

CREATING SOCIAL VALUE



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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.

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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.

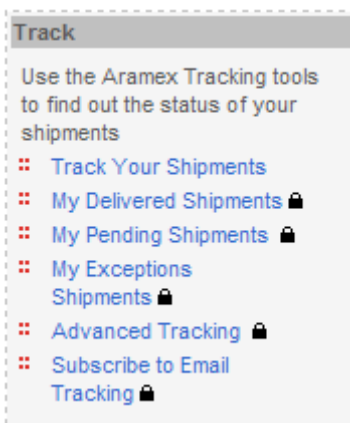
➤ Customer Management Tools

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.

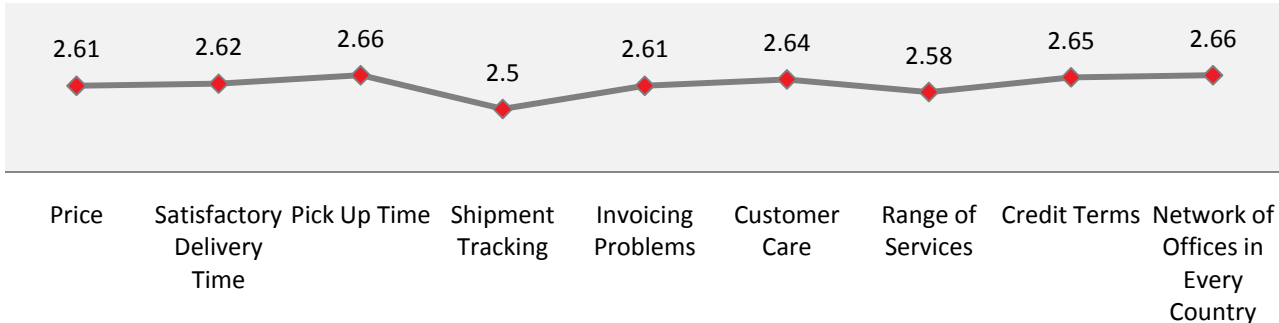
In 2004, an independent market research company conducted a comprehensive survey in Amman, Dubai, Kuwait, Riyadh, Jeddah, Cairo, and Beirut, reaching for more than 1000 customers to study their satisfaction towards the eight listed attributes:

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

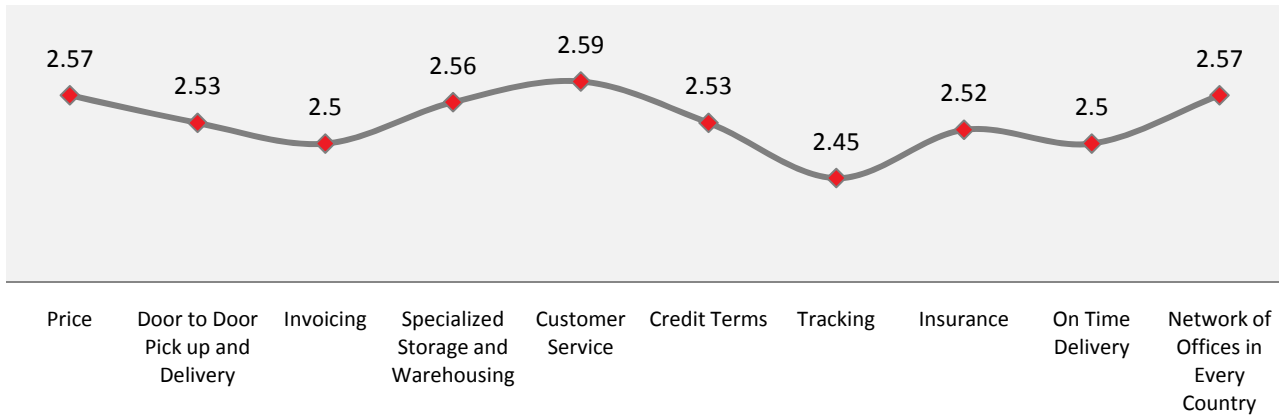
Based on the customers' responses across all target stations, Aramex scored an average of 95% for its well rounded services in the Express, Domestic and Freight services.

	Express	Freight	Domestic
Performance Ratings	96%	94%	96%

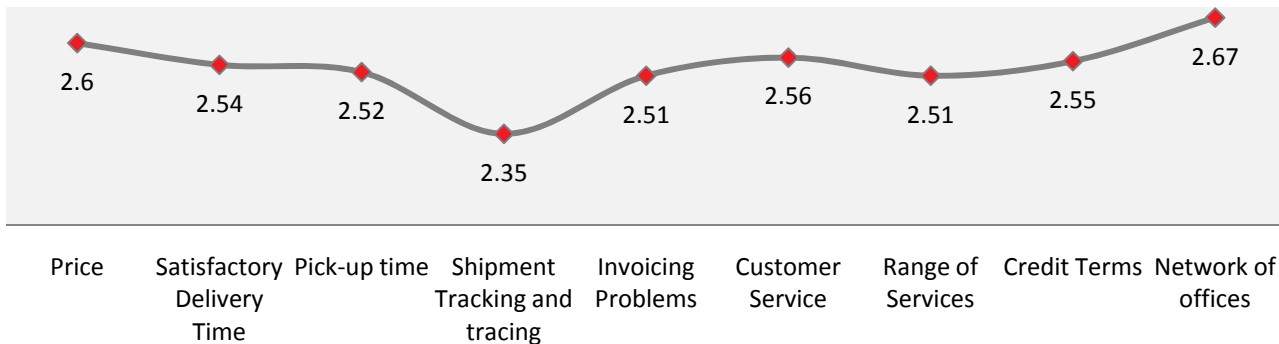
Performance Rating (Out of 3) on Express



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.

