aramex
delivery unlimited

ANNUAL REPORT 2013

THE GLOBAL COMPACT

COMMUNICATION ON PROGRESS

This is our **Communication on Progress** in implementing the principles of the **United Nations Global Compact** and supporting broader UN goals.

We welcome feedback on its contents.

MATERIALITY MATTERS

Global Reporting Initiative™

AT THE TIME OF PUBLICATION THE G4-17 TO G4-27 DISCLOSURES WERE CORRECTLY LOCATED IN THIS G4 CONTENT INDEX AND FINAL REPORT.

2014

Table of contents

VISION AND AMBITION

From humble beginnings over 30 years ago, Aramex has evolved into a forward-thinking transportation and logistics company that spans the globe.

With our 14,000-strong workforce of talented and dedicated individuals, we strive to enable every country, company and person in the world to have easy access and further reach to trade and commerce, ultimately fulfilling needs and creating prosperity.

"We are proud to be the world's most flexible and adaptable logistic company"

Overview

Established in 1982, Aramex has been a global provider of comprehensive logistics and transportation solutions for three decades, based in Dubai, UAE. We are proud to be widely recognized as a market leader that has shaped the evolution of the logistics industry in the MENA region. Today we are at the forefront of our industry, launching pioneering products and services to enable and facilitate trade and commerce for over tens of thousands of customers, representing a global brand that continues to expand into new areas around the world.

In 1997, Aramex was the first company from the Arab world to trade on the NASDAQ, later moving into private ownership through a leveraged management buyout with Dubai-based Abraaj Capital. Today, Aramex is a publicly traded company on the Dubai Financial Market (DFM: ARMX), leading a strong global alliance network of over 40 organizations. We currently employ more than 13,800 people in over 54 countries across the GCC, the Levant, Africa, Asia, Europe and North America, including 2,220 indirect employees worldwide.

We believe in acting responsibly towards all of our stakeholders, and pride ourselves on keeping our commitments to customers, business partners, shareholders, employees and communities, as well as on preserving the natural environment. We have always viewed sustainability as a strategic goal; it is therefore embedded in our business model and reflected in all our practices

About this report

This is Aramex's 8th sustainability report and it complies with the regulations of the UAE and the Global Reporting Initiative (GRI) comprehensive G4 guidelines, with independent assurance. It also covers the ten principles of the United Nations Global Compact. In sharing this report, we hope to foster ongoing dialogue with our stakeholders on our progress and commitments.

GRI Indicator: (G5) (G6) (G8) (G9) (G4-3) (G4-7)

LETTER FROM THE CEO

2013 was yet another very successful year for Aramex. Despite ongoing challenging global market conditions, we are very proud to have delivered our ninth consecutive year of record profits since listing on the Dubai Financial Market.

In 2013, we recorded AED 3,325 million of revenues, up by 8% compared to AED 3,072 million in the previous year. Our net profits grew by 14% to AED 278 million, driven by robust growth primarily in international express and supply chain services across our key geographies in the Middle East and sub-Saharan Africa, which remain to be significant markets to our growth and a real competitive differentiator for our brand, with the GCC being our largest contributor of revenues to the Group. Therefore we are currently investing over USD100 million in our Dubai Logistics Center, and in our operations in Oman and Saudi Arabia.

> "Despite ongoing challenging global market conditions, we are very proud to have delivered our ninth consecutive year of record profits since listing on the Dubai Financial Market"

Africa is also a very exciting investment destination for us. It is the second fastest growing region in the world, with favourable demographics and annual GDP growth that is expected to average 7% over the next 20 years. We are proactively strengthening our footprint in key African markets through new acquisitions, franchising and full integration of our operations with our global network.

One of the appealing features of African economic development has been the related expansion of Africa-Middle East trade corridors, with African exports to the Middle East now exceeding USD 21billion and Middle East exports to Africa exceeding USD 38billion. The growing trade corridors between Africa and other emerging markets, such as the Middle East and Asia, will provide increasing opportunities for businesses to export and import goods, and is important for the growth of Aramex's business as we are in an ideal position to capitalise on these trends and support our clients to build their businesses across these trade routes.

We have consistently been able to deliver results because our focus on identifying and gaining advantage of current and future global trends has always been based on our long-standing belief in generating long-term, sustainable revenues. Our company was founded on entrepreneurship and empowerment and we remain true to our roots by consistently nurturing and enabling the entrepreneurial environment of the company by empowering our 'frontliners' through creating a culture that celebrates experimentation and initiatives that enable innovation.

GRI Indicator: (G4-1) (G4-2) (G4-9)

In 2014 we believe the global economic environment will slowly improve through the year, which will in turn drive an increase in trade corridor development- particularly across the Middle East, Africa and Asia- which will support our business across these markets. As a result, we are confident of carrying our strong performance from last year into 2014. We will be actively pursuing acquisitions across the Middle East, Africa and Asia trade routes and will also keep capitalising on the shifting global B2C trends from traditional retail to online, further developing and strengthening our e-commerce services.

Our growth and success will constantly be driven by the knowledge, expertise and contributions of our people. We also strongly value the diversity of our employees and believe that the more diverse we are, the better equipped we are to deliver great service. In 2013, we saw a 2% increase in total number of employees at Aramex and today we have 87 different nationalities represented at Aramex. We are committed to cultivating talent and we keep investing in the development of our people; our training programs, focused on our code of conduct, compliance and governance this year covered 87% of our employees. We also always seek to recruit talent from regions and markets where we are active, which makes us more responsive and flexible and is what truly helps us build mutually beneficial relationships with partners, clients and communities.

Our expansion in emerging markets and the extension of our services to more locations close to local customers brings our role as a corporate citizen to a true global scale. Our aspiration of being a responsible corporate citizen is based on understanding mutual needs and expectations in our relationships with local communities. We are convinced that increased integration with the local community through the engagement of our local employees results in mutual benefits for the society and Aramex. We are committed to using our resources to protecting the environment, advancing education, and enriching community life wherever we operate. Our sustainability spending reached 2% of pre-tax profit in 2013 and we currently have projects in more than 70% of the countries we operate in. This year, we have also introduced various environmental initiatives in all our stations worldwide to engage our employees and enable them to contribute to our global efforts to reduce our carbon footprint everywhere we operate. We are proud of our efforts and this year we are reporting on the new GRI G4 standard for the first time – paving the way for other companies in the region.

The success of our business goes beyond the generation of sustainable revenues. Aramex drives global connectivity and deepens trade links through the support we provide our clients in moving their goods and products to markets. This vital logistical service that we provide is playing an increasingly important role in the growth of our local economies, helping connect some of the world's most exciting and rapidly developing countries and regions and helping the development of some of the world's most important trade corridors. We clearly understand the role we can play in facilitating economic growth and we want to ensure that we remain an integral, efficient and reliable component of emerging market trade flows and we are absolutely committed to ensuring we stay at the very heart of future growth.

Hussein Hachem,
Chief Executive Officer

Our performance

2013 was yet another very successful year for Aramex. Despite ongoing challenging global market conditions, we are very proud to have delivered our ninth consecutive year of record profits since listing on the Dubai Financial Market. We have consistently been able to deliver results because our focus on identifying and gaining advantage of current and future global trends has always been based on our long-standing belief in generating long-term, sustainable revenues.

Key information

	2009	2010	2011	2012	2013
% of pre -Tax Profits Corporate activism	2.50%	2.60%	2.33%	2.15%	2.00%
OUR PEOPLE					
# of Direct Employees	8101	8675	9500	11432	11649
# of Indirect Employees	623	955	1627	2556	2220
%of increase in employment	6%	7%	10%	20%	2%
% of Female employees from total aramex Emp	11%	11%	12%	15%	19%
% of Females in Management	25%	25%	17%	20%	11.5%
# of locally Hired Management	277	338	344	525	443
Avarage Training hour per Emp	15	21	20%	15	14
% of Employees where Covered by our training	N/A	N/A	N/A	80%	87%
Health and Saftey Performance Index					
Summary					
Fatalities	0	2	0	2	1
Accidents per Million shipment	20	14.3	12.3	9	11
% change in accidents per million shipments	-28%	-21%	-14%	-30%	22%
Lost time injuries per million shipment	1.1	2.6	6.7	5	24.64
Lost time injuries frequent rate	0.51	0.41	0.33	0.18	0.13

Consolidated Income Statement

(In Thousands in UAE Dirhams) (Year ended December 31)

	2009	2010	2011	2012	2013
Revenues					
International express	626,588	689,111	832,370	968,673	1,056,942
Freight forwarding	758,790	924,101	1,073,301	1,169,037	1,234,706
Domestic express	302,302	331,153	373,120	592,899	645,026
Logistics	124,485	103,764	110,760	138,284	169,648
Publications and distribution	31,745	30,035	28,318	25,630	20,272
Others	116,877	133,832	152,844	177,064	198,244
Total Revenues	**1,960,786**	**2,211,996**	**2,570,713**	**3,071,589**	**3,324,838**
Shipping costs	852,745	1,021,830	1,219,022	1,417,247	1,523,538
Gross profit	**1,108,041**	**1,190,166**	**1,351,691**	**1,654,341**	**1,801,300**
Share of profits (losses) from JV›s	130	(256)	(554)	(3,660)	(4,123)
Share of profits (losses) from an associate	0	0	(200)	(335)	(848)
Operating expenses	412,798	444,596	508,495	609,749	664,713
Selling, general and administrative expenses	489,334	519,087	591,302	748,716	788,010
Operating income	206,039	226,227	251,141	291,881	343,605
Interest income	14,204	16,283	7,360	4,297	6,281
Interest expense	(1,830)	(1,166)	(1,756)	(2,842)	(8,469)
Gain (loss) on sale of fixed assets	(259)	(458)	(8)	(470)	277
Exchange gain (loss)	(1,090)	1,264	203	(919)	4,360
Other income (loss)	1,100	2,362	2,422	5,072	985
Income before income taxes from continuing operations	218,163	244,512	259,367	297,019	347,041
Provision for income taxes	(11,441)	(14,935)	(17,640)	(26,652)	(32,099)
Non-controlling interests	(22,435)	(25,485)	(30,420)	(27,393)	(37,170)
Discontinued Operations	0	0	231	1,149	186
Net Income	184,287	204,092	211,538	244,123	277,958

Consolidated Balance Sheet Data

(In Thousands of UAE Dirhams) (Year ended December 31)

	2007	2008	2009	2010	2011	2012	2013
Balance sheet data:							
Working capital	344,452	447,668	570,611	650,340	477,645	488,826	761,414
Total assets	1,674,836	1,845,307	2,058,222	2,286,458	2,492,781	2,715,166	2,985,823
Total liabilities & Non-controlling interests	389,661	437,768	462,566	505,459	627,671	701,523	895,846
Total shareholders equity	1,285,175	1,407,539	1,595,656	1,780,999	1,865,110	2,013,643	2,089,977

Geographical Breakdown of Revenues (In Millions of UAE Dirhams)

Year 2013								
Description	**International Express 32%**		**Freight Forwarding 38%**		**Domestic & Others 30%**		**Total Company 100%**	
Middle East and Africa	1,181.3	77.5%	1,017.0	67.8%	848.4	81.3%	3,046.7	74.9%
Europe	132.5	8.7%	373.7	24.9%	121.8	11.7%	627.9	15.4%
North America	48.7	3.2%	39.9	2.7%	3.9	0.4%	92.6	2.3%
Asia	161.7	10.6%	69.5	4.6%	69.7	6.7%	301.0	7.4%
Elimination	(467.3)		(265.4)		(10.8)		(743.4)	
Total	1,056.9	100%	1,234.7	100%	1,033.1	100.0%	3,324.7	100%

Year 2012								
Description	**International Express 32%**		**Freight Forwarding 38%**		**Domestic & Others 30%**		**Total Company 100%**	
Middle East and Africa	1,078.7	77.1%	886.7	64.0%	768.7	80.3%	2,734.1	73.1%
Europe	112.1	8.0%	377.7	27.3%	98.0	10.2%	587.9	15.7%
North America	47.1	3.4%	51.8	3.7%	10.9	1.1%	109.8	2.9%
Asia	161.3	11.5%	69.0	5.0%	80.1	8.4%	310.4	8.3%
Elimination	(430.4)		(216.2)		(23.9)		(670.6)	
Total	968.7	100%	1,169.0	100%	933.9	100.0%	3,071.6	100%

(EC8) (EC9)

Results of Operations

	2009 %	2010 %	2011 %	2012 %	2013 %
Revenues					
International express	32.0	31.2	32.4	31.5	31.8
Freight forwarding	38.7	41.8	41.8	38.1	37.1
Domestic express	15.4	15.0	14.5	19.3	19.4
Logistics	6.3	4.7	4.3	4.5	5.1
Publications and distribution	1.6	1.4	1.1	0.8	0.6
Others	6.0	6.1	5.9	5.8	6.0
Total Revenues	100.0	100.0	100.0	100.0	100.0
Shipping costs	43.5	46.2	47.4	46.1	45.8
Gross profit	56.5	53.8	52.6	53.9	54.2
Operating expenses	21.1	20.1	19.8	19.9	20.0
Selling, general and administrative expenses	25.0	23.5	23.0	24.4	23.7
Operating income	10.5	10.2	9.8	9.5	10.3
Income before income taxes from continuing operations	11.1	11.1	10.1	9.7	10.4
Provision for income taxes	0.6	0.7	0.7	0.9	1.0
Non-controlling interests	1.1	1.2	1.2	0.9	1.1
Discontinued Operations			0.0	(0.0)	(0.0)
Net Income	9.4	9.2	8.2	7.9	8.4

Our Services

Aramex provides global door-to-door shipping solutions for time-sensitive documents and packages to customers across all industries. We offer a range of express services to suit customers' needs in terms of cost and speed, as well as real-time online tracking updates, automatic delivery notifications, proof-of-delivery, and a variety of import, export and customs clearance services.

"The e-commerce sector in the region is developing at a phenomenal rate and will remain a major strategic focus for the company in the coming years"

OUR SERVICES
International Express Delivery

As the demand for accurate and customized delivery is ever-increasing, modern specifications and the ability to maximize operational efficiency has become an important factor for our customers. This year we continued to expand our Express network across the globe, assigning new service partners in Europe and Asia, while optimizing transit times and routing between different origins and destinations and strengthening our deferred and ground service offerings in multiple regions.

Furthermore, As the e-commerce sector in emerging markets in the Middle East, Africa and Asia keeps developing at a rapid rate it will remain a major strategic focus for Aramex and we will continue to enhance our delivery and customer service capacities and our network serviced destinations in Europe and Africa.

To offer the best value to our customers, who remain at the heart of our operational strategies, we also made continuous adjustments of our network capacities to cater for the growth of our e-commerce business. We have introduced more e-commerce solutions across the board including a return portal in Europe to manage different return/exchange scenarios for our customer including the introduction of online duty payment solutions.

Freight Forwarding

Our freight services comprise air, land and sea transportation, providing cost-effective delivery for heavier, less time-sensitive packages. Freight services range from port-to-port shipping to full door-to-door delivery, with options for temperature-controlled haulage, customs clearance, advanced online tracking, third-party shipping, regional distribution, chartered aircraft or vessel services, and exhibition handling.

(G4) (G12) (G4-4)

As part of the continuous developments in the Aramex freight services, and keeping up with clients' needs and expectations for an efficient and economical transportation solution, 2013 was a busy year for Aramex freight where we started a number of new services. These included establishing three freight hubs in Africa to cover West, East and the Sub-Saharan part of the continent in Accra, Johannesburg and Nairobi. We also strengthened our footprint in the CIS region by opening up new offices in Kazakhstan and Georgia - to better service the area.

We continue operate one of the most extensive and technologically advanced land freight networks in the Middle East, the United Kingdom and Ireland. We have also established new regular European routes connecting mainland Europe with Scandinavia, in addition to African routes from Kenya and Tanzania to neighboring land-locked countries.

We have also maintained our technological edge which we believe has helped us deliver a better, more proactive service to our clients. Through our website, clients can see real time updates directly from the various carriers we use for our air services, which reduces human errors and increases visibility for our customers.

Domestic Express Delivery

Our Domestic Express service provides nation-wide door-to-door delivery of urgent packages, with options including same-day or next-business-day deliveries, package collection and return services, and cash-on-delivery.

In 2013 we completed developing our fleet management system and we plan on rolling it out in 2014. In 2012, we had introduced mobile printing stations and redesigned our courier management software to optimize cash collection deliveries. We have developed it further in 2013 and it has already helped us streamline the collection and delivery of e-commerce and cash-on-delivery shipments in the MENA region.

Last year we launched our Nokia mapping system – My Address, the first of its kind service in the Middle East. Using a web interface, Aramex customers will be able to pinpoint their exact position as well as select a delivery time when they place an order. Adoption of this service has grown across our core markets and we expect it to further develop and expand.

Integrated Logistics, Warehousing and Supply Chain Management

Our end-to-end logistics solutions ensure the efficient transfer, storage, and distribution of products and information throughout the supply chain, from the moment our customers' inventory leaves their suppliers or factories until it reaches retailers or end-users. This is made possible by our logistics centers, which are strategically located in key areas across the GCC, Middle East, North Africa, Western Europe and Asia, and are powered by state-of-art technologies to ensure world-class security and constant real-time visibility.

(G4-4) (G4-17)

In 2013, we have continued expanding in our core markets and have opened a new state-of-the art facility in Alexandria, Egypt to complement our facility in Cairo and provide logistics solutions to our customers in that area, in addition to other new facilities in Lebanon, Algeria, Saudi Arabia and South Africa to accommodate the needs of our existing and new customers.

Technology has always been a key enabler in delivering service excellence and we have continued investing in our warehouse management system to deliver advanced solutions to run more efficient operations in our facilities. Moreover we've also upgraded other features like enhancing order tracing visibility to our customers - especially in our e-commerce business - where normally there is a higher demand for such features.

In our ongoing efforts for operational excellence, we have introduced new quality measures to provide visibility on warehouse performance and to make sure each client's specific requirement is met as per our agreements with them, allowing the team to proactively take action to ensure optimum results at all times.

Information Management Solutions (InfoFort)

InfoFort is a wholly-owned Aramex subsidiary and the leading secure records and information management solutions provider in the MENA region, providing information security to ensure the confidentiality and preservation of client data. InfoFort solutions span the full information lifecycle, including secure storage and management of physical and electronic records, media/tape vaulting and rotation, secure shredding, IT escrow services, cheque management and consultancy.

In 2013, InfoFort continued its growth in its core markets in the Middle East and built on its expansion strategy in Africa. InfoFort further promoted InfoCARE, its social platform for enabling information-driven sustainability initiatives. This platform, which was started in 2012, showcases how InfoFort developed a model for utilizing the company's cumulative expertise and highly-motivated and engaged talent to innovate in saving the environment, supporting mission-critical organizations to ultimately save lives, and in developing and empowering youth living in marginalized communities.

In 2013 InfoFort also published the industry's first sustainability report in the MENA and started tracking carbon emissions using the Greenhouse Gas (GHG) protocol developed by World Business Council for Sustainability Development (WBCSD) & World Resources Institute (WRI).

Our Supply Chain

Aramex's asset-light business model heavily relays on its supply chain that consists of international and local suppliers. With one of the largest logistics and transportation networks in the world, Aramex's widespread network consists of national and international airlines operating locally or in multiple countries, as well as several sea lines. Moreover, regionally we deal with land freight operators. Through our extensive freight forwarding network and comprehensive transportation solutions, we offer door-to-door delivery from one or multiple suppliers into the warehouse with smooth delay-free customs clearance

(G4-4) (G4-12)

where we aim to include both local and global suppliers in our supply chain. However, being a local entity in areas we operate, we ensure to source locally where available and possible. Therefore, the majority of our spending is on local suppliers. At Aramex, we make sure to engage with our suppliers through different channels, on a regular basis whether daily, weekly and upon need.

In 2013, we started implementing a supplier evaluation mechanism that covers our code of conduct and compliance with international laws. We started the implementation on the major existing and new suppliers during the second half of 2013; while we covered all of the new suppliers during which we plan to cover the remaining within 2014.

Our roots are entrepreneurial; we grew from a small startup founded by two people to a global company with more than 13,000 employees. With spirit we make sure to leave a positive social impact in the areas where we operate. We ensure that we employ members of the local community, and provide them with on the job training and capacity building. Moreover, given the nature of our services, we are able to enhance connectivity and facilitate the flow of goods and commerce, to reach areas that are previously underserved. Through this, we encourage the establishment and growth of markets. Through the services we offer e-commerce companies and different SME's we promote positive economic growth in the regions we are in, indirectly to benefit these communities.

Moreover, entrepreneurship and SME's are an important generator of jobs in emerging and developed economies alike. Our continued support of entrepreneurship and of SME's in the region and globally provides socioeconomic benefits, along with our commitment to support youth education and community development and our active support given to students through scholarships, training and internships creates a sphere of positive influence that goes beyond our immediate operational impact.

Shop and Ship

Shop and Ship is our unique online shopping delivery service that enables thousands of customers globally to enjoy the benefits of having a mailing address in the US, UK or China, without actually living there. This service offers a personal forwarding address in these countries where customers can receive personal and business packages. Aramex then forwards shipments to customers at very competitive rates to save time, effort and money. The service is provided in more than 35 countries in the Middle East, Africa, Europe, and Asia.

In 2013, Shop and Ship continued its global expansion by launching five new shopping destinations for consumers: Dubai, Mumbai, Istanbul, Hong Kong and Johannesburg. This is in line with positioning the brand as the leading cross-border shopping solution and destination.

Moreover, major operational enhancements and improvements in customer service channels and online

(EC8) (G4-4) (G4-12)

payment gateways were completed during the year to increase customer satisfaction and meet delivery expectations. The focus on mobile as a primary touch point continued with Apps across all the leading platforms: iOS, Android, Blackberry and Windows Mobile. This is being expanded by launching a fully responsive website design for Shop and Ship.

Shop and Ship's Integrated Partner program kicked off in the second half of 2013, making it the ideal enabler for merchants wishing to expand their international sales reach, economically and effortlessly. Merchants from UAE, India, UK, and Turkey have already started reaping the benefits of this cross-border solution.

E-Business Solutions

The e-commerce sector in the region is developing at a phenomenal rate and will remain a major strategic focus for the company in the coming years. As the sector continues to develop in the Middle East and other emerging markets, Aramex is leveraging its logistics expertise and infrastructure to partner with entrepreneurs and online retail sites, facilitating trade and commerce and creating economic opportunities in these markets. This growth in e-business also has potential environmental benefits as a result of the associated reductions in energy and paper consumption.

We provide a range of solutions to help both start-ups and well-established businesses to launch or expand their e-commerce operations, including warehousing and integrated logistics, payment collection services, order processing, and outsourcing of customer service through various contact centers.

(G4-4)

Strategic Direction

Aramex's robust business model is closely aligned with its growth strategy, making it a stable investment choice for local and foreign investors

Aramex's long-term sustainable and profitable growth strategy is built on the foundation of our corporate values and will drive our successful development in coming years to achieve our vision: to become leading transportation and logistics provider in growth markets of our choice. We continue to make investments in our people, our technology and infrastructure, and implement innovative solutions to satisfy our customers' evolving needs, while delivering maximum value to our stakeholders and maintaining our partnerships with local communities.

GROWTH

Our growth strategy of focusing on building our business, both organically and inorganically, across growth markets will be a competitive differentiator for the company.

New Markets, Acquisitions and Franchising

Going forward, Aramex has ambitious targets for organic growth in the Middle East, where our core business remains. We will continue to invest in developing our business in this core market in addition to accelerating growth through acquisitions and partnerships that make clear strategic sense and meet criteria that the company has defined.

Aramex remains committed to building its franchise and operations in its core growth markets, and aims to proactively strengthen its footprint in key emerging markets in Africa, Asia and the Commonwealth of Independent States (CIS) through new acquisitions. While this has been Aramex's strategy for the past several years, there were no acquisition announcements in 2013. However, moving forward, Aramex will be investigating potentially larger acquisition opportunities with companies in rapidly growing economies that have suitable, scalable synergies with its existing infrastructure.

Our franchising program has been further developed and this year we have further strengthened our small, specialized team for closer communication and ongoing support and monitoring of franchising arrangements as we planned last year.

(G4-2)

Aside from providing additional revenue streams with minimal capital and management costs, franchising facilitates market entry, allowing us to benefit from local knowledge, grow our revenue base, expand brand awareness and improve our service offering.

After signing with 8 new franchisees in 2013, Aramex now has 15 franchises. In 2013 we signed on with franchisees in Pakistan and Western Africa (Sierra Leone, Burkina Faso, Togo and Benin), among other places.

PERFORMANCE

Aramex's robust business model is closely aligned with its growth strategy, making it a stable investment choice for local and foreign investors.

An agile business model enables Aramex to swiftly respond to forces of change, while the company's federal, decentralized structure empowers its people to be responsive to evolving customer needs. Also, being a local entity in areas we operate creates local job opportunities and enables us to address some of the challenges of the local communities.

Aramex maintains a very strong financial performance despite continued instability in the Middle East & North Africa and the uncertainties clouding the global economic outlook, underscoring the reliability in our business and the ability to deliver growth. During the recession, Aramex's asset-light business model allowed the company to create considerable efficiencies improving both the gross profit and net profit margins while other companies suffered huge losses.

We also seek to update our existing infrastructure in line with our ambitious growth plans in core markets. We are developing environmentally-friendly logistics facilities as per our commitment to comply with highest environmental standards. Since 2010, we assured all newly constructed Aramex logistic centers would be constructed according to the LEED (Leadership in Energy and Environmental Design). So far, three out of seven of our facilities are LEED certified.

INNOVATION

Aramex is continually innovating as a business and identifies bespoke solutions tailored to customer needs.

E-commerce development remains a key strategic goal, and we view our partnerships with online retailers as a vital element in our future growth. In the coming years, the company plans to invest heavily in its e-commerce platform to support the growth of online trading across its core emerging markets to take advantage of the significant opportunities in growth markets in Asia, Africa and the Middle East.

(G4-2)

We are a customer-centric company, and view our customers as long-term partners. We invest in world-class infrastructure and technology in order to deliver the best possible services to our customers around the world. Through our close engagement and responsiveness to clients, continuous service improvement and innovation, and specifically tailored solutions, we aim to grow together with our customers and benefit from each other's success. To find out how, please see the Our Customers section of this report on page 38.

