youth. We have narrowed the challenges down to four challenges where we aim to have a constructive impact.

➤ **Challenge 1: Providing access to sports and recreation programs, for good physical and mental well-being**

Aramex has been a long-time supporter of sports in the community, including sponsorship of a professional basketball team and major sport tournaments. As part of an initiative to turn Amman into a child friendly city, Aramex supported an ongoing project which involves creating new sports playgrounds or developing existing ones in underprivileged urban communities so that young people have a place to play and learn different sports and activities. In line of this strategy, Aramex worldwide supported different sports activities such as African Tennis Cup in Sudan, Basketball Championship in UAE, and Temple Street Children Hospital road trip in USA.

➤ **Challenge 2: Reducing inequality of educational opportunities for young people**

Under the umbrella of the Arab Foundation for Sustainable Development "Ruwwad", Aramex contributed to the establishment of the Mousab Khorma Youth Empowerment Fund. The fund aims to target young people in marginalized areas by providing scholarships and loans to enable them complete education, and supplement their education with internship and mentoring programs.

Of great benefit to both young people and Aramex is our internship program, where we offer internships for +100 students per year.

Other actions that help reduce educational inequalities include the Aramex Excellence Award at the Industrial Engineering Dept Jordan University, and the Aramex Logistics Center for Excellence at the German Jordanian University.

➤ **Challenge 3: Reducing economic pressures and demands on young people**

One of the ways in which we help reduce economic pressures on young people is by providing employment opportunities to manage some of our other social investments. For example, we created the Aramex@Home (previously "Meals on Wheels") program in Amman, Jordan. Aramex@Home provides delivery services for meals, medicine, and different products to people in Amman. We have college students aged 18-22 who manage and operate this program under the supervision of our product Team Leaders. Over 500 students have been involved since inception of the program, and Aramex provides the opportunity for the students to receive an average wage 50% above minimum wage. This opportunity both provides financial resources and prepares the students for future employment through practical project management experience.

➤ **Challenge 4: Supporting transition from education to employment**

In addition to the above-mentioned +100 internships per year, we support the INJAZ program in Jordan. Since its inception in 1999, INJAZ has aimed at enhancing the skills of young people in public schools by increasing their participation in the economy. This helps bridge the existing gap between the knowledge acquired through education and the skills required by the job market. INJAZ does this by enhancing students' leadership, business entrepreneurial, problem-solving, communication, and soft skills.

Aramex has participated in this important program through school sponsorship, encouraged its employees to volunteer to teach the INJAZ curriculums, presentations about job market requirements to encourage students to round out their employability skills, and provide educational guidance for students.

Community Empowerment and Sustainable Community Development

In keeping with worldwide trends, Aramex was among the first companies in Jordan to recognize the importance of private sector contribution to sustainable community development. Through Aramex's efforts, the company not only hopes to contribute to improvements in socioeconomic conditions, but also to set an example for other companies in Jordan by presenting successful case studies of its CSR projects to provide a framework for other companies to utilize in their own social responsibility programs. In early 2006, Aramex played the lead role, in cooperation with other private sector companies, in establishing the Arab Foundation for Sustainable Development "Ruwwad". This is a non-profit company working to improve the quality of life for communities and individuals in the Arab world. The mission of this foundation is to facilitate private sector investment and participation in sustainable development efforts in the Arab world. Aramex has agreed to commit a minimum of \$200,000 for five years beginning in 2006, giving it a 20% stake in the foundation.



➤ **Jabal Al-Natheef**

The pilot initiative of "Ruwwad" is a sustainable Community Development project undertaken in partnership with local community organizations (Jabal Al-Natheef) to enhance the quality of life of communities in under-developed areas around Jordan. The program aims at engaging both young people and local community members in the development of their community, helping them to realize their potential, develop their personal and social skills, widen their horizons and take advantage of existing and potential opportunities.

The first neighborhood selected for this project is Jabal Al-Natheef, which is an area within the east side of Greater Amman Municipality (GAM) incorporating a refugee camp that is not officially recognized as such, and therefore remains under-developed and badly constructed. The entire area of 70,000 people suffers from high population density, crowded living conditions, and the presence of only one primary school which is cramped, has huge budgetary constraints and is in desperate need of structural work. The area suffers from 50% higher unemployment than the national average, and 50% fewer higher education graduates. It also lacks a police station, a health center, a library, any recreation areas for children or any public parks or gardens. Possibly the largest challenge facing the area, is a rampant drug and domestic violence problem which is gripping its young people and leaving its residents in fear for their lives.

"The emphasis is on a two-way street so that the notions of beneficiary and benefactor do not come into play; the company fulfills its obligation towards the community but also engages the community in ways which are mutually beneficial. Volunteers take part in activities that help others but which are also rewarding. Members of the community can receive the help they need, but also give back to others so that they are empowered rather than made to feel like charity cases."

- **Raghda Butros, Director, Ruwwad**

➤ **Approach to decision-making and priority issues**

The project started by Aramex in May 2005 with preliminary meetings with community representative from the area who were identified through local associations, charitable organizations and community groups. These meetings resulted in the drawing up of a list of priorities pinpointing those issues which the people of the area felt were most essential to the improvement of their living conditions. This list included the establishment of police kiosks, the restoration of the local school, the building of a public library, and the setting up of recreational programs including a center catering for the young people of the area. A post office was also suggested, as was extensive work on the infrastructure of streets and pavements, in addition to an improvement in garbage and rubbish collection facilities.

"The children have been given the greatest gift of all, thanks to the Foundation, their spirit has been re-awakened and they have a new lease on life. Grammar and Mathematics classes alone cannot achieve this, but when a child is given hope and compassion and made to feel that he or she has worth, they truly learn, grow and blossom. This is the best lesson of all."
 - Rabiha Khalil, Headmistress of Atika Bint Zeid Primary School

➤ **Aramex involvement**

As Aramex set out to contribute to the realization of the above-mentioned needs via the Foundation, the company concentrated on four main approaches to get the project underway. Firstly, volunteerism by company employees who are directly engaged with the local community to achieve the results that were set forth in the program plan; secondly, financial contributions towards the realization of the project goals; thirdly, using Aramex's offices to engage decision makers and to mobilize government and civil society organizations where necessary for the achievement of program aims; and fourthly, involving other private sector companies in the process by enlisting donations of goods and services.

➤ **Achievements to date**

At the end of 2006, the following achievements against the original list had been secured:

Supporting Youth in Jabal Al-Natheef: Aramex contributed to the establishment of the Mousab Khorma Youth Empowerment Fund which seeks to carry a message of hope to young people by providing them with the opportunity to learn, develop their talents and skills, and expand their potential to help them to lead successful and fruitful lives.

This Fund was initiated in memory of Mousab Khorma, as a tribute to his contribution to the communities in which he lived and worked. The Fund will supply financial and practical advice, and support through loans and scholarships to enable young people from under-served communities to attend university, develop a métier, embark on a project or pursue an artistic aptitude. This, in turn, will create a pool of qualified and eligible employees from those who benefit from the funding for companies to train and hire.

	First Semester Academic Year 2006/2007	Second Semester Academic Year 2006/2007
Male	90	94
Female	63	67
Total	153	161

In 2006, The Mousab Khorma Youth Empowerment Fund was able during the last four semesters to reach and support the target of 160 students per semester to start and complete their education in universities, colleges, and vocational training centers.

Renovation of the local primary school, including a total overhaul of the building inside and out, construction of new toilet facilities, and manufacturing new and tailor-made furniture. All changes were undertaken with the approval of the Ministry of Education and according to their standards and specifications. A large proportion of the materials used to restore the school came in the form of donations from other Jordanian companies including Maani Group, Petra Aluminum, National Paints, Jordan Steel and JWICO. Aramex enlisted the support of these companies, who proved instrumental not only in monetary terms but also in illustrating the enthusiasm of the private sector for such a project. Local builders and skilled laborers were hired for all work done on the school to provide job opportunities and to generate local support.

Agreement by the Ministry of Interior for the establishment of a police station: At a meeting held at the Ministry of Interior, representatives from Jabal Al-Natheef and from Aramex met with the Minister and managed to secure a promise to establish police kiosks in the most problem-ridden area in the community. A site will be purchased, and the police station will start operating officially during 2007.

Establishment of key public services: A building was purchased in Jabal Al-Natheef which houses a public children's library that was established in cooperation with GAM (Greater Amman Municipality) which provided funding to bring the needed materials and books. A post office is opened and managed by Jordan Post to provide different public services. In addition to a multipurpose area to host events and seminars for the local community, and a management office as Ruwwad's headquarters to handle local concerns have been opened.

Initiatives for children such as photography and reading projects:

A small project initiated by volunteers with the third-grade students (boys and girls aged 9-10) at Atika Bint Zeid School to encourage and promote creative thinking and expression through story-telling, art, meditation and photography. The photos taken by the children of their environment will be published in a book to be sold in Jordan and the region. Also, the University students initiated and implemented a summer camp workshop at the school, which more than 500 children attended to participate in workshops for music, art, dancing and poetry.

Building Houses for those in need: A pilot project was implemented to build a home in Jabal Al-Natheef with 5 CEOs volunteering their time for one day to assist with the building and to contribute funds towards the cost of the building to assess whether a long-term project is viable. The foundation, in collaboration with Habitat for Humanity, is working in the area to help renovate some of the houses.

Work with the Ministry of Health for the establishment of a Health Center and possible recreation park: The Foundation reached an agreement with Ministry of Health to open a new Health Center at the area. The Foundation is in the process of renovating the venue, in order for the Ministry of Health to operate during mid 2007.

At every step of the project we aim to ensure buy-in from community members by prioritizing issues according to their recommendations, creating strong relationships with a wide cross-section of the community, involving the community in decision-making and implementation, and communicating a clear message of sustainability which includes handover to the community.

➤ **Moving Forward at Jabal Al-Natheef**

While well on its way, the project is far from complete. Trust is still difficult to earn and easy to lose in a community that has many reasons to mistrust the intentions of stakeholders who have traditionally sidelined, marginalized, and ignored the needs of these persons. As a result of this project we have learned that there is a pressing need for the creation of opportunities for young people to study, work and express their talents and ambitions. And social initiatives should focus on supporting these communities to get more attention and representation to better improve the quality of life of all people.

In order to ensure sustainability and continued involvement, the foundation in coordination with the local community members, NGOs and the private sector are working to tackle issues related to awareness, infrastructural needs, youth empowerment and job creation, government follow-up and income generating projects.