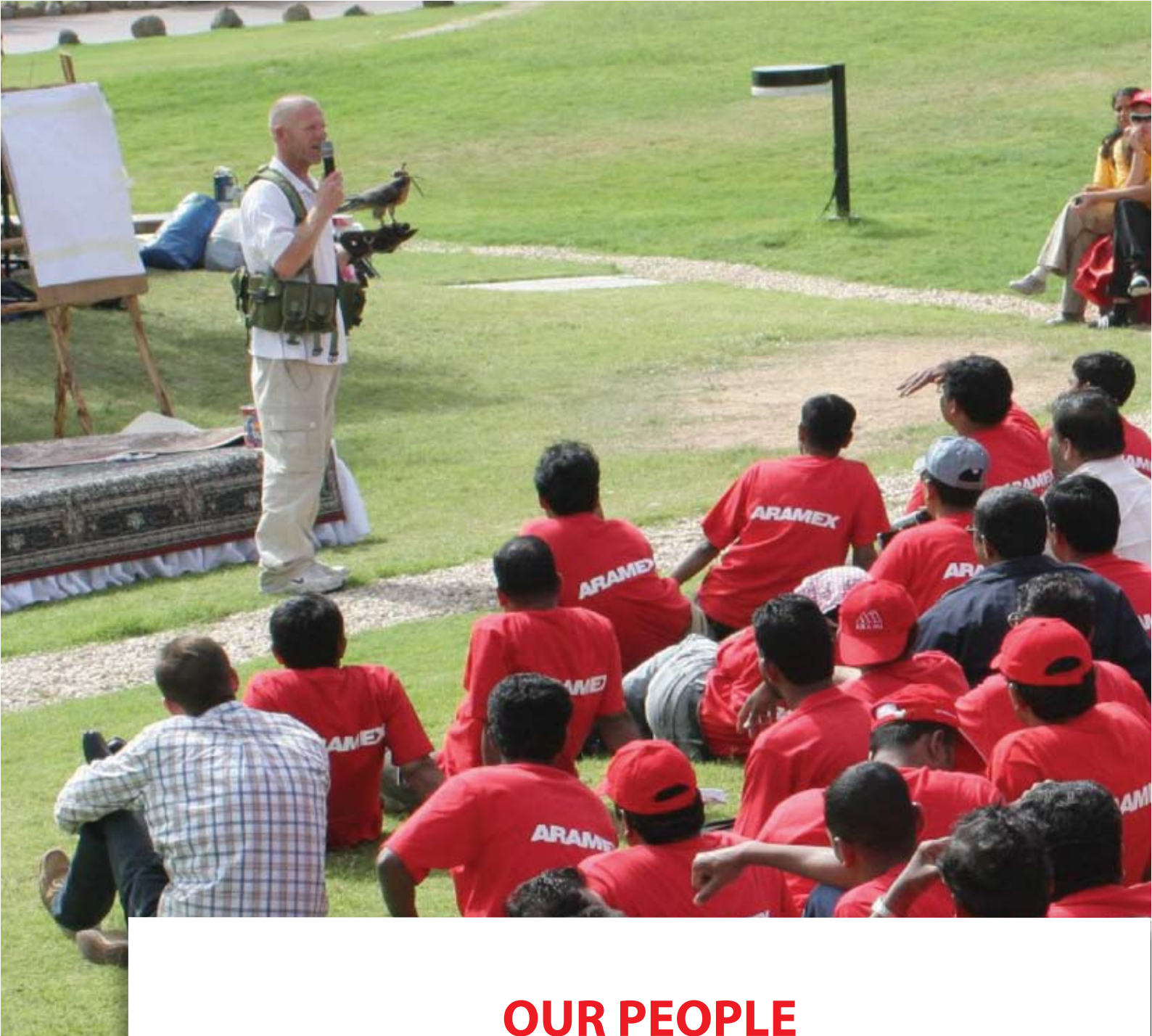
➤ **Responsible Marketing**

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.

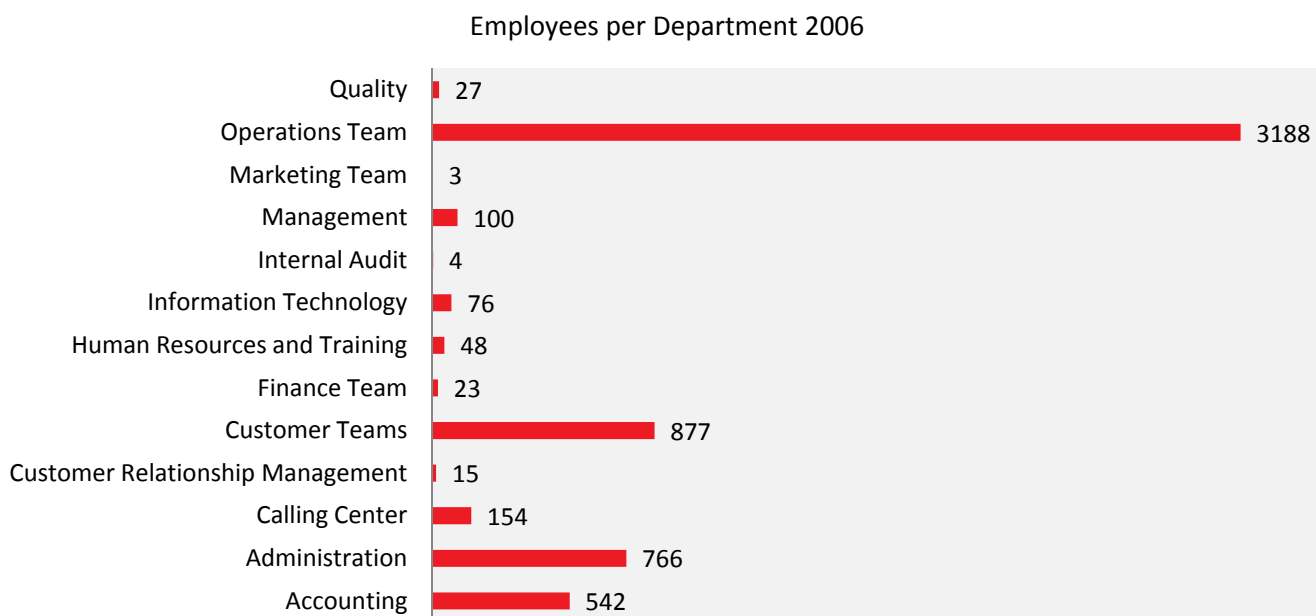
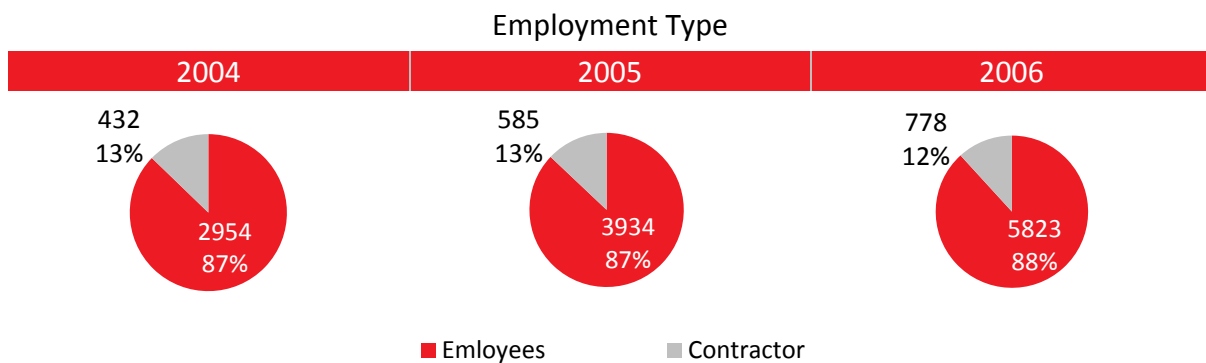
Human Resources Management System

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.