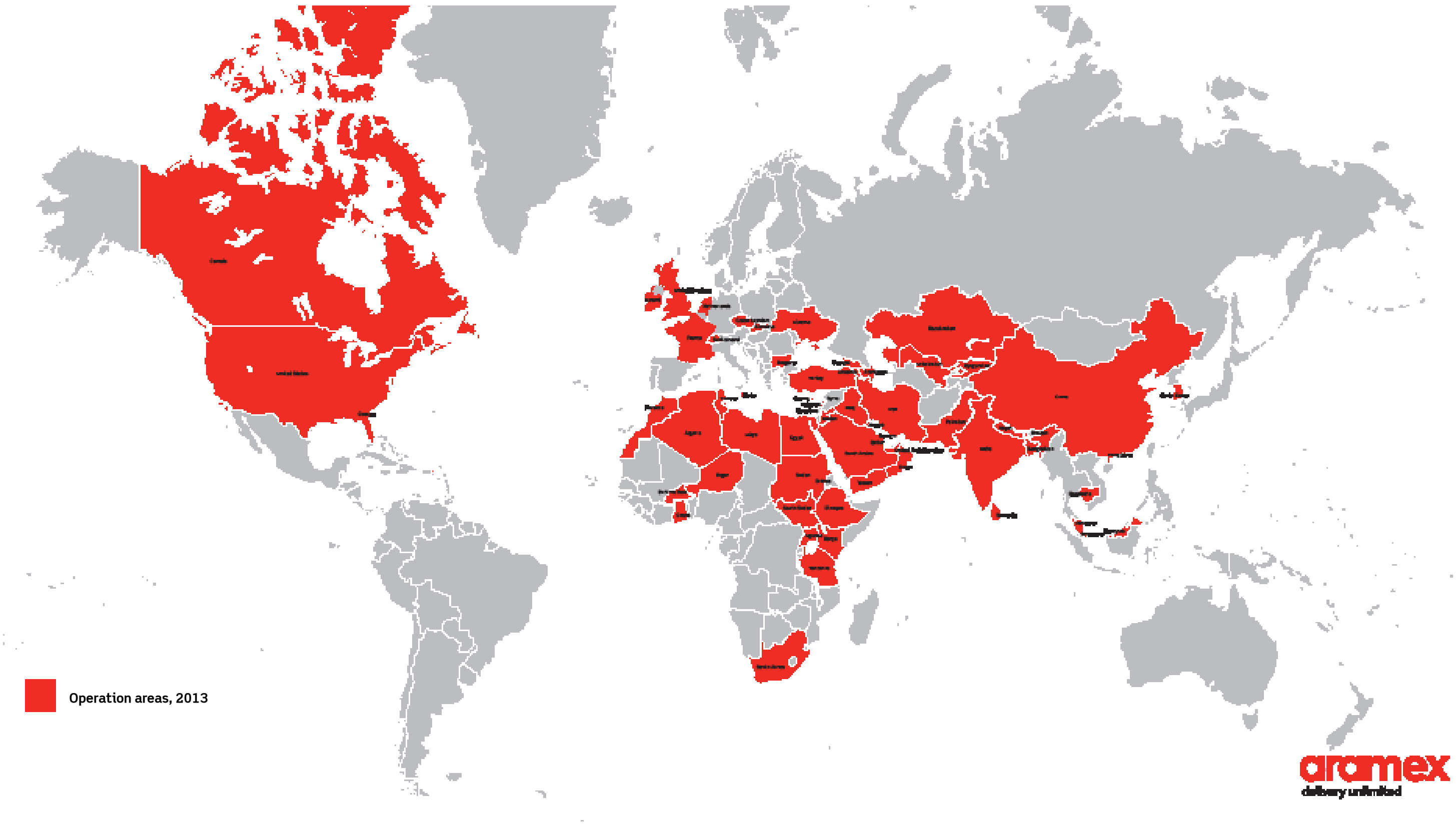
SUSTAINABILITY

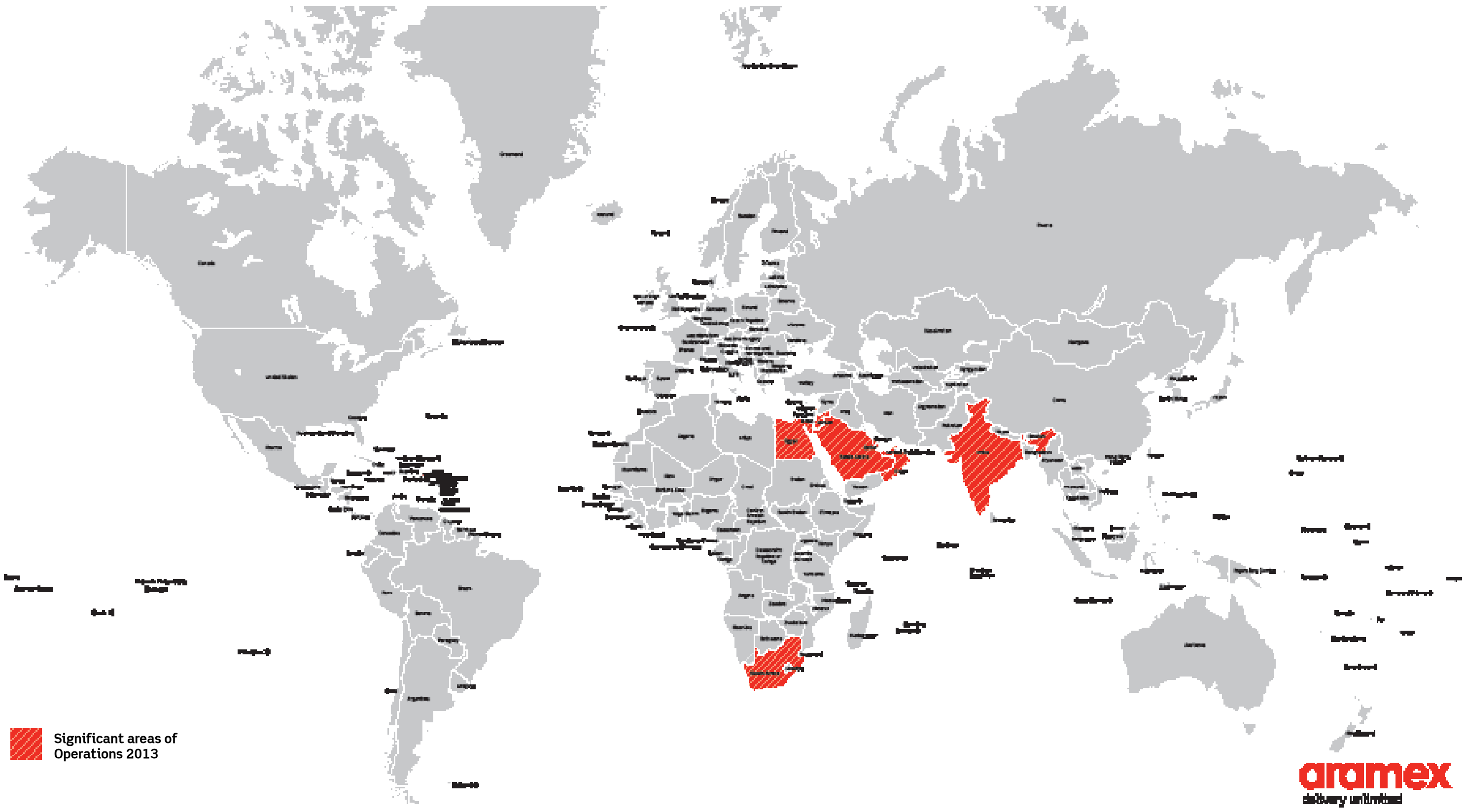
Today, we still live our beliefs and our values through our actions. We know that being a good corporate citizen is integral to our innovation and top-line performance. We believe that responsible, sustainable practices will impact our business growth and will also facilitate social and economic development for our stakeholders around the world. We endeavor to integrate sustainable development into everything we do - this is the foundation of our management approach. We are convinced in the power of this company to help build a better, more sustainable world. In our Sustainability section, pages 43, you'll find considerable evidence of our progress.

It is the people at Aramex that make the company successful and it is their knowledge, expertise and contributions that drive the business forward. It is important that we nurture them and provide an environment to grow our people personally and professionally in a supportive culture where everyone is encouraged to reach their full potential.

Our learning and development strategy has always included workplace based experience and more structured training programmes to build our people's skills and encourage collaboration and networking with their colleagues across the group. We keep expanding our people development activities; to learn more, please look at the Our People section of this report on 21 pages.

(G4-2)


Operation areas, 2013



Significant areas of Operations 2013

aramex
delivery unlimited

EMPOWERING PEOPLE

As a service provider, interacting with people is at the heart of what we do - whether it's connecting families across the world or utilizing local partnerships to provide the best delivery solutions.

We drive global connectivity and strengthen trade links through the support we provide our clients in moving their goods and products to markets. This vital logistical service is playing an increasingly important role in the growth of our local economies, helping connect some of the world's most exciting and rapidly developing countries and regions.

Furthermore, at Aramex we know that our growth and success is constantly driven by the knowledge, expertise and contributions of our people. We strongly value the diversity of our employees, and believe that the more diverse we are, the better equipped we are to deliver a great service.

(G4-10)

Our People

We strongly value the diversity of our employees and believe that the more diverse we are, the better equipped we are to deliver great service. Our recruitment process is based on meritocracy, qualifications and ongoing assessment, and we regularly conduct inclusive interviews to ensure the right people occupy the right positions.

> **“We celebrate diversity at Aramex, and are proud to represent more than 87 different nationalities”**

Aramex’s sustainable growth is made possible by the talent, dedication and ambition of our people. It is our belief that our people are our greatest asset and the main drivers of our sustainable growth. This translates to our HR policies, which is why we seek to recruit and retain talented and skilled employees who represent a wide array of diverse ages, nationalities, cultural, academic and professional backgrounds.

Employees by Nationality

We celebrate diversity at Aramex, and are proud to represent more than 87 different nationalities.

Below is a breakdown of our employment by nationality:

Nationalities	
South Africa	8%
Pakistan	8%
Jordan	10%
Egypt	14%
India	23%
Other	37%

Aramex has spent $ 240,758,844 in 2013 on employee compensation this includes salaries and benefits. We aim for our compensation and benefits to be competitive in the industry, while also matching or exceeding local standards.

(G4-10)

Wage Ratio Between Male and Female Employees

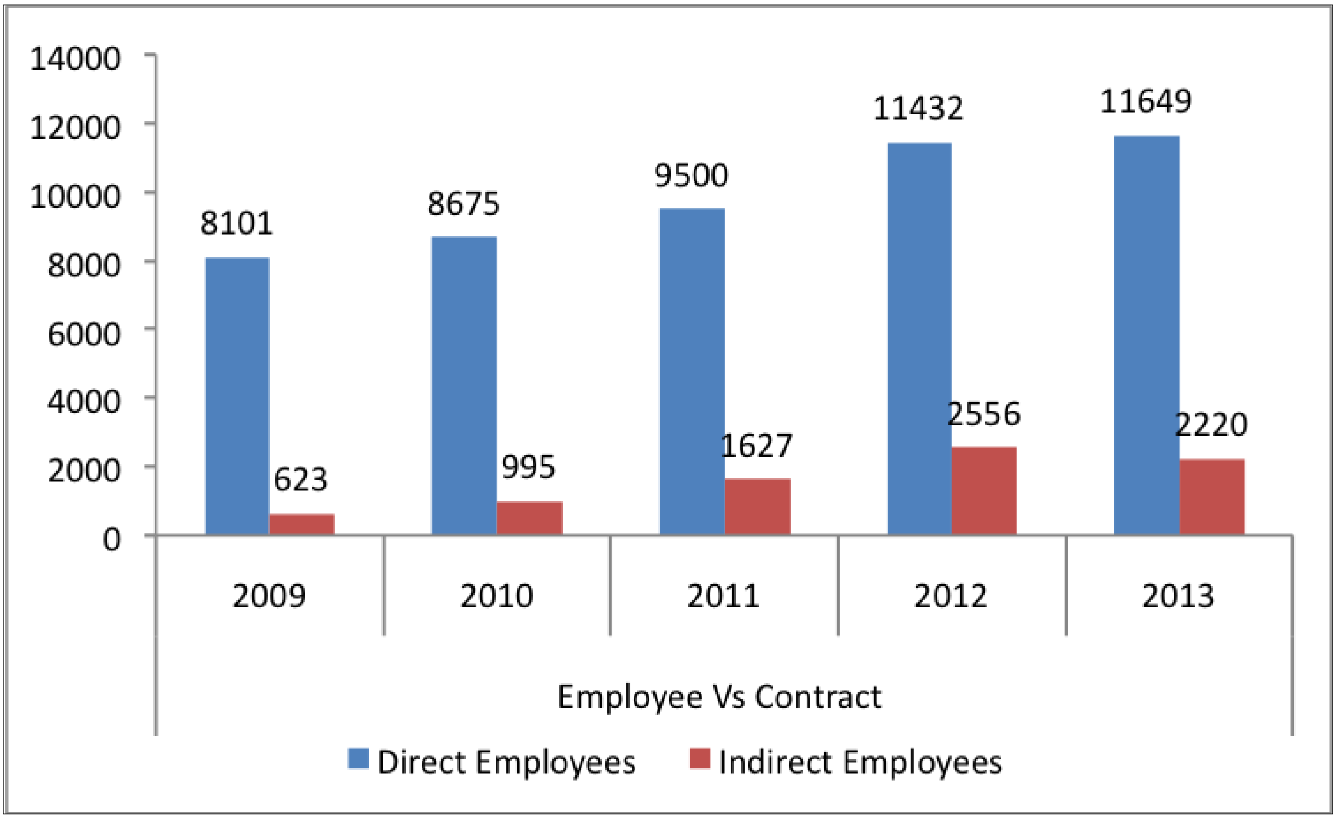
Country	USD / Month	Ratio
Jordan		
Minimum wage	268.89	
Entry Level		
Female	353.81	1.39
Male	254.74	1
5-Years' Experience		
Female	566.09	1.03
Male	551.94	1
UAE		
Minimum wage	Not Specified	
Entry Level		
Female	1361.29	1
Male	1361.29	1
5-Years' Experience		
Female	2014.7	1.17
Male	1715.22	1
SA		
Minimum wage	338.633	
Entry Level		
Female	450.55	1
Male	450.55	1
5-Years' Experience		
Female	765.4	1
Male	765.4	
India		**1**
Minimum wage	99.37	
Entry Level		
Female	296.44	1
Male	296.44	1
5-Years' Experience		
Female	435.01	1
Male	435.01	1
Egypt		
Minimum wage	172.38	
Entry Level		
Female	172.19	1
Male	172.19	1
5-Years' Experience		
Female	240.35	
Male	240.35	

(LA13) (EC5) (G4-10)

We offer equal remuneration to females and males, the only determinant of remuneration is skills and experience level. In most cases, the ratio is 1:1 female to male.

Moreover, we closely abide by local labor laws and social security laws, which govern employees' retirement benefits. We guarantee health insurance cover for our employees and in some countries – Jordan, for example – we provide additional cover for diseases such as cancer. We also abide by each country's laws and regulations related to disability and individuality coverage. We also guarantee the rights of our female employees by granting them paid maternity leave. We also provide them with other benefits to encourage them to return to work, such as flexibility in working hours, extended unpaid leaves, and nursing hours. In 2013, 93 female employees took maternity leave, totaling 6,500 days, and 100 percent returned to work after their leave ended. Moreover, Aramex offers parental leave for males, even in countries that do not offer it.

Furthermore, our human resources governance structure is founded on the principles set forth by the United Nation's International Labor Organization. It is our strict adherence to these principles that ensured that we had no grievances related to labor practices in 2013.



(G4-10) (LA2) (LA3) (LA16)

Our indirect employees, who are identified as employees hired from labor companies, are mainly based in India, and their benefits are provided by their direct employers. Moreover, although Aramex does not have any agreements for formal collective bargaining or agreements with trade unions, we do not employ any policy that prohibits or restricts freedom of association, collective bargaining, or membership to labor unions. This policy is extended to all our employees and our suppliers. We give all our employees the opportunity to join unions, as long as they are in line with the local laws and regulations. In fact, our employees in Bahrain formed their own labor union three years ago, in which 70% of our employees are involved. Also, in South Africa, 30% of our employees are part of their respective unions. Moreover, in Jordan, our employees working as engineers or lawyers are members of their respective labor unions.

Throughout our operations, we ensure that there is a collective and flat decision making process. In case of significant operational changes, we set a meeting with concerned stakeholders and together decide on the timeline of the operational change ensuring it is appropriate for all stakeholders.

We ensure open and effective communication between all our employees through team meetings, our intranet and instant messaging system. We also ensure that our employees are always connected by viable means of communication; for example our ground couriers are all equipped with mobile phones and handheld scanners that are connected to our shipping management system.

Employee Training and Development

In order to further develop the skills of our employees and maximize their expertise, our HR policy mandates that each employee must receive a comprehensive performance evaluation each year; this includes managers and higher level management as well. The evaluation process assesses employees' performance, identifies key strengths and challenges, and accordingly, sets every employee's training needs for the coming year.

Aramex's Corporate University was established in 2008, with the goal of shifting from the traditional training models to ones that encourage and achieve actual learning. During 2013, The Corporate University at Aramex focused on designing programs to respond to different demands. In order to become more open about our policies practices and compliance a major campaign was organized and more than 6,000 employees from different levels have attended at least 1 hour of Code of Conduct and Compliance across our network.

In 2013, 87% percent of our employees attended training programs, mostly through the Aramex Corporate University (CU), with an average participation of 26 hours for female employees, 13 hours for male employees including ground couriers, 15 hours for male employees (excluding ground couriers) and 10 hours for ground couriers, who are all males.

(G11) (G49) (LA11) (LA9) (HR2) (LA4) (G4-10) (LA4) (G4-11) (LA1) (HR4)

Through a variety of mechanisms under the strategic learning framework model of 70 20 10, which takes into consideration that 70% of development occurs on-the-job where learning is rapidly applied to real life, 20% of learning comes from coaching and mentoring and 10% is derived from formal structured training(Theoretical). We analyzed our training data in our HRIS and concluded that the onboarding induction program (BTP) delivered to females (especially on-the-job training phase) is longer than the one usually delivered to males specifically if compared to Ground Couriers, due to the fact that often, these positions are administrative are require additional on the job training.

Our programs are designed to respond to the needs of female learners mainly in Saudi Arabia whereby our BTP is sometimes twice longer than the one designed for males. Our station in Jeddah the total number of training hours is 7,050 hours for its female employees which consists almost twenty percent of the total training hours for females in Aramex worldwide (Total : 36,230). It is worth noting that all our females in the company occupy an administrative type of job which requires continuous empowerment by developing their soft skills and training on IT tools (Click to Ship, Address Management, Global Case System etc).

We continue to provide training in technical, communication and management skills, as well as in our code of conduct, through qualified internal trainers situated at every Aramex station across the network.

Our goal is to mend the gap between the delivery of knowledge to learners and their ability to absorb it and effectively use it. These training programs are determined and scheduled for each position according to the findings of an annual training need analysis based on input from unit leaders, employees' performance appraisals and employees' career development plans.

As part of our continuous development strategy, our expert committees review the content of Aramex technical training material, the same process used for setting the Career Development Plan, determining the knowledge needed per function per position, and restructuring accordingly to facilitate the training process. After reviewing all training materials, we added a new Key Performance Indicator (KPI) that measures the number of employees who received at least one training opportunity. In order to further develop the skills of employees at Aramex and for the fifth year running.

Learning continued to go online and "live" were blended learning approaches was integrated. An online learning platform was introduced with professors going "live" from across the world delivering more than 800 hours of online session on new topics accessible to more than 1,000 Aramex user via web and from outside the office as well which offered these online users new development opportunities with highly flexible options.

Aramex uses Learning and Development as a way to improve retention and engagement of its employees and to build closer relationships in the field of Innovation and Creativity. A leading internal Leadership Development Program was tested in Egypt with high-performing managers. This initiative had clearer and more focused success criteria as part of its evaluation to get real return on Learning & Development investment.

(LA9) (G4-10)

Aramex Leadership Development Program offers our leaders a new and innovative learning platform that helps them further develop in order to achieve their maximum potential in a safe environment where they can practice and make mistakes. This platform provides them easy access to senior management experience through a structured mentorship and knowledge sharing process. LDP is built to be a self-sustainable model where all the costs are covered throughout the course of the 24-months program. Previously conducted in partnership with the American University of Beirut, the program is now held in Egypt with plans to expand the program making it available to more of our employees.

This year we continued our Global Sales Excellence program which was developed in 2012 for our sales team members and leaders to enhance their performance. The program includes training sessions and follow-up along with one to one coaching. This will be an ongoing program applied to our new and existing sales teams. In 2013, 337 employees were trained from stations in the GCC, India, Lebanon, Iran, Sri Lanka and Jordan.

It is important for us to provide a safe environment for our employees and ensure that no human or labor rights violations are taking place on our premises. Therefore, all of our security personnel received special training on Aramex policies and procedures, including those related to human and labor rights. In 2013, we are expanding this training to involve all our employees and will also extend the program to cover our sub-contractors.

Moving forward, our plans for the near future include exploring new ways to facilitate our employees' learning experiences. We are in contact with internationally-recognized suppliers to introduce a unique learning platform. This platform will allow all our employees to join live sessions and exchange experiences with renowned experts from various fields. We are looking forward to this platform and plan to measure its impact and our employees' satisfaction with it.

(LA10) (HR7) (LA3) (G4-10)

Compliance with Human and Labor Rights Laws and Guidelines

Our personnel policies, structures and activities are governed by principles and regulations of the United Nation's International Labor Organization (ILO) and the UN Convention on Human Rights.

We abide by all national and international human rights, labor laws and regulations including those specified in the UN Global Compact (UNGC). To ensure that our environment protects the rights of all workers without any discrimination, we have a grievance committee in each office that allows employees to report any violations to their human or labor rights. No cases of discrimination were reported in 2013.

We run annual audits of all Aramex facilities according to Social Accountability 8000 guidelines to ensure the correct procedures and policies are followed. Action plans are developed for each station, and are followed up by our Human Resources and Sustainability teams. No human rights violations were reported across our network last year.

Our policy on sexual harassment is clearly stated and disseminated across our network. There were no incidents of harassment reported in 2013. We believe in providing a comfortable and professional working environment for both our male and female employees, free of any form of harassment.

Recruitment Policies

Our recruitment process is based on meritocracy, qualifications and ongoing assessment, and we regularly conduct inclusive interviews to ensure the right people occupy the right positions.

Whenever we work with recruitment agencies, we ensure that they adhere to International Labor Organization (ILO) guidelines and that their selection criteria are based on the candidate's qualifications and experience, guaranteeing equal opportunities for all. Our male and female employees are both entitled to equal compensation packages which are determined solely on their qualifications, a policy that is implemented across different managerial and departmental levels throughout the organization.

Our employment policy states that we employ only those who have graduated from high school. Our global personnel of 11,649 direct are eligible to work according to their countries laws and regulations.

(HR3) (HR9) (LA3) (G9) (G4-10) (G4-9)

Our global workforce increased by 2% in 2013.

Below is a breakdown of our workforce:

Employee per Region per gender

	Female	Male
Africa	546	2504
Europe & North America	178	376
Indian & Asia	202	927
GCC & Levant	757	6159
Total	1683	9966

Direct vs. Indirect Employees

Direct	84%
Indirect	16%

Local Managers vs. Expats

We strive to hire employees from the local community. For 2013, below are the percentages of locals to expatriate employees. Senior Management in a Station refers to the Station Manager level and the heads of the functions, departments or teams that are reporting to them.

Locals	57%
Expats	43%

Moreover, 11.5% of our senior management is made up of females.

The percentage of locals among the senior management in the significant location are per the below

Amman	100%
India	100%
Lebanon	100%
South Africa	100%

Local employees vs. Expats

Expat	46%
Locals	54%

(G10) (EC6) (G4-10)

Total Workforce (By region, Gender, Based on Scale) - Table

Female	19%						
Male	**81%**						
Region	**Team**	**OPS**	**CRM**	**HR**	**AD & MG**	**AC & FN**	**IT**
Africa	Female	1%	2%	0.2%	0.6%	0.8%	0.0%
	Male	17%	2%	0.2%	1.0%	1.4%	0.3%
Europe & North America	Female	1%	0.4%	0.0%	0.1%	0.3%	0.0%
	Male	2%	0.3%	0.0%	0.2%	0.1%	0.1%
India & Far East	Female	0%	1%	0.1%	0.1%	0.4%	0.0%
	Male	4%	2%	0.1%	0.5%	1.2%	0.1%
GCC & LEVANT	Female	1%	4%	0.4%	0.5%	0.6%	0.2%
	Male	38%	7%	0.7%	2.1%	4.1%	1.0%

Employee Retention

0 Year- 5 Years	62.9%
6 Years-10 Years	26.2%
11 Years -15 years	6.7%
16 Years-20 Years	3%
21 Years-25 Years	0.9%
25 Years and above	0.3%

(LA12) (G4-10)

Total Number and Rate of New Employee Hires Entering Employment

	Age	16-25		26-40		41+	
	Gender	Female	Male	Female	Male	Female	Male
Africa	Operations	0.4%	5.2%	5.2%	5.2%	5.2%	5.2%
	CRM	1.3%	0.8%	0.8%	0.8%	0.8%	0.8%
	HR	0.04%	0.08%	0.1%	0.1%	0.1%	0.1%
	Accounting & Finance	0.2%	0.24%	0.2%	0.2%	0.2%	0.2%
	Admin & Management	0.2%	0.1%	0.1%	0.1%	0.1%	0.1%
	IT	0.0%	0.1%	0.1%	0.1%	0.1%	0.1%
Europe & North America	Operations	0.3%	0.6%	0.6%	0.6%	0.6%	0.6%
	CRM	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
	HR	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	Accounting & Finance	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%
	Admin & Management	0.04%	0.00%	0.0%	0.0%	0.0%	0.0%
Far East, Asia & Indian Subcontinent	Operations	0.2%	1.3%	1.3%	1.3%	1.3%	1.3%
	CRM	0.8%	0.5%	0.5%	0.5%	0.5%	0.5%
	HR	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%
	Accounting & Finance	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%
GCC & Levant	Operations	0.8%	15.7%	15.7%	15.7%	15.7%	15.7%
	CRM	2.9%	4.6%	4.6%	4.6%	4.6%	4.6%
	HR	0%	0%	0.1%	0.1%	0.1%	0.1%
	Accounting & Finance	0.2%	1.1%	1.1%	1.1%	1.1%	1.1%
	Admin & Management	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%
	IT	0.04%	0.32%	0.3%	0.3%	0.3%	0.3%

Employees per Age

2013	
18-25	18%
26-40	64%
41 and above	18%

(LA1) (G4-10)

Health, Safety and Security

Aramex to date has succeeded in providing set standards and procedures for Safety and Security throughout the network. During the audits conducted by external parties in 2013, we did not face issues of non-compliance.

We have implemented a Health and Safety induction booklet for visitors to guide on specific site emergency evacuation procedures and general site safety requirements to follow while in the facility.

A permit-to-work system is in place for any and all kind of work carried out by the Subcontractors in the facility to ensure the safety of personnel and the equipment. Subcontractors are only allowed to work in the facility if they have undergone the site- specific induction program training.

We have set our focus on setting higher standards for vehicular operators, be it long haul transport, FLT (Fork Lift Truck) drivers and our couriers. We have initiated a Journey Management process which comprises of pre-trip inspection, journey authorization and post-trip analyses, to give feedback on a driver's performance based on the In Vehicular Monitoring system. This has led to the majority of FLT drivers - permanently employed and/or outsourced - undergoing the same extensive drivers training based on internal and international standards. The successes has been visible on the ground from this training, and further training on vehicular safety checks is planned for 2014.

Our safety focus was also guided by our continued and expanding operations in the oil and gas field, and as thus we standardized vehicular safety checks prior to departure from all main facilities where the operations were taking place. We have set drivers' policies and safety checks (based on a 10 point checklist). We have been audited by external parties for land transportation based on CAT audit checklist, and we have achieved compliance level.

We have also implemented a Mechanical Lifting plan for all crane operations to ensure the safe lifting of all our equipment. Lifting Supervisors have been trained on a Mobile Crane Course conducted by external companies. Before authorizing any mechanical lifting operations, we ensure a crane visual inspection is carried out by supervisors, and a pre-start inspection is carried out by operators. We also ensure operators and riggers are qualified, certified by local regulatory bodies and approved third parties for their competencies through PTW system.

(PR2) (G9) (G4-10)

The roll out of the safety committee meetings, initially in Dubai, has proven to be advantageous in 2013, and will continue to be rolled out to stations beyond hub stations in 2014. These committees consist of representatives from each of the freight, operations, warehouse and logistics, HR and administration teams. The committees are chaired by the Health and Safety and the Business Improvement and Efficiency (BIE) representatives. Each committee includes 7 to 10 members and represents 80% of total employees. The committees meet on a monthly basis to discuss the root causes and preventative measures of health and safety issues and accidents that occurred that month. While senior management is allowed to sit in on these meetings, they aren't allowed to chair since they are in charge of decision - making related to repairs and preventative actions. The main purpose is to continually work to reduce accidents and analyze incident trends and assess whether there are gaps in our policies, processes or where changes must be brought about.

Each Aramex station in our network has a dedicated security team member and our large operations have been equipped with certified and qualified Safety Managers and Team members.

We have successfully rolled out the online incident report system for the ME region which has been utilized accurately by the security team on all incidents reported for 2013. This will now be expanded to other stations in our network for 2014 and will include additional statistical details such as root cause, incident level (low, medium or high) and corrective action to be taken, as well as a serialized corrective action number to be followed up on by the Business Improvement and Efficiency (BIE) Team.

The toolbox meetings held with operational team members have successfully helped in reducing the losses incurred by lack of knowledge or ad hoc laborers being used to fulfill a task, and not being trained or equipped to fulfill the task. The teams have also ensured that all staff entering the facility has undergone BTP (basic Training Program) and orientation before starting their work on site.

As a part of continuous improvement, we have upgraded our risk assessment to international standard based on 5x5 risk matrix system, based on international set standard matrix system.

SGS conducted an external audit in DLC on behalf of Nestlé, based on Responsible Resourcing Audit (RSA), and we have achieved compliance on this external audit.

(LA5) (EC35)

In 2014 we are planning to embark on E-learning and outcome-based training designed around Aramex-specific features for Safety and Security. This training will be able to be delivered in a class room capacity, while individuals on line from their office can commit to a 1 hour (certified) training course with a UK-based company for their specific entity, be it office-based staff, operation staff etc. This will ensure that all Aramex staff have been trained and educated and briefed on the same processes and procedures set by our Global Support Office (GSO).

The tasks of the HSE and HSSE team for 2014 is based on our strategic and collective objectives set from Station, Regional and Global level. This is all set per individuals' KPI's and is outcome-based and calculated at the year's end.