Entrepreneurial spirit: The Foundation is going to launch the Micro Venture Capital Fund during 2007. The fund aims at providing more entrepreneurs the opportunity to start their own businesses. Ruwwad will help identify business needs in underserved communities in order to create job opportunities in areas of high unemployment.

In the hope of creating the culture of entrepreneurship within the community, Ruwwad is working to run workshops and awareness campaigns on the benefits of writing business plans, the concept of entrepreneurship and how to access funding, along with creating partnerships between the private sector and the underserved communities. Ruwwad will develop a process by which community members will be able to create, develop and sell their ideas to investors, and seek funding in order to achieve their goal.

"All the teachers here are very kind to us and we learn how to co-operate and be caring for each other, this makes us feel like we are one big family.

Before I came to the Foundation, I used to play with my friends in the street because our house is very small and my mother has to take care of my baby brothers and sisters. Nowadays, I don't need to spend my free time in the streets as my friends and I come here to learn or play games, like puzzles, board games and even volleyball."

- Ahmad (age 9)

Sustaining cultural development: The Foundation will work during 2007 to raise the standards of teaching and introduce a cultural curriculum at the local primary schools in Jabal Al-Natheef. The project will utilize existing computers at the school for use by students and teachers in new learning. Capacity-building training will also be organized for the teachers at the schools and life skills training for the students when the school year begins.

Emergency and Disaster Relief

The world is fraught with natural and human disasters, with severe and tragic loss of life and hardship. As part of all these societies we have been compelled to do what we can to help. As a logistics and transportation company with a reputation for caring for our society, we are uniquely positioned to use our core business competencies to make an important contribution.

We specialize in moving goods around the world as quickly and efficiently as possible. When disaster strikes, we can collect aid and assist in its distribution at a very rapid pace.

➤ Lebanon Aid program

Aramex employees organized campaign called 'Aid Lebanon With Us' to support the people of Lebanon under siege. The company led a successful effort to set up a relief network throughout the GCC and the Middle East to collect aid donations. Hundreds of drop points were organized in the various Arab cities to gather tons of aid material - ranging from food, through hygiene products such as soap and cleaning fluids, to medical supplies. Additional medical supplies for chronic diseases such as heart ailments and diabetes have also been contributed.

Aramex's task force promptly devised an action plan to assemble tons of aid materials from the various collection points and sort them out by categories namely food, hygiene products and medical supplies. The team packaged these materials and shipped them to the set destination in Lebanon. The aid was provided to the Lebanese government through the international relief organization, the Red Crescent.

Aramex cooperated with a number of companies such as the Emirates National Oil Company (ENOC) and Majid Al Futtaim Group in the UAE, as well as other associations namely the Jordan Hashemite Charity Organization and the Jordan River Foundation (JRF) plus other local and regional civil society organizations to run this successful relief campaign. In total, Aramex delivered over 500 tons of food and medicines generously donated by people of the region.

➤ Palestine Aid Program

Aramex relief efforts, through its station in Ramalah, helped in many humanitarian efforts such as facilitating and moving goods to the refugees in different places in Palestine. A campaign was launched to secure the needed medical equipments and daily supplies of food and other materials.

➤ Pakistan Earthquake

Aramex relief efforts, as part of the Dubai based Airport Emergency Team, took off for Islamabad airport to aid the Pakistan earthquake relief effort. A top-level delegation from Aramex joined the Airport Emergency Team to Pakistan to coordinate the logistics of arranging the humanitarian aid flying from all over the globe to Islamabad Airport.

As part of the relief campaign, Aramex set up emergency collection points at various ENOC, EPPCO and EMARAT service stations across UAE. The relief supplies collected at these vantage points included tents, blankets, non-perishable food and medicines.

➤ South Asia Tsunami (end 2004, early 2005)

Aramex has experience of organizing other aid in emergency situations for many years. For example, on New Year's Eve 2004, Aramex launched a campaign to support victims of the tsunami. 40 tons of emergency relief supplies were collected in the space of just 48 hours. Aramex shipped the relief supplies to the affected areas and delivered them to the Red Cross in India and the Ministry of Social Affairs in Sri Lanka before January 6th. Other companies in the region assisted this campaign by offering collection points – including ENOC, EPPCO, and EMARAT service stations – for people to contribute. Some of the emergency supplies included 150 portable electric generators, tents, blankets, pre-cooked food, water purification tablets, wheat flour and medicines.

Moving up our Model

As is evident, many of our community investment initiatives involve not only charitable donations but work their way up our model. For example, our investment in young people includes the use of our core business competencies to offer internships. In our work on sustainable community development, we took an approach that emphasized the top level of our model – leveraging the resources and capabilities of others. We created the Arab Foundation For Sustainable Development "Ruwwad" in order to leverage the capacities of many companies, and we put this same approach into practice when rehabilitating the local school. We also focused on using our lobbying and leverage capabilities to allow marginalized stakeholders in our communities to engage with their respective governments (in the case of Jabal Al-Natheef, the Greater Amman Municipality).

As noted, developing our 'Investment in Society model' has sparked renewed enthusiasm and creativity in exploring how we can maximize our positive impact on society. We aim to explore how our products, services, and core competencies can be modified to provide affordable services to meet the needs of the world's marginalized, while operating within a business model. We hope to continue to expand the scope and impact of the Foundation and its partner companies. And although it falls beyond just the scope of our 'investment in society', we also aim to take a major leadership role in encouraging the adoption of sustainability management and reporting in the Arab world, and throughout the Global Distribution Alliance.

A summary of our 2007 priorities for Investment in Society is captured on the first page for this section.



OUR BUSINESS PARTNERS AND THE GLOBAL DISTRIBUTION ALLIANCE

Our Perspective

We believe that we must reach together with our partners for maximum and global sustainable impact.

Long-Term Strategic Goal

Commit to apply the best international practices in every aspect of our work with our partners, suppliers, and alliance.

Inside this Section:

➤ **Enhanced reach through a strong Global Distribution Alliance** Page 82

2006 Highlights	2007 Goals	2009 Goals
<ul style="list-style-type: none">▪ Served as 'operations manager' company for the GDA	<ul style="list-style-type: none">▪ Continue role as 'operations manager' for the GDA▪ Launch and coordinate a Sustainability experience sharing and training forum for the GDA	<ul style="list-style-type: none">▪ Have successfully encouraged full tracking of greenhouse gas emissions among GDA partners▪ Have contributed to a significant reduction in emissions per shipment across the GDA

Enhanced Reach through the Global Distribution Alliance

The Global Distribution Alliance (GDA) is a partnership of over 40 leading logistics and transportation companies. With operations throughout the world, the GDA is strategically positioned to provide swift and reliable global transportation solutions, with each member of the alliance providing an extensive coverage and expertise in each region of the world.

The GDA is a key partner for Aramex in ensuring total worldwide coverage, in-depth local market knowledge, and consistently high quality service around the globe. The GDA functions with unified organizational and operational procedures as well as uniformed quality of service standards.

The GDA offers comprehensive tracking facilities utilizing the most modern Information Technology systems allowing alliance partners or their customers to track and trace shipments anywhere in the world with the click of a button.

➤ A Strong Relationship

Aramex plays a key role in supporting the GDA. The GDA Board has unanimously appointed Aramex as the 'Operations Manager' company for the GDA Network, which involves managing the day-to-day running and administration of the GDA Network. Furthermore, the 'Operations Supplies Team' at the GSO is responsible for the procurement and management of the GDA Network and its partners' operational supplies. The GDA Board, through the GSO, is responsible for establishing guideline policies for the network to operate within.

The primary hubs for the GDA network are located in the following locations: Dubai (United Arab Emirates), London (United Kingdom), Paris (France), Liege (Belgium), Singapore, and Hong Kong.

➤ Quality of Service Standards

The GDA Network, through the GSO, regularly audits its partner operations against predefined service standards in order to evaluate the performance and progress of the network. There are 18 GDA Quality of Service Standards. Furthermore, through the Aramex InfoAXS system, partners are also able to 'self audit' themselves at any point in time.

➤ Integrating Sustainability

The partners in the GDA will be at different stages in the implementation of sustainability. In 2007 we hope to establish a framework and forum for experience sharing and joint learning in order to accelerate the adoption of sustainability management by the members of the GDA. Over time, this will significantly reduce the shared carbon intensity of our services. We hope that by 2009, we will have successfully encouraged full tracking of greenhouse gas emissions among GDA partners, and have contributed to a significant reduction in emissions per shipment across the GDA (target is still to be determined in consultation with GDA)

Global Distribution Alliance Fact Sheet			
Fact	2005	2006	Period
Consolidated Partner Sales Revenues (estimated)	7.5 Billion US\$	7.5 Billion US\$	Per Annum
Consolidated Worldwide Partner Offices (estimated)	12,000 +	10,800 +	
Consolidated Partner Employees (estimated)	66,000 +	60,000 +	
Consolidated Partner Vehicles (estimated)	33,000 +	18,000 +	
Number of Tracking System Locations	180 +	150 +	
Tracking System Users (employees)	4,000 +	4,000 +	
Average International Express Shipments (7 day week)	12,000 +	12,000 +	Per day
Average International Express Weight (7 day week)	25,000+	25,000+	Per day (Kg)
Line-haul Route Operations	3,000 +	1,000 +	Per day
Scanner Transmissions	700+	N/A	Per day
Shipment Scans	18,000+	N/A	Per day
Server Transactions	0.5 M+	0.5 M+	Per day
EDI file Transmissions	1000+	1000+	Per day



ENVIRONMENTAL LEADERSHIP

Our Perspective

We must innovate towards an economy that does no harm to, and helps to regenerate, our environment.

Long-Term Strategic Goal

Be the first major logistics and express transportation service provider in the world to be carbon neutral.