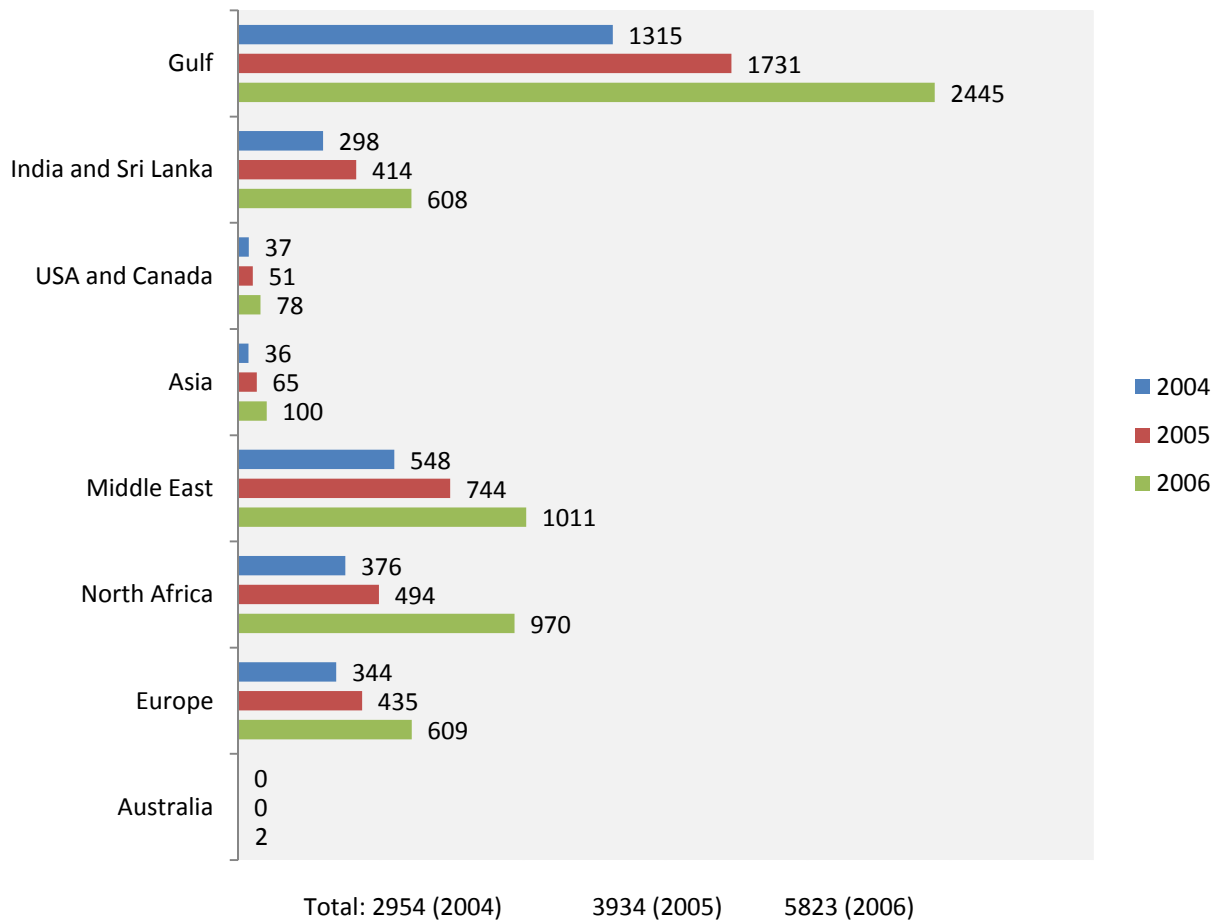
Human resources services, as with most Aramex support functions, are coordinated out of the company’s central office in Amman, Jordan, which is known as the ‘General Services Office’ (GSO). The GSO had 180 staff at the end of 2006, of which 5 were dedicated to HR. The company has 51 dedicated human resources 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.

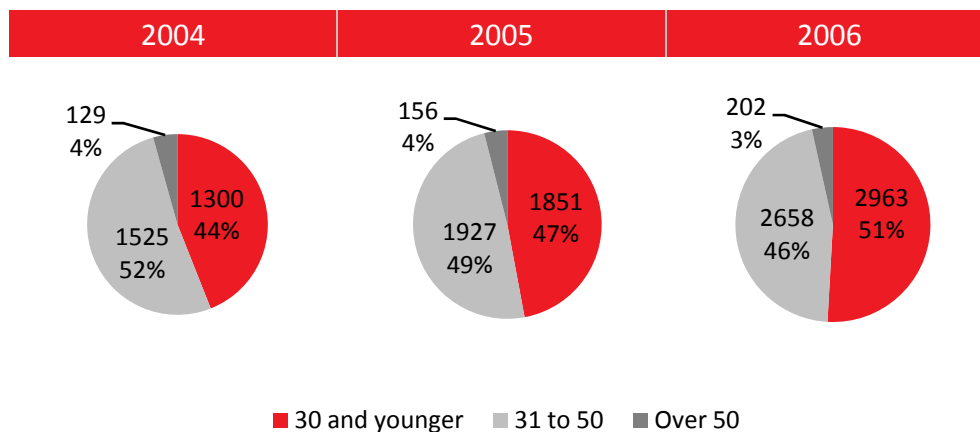


Total number of employees: 5823

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.

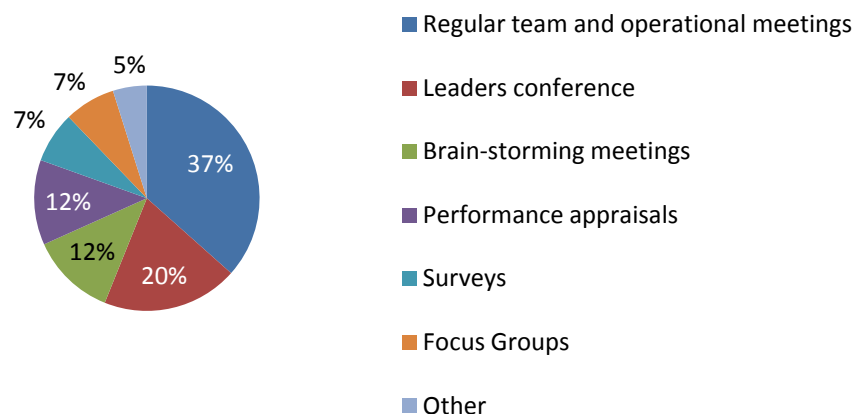
Performance appraisals: Aramex policy is there to ensure that formal performance appraisal process is developed and implemented. Employees and leaders should engage in the Employee Performance Evaluation discussions on:

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

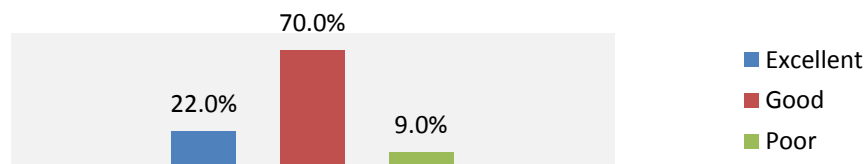
Team meetings: Meetings are held on a weekly basis at team level for the majority of departments in the stations.