Health and Safety

Year	2011	2012	2013
Summary			
Fatalities	0	2	1
Accidents per million shipments	12	9	11
Percentage change in accidents per million shipments	-14%	-30%	22%
Lost Time Injuries per million shipments	6.67	4.88	24.64
Vehicle Related Incidents			
Vehicle Lost Time (days)	385	330	451
Vehicle Accidents (resulting in injury)	26	30	85
Vehicle Accidents (no injury)	359	300	366
Vehicle Lost Time Injuries	208	187	982
Warehouse Related Incidents			
Warehouse lost time (days)	47	512	293
Warehouse Accidents (no injury/minor injury)	34	68	169
Warehouse Accidents (resulting in Lost Time Injuries)	13	53	35
lost time per million shipments	1.5	13.3	7.4
lost time/total time	0.000186	0.000303046	0.000277788
Normalizing Indicators			
Total Shipments	31196164	38,358,816	39,856,151
total lost time (days)	432	842	744
total lost time injuries	39	83	120
total working hours across the network	20292000	24,418,752	24,882,264
total working days	2,536,500	3,052,344	3,110,283

Incidents per gender and per region

	Male	Female
Levant& GCC	347	0
Africa	48	0
Europe & North America	104	1
Indian Subcontinent & Asia	629	0
	1128	1

(LA6)

Our Customers

We remain true to our commitment to engage fully with our customers, as it is an essential part of our ability to continue delivering high-quality services and innovative products. In 2013, we continued our efforts to streamline our customer feedback channels and provide swift services and response to customer concerns.

Aramex policies, regulations and training are designed to encourage our people to act in accordance with customer expectations regarding ethics. These include:

- Committing to professional and caring customer treatment by everyone in the company
- Ensuring the confidentiality and privacy of customer communications
- Supporting and accommodating customer needs

Our customers are not only key stakeholders but are the principal beneficiaries of Aramex's culture of 'customers come first'. This Code of Conduct addresses the key ethical expectations of customers. A separate Customer Service code will address the quality of service expectations and aspirations.

Delivery Unlimited

The reputation of the Aramex brand depends on the trust of the general public in our service integrity. Customers need to be able to trust the credibility of the information they are given. Official authorities such as customs and security officials should be able to trust in Aramex's legal and regulatory compliance, discipline and diligence.

> "We value customer feedback and believe it is paramount to improving services and processes"

We at Aramex believe in excellence in the provision of our services and strive to create lasting stakeholder perceptions of our commitment to this overriding value. We encourage entrepreneurship and the embrace of challenge by our employees as a path to innovation, value team work and collaborative relations, promote diversity and respect for the individual and stand in solidarity with the communities in which we operate by acting as a socially responsible and active corporate citizen. We strive to uphold these values in every action we take and every decision we make, and in defining what we commit to and expect from our stakeholders.

We aspire to build a culture of integrity. We manage our relations with our stakeholder groups in a manner that is consistent with our core values and conducive to nurturing a lasting conviction on their part, and of the public at large, that "we do the right thing."

Moreover, we have employed several information security measures, along with our comprehensive code of conduct to safeguard our customers' privacy and information. It is our strict adherence to these policies that ensured that we did not receive any complaints in 2013 related to protection of our customers' private information. Our continuous efforts resulted in a deeper trust with our customers and in our brand, and have enabled us to limit our advertising efforts for our services and focus more on direct interactions with customers and prospects. However, in the cases where we have advertised, we made sure we complied with local and international laws relating to any marketing activity, and as a result we have not faced any related non-compliance issues this year. Moreover, in 2013 we did not receive any fines, monetary or otherwise, for non-compliance with laws and regulations concerning the provision and use of products and services.

Aramex is committed to complying with applicable import and export control laws and regulations involving the countries we do business in. We do submit accurate and complete import declarations to government authorities. We also use reasonable care to ensure compliance with applicable import regulations regarding designated importer of record, import tariff classification, valuation, origin, duties and import tax payment, payment to the supplier, duty preference programs, temporary imports, bonded warehouse, duty drawback programs, and so forth impacting Aramex activities. Aramex respects all international and national embargo regulations and tries its best to adhere to those regulations. Moreover, since we are a service-based company, we do not sell any products. However, since we are a transportation company, we employ strict policies to ensure that we do not transport banned or disputed products; our controls include training given to employees, as well as verification of shipment content.

In order to guarantee customer satisfaction, we employ several practices to gather customers' feedback through different channels, including:

- Websites (aramex.com/ShopandShip.com)
- The Contact Center
- REACH system
- Sales Teams
- Retail Outlets
- Social Media Channels

Our activities in 2013 included the following initiatives and projects, designed to support and improve our customer service:

Aramex Solution Center

The Aramex Solution Center launched in 2013 and provides Aramex with expertise, research and development to better serve our clients. This includes expanding our knowledge in each sector in which operate, while building our Research and Development capabilities.

(PR6)

Research and development plays a vital role in identifying customers' needs, expanding existing services and providing new solutions to better serve our customers. An example of these services is the industry-focused research conducted in order to understand the shipping and logistical needs for the industries we service.

In addition to this, Aramex shares industry-focused calendars with existing customers; the objective is to highlight international events taking place worldwide related to the customer's business and provides facilitated shipping services to move their goods.

Moreover, Aramex developed an internal site to help Aramex employees share their business expertise with others throughout the network, in order to support other employees in developing enhanced solutions for their local customers.

This enables us to build specific solutions for the customers based on our brainstorming with our customers; such as Import Express, Biocare, Drop and Ship, as well as online importing.

Biocare

Biocare is a cold chain solution for moving temperature- and time-sensitive clinical and medical samples, without jeopardizing the quality of the samples. This solution is ideal for hospitals, laboratories and pharmaceutical companies and enables them to send blood samples, human fluids and medications under maintained temperatures. Biocare caters for two temperature ranges: Cold (2-8 Celsius Degrees) and Ambient (15-25 Celsius Degrees). Data loggers are used inside the boxes to measure the temperature throughout the transit and storage times.

E-Commerce

Aramex understands the need for a quality global transportation provider who can offer flexible solutions for e-commerce businesses. Aramex is proactive in managing e-commerce business and promptly resolves service discrepancies – if and when they occur. Aramex has developed comprehensive and customized e-commerce solutions to fulfill different business needs covering a wide range of services from importing goods, to goods delivery, Cash on Delivery Service, return service, warehousing and ordering processing and clearance service.

Aramex e-commerce solutions enable businesses to sell their products online, conveniently and reliably, while understanding the needs of local markets. The features of Aramex e-commerce solutions that differentiate it from others include:

1. Flexible solutions to satisfy customer needs
2. Competitive e-commerce rates
3. Electronic Data Interchange (EDI) to enable integration between e-commerce applications and Aramex systems
4. Global and national coverage, delivering to both business and residential addresses

Aramex offers businesses fully functional and scalable e-commerce site development. Through Aramex's technology partners, customers can set up an online store swiftly and economically. Clients can design their storefronts, update online catalogues, manage orders and payments securely and ship products on time to their customers with Aramex. Aramex delivers their products around the world at competitive rates, offers payment and fulfillment gateways and also help in outsourcing customer service through several contact centers around the globe.

Aramex has also covered all stages of supply chain from the moment inventory leaves suppliers or factories, until the moment it reaches retailers or end customers. Aramex's end-to-end supply chain and logistics solutions efficiently manage the transfer of products and information between suppliers and customers, allowing companies to focus on the core of their business.

Import Express

As part of our continuous service development, we have launched our Import Express service, which provides customers with a number of options to suit their import needs. Customers have full control over their imports, while at the same time having the visibility and flexibility offered through our Online Importing tools.

E-Tools

For faster, easier and more accurate processing, we offer smart IT solutions that allow for integration between customers' systems and our operations.

a. ClickToShip is a free desktop application that enables customers to manage their shipping needs offline. As a regular Aramex customer, ClickToShip automates shipment preparation, pick-up requests, calculating shipping rates, shipments tracking and managing shipping addresses. ClickToShip helps customers handle and manage bulk shipping.

b. aramex.com offers many features to help customers manage their shipping online. It allows preparing and printing of shipment labels and allows the customer to state the cash on delivery amount to be collected. When customers use aramex.com to prepare shipments, commercial invoices are automatically generated to speed customs clearance process at destinations.

"myaramex" on aramex.com allows customers to:

1. Track orders, see any order with discrepancy (orders held at customs, bad address, etc.)
2. Calculate shipping rates
3. Access automated reports
4. View Aramex invoices and balance due
5. Order shipping supplies

Aramex.com offers customers and their shoppers online tracking experience for their orders in five languages; English, Arabic, French, Turkish and Chinese.

c. Integration Tools: in technical language, Aramex offers Electronic Data Interchange (EDI) and Application Programming Interface (API) tools to integrate a customer's site with Aramex's online InfoAXS site.

These tools – which work in the background and in real time - process input information and produces an output. These tools include:

- Shipping Charges Calculator: This tool calculates the shipping charges when orders are placed
- Shipment Information Creator: When an order is placed, this tool transforms orders into shipments on InfoAXS automatically, and returns Aramex shipment number
- Shipments Tracking: This tool gives back the latest update on any order placed with Aramex

Aramex is privy to private or confidential information concerning clients, be it commercial or personal. Aramex employees pledge not to allow clients' information to be divulged or otherwise compromised, directly or indirectly, knowingly or negligently. Leaders and managers are responsible for ensuring that conditions are in place to protect customer confidentiality.

REACH Customer Relations Management System

REACH is now deployed across the entire network. Ninety-eight countries are utilizing it for all their Customer Relations Management and sales activities, and more than 174,000 customer records are currently recorded in the system. An impressive number of new and cutting edge features have been introduced to the system this year. These were mainly targeted at enhancing sales efficiency and providing our customer management teams with all the tools needed to assess their own performance and achievements. REACH will continue to thrive throughout 2014 with a set of newly enhanced reporting packages and a platform that enables a deep-dive analysis of our customers, their industries, worldwide presence and business requirements.

Supporting Entrepreneurs and SMEs

As part of our ongoing support for entrepreneurs, startups, and small and medium-sized enterprises (SMEs), we specially designed a package to support these companies. The offer includes special discounts for the first year, after which the performance of the company is evaluated and prices are revised. Launched in 2013, it is continuously helping these customers grow their businesses and gain a competitive edge in their respective markets. To further support those SME's and startups we are going to upgrade this program to include support for these companies by facilitating customized business training for them, and also support the ones interested in starting their sustainability reporting. More details of this program will be available during the first quarter of 2014.

Expanding into Africa

In the spirit of more than 30 years of experience brought to Africa in Kenya, Uganda, Tanzania, Ghana, South Africa and Tunisia, Aramex has finalized plans and engaged them on different levels to open offices in Nigeria, Burkina Faso, Togo, Benin and Sierra Leone. New expansions in West Africa will add strength and resilience to our shipping network, enabling us to reach more destinations in the service of clients.

The new offices will connect with existing North, East and South African locations, aiming to cover the continent and realize our strategic goal towards:

Customs information

In order to improve clearance of international shipping, whether importing or exporting, we have developed a comprehensive customs clearance information database for each country that we service. Our online tool, available on Aramex's home page "Country information", is able to help customers understand customs terminologies, guidelines, duties/ taxes, and documents required for clearing.

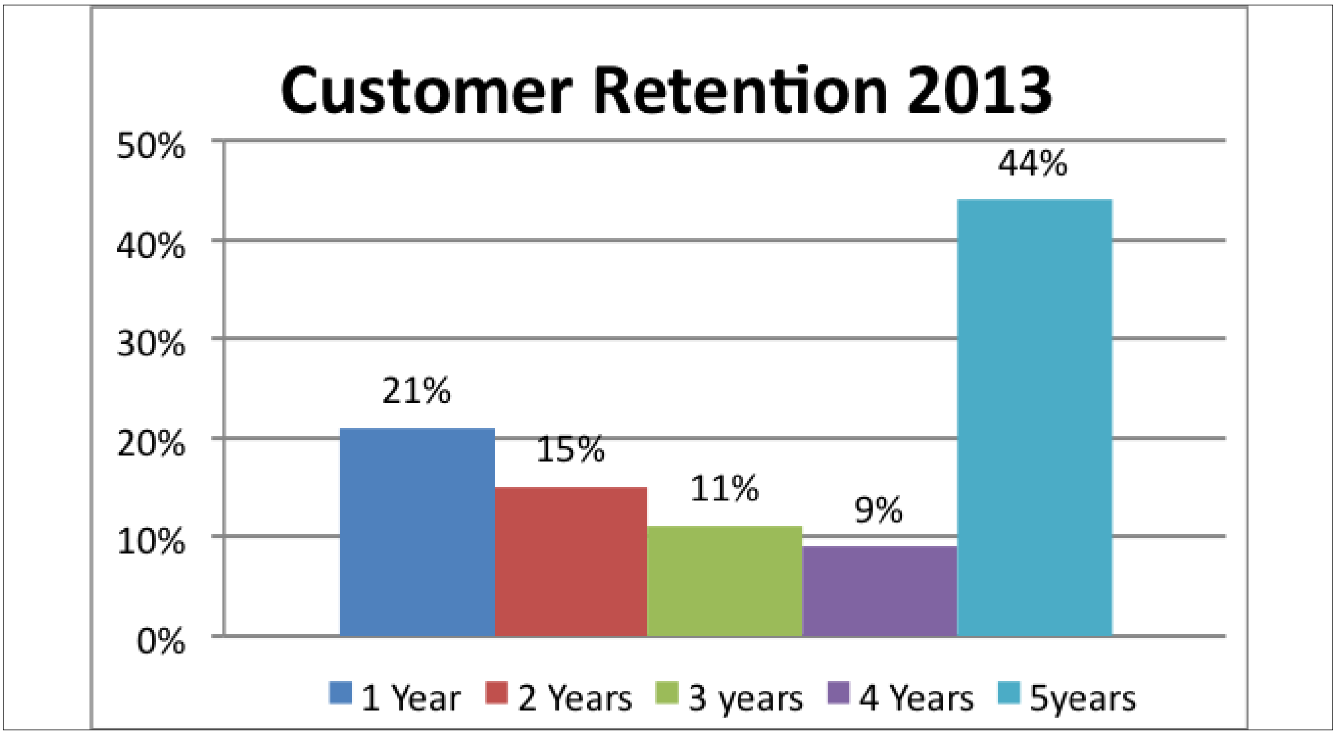
Sales / Tenders Support

Our expert tenders support team provides comprehensive tender documentation groundwork and analysis, and helps ensure an accurate tender procedure to prepare and negotiate all project bids and complete a successful tender phase.

These services include the creation of accurate tender documentation and performance requirements, ensure adherence to quality and regulatory compliance standards support with RFI's and Due Diligence in order for Aramex to be an approved vendor. We also work closely with the customer service and marketing teams to send marketing mail campaigns to our valuable customers.

Customer retention

We are proactive in our recruitment of new customers, while ensuring the retention of our existing customer base. The below graph outlines our customer retention figures for 2013:



Social Media

Social Media is evolving into a reliable channel that customers are referring to for questions, complaints and compliments. In response to that, the Customer Service Social Media team expanded its operational hours and resources. The channels are being adhered to all days of the week, from 8:00 in the morning till midnight, except for Fridays which is covered from 12:00 – 20:00. KPIs were set into operation to measure the performance of each individual and the whole performance of the function. Currently, the traffic received monthly is over 10,000 from the different Social Media channels, and is expected to grow.

Points of Sale

We utilize automated points of sale in our receptions and stations in order to speed up services for our customers through using a computerized system to prepare and receive shipments. This reduces the time needed to serve clients. We have launched six new points of sale in 2013, reaching 12 in total, in order to further ease access to our services.

Contact center

In compliance with the organization strategy of being customer centric, we have focused on our quality of service in 2013. To meet this target we have developed a centralized Quality Assurance team that is responsible for analyzing and reporting on the areas of development and training need per entity on quarterly bases.

This procedure was facilitated by deploying our new telephone system starting in 2012 throughout all our contact centers in the network. Our belief in developing people's profession and skills urged us to gather all our contact center leaders and managers for TOT training course to ensure high quality of training is equally provided to our front liners all over the globe.

Global Case System

Our GCS (Global Case System) is implemented across most of our network to further facilitate our customer feedback and response capabilities. The system is used to handle internal and external communication related to customer service. In reality, GCS has become our customer service index, indicating how well and timely our stations are responding to customers' requests.

During 2013, we continued to focus on GCS by enhancing the user interface and by integration with other systems. Our vision to create streamlined and efficient communication has led to GCS integration with our Social Media system and PDAs used by our couriers. Additionally, statistics conducted by our quality team have shown that communication response efficiency has increased by 4.6% - at the least.

Customer Service Training

We continued to provide customer service training for our frontline employees, including our call center staff, customer management teams, and customer service teams. We conducted training for more than 877 frontline employees and 2,116 employees across our network in 2013, honing their basic customer service, communication, telephone handling, and time management skills.

Customer Service Week

Aramex teams in United Arab Emirates and South Africa celebrated - in style - the first ever Aramex Customer Service Week. The occasion was marked with various activities including team challenges, outings, prizes, customer visits and discounts.

Customer Satisfaction

We value customer feedback and believe it is paramount to improving services and processes. Accordingly, 2013 has witnessed the re-launch of Aramex surveying modules. Face-to-face and online surveys have been completed in Dubai and there are other surveys planned in Jordan and Egypt. Our survey in Dubai covered all our B2B customers, and focused on gathering customer feedback during the different stages of their interaction with Aramex, from how they heard about our services, to evaluation of these services, their access, use and our support. The results will be released in February 2014.

Moreover, we plan client visits at a frequency that suites the customers' needs, be it daily, weekly or monthly, through these visits our agents receive feedback on our services and revert our customer relationship management teams.

(PR5) (PR8)

CORPORATE CITIZENSHIP

Our expansion in emerging markets and the extension of our services to more locations close to local customers, brings our role as a corporate citizen to a true global scale.

At Aramex, our aspiration of being a responsible corporate citizen is based on understanding mutual needs and expectations in our relationships with local communities. We are committed to using our resources to protecting the environment, advancing education, and enriching communities wherever we operate.

Sustainability as a strategic investment

> "Currently, we have sustainability initiatives and projects in 70% of our Aramex locations"

Sustainability

We adhere to the principles of the UN Global Compact, Caring for Climate, the World Economic Forum's framework on the decarbonization of the logistics industry, Social Accountability 8000 and the International Labor Organization's convention.

We aim to establish mutually beneficial partnerships, rather than forming simple donor or sponsor relationships. Our sustainability council evaluates every sponsorship opportunity against our sustainability guidelines to ensure compliance with our sponsorships policy, which has enabled us to create effective partnerships with communities, social entrepreneurs, governments, NGOs and corporations. These partnerships are realized by focusing on our six Sustainability Pillars:

- Community Development
- Education and Youth Empowerment
- Entrepreneurship
- Sports
- Emergency Relief
- Our Environmental Commitment

We approach sustainability projects through a vision of partnership and shared value, therefore, before we embark on a social or sustainability project, we make sure to engage with the local community, by holding meetings with members of the community and local NGO's to assess community needs. Through this assessment, we work closely with the community and related organizations to establish programs or partner with organizations doing work on the ground. Across the network, we are always actively seeking new sustainability partnerships that address certain challenges or needs within local communities. Currently, we have sustainability initiatives and projects in 70% of our Aramex locations.

Across the network, we are always actively seeking new sustainability partnerships that address certain challenges or needs within local communities.

Moreover, we are committed to spending a minimum of 1% of our pre-tax profit on social projects, excluding our spending on environmental investment and expenditure. In 2013, we once again exceeded this goal and spent 2% of pre-tax profit.

Ruwwad

Since its founding in 2005, The Arab Foundation for Sustainable Development 'Ruwwad' has been a model that represented all of our six sustainability pillars. Ruwwad is a non-profit community empowerment organization that helps disadvantaged communities overcome marginalization through youth activism, civic engagement and education.

Ruwwad was first established by Aramex's founder, Fadi Ghandour, and a group of social entrepreneurs who approached Jabal Al-Natheef, a marginalized community in East Amman, Jordan and home to the Mohammed Amin informal Palestinian refugee camp. The goal was to partner with community members and to mobilize them to address critical challenges.

The conversation that started back in 2005 led to what Ruwwad is today: a unique model of development in the region that is fully supported and sustained by social entrepreneurs and the Arab Private Sector represented in Aramex, The Abraaj Group and Cairo Amman Bank. Ruwwad today is present in Jordan, Palestine, Lebanon and Egypt. Its community centers in the region mainly provide three programs based on the community's needs: Youth Empowerment and Education (through the Mousab Khorma Fund), Child Development and Community Empowerment.

Youth is at the heart of Ruwwad's mission; they receive university scholarships in return for spending four hours each week in serving their communities. Since its inception, Ruwwad has graduated 610 youths. There are currently Ruwwad 214 youths in Jordan, 122 in Lebanon, 69 in Palestine and 21 in Egypt.

Regional Expansion

Ruwwad Tafeela: In cooperation with Royana organization, Ruwwad laid the foundations for establishing a community center in Tafeela governorate in Jordan. Full college scholarships were granted to 46 active youths who are conducting four hours of community service on a weekly basis. This summer, Ruwwad Tafela - in collaboration with Ruwwad Jabal Al-Natheef - held a summer camp for 75 children. The theme of the camp was exploring self and identity through arts, music and games. The Tafeela center will officially start its operation in early 2014.

Ruwwad Lebanon

Ruwwad Lebanon was established in Tripoli in 2012 and has since granted full scholarships to 122 youths. Its empowerment programs benefit 200 children from the local communities and 191 families.

Ruwwad Palestine

Ruwwad Palestine, based in Budrus, a village close to Ramallah, has granted 69 full scholarships. The model is now expanding to include five more neighboring villages.

Ruwwad Egypt

The critical political situation in Egypt affected the planned growth of Ruwwad Egypt, and the number of youth scholars remained at 21 for this year. The team members encountered different challenges and transitional phases, whereby the regional director and Aramex team had to step in to ensure the program continued.

Community Organizing Campaigns

Ruwwad utilizes community organizing as a way to mobilize community members to identify critical challenges in their community, take ownership and to organize themselves to address them.

Throughout intensive official training for community members, Jabal Al-Natheef community was able to hold two campaigns since 2011. The first campaign was called "Six Minutes for Joy of Reading" and focused on mobilizing community members to read at least six minutes per day for pleasure. The campaign managed to achieve 6,620 group reading sessions and involved more than 5,000 community members.

Another campaign that concluded this year was the 'Safe Homes' campaign which was initiated by the community members to put an end to domestic abuse, especially against children. The campaign expanded to include 170 key organizers distributed across 29 leadership teams, who conducted 673 meetings to address abuse. The campaign members have volunteered more than 1,000 collective working hours, which led to identifying 165 homes as fully safe homes, free of violence during the period of the campaign. The members have also practiced 583 incidents of intervention, in which they interfered to stop abuse, or potential abuse.

HIKE 4 EDUCATION

Employees Initiative

Three employees from Aramex and InfoFort embarked on a mission to hike Mount Kilimanjaro in order to raise $10,000 for Ruwwad. They succeeded in their hike, and were able to exceed their fund raising goal. Both Aramex and InfoFort matched the raised amount and all the $30,000 was dedicated to Ruwwad's Mousab Khorma Youth Education & Empowerment fund at Ruwwad. The amount will enable 25 students in Jordan, Palestine, Egypt and Lebanon to receive full university scholarships.

Community Development

Our continuous commitment, partnership and collaboration with local communities have been key factors in how we evaluate our active citizenship. Across the network, we are always actively seeking new sustainability partnerships that address certain challenges or needs within local communities. We always establish partnerships that would have a significant positive impact, and that are designed to empower, educate and inspire.

Kenya

The Slums Information Development and Resource Center (SIDAREC)

In 2012, we joined forces with The Slums Information Development and Resource Center (SIDAREC), a local NGO in Kenya with a mission to improve the lives of those living in informal settlements of Mukuru and Pumwani through three themes: education, sports and economic development.

Under the theme of education, we have supported 34 students to attend school: 25 students (ages 3-6) enrolled in pre-primary education, seven students in primary education and two students in secondary education. Moreover, we granted university scholarships to two students.

Under the theme of economic development, 40 youths engaged in small business in Mukuru attended business management and life skills workshops in 2013. One of the youths was referred to Aramex for employment. Furthermore, Aramex provided support for 10 women to help establish a small fund to support their businesses.

We have also supplemented the center's library in Mukuru with over 2,500 copies of textbooks, mostly covering primary and secondary academic courses. Furthermore, Aramex provided furniture which enabled SIDAREC's Early Childhood Development Center to accommodate 20% more children.

The East African Mission Orphanage (EAMO)

The East African Mission Orphanage (EAMO), located near the city of Nakuru in Kenya, is home to 250 children ranging in age from two years to 21 years old. In 2013, an Australian volunteer organized a Guinness World Record of the largest number of people balancing a book on their head. The books were then donated to EAMO. Aramex supported the initiative by ensuring the delivery of the 1,000 books from Australia to Kenya.

Uganda

The Nnabagereka Development Foundation (NDF)

The Nnabagereka Development Foundation's vision is to be the leading organization in education, health and community empowerment, targeting children, youth and women. Its mandate is to restore the vitality of Uganda through the involvement of community and household human resources, for social and economic development.

Through our partnership with NDF, we are also supporting the Masooli School, through providing some infrastructural maintenance and renovation while enriching the school's library. The school has 400 students (ages 6 – 13) and all come from challenging socio-economic backgrounds.

Bless a Child Foundation

Bless a Child Foundation is a non-governmental organization that provides care support services to children from the ages of 0-12 years suffering from cancer and related infections. Aramex Uganda donated food, snacks, drinks, toys, books, and stationery, while the employees donated cash to go towards buying medicine and other household maintenance expenses.

Palestine

The Arab International Women's Forum (AIWF)

In 2013, we established a partnership with the Arab International Women's Forum (AIWF). Established in early 2001 as an independent not-for-profit development organization, AIWF is a unique network linking Arab women with their international counterparts and serves as the voice for Arab women. It showcases their development, ability and competence in business, professional and public life, promotes cross-cultural diversity and creates greater global awareness of women's success and prospects in the Arab world.

Fulfilling its mission of Building Bridges, Building Business, the Arab International Women's Forum has been an agent of change for women in the Arab region encouraging their potential to take greater leadership roles and reach higher levels of responsibility in all sectors of business, public life and in civil society. At the same time it contributes to the progress and prosperity of their families and communities.

The Healing Hearts Journey

Richard is a 56 year-old British expat father of three who has been living and working in the UAE for the past 26 years. Richard decided to go on a solo journey on his motorcycle 'Desert Rose' across 30 countries in 90 days in a bid to create awareness and fundraising for the Palestinian Children Relief Fund. The funds raised, around $150,000, were all donated to build a new Pediatric Cardiac Unit in the European Hospital in Gaza, Palestine.

Aramex supported Richard's journey by providing free of charge shipping for his motorcycle in certain destinations.

Ruwwad

We continue to support Ruwwad's activities in Palestine, for more information, refer to Ruwwad' section on page (46)

Lebanon

UNRWA

In 2011, we partnered with UNRWA to establish the NBC Public Library and Computer Center in an area adjacent to Nahr el-Bared Palestinian refugee camp. Today, the library includes a total of 1,930 books. The computer center includes nine computers along with free training and support which is open to the public. There are around 1,060 repeat visitors who are mainly reading, conducting research and printing at the Aramex library and training center. Girls and boys aged between eight and 14 made up 80% of the total number of the visitors. The visitors' activity seems to be divided across three categories: research (48%), reading (43%) and printing (9%).

Nasma

Nasma Learning and Resource Center in Beirut is dedicated to providing equal educational opportunities to socio-economically marginalized children, mainly students who come from public schools or free private schools. Through our partnership, established in 2009, Aramex employees volunteer within the Center and gives sessions in English, Computer Skills and First Aid to children aged eight to 14. On average there are 60 repeat children who attend Nasma's programs on a weekly basis. The aim is to improve the children's self-esteem, self-efficacy and their academic, creative and social skills. This purpose is served by developing and implementing a series of ongoing workshops and activities directed by qualified and committed educators supported by numerous volunteers, in a safe and rich educating environment.

Ruwwad

We continue to support Ruwwad's activities in Lebanon, for more information, refer to Ruwwad section on page (46)

United Arab Emirates

The Dubai Chamber Sustainability Network

Aramex is an active member of the Dubai Chamber Sustainability Network. The Network serves as the focal point for the business community to share and exchange best practices in implementing Corporate Social Responsibility (CSR). The network offers companies the opportunity to network, learn, share experiences and constitute CSR leadership.

As part of our membership, this year Aramex took on a mentorship role in the 'Sustainability Reporting Task Group', which aims at empowering the private sector to implement sustainability reporting. Aramex was paired with two companies and worked with them to publish their first reports.