Our Planet: Climate Change, Environment and Sustainability Innovation

Inside this Section:

➤ Create a Sustainability Innovation Culture Page 85

2006 Highlights	2007 Goals	2009 Goals
<ul style="list-style-type: none"> Established Climate Change, Environment, and Sustainability Innovation Working Group at GSO Conducted first company-wide survey to begin understanding environmental impact and priority risks and opportunities 	<ul style="list-style-type: none"> Establish a Sustainability Innovation Index to measure degree to which innovation is linked to sustainability considerations 	<ul style="list-style-type: none"> Achieve 80% average of 'Excellent' score on Sustainability Innovation Index

➤ Establish Environmental Management System (EMS) Page 86

2006 Highlights	2007 Goals	2009 Goals
<ul style="list-style-type: none"> Identified key gaps in management systems and data collection 	<ul style="list-style-type: none"> Design and implement EMS based on ISO14000 Begin tracking of environmental KPIs Significantly expand environment-related training 	<ul style="list-style-type: none"> All stations capable of certification against ISO14001

➤ Achieve Dramatic Performance Improvement Page 87

2006 Highlights	2007 Goals	2009 Goals
<ul style="list-style-type: none"> Initiated our efforts to collect key environmental data and establish baseline performance values 	<p>Emissions-related:</p> <ul style="list-style-type: none"> Reduce Emissions: 15% reduction per shipment (includes NO_x, others) Reduce Fuel Consumption: 5% reduction per shipment Reduce driving time: 5% reduction Transition type of vehicle fuel used: Transition at least 2 stations from leaded to unleaded Transition of vehicle fleet towards LEV (low-emission vehicles), ULEV, SULEV and other alternative fuel vehicles (PZEV): Upgrade 33% of fleet one category⁽³⁾ Purchase or lease 2 hybrid electric vehicles <p>Reduce, Re-use, Recycle:</p> <ul style="list-style-type: none"> Increase recycling of packaging and recycled content, and set end 2009 targets Reduce water consumption by 5% Reduce paper consumption by 5% and achieve 10% paper recycling 	<p>Emissions-related:</p> <ul style="list-style-type: none"> Reduce Emissions: 50% reduction per shipment (includes NO_x, others) Reduce Fuel Consumption: 20% reduction per shipment Reduce driving time: 10% reduction Transition fuel type: 100% transition from leaded to unleaded Transition of fleet towards LEV, ULEV, SULEV and other alternative fuel vehicles (PZEV) 50% of fleet at Euro 4 or higher Minimum of 10 hybrid electric vehicles <p>Reduce, Re-use, Recycle:</p> <ul style="list-style-type: none"> Achieve 2009 targets for recycling of packaging and recycled content Reduce water consumption by 20% Reduce paper consumption by 25% and achieve 90% paper recycling

➤ Develop Innovative 'Sustainability Services' Page 90

2006 Highlights	2007 Goals	2009 Goals
<ul style="list-style-type: none"> Identified key gaps in management systems and data collection 	<ul style="list-style-type: none"> Take initial steps towards development of 'low carbon' and 'carbon neutral' shipping services Identify top 'sustainability service' opportunities related to reducing traffic impacts helping shape 'Sustainable Cities', and introduce at least one innovation 	<ul style="list-style-type: none"> 2% of revenues from carbon neutral services 2 new successful 'Sustainable City' services

(3) According to standards such as Euro1, Euro2, Euro3, Euro4

Key Area: Create a Sustainability Innovation Culture

We believe that environmental opportunities are very high on the sustainability opportunities agenda for Aramex. We believe that humans are changing the atmosphere and that 'climate change' and 'global warming' are real phenomena and threats. We accept that greenhouse gas emissions (GHG), particularly carbon dioxide (CO₂) are most likely the main human-induced cause of climate change. We therefore believe that it is critically important for business to aggressively work towards 'carbon neutrality' to mitigate the risks of climate change.

'Carbon neutrality' refers to the idea that our overall operations will have zero net greenhouse gas emissions to the atmosphere. For example, we may be able to reduce our existing emissions by 80% over the medium term. Of the remaining emissions, we would work towards 'offsetting' those emissions – either by purchasing 'carbon credits' on exchange markets, or by undertaking or supporting initiatives that create measurable and verifiable carbon mitigating actions (e.g., support tree-planting). Given that our business relies on transportation mechanisms that are currently powered by CO₂-emitting technologies, environmental management and carbon neutrality are massive challenges.

'Climate change' refers to the increasing levels of CO₂ in our atmosphere from man-made activities – including motor vehicles and most energy consumption – and the corresponding changes that are occurring in our natural environment as a result of these increased CO₂ levels. Internationally, climate change has emerged as one of the most pressing global issues.

Nonetheless, we are certain that environmental innovation will be a key driver and success factor for our business. As such, we have decided to make an enormously bold, ambitious, and provocative target: We aim to be the first global logistics and express transportation service provider in the world to be carbon neutral.

We have a long way to go to achieve this goal, starting with corporate culture. Environmental issues and environmental sustainability is not yet a common subject in the Middle East and Gulf as it is in Europe or increasingly North America. Targeting environmental innovation first requires generating awareness of key environmental issues and their relevance and importance. However, at Aramex, we know that our employees like to do the 'right' thing. We therefore believe that with a growing amount of new knowledge on the subject, our people will aggressively pursue this opportunity to enhance the business while enhancing our world. In addition to a focus on emission reductions and carbon neutrality, we aim to implement a 'war on waste', from which we also expect significant business benefits in the way of reduced input costs.

We aim to be the first global logistics and transportation service provider in the world to be 'carbon neutral'.

Overall, we want to pursue environmental performance improvement from both a risk and opportunity perspective. On the risk side, we realize that if we do not keep pace or outpace our competitors, then they may develop cost and service advantages. These could include reduced fuel costs, reduced carbon emissions costs or increased carbon credits, reduced input costs by eliminating waste, better lending rates due to lower risks, offering of 'green package services', etc. On the opportunity side, however, we can take each of these risks and with performance leadership, turn them into a competitive advantage.

We are confident that if we integrate environmental sustainability into the Aramex culture, then the performance results will flow naturally as our people perform across other elements. As a starting point for implementation, in 2007 we aim to:

- Put in place an environmental policy and environmental management system
- Fully assess and measure the status of our CO₂ and other emissions, identify immediate opportunities for improvement, and take action
- Fully assess and measure our overall environmental impact (e.g., with regard to water, types and quantities of waste, etc.), identify immediate opportunities for improvement, and take action
- Conduct extensive training in the area of environment and environmental management
- Increase our engagement with key internal and external stakeholders to find out from them how we can help reduce our environmental impact
- Establish a Sustainability Innovation Index to measure the degree to which sustainability innovation is equated to corporate culture. This will be achieved through a subset of questions in an annual employee

survey. By the end of 2007 we aim to receive 75% responses as 'Good' score, and by end 2009 we aim to receive 80% of responses as 'Excellent' score.

Key Area: Establish Environmental Management Systems

We currently do not have a system for tracking our environmental performance. However, we have been able to generate some baseline environmental data by reviewing invoices that include environmental information (e.g., water consumption bills). We continue to work on the baseline data for more environmental indicators – particular our greenhouse gas emissions - and will make these available on our website as soon as they are finalized. We also have emerging tools such as our self-developed Fleet Management System and our Vehicle Tracking System, (see insert box) as well as existing tools such as our Stock Management System and Purchase Order System which have components that will be essential to tracking our environmental performance and can be immediately implemented. For example, the FMS records type of fuel, fuel consumed, amount of oil used, washing information, maintenance information, total kilometers driven, and other critical information for environmental data tracking. Furthermore, we have the opportunity to enhance these systems to include additional key environmental data parameters, as required. We have been piloting the FMS and VTS in certain locations in 2006 and are rolling these systems out across our operations in 2007.

However, our number one task in order to properly, systematically and aggressively track and enhance our environmental performance and drive sustainability-oriented innovation, is the development of an effective environment management system that is integrated with these emerging and existing systems and our management decision-making. In 2007 we will design and implement an environmental management system including finalization and tracking of key performance indicators (KPIs). We will design an integrated environmental system using best practice and consistent with ISO14000 standard for environmental management systems. Our commitment by 2009 (a KPI) is to ensure that all of our operations are in a position to be audited and able to achieve certification to ISO14000 if desired. A decision on certification against ISO14000 will be made at a later time – our initial focus is on performance improvements.

➤ Starting point for implementation of EMS

With regard to implementation of environmental enhancements from a human resources perspective, as with health and safety, we have initiated a process for a more structured approach to environmental management. We have established a 'Climate Change, Environment, and Sustainability Innovation' Working Group at the GSO level. Following the proposed health and safety model, we intend to establish a contact person specifically for Environment at each major station, who will serve as a champion of awareness, training, implementation and tracking of performance at the stations, while also contributing to corporate environment strategy and plans. For larger stations, these contact persons will coordinate an environment committee at the station. Also, one of our acquisitions of 2006, TwoWay Vanguard, is ISO14001:2004 certified (this represents about 20% of our 2006 revenues). We therefore intend to use their experience in building our corporate wide systems.

➤ Vehicle Tracking System and Route Optimization

Vehicle Tracking Systems are commonly used by fleet operators for fleet management functions such as routing, dispatch, onboard information, monitoring driving behavior (safety and vehicle abuse) and security (theft prevention and retrieval device).

The VTS devices collect information and data (location, speed,

Fleet Management System

FMS is a system that contains complete and up-to-date information about Aramex fleet, tracking all the fleet's transactions and provides financial information to the accounting department. Also this system is considered as a base for a complete Vehicle Tracking System. The FMS is divided into 2 phases:

Phase 1: Data Entry- the module allows users to enter complete information of Aramex's vehicles and to have some reports that allow the stations to manage their fleet:

Purchased Vehicles	Vehicle Expiry Date
Leased Vehicles	Rpt
Rented Vehicles	Vehicle Renewal Date
Owner Operated Vehicles	Rpt
	Violations

Phase 2: Monitor and control- features added to start monitoring all the costs of our fleet whether fixed cost or running costs and to manage all the drivers' (couriers) issues.

Fixed Costs Info:	Running Costs Info:
Monthly washing cost	Fuel
Yearly registration cost	Oil
Yearly insurance cost	Breaks
Monthly leasing cost	Wheels
Others fixed costs	Wipers
	Spark Plugs
	Violations
	Maintenance and repairs
	Accidents
	Other running Costs

direction, and switch key on/off) and transmit it in real-time via cellular networks to a computer system for analysis and evaluation. The first benefit is on time tracking, monitoring, and control of the vehicle. It will provide the concerned parties (management, operations, and dispatcher) with sufficiently accurate on-time information regarding the fleet that is much needed for certain decisions to be made.

The system will save all detailed history of the daily vehicles activity and will accordingly allow for different kinds of analysis of this historical data through the use of additional powerful query and analysis tools.