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)

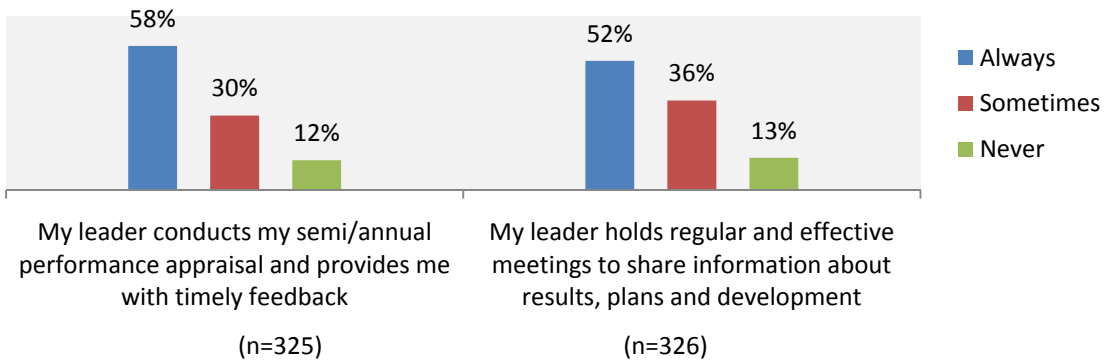


Quality of Engagement Survey

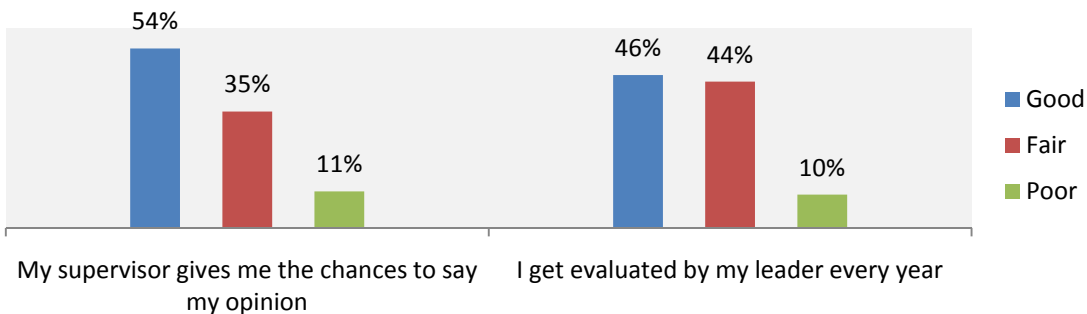


Overall, how effective are the current methods of engagement for allowing you to share your ideas, inputs, needs, and expectations? (n=25)

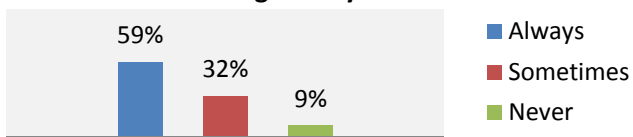
Leadership Survey



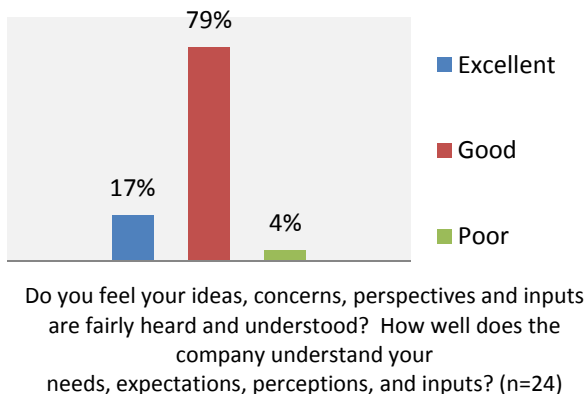
Courier Survey



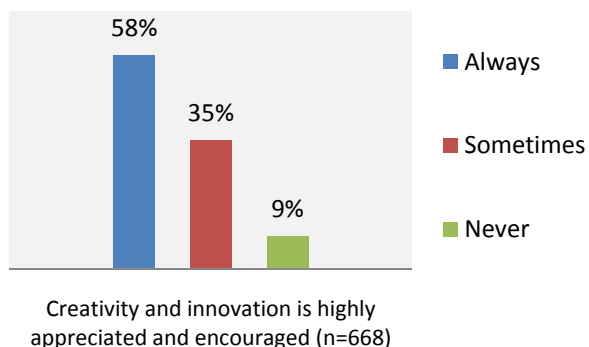
Training Survey



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)**

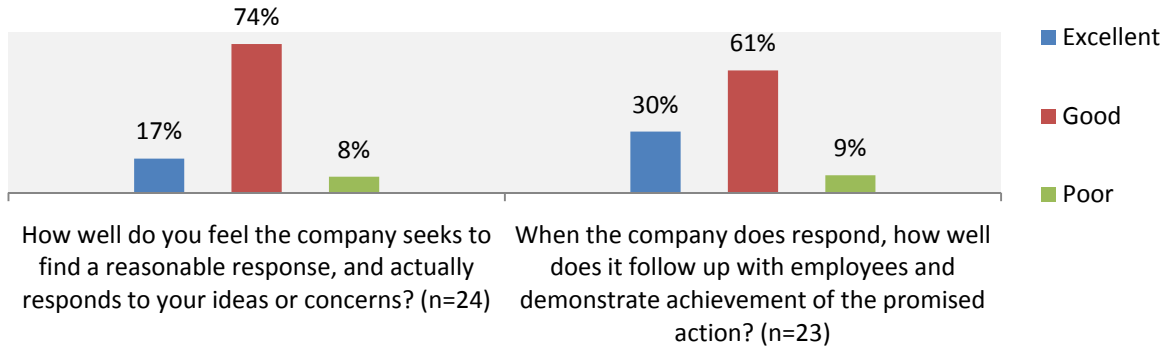
We recognize that the most important element of engagement, in terms of performance gains, morale, and credibility, is to respond coherently to what employees tell us. After every employee satisfaction survey, the survey results are shared with the employees and the stations develop action plans which 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:

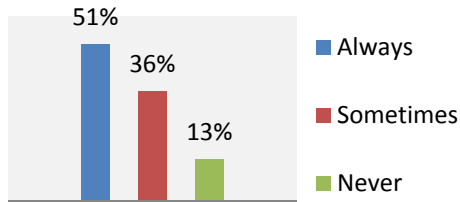
Key Issue for Employee	Our response
Too many points of contact for our most valued customer, also creating challenges with internal coordination	Created the 'VIP' team concept and applied across all stations.
Senior leaders requested that they get new training programs that can help them develop more 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