Absher

'Absher' is an initiative launched in 2013 by the President of the United Arab Emirates, His Highness Sheikh Khalifa Bin Zayed Al Nahyan, with the objective to provide all means of stability and welfare to UAE citizens by enhancing their participation in the labor market. Aramex supported the initiative by offering some free and discounted delivery of necessary documents for the initiative.

Dubai Autism Center (DAC)

The Dubai Autism Centre has a mission to successfully integrate children with autism into the community through a holistic approach to intervention and therapy, along with focused efforts to create social awareness about autism. As part of our support for the mission of DAC, we have provided logistical support by facilitating their shipping needs.

Jordan

UN Gender Equality Seal

In 2013, our station in Amman proudly received the UN woman gender equity seal, making Aramex one of the few companies in Jordan to hold this certificate.

Raneen

Our partnership with Raneen, which began in 2011, continues this year. Ms. Rawan Barakat founded Raneen for Audio books with an aim to create audio books and libraries for children, while also providing training workshops to engage with children using these books. During 2013, 10 workshops were conducted with 542 students across three large cities in Jordan.

Jordanian Blood Bank-Blood Drive

Our station in Amman held a blood bank which resulted in the collection and donation of 60 units of blood to the Jordanian Blood Bank.

Ruwwad

We continue to support Ruwwad's activities in Jordan, for more information, refer to Ruwwad section on page (46)

South Africa

THE AMAZING DRIVE

Employees Initiative

In the spirit of Madiba Day, Aramex employees across all of our offices in South Africa decided to launch a staff initiative whereby staff members donated maize meal bags that can provide nourishment to a family of four for a week. Each station identified an NGO in their community to support, collecting 1,636kg of maize benefiting 670 people.

Egypt

Ruwwad

We continue to support Ruwwad's activities in Egypt, for more information, refer to Ruwwad section on page (46)

Global (Egypt, UAE, Kenya & Uganda)

InfoCARE: InfoGREEN, InfoSAVE and InfoGROW

InfoFort an Aramex sister company, is the leading records and information management solution provider in the Middle East and Africa. As part of its sustainability commitment, InfoFort has developed InfoCARE, a platform for empowering information-driven sustainability initiatives, designed to innovate in saving the environment, supporting mission-critical organization to ultimately save lives, and empower youth living in marginalized communities. The platform includes three fronts: InfoGREEN, InfoSAVE and InfoCARE.

InfoGREEN includes initiatives and solutions that aim to raise awareness and have an environmental impact through digitization, recycling, reducing paper consumption, and taking serious efforts to decrease InfoFort's carbon footprint.

InfoSAVE aims to enable mission-critical organizations such as humanitarian, blood banks, Red Cross, environmental groups, charities, and other NGOs to be more productive, efficient and responsive, by supporting them through information management services. InfoSave is currently working with Action against Hunger in Uganda and Kenya. The NGO has 30 years of expertise in emergency situations of conflict, natural disaster, and chronic food insecurity. It runs life-saving programs in approximately 40 countries, benefiting five million people each year. InfoFort has helped the NGO through information management solutions which enabled them to better manage and store their records, saving valuable office space and focusing more on their humanitarian cause and core competencies.

InfoGROW aims to train and enable people living in marginalized communities with information-based skills that can help them develop, grow and enter the work force and become self-sufficient. InfoGROW partnered with two initiatives this year: Ability and Alashanek Ya Balady.

Ability focuses on empowering people with special needs to integrate them within the society, enabling them to find employment and become self-sufficient. During 2013 InfoFort hired 15 deaf and mute people to join their data entry team in Egypt.

Through the education and awareness program, Alashanek ya Balady - Association for Sustainable Development (AYB-SD) is based in Egypt and works on the skills development and education enhancement of marginalized adolescents. This program equips them with the skills necessary to access the labor market in the long run. InfoFort has assisted AYB-SD by equipping a governmental primary school with a computer lab in order to conduct computer skills sessions and eliminate computer and Internet literacy.

Youth Education and Empowerment

Aramex plays an active role in partnering with youth to empower them through education, mentorship, internships and a variety of other programs. We seek to identify organizations that have an established track record in designing youth engagement and empowerment programs, with measurable impact. Furthermore, we encourage youths to come up with their own initiatives, and we work with them to identify areas of common collaboration.

Bahrain

YOUTH MENTORSHIP

Employees Initiative

Luai Agha, Bahrain Station Manager and Yazan Darwish, Senior Supply Chain Manager, mentored 25 students majoring in International Logistics Management from Bahrain Polytechnic University. The students got the chance to learn about the industry and gain insights through attending a knowledge sharing session and taking a tour of the station and operations.

Palestine

The Hope Fund

The Hope Fund secures and coordinates scholarships from US colleges for talented and driven Palestinian youth, predominantly from refugee camps in the Arab world for which a higher education would otherwise be unattainable.

Aramex and the Hope Fund partnered to provide youth scholars with internship opportunities in areas related to their field of study. One of the students, Mohammed Al-Baz, is studying Business Administration and spent his internship working at our warehouse in Dubai.

Intel Foundation's Science Competition-Arab World

Intel science competition - the Arab World (ISC-Arab) is the first scientific competition of its kind for students in the early stages of the third grade until the end of the preparatory and secondary education, meaning, at the level of the whole Arab nation, in any age group of 14-18 years. The competition was held in Amman, Jordan in 2013. Along with providing logistical support, Aramex sponsored the travel, accommodation and participation of 10 Palestinian students (boys and girls) along with three of their teachers.

Student to Student

We continue to support the Student-to-Student Initiative by empowering students with university-level education in Palestine. The scheme provides support that is conditional upon each student agreeing to homeschool five students in return for their scholarships. In 2013 we supported an additional five students raising the total to 30 students. By supporting 30 individuals, the initiative ultimately secures the education of 150 students.

Regional (Middle East and North Africa)

Injaz

Our regional partnership with Injaz is ongoing. A group of our employees have participated in different Injaz courses and workshops aimed to empower youth. One of the Injaz programs in Cairo introduced a leadership development method to endow students with financial thinking and planning skills. Another program in the UAE, the Innovation Camp, paired Aramex mentors with 30 female university students who then work together to come up with innovative business ideas.

Uganda

Restless Development

Our partnership with Restless Development has been ongoing since 2011. Restless Development is a foundation that enables young people to take leadership in addressing the most urgent issues facing their countries and the world. Through this partnership, Aramex Uganda set up the Youth Internship program. Andrew Bazzade was our 2013 intern and received professional mentorship. We then hired him to join our Operations Team. We are also providing four students with scholarships in vocational education.

The Nnabagereka Development Foundation (NDF)

Aramex partnered with NDF in 2012 and granted university scholarships to four exceptional female students, who come from marginalized communities. The students, in return, volunteer four hours in their communities. They are now in their sophomore year and, upon graduation, will be offered professional internships at Aramex.

Lebanon

American University of Beirut - Schoolchildren Internships

Aramex has collaborated with the American University of Beirut (AUB) to offer an internship program for school children. During July, six children arrived at our premises in Beirut to actively engage in learning about Aramex's operations. The children gained hands-on experience by working for two weeks across four different Aramex teams: Customer Service, Outbound Operations, Domestic Operations and Human Resources.

Aramex believes that such experiences at an early age empowers children to discover new passions, skills and introduces them to possible career options. What's more, the internship program is designed to build upon the information children learn at school in different subjects, which empowers them to link theory to practice.

AMIDEAST

Aramex provided support for AMIDEAST, which has a long and distinguished record in international education, training and development assistance in the Middle East and North Africa. With 23 offices in 13 countries and over 650 dedicated professional staff, AMIDEAST provides programs and services to improve educational opportunity and quality, strengthen local institutions, and develop language and professional skills for success in the global economy.

Jordan

IAESTE Jordan and Jordan University

The International Association for the Exchange of Students for Technical Experience (IAESTE) is an independent, non-profit and non-political student exchange organization. It provides students in technical degrees (primarily science, engineering and the applied arts) with paid, course-related, training abroad, and employers with highly skilled, highly motivated trainees, for long or short term projects. In collaboration with the Jordan University, our station in Amman provided an internship for an IAESTE exchange student visiting Jordan from Poland for the duration of the summer.

Oman

AIESEC

Aramex and AIESEC Oman joined hands in 2013 to provide support for local Omani and international youth through conferences, training programs, workshops and international exchanges.

AIESEC in Oman was established in 2007 with a mission to develop Omani youth to become the future leaders that the Sultanate needs. Since establishment, it has delivered membership experiences to over 400 Omani youths and realized more than 150 international youth exchanges.

(SO1)

Iran

AIESEC

Through our partnership with AIESEC, Aramex Tehran provided Gustavo Tedesco, a fresh graduate from business school, a two-month internship at Aramex working with the Customer Relationship Management Team (CRM).

The United Kingdom

Youth Mentorship & Internships

Our team in the UK piloted an initiative to provide mentoring to youth in marginalized urban communities in association with local school authorities. The mentoring involves coaching sessions on challenges the students would face upon joining the work place. The program has managed to support four youths in finding employment, and placing four more students in colleges.

Furthermore, an internship program has been set up to receive interested and qualified youths (ages 16-21) to intern across several departments in Aramex. The interns also receive professional training from our partners, such as Mantra Learning, which provides specialized training in logistics and freight. People Concepts is another partner organization and has delivered training sessions on customer awareness, time management and telephone handling skills.

Our Managing Director in the UK, Jim Armour, meets with the interns on a monthly basis to conduct intensive training discussing customer service, profit making, analyzing competition, understanding personal skills and other related topics.

With Jim's encouragement, and our Regional HR Manager, Emma Mountford's support, the interns have started their own business and called it 'Apprentices R Us'. From a start-up of USD 300, the interns have budgeted and forecasted to grow the business to generate USD 6,000 in profit within six months.

> **"Quote from Jamie Dickinson, an apprentice: The Apprentice Scheme at Aramex is a fantastic opportunity for any young person. Now that I have developed in my role I feel honored to have been given the responsibility to give back to the scheme, by mentoring some of the new apprentices"**

Bangladesh

Golden Touch Students Welfare Association of Varella

Employees initiative

Nurul Islam has been working as a Facilities Supervisor in our Dakha station since 2010. He comes from Varella, a village in Comilla city in Bangladesh. In 2006, Nurul and a group of his friends co-founded the Golden Touch Students Welfare Association of Varella (GTSWAV). The association is a non-political volunteer-based social welfare organization with specific goals. It aims to increase literacy rates in the village and encourage students to continue their education in spite of the challenging economic circumstances. The association also aims to encourage entrepreneurship among students, and come up with environmental projects in the village.

Since inception, the association has grown to include 150 volunteering members. They were able to support the students in the village by providing necessary books and stationery, covering some transportation costs and even providing a university scholarship. The association's future plans include establishing a library, a blood bank, empowering students through soft skills such as debate and entrepreneurship, and providing basic health care for the residents.

Entrepreneurship

Entrepreneurship at Aramex is a strategic sustainability concern. Top management at Aramex has always been devising an approach that sought to empower youth and nurture entrepreneurship. Hence, we at Aramex believe in the importance of enabling and assisting entrepreneurs to create their own opportunities. The broad goal of the entrepreneurial programs sponsored by Aramex was to craft an entrepreneurial ecosystem, where young people could develop critical-thinking skills and learn how to access capital, training and mentorship.

Global

Supporting Entrepreneurs and SMEs

As part of our ongoing support for entrepreneurs, startups and small and medium-sized enterprises (SMEs), we designed a package to support these companies which includes offering special discounts. Launched in 2013, it is continuously helping these customers grow their businesses and gain a competitive edge in their respective markets.

To further support those SME's and startups we are going to upgrade this program to include support for these companies by facilitating customized business training for them, and also support the interested ones in starting their sustainability reporting. More details of this program are going to be available during the first quarter 2014.

SME Evolution Program

We have partnered with Potential to deliver its SME Evolution Program (SMEEP). Potential is an innovative social enterprise that supports job creation by enhancing business skills of individuals helping them startup, expand their businesses or enhance their corporate career through pragmatic learning programs delivered in the form of Massive Online Open Courseware (MOOC). SMEEP is a free business development program addressed to owners, general managers and senior managers of small and medium enterprises (SME) in the MENA region. It offers best practices and practical support to existing SMEs through live 'webinar' training sessions, and live workshops.

Webinars, the online training sessions, take place once a month in two different languages (Arabic and English), and cover essential business subjects such as social media, innovation, funding opportunities, planning and more.

We were able to reach out and train hundreds of SMEs through live workshops in South Africa, Qatar and the UAE. Furthermore, Aramex employees were able to volunteer and provide mentorship to hundreds of SMEs through live webinars focused on strategy, sales and mergers and acquisitions.

Regional-(Middle East & North Africa)

Aramex Fellowship-Arab Innovation Network

As part of our dedication to social entrepreneurship, we created the Aramex Fellowship Scheme in partnership with the Arab Innovation Network. Through this scheme, we enabled 20 Palestinian students to attend AIN's Annual Conference. The conference, held in Jordan, brought together top engineering, health, environment and entrepreneurship experts and students. The students attended talks from influential speakers, received hands-on training during tailored workshops, competed in a project and business-plan competition and networked with other top students from all around the Middle East, North Africa and Europe.

United Arab Emirates

Abu Dhabi Entrepreneurship Forum (ADEF)

Aramex supported the Abu Dhabi Entrepreneurship Forum (ADEF). Organized by the Khalifa Fund for Enterprise Development, ADEF included a program of inspiring presentations, conversations, debates and workshops in addition to an exhibition and an award ceremony introducing successful UAE small and medium-sized enterprises. ADEF offered an opportunity to network and to shape the roadmap for entrepreneurship in the UAE.

ArabNet Digital Summit

ArabNet is the hub for digital professionals and entrepreneurs to connect and learn. Its activities aim at building the web industry and supporting entrepreneurship in the MENA region. The Digital Summit attracted hundreds of youth and professionals from across the region. The summit included talks, panels, debates, exhibitions and other sessions covering six different tracks: mobile, media and advertising, social media, e-commerce, entrepreneurship and disrupting industries.

Jordan

The New Think Festival (NTF)

The New Think Festival has become an annual youth empowerment and entrepreneurship event. For two consecutive days, hundreds of youths came together in a festive atmosphere to launch and share innovative solutions, creative ideas and thought-provoking concepts. This year's NTF focused on 11 themes: mind and body, success, entrepreneurship, design, education, social innovation, environment, innovation, tourism and adventure, Internet and communication, and arts and culture.

Turkey

Webit Congress

Described as the 'United Nations for digital and technology', the 2013 Webit Congress attracted 8,200 attendees from 103 countries, 300 speakers, exhibitors, 300 media outlets, and over 160,000 people who watched it online. The Congress addressed different topics and themes including digital marketing, e-commerce, analyzing big data, telecommunication and mobile apps.

Sports

Sports are a pillar of our sustainability. They encourage and represent teamwork and determination, provide a healthy outlet for youths, and promote a healthy lifestyle for communities. Therefore, at Aramex, we continuously seek programs, partnerships and initiative that focus on empowerment through sports.

UAE

Abu Dhabi Corporate Games

As part of our sports Sustainability Pillar, and our commitment to encourage our staff to be active and healthy, Aramex supported the Abu Dhabi Corporate games. Our team in Abu Dhabi participated in two tournaments in soccer and tennis.

Emirates Triathlon Club

Aramex has extended support to the Emirates Triathlon Club, which was founded in 2012 to encourage sports among Emirates Group employees and their families. The club has grown to include 60 members who have competed in different triathlons across 15 countries in North America, Europe, the Middle East, Africa and Central America.

Hong Kong

World Children's Fund

Aramex supports the World Children's Fund, a non-profit, non-governmental organization committed to helping children worldwide who are suffering the effects of poverty, disease, natural disaster, famine, abuse, civil strife and war. Since 2010, Aramex has partnered with a professional physical education trainer to train a group of children on running marathons. As a result, the trained children are always participating in competitions and running marathons. Sports not only promote a healthy lifestyle, but also help children relief stress and enhances their self-esteem and confidence.

Ireland

Ballyboughal Gaelic Football Club (BGFC)

Founded in 1935, the Ballyboughal Gaelic Football Club (BGFC) falls under the umbrella of the Gaelic Athletic Association (GAA). GAA is spread across several towns and villages in Ireland. We are proud of our partnership with BGFC which provides programs for both genders and all ages. Our partnership aims to encourage youths to become involved in sports at a young age.

Jordan

Jiu Jitsu

We continue to support Rana Qubbaj, a Jordanian Jiu Jitsu athlete and champion. This year, Rana participated in the Emirates Super Cup and won the gold medal.

Al-Riyadi Basket Team

Aramex continues to support the Al-Riyadi basketball club, which plays both in Jordan and at the regional level. As well as direct financial support, Aramex provides administrative assistance to the club through its management team.

Marathon Runners

Aramex continues to support Jordanian marathon runners Salameh Al-Aqra and Mohammed Al-Sweiti. In 2013, both runners participated in more than three marathons globally, from the North Face Marathon in Thailand, to marathons in Austria, Oman and Jordan. Both runners placed among the top 10 in Marathon De Sables in Morocco, known as one of the toughest footraces on earth. Salameh was placed second, and Mohammed placed seventh.

As a way to pay back to the communities, our marathon runners Salameh and Mohammad are training 15 youngsters from Ruwwad from both genders. They travel each year to check on the level of the runners and their progress, and set schedules with their local trainer.

Dead to Red Marathon

In 2013 we supported three teams' participation in the marathon. The teams were from marginalized areas in Jordan and one of them was a youngsters' team aged 12-15 years.

South Africa

Trampoline Gymnastics

Aramex supported trampoline gymnast, Xolani Xumalo, in South Africa to compete as a senior trampoline gymnast in the World Championships in Sofia, Bulgaria, in November 2013.

Emergency Relief

Aramex is committed to assisting communities affected by emergencies and natural disasters. Being a comprehensive transportation and logistics solutions company, we understand how vital our role is in assisting with disaster relief. Therefore, we mobilize our employees and prepare our infrastructure to respond in duly manner.

> **Hussein Wehbe, Aramex UAE Country Manager:**
> **"Logistics and transportation are crucial to any aid and relief operations and given that it is our core business, we are well positioned to help this cause. Our collaboration with Oasis Center stems from our shared values on creating better engagement opportunities between the private sector and citizens to help communities – both locally and abroad**

South Africa

Kaymandi Fire

In March 2013, a fire in Kaymandi, Stellenbosch in South Africa left almost 4,000 people displaced. The Aramex team mobilized their networks and managed to provide 8 tons of blankets, clothes and groceries in aid.

The Philippines

Typhoon Yolanda

Early in November of this year, Typhoon Yolanda hit the Philippians and resulted in widespread devastation. In response, Aramex partnered with International Medical Corps (IMC), a global, humanitarian, nonprofit organization dedicated to saving lives and relieving suffering through health care training and relief and development programs.

Aramex employees pledged amounts from their salaries to IMC to provide on the ground relief to the victims of the typhoon. The donations were matched by Aramex as well as an anonymous donor to reach a total of USD 56,322.

Global marginalized and impoverished communities

Clothes for Compassion

The Landmark Group and the Oasis Center led a one-month campaign across Dubai to collect clothes and donate them to marginalized communities. Aramex was the logistics partner for the campaign. A dedicated group of 50 employees from our operations teams participated in sorting and packing 13 tons of donated clothes, and shipping them to the partner NGOs.

Our Environmental Commitment

In Aramex, we take our commitment to the environment seriously, which is why we ensure that, even though we are part of the transportation industry, we actively measure and manage our impact. From raising awareness of our employees on environmental issues, to converting our fleet and packaging material to incorporate more sustainable options, to surveying our supply chain to ensure environmental compliance, we are actively following up on our environmental commitments. Moreover, in 2013, we spent 3 million USD over the last two years on environmental investments and expenditure.

Environmental Compliance

This was an important year in terms of compliance for Aramex, and in that spirit, we have worked and continue to work on expanding our compliance and policies to include environmental considerations. This includes updating our sustainable procurement policies, adding questions pertaining to environmental management on our supplier evaluation questionnaire. Moreover, in cases where the suppliers do not have environmental management systems or controls with them, we will work to help them implement them.

Our adherence to our environmental objectives and policies ensured that we did not receive any non-compliance fines or sanctions in 2013 related to the environment, nor did we receive any environmental grievances.

Given our type of industry, our measurable and significant impact lies on the environment in the carbon emissions that result from delivering services to our customers and the transportation of our workforce. To that end, we take an active effort in measuring, reporting and managing our carbon footprint, in order to minimize this impact. Our carbon footprint includes emissions resulting from our employee commuting and from our operations and services. However, we are aware of the responsibility we have to consider the impacts of climate change on our operations and surroundings.

We have been and still are committed to finding measures to reduce our energy intensity and carbon footprint, from being one of the first companies in the region to measure our footprint, to joining the WEF's working group on the decarbonization of the logistics industry. We are aware of the risks that climate change poses to our operations and surroundings. From uncertainty related to environmental and energy governmental policies and regulations, to insurance covers and customer needs and concerns.

Upcoming carbon taxes as well as increase in fuel prices pose increased financial burden on our operations. Moreover, there is an ever-increasing need to invest in renewable and alternative energy and technologies, which, due to regulatory uncertainty, have an indeterminate return on investment.

(EN29) (EN30) (EN31) (EN34)

Changing trade routes mean having to explore different methods to deliver our services in an efficient and timely manner, while keeping our cost minimal. Furthermore, erratic weather events, such as the snow storms that caused closings in London, Amman and New York, caused delays in our operation. The risk of increase of such weather events due to climate change presents us with a challenge in managing our operations despite them.

Moreover, being a light-asset based company; we rely on our suppliers, from airlines, sea liners and land freight operators. Therefore, we do not control our emissions across our entire supply chain. While we are incorporating measures related to supplier evaluation in order to assess suppliers' environmental management efforts, it does leave some uncertainty and additional burden on our footprint if our suppliers do not impose the same controls we thrive to have.

However, given our company culture, we aim to find opportunities to better our approach to climate change and these challenges, from thinking ahead in terms of customer needs and regulations, to working both internally and externally to reduce our footprint; we are actively seeking ways to manage our impact. To that end, we have implemented several measures of environmental compliance, from added supplier evaluation and certifying our own stations to exploring renewable energy options, fleet upgrades and increasing operational efficiency. We are active in anticipating risk and finding creative solutions to minimize it.

Carbon Footprint Data Management

Aramex takes pride in being the first company in the region to calculate and report on its carbon footprint. We have been members of the World Economic Forum's (WEF) working group tasked with creating a framework for the decarbonization of the logistics industry. In the same spirit, we are continually seeking to expand on improving on the accuracy and scope of our carbon footprint calculations in order to develop the most effective carbon reduction and management plans. To that end, Aramex deployed a Carbon footprint management system, which allows for effectual, timely and accurate data delivery and management. This is a system that is developed in-house to meet Aramex's needs fully. By doing so, we can identify any data gaps, trends in our carbon footprint and expand on our scope more effectively to capture the full frame of our emissions.

Our Carbon Footprint

For the fourth year in a row we have taken active steps to measure and manage our carbon emissions. We report our emissions based on the World Economic Forum's working group accounting tool- The GHG protocol. The GHG Protocol is the most widely used framework through which businesses, governments and other organizations quantify their emissions. The GHG protocol tools allow us measure our emissions as CO_2 equivalent, which is the unit used for the global warming potential of each of the six GHG represented as a unit of CO_2e. Moreover, we measured and reported our energy consumption within our operations for 2013, which related to our direct and electricity emissions.

Aramex's energy consumption and intensity

For 2013, our electricity consumption per shipment was 0.84kwh/shipment and our fuel consumption per shipment was 0.39 liters per shipment

As per the Protocol, we have broken down the various direct and indirect components of our gross emissions into three scopes:

	2012	2013
Global Emissions Breakdown		TCO_2e
Scope 1	37,100	38,358
Scope 2	22,885	22,078
Scope 3	456,306	479,828
Freight	374,466	387,719
Express	61,034	70,801
Commuting	19,806	20,202
Business Travel	1,000	1,106
Total Emissions	**516,291**	**540,264**

GHG emissions-Scope 1

Fuel (38358 tCO_2e)

Scope 1 emissions are direct emissions generated by Aramex-owned and operated vehicles.

Aramex produced 38,358 tons of CO_2 equivalent (tCO_2e) emissions from fossil fuels (including CH_4 and N_2O) in 2013. These were generated directly by Aramex-managed, owned and leased vehicles using diesel and unleaded fuels purchased from local private or public petrol stations. The figures used to calculate these results were provided.

2013 marked a year of growth in our operations; this growth was accompanied by an increase in fuel consumption and thus our scope 1 emissions. This increase is a direct result from the increase in the number of shipments and expansion of our operations.

GHG emissions-Scope 2

Electricity (22,078 tCO_2e)

In 2013, Aramex produced 22,109 tCO_2e of emissions from electricity generation, comprising actual CO_2 emissions from electricity use, as well as CH_4 and N_2O emissions. These are the result of electricity consumption from heating, cooling, lighting, and technology use in our offices and warehouses across the globe. Aramex purchases electricity that is provided by local companies or governmental entities.

(EN3) (EN5) (EN15) (EN16) (EN17) (EN27)

GHG emissions-Scope 3

Business travel (1,106 tCO_2e)

In 2013, Aramex employees generated 1,106 tCO_2e of emissions from business travel, compared to 1,000 tCO_2e in 2012. The reason behind the increase is the fact that our operations expanded and our employees grew by 2 percent. As part of our commitment to reduce our emissions, we adhere to utilizing video conferencing whenever possible to cut down on business travel.

Commuting (20,202 tCO_2e)

In 2013, our commuting footprint increased at the same level as our employee numbers. Aramex employees generated 20,202 tCO_2e of emissions by commuting to and from work, based on data obtained via an employee survey in 2012 that asked around 50 percent of our employees to identify their precise method of transportation and travel time. This rise was also a direct result of the 2 percent increase in the number of employees.

Our efforts to reduce these emissions include engaging our employees through periodic training programs on environmental sustainability, as well as being vocal about our environmental concerns. We have developed and distributed a Green Office Handbook designed to educate employees on the company's ecological footprint and encourage them to adopt practices that will minimize their carbon emissions, both at work and at home.

We also provide a shuttle service for our facilities in Jordan and Dubai. At our Dubai Logistics City facility, the shuttle transports employees between the facility and the nearest Metro station.

Express shipments and freight consignments (45,852 tCO_2e)

In 2013, Aramex shipments and freight consignments produced 45,852 CO_2e of emissions, according to data obtained from our operations and IT departments.

The rise since 2012 was due to increases in the number and weight of shipments, as well as the inclusion of new stations in the consolidated data. We are utilizing new and improved technologies to minimize driving hours and are promoting land freight as an alternative to air and sea transport, as this significantly reduces emissions. However, due to political occurrences beyond our control, namely the crisis in Syria and uprisings in surrounding areas, which has limited our routes and resulted in border closures, we had to shift some of our land freight to the more carbon-intensive air freight in order to deliver to our customers and provide to and from the region.

Emissions per shipment

For 2013, our emissions were 13.5kg of CO_2e per shipment; moreover, we had 0.000541kg of NOx and Sox per shipment. This calculation takes into account all of our three scopes. We only had a 1% increase in emissions per shipment from our base year which was 2012. However, our scope 1 (fuel) emissions per shipment decreased in 2013 by 0.5%, while our scope 2 (electricity) emissions per shipment decreased by 7%.

(EN17) (EN18)

While we expanded our operations and warehouses, we were able to maintain our emissions per shipment. However, most significantly, due to instability in the region, most notably the Syrian crisis, we had to shift our shipping modes from land to the more carbon intensive air freight in the affected areas and borders, which resulted in a slight increase in emissions.

NOx, SOx and other emissions

The amount of NOx and SOx released by our operations in 2013 was 21580.28 Kg.

These emissions resulted from the use of fuel in our vehicles. Furthermore, we do not produce, import or export any ozone depleting substances in our operations.

Reduction in energy consumption

Electricity reduction due to LEED

Our station in Amman, Jordan is currently in the commissioning phase of its Leadership in Energy and Environmental Design certification. However, from the initial year, we began to notice large reductions in our energy use in this station. Since we moved to the new stations in 2013, our electricity consumption declined by 93% per square meter.

Reduction of GHG emissions

While our operations grew, we were able to reduce our Scope 2 emissions by 4%. This is a result of several initiatives put in place during this year, from the Greenzilla competition's focus on electricity reduction (which is halfway completed), to incorporating LEED and ISO 14001 environmental management systems in our facilities. We are actively seeking measures to reduce our energy use and emissions and are keen to continue this trend in the coming years.