Optimization algorithms that take route traffic and accessibility into account will be the next addition to the Vehicle Tracking System. Aramex realizes the importance of optimized routes for better delivery and pickup and has invested significant money and effort in developing an understanding of how to reach higher efficiency with the routes to allow for better planning and smoother dispatching. Additional functionality will allow the importation of planned routes to the system, where these planned routes will be in tabular format indicating reference to pre-mapped locations and expected times of arrival and estimated stops duration.

Stations that budgeted for the VTS will be approached with the system before the end of 2007. These stations are: Jeddah, Dhahran, Riyadh, Amman, Beirut, Cairo, Dubai, Abu Dhabi, and Kuwait. More Aramex stations will be targeted in the second quarter of 2008.

Route Efficiency is a part of the efficiency and improvements process. It would rely heavily, but not solely, on the VTS as a tool for gathering data and studying the changes made. General Route Efficiency tools are being developed now to be used fully on the stations after the deployment of VTS. This means that Route Efficiency will go live across the network in the first quarter of 2008 (whether the station has VTS or not). The stations being targeted for Route Efficiency and Optimization are: Abu Dhabi, Dubai, Riyadh, Jeddah, Amman, Beirut, Cairo, Dhahran, Kuwait, Bahrain, Damascus, Mumbai, and other possible stations in Asia.

Key Area: Achieve Dramatic Performance Improvements

➤ The non-asset based advantage

Aramex is a non-asset based company. We use other companies – for example airlines – to move most of our packages, and we primarily lease motor vehicles as opposed to owning them. This presents a tremendous opportunity to rapidly reduce our emissions. For example, we can more easily change the types of vehicles we lease to ensure reduced environmental emissions. We can also add an environment-related criteria to our decisions around which airlines we select to move our packages – for example, we can give a certain weight to the fuel-efficiency of the fleets of different airlines. Furthermore, we believe that these companies have financial means to make a transition towards green transportation. Our role can be to support their transition by prioritizing the green services they offer.

➤ The non-asset based challenge

While this 'non-asset-based' business model creates a real opportunity in emissions reduction, it also raises questions as to how we should calculate our total emissions. Do we only include full emissions relating to our owned vehicles, while sharing emissions on leased vehicles? Do we include a share of the CO₂ emissions from flights carrying our packages? If so, do our clients who track their emissions include the emissions relating to the movement of goods (just as many of them track their emissions relating to the movement of their people)? If so, how can we team up with our clients to accelerate the process of simultaneously reducing our emissions and their emissions?

Both of these aspects – the non-asset based advantages and the challenges – will be central considerations in solidifying and testing our KPIs, and of the Aramex environmental management system.

➤ Performance priorities and goals

We have identified two main thrusts for performance improvement through efficiency-oriented innovation:

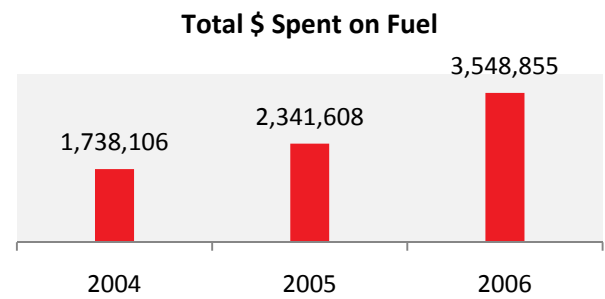
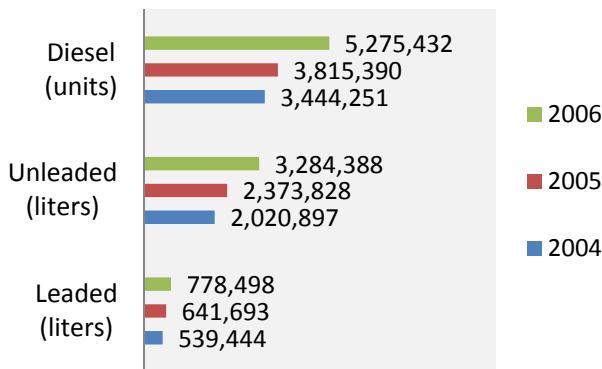
- 1) Emissions-related impacts
- 2) Reducing other environmental impacts by reducing, re-using, recycling and green design

➤ **Emissions-related impacts – Direct energy consumption**

Our number one environmental impact relates to our direct and shared emissions of our owned and leased vehicle fleets, and of the aircraft and other modes of transportation we use. Given that this is our biggest environmental impact, and given that climate change is a top global environmental issue and priority, we are prioritizing our efforts on this issue.

Overall, we hope to significantly reduce our fuel consumption and especially related emissions (CO₂, NO_x, others) per shipment in the short term. Because we did not track many aspects of our environmental performance previously, we have been unable to establish acceptable estimates for our past greenhouse gas emissions. Nonetheless, we are currently putting in place the necessary systems to track and determine current greenhouse gas emissions, which we will adjust accordingly to serve as our end of 2006 baseline. We will make this information available online as soon as it has been and it will also be included in our next report. Furthermore, we have learned a tremendous amount about our fleet and the environmental opportunities at hand, and thus are able to set aggressive performance numbers for 2007 and 2009. Our targets for 2007 are 15% reduction in emissions per shipment, with a goal of 50% reduction by end of 2009, and 5% reduction in fuel consumption per shipment, with a goal of 20% reduction by end of 2009.

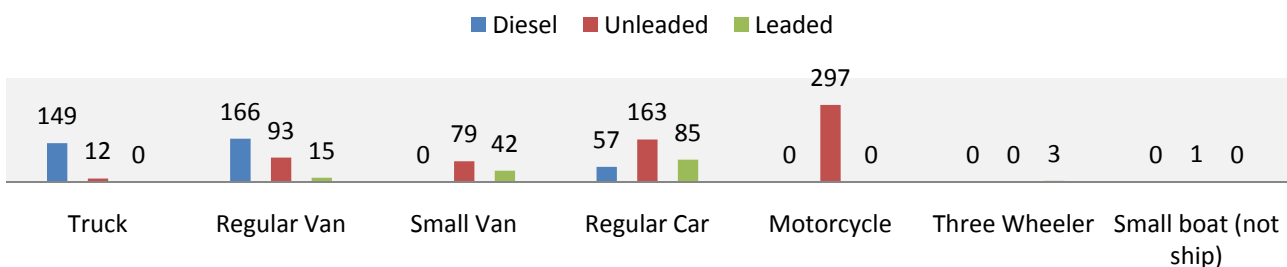
Motor Vehicle Fuel Consumption (Direct energy footprint)*



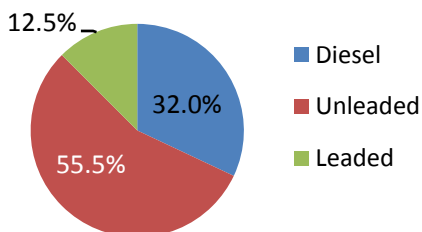
* Estimated quantity representing data from 22 stations plus TwoWay Vanguard, covering 77.38% of revenue

We collected information to approximately calculate our direct fuel consumption, by surveying and gathering information about diesel, leaded and unleaded consumption. We received data from the following stations: (Amman, Beirut, Ramallah, Cairo, Casablanca, Abu Dhabi, Dubai, Jeddah, Kuwait, Riyadh, Bahrain, Dhahran, Muscat, Doha, Tehran, Athens Istanbul, Prague, Montreal London Hong Kong, Colombo, and TwoWay).

2006 Fleet Information and Type of Fuel Used*



Fleet % by Type of Fuel Used*



* Represents data from 13 stations plus TwoWay Vanguard, covering 71.59% of revenue (excludes forklifts). Data for TwoWay Vanguard includes its sub-contracted fleet, which varies from day to day. An estimated average of 9 trucks per day has been used for the sub-contracted component of TwoWay Vanguard's fleet. **Total number of vehicles = 1162**

We will implement a multi-pronged approach to emissions reductions, focusing on whatever best reduces environmental impact in a given location. Strategies include:

- Fuel options – We will transition type of fuel used for vehicles where appropriate – especially from leaded to unleaded. Our 2007 goal is to switch at least two stations to unleaded fuel for any petrol vehicles (with an end 2009 goal of 100%). This significantly reduces emissions such as NO_x, as well as CO₂ and other emissions.
- Route Optimization – We are aiming for a 5% reduction in driving delivery time in 2007 (and thus reduced emissions) where we are piloting our VTS and FMS initiatives. We have a 2009 target of 10% reduced driving time. We aim to implement the VTS route optimization technology in 9 stations in 2007.
- Delivery timing optimization – We can further reduce driving time and fuel consumption by further reducing operations during peak hours, and other creative approaches
- Transition of vehicle fleet – We aim to transition the type of vehicles leased and owned towards LEV (low-emission vehicles) ULEV (ultra-low emission vehicles), SULEV (super-ultra low emission vehicles) and other alternative fuel vehicles (such as PZEV – partial zero emission vehicles). Our 2007 goal is to upgrade 33% our fleet at least one category, with an end 2009 goal of 50% of the fleet at Euro 4 or higher. As a starting point this year we will be collecting data to determine the existing European emissions ranking of each vehicle in our fleet (e.g., Euro 4). We will also purchase two hybrid electric vehicles in 2007, and aim to reach a minimum of 10 by end 2009.
- Airline selection – We will begin to explore how best to assess and integrate airline fuel efficiency into routing decision-making
- Optimize maintenance and care of vehicles, and encourage fuel-saving driver behavior

Potential transfer of fleet towards lower emission vehicles

In 2007 we will:

- Upgrade 33% of our fleet at least one category
- Purchase 2 hybrid vehicles

As part of our emissions control program, we aim to focus on reducing vehicle emissions that contribute to urban air pollution, such as NO_x and SO_x. We currently do not have any data on these emissions. However, we aim to establish baselines in the coming months, and then work aggressively with the goal of 15% reduction in NO_x and SO_x emissions in 2007 and 50% by end of 2009.

Direct Energy: 14 stations using only Unleaded fuel across the Middle East, Gulf, Europe, and Asia

Beirut, Abu Dhabi, Dubai, Jeddah, Kuwait, Riyadh, Dhahran, Muscat, Tehran, Athens, Montreal, Istanbul, London, Hong Kong

➤ **Emissions-related impacts – Indirect energy consumption**

We are currently working to establish baseline data for energy consumed by offices, warehouses, and other such requirements, and we will post these on our website as soon as they are available. In 2007 we aim to make enhancements including energy intensity of lighting, and encourage smart power consumption and conservation as appropriate. We recognize that we can also take significant steps to reduce electricity intensity as we design future infrastructure requirements.