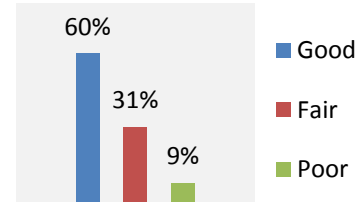


Leadership Survey



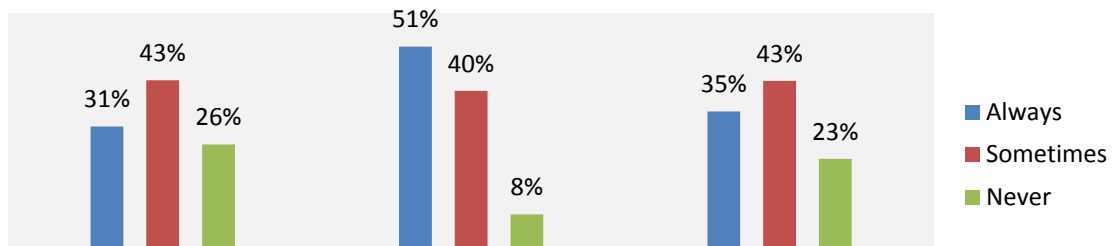
My leader helps me set S.M.A.R.T objectives (n=326)

Courier Survey



My supervisor helps me in solving problems

Training Survey

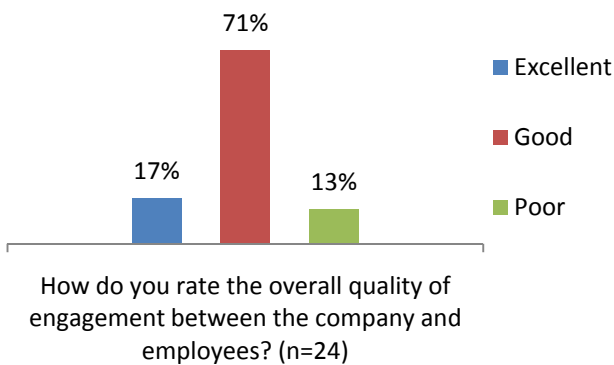


My requests and needs for external training are fulfilled (n=589)

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

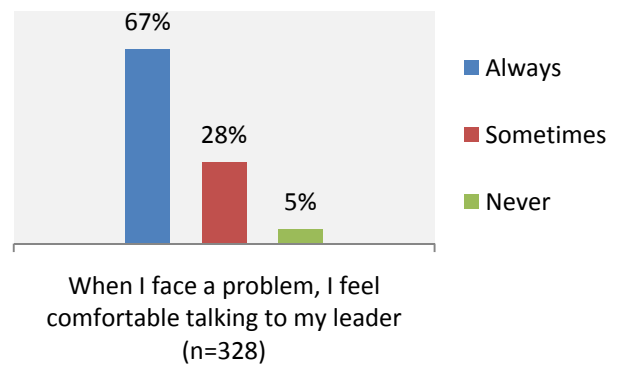
When my external requests are fulfilled, it is within an acceptable period of time (n=575)

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.

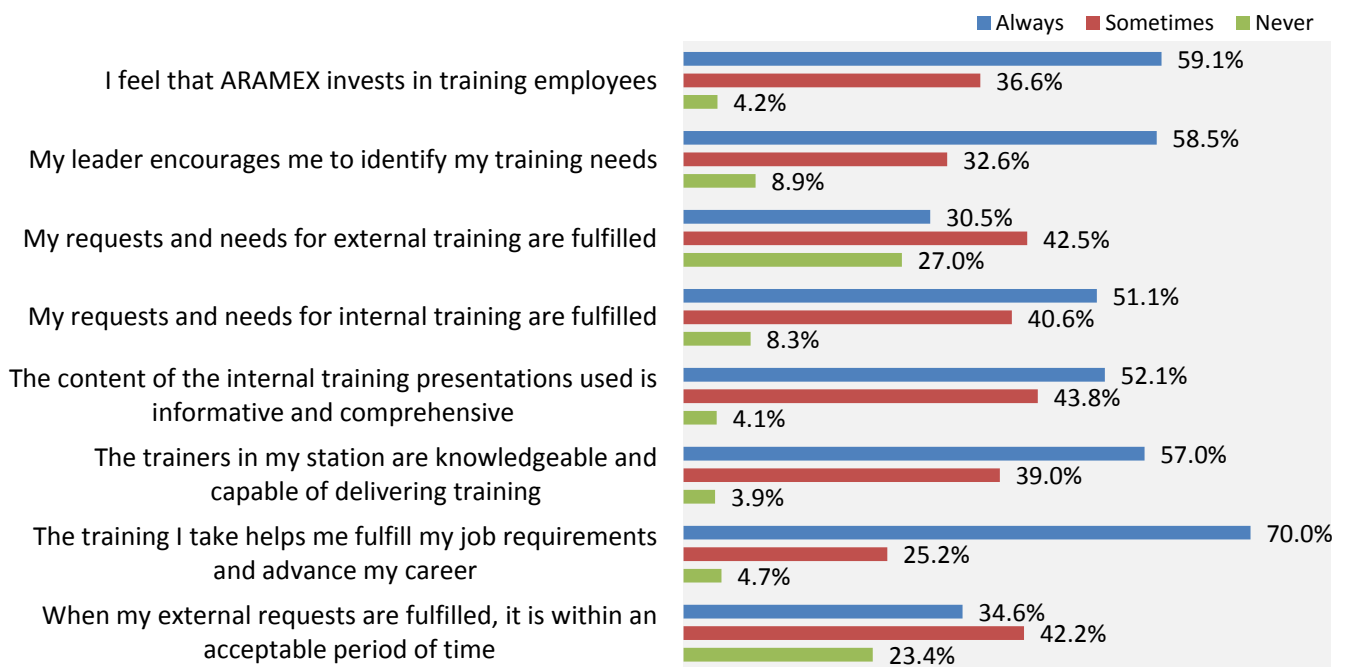
Basic Training Program for new recruits	
	Hours per BTP
Accounting	59.5
CRM	61.5
Express	61.5
Freight	61.5
HR	45
IT	45
Marketing	45
MED	45
SNS	45
Logistics	61.5
Quality	61.5
Ground Couriers	38
Contact Center	38

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.

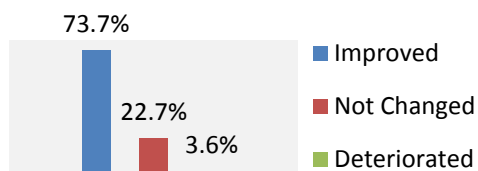
Quality and employee satisfaction relating to training

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.