Renewable Energy

Investing and utilizing of renewable energy in our operations is part of Aramex's long-term plan. The integration of renewable energy into our energy mix has proved challenging due to the lack of available and efficient technology, as well as the ambiguity and instability of related policies. However, we continually investigate opportunities to incorporate renewable energy in our operations where available and where possible.

Shipment Carbon Footprint Calculator

Aramex is in the process of rolling out a carbon footprint calculator for our customers, allowing them to calculate the emissions associated with their shipments. This calculator will assist our customers

(EN6) (E19) (E20)

in managing the carbon footprint along their supply chain, while giving them different options to help them make more environmentally-friendly shipping decisions. This also gives us the chance to look at our emissions on a shipment level, which provides another level of detail and accuracy in how we manage our emissions and provides our stakeholders with transparent information related to our operations.

Greenzilla

This year, we launched the Greenzilla award, an internal environmental competition between the Aramex entities. The focus of the competition will change every year, covering an environmental theme, from electricity use to printing to employee commuting. Greenzilla is a way for all Aramex employees to take the lead in applying environmentally friendly practices to their surroundings. The theme for 2013-2014 is electricity consumption, and so far, Aramex employees have come up with creative ways to raise awareness on the issue and reduce consumption. To that end, different Aramex entities are using a combination of awareness materials and trainings, employee volunteering (Green Champions), and switching smart energy appliances in order to bring down their consumption. From the first month, we began to see a change in consumption. Aramex stations are becoming familiar with their consumption behavior and are engaged in attempting to understand these trends, the impact of energy on the environment. It is within this internal motivation that we are seeing a difference in the awareness of environmental issues.

Within months of initiating the competition and starting this conversation internally, employees began to look further towards other ways they can be environmentally friendly, whether at the office or at home. In order to support our employees, we revamped and distributed the Green Office Handbook. We also make a point of distributing sustainability tips via email and our internal communication network. We began to notice reduction in energy consumption in a number of our entities; the competition results will be shared with the network in April 2014.

Green Champions

The Green Champions program at Aramex is an environmental awareness and stewardship program. The Green Champions are employees that volunteer to work alongside our sustainability team to raise awareness related to the environmental impacts of our operations. Green Champions are tasked with assisting with goals related with the reduction of resource consumption (Greenzilla) and coming up with employee- led ideas and initiatives to ‘green’ our offices and stations. The program is in its pilot phase in Amman, and is planned to expand across the network within the next two years.

LEED Certification

This year, two of our warehouses in Egypt received the Leadership in Energy and Environmental Design (LEED) Certification. Moreover, we are currently in the commissioning phase of the LEED Certification process for our facilities in Amman and Dubai.

(EN6)

Station Certifications

In 2013, we renewed the ISO 14001 certification for Environmental Management Systems, for two of our facilities in Amman. We were also able to certify four more facilities during this year in Muscat, Cairo, Bahrain, and Kuwait. Below is a breakdown of our station certifications.

With the addition of these facilities, we were able to reach our goal of certifying six of our facilities this year.

Certification	Certified in 2013	Renewed in 2013	Total certified entities
ISO 14001	4	2	22
ISO 9001	2	6	33
OHSAS 18001	4	4	20

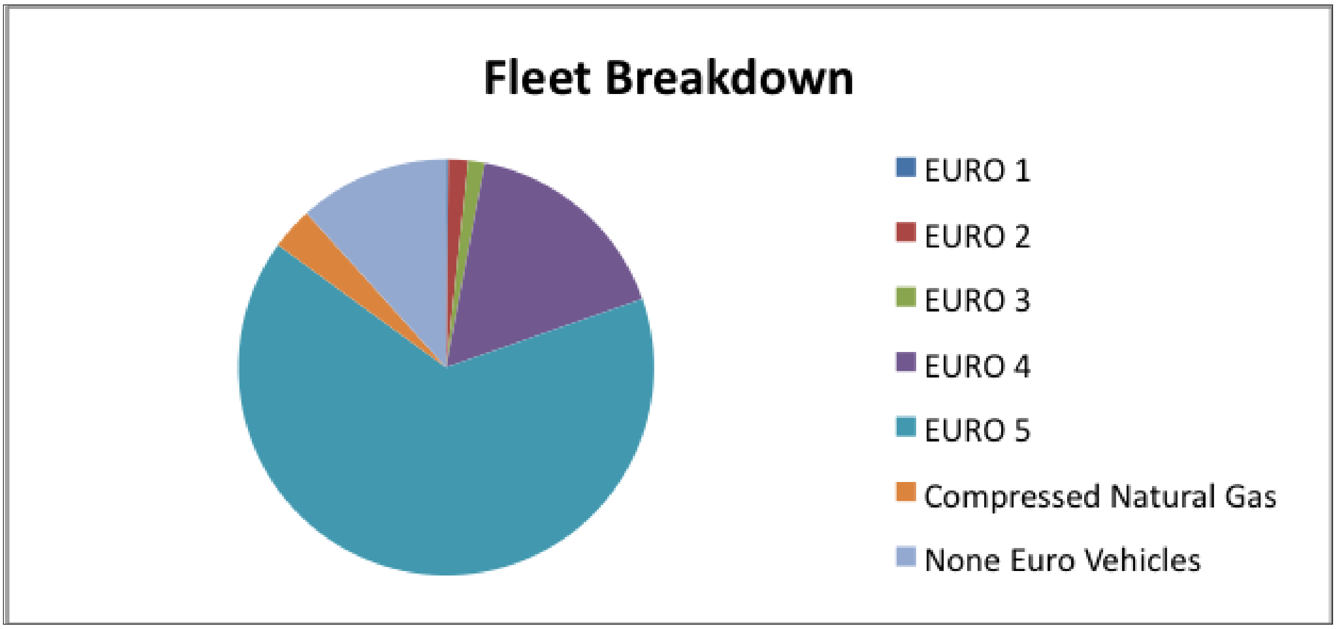
Currently, 22 of our facilities are ISO 14001 certified.

Moreover, 20 of our facilities are OHSAS 18001 certified, and 33 are ISO 9001 certified.

Our Fleet

Where possible, we continue to update and convert our fleet to more environmentally friendly vehicles, including Low Emission Vehicles as well as complying Euro 4 and Euro 5 vehicle emissions standards.

Moreover, we continue to utilize vehicles that rely on natural gas to further reduce our emissions. Below is our fleet breakdown for 2013:



(EN30)

Route Management System

In 2013, we launched our route optimization software (E-Courier), which will be utilized for navigation for our couriers. This software enables plan pick-ups and deliveries using the best routes. Thus we are maximizing our efficiency in order to reduce our energy and carbon footprint.

Case Study

Optimization through the added consolidation centers - the case of Al-Kerak office in Jordan:

In 2013, we opened up an office in Al-Kerak to increase our services to the south of Jordan. This office has acted as a consolidation center for the south, and has allowed for not only a more efficient and faster service, but also reductions in our fuel consumption and emissions due to the reduction in the number of vehicles and trips from Amman to customers in the south of the country.

This has resulted in a reduction of 43,680 km per month, 5294.5 liters of fuel per month, which translates 14.246 tonnes of CO_2e/month 170.9 tonnes/year saved.

Materials
2013 Material Consumption

In order to reduce our waste stream, since pouches are used for 99% of our shipments, we make sure that they are made from 100% degradable material. This means that these pouches have a two-year life span and degrade, therefore, reducing waste reaching the landfill. Moreover, we ensure that all our card-board boxes and flyers are produced from recycled paper, where available.

Below is the amount of materials we used throughout 2013:

Material Type	Units	
Pouches	39699534	degradable
AWB	14565	Recyclable
CANVAS BAGS	2210	Re-usable
BOXES	34467	Recycled/ Re-usable/Recyclable
ENVELOPE	7248	Recycled/recyclable
FLYERS	28620	Recycled/recyclable
LABELS	7700	None
BAG SEALS	4727	None
STICKERS	3439	None
TAGS	47	None
TAPE	2503	None
TOTAL	105526	

All of our materials are made of non-renewable resources since the majority are plastics.

(EN1) (EN2)

Paper consumption

We continue to automate our internal processes, enforce printing restrictions and encourage increased utilization of our Intranet and internal communication channels. Since 2012, we have been introducing and expanding the spread of electronic scanners in our stations to track shipments, delivery times and capture signatures, in an effort to further reduce our paper consumption.

Furthermore, our sustainable procurement policy requires that all printers must have double sided printing capabilities, while also raising awareness on responsible paper use practices in our training programs. Additionally, we strongly promote electronic shipping systems to our clients and encourage the use of small printed labels instead of large paper waybills.

Water Usage

The nature of our business ensures that our water consumption is restricted to domestic use for drinking and water cycles, which is paid for as a utility expense included in our facilities rent. We purchase our water from local municipalities and suppliers. Therefore, no significant water sources have been affected by the withdrawal of our water.

In 2013, our total water consumption was 184,033 m^3 as per our municipal bills. We actively raise awareness with regards to water usage in the offices and stations, through our green office handbook and environmental training awareness. However, with the expansion of our facilities, operations and work force, along with the inclusion of new station, our water consumption has risen for 2013.

Our output is restricted to public sewage systems (or recycling) and does not pose any risk of pollution to local water bodies or sources. The exact quantity of wastewater we produce is not possible to measure since we often operate from commercial buildings with shared wastewater facilities. However, we reuse and recycle water where possible. For example in our station in Dubai, we recycled and reused 68% of our water which supplied 65% of our irrigation requirements in 2013.

Waste management

As a service-oriented logistics company, we produce very little waste by-products. We strive to recycle waste produced in our stations. In 2013, we recycled 35,173 Kg of paper, which is the equivalent of around 500 trees.

Moreover, we do not handle or dispose of any hazardous material, and we did not have any major spills in 2013. It is against Aramex policy to transport, import or export material that is considered hazardous.

(EN8) (EN9) (EN22) (EN10) (EN24) (EN25)

The below table shows a breakdown of our recycling for 2013:

Type of Waste	Weight (kg)
Paper/Cardboard	35173
Plastic	26170
Envelopes	3600
Electronics	365
Wood	25200
Non-recyclables	3870

Moreover, we do not own or lease any land adjacent to areas that are protected or important to biodiversity in any of the locations in which we operate, and we always take the utmost care in ensuring our activities do no not harm or disturb any habitat or species in the vicinity of our operations. In this regard we are particularly sensitive to the plight of species that are featured on the International Union for Conservation of Nature's (IUCN) Red List and other conservation watch lists.

Environmental initiatives from the Stations

Having a wide spread global presence allows Aramex to work on a wide range of environmental projects in our different locations. We encourage our stations, no matter where they are located, to engage with the local communities and identify long lasting projects and partnerships that will provide environmental and social benefits to those areas.

Agreement with APN

We have continued our commitment with the Arab Group for the Protection of Nature to plant tree in different parts of Jordan.

The program is aimed at increasing green spaces, promoting environmental and soil conservation. APN partners with local NGOs to educate communities about the importance of trees and vegetation for the environment, as well as providing them with economic benefits resulting from the use and sale of the produce from these fruit trees.

Through our partnership with APN, we have planted 200 trees, and are in the process of planting 600 more around Jordan.

Partnership with City Yange Foundation

Our offices in Uganda, in partnership with the City Yange Foundation, took on a project that includes social themes that engages various stakeholders, individuals, corporates, government and its affiliate bodies, schools and parastatals in cleaning up and beautifying the city of Kampala. The goal is to inspire and educate individuals and involve the community towards a greater ownership of their environment. In particular, Aramex worked to help cut down on car littering. This included sticker distribution to raise awareness. Moreover, Aramex employees were involved in city-wide clean ups.

(EN23)

Partnership with the UAE Department of Transport

Our offices in Abu Dhabi is working with the UAE department of transport on filing and disseminating surveys and information regarding transportation habits and needs in order to assist the city in its transport mobility management strategy aimed at reducing congestion and improve mobility options. Through our participation with the Department of Transport we are able to gauge where Aramex stands in relation to the application of sustainable approaches to transportation and commuting.

Partnership with TEMA

In Turkey, Aramex has partnered with TEMA (The Turkish Foundation for Combating Soil Erosion, for Reforestation and the Protection of Natural Habitats) on a project to promote paper recycling through sustainability training given to the employees.

Associations and Memberships

We belong to a wide array of industry forums, NGOs and foundations. These range from membership of international bodies such as the World Economic Forum (WEF), through to being IATA-approved freight agents and a founding member of the Express Global Distribution Alliance (GDA).

Memberships		
Freight	International Air Transport Association (IATA)	We are IATA-approved agents with individual CODE/ CASS numbers in Algeria, Bahrain, Bangladesh, Canada, China, Cyprus, Czech Republic, Egypt, Ethiopia, France, Germany, Ghana, India, Indonesia, Iran, Iraq, Ireland, Jordan, Kuwait, Lebanon, Libya, Malta, Mauritius, Morocco, Nepal, Netherlands, Oman, Qatar, Saudi Arabia, Shanghai, Singapore, Slovakia, Sri Lanka, Sudan, Switzerland, Syria, Turkey, UAE, UK, USA, and Vietnam. Some main stations are individual members, while the remaining stations are in the process of becoming IATA-approved.
	The International Air Cargo Association (TIACA)	Member
	Fédération Internationale des Associations de Transitaires et Assimilés/International Federation of Freight Forwarders Associations (FIATA)	Founder
	World Freight Alliance (WFA)	President
	Freight Forwarding Syndicate	Member
	Air Cargo Netherlands (ACN)	Member
	Fenex	Member
	EVO (Netherlands)	Member
Logistics and Ground Operations	Supply Chain and Logistics Group	Member
Express	Global Distribution Alliance (GDA)	Founder
	Express Delivery and Logistic Association	Member
Information Technology	Information Technology Association of Jordan (INTAJ)	Member
Business Improvement and Efficiency	BSI Registered (British Standards Institute)	Member
Security	Transported Assets Protection Association (TAPA) – Jordan	Member
	Transportation Security Association (TSA) – USA	Aramex is an indirect air carrier
	Customs Trade Partnership Against Terrorism (C-TPAT) - USA / Customs Dept.	Aramex NYC is a member
	Department for Transport (DfT) - UK	TwoWay and Priority are listed agents
Environment	Arab Forum for Environment and Development (AFED)	Member
	Jordan Green Building Council (JGBC)	Member
	Abu Dhabi Sustainability Group (ADSG)	Member
Others	KAMCO: Brokerage - USA	Member
	ABANA: Association of Arab Banks for North America	Member
	MCAA: Messenger Courier Association of America	Member

(G4-15-16)

Forums, Foundations, Associations, and NGOs	
INJAZ	INJAZ al-Arab covering the Middle East
United Nations Global Compact (UNGC)	Members since 2007, we are now involved in human rights, anti-bribery, and anti-corruption working groups.
United Nations Caring for Climate	Signatories
World Economic Forum (WEF)	Global Corporate Citizenship Initiative Advisory Committee Partnering Against Corruption Initiative (PACI) Sustainability work stream working on Supply Chain De-carbonization
The Arab Foundation for Sustainable Development “Ruwwad”	Founder
The American Chamber of Commerce in Jordan (AmCham-Jordan)	Member
World Trade Center	Jordan Chapter Member
Jordan European Business Association (JEBA)	Member
Global Reporting Initiative	Organizational Stakeholder
Arab Sustainability Leadership Group	Part of the founding group
Chambers of Commerce in all countries of operations	Member
Women Against Violence Conference – Amman- Jordan Women Against Violence Association (WAV) (www.womenav.org)	Supporter Supporter
Arab Distributors Conference in Lebanon	Member
Digital Opportunity Trust DOT	Board Member
AMIDEAST Lebanon	Board Member

Certifications
ISO 14001 Environmental Management Systems
OHSAS 18001 Occupational Health and Safety Management Systems
ISO 9001 Quality Management Systems
Leadership in Energy and Environmental Design

(G4-15-16)

Stakeholder Engagement

Aramex's global presence ensures that we have many stakeholders vested in our sustainability. Aramex defines its stakeholders as any entity which we interact with, whether directly or indirectly, and is in our sphere of impact, by assessing our operations and their reach; we are able to identify our different stakeholder categories.

> "Our goal is to better understand and effectively help in managing the impacts of current or future global challenges on stakeholders by finding and developing effective solutions"

We understand that our sustainability performance is a vital determinant of our relationship with our employees, customers, business partners, shareholders, members of the communities we serve and the environment, and directly impacts our long-term growth, therefore we actively engage with all our stakeholder groups.

We proactively engage with our stakeholders to understand their needs and concerns, and in return ensure we address these in our decision-making process.

Our goal is to better understand and effectively help in managing the impacts of current or future global challenges on stakeholders by finding and developing effective solutions. Thus, we aim to keep our engagement strategy transparent, publicly disclosing key sustainability information in our annual report and through our online channels, whilst also entering into more detailed dialogues with key stakeholders.

Results from discussion generated through our multi-stakeholder engagement and consultation workshops held in 2012 set priorities for us to improve our performance and inform the development and implementation of future management strategies. Main concerns that were raised by our stakeholders included communication of Aramex's sustainability efforts and measurement of their social impact, the accessibility and length of the annual report, and employee volunteerism.

In response, Aramex in 2013 deployed a number of methods to address these concerns. Firstly, this year's annual report is hosted on a micro-site, and sections can be downloaded as pdf. Furthermore, the report will have easy to understand data analytics of the Aramex sustainability performance, along with summaries, highlights and key facts and figures.

(G4-24, 25,26,27)

Furthermore, in 2013 the Active Citizen's Program was launched to encourage further employee volunteerism and match employees with organizations in their respective regions that fit our six pillars of sustainability. The program was launched with a social media platform to allow employees to share experiences, recommend organizations, and connect over the program.

We remain active in finding new ways to engage our stakeholders, from weekly customer visits, to client workshops and meetings in order to further align our business practices with their needs and aspirations. In Amman, Aramex held an event with over 300 members Eastern Amman Investors Industrial Association (EAIIA) where our services and the businesses' customer needs were discussed. A partnership agreement was signed to empower the association members and provide them with training and capacity building related to matters of logistics, as well as granting them competitive rates.

Moreover, similar events were held with Jamalon to train the clients on the use of our e-tools and services.

We engage with members of the civil society and community through our NGO partners and partnerships, ensuring that we consistently deliver on our commitment to positively impact the communities we serve.

Our stakeholder engagement activities will continue in 2014, with plans to hold regional engagement sessions with stakeholders that include discussion sessions related to our sustainability projects and report. We will also disseminate surveys to identify stakeholder priorities in terms of what we report on.

We relied on feedback from our stakeholders in defining the material aspects for our 2013 report. We reached out to our stakeholders and asked them to evaluate what aspects are most important to them and what they expect us to report on as they relate to our operations. Once we received their feedback, we identified the scope and boundaries of each aspect and set priorities based on our operations and on significance on our economic, environmental and social impacts. We made sure to choose a representative sample from each stakeholder category to survey. Therefore, we extended the survey to our top clients, current and previous employees, NGO and civil society members, governmental sectors.

The survey revealed high stakeholder interest in matters of compliance, human and labor rights. To that end, we ensured the addition of a complete section on our compliance programs, as well as the reporting on all the measures Aramex takes to ensure our accordance with human and labor rights as per international standards. Moreover, there was interest on aspects that we diligently report on a yearly basis, such as our environmental and social programs.

The table below provides an overview of our main stakeholders and the processes, priorities and outcomes of our engagement with each group.

(G4-24, 25,26,27)

Stakeholder	Frequency	Engagement Processes	Priorities	Efforts and Outcomes
Employees				
Our diverse workforce comprises over 11,649 direct and around 2,220 indirect employees across the globe; further enriching the diversity of our workforce and increasing the number of nationalities employed in Aramex to 87.	Annual Performance reviews Weekly-Monthly-Quarterly team meetings depending upon need Sr. Management meets at least quarterly	• Operational meetings • Station meetings, functional meetings and regional meetings • Team brainstorming sessions • Individual performance appraisals • Internal surveys • Employee social events • Employee satisfaction surveys • Management retreats • Annual leaders' conferences • Online communication (social media, email shots, video channels) • Internal collaboration tools • Classroom and online training, education and workshops	• Job security and safety • Competitive salaries and benefits • Career and skills development through internal training, executive education and workshops • Knowledge sharing • Empowerment and ownership of work • Opportunities for performance-based progression • Healthy work environment • Maintaining a strong corporate culture, values and reputation	• Feedback-based enhancements to several Aramex functions, such as the Corporate University, to improve the quality and effectiveness of training and career development • Strategy meetings with all team leaders across the network were held during the year to define the future strategy of the company • Global Change Leaders' program • Celebrating our frontline employees on 'Aramex Courier Day' • More frequent regional leaders' meetings held in various areas of operation • Organized sports events, such as the Aramex Gulf Cup Football tournament and Jordan Football Championship • Internal promotions of regional and national managers • Enhanced internal communication channels
Customers				
We serve over 60,000 customers spanning the Middle East, Africa, Europe, Asia, and North America. 1*	Depending on clients needs and client agreements, visits from Aramex agents and representatives that occur daily, weekly, monthly or quarterly	• Weekly personal feedback meetings • Online communication forums, social media and live chats • Branches and outlets • Contact centers • Stakeholder engagement events	• Provision of customized services that cater to customers' needs • High-quality service and responsive customer support • Cost-effective solutions that offer competitive value for money • On-time delivery • Safety and privacy	•On-going enhancements to the customer complaint system to drive active operational improvements • Roll-out of Our Global Case system • Enhanced customer service through social media, web and desktop tools, iPhone application, and live chat • Continued deployment of a state-of-the-art Aramex Contact Center system that centralizes communications, provides automated integration with the global customer database, and logs workflow activity for quality analysis and assurance purposes • Continuation and expansion with the customer service training and coaching of our frontline employees. • Trained more than 6,000 employees on compliance-related issues to make sure that we fulfil our customers' needs and not to expose them to any non-compliance risk that might result from our operation

1* Excluding Shop and Ship customers, who exceed 300,000.

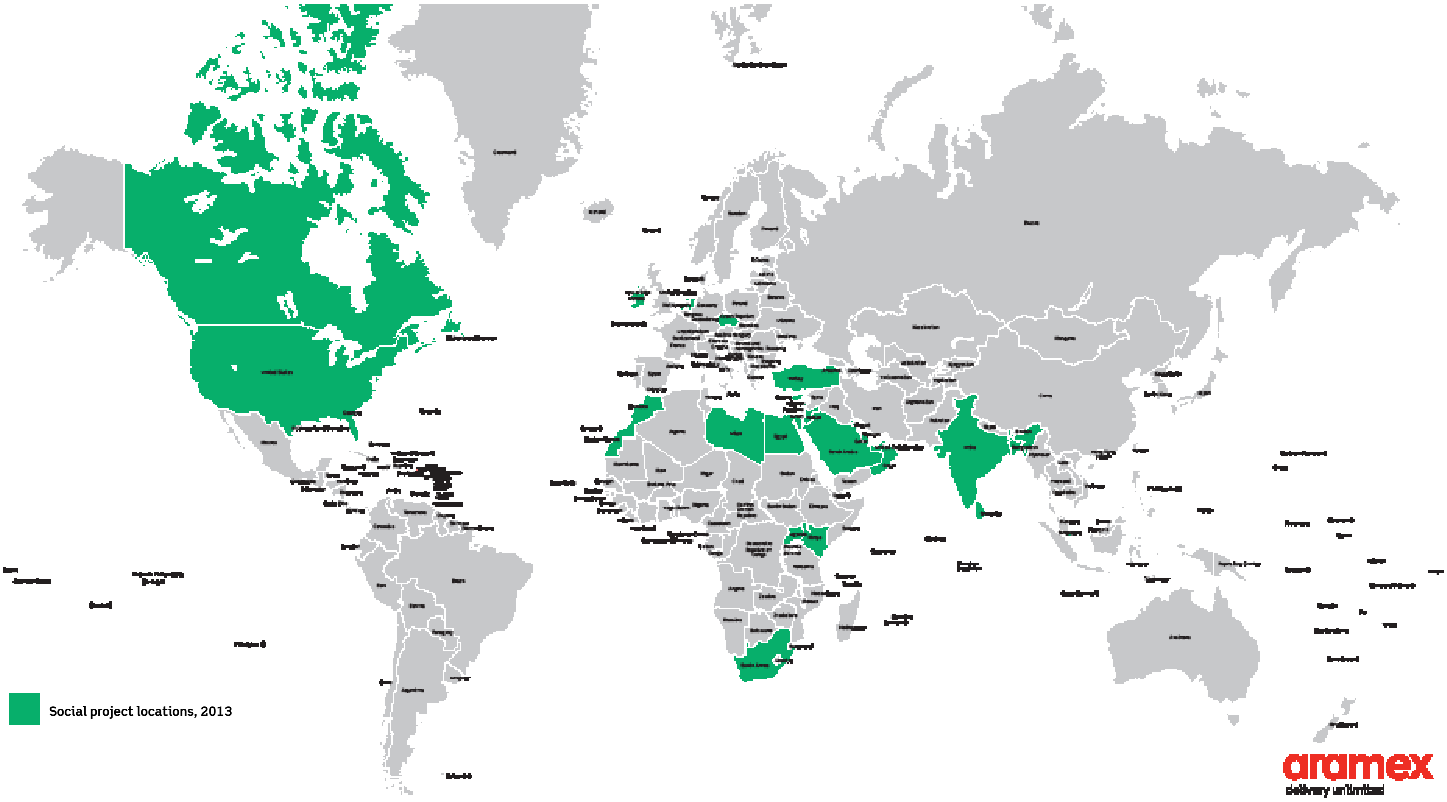
(G4-24, 25,26,27) (G4-18 ,G4-18,19,20,21)

Stakeholder	Frequency	Engagement Processes	Priorities	Efforts and Outcomes
Business Partners				
Our business partners include airlines, sea cargo carriers, vehicle leasing companies, subcontractors, suppliers and NGOs.	Upon need	• Ongoing negotiations, transactions and service provision	• Long-term business relationships with Aramex • Accessibility of new business ventures with Aramex • Providing increasing value to partners • Preservation of ethical values	• Maintenance of open communication channels that support compatible operational standards • Provision of logistical support to NGOs • Annual General Meetings to actively engage partners in the World Freight Alliance (WFA) and the Global Distribution Alliance (GDA) • Support for SMEs and entrepreneurs • Implementation of a supplier evaluation form in for major suppliers, and will expand to cover for the rest of the suppliers in 2014.
Shareholders				
As of year-end 2013, Aramex had 23,697 shareholders, with the largest individual shareholder owning less than 10 percent.	Annual meeting, updates through formal channels, and upon their need	• Annual General Meetings • Annual Reports • Quarterly Earnings Reports • Press releases • Online section for Investor Relations • Direct contact through the Investor Relations Office	• Above average return on investments • Effective and efficient governance • Outstanding corporate and brand reputation • Sustainable and long-term growth • High integrity and transparency	• Consistent shareholder engagement through investor calls and meetings • Sustained profitability and growth through • Sound business integrity
Community				
The broader society to which Aramex services and connections extend.	Through our projects year round, Direct meetings, Upon need, ongoing interaction through social media channels	• Direct and indirect feedback from local communities, customers, employees, and their families • Attendance of several events to spread awareness of the importance of civic engagement in the region • Participation and investment in community events • Focus groups to address specific community issues (such as noise pollution, traffic congestion and road safety) • Partnering with national sports organizations to promote various sporting activities • Expanding our Ruwwad model to other geographic areas	• Remain an engaged and proactive corporate citizen by creating shared values, responding to community needs, forging partnerships to address challenges and contributing to sustainable development • Job creation, local recruitment and competitive wages • Disaster response and facilitating individual contributions towards disaster relief • Noise management • Road safety and traffic reduction • Inclusion of marginalized communities	• Direct community engagement via major initiatives such as our partnership with Ruwwad for Development, expanding the model in Egypt, Palestine and Lebanon • Promoting community-based entrepreneurship through the Venture Capital Fund in partnership with Ruwwad in Jordan as well as WAMDA, MIT and Oasis 500 • Expansion of community empowerment in new markets where we have initiated operations such as Kenya, Uganda and South Africa •Regional Partnership with INJAZ al-Arab to provide local schools and universities with volunteers drawn from Aramex employees in the region • Utilization of Aramex's logistics network for emergency relief efforts where needed • Encouragement and support of employee volunteerism and fundraising efforts through partnerships such as the Ruwwad enrichment program and the Aramex Active Citizens Program • Identify new partners in the areas where we have launched new operations • Partnerships with local traffic authorities to train our couriers on road safety

(G4-24, 25,26,27) (G4-18,19)

Stakeholder	Frequency	Engagement Processes	Priorities	Efforts and Outcomes
Environment				
Our direct and indirect spheres of impact, includes environmental organizations and partners as well as, stakeholders concerned with our carbon footprint	Throughout our projects year round, Direct meetings, Upon need, ongoing interaction through social media channels	• Continuing and expanding our internal environmental training and awareness campaigns • Ongoing communication with NGOs to proactively respond to any concerns or inquiries • Collaboration with institutions and networks, focusing on the environment • Use of Aramex premises as a training model for environmental organizations • Measuring and managing our Carbon Footprint	• Increased environmental awareness • Carbon footprint reduction strategies • Green building operation and investments • Regulatory compliance	• Achieving LEED certification at our facility in Cairo, reaching the commissioning phase for both our facilities in Amman and Dubai and intensifying efforts to achieve certification for more facilities • Testing different means of reducing fuel consumption through route optimization and consolidation centers • Continued support for the Arab Forum for Environment and Development (AFED) magazine and platform • Reporting annually on our carbon footprint and environmental activities • Certifying 22 of our entities in ISO 14001: Environmental Management Systems • Ongoing environmental partnerships, sponsorships and projects • Introduction of alternative technologies in our ground transportation fleet, including hybrid electric and battery operated scooters, e-invoicing and route optimization.