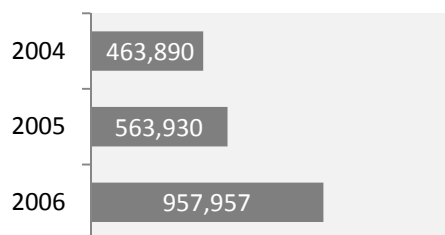
➤ **Our other environmental impacts: Reducing, re-using, recycling, and green design**

While emissions reduction will be our number one environmental focus, creating a culture of sustainability means systematically reducing all of our environmental impacts.

Water consumption: Water is a limited resource in great demand in many of the places where we operate. While our water consumption on the whole is relatively small compared to our operations, there is an opportunity to significantly reduce our impact. We also intend to reduce any chemicals that end up in our waste water from the washing of our vehicles, by introducing an environmentally friendly cleaner across our fleet network. In 2007 we aim to reduce water consumption by 5%. Approximate data was gathered from 31 stations representing 72% of revenue, as some stations still pay the utilities as part of the rent expenses.

Approximate Water Consumption (in liters)

31 stations representing 72% of revenue



Materials purchases – Reducing, Re-using, and Recycling: Some of the materials we regularly purchase, and their quantities in weight, are captured in the following table. Currently, essentially all of this weight also translates into waste.

- Plastic: We have only just begun to re-use some of our plastic bags. This has the multiple effects of reducing our waste, increasing our recycling, and increasing the recycled input content of our product. However, this currently makes up an immaterial amount of our orders of this material, but is a practice that we can build further on. It also has created significant interest in how we can reduce the overall environmental impact of our packaging. In 2007 we will begin exploring options for increasing recycled content in our packaging, reducing plastic weight per package while maintaining durability, alternatives to conventional plastic, and options for wide-scale plastic recycling.
- Paper: We are implementing an electronic signature system, of which one environmental benefit is that we expect to be able to reduce our 'run-sheet' paper usage by 70% by 2008. We furthermore intend to increase mindfulness about reducing printing and paper usage, and we will begin recycling paper in our offices where recycling facilities exist in the country.

Materials Purchased (not all materials)	Weight (kg)	
	Last 4 months of 2006*	Estimated 2006
HAWB (House Air Waybill)	25585	75250
Bags	17562	51652
Boxes	30903	90892
Envelops	29730	87441
Flyers	32450	95441
Labels	658	1936
Seals	484	1423
Stickers	148	437
Tapes	2256	6634

* Representing 34% of annual revenue. This data is gathered by the Stock Management System implemented for the last four months of 2006. Estimated kg for the rest of the year has been determined based on these four months' percentage of total 2006 revenue.

Hazardous Waste: The table on the right presents total hazardous waste shipments, with respect to our Freight Business. We are not permitted by international laws to ship hazardous materials using our Express service and thus our Express hazardous shipments are zero. We are exceptionally cautious with regard to handling hazardous waste. These shipments are handled as per the International Air Transport Association (IATA) regulations. We have 21 stations certified to IATA. Hazardous shipments require a certified person to handle dangerous goods at each station. Dangerous goods must also be inspected by designated institutes to issue a certificate for shipping. For example, in Jordan it is the Royal Scientific Society. We had no environmental incidents relating to the handling of these shipments.

Year	Total Hazardous Shipments	Total weight (kg)
2004	115	33773
2005	187	233043
2006	160	45065

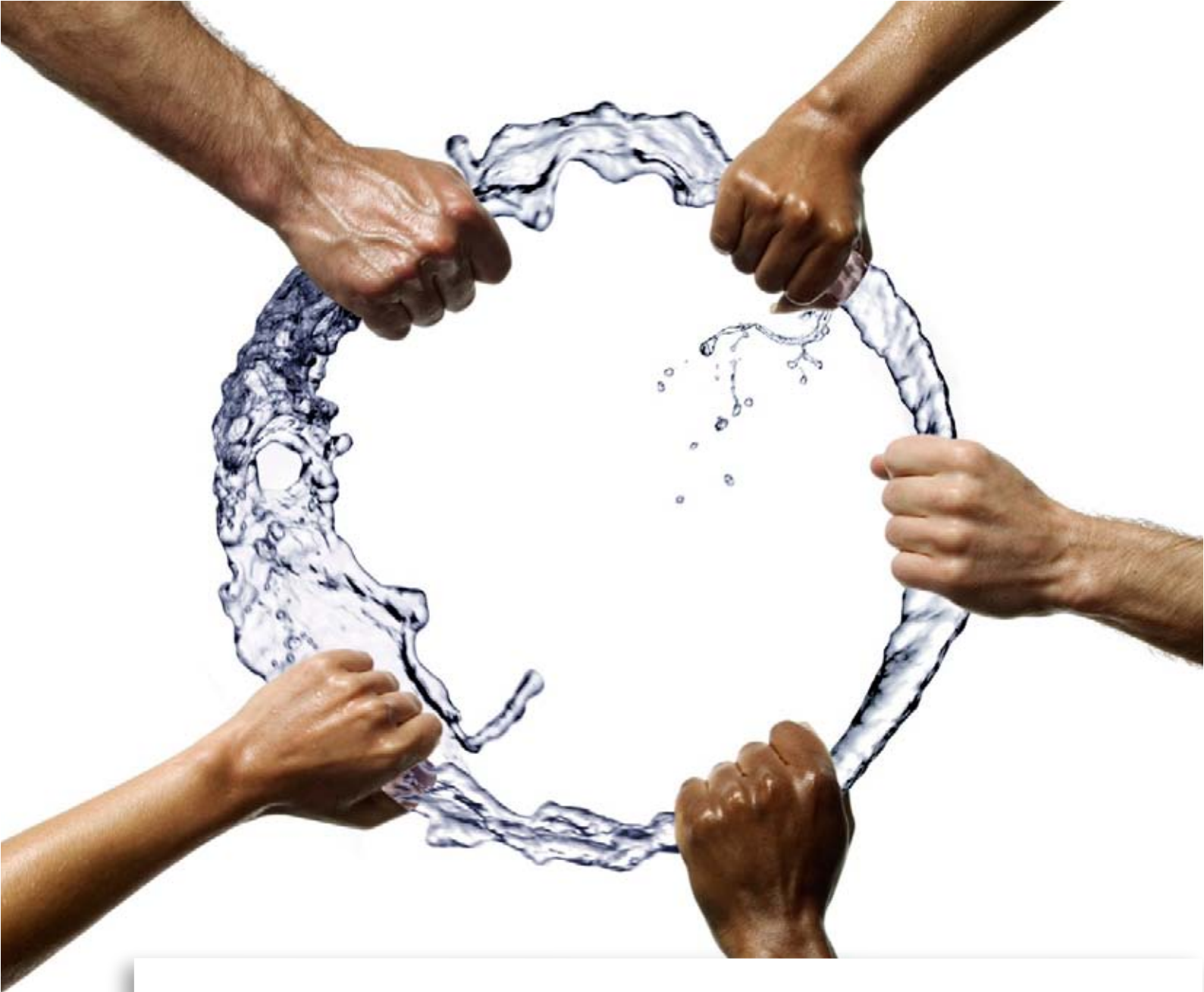
Environmental Fines: To our knowledge, we paid no significant fines in 2004, 2005, or 2006 for non-compliance with any regulations associated with environmental issues.

Key Area: Innovative 'Sustainability Services'

Perhaps the most exciting element of our anticipated journey towards sustainability is the opportunity to create innovative products and services that are based on sustainability principles; that create awareness and enable our clients to move towards sustainability; and that enable our own transition to sustainability. There are two lines of 'sustainability services' that we wish to immediately pursue:

Carbon neutral shipping services: With this anticipated service, customers can purchase a transportation option that will have zero net greenhouse gas or carbon emissions. We will ensure that we have adequate 'clean' capacity within our Aramex system to offset the amount of greenhouse gas emissions normally produced by the package in question. This allows us to: invest the revenue from these services directly into our transition to a green fleet, thereby also making this transition a market-based transition; and gives us the flexibility to invest our limited resources in the area of our fleet most likely to make a major difference in terms of greenhouse gas reductions (even if not directly related to the routing of the package in question). In 2007 we aim to establish the foundations for implementing this service in the near future.

Creative solutions for sustainable cities: As noted in our section on traffic and congestion, we want to be part of the solution in terms of reducing traffic congestion, urban air pollution, urban noise, and other ailments of today's cities that we contribute in a small way to. As an example of a new technique we have used to mitigate our impact, in Dubai we are now using the water canal for delivering our shipments, thereby not contributing to the serious traffic challenges in downtown Dubai. We aim to join dialogues with key cities on how to design more sustainable cities, while ensuring the continued or accelerated flow of goods and services and economic, social, and environmental development. For example, we are in a dialogue with the city of Cairo. We believe there are a lot of creative means to dramatically contribute to improved quality of life in cities, and that we can help contribute to these solutions and help to design new transportation services to support these creative approaches. We need not be limited by current ways of doing business, and current ways of building cities. We aim to introduce at least one new innovation in the marketplace during 2007.



CATALYZING SUSTAINABILITY

Our Perspective

We believe we have an important role to play in catalyzing sustainability among some of our key networks, including companies in the MENA and Gulf regions and companies in the Global Distribution Alliance. We believe we will be rewarded in terms of performance gains, public reputation, and an increased customer base and loyalty.

Long-Term Strategic Goal

We will be the sustainability performance and reporting leader in the MENA and Gulf region, and will ultimately earn our way into the ranks of the world's top corporate sustainability leadership companies.

Inside this Section:

➤ Catalyzing Sustainability Where We Operate Page 94

2006 Highlights	2007 Goals	2009 Goals
<ul style="list-style-type: none">▪ Played a key supporting role in the first full year of operations of the Arab Foundation for Sustainable Development	<ul style="list-style-type: none">▪ Launch our Sustainability Report as a regional leadership example▪ Establish two Sustainability Excellence Leadership Forums – one for leadership companies in the Middle East, North Africa, and Gulf; one for the GDA	<ul style="list-style-type: none">▪ Be the sustainability performance and reporting leader, as ranked by public opinion, sustainability indices, and relevant major international sustainability rankings▪ Engage at least 20 other companies plus GDA members in Sustainability Excellence Leadership Forums

Catalyzing Sustainability Where We Operate

While we aim to strengthen our reputation as a global company, and aim to become a global sustainability leader over the long-term, we recognize a short term opportunity to make a major contribution to the broader uptake of sustainability management and reporting in two key areas:

- In the Middle East, North Africa and Gulf region
- Together with our partners in the Global Distribution Alliance

We aim to establish two separate Sustainability Excellence Leadership Forums, one for each of the networks above. These Forums will offer an opportunity for all participating companies to learn from one another and share experiences with regard to sustainability uptake and implementation.