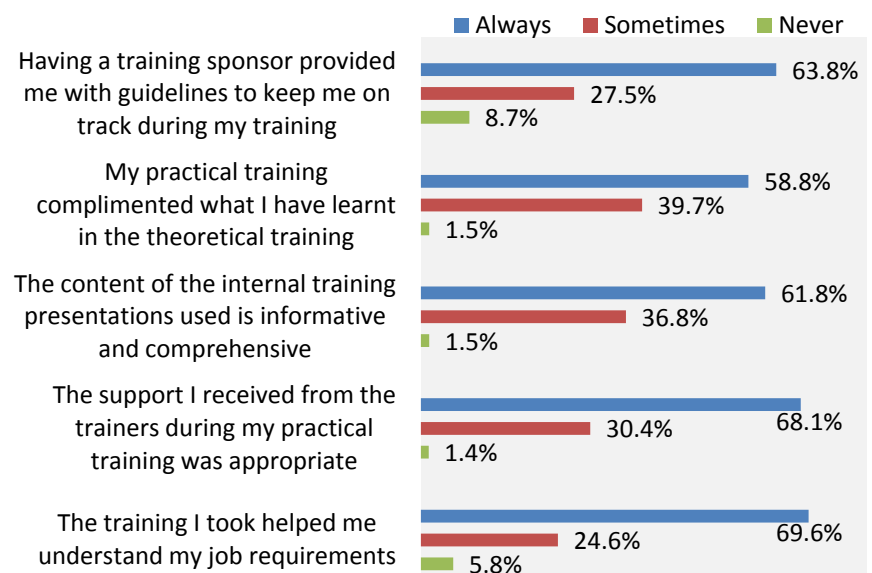
In 2007 we aim not only to improve the quality of training, but also the tracking of training given. We would like to be able to provide a more informative picture on equality of training opportunities, equality of employees' development, and their successors.



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.

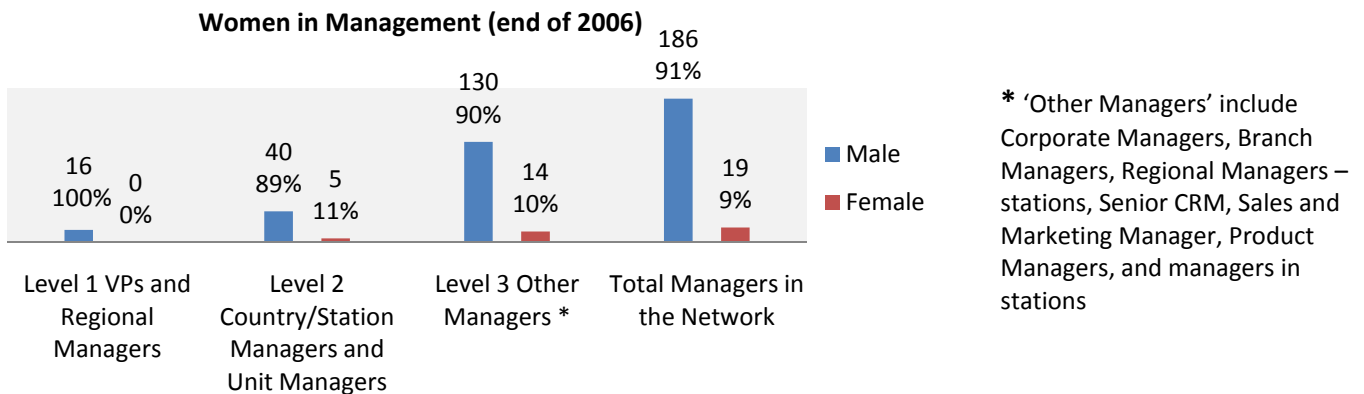
➤ **Equal opportunities:**

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.

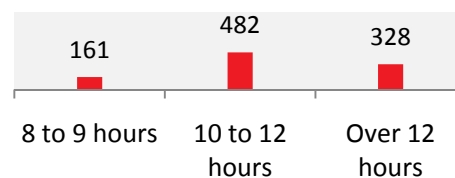
Working hours of couriers: Many of our couriers work long shifts. When the shifts exceed standard hours, we pay overtime wages. Couriers typically agree as part of their employment agreement to overtime hours with extra pay on demand, and as such are required to accept overtime when requested or necessary. 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.

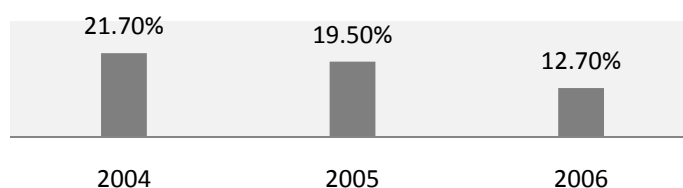
➤ Opportunity for development and promotion As per previous section

➤ 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



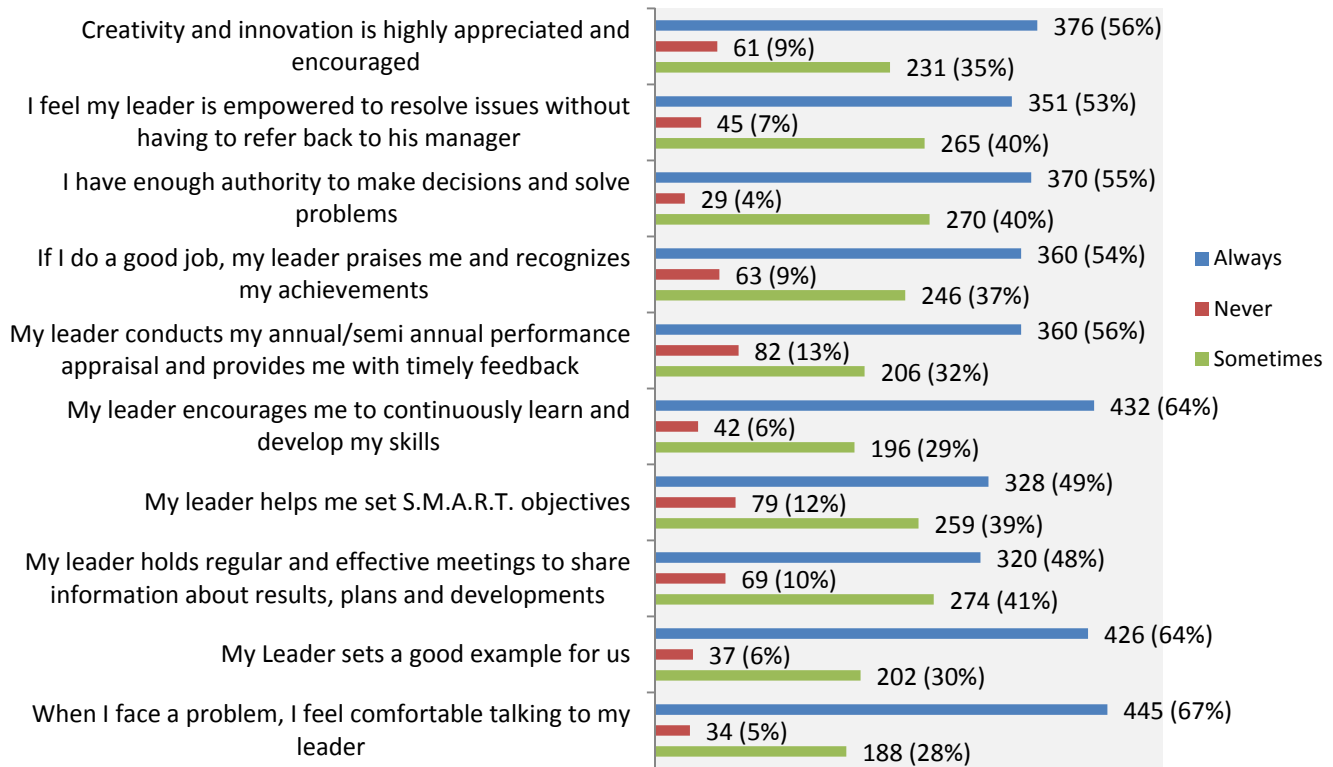
How we measure satisfaction

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.