(G4-24, 25,26,27) (G4-18,19)



Social project locations, 2013

GOVERNANCE AND COMPLIANCE

Aramex's Board of Directors strives to cement the company's position as a leader in corporate governance. Our Board selection process involves nominations by shareholders and other Board members, and strictly adheres to the Board's Charter and Corporate Governance Guidelines. The process also ensures that all candidates are highly-qualified individuals who possess the necessary knowledge and expertise of economic, environmental and social issues pertinent to the company and its operations.

Governance

Aramex's nine-member Board of Directors strives to cement the company's position as a leader in corporate governance by implementing and upholding its Charter and Corporate Governance Guidelines. The current Aramex Board of Directors, which was elected by our Annual General Assembly on May 2011 consists of the following members:

Composition of the highest governance body

Members	Position	Independence	Exec/non-execs	Gender	Age	Tenure	Nationalities	Other Commitments[1]
Mr. Abdullah M. Mazrui	Chairman	Independent	Non-Executive	Male	61	Since Inception	Emarati	Chairman (3 Company boards) Director (2 Company boards)
Mr. Fadi Ghandour	Founder and Vice Chairman	Non-Independent	Non-Executive	Male	54	2005	Jordanian	Director (1 Company board)
Mr. Hussien Hachem	Chief Executive Officer and Director	Non-Independent	Executive	Male	44	2011	Canadian	None
Mr. Helal Al-Marri	Director	Independent	Non-Executive	Male	37	Since Inception	Emarati	General Director (1 Company) CEO (1 Company) Chairman (1 Company board) Chairman (1 committee) Director (4 Company boards)
Mr. Ahmed Al-Badi	Director	Independent	Non-Executive	Male	57	Since Inception	Emarati	Chairman (1 Company board) Director (13 Company boards)
Mr. Arif Naqvi	Director	Independent	Non-Executive	Male	53	2005	Pakistani	Director (1 Company board)
Mr. Charles El Hage	Director	Independent	Non-Executive	Male	56	2011	French	None
Mr. Ayed Aljeaid	Director	Independent	Non-Executive	Male	57	Since Inception	Saudi	None
Mr. Mana Al-Mulla, Director	Director	Independent	Non-Executive	Male	37	2010	Emarati	CEO, VP and Director (1 Company board) Director (5 Company boards)

[1] Other commitments – last updated Mar 2013

Seven of the Board members (78%), including its chairman, are independent non-executive directors, one member is a non-independent non-executive director: Fadi Ghandour, the Founder and Vice Chairman, and the remaining member is a management representative: Hussein Hachem, CEO of Aramex.

Our Board selection process involves nominations by shareholders and other Board members, and strictly adheres to the Board's Charter and Corporate Governance Guidelines. The process also ensures that all candidates are highly-qualified individuals who possess the necessary knowledge and expertise of economic, environmental and social issues pertinent to the company and its operations. In the rare event that potential conflicts of interest arise, they are self-declared by the members of the Board, who are then excused from related discussions. Where necessary, the Chair or other members are also entitled to identify potential conflicts of interest involving other members.

Aramex governance guidelines was structured in accordance with Federal Law No. 8 of 1984 regarding the Commercial Companies Law, and the new Corporate Governance Code for Joint- Stock Companies and the Institutional Discipline Criteria to assist the Board and its committees in the exercise of their responsibilities. Our governance includes the Nomination and remuneration, and the audit committees.

(G4-34,38,39,41)

Boards of Directors:

- The General Assembly should elect members of the Board of Directors by secret ballot. The majority of the members of the Board of Directors must be holders of a Gulf Corporation Council nationality, and must not be convicted of a crime of honor unless the competent authorities pardoned him/her.
- The Board of Directors shall elect from amongst its members a chairman and a Vice Chairman who will act on behalf of the Chairman in his absence. The chairman must be a national of the Gulf Corporation Council states.
- At least one third of Directors shall be Independent Directors, while the majority of Directors shall be Non-Executive Directors, who shall have experience and technical skills to the best interest of the company.
- In all cases, elected Non-Executive Directors shall be able to dedicate enough time and attention to the Board, their directorship of the Board of Directors must not conflict with any of their other interests.
- The position of Chairman of the Board of Directors and the Company's Chief Executive Officer may not be held by the same person.
- The Board is responsible for reviewing the requisite skills and characteristics of new Board members as well as the composition of the Board as a whole. This assessment will include members' qualification, as well as consideration of diversity, age, skills, and experience in the context of the needs of the Board.
- Below is a description of the desirable characteristics that the Board should evaluate when considering candidates for nomination as Directors. The Board will review such characteristics at least annually and perform any appropriate changes thereto.

Personal Characteristics:

- Integrity and Accountability: High ethical standards, integrity and strength of character in his or her personal and professional dealings and a willingness to act on and be accountable for his or her decisions.
- Informed Judgment: Demonstrate intelligence, wisdom and thoughtfulness in decision-making. Demonstrate a willingness to thoroughly discuss issues, ask questions, express reservations and voice dissent.
- Financial Literacy: Ability to read and understand balance sheets, income and cash flow statements. Understand financial ratios and other indices for evaluating company performance.
- Mature Confidence: Assertive, responsible and supportive in dealing with others. Respect for others, openness to others' opinions and the willingness to listen.
- High Standards: History of achievements that reflect high standards for himself or herself and others.

Core Competencies:

- Accounting and Finance: Experience in financial accounting and corporate finance, especially with respect to trends in debt and equity markets. Familiarity with internal financial controls.
- Business Judgment: Record of making good business decisions and evidence that duties as a Director will be discharged in good faith and in a manner that is in the best interests of the company.
- Management: Experience in corporate management. Understand management trends in general and in the areas in which the company conducts its business.
- Crisis Response: Ability and time to perform during periods of both short-term and prolonged crisis.
- Industry/ Technology: Unique experience and skills in an area in which the company conducts its business, including science, manufacturing and technology relevant to the company.

(G4-40,42)

- International Markets: Experience in global markets, international issues and foreign business practices.
- Leadership: Understand and possess skills and have a history of motivating high-performing, talented managers.
- Strategy and Vision: Skills and capacity to provide strategic insight and direction by encouraging innovations, conceptualizing key trends, evaluating strategic decisions, and challenging the company to sharpen its vision.

Commitment to the Company:

- Time and Effort: Willing to commit the time and energy necessary to satisfy the requirements of Board and Board Committee membership. Expected to attend and participate in all Board meetings and Board Committee meetings in which they are a member. Encouraged to attend all annual meetings of shareholders. A willingness to rigorously prepare prior to each meeting and actively participate in the meeting. Willingness to make himself or herself available to management upon request to provide advice and counsel.
- Awareness and Ongoing Education: Possess, or be willing to develop, a broad knowledge of both critical issues affecting the company (including industry, technology and market-specific information), and Director's role and responsibilities (including the general legal principles that guide Board members).
- Other Commitments: In light of other existing commitments, ability to perform adequately as a Director, including preparation for and attendance at Board meetings and annual meetings of the shareholders, and a willingness to do so.

Team and Company Considerations:

- Balancing the Board: Contributes talent, skills and experience that the Board needs as a team to supplement existing resources and provide talent for future needs.
- Diversity: Contributes to the Board in a way that can enhance perspective and experiences through diversity in gender, ethnic background, geographic origin, and professional experience (public, private, and non-profit sectors). Nomination of a candidate should not be based solely on these factors.

Boards Committees:

- The Board has established the following standing committees: the Audit Committee and the Nomination and Remuneration Committee. The Board may, from time to time, establish additional committees as necessary or appropriate.
- Committee members will be appointed by the Board. Consideration should be given to rotating committee members periodically although such is not mandatory.
- Each committee will have its own charter; the charters will set forth the purposes, goals and responsibilities of the committees as well as committee structure and operations and committee reporting to the Board.
- Committees shall be formed of not less than three Non-Executive Directors, at least two of which shall be Independent Directors, including one as head. The Chairman of the Board of Directors may not be a member of those committees.

(G4-43-44)

In order to avoid conflict of interest within the board

- Director's tasks shall include: To ensure that the priority shall be given to the company's and shareholders' interests in case of conflict of interests.
- Any Board member, having an interest in conflict with that of the company in respect of certain transactions presented to the Board for consideration and approval, shall have to report it to the Board. Such report must be documented in the meeting minutes, whereas the involved Director is excluded from participating in voting on the decision concerning the said transaction, and the exclusion is to be explicitly documented in the meeting minutes.
- In all cases, elected Non-Executive Directors shall be able to dedicate enough time and attention to the Board, their directorship of the Board of Directors must not conflict with any of their other interests.
- Directors must notify the Chairman or the General Counsel in a timely fashion before accepting an invitation to serve on the Board of another company. This prior notice is to allow discussion with the Chairman and/ or the General Counsel to review whether such other service will interfere with the Director's service on the company's Board, or create an actual or apparent conflict of interest for the Director.
- Any matters related to conflict of interest and/or related party are documented and reported in the Annual Corporate Governance Report which is published on the company's website. This report is also reviewed by SCA (Securities and Commodities Authority of Dubai Financial Market) and published on their website.

Regular Board meetings will be held once every two months, at least, upon a written convocation of the Chairman of the Board of Directors or a written request submitted by at least two Directors and special meetings will be called as necessary. Shareholders are entitled to raise issues with the Board during the Annual General Meeting. Two standing committees — the Audit Committee and the Nomination and Remuneration Committee — have their own charters that stipulate their responsibilities and tasks. The Nomination committee meets once a year. Moreover, The Audit Committee will meet whenever necessary, but not less than once every three months, at such time and place as is deemed appropriate.

Additional meetings may be requested by any member, the Internal Auditor or the External Auditor. The Committee receives direct reports from Aramex's Internal Audit Function and briefs the Board accordingly, in compliance with the corporate governance code of the Securities and Commodities Authority (SCA). The Internal Audit is an independent activity designed to add value and improve the company's operations. It employs a systematic and disciplined approach to the evaluation and improvement of the company's effectiveness in the areas of risk management, control, and governance. Operating under the International Standards for the Professional Practice of Internal Auditing set forth by the Institute of Internal Auditors, the Internal Audit provides the Board of Directors, the Audit Committee and the management with independent assurance that financial and operational mechanisms are functioning as intended. It also serves to reassure members that appropriate control mechanisms are in place to manage areas of high-risk and implement benchmark policies, procedures and activities to achieve best practices.

(G4-45,46,47)

The Board of Directors will:

- Review, evaluate and approve, on a regular basis, long-term plans for the company.
- Review, evaluate and approve the company's budget and forecasts.
- Review, evaluate and approve major resource allocations and capital investments in accordance with the company's Delegation of Authority Matrix.
- Review the financial and operating results of the company.
- Director tasks shall include: participating in the meetings of the Board of Directors and providing independent opinion on strategic matters, policy, performance, accountability, resources, basic appointments and activity criteria.
- The company shall work on implementing an environmental and social policy to favor the local community.

In keeping with Aramex's commitment to being a responsible corporate citizen, our CEO, Mr. Hussein Hachem, regularly briefs the Board on the company's strategic stakeholder approach, as well as its sustainability initiatives and results, and how these elements relate to overall corporate performance. Aramex strives to continuously pursue sustainability at the corporate level, and implements internal policies relating to the environment, responsible procurement, and whistle-blowing. Strategic sustainability-related decisions are discussed at Board meetings, and Board approval is required for all major sustainability initiatives or targets prior to their implementation, as per the Board's code of conduct.

The Sustainability Council was formed to handle and evaluate matters related to economic, environmental and social topics. The Council includes members of the Board of Directors and meets quarterly, to decide on sustainability strategy and discuss any concerns.

The Sustainability Council, which is made up of six members, including a chairperson, discusses economic, environmental and social topics. The Chief Sustainability Officer then briefs the Chief Executive Officer on matters of economic, environment and society; the CEO then communicates these topics to the board, and the board then reverts back to the CSO. Moreover, the Chairman will review with each Director on a periodic basis the performance of each Director's duties, as well as the role and responsibilities of each Director.

The Sustainability Council, along with the dedicated sustainability team, facilitates partnerships with the public and private sectors and civil society in order to expand and improve Aramex's sustainability activities, impact and reach. Moreover, active stakeholder engagement through sessions, face-to-face meetings and survey ensure that our activities are in line with our stakeholders' needs. The Sustainability Council approves Aramex's annual report for publishing.

The Board sets the strategy for risk management, due diligence procedures related to economic, environmental and social impacts. These strategies are then communicated with the Council and delegated to the team for implementation. The sustainability council is headed by the vice chairman of the board, who in turn ensures alignment of the council's performance with that of the Board of Directors and company strategy.

In 2013 we began the structuring of our risk management function. Mainly, this year we drafted our risk assessment guide, and developed a mechanism for the registration of risks and risk controls. We will continue deploying these mechanisms throughout our operations in 2014.

(G4-48)

Controls are defined and built into a process/product/system etc. from the outset, and designed to ensure that risk mitigation is carried out effectively.

Only existing controls will be considered in the assessment of a risk. Planned controls have no relevance in the assessment (other than as part of the action planning process) as their effectiveness is unproven.

Most controls are designed to prevent the risk event actually occurring. Alternatively, controls may be designed to identify and highlight that a risk event has occurred, or to help limit the severity of impacts. Controls will generally be one of these types (although it is possible for a control to be more than one type).

During a risk assessment, the effectiveness of individual and groups of existing controls is evaluated. This helps inform the assessment of the likelihood of a risk event occurring and its impact(s), should it occur.

Where action is deemed necessary i.e. to avoid, reduce or transfer/share the risk, an appropriate action plan must be established.

This action plan documents the assignment of specific actions to individuals, with agreed target dates for completion.

Action plan progress is monitored centrally and the status of pending/completed actions is reported regularly to senior management.

Completion of an action should lead to a re-assessment of a risk (although, in the case of the introduction of new controls, it may be necessary to allow a period of time for sufficient evidence to be compiled on the effectiveness of those new controls).

In line with the AccountAbility AA1000 principle of inclusivity, shareholders and employees are encouraged to provide input via the whistle-blowing mechanism offered through the company's intranet. Our whistle-blowing policy, implemented to emphasize Aramex's commitment to transparency, ensures discrepancies are reported and dealt with promptly to ensure ethical business practices and protect employees. While the Board does not generally have direct contact with employees, it remains fully appraised of their opinions and concerns through the feedback processes offered by the Aramex system.

Each year the company's shareholders receive the Board's recommendation regarding the remuneration to be paid to the company's directors. For the year ending in December 31, 2013, the company's shareholders approved the Board's recommendation that directors would receive US $68,000 each. In order to automatically succeed in placing an item on the Board's agenda, a shareholder must possess a holding of at least 10% of the company's shares. At present, the highest holding is less than 10%, which means items for discussion are tabled at the Board's discretion.

Aramex is listed on the Dubai Financial Market (DFM), and complies with the Emirates Securities and Commodities Authority's (ESCA) Corporate Governance Regulations for Joint Stock Companies and Institutional Discipline Criteria, a mandatory requirement since 2010. Furthermore, building on our commitment to transparency, we have produced an independent governance report in compliance with the

(G14) (G46) (G47)

ESCA. Moreover, we comply with ESCA regulation in relation to reviewing the performance of the board.

As a member of the transportation and logistics community, Aramex complies with all necessary regulations related to the industry; these include stipulations delivered by local and international regulators covering the handling of hazardous material and the accuracy of labeling and information concerning our services.

We strive to ensure that the impact of our services on all stakeholders is consistently positive, and that any negative impact we may have is reduced to an absolute minimum; for example, we are working tirelessly to reduce our carbon footprint.

We incorporated ethical business training into our induction program for the first time in 2011, and continued to provide further training to those leading our major operations. We view our training regime as an ongoing, continuous process, and intend to increase the frequency of our programs for existing employees.

During 2013 Aramex did not experience any instances of non-compliance with local or international regulators, nor did we face any anti-competitive or antitrust legal actions -an indication of the success of our aim to ensure all operations comply with applicable international and national laws and regulations.

Our internal auditing team conducts regular audits on all our offices covering all lines of business; this also includes corruption risk assessments. As far as we know, we did not have any cases of corruption during 2013.

Aramex policy dictates that the company shall not accept any funds from governments or political parties, and no such funds were received during 2013; neither did the company lend its support to any political party or movement.

- The Internal Audit Function is responsible for reporting critical concerns to the Audit Committee of the Board, at least on a quarterly basis. In 2013, we did not have any major critical concerns reported. (G50)
- The Audit Committee of the Board will report the activities and findings of the Internal Audit Function to the Board of Directors.
- The internal audit is an independent, objective assurance and consulting activity designed to add value and improve Aramex's operations. It helps Aramex to accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.
- The scope of internal auditing encompasses, but is not limited to, the examination and evaluation of the adequacy and effectiveness of Aramex's governance, risk management and internal controls, process as well as the quality of performance in carrying out assigned responsibilities to achieve Aramex's stated goals and objectives.
- The Internal Audit Function continuously follows up with management with regards to the implementation of the agreed upon action plans to resolve the findings, issues and concerns of the internal audit.
- On a quarterly basis, the Internal Audit Function reports the status of management's action plans implementation.

(G4-49,50,SO6)

We are declaring the remuneration of our highest governance body. As for our executive committee remuneration analysis, we will not be able to declare since it is not a business norm in the markets where we operate.

Compliance

Aramex Compliance Program strives to ensure that the operation maintains a culture of respect, honesty and integrity. By providing a framework for the management of compliance issues, the program helps to ensure that each employee is able to recognize and avoid situations that might compromise Aramex integrity. The program has the support of leadership, demonstrated by a reporting structure that gives Aramex Compliance Officer direct access to senior leadership and the Board. The program has been created to provide the support and tools necessary to fulfill expectations that every staff member and employee act with honesty and integrity while performing their work.

Aramex code of conduct sets forth our endeavor to build an organizational culture that guides our actions and decision-making in a way that is rooted in what is fair and ethical, and what promotes a dignified life for all people. Aramex code of conduct is the platform that paves the way for operating globally and interacts with our employees, agents, suppliers, and customers, this results in:

- Transparent, fair and professional procurement
- Selection of suppliers and partner compliance with all laws and regulations
- Equal employment opportunities
- Equitable and fair treatment and advancement opportunities for all employees
- Safe, secure and healthy working conditions
- Respect for colleagues and diversity
- Accountability
- Respect for universal human and labor rights
- Crisis and emergency management
- Conflict of interest
- Protection and efficient use of company assets and property
- Protection of confidential information including Aramex trade secrets and intellectual property
- Open communication and open door policy
- Business gifts and entertainment
- Bribery and corruption

Moreover, with the assistance of a third party audit firm, Aramex has expounded the code of conduct into single policies to ease the internal learning process and they are as follows:

a. Trade compliance
b. Improper gifts, entertainment and payment
c. Legal and licensing
d. Human and labor rights
e. Conflict of interest
f. Anti-competition and anti-trust
g. Confidentiality
h. Charitable donations and sponsorship
i. Money laundering

Where policies, procedures and internal controls do not offer clear guidance for a particular course of

(G4-56-EC4)

action, employees and leaders are expected to honor the spirit of the code and/or to seek advice.

Along with publishing mentioned policies and the code of conduct on all Aramex internal and external web sites, Aramex management decided that the best way to relay the material and gain a better understanding of our ethics is to hold classroom training sessions for all Aramex employees. To that end, over the past two years, we have trained 72% of our employees on all topics included in our code of conduct, such as training on human and labor rights and anti-corruption policies. The training should cover all employees by the end of 2014. Moreover, to ensure complete understanding of these policies, we will begin in 2014 to send refresher messages, emails and on-the- spot quizzes to trained employees. Moreover, 100% of Aramex operations were assessed for risks related to corruption, and no cases of such were identified.

Classroom training summary

Total Head Count	11649
Total Trained phase 1	6840
Total Trained Phase 2	3134
Remaining	4216

We have demonstrated our genuine beliefs in our code of conduct by being in compliance with, but not limited to:

1. Aramex participates in the World Economic Forum's Partnering Against Corruption Initiative (PACI), which was launched in 2004 with the aim of consolidating industry efforts to fight corruption
2. UK Bribery Act
3. U.S Foreign Corruption Practice Act (FCPA),
4. Accountability principles standards AA1000
5. International Labor Organization (ILO)
6. Other international and local laws
7. UN Declaration on Human Rights
8. Environmental standards

In 2013 (FY13), the program continued to refine its infrastructure, address active compliance issues, create new policies to minimize risk, and enhance formal and informal lines of communications in order to foster a culture of compliance at Aramex.

It is anticipated that unknown or underappreciated issues may still exist, so it is important to note that the program's process of assessing and prioritizing compliance threats is ongoing and dynamic, allowing for strategic changes during the work plan year as unforeseen threats emerge.

This is an exciting time for the program as existing management systems are increasingly utilizing the program as a resource. We will continue to enhance the program and spread awareness, while concentrating on active assessment and monitoring of compliance risks.

As part of our commitment to uphold human rights, all Aramex locations across the globe were assessed

(PR9,PR7,SO9,SO10,SO11,SO7,HR2,HR3,HR5,HR9,HR10,HR11,HR12,SO3,SO4,SO5,SO7,SO8,SO9,SO10,SO11,PR7,PR9) for human rights, ensuring that there are no violations. Moreover, 100% of Aramex's security team has received code of conduct training that includes a whole section about human and labor rights. We don't offer training to suppliers and/or customers. However, we have initiated the processes of adding the human rights clauses, along with other code of conduct-related clauses, to our contracts and in the form of a questionnaire to suppliers and subcontractors. This includes any third party security providers.

In 2013, we began implementing our new Supplier Evaluation Form initiative, which surveys our suppliers' compliance-related issues including human and labor rights anti-corruption and bribery, as well as environmental criteria such as the application of environmental management systems.

Moreover, we ensured the evaluation of all new suppliers with the use of the questionnaire. Starting from June of 2013, we ensured that 100% of our new suppliers have been evaluated through the questionnaire. Furthermore, we circulated the same to all major current suppliers.

The purpose of this questionnaire is to ensure that all of our suppliers and subcontractors are in compliance with internationally-recognized human and labor rights, anti-corruption and bribery laws and standards in all their business and non-business areas. Where we find gaps in the application of environmental management controls, we work with the suppliers to set plans to amend them. We should conclude this exercise toward the end of 2104. Moreover, we make sure to share our policies against the use of forced or child labor with our business partners and raise awareness on the matter throughout our business circles.

Moreover, we plan to extend this evaluation to include a third party audit mechanism for our suppliers to ensure their compliance.

As far as we are aware, there have been no cases of human rights, child labor or compulsory and forced labor violations within our supply chain. Moreover, in 2013, we did not have any human rights, forced or child labor grievances or concerns related to our operations. Furthermore, we are not aware of any concerns of human rights, forced or child labor violations related to our suppliers, and we did not receive any through our formal grievance channels, nor did we identify or receive any complaints of negative social impacts due to our operations or in our supply chain.

We did not identify any issues of significant negative impacts on the environment, beyond the emissions that result from the use of airlines, sea lines and road freight to transport our shipments and provide services to our clients. However, we account for these impacts along our supply chain through our calculation of our Scope 3 carbon footprint.

Whistleblowing Policy

Aramex whistleblowing policy provides guidelines to Board Members, Aramex employees, customers and stakeholders with respect to the reporting of possible fraud, irregularities and grievances related to our code of conduct and social and environmental performance at Aramex. We encourage our employees and customers to use the whistleblowing system and provide sufficient training for them to report on whatever incident they encounter. For external concerns and complaints, we have a dedicated email for the general public to use in order to report any issue. These grievances are dealt with in the same mechanism as internal ones.

(G4-57,58 EN32,EN33,LA14,LA15,HR1)

Cases that are reported in Aramex's whistleblowing system are dealt with immediately by an independent committee. The investigation process involves an internal committee to reach the utmost decision.

After the investigation is complete, the HR representative will discuss the results of the investigation with the complainant and the accused. In case any party is dissatisfied, the party has the right to appeal within 10 working days from the date of completing the investigation. The appeal will be forwarded to the Regional HR Manager and/Regional Area Manager.

Corrective action includes, but is not limited to:

- Oral/written warning
- Requirement to provide a written apology
- Requirement to take Business Ethics training sessions or any training deemed necessary or related
- Suspension without pay for a maximum period of 60 working days
- Loss of employment
- Civil and criminal liability and local legalities

(G4-57,58)

Key Non-Financial goals

The following table outlines our key non-financial issues and the corresponding goals we have set to achieve on 2014:

KEY AREA	2013 GOAL	STATUS	TARGET FOR 2014
Employees			
Human Resources Management System	Expanding the adoption of our HRMS in the rest of the network	Achieved in 20 new locations	Finalize 7 more locations
Employee Satisfaction and Motivation	Developing action plans in response to employee satisfaction survey results	Developed new systems to fulfill the outcome of the employee satisfaction survey	Continue working on action plans
Code of Conduct training	Providing Human rights and labor rights training programs in major stations	Trained more than 8736 employees	Continue implementing our training for the rest of the employees and focusing on the new hires
	Anti-bribery and corruption training across network	Trained more than 8736 employees	Continue implementing our training for the rest of the employees and focusing on the new hires
Training Quality	Review and update Aramex training material	On Going	Continue work
	Expanding the delivery of soft skills training	On Going	Continue work
	Monitoring and enforcing the alignment of trainers with the Aramex trainer selection criteria	On Going	Continue Work
Implement Online Education Practices	Run and test an on-line learning management system at Aramex	System rolled out and 2009 employee attend 850 hours of online training	Continue the roll out
Leadership Development Program	Provide high quality effective leadership training to Aramex leaders across the network	Pilot rolled out in Egypt	Expand reach to more employees
Health and Safety			
Training	Continue the delivery of job specific health and safety training to all employees	On Going	Continue work
	Achieving OHSAS certification in 2 additional stations	Achieved in 3 station and renewed in 2	Continue work
Policies and Procedures	Update emergency evacuation plans	On Going	Continue to improve
	Update Health, Safety and Security related policies and manuals.	On Going	Continue to improve
Performance	Reduce accidents per shipment by 10%	Target to Reduce by 10% Un fortunately the number increased 22%	Reduce the number by 10%
	Achieve Zero fatalities	Unfortunately, we had 1 fatalities during 2013	Target zero fatalities
	Reduce Lost time frequency rate	Target Reduce by 10% fortunately we managed to reduce by 42%	Reduce by 10%
	Reduce Lost time injuries per Million Shipment by 10%	Target to Reduce by 10% unfortunately Increased by 33%	Reduce by 10%
Safety	Upgrade safety and physical security measures in all facilities	Complete	Continue to improve
Quality	Achieving ISO 9001 in 2 additional stations	6 New locations and Renewed 2	Continue work
	Develop a supplier evaluation form and piloting implementation with major suppliers	Rolled out on all major stations	Continue the implementation for all suppliers
Environment			
Internal Awareness	Expanding the delivery of the environment awareness training program to all stations	The program became part of the basic training program and is rolled out in all stations Launched Greenzilla Environmental Competition (On Going) and Green Champions Environmental Awareness program	Continue to across the network covering all old and new employees Expand Green Champions to 10 stations
Materials	Implement a waste management and recycling systems in major stations	6 stations complete	Expand to 10 more stations Include Electronic waste management

KEY AREA	2013 GOAL	STATUS	TARGET FOR 2014
Performance	Conduct carbon footprint analysis with a third party	Complete; Third report issued	Continue reporting and carbon footprint reduction Roll out Carbon footprint data management system to all major stations
Facilities	Achieving LEED certification in all newly constructed logistics centers in 5 locations	Achieved in 2 location	Finalize certification for all warehouses under construction
	Achieving ISO14001 in 6 stations	Certified 6 locations	Continue work
Corporate Activism			
Engagement	Conduct 2 sessions of stakeholder dialogues	One Survey conducted	Conduct 1 session
Reach	Expand corporate activism into emerging markets where we have expanded and particularly in Africa	Expanded in all locations Launched Global Aramex Active Citizens Program	Continue to expand
	Support the education of around 300 youth	Supported more than 500	Support 500+ students
Customers			
Customer Satisfaction Surveys	Identify and upgrade customer satisfaction measurement tools	Complete	Continue to improve
	Pilot the customer satisfaction measurement tools initiative at one of Aramex locations	One survey conducted	Implement across remaining network
Service Excellence	Drive 50% of total transactions to be done electronically via Aramex e-tools	In progress	Improve
	Upgrade our current customer service policies and procedures	On Going	Continue to improve
	Upgrade our contact center auditing system	On Going	Continue to improve
	Conduct customer service training for all frontline employees	On Going	Continue to improve
Customer Engagement	Upgrade our social media engagement and reporting	On Going	Continue to improve
Entrepreneurship support	Design and implement and SME program	NEW	Reach 200 SME in 2014
Program to support corporates in their sustainability practices	Design and implement a program to support our customers in their sustainability practices and sustainability reporting	NEW	Support 50 Corporate across the network
Aramex technology program for the women and youth empowerment	Partner with international and national initiatives to empower women and youth utilizing technology and educations	NEW	Empower 100 women and youth across the network
Nationalization	Improve our existing programs to support nationalization in our countries of operations	NEW	Design new programs in each country of operation where nationalization is an issue

(G4-15-16)

REPORTING PROCESS

This is Aramex's fourth Integrated Report, combining our financial and non-financial data for the calendar year 2013.