➤ Catalyzing Sustainability in the Middle East, North Africa and the Gulf

To our knowledge, we are one of the first companies to undertake sustainability reporting in the MENA and Gulf regions. However, we believe that the adoption of sustainability management will become an attractive and critically important central theme of business management in the region within only a few years. We aim to accelerate this trend and push its boundaries by joining together with other leadership companies who understand the value opportunity of sustainability management and are eager to be a leader with respect to securing both performance and reputation gains. By the end of 2007 our goal is to have launched a regional Sustainability Excellence Group with at least 6-8 other leadership companies, and to have hosted an initial quarterly meeting forum.

➤ Integrating Sustainability in the Global Distribution Alliance

The partners in the GDA will be at different stages in the implementation of sustainability. As noted in the GDA section, in 2007 we hope to establish a Sustainability Excellence framework and forum for experience sharing and joint learning in order to accelerate the adoption of sustainability management by the members of the GDA. Over time, this will significantly reduce the shared carbon intensity of our services. We hope that by 2009, we will have successfully encouraged full tracking of greenhouse gas emissions among GDA partners, and have contributed to a significant reduction in emissions per shipment across the GDA (the target is still to be determined in consultation with GDA).

We believe that playing a leadership role in the establishment and implementation of these two innovative groups will significantly enhance not only our performance, but also enhance our reputation as a sustainability leader and increase our customer base and customer loyalty in the MENA and Gulf regions and internationally.

Looking Forward - Summary of Commitments

Key Issue	Key Area and 2007 Goals	2009 Goals
Economic Growth	<p>Achieve continued growth and recognition</p> <ul style="list-style-type: none"> ▪ Growth in revenue of 18% ▪ Growth in profitability of 20% 	<ul style="list-style-type: none"> ▪ To be recognized as the 5th global logistics and express transportation company by 2010
Customer Relationships	<p>Our Customer Relationships</p> <ul style="list-style-type: none"> ▪ Maintain 95% in customer satisfaction ▪ Maintain 95% in on-time delivery rate ▪ Build capacity of frontline personnel across the network ▪ Increase customer tools access through aramex.com, PACK, and ePOD ▪ Increase Sage Accpac CRM development and utilization ▪ Structuring Contact Center processes, applications and procedures ▪ Conduct customer survey 	<ul style="list-style-type: none"> ▪ Positioning Aramex as the company of choice ▪ Exceed 95% in customer satisfaction for all products and services. ▪ Exceed 95% in on-time delivery rate for all products and services
Human Resources	<p>Putting Sustainability at the heart of Aramex culture</p> <ul style="list-style-type: none"> ▪ Implement corporate-wide training on Sustainability ▪ Establish global network of champions ▪ Integrate into performance appraisals <p>Engaging Employees</p> <ul style="list-style-type: none"> ▪ Use AccountAbility1000 Stakeholder Engagement Standard to enhance quality of engagement <p>Opportunities for Development</p> <ul style="list-style-type: none"> ▪ Launch of Aramex Corporate University ▪ 20 average hours training per employee ▪ 13% women in middle management <p>Global Workplace Conditions</p> <ul style="list-style-type: none"> ▪ Conduct a review of our labor performance against the SA8000 <p>Employee Satisfaction</p> <ul style="list-style-type: none"> ▪ Establish Employee Satisfaction Index ▪ Enhance benefits and address any gaps in benefits across all stations 	<ul style="list-style-type: none"> ▪ Have sustainability recognized as overall management framework ▪ Aramex 'Culture of Sustainability' is well-known throughout the region ▪ Accelerated rate of innovation ▪ Be in a position to assure quality of engagement against AA1000 ▪ 40 average hours training per employee, with 100% coverage ▪ Women in management: 10% senior, 20% middle, 25% leaders ▪ All stations capable of successful certification against SA8000, with regular internal monitoring – This extends to major sub-contractors ▪ 80% average of 'Excellent' score in satisfaction survey ▪ Secure a Top 10 ranking in any external 'Best Places to Work' surveys in the Middle East
Health and Safety	<p>Create a Safety Culture</p> <ul style="list-style-type: none"> ▪ Establish H&S Index to measure degree to which safety is equated to corporate culture <p>Health and Safety Management Systems</p> <ul style="list-style-type: none"> ▪ Design and implement H&S management system based on OHSAS18000 ▪ Begin tracking of H&S KPIs <p>Achieve Dramatic Performance Improvement</p> <ul style="list-style-type: none"> ▪ Significantly expand H&S training (both road safety and warehouse safety) ▪ Undertake warehouse safety equipment audit ▪ Establish a baseline accident rate per- 	<ul style="list-style-type: none"> ▪ Achieve 80% average 'Excellent' score on H&S Index ▪ Be capable of certification against to OHSAS18001 ▪ 50% reduction in accident rate ▪ 50% reduction in lost-time frequency rate ▪ 0 fatalities

	<ul style="list-style-type: none"> shipment, and achieve 10% reduction Establish baseline lost-time injury rate and achieve 10% reduction 0 Fatalities 	
<p>Traffic, Noise, and Healthy Cities</p>	<p>Reduce Noise Impact</p> <ul style="list-style-type: none"> Begin systematic tracking of noise complaints and develop policy Commitment to move Abu Dhabi outgoing operations center in response to community input <p>Ensure Safe and Courteous Driving</p> <ul style="list-style-type: none"> Implement systematic tracking of complaints against couriers and solutions undertaken; establish baseline performance <p>Reduce road congestion and driving time</p> <ul style="list-style-type: none"> Implementation of Route Optimization technology in pilot stations 5% reduction in driving delivery time in pilot stations <p>Reduce Emissions</p> <ul style="list-style-type: none"> Establish baseline measures for NOx and other road fleet emissions per shipment, and achieve 15% reduction, as per environment section 	<ul style="list-style-type: none"> 50% reduction in related community complaints 50% reduction in related community complaints 10% reduction in driving delivery time Participation in multiple ‘sustainable city’ dialogues, and development of at least 2 corresponding innovative services 50% reduction in NOx and other road fleet emissions per package, as per environment section
<p>Investment in Society</p>	<p>Amount of contributions and geographical distribution</p> <ul style="list-style-type: none"> 1% of pre-tax profits donated annually Significant increase in the geographic distribution of funds <p>Focus on theme of ‘Reducing Marginalization through Inclusion and Empowerment’. Includes sub-themes of Youth Empowerment; Sustainable Community Investment; and Emergency Relief</p> <ul style="list-style-type: none"> Positively impact 100,000 marginalized people and families Youth Empowerment: 180 young people significantly impacted Sustainable Community: Continued financial and in-kind investment in Jabal Al-Natheef pilot initiative Emergency Relief: Respond to major emergencies with campaigns to leverage support and contributions, coordinated shipping, and on-the-ground logistics support <p>Implement a model for categorizing, managing and measuring impact and performance of our investment in society</p> <ul style="list-style-type: none"> Strengthen our model using the London Benchmarking Group model Improved ability to measure our impacts: Determine best means to measure impact at Jabal Al-Natheef, and begin tracking 	<ul style="list-style-type: none"> 1% of pre-tax profits donated annually Alignment within 10% of revenue distribution, with the exception of greater weighting for regions with greatest need Positively impact 300,000 marginalized people and families Youth Empowerment: Increase impact by 10% per year (300 young people in 2009 and 3-year total of 500) Sustainable Community: Apply lessons learned with Jabal Al-Natheef pilot initiative to a wider range of initiatives across the countries where Aramex operates Emergency Relief: Expand use of our core competencies to support chronic emergencies and marginalized populations Our ‘Investment in Society’ plan, actions, and measures can be audited against the LBG Established measurement of our ‘Investment in Society’ impacts, and measured year-over-year performance improvements


<p>Business Partners and GDA</p>	<p>Enhanced reach through the GDA</p> <ul style="list-style-type: none"> ▪ Continued role as ‘operations manager’ for the GDA ▪ Launch and coordinate a Sustainability experience sharing and training forum for the GDA 	<ul style="list-style-type: none"> ▪ Have successfully encouraged full tracking of greenhouse gas emissions among GDA partners ▪ Have contributed to a significant reduction in emissions per shipment across the GDA
<p>Climate change, environment, and Sustainability Innovation</p>	<p>Create a Sustainability Innovation Culture</p> <ul style="list-style-type: none"> ▪ Establish a Sustainability Innovation Index to measure degree to which innovation is linked to sustainability considerations <p>Establish Environmental Management System (EMS)</p> <ul style="list-style-type: none"> ▪ Design and implement EMS based on ISO14000 ▪ Begin tracking of environmental KPIs ▪ Significantly expand environment-related training <p>Achieve Dramatic Performance Improvement</p> <p>Emissions-related:</p> <ul style="list-style-type: none"> ▪ Reduce Emissions: 15% reduction per shipment (includes NOx, others) ▪ Reduce Fuel Consumption: 5% reduction per shipment ▪ Reduce driving time: 5% reduction ▪ Transition type of vehicle fuel used: Transition at least 2 stations from leaded to unleaded ▪ Transition of vehicle fleet towards LEV (lower-emission vehicles), ULEV, SULEV and other alternative fuel vehicles (such as PZEV): <ul style="list-style-type: none"> ▪ Upgrade 33% of fleet one category ▪ Purchase or lease 2 hybrid electric vehicles <p>Reduce, Re-use, Recycle:</p> <ul style="list-style-type: none"> ▪ Increase recycling of packaging and recycled content, and set end 2009 targets ▪ Reduce water consumption by 5% ▪ Reduce paper consumption by 5% and achieve 10% paper recycling <p>Develop Innovative ‘Sustainability Services’</p> <ul style="list-style-type: none"> ▪ Take initial steps towards development of ‘low carbon’ and ‘carbon neutral’ shipping services ▪ Identify top ‘sustainability service’ opportunities related to reducing traffic impacts helping shape ‘Sustainable Cities’, and introduce at least one innovation 	<ul style="list-style-type: none"> ▪ Achieve 80% average ‘Excellent’ score on Sustainability Innovation Index ▪ All stations capable of certification against ISO14001 <p>Emissions-related:</p> <ul style="list-style-type: none"> ▪ Reduce Emissions: 50% reduction per shipment (includes NOx, others) ▪ Reduce Fuel Consumption: 20% reduction per shipment ▪ Reduce driving time: 10% reduction ▪ Transition fuel type: 100% transition from leaded to unleaded ▪ Transition of fleet towards LEV, ULEV, SULEV and other alternative fuel vehicles (e.g., PZEV) <ul style="list-style-type: none"> ▪ 50% of fleet at Euro 4 or higher ▪ Minimum of 10 hybrid electric vehicles <p>Reduce, Re-use, Recycle:</p> <ul style="list-style-type: none"> ▪ Achieve 2009 targets for recycling of packaging and recycled content ▪ Reduce water consumption by 20% ▪ Reduce paper consumption by 25% and achieve 90% paper recycling <ul style="list-style-type: none"> ▪ 2% of revenues from carbon neutral services ▪ 2% new successful ‘Sustainable City’ services
<p>Catalyzing Sustainability</p>	<ul style="list-style-type: none"> ▪ Launch our Sustainability Report as a regional leadership example ▪ Establish two Sustainability Excellence Leadership Forums – one for leadership companies in the Middle East, North Africa, and Gulf; one for the GDA 	<ul style="list-style-type: none"> ▪ Be the sustainability performance and reporting leader, as ranked by public opinion, sustainability indices, and relevant major international sustainability rankings ▪ Engage at least 20 other companies plus GDA members in Sustainability Excellence Leadership Forums