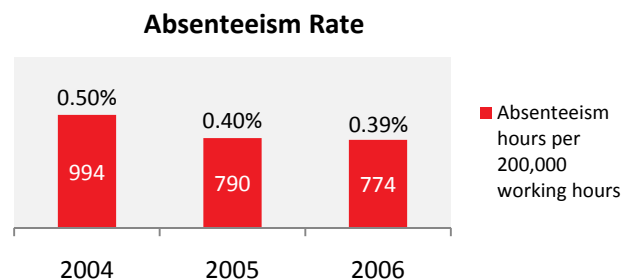
The following chart shows the results of our Leadership Survey, conducted in August 2005.



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.

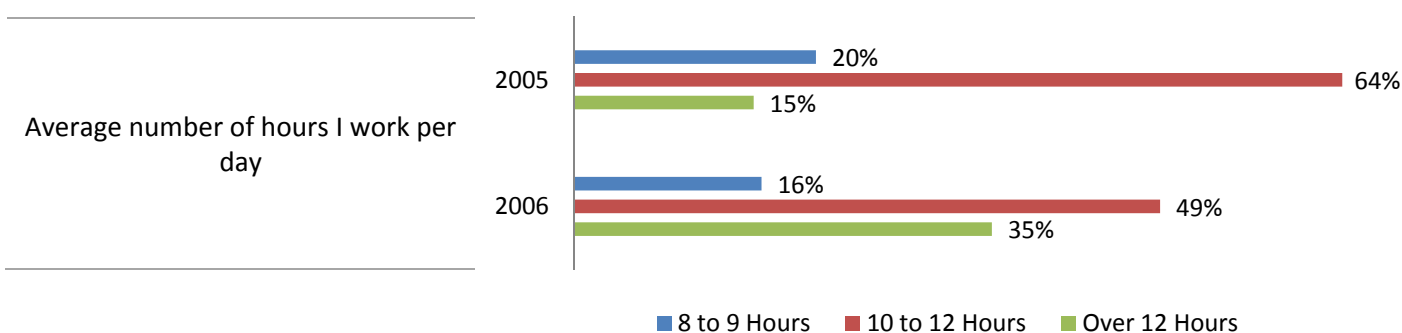
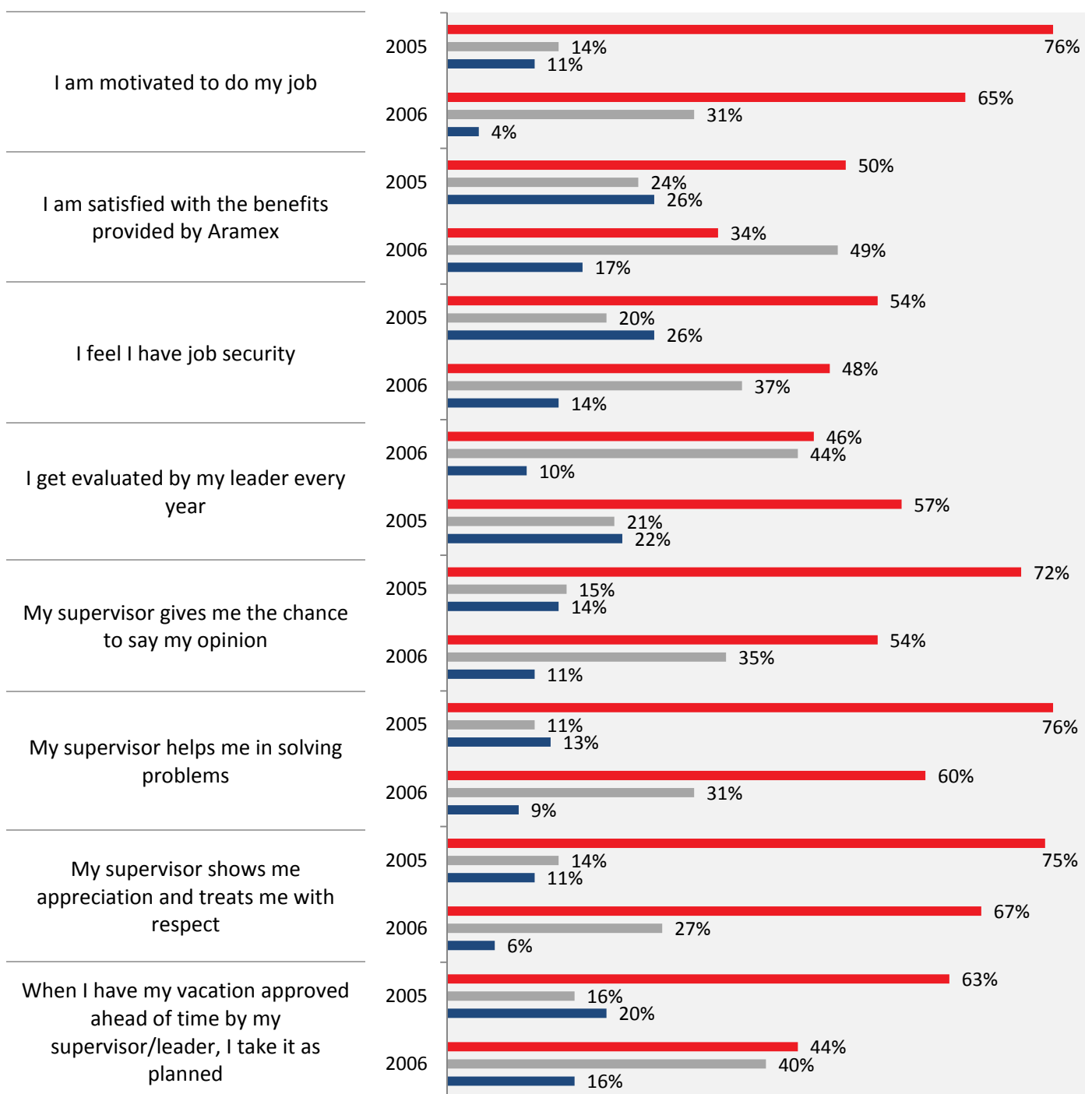
➤ Absenteeism