Aramex is one of the pioneer companies in the region to switch from GRI 3.1 Reporting Guidelines to the newly launched G4 guideline. The new guideline allows for more robust and focused reporting on the different aspects of our operations and management techniques.

This report is in accordance with the GRI G4 comprehensive reporting guidelines. With this switch we hope to cover topics of stakeholder interest, while improving our integration of financial and non-financial data. For more information on this guideline, refer to the GRI Content Index on Page (112).

Scope of the report

Determining our priority issues:

Materiality: We have sought to cover all topics that would substantively influence the assessments and decisions of stakeholders, providing a wealth of information concerning the organization's compliance as well as any significant economic, environmental, and social impacts. This report is not only for the sake of our stakeholders, but it is also a tool we use to measure and monitor our operations. Therefore, we identified priority issues for our operations, and crossed checked those with the aspects prioritized by our stakeholders. This determined our material topics and their scope.

Moreover, these topics include major issues reported on by our peers, under broadly-accepted standards and guidelines including the GRI G4 Reporting Guidelines and the GRI Logistics and Transportation Sector Supplement regulations and laws in our countries of operation. They also examine critical factors for enabling success, including our corporate culture, the state of existing systems within the company, and the potential of our core competencies to contribute to sustainable development.

We carefully assessed where each aspect's boundary lies, by analyzing the aspect and its impact on our stakeholders, to determine whether the impacts occur within or outside our organization, or both. For aspects whose boundaries occur within our operations, this includes all entities, except our franchisees. Aspect boundaries, whether within or outside of operation occur across all geographical locations.

Stakeholder inclusiveness: We have meticulously ensured that we identify and engage with our stakeholders through different channels and efforts. We believe that we have accurately identified all of our key stakeholders and have sought to explain the ways in which we engage them, our understanding of their interests and expectations, and the details of our related responses. To ensure full stakeholder engagement throughout our reporting process, we asked key stakeholders to weigh in on what aspects are most important to report on, according to their perspective. We kept this input in mind and made sure to comprehensibly report on all aspects that are significant to our stakeholders and relevant to our industry.

(G4-18 ,19,20,21)

Sustainability context: We have examined global trends towards sustainability alongside the regional and local contexts in which we operate, identifying the different priorities among these contexts, and communicating how we have attempted to address these issues from multiple perspectives.

Ensuring quality in our sustainability reporting: We utilize the GRI Reporting Principles for Defining Quality, including the following elements:

Balance: We have achieved balance by reporting and evaluating our performance based on material issues and future targets, presenting both our positive performance, as well as focus areas that require improvement and reevaluation.

Comparability: We have provided year-on-year data and followed GRI Indicator Protocols wherever appropriate.

Accuracy: We aim to achieve maximum accuracy in our data, and always clearly identify where estimations or limitations in our published figures exist.

Timeliness: We are now committed to reporting our sustainability performance on an annual basis.

Clarity: Throughout the report, we clearly illustrate our sustainability performance and related projects. This year we measured against the targets established by previous reports.

Reliability: This report has undergone third-party assurance, according to the parameters expressed in the assurance statement.

The Aramex Carbon Footprint Report: Released for the first time in in 2010 and augmented by this Annual Report, the Aramex Carbon Footprint Report provides a comprehensive and transparent review of our total emissions. In calculating our carbon footprint, we have adhered to the principles contained in the Greenhouse Gas (GHG) Protocol accounting tool employed by World Business Council for Sustainability Development (WBCSD) and World Resources Institute (WRI). Moreover, we utilize an operational control approach to measure our emissions.

Reporting boundaries: Unless otherwise indicated, the data in this report covers all of our operations in all regions. The only exceptions being our franchise operations; while the financial data presented includes our proceeds from franchises, it does not include human resource data from franchisees. The financial data in this report has been generated using audited figures drawn from our financial statements, and has undergone third-party verification according to the parameters expressed in the auditor's statement.

Limitations: In general, Aramex utilizes the services of transportation providers, such as airlines, instead of maintaining heavy assets itself. The company also leases the majority of its vehicles (although it does maintain a small fleet of its own). Aramex also sub-contracts the pickup and delivery of express packages to local companies in certain markets - most notably India. At present, our fuel consumption calculations (from which emissions are derived) include only fuel used for our owned and leased vehicles. Moreover, we actively measure our scope 3 emission which account for emissions that take place outside of our company as a direct result of our operations.

(G4-18 ,19,20,21)

Data Measurement Techniques: Unless otherwise stated, indicators provide global coverage, subject to the reporting boundaries and limitations outlined above. The precision of different indicators may vary, however. For example, the company already has in place strong management and information systems for financial and human resources data, which leads to greater accuracy in these areas. Data measurement necessarily involves some level of estimation; wherever estimations occur, we have provided an explanation, including the level of accuracy and approach to data collection used to produce the relevant indicator.

Material Aspects		Section	Materiality	Aspect Boundary	Notes on Materiality	Notes
DMA		Reporting Process, Stakeholder Engagement				
Economic						
Economic Performance						
EC1	Direct economic value generated & distributed	Financials	Material	Within our entire operations and outside the organization as it relates to our shareholders, suppliers and other stakeholders	Our direct economic value generated is an important performance indicator for our operations and our stakeholders as it signifies our economic sustainability and potential for growth	
EC2	Financial implications & other risks and opportunities for the organization›s activities due to climate change	Environment	Material	Within our entire operations and outside the organization as it related to our stakeholders, the governments and policies of the countries where we operate	Climate change poses ubiquitous risks and threats, especially given our type of industry-transportation, which is responsible for 14% of global emissions, therefore, we must be forward looking in our strategies related to climate change risks and mitigation, this is particularly important in terms of financial implications of climate change. It is important for our stakeholders as well, to know what approach we are taking related to climate change and its implications on our operations and our surroundings	
EC3	Coverage of the organization›s defined benefit plan obligations	Financials, Our People	Material	Within our entire operations	Direct impact on our business, stakeholders, especially employees	
EC4	Financial assistance received from government	Governance	Material	Within our entire operations and outside the organization as it related to our stakeholders, the governments and policies of the countries where we operate	Aramex has a strict policy against receiving and giving any government assistance. It is important for our stakeholders to ensure that our company is not affiliated with any political or governmental system	
Market Presence						

Material Aspects		Section	Materiality	Aspect Boundary	Notes on Materiality	Notes
EC5	Ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation	Our People	Material	Within our entire operations and outside the organization as it related to our stakeholders, the governments and policies of the countries where we operate	At aramex, employee morale, satisfaction and retention is very important, since employees are an integral part of our success and the quality of our services. We aim to offer competitive wages to our employees are equal and often exceeding the local minimum wage to our entry level employees. Our wages are important to our employees as well as other stakeholders as they are indicative of our impact on the community.	
EC6	Proportion of senior management hired from the local community at significant locations of operation	Our People	Material	Within our entire operations	We aim to employee members of the local communities that we operate in, it is important to us that we have a healthy percentage of senior management hired from the local community, since they have an understanding of the local market. Moreover, this is important for our stakeholders because it indicates our investment in the capacity of the communities we are in	
Indirect Economic Impacts						
EC7	Development & impact of infrastructure investment & services supported	Overview	Immaterial		Since we are a light asset based company, we do not have significant investments related to infrastructure	
EC8	Significant indirect economic impacts, including the extent of impacts	Sustainability	Material	Within our entire operations and outside as it relates to the communities that we work in	Impacts our stakeholders and helps in the development of the communities we are operating in	
Procurement Practices						
EC9	Proportion of spending on local suppliers at significant locations of operation	Overview	Material	Within our entire operations and outside of as it relates to our suppliers in the countries where we operate in	Impacts our stakeholders and helps in the development of the communities we are operating in	The majority of our spending is on local suppliers, in fact, for 2013, on average, 85% of our spending was on local suppliers
Environmental						
Materials						
EN1	Materials used by weight or volume	Environment	Material	Within our entire operations and outside as it relates to the suppliers of our materials and the companies and municipalities that provide us with waste management and recycling services	In our operations, our pouches are used for 99% of our shipments, therefore, they make up a large proportion of the materials we use. Other materials include envelopes, labels, AWBs, canvas and bag tags. The amount of materials we use in our operations is important due to the environmental impacts of these materials, especially since they are mainly made of plastics or paper.	explain why materials used (pouches) are material to Aramex

Material Aspects			Section	Materiality	Aspect Boundary	Notes on Materiality	Notes
EN2		Percentage of materials used that are recycled input materials	Environment	Material	Within our entire operations and outside as it relates to the suppliers of our materials and the companies and municipalities that provide us with waste management and recycling services	Given that most of the materials we use in our operations are sourced from plastics (non-renewable) and paper, both have environmental impacts, it is important that we work to recycle these materials in order to reduce our environmental impacts.	Explain why materials used (pouches) are material to Aramex
Energy							
EN3		Energy consumption within the organization	Environment	Material	Within our entire operations, except our franchisees	Our energy consumption is important to our operations since it has an impact on our environmental and carbon footprint and it also is an important factor it monitor and manage in order to reduce our operational cost	Our total energy consumption inside the organization is 33625399 kw and 15793736 liters of fuel
EN4		Energy consumption outside of the organization		Immaterial		Given that we rely on third party suppliers, the energy consumed outside our organization is unavailable, however, using the GHG protocol, we account for the impact of the energy use outside our organization through our scope 3 emissions	Given that we rely on third party suppliers, the energy consumed outside our organization is unavailable, however, using the GHG protocol, we account for the impact of the energy use outside our organization through our scope 3 emissions
EN5	5	Energy intensity	Environment	Material	Within our entire operations, except our franchisees	This is an important measure of our energy footprint, since the energy intensity per shipment is a strong indicator of how this footprint relates to the context and growth of our operations. Energy intensity gives our stakeholders a better understanding of how our energy consumption is related to our operations.	
EN6		Reduction of energy consumption	Environment	Material	Within our entire operations, except our franchisees	The amounts of reductions in our energy consumption is an important measure of our environmental and efficiency initiatives	
EN7		Reductions in energy requirements of products & services	Environment	Immaterial		Because we report on our overall energy and emissions trends and consumption	
Water							
EN8		Total water withdrawal by sources	Environment	Material	Within our entire operations, except our franchisees	Our use of water is restricted to municipal use, however, given that water is important and exceedingly scarce, we make sure to measure our consumption	
EN9		Water sources significantly affected by withdrawal of water	Environment	Immaterial		Because our water consumption is strictly for municipal use and we withdraw and discharge water through municipal system	

Material Aspects		Section	Materiality	Aspect Boundary	Notes on Materiality	Notes
EN10	Percentage & total volume of water recycled and reused	Environment	Material	Within our entire operations, except our franchisees, outside as it relates to the municipalities and companies that provide us with services related to water re-use and recycle	Our use of water is restricted to municipal use, however, given that water is important and exceedingly scarce, we make sure to reuse and recycle our water where possible.	
Biodiversity						
EN11	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Environment	Immaterial		Not applicable since we ensure not to lease or own land adjacent to protected or high biodiversity areas	
EN12	Description of significant impacts of activities, products, & services on biodiversity in protected areas and areas of high biodiversity value outside protected areas	Environment	Immaterial		We are a service oriented company, therefore, we do not manufacture products, the pouches we use for our services are degradable	
EN13	Habitats protected or restored	Environment	Immaterial		We were not involved in any habitat protection or restoration activities	
EN14	Total number of IUCN Red List species and national conservation list specie with habitats in areas affected by operations, by level of extinction risk	Environment	Immaterial		Not applicable since we ensure that we ensure that our operations are not in areas with protected or endangered species	
Emissions						
EN15	Direct greenhouse gas (GHG) emissions (Scope 1)	Environment	Material	Within our entire operations, except our franchisees	Due to environmental impacts	
EN16	Energy indirect greenhouse gas (GHG) emissions (Scope 2)	Environment	Material	Within our entire operations, except our franchisees, outside as it relates to electricity providers	Due to environmental impacts	
EN17	Other indirect greenhouse gas (GHG) emissions (Scope 3)	Environment	Material	Inside our operations as it relates to our business relates travel. Outside our operations as it relates to our suppliers, our employees commuting	Due to environmental impacts	Our number of employees grew by 2%, therefore, our commuting footprint grew by the same
EN18	Direct greenhouse gas (GHG) emissions intensity	Environment	Material	Within our entire operations, except our franchisees, outside as it relates to our scope 3 emissions	Due to environmental impacts	
EN19	Reduction of greenhouse gas (GHG) emissions	Environment	Material	Within our entire operations, except our franchisees	Due to environmental impacts	
EN20	Emissions of ozone-depleting substances (ODS)	Environment	Immaterial		We do not emit any ODS	
EN21	Knox, Sox & other significant air emissions	Environment	Material	within our entire operations, except our franchisees	Nox and Sox have negative environmental and health impacts, given that they are a by-product of the burning of fossil fuels, it is important to measure and report on the amount our operations produce. Our efforts to reduce our GHG emissions are also aimed at reducing our Nox and Sox emissions	
Effluents and Waste						

Material Aspects		Section	Materiality	Aspect Boundary	Notes on Materiality	Notes
EN22	Total water discharge by quality and destination	Environment	Immaterial		Because our water consumption is strictly for municipal use and we withdraw and discharge water through municipal system	
EN23	Total weight of waste by type & disposal method	Environment	Material	Within our entire operations and outside as it relates to the suppliers of our materials and the companies and municipalities that provide us with waste management and recycling services	Due to environmental impacts	
EN24	Total number & volume of significant spills	Environment	Immaterial		We do not handle any hazardous or toxic substances, nor have had any significant spills in any of our warehouses and operations	
EN25	Weigh of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basal Convention Annex I, II, III, and VIII, & percentage of transported waste shipped internationally	Environment	Immaterial		We have strict policies against the handling or transportation of hazardous or toxic waste	
EN26	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the organization›s discharges of water and runoff	Environment	Immaterial		All our water is discharged through municipal sewage systems	
Products and Services						
EN27	Extent of impact mitigation of environmental impacts of products and services	Environment	Material	Within our entire operations, and outside as it relates to the environment and our stakeholders	This is important to our operations and to our stakeholders	
EN28	Percentage of products sold and their packaging materials that are reclaimed by category	Environment	Immaterial		We do not sell any product, pouches which make up 99% of our packaging material are degradable	
Compliance						
EN29	Monetary value of significant fines & total number of non-monetary sanctions for non-compliance with environmental laws and regulations	Environment	Material	Within our entire operations	This is important to our operations and to our stakeholders	We didn't receive any monetary fines or sanctions for non-compliance with environmental laws and regulations
Transport						
EN30	Significant environmental impacts of transporting products and other goods & materials for the organization›s operations, and transporting members of the workforce	Environment	Material	Within our entire operations and outside as it relates to our suppliers	This is important to our operations and to our stakeholders	
Overall						
EN31	Total environmental protection expenditures and investments by type	Environment	Material	Within our entire operations, except franchisees	This is important to our operations and to our stakeholders	
Supplier Environmental Assessment						

Material Aspects		Section	Materiality	Aspect Boundary	Notes on Materiality	Notes
EN32	Percentage of new suppliers that were screened using environmental criteria	Compliance	Material	Outside our operations as it relates to our supply chain	This is important to our operations and to our stakeholders	
EN33	Significant actual and potential negative environmental impacts in the supply chain and actions taken	Compliance	Material	Outside our operations as it relates to our supply chain	This is important to our operations and to our stakeholders	
Environmental Grievance Mechanisms						
EN34	Number of grievances about environmental impacts filed, addressed, and resolved through formal grievance mechanisms	Environment	Material	Within and outside our operations as it relates to our supply chain	This is important to our operations and to our stakeholders	
Social						
Labor Practices and Decent work						
Employment						
LA1	Total number & rates of new employee hires and employee turnover by age group, gender, and region	Our People	Material	Within our entire operations, except franchisees	Direct impact on our business, stakeholders, especially employees	We are currently deploying our new automated HR system and added 12 entities to this system we are currently working on adding the rest, until this is completed, we are unable to report on our employee turnover
LA2	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operations	Our People	Immaterial		Throughout 2013, we did not have any part-time employees	
LA3	Return to work and retention rates after parental leave, by gender	Our People	Material	Within our entire operations, except franchisees	We aim to provide a comfortable and unique working environment for our employees, and we invest in them and their capacity, which is why employee retention is important to us. Moreover, in aramex we seek to provide flexibility for our female employees after their maternity leave to encourage their return to work	
Labor/Management Relations						
LA4	Minimum notice periods regarding operational changes, including whether these are specified in collective agreements	Our People	Material	Within our entire operations, except franchisees	Direct impact on our business, stakeholders, especially employees	While we do not prevent any collective bargaining agreements, we currently do not have any collective bargaining agreements. Moreover, whenever we have any operational changes, we meet with related stakeholders to set a plan for the roll out of these changes
Occupational Health and Safety						

Material Aspects		Section	Materiality	Aspect Boundary	Notes on Materiality	Notes
LA5	Percentage of total workforce represented in formal joint management-worker health & safety committees that help monitor and advice on occupational health & safety programs	Our People	Material	Within our entire operations, except franchisees	The high level of representation of our employees in formal health and safety committees is important some it allows for better decision making in incident prevention mechanisms. We seek to have a safe and healthily environment for our employees. This is important for our stakeholders and the sustainability of our operations.	
LA6	Type of injury & rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender	Our People	Material	Within our entire operations, except franchisees	Direct impact on our business, stakeholders, especially employees	
LA7	Workers with high incidence or high risk of diseases related to their occupation		Immaterial		In our operations, we employ strict health and safety measures, our employees do not handle any hazardous or toxic substances and are not exposed to any disease risk factors while on the job.	
LA8	Health & safety topics covered in formal agreements with trade unions		Immaterial		We currently do not have any formal agreements with trade unions therefore, this is not applicable	
Training and Education						
LA9	Average hours of training per year per employee by gender, and by employee category	Our People	Material	Within our entire operations, except franchisees	Employee training is extremely important for our operations, we are actively engaging our employees and building their capacity, in order to improve our business processes and quality of services. Moreover, investing in our employees capacity promotes employee retention and more productive working environments	
LA10	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	Our People	Material	Within our entire operations, except franchisees	Employee training is extremely important for our operations, we are actively engaging our employees and building their capacity, in order to improve our business processes and quality of services. Moreover, investing in our employees capacity promotes employee retention and more productive working environments	
LA11	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category	Our People	Material	Within our entire operations, except franchisees	Direct impact on our business, stakeholders, especially employees	100% of our employees receive annual performance reviews as per our HR policies
Diversity and Equal Opportunity						

Material Aspects		Section	Materiality	Aspect Boundary	Notes on Materiality	Notes
LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity	Our People	Material	Within our entire operations, except franchisees	Aramex is a global operation, diversity is vital to the success of our operations, it ensures that the different regions we operate in are represented in our workforce. Diversity is an important aspect of our sustainability and integration into the communities that we work in	
Equal Remuneration for Women and Men						
LA13	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation	Our People	Material	Within our entire operations, except franchisees	Direct impact on our business, stakeholders, especially employees	
Supplier Assessment for Labor Practices						
LA14	Percentage of new suppliers that were screened using labor practices criteria	Compliance	Material	Outside our operations as it relates to our supply chain	Labor rights are important to us, we strive to ensure that all our employees and workforce have their rights as per country and international laws and regulations. To that end, we began screening our suppliers, so that we align our supply chain to our principles and standards	
LA15	Significant actual and potential negative impacts for labor practices in the supply chain and actions taken	Compliance	Material	Within and outside our operations as it relates to our supply chain	It is important to act on any violations we find while evaluating our supply chain for labor rights, in 2013, our screening did not raise any red flags related to labor practice violations	
Labor Practices Grievance Mechanisms						
LA16	Number of grievances about labor practices filed, addressed, and resolved through formal grievance mechanisms	Our People	Material	Within and outside our operations as it relates to our supply chain	We make an effort to ensure that we safe keep the labor rights of all our workforce, therefore, we ensure to have a clear labor rights policy along with a whistleblowing system to report any concerns or grievances, whether related to our operations or those of our suppliers, in order to remediate the issues immediately	
Human Rights						
Investment						
HR1	Total number & percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	Compliance	Material	Outside our operations as it relates to our supply chain	Human rights are vital to us, we strive to uphold human rights in all our operations, therefore, we evaluate our suppliers compliance with international laws and conventions related to human rights to ensure there are no violations in our supply chain. Human rights violations can impact our operations and stakeholders negatively, which is why this is important for us to keep track of and prevent	

Material Aspects		Section	Materiality	Aspect Boundary	Notes on Materiality	Notes
HR2	Total hours of employee training on human rights policies or procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained	Our People	Material	Within our operations, except franchisees	In order to ensure human rights are upheld, we make sure to communicate with our employees on the importance of their importance and how they relate to our code of conduct. We make sure to keep our employees informed in order to avoid any violations	
Non-discrimination						
HR3	Total number of incidents of discrimination and corrective actions taken	Our People	Material	Within our operations, except franchisees	We aim to provide a comfortable working environment for our employees, therefore, we ensure that our stakeholders are aware of the channels available to report any discrimination cases in order for us to investigate and remediate them.	
Freedom of Association and Collective Bargaining						
HR4	Operations & suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and measures taken to support these rights	Our People	Material	Within and outside our operations as it relates to our supply chain	It is important for our stakeholders that aramex does not employ any policies that prevent our employees or suppliers the right to join in collective bargaining agreements, as we maintain the freedom for our suppliers and employees to join in countries that allow for this. Formal agreements and collective bargaining can protect employees and safeguard their rights	
Child Labor						
HR5	Operations & suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor	Compliance	Material	Within and outside our operations as it relates to our supply chain	Direct impact on our business and stakeholders	
Forced or Compulsory Labor						
HR6	Operations & suppliers identified as having significant risk for incidents of forces or compulsory labor, and measures taken to contribute to the elimination of all forms or forced or compulsory labor	Compliance	Material	Within and outside our operations as it relates to our supply chain	Direct impact on our business and stakeholders	
Security Practices						

Material Aspects		Section	Materiality	Aspect Boundary	Notes on Materiality	Notes
HR7	Percentage of security personnel trained in the organization›s human rights policies or procedures that are relevant to operations	Compliance, Our People	Material	Within and outside our operations as it relates to our suppliers	In order to ensure human rights are upheld, we make sure to communicate with our employees on the importance of their importance and how they relate to our code of conduct. We make sure to keep our employees informed in order to avoid any violations, this includes our security staff as they are an important aspect of our operations and are constantly on-site, therefore, they have a high potential to prevent and report any violations	
Indigenous Rights						
HR8	Total number of incidents of violations involving rights of indigenous peoples and actions taken		Immaterial		We do not own or lease land in areas with indigenous populations or that have indigenous rights therefore this is not applicable to our operations	
Assessment						
HR9	Total number & percentage of operations that have been subject to human rights reviews or impact assessments	Compliance	Material	Within our operations	Human rights are vital to us, we strive to uphold human rights in all our operations, therefore, we assess our operations compliance with international laws and conventions related to human rights to ensure there are no violations in our operations of supply chain. Human rights violations can impact our operations and stakeholders negatively, which is why this is important for us to keep track of and prevent	
Supplier Human Rights Assessment						
HR10	Percentage of new suppliers that were screened using human rights criteria	Compliance	Material	Outside our operations as it relates to our supply chain	Direct impact on our business and stakeholders	
HR11	Significant actual & potential negative human rights impacts in the supply chain and actions taken	Compliance	Material	Within and outside our operations as it relates to our supply chain	Direct impact on our business and stakeholders	
Human Rights Grievance Mechanisms						
HR12	Number of grievances about human rights impacts files, addressed, and resolved through formal grievance mechanisms	Compliance	Material	Within and outside our operations as it relates to our supply chain	Given that we place high value on Human Rights, we ensure that our stakeholders are aware of the channels available to report any discrimination cases in order for us to investigate and remediate them.	
Society						
Local Communities						

Material Aspects		Section	Materiality	Aspect Boundary	Notes on Materiality	Notes
SO1	Percentage of operations with implemented local community engagement, impact assessment, and development programs	Social Section	Material	Inside and outside our operations in the countries where we operate	Aramex strives to leave a positive impact in all areas we operate, we believe it is vital to engage with local communities and empower them. Our social and sustainability initiatives impacts the community›s well being and enhances our relationships with our stakeholders	
SO2	Operations with significant actual or potential negative impacts on local communities		Immaterial		Given the nature of our operations, since we do not operate any factories or manufacturing facilities that pose health risks, nor do we mine or extract resources, we ensure that our operations do not pose any negative social impacts and have mechanisms in place to report any issues or concerns.	
Anti-Corruption						
SO3	Total number and percentage of operations assessed for risks related to corruption and the significant risks identified	Compliance	Material	Within our entire operations	Corruption can have significant legal and financial implications, as well as a negative impact on our stakeholders and on the areas where we operate, which is why aramex›s compliance and internal audit functions are dedicated towards the reduction of risks related to corruption	
SO4	Communications and training on anti-corruption policies and procedures	Compliance, Governance, Our People	Material	Within our entire operations	Corruption can have significant legal and financial implications, as well as a negative impact on our stakeholders and on the areas where we operate, which is why aramex›s compliance and internal audit functions are dedicated towards the reduction of risks related to corruption and ensure that our employees are trained and aware of our code of conduct and anti-corruption policies	
SO5	Confirmed incidents of corruption and actions taken	Compliance	Material	Within our entire operations	Given the importance of keeping our operations corruption free- we have formal channels to report any cases, and a comprehensive procedure to take investigate and take action against perpetrators	
Public Policy						
SO6	Total value of political contributions by country and recipient/beneficiary	Governance	Material	Within our entire operations	We have strict policy against giving political contributions to governments, as we do not affiliate our selves with any political or governmental system	
Anti-competitive Behavior						

Material Aspects		Section	Materiality	Aspect Boundary	Notes on Materiality	Notes
SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes	Compliance	Material	Within our entire operations	Direct impact on our business and stakeholders	In 2013, we did not have any legal actions for anti-competitive behavior, anti-trust, and monopoly practices filed against us
Compliance						
SO8	Monetary value of significant fines & total number of non-monetary sanctions for non-compliance with laws and regulations	Compliance	Material	Within our entire operations	Direct impact on our business and stakeholders	In 2013, we didn't receive any fines or non-monetary sanctions for non-compliance with laws and regulations, since we did not face any issues of non-compliance
Supplier Assessment for Impacts on Society						
SO9	Percentage of new suppliers that were screened using criteria for impacts on society	Compliance	Material	Outside our operations related to our supply chain	It is in line with our values and sustainability to ensure that our supply chain does not bear negative social impacts, therefore, we began evaluating our supplier on matters related to our code of conduct, which include social issues such as human, labor and child rights	
SO10	Significant actual and potential negative impacts on society in the supply chain and actions taken	Compliance	Material	Outside our operations related to our supply chain	Direct impact on our business and stakeholders	
Grievance Mechanisms for Impacts on Society						
SO11	Number of grievances about impacts on society filed, addressed, and resolved through formal grievance mechanisms	Compliance	Material	Within and outside our operations as it relates to our supply chain	Direct impact on our business and stakeholders	
Product Responsibility						
Customer Health and Safety						
PR1	Percentage of significant product and service categories for which health & safety impacts are assessed for improvement		Immaterial		We do not produce any products or services that require health and safety impact assessment	
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by type of outcomes		Immaterial		We do not produce any products or services that require health and safety impact assessment	
Product and Service Labeling						