Independent Assurance

We consider third-party assurance to be important to the credibility of our sustainability reporting. We have sought two forms of third party review for this report – a limited sustainability assurance by Ernst and Young, and a review of our self-declared GRI rating by the GRI itself.

We treat the accuracy and reliability of our data very seriously, as well as the materiality of the issues chosen in our reporting. As we continue to develop our sustainability management, management systems, and reporting, we expect to continuously increase the comprehensiveness of the audit.

We look forward to working on addressing the recommendations provided by Ernst and Young in the coming year. We are also aiming in our 2007 Sustainability Report to achieve an A+ rating as per the GRI rating system.

		2002 In Accordance	C	C+	B	B+	A	A+
Mandatory	Self Declared					<input checked="" type="checkbox"/>		
	Third Party Checked			Report Externally Assured		<input checked="" type="checkbox"/>		Report Externally Assured
	GRI Checked			Report Externally Assured		Report Externally Assured 		Report Externally Assured

ARAMEX
Amman,
Jordan

Independent Assurance Report

We have been engaged by ARAMEX (the Company) to provide independent assurance of its Corporate Sustainability Report 2006 (the Report). The preparation of the Report and its content is the sole responsibility of the management of the Company. Our responsibility is to provide 'limited assurance' on the report contents as described in the scope of assurance. This assurance report should not be taken as a basis for interpreting the Company's overall sustainability performance, except for the aspects mentioned in the scope below.

Scope and limitation of assurance

The scope of this assurance engagement covers only the following aspects of the Report :

- **Direct economic value generated and distributed**, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments. Global Reporting Initiative (GRI) performance indicator – EC1.
- **Breakdown of fleet composition** (road, air, sea and rail). GRI performance indicator – LT2.
- **Breakdown of employees** per category according to gender. GRI performance indicator – LA13.
- **Employee survey** – Accuracy and completeness of survey findings for key surveys (training; leadership and ground courier surveys)
- Number of **packages and shipments** – representing scale of the organization's activities. GRI reporting element – 2.8.
- Definition of **Materiality** in the Report.
- Compliance to applicability level B+ as per GRI G3 guidelines for Sustainability Reporting.

The assurance does not cover the following:

- Aspects of the Report other than those mentioned in the scope above.
- Activities outside the defined reporting period (01 January 2006 to 31 December 2006).
- Company position statements that describe expression of opinion, belief, aspiration, expectation, and aim or future intention provided by ARAMEX on the indicators mentioned in the scope.
- Issues related to Intellectual Property Rights and other competitive issues.

Methodology of assurance

The assurance provided to the Report is in accordance with the International Federation of Accountants' (IFAC) International Standard for Assurance Engagements (ISAE) Other Than Audits or Reviews of Historical Financial Information (ISAE3000).

The assurance was performed by our multidisciplinary team of professionals in the field of environment, health, safety and social matters, who visited the Dubai office of ARAMEX for reviewing and verifying the information. In order to develop our conclusions, we adopted the following methodology:

Discussion with the Company's Chief Projects Officer:

We planned and organized one-to-one meetings with the Chief Projects Officer to understand his perspective on incorporating and embedding sustainability aspects of the business in the report. We also discussed the internal procedures and systems to collect and collate the data presented in the report.

Methodology of assurance

The assurance provided to the Report is in accordance with the International Federation of Accountants' (IFAC) International Standard for Assurance Engagements (ISAE) Other Than Audits or Reviews of Historical Financial Information (ISAE3000).

The assurance was performed by our multidisciplinary team of professionals in the field of environment, health, safety and social matters, who visited the Dubai office of ARAMEX for reviewing and verifying the information. In order to develop our conclusions, we adopted the following methodology:

Discussion with the Company's Chief Projects Officer:

We planned and organized one-to-one meetings with the Chief Projects Officer to understand his perspective on incorporating and embedding sustainability aspects of the business in the report. We also discussed the internal procedures and systems to collect and collate the data presented in the report.

Coordination with relevant personnel of the Company in Dubai and GSO Amman:

Whenever and wherever required we coordinated with the key personnel in Dubai and GSO Amman to access databases and relevant supporting documents for the information under review.

Review of the information and data presented in the report:

As per the defined scope, we verified the information and data presented in the report through discussion with concerned personnel and by examining the relevant documentation. We understood the process of data collection and collation. We tested sample data across the Report for its auditability and accuracy. We also understood and considered various assumptions based on calculation methods as applied by the personnel wherever required.

Review of definition of materiality in the Report:

We examined and reviewed the explanation given by the Company to define materiality in the Report through discussion with the relevant personnel and review of appropriate documentation. We understood the rationale behind inclusion of information and data as material to the Company.

Check the relevancy of application to 'B+' level, as per GRI G3 Sustainability Reporting Guidelines:

We checked the report to verify if the Report :

- Covers all information on all criteria listed under 1.1 – 1.2; 2.1 – 2.10; 3.1 – 3.13 and 4.1 – 4.17.
- Includes management approach disclosure for each indicator category of Economic, Environment, Human Rights, Labor, Society, and Product Responsibility.
- Includes information on 20 plus Performance Indicators, at least one from each of: Economic, Environment, Human Rights, Labor, Society, and Product Responsibility.

For performing the engagement, we have obtained sufficient and appropriate evidences to support the conclusions in this assurance report.

Our Observations

As per our scope and based on our approach, our observations on the Report are as follows:

- The economic data reported for the GRI performance indicator EC1 was systematically collected and collated from the audited consolidated financial statement of the Company.
- The fleet information data covered the fleet owned and leased by 13 stations of ARAMEX, the fleet owned and sub-contracted by Two Way (a company acquired by ARAMEX in April 2006), and the sub-contracted fleet in India, which correspond to more than 70% of ARAMEX revenues.
- The fleet information data was obtained from respective stations with help of questionnaires and was finalized through a series of email communication and was verified through an undocumented procedure from appropriate personnel in Operations and Accounts department. (We understand that the Company is developing an online Fleet Management System to effectively track fleet information data and detailed procedures to internally verify the fleet information data.)
- There were three minor cases of error in compilation and collation of fleet information data. The data was corrected and duly presented in the Report during the assurance process.
- The Company follows a grade and level based categorization of human resources. The data on human resources was sourced from a database managed by the General Services Office (GSO) of the Company in Amman. The database provides multiple data on human resources, with appropriate classification.
- The Company conducts human resources surveys through emails and questionnaires. The results for both the Training survey and Leadership survey were sourced from an online database, while the results for ground courier survey were sourced from actual compilation and analysis of questionnaires received.
- The Company uses a software package called 'InfoAxs' to monitor the number of packages and shipments, which helps minimize data handling error risks.
- For selection and prioritization of material issues, the Company has adopted a 'Sustainability Materiality matrix', that classifies sustainability issues under various levels. For inclusion in the year 2006 Sustainability Report, the Company has selected issues under Level 1 (Issues that both are identified as having a high impact on ARAMEX, and are of high importance to stakeholders). The company has selected material issues like attracting and retaining talent, climate change, economic growth and development, health and safety, marginalization in society, and traffic congestion.
- The Company has reported on 21 indicators (in addition to 7 sector supplement indicators), with at least one indicator from each indicator category as described in the GRI G3 Guidelines on Sustainability Reporting.

Conclusions

On the basis of our assurance methodology, nothing has come to our attention that would cause us not to believe that:

- The Company has selected material issues that have a high impact on the Company and are of high importance to its stakeholders (as per the Sustainability Materiality Matrix adopted by the Company).
- The Company has reported data on the performance indicators (as mentioned in the scope above), which has been correctly transposed from internal records.
- The Report complies with the criteria described for applicability level B+ as per GRI G3 Guidelines on Sustainability Reporting.

Ernst & Young



Waddah Barkawi
Amman, Jordan

Supporting Resources

GRI Index (G3)

We have self-declared this report at Level B+, having received third party verification from Ernst and Young and having had GRI check the report. The following GRI Index includes all Core Indicators, all Additional Indicators, and all indicators from the Logistics and Transportation Sector Supplement.