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

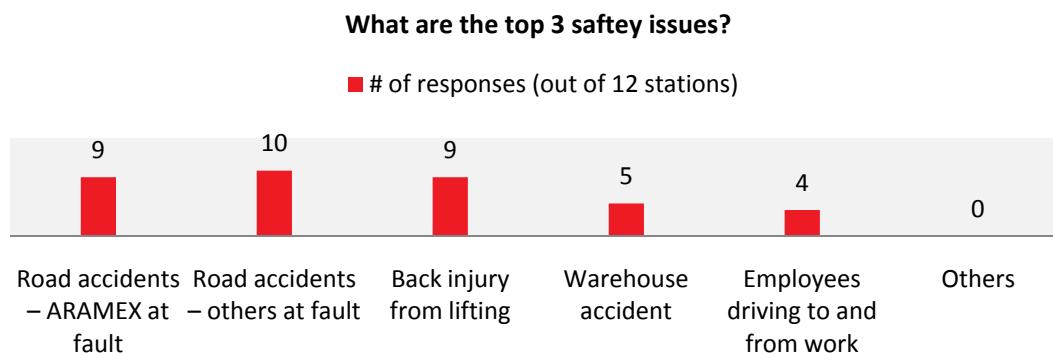
Every day, Thousands of our employees operate motor vehicles to deliver packages for our customers. Their safety is of utmost importance to us, as is the safety of other drivers and passengers with whom they share the roads. Our couriers understand the importance of meeting service deadlines. We also 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.

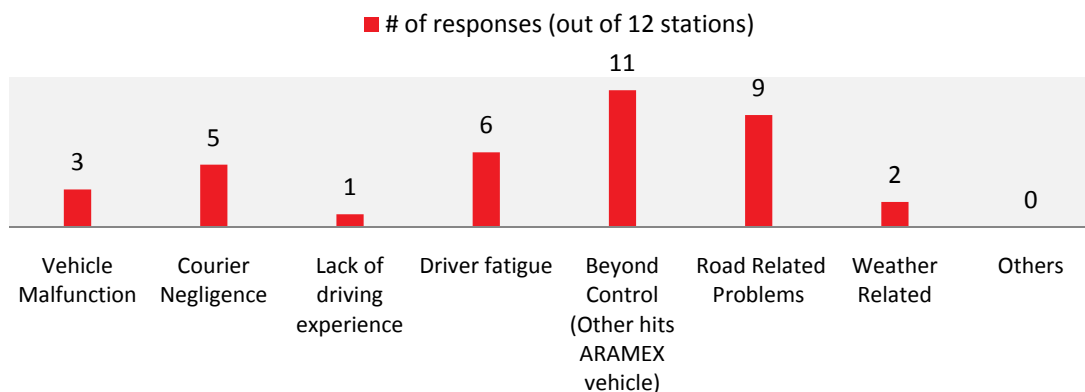
We surveyed 13 of our major stations representing 55% of revenues in 2006 as noted above. The first thing asked was ‘what are the top safety issues’:



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.

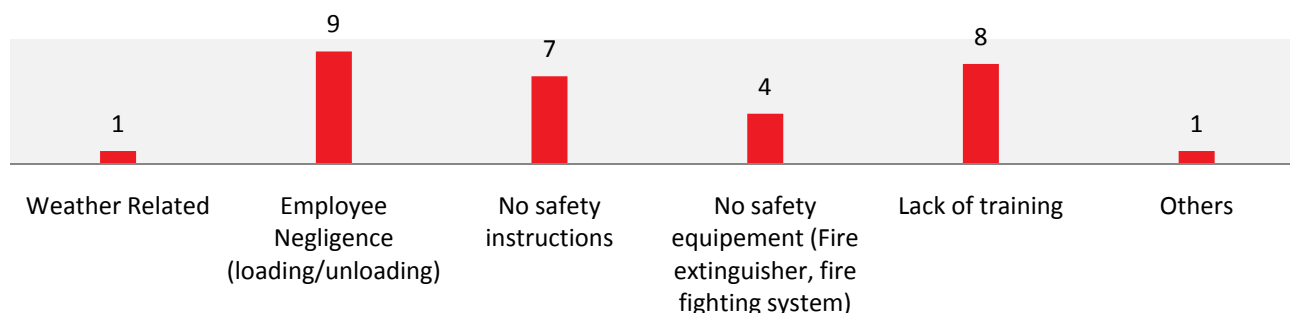
We then proceeded to ask what the top causes of these accidents were. We broke the accidents into two categories – road accidents and warehouse accidents.

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

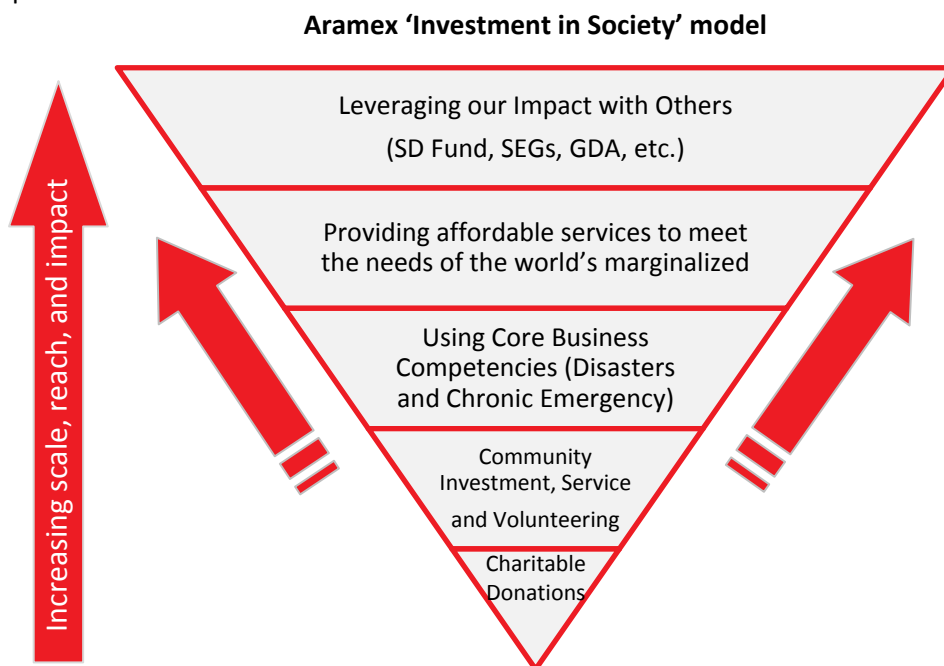
➤ Implement a model for categorizing, managing and measuring impact and performance of our investment in society Page 79

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