Material Aspects		Section	Materiality	Aspect Boundary	Notes on Materiality	Notes
PR3	Type of product & service information required by the organization›s procedures for product and services information and labelling, and percentage of significant product and service categories subject to such information requirements		Immaterial		We do not produce any products or services that require specific labeling	
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes		Immaterial		We do not produce any products or services that require specific labeling	
PR5	Results of surveys measuring customer satisfaction	Our Customers	Material	Within our entire operations and outside as it relates to our customers	Customer satisfaction is important to aramex, therefore, measuring customer satisfaction through these surveys allows us to know more about our services and identify any gaps or needs for improvement in order to maintain positive long term relationships with our customers	
Marketing Communications						
PR6	Sale of banned or disputed products	Compliance	Material	Within our entire operations and outside as it relates to the international and national laws and regulations	We have strict policies against the sale or transportation of banned or disputed product and we have controls to ensure shipment contents	
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes	Compliance	Material	Outside our organization as it relates to international and national laws and regulations	Direct impact on our business and stakeholders	
Customer Privacy						
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	Compliance, Our Customers,	Material	Within our organization and outside as it relates to our customers	Directly impacts our customers and our business	In 2013 we did not have any cases
Compliance						
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	Compliance, Our Customers,	Material	Within our organization and outside as it relates to our customers and international and national laws and regulations	Direct impact on our business and stakeholders	

GRI/UN Global Compact Index

General Standard Disclosures		Section	Page	Omissions	External Assurance p.196	Notes
Strategy and Analysis						
G4	1	CEO Letter	6,7	Not Applicable		
G4	2	CEO Letter, Strategic Direction	6,7&17,18,19	Not Applicable		
Organizational Profile						
G4	3	CEO Letter, Overview	5	Not Applicable	Yes	
	4	Overview	12,13,14,15,16	Not Applicable	Yes	
	5	Overview	5	Not Applicable	Yes	
	6	Overview	5	Not Applicable	Yes	
	7	Governance	5	Not Applicable	Yes	
	8	Overview	5	Not Applicable		
	9	Overview, Our people (Health and Safety)	5-6-29	Not Applicable	Yes	
	10	Our People	22-32	Not Applicable	Yes	
	11	Our People	26	Not Applicable		
	12	Overview	14-15	Not Applicable		
	13			Not Applicable		There have been no significant operational or organizational changes in 2013
	14	Governance	88	Not Applicable		
	15	Memberships and Awards, Sustainability	73-74,91	Not Applicable		There have been no changes
	16	Memberships and Awards, Sustainability	73-74,91	Not Applicable		
Identified Material Aspects and Boundaries						
G4	17	Financials	13-195	Not Applicable		
	18	Reporting Process, Stakeholder Engagement	96-98&75-79	Not Applicable		
	19	Reporting Process, Stakeholder Engagement	96-98&75-79	Not Applicable	Yes	Aspects, materiality and boundaries are located in the reporting process
	20	Reporting Process, Stakeholder Engagement	96-98&75-79	Not Applicable		
	21	Reporting Process, Stakeholder Engagement	96-98&75-79	Not Applicable		
G4	22			Not Applicable		None
G4	23			Not Applicable	Yes	None
Stakeholder Engagement						
G4	24	Stakeholder Engagement	75-79	Not Applicable	Yes	
G4	25	Stakeholder Engagement	75-79	Not Applicable	Yes	
G4	26	Stakeholder Engagement	75-79	Not Applicable	Yes	
G4	27	Stakeholder Engagement	75-79	Not Applicable		
Report Profile						
G4	28			Not Applicable	Yes	2013
G4	29			Not Applicable	Yes	2012
G4	30			Not Applicable	Yes	Annual
G4	31			Not Applicable	Yes	Raji.Hattar@aramex.com
G4	32			Not Applicable	Yes	Comprehensive

General Standard Disclosures		Section	Page	Omissions	External Assurance p.196	Notes
G4	33	Assurance Letter		Not Applicable	Yes	The sustainability report in a tool used not only to inform our stakeholders, but also as a tool for us to monitor our operations, it is important for us to have external assurance on our material KPI›s. It has been our policy to seek third-party assurance for KPI›s that related to/ and occur within our direct operations. The CSO is highly involved in the process of seeking third party assurance for the report
Governance						
G4	34	Governance	83	Not Applicable	Yes	
G4	35	Governance	87	Not Applicable		
	36	Governance	87	Not Applicable	Yes	
	37	Governance	87	Not Applicable		
	38	Governance	83	Not Applicable	Yes	
	39	Governance	83	Not Applicable		The Chair of the highest governance body is non-executive
	40	Governance	84	Not Applicable		
	41	Governance	83	Not Applicable	Yes	
	42	Governance	84	Not Applicable	Yes	
	43	Governance	85	Not Applicable		
	44	Governance	85	Not Applicable		
	45	Governance	86	Not Applicable		
	46	Governance	86	Not Applicable		
	47	Governance	86	Not Applicable		
	48	Governance	87	Not Applicable	Yes	
	49	Governance	89	Not Applicable		
	50	Governance	89	Not Applicable		None
	51	Governance		We will not be able to declare our executive committee remuneration analysis since it is not a business norm in the markets where we operate.		
	52	Governance		We will not be able to declare our executive committee remuneration analysis since it is not a business norm in the markets where we operate.		
	53	Governance		We will not be able to declare our executive committee remuneration analysis since it is not a business norm in the markets where we operate.		

General Standard Disclosures		Section	Page	Omissions	External Assurance p.196	Notes
	54	Governance		We will not be able to declare our executive committee remuneration analysis since it is not a business norm in the markets where we operate.		
	55	Governance		We will not be able to declare our executive committee remuneration analysis since it is not a business norm in the markets where we operate.		
Ethics and Integrity						
G4	56	Compliance	90	Not Applicable	Yes	
G4	57	Compliance	92	Not Applicable		
G4	58	Compliance	92	Not Applicable		

Material Aspects		DMA and Indicators (location)	Page number	Omissions	Materiality	Aspect Boundary	Notes on Materiality	Notes	External Assurance p.196
DMA		Reporting Process, Stakeholder Engagement							
Economic									
Economic Performance									
EC1	Direct economic value generated & distributed	Financials	134	Not Applicable	Material	Within our entire operations and outside the organization as it relates to our shareholders, suppliers and other stakeholders	Our direct economic value generated is an important performance indicator for our operations and our stakeholders as it signifies our economic sustainability and potential for growth		
EC2	Financial implications & other risks and opportunities for the organization›s activities due to climate change	Environment	61	Not Applicable	Material	Within our entire operations and outside the organization as it related to our stakeholders, the governments and policies of the countries where we operate	Climate change poses ubiquitous risks and threats, especially given our type of industry- transportation, which is responsible for 14% of global emissions, therefore, we must be forward looking in our strategies related to climate change risks and mitigation, this is particularly important in terms of financial implications of climate change. It is important for our stakeholders as well, to know what approach we are taking related to climate change and its implications on our operations and our surroundings		

Material Aspects		DMA and Indicators (location)	Page number	Omissions	Materiality	Aspect Boundary	Notes on Materiality	Notes	External Assurance p.196
EC3	Coverage of the organization›s defined benefit plan obligations	Financials, Our People	35	Not Applicable	Material	within our entire operations	Direct impact on our business, stakeholders, especially employees		
EC4	Financial assistance received from government	Governance	89	Not Applicable	Material	Within our entire operations and outside the organization as it related to our stakeholders, the governments and policies of the countries where we operate	Aramex has a strict policy against receiving and giving any government assistance. It is important for our stakeholders to ensure that our company is not affiliated with any political or governmental system		
Market Presence									
EC5	Ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation	Our People	24	Not Applicable	Material	Within our entire operations and outside the organization as it related to our stakeholders, the governments and policies of the countries where we operate	At aramex, employee morale, satisfaction and retention is very important, since employees are an integral part of our success and the quality of our services. We aim to offer competitive wages to our employees are equal and often exceeding the local minimum wage to our entry level employees. Our wages are important to our employees as well as other stakeholders as they are indicative of our impact on the community.		
EC6	Proportion of senior management hired from the local community at significant locations of operation	Our People	30	Not Applicable	Material	Within our entire operations	We aim to employee members of the local communities that we operate in, it is important to us that we have a healthy percentage of senior management hired from the local community, since they have an understanding of the local market. Moreover, this is important for our stakeholders because it indicates our investment in the capacity of the communities we are in		
Indirect Economic Impacts									
EC7	Development & impact of infrastructure investment & services supported	Overview		Immaterial	Immaterial		Since we are a light asset based company, we do not have significant investments related to infrastructure		
EC8	Significant indirect economic impacts, including the extent of impacts	Overview	10	Not Applicable	Material	Within our entire operations and outside as it relates to the communities that we work in	Impacts our stakeholders and helps in the development of the communities we are operating in		
Procurement Practices									

Material Aspects		DMA and Indicators (location)	Page number	Omissions	Materiality	Aspect Boundary	Notes on Materiality	Notes	External Assurance p.196
EC9	Proportion of spending on local suppliers at significant locations of operation	Overview, Index	10	Not Applicable	Material	Within our entire operations and outside of as it relates to our suppliers in the countries where we operate in	Impacts our stakeholders and helps in the development of the communities we are operating in	The majority of our spending is on local suppliers, in fact, for 2013, on average, 85% of our spending was on local suppliers	
Environmental									
Materials									
EN1	Materials used by weight or volume	Environment	69	Not Applicable	Material	Within our entire operations and outside as it relates to the suppliers of our materials and the companies and municipalities that provide us with waste management and recycling services	In our operations, our pouches are used for 99% of our shipments, therefore, they make up a large proportion of the materials we use. Other materials include envelopes, labels, AWBs, canvas and bag tags. The amount of materials we use in our operations is important due to the environmental impacts of these materials, especially since they are mainly made of plastics or paper.	explain why materials used (pouches) are material to Aramex	
EN2	Percentage of materials used that are recycled input materials	Environment	69	Not Applicable	Material	Within our entire operations and outside as it relates to the suppliers of our materials and the companies and municipalities that provide us with waste management and recycling services	Given that most of the materials we use in our operations are sourced from plastics (non-renewable) and paper, both have environmental impacts, it is important that we work to recycle these materials in order to reduce our environmental impacts.	explain why materials used (pouches) are material to Aramex	
Energy									
EN3	Energy consumption within the organization	Environment	63	Not Applicable	Material	Within our entire operations, except our franchisees	Our energy consumption is important to our operations since it has an impact on our environmental and carbon footprint and it also is an important factor it monitor and manage in order to reduce our operational cost	Our total energy consumption inside the organization is 33625399 kw and 15793736 liters of fuel	Yes

Material Aspects		DMA and Indicators (location)	Page number	Omissions	Materiality	Aspect Boundary	Notes on Materiality	Notes	External Assurance p.196
EN4	Energy consumption outside of the organization			Immaterial	Immaterial		Given that we rely on third party suppliers, the energy consumed outside our organization is unavailable, however, using the GHG protocol, we account for the impact of the energy use outside our organization through our scope 3 emissions	Given that we rely on third party suppliers, the energy consumed outside our organization is unavailable, however, using the GHG protocol, we account for the impact of the energy use outside our organization through our scope 3 emissions	Yes
EN5	Energy intensity	Environment	63	Not Applicable	Material	Within our entire operations, except our franchisees	This is an important measure of our energy footprint, since the energy intensity per shipment is a strong indicator of how this footprint relates to the context and growth of our operations. Energy intensity gives our stakeholders a better understanding of how our energy consumption is related to our operations.		
EN6	Reduction of energy consumption	Environment	65	Not Applicable	Material	Within our entire operations, except our franchisees	The amounts of reductions in our energy consumption is an important measure of our environmental and efficiency initiatives		
EN7	Reductions in energy requirements of products & services	Environment		Immaterial	Immaterial		Because we report on our overall energy and emissions trends and consumption		
Water									
EN8	Total water withdrawal by sources	Environment	70	Not Applicable	Material	Within our entire operations, except our franchisees	Our use of water is restricted to municipal use, however, given that water is important and exceedingly scarce, we make sure to measure our consumption		
EN9	Water sources significantly affected by withdrawal of water	Environment	70	Immaterial	Immaterial		Because our water consumption is strictly for municipal use and we withdraw and discharge water through municipal system		
EN10	Percentage & total volume of water recycled and reused	Environment	70	Not Applicable	Material	Within our entire operations, except our franchisees, outside as it relates to the municipalities and companies that provide us with services related to water re-use and recycle	Our use of water is restricted to municipal use, however, given that water is important and exceedingly scarce, we make sure to reuse and recycle our water where possible.		

Material Aspects		DMA and Indicators (location)	Page number	Omissions	Materiality	Aspect Boundary	Notes on Materiality	Notes	External Assurance p.196
Biodiversity									
EN11	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Environment	71	Immaterial	Immaterial		Not applicable since we ensure not to lease or own land adjacent to protected or high biodiversity areas		
EN12	Description of significant impacts of activities, products, & services on biodiversity in protected areas and areas of high biodiversity value outside protected areas	Environment	71	Immaterial	Immaterial		We are a service oriented company, therefore, we do not manufacture products, the pouches we use for our services are degradable		
EN13	Habitats protected or restored	Environment	71	Immaterial	Immaterial		We were not involved in any habitat protection or restoration activities		
EN14	Total number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk	Environment	80	Immaterial	Immaterial		Not applicable since we ensure that we ensure that our operations are not in areas with protected or endangered species		
Emissions									
EN15	Direct greenhouse gas (GHG) emissions (Scope 1)	Environment	63	Not Applicable	Material	Within our entire operations, except our franchisees	Due to environmental impacts		yes
EN16	Energy indirect greenhouse gas (GHG) emissions (Scope 2)	Environment	63	Not Applicable	Material	Within our entire operations, except our franchisees, outside as it relates to electricity providers	Due to environmental impacts		yes
EN17	Other indirect greenhouse gas (GHG) emissions (Scope 3)	Environment	63	Not Applicable	Material	Inside our operations as it relates to our business relates travel. Outside our operations as it relates to our suppliers, our employees commuting	Due to environmental impacts	Our number of employees grew by 2%, therefore, our commuting footprint grew by the same	yes
EN18	Direct greenhouse gas (GHG) emissions intensity	Environment	64	Not Applicable	Material	Within our entire operations, except our franchisees, outside as it relates to our scope 3 emissions	Due to environmental impacts		
EN19	Reduction of greenhouse gas (GHG) emissions	Environment	65	Not Applicable	Material	Within our entire operations, except our franchisees	Due to environmental impacts		yes
EN20	Emissions of ozone-depleting substances (ODS)	Environment	65	Immaterial	Immaterial		We do not emit any ODS		

Material Aspects		DMA and Indicators (location)	Page number	Omissions	Materiality	Aspect Boundary	Notes on Materiality	Notes	External Assurance p.196
EN21	NOx, SOx & other significant air emissions	Environment	65	Not Applicable	Material	Within our entire operations, except our franchisees	Nox and Sox have negative environmental and health impacts, given that they are a by-product of the burning of fossil fuels, it is important to measure and report on the amount our operations produce. Our efforts to reduce our GHG emissions are also aimed at reducing our Nox and Sox emissions		yes
Effluents and Waste									
EN22	Total water discharge by quality and destination	Environment	70	Immaterial	Immaterial		because our water consumption is strictly for municipal use and we withdraw and discharge water through municipal system		
EN23	Total weight of waste by type & disposal method	Environment	71	Not Applicable	Material	Within our entire operations and outside as it relates to the suppliers of our materials and the companies and municipalities that provide us with waste management and recycling services	Due to environmental impacts		
EN24	Total number & volume of significant spills	Environment	70	Immaterial	Immaterial		We do not handle any hazardous or toxic substances, nor have had any significant spills in any of our warehouses and operations		
EN25	Weigh of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basal Convention Annex I, II, III, and VIII, & percentage of transported waste shipped internationally	Environment	70	Immaterial	Immaterial		We have strict policies against the handling or transportation of hazardous or toxic waste		
EN26	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the organization›s discharges of water and runoff	Environment	70	Immaterial	Immaterial		All our water is discharged through municipal sewage systems		
Products and Services									

Material Aspects		DMA and Indicators (location)	Page number	Omissions	Materiality	Aspect Boundary	Notes on Materiality	Notes	External Assurance p.196
EN27	Extent of impact mitigation of environmental impacts of products and services	Environment	63	Not Applicable	Material	Within our entire operations, and outside as it relates to the environment and our stakeholders	This is important to our operations and to our stakeholders		
EN28	Percentage of products sold and their packaging materials that are reclaimed by category	Environment		Immaterial	Immaterial		We do not sell any product, pouches which make up 99% of our packaging material are degradable		
Compliance									
EN29	Monetary value of significant fines & total number of non-monetary sanctions for non-compliance with environmental laws and regulations	Environment	61	Not Applicable	Material	Within our entire operations	This is important to our operations and to our stakeholders	We didn't receive any monetary fines or sanctions for non-compliance with environmental laws and regulations	
Transport									
EN30	Significant environmental impacts of transporting products and other goods & materials for the organization›s operations, and transporting members of the workforce	Environment	61	Not Applicable	Material	Within our entire operations and outside as it relates to our suppliers	This is important to our operations and to our stakeholders		yes
Overall									
EN31	Total environmental protection expenditures and investments by type	Environment	61	Not Applicable	Material	Within our entire operations, except franchisees	This is important to our operations and to our stakeholders		
Supplier Environmental Assessment									
EN32	Percentage of new suppliers that were screened using environmental criteria	Compliance, Environment	92-32	Not Applicable	Material	Outside our operations as it relates to our supply chain	This is important to our operations and to our stakeholders		
EN33	Significant actual and potential negative environmental impacts in the supply chain and actions taken	Compliance, Environment	92-32	Not Applicable	Material	Outside our operations as it relates to our supply chain	This is important to our operations and to our stakeholders		
Environmental Grievance Mechanisms									
EN34	Number of grievances about environmental impacts filed, addressed, and resolved through formal grievance mechanisms	Environment	61	Not Applicable	Material	Within and outside our operations as it relates to our supply chain	This is important to our operations and to our stakeholders		
Social									
Labor Practices and Decent work									
Employment									

Material Aspects		DMA and Indicators (location)	Page number	Omissions	Materiality	Aspect Boundary	Notes on Materiality	Notes	External Assurance p.196
LA1	Total number & rates of new employee hires and employee turnover by age group, gender, and region	Our People	32	Not Applicable	Material	Within our entire operations, except franchisees	Direct impact on our business, stakeholders, especially employees	We are currently deploying our new automated HR system and added 12 entities to this system we are currently working on adding the rest, until this is completed, we are unable to report on our employee turnover	yes
LA2	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operations	Our People	25	Immaterial	Immaterial		Throughout 2013, we did not have any part-time employees		
LA3	Return to work and retention rates after parental leave, by gender	Our People	25	Not Applicable	Material	Within our entire operations, except franchisees	We aim to provide a comfortable and unique working environment for our employees, and we invest in them and their capacity, which is why employee retention is important to us. Moreover, in aramex we seek to provide flexibility for our female employees after their maternity leave to encourage their return to work		yes
Labor/ Management Relations									
LA4	Minimum notice periods regarding operational changes, including whether these are specified in collective agreements	Our People, index	26	Not Applicable	Material	Within our entire operations, except franchisees	Direct impact on our business, stakeholders, especially employees	While we do not prevent any collective bargaining agreements, we currently do not have any collective bargaining agreements. Moreover, whenever we have any operational changes, we meet with related stakeholders to set a plan for the roll out of these changes	
Occupational Health and Safety									

Material Aspects		DMA and Indicators (location)	Page number	Omissions	Materiality	Aspect Boundary	Notes on Materiality	Notes	External Assurance p.196
LA5	Percentage of total workforce represented in formal joint management-worker health & safety committees that help monitor and advice on occupational health & safety programs	Our People	34	Not Applicable	Material	Within our entire operations, except franchisees	the high level of representation of our employees in formal health and safety committees is important some it allows for better decision making in incident prevention mechanisms. We seek to have a safe and healthily environment for our employees. This is important for our stakeholders and the sustainability of our operations.		
LA6	Type of injury & rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender	Our People	35	Not Applicable	Material	Within our entire operations, except franchisees	Direct impact on our business, stakeholders, especially employees		yes
LA7	Workers with high incidence or high risk of diseases related to their occupation			Immaterial	Immaterial		In our operations, we employ strict health and safety measures, our employees do not handle any hazardous or toxic substances and are not exposed to any disease risk factors while on the job.		
LA8	Health & safety topics covered in formal agreements with trade unions			Immaterial	Immaterial		We currently do not have any formal agreements with trade unions therefore, this is not applicable		
Training and Education									
LA9	Average hours of training per year per employee by gender, and by employee category	Our People	27	Not Applicable	Material	Within our entire operations, except franchisees	Employee training is extremely important for our operations, we are actively engaging our employees and building their capacity, in order to improve our business processes and quality of services. Moreover, investing in our employees capacity promotes employee retention and more productive working environments		yes
LA10	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	Our People	28	Not Applicable	Material	Within our entire operations, except franchisees	Employee training is extremely important for our operations, we are actively engaging our employees and building their capacity, in order to improve our business processes and quality of services. Moreover, investing in our employees capacity promotes employee retention and more productive working environments		yes

Material Aspects		DMA and Indicators (location)	Page number	Omissions	Materiality	Aspect Boundary	Notes on Materiality	Notes	External Assurance p.196
LA11	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category	Our People	26	Not Applicable	Material	Within our entire operations, except franchisees	Direct impact on our business, stakeholders, especially employees	100% of our employees receive annual performance reviews as per our HR policies	yes
Diversity and Equal Opportunity									
LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity	Our People	31	Not Applicable	Material	Within our entire operations, except franchisees	Aramex is a global operation, diversity is vital to the success of our operations, it ensures that the different regions we operate in are represented in our workforce. Diversity is an important aspect of our sustainability and integration into the communities that we work in		yes
Equal Remuneration for Women and Men									
LA13	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation	Our People	24	Not Applicable	Material	Within our entire operations, except franchisees	Direct impact on our business, stakeholders, especially employees		yes
Supplier Assessment for Labor Practices									
LA14	Percentage of new suppliers that were screened using labor practices criteria	Compliance, index	92	Not Applicable	Material	Outside our operations as it relates to our supply chain	Labor rights are important to us, we strive to ensure that all our employees and workforce have their rights as per country and international laws and regulations. To that end, we began screening our suppliers, so that we align our supply chain to our principles and standards		yes
LA15	Significant actual and potential negative impacts for labor practices in the supply chain and actions taken	Compliance, Index	92	Not Applicable	Material	Within and outside our operations as it relates to our supply chain	It is important to act on any violations we find while evaluating our supply chain for labor rights, in 2013, our screening did not raise any red flags related to labor practice violations		yes
Labor Practices Grievance Mechanisms									

Material Aspects		DMA and Indicators (location)	Page number	Omissions	Materiality	Aspect Boundary	Notes on Materiality	Notes	External Assurance p.196
LA16	Number of grievances about labor practices filed, addressed, and resolved through formal grievance mechanisms	Our People	25	Not Applicable	Material	Within and outside our operations as it relates to our supply chain	We make an effort to ensure that we safe keep the labor rights of all our workforce, therefore, we ensure to have a clear labor rights policy along with a whistleblowing system to report any concerns or grievances, whether related to our operations or those of our suppliers, in order to remediate the issues immediately		yes
Human Rights									
Investment									
HR1	Total number & percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	Compliance	92	Not Applicable	Material	outside our operations as it relates to our supply chain	human rights are vital to us, we strive to uphold human rights in all our operations, therefore, we evaluate our suppliers compliance with international laws and conventions related to human rights to ensure there are no violations in our supply chain. Human rights violations can impact our operations and stakeholders negatively, which is why this is important for us to keep track of and prevent		
HR2	Total hours of employee training on human rights policies or procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained	Our People	91	Not Applicable	Material	Within our operations, except franchisees	In order to ensure human rights are upheld, we make sure to communicate with our employees on the importance of their importance and how they relate to our code of conduct. We make sure to keep our employees informed in order to avoid any violations		
Non-discrimination									
HR3	Total number of incidents of discrimination and corrective actions taken	Our People	91	Not Applicable	Material	Within our operations, except franchisees	We aim to provide a comfortable working environment for our employees, therefore, we ensure that our stakeholders are aware of the channels available to report any discrimination cases in order for us to investigate and remediate them.		yes
Freedom of Association and Collective Bargaining									

Material Aspects		DMA and Indicators (location)	Page number	Omissions	Materiality	Aspect Boundary	Notes on Materiality	Notes	External Assurance p.196
HR4	Operations & suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and measures taken to support these rights	Our People, index	26	Not Applicable	Material	Within and outside our operations as it relates to our supply chain	It is important for our stakeholders that aramex does not employ any policies that prevent our employees or suppliers the right to join in collective bargaining agreements, as we maintain the freedom for our suppliers and employees to join in countries that allow for this. Formal agreements and collective bargaining can protect employees and safeguard their rights		
Child Labor									
HR5	Operations & suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor	Compliance	91	Not Applicable	Material	Within and outside our operations as it relates to our supply chain	Direct impact on our business and stakeholders		yes
Forced or Compulsory Labor									
HR6	Operations & suppliers identified as having significant risk for incidents of forces or compulsory labor, and measures taken to contribute to the elimination of all forms or forced or compulsory labor	Compliance	91	Not Applicable	Material	Within and outside our operations as it relates to our supply chain	Direct impact on our business and stakeholders		yes
Security Practices									
HR7	Percentage of security personnel trained in the organization›s human rights policies or procedures that are relevant to operations	Compliance, Our People	28	Not Applicable	Material	Within and outside our operations as it relates to our suppliers	In order to ensure human rights are upheld, we make sure to communicate with our employees on the importance of their importance and how they relate to our code of conduct. We make sure to keep our employees informed in order to avoid any violations, this includes our security staff as they are an important aspect of our operations and are constantly on-site, therefore, they have a high potential to prevent and report any violations		
Indigenous Rights									

Material Aspects		DMA and Indicators (location)	Page number	Omissions	Materiality	Aspect Boundary	Notes on Materiality	Notes	External Assurance p.196
HR8	Total number of incidents of violations involving rights of indigenous peoples and actions taken			Immaterial	Immaterial		We do not own or lease land in areas with indigenous populations or that have indigenous rights therefore this is not applicable to our operations		
Assessment									
HR9	Total number & percentage of operations that have been subject to human rights reviews or impact assessments	Compliance	91		Material	Within our operations	human rights are vital to us, we strive to uphold human rights in all our operations, therefore, we assess our operations compliance with international laws and conventions related to human rights to ensure there are no violations in our operations of supply chain. Human rights violations can impact our operations and stakeholders negatively, which is why this is important for us to keep track of and prevent		
Supplier Human Rights Assessment									
HR10	Percentage of new suppliers that were screened using human rights criteria	Compliance	91		Material	Outside our operations as it relates to our supply chain	Direct impact on our business and stakeholders		
HR11	Significant actual & potential negative human rights impacts in the supply chain and actions taken	Compliance	91		Material	Within and outside our operations as it relates to our supply chain	Direct impact on our business and stakeholders		
Human Rights Grievance Mechanisms									
HR12	Number of grievances about human rights impacts files, addressed, and resolved through formal grievance mechanisms	Compliance	91		Material	Within and outside our operations as it relates to our supply chain	Given that we place high value on Human Rights, we ensure that our stakeholders are aware of the channels available to report any discrimination cases in order for us to investigate and remediate them.		
Society									
Local Communities									

Material Aspects		DMA and Indicators (location)	Page number	Omissions	Materiality	Aspect Boundary	Notes on Materiality	Notes	External Assurance p.196
SO1	Percentage of operations with implemented local community engagement, impact assessment, and development programs	Sustainability	54	Not Applicable	Material	Inside and outside our operations in the countries where we operate	Aramex strives to leave a positive impact in all areas we operate, we believe it is vital to engage with local communities and empower them. Our social and sustainability initiatives impacts the community›s well being and enhances our relationships with our stakeholders		yes
SO2	Operations with significant actual or potential negative impacts on local communities			Immaterial	Immaterial		Given the nature of our operations, since we do not operate any factories or manufacturing facilities that pose health risks, nor do we mine or extract resources, we ensure that our operations do not pose any negative social impacts and have mechanisms in place to report any issues or concerns.		yes
Anti-Corruption									
SO3	Total number and percentage of operations assessed for risks related to corruption and the significant risks identified	Compliance	91	Not Applicable	Material	Within our entire operations	Corruption can have significant legal and financial implications, as well