➤ Fully covered GRI indicators

GRI	Page(s)	GRI	Page(s)	GRI	Page(s)
1.1	13-14	Overall Management Approach Disclosure	p.25-27	LA13	Board of Directors breakdown: 20 Workforce breakdown by gender: 54 Workforce breakdown by age: 46
1.2	18-19	EC	Management Approach Disclosure p.25	HR	Disclosure on Management Approach p. 26-27
2.1	9	EC1	30-33	HR1	0%
2.2	5-7	EC2	30	HR3	None or minimal
2.3	8,10	EC3	Aramex has no defined benefit plan obligations because retirement plans are typically government managed. Aramex complies with government set rules and regulations concern contributions for employees.	HR4	55
2.4	8-9	EC4	0	HR5	26-27, 55
2.5	5	EC6	34	HR6	55
2.6	9	EC7	34	HR7	55-56
2.7	5, 6, 32	EC8	None from direct business operations. Some in-kind and pro-bono contributions as per p. 76	HR8	0%
2.8	Number of employees p.45, 46, 56	EC9	30	HR9	Not relevant
2.8	Net sales p. 31	EN	Management Approach Disclosure p.25		
2.8	Total capitalization p.8	EN2	0%	SO	Disclosure on Management Approach p.27
2.8	Quantity of products/services sold p.30	EN5	No energy saved as no initiatives, excluding Two Way. New initiatives and any existing Two Way initiatives will be included in next report.	SO1	66-70
2.9	7-9	EN6	87-89	SO3	21, 24
2.10	9	EN7	No initiatives, excluding Two Way. New initiatives and any existing Two Way initiatives will be included in next report.	SO4	No incidents brought to attention in 2006
3.1	20	EN9	No water sources significantly affected.	SO5	21-24
3.2	20	EN10	(0)	SO6	(0) 24
3.3	20	EN11	Not relevant / not material	SO7	(0) 24
3.4	20	EN12	Not relevant / not material	SO8	(0) No significant fines. p.24
3.5	Determining materiality: 10,11	EN13	Not relevant / not material		
3.5	Prioritizing topics in report : 10, 11	EN14	Not relevant / not material	PR	Disclosure on Management Approach p.27
3.5	Identifying stakeholders : 16, 17	EN15	Not relevant / not material	PR2	64
3.5	Guidance on report content : 9-11	EN18	85-86, 87-89	PR4	(0)
3.6	9-11	EN24	90	PR5	38-41
3.7	9-11	EN25	Not relevant / not material	PR7	(0)
3.8	11-12	EN26	90-91	PR8	(0) 41
3.9	11-12	EN27	(0%) 90	PR9	(0) 41
3.10	Not relevant for first report	EN28	(0) 90		
3.11	Not relevant for first report	EN30	(0) Excluding Two Way. This will change significantly in 2007, to be reported in next sustainability report.	GRI	Logistics and Transportation Sector Supplement
3.12	99	LA	Disclosure on Management Approach p.26-27	LT1	88-89. We have 1 boat operating within city of Dubai. It is registered in Dubai with Dubai Port's World. It does not require registration in a shipping registry as this boat cannot go into deep sea.
3.13	10, 96-98	LA1	45-46	LT2	88-89
4.1	20	LA6	(0%) Managers are responsible for overall safety. There are currently no committees.	LT3	87-90 including: Policies, systems: 85-87 Hybrids: 89 Modal shift: 86-87, 89-90 Route planning: 86-89
4.2	20	LA8	None.	LT4	None
4.3	20	LA9	None.	LT5	69, 86, 87-91

➤ Fully covered GRI indicators (continued)

GRI	Page(s)	GRI	Page(s)	GRI	Page(s)
4.4	Shareholder resolutions: 20	LA11	Not relevant in the context of no layoffs / no downsizing	LT6	69, 86-89
4.4	Informing/consulting employees: 20			LT7	68
4.5	For Board of Directors: 20			LT8	Not relevant
4.5	For Executives: 20			LT8	Not relevant
4.6	20			LT13	Not relevant
4.7	20			LT15	78
4.8	2, 20-21				
4.9	20				
4.10	20				
4.11	22				
4.12	21-22				
4.13	23				
4.14	16, 17				
4.15	16				
4.16	16, 17				
4.17	16, 17				

➤ Partially covered GRI indicators

GRI	Page(s)	GRI	Page(s)	GRI	Page(s)
EC5	34	LA5	No such minimum periods. Aramex makes every effort to offer reasonable and fair time in the case of a relevant issue.	HR2	We have agreements in place with our subcontractor in India that insist on compliance with our policies on child labor, forced labor, etc.
EN1	90	LA7	Work-related fatalities: 64	SO2	24
EN22	Weight of waste is currently equivalent to weight of materials used (EN1).	LA7	Number of injuries p.64. Will be reported more fully in 2007 Sustainability Report	PR3	One type of labeling relates to hazardous waste: 89-91
LA2	56	LA7	Absenteeism rates: 57	LT12	64
LA4	No Aramex employees are members of a company union. Many are members of national trade unions.	LA10	52-53		

➤ Future coverage GRI indicators

GRI	Page(s)	GRI	Page(s)	GRI	Page(s)
EN3	Will be reported online before end of Q3 2007	EN23	Will be reported in 2007 Sustainability Report	LT9	As relevant, will be reported in 2007 Sustainability report
EN4	Will be reported online before end of Q3 2007	EN29	Will be reviewed, and to extent relevant, will be integrated into 2008 Sustainability Report	LT10	Only a handful of our couriers travel long distances. Indicator will be reviewed and to extent relevant, will be integrated into 2007 or 2008 Sustainability report
EN8	Will be reported in 2007 Sustainability Report	LA3	Will be reported in 2007 Sustainability Report	LT11	Will be reported in 2007 Sustainability Report
EN16	Will be reported online before end of Q3 2007	LA12	Will be reported in 2007 Sustainability Report	LT14	As relevant, will be reported in 2007 Sustainability report
EN17	Will be reported in 2007 Sustainability Report	LA14	Will be reported in 2007 Sustainability Report		
EN19	Will be reported in 2008 Sustainability Report	PR1	Will be reported in 2007 Sustainability Report		
EN20	Will be reported online before end of Q3 2007	PR6	Will be reported in 2007 Sustainability Report		
EN21	Will be reported online before end of Q3 2007				

Glossary

UN Global Compact	"United Nations Global Compact" is an initiative to encourage businesses worldwide to adopt sustainable and socially responsible policies, and to report on them. Under the Compact, companies are brought together with UN agencies, labor groups and civil society.
AccountAbility1000	(AA1000) series are principles based standards intended to provide the basis for improving the sustainability performance of organizations. The AA1000 Framework was developed to help organizations build their accountability and social responsibility through quality social and ethical accounting, auditing and reporting. It addresses the need for organizations to integrate their stakeholder engagement process into their daily activities.
ISO9001:2000	is intended for use in any organization which designs, develops, manufactures, installs and/or services any product or provides any form of service. It provides a number of requirements which an organization needs to fulfill if it is to achieve customer satisfaction through consistent products and services which meet customer expectations.
ISO14000	A set of international Environmental management standards that brings a world-wide focus to the environment, encouraging a cleaner, safer, healthier world for us all. As part of the ISO standards, ISO14000 exists to help organizations minimize how their operations negatively affect the environment (cause adverse changes to air, water, or land), comply with applicable laws, regulations, and other environmentally oriented requirements.
OHSAS18000	is an international occupational health and safety management system specification that helps organizations to control occupational health and safety risks.
Social Accountability 8000	SA8000 is promoted as a voluntary, universal standard for companies interested in auditing and certifying labor practices in their facilities and those of their suppliers and vendors.
London Benchmarking Group	LBG is a group of over 100 companies working together to measure Corporate Community Investment (CCI). The LBG model provides a comprehensive and consistent set of measures for CCI professionals to determine their company's contribution to the community, and to also capture the outputs and longer-term impacts of CCI projects on society and the business itself.
Carbon dioxide	is a chemical compound often referred to by CO ₂ , and is present in the Earth's atmosphere.
Carbon-constrained economy	(or carbon-restricted economy) is an economy which has to deal with the future effects of global warming and constraints on the emissions of greenhouse gases.
Carbon neutral	Carbon neutral is relating to the maintenance of a balance between producing and using carbon, especially balancing carbon-dioxide emissions by certain activities and through adapting an audit system is an effective means of accounting for greenhouse gas control efforts. It establishes that the claimed reductions in emissions, or carbon sequestration, has actually occurred and is stable.
Climate Change	describes changes in the variability or average state of the atmosphere over time scales ranging from decades to millions of years.
Global Warming	is the increase in the average temperature of the Earth's near-surface air and oceans in recent decades and its projected continuation.
Greenhouse Gas (GHG)	is a component of the atmosphere that contribute to the Greenhouse effect, some occur naturally and others are a result from Human activities.
Sustainability	is an attempt to provide the best outcomes for the human and natural environments both now and into the indefinite future.
Sustainability management	is the integrated management of our economic, environmental, and social performance in a manner that optimizes value for all of our stakeholders.
Sustainability reporting	is an ongoing testimony of your commitment towards sustainable development.

Global Reporting Initiative (GRI)	is a long-term, multi-stakeholder, international process whose mission is to develop and disseminate globally applicable Sustainability Reporting Guidelines.
G3 Reporting Guidelines	are a framework for reporting on an organization's economic, environmental, and social performance.
General Services Office (GSO)	is the company's Headquarters Office in Amman, Jordan.
Global Distribution Alliance	is a partnership of over 40 leading logistics and transportation companies. With operations throughout the world, the GDA is strategically positioned to provide swift and reliable global transportation solutions, with each member of the alliance providing an extensive coverage and expertise in each region of the world.

Acronyms

AA1000	AccountAbility 1000
AA1000SES	AccountAbility 1000 Stakeholder Engagement Standard
AA1000AS	AccountAbility 1000 Assurance Standard
CO ₂	Carbon dioxide
CRM	Customer Relationship Management
CSR	Corporate Social Responsibility
G3	The G3 version of the GRI Sustainability Reporting Guidelines
GDA	Global Distribution Alliance
GHG	Greenhouse Gas
GRI	Global Reporting Initiative
GSO	General Services Office
H&S	Health and Safety
IATA	International Air Transport Association
ISO9001:2000	International Organization for Standardization generic management systems standard for quality management
ISO14000	International Organization for Standardization generic management systems standard for environmental management
KPI	Key Performance Indicator
LEV	Low Emission Vehicle
LBG	London Benchmarking Group
NO _x	Nitrogen Oxides
RG	Reporting Guidelines (the G3 version of GRI RG)
OHSAS18000	Occupational Health and Safety Assessment Series 18000, an international occupational health and safety management system specification (also OHSAS18001)
PZEV	Partial Zero Emission Vehicle
SA8000	Social Accountability 8000
SO _x	Sulfur Oxides
SULEV	Super Ultra-Low Emission Vehicle
ULEV	Ultra-Low Emission Vehicle
QSA	Quality Safety Audits