



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

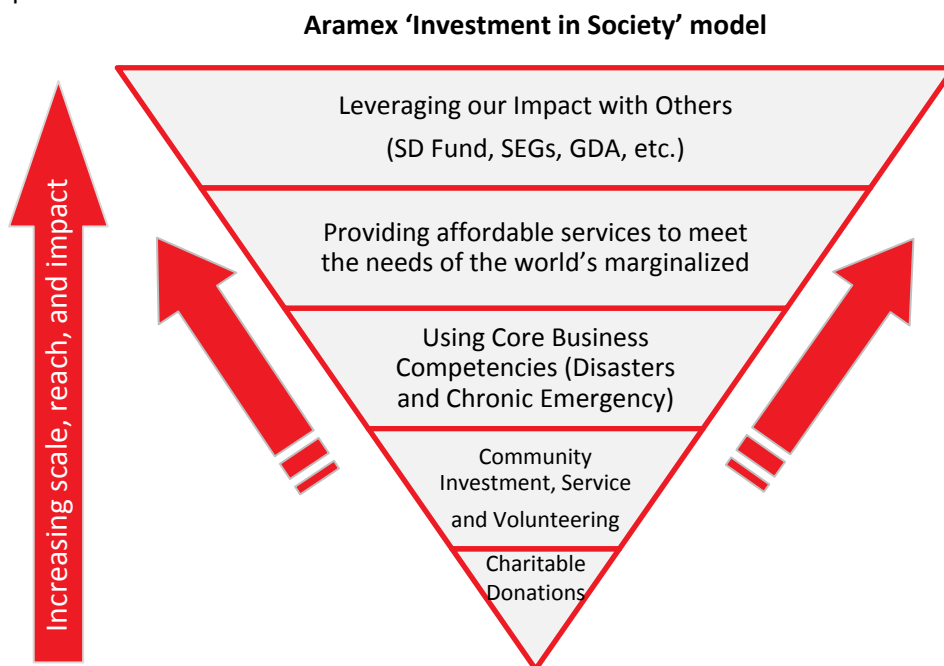
➤ Implement a model for categorizing, managing and measuring impact and performance of our investment in society Page 79

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. Inline 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 targets 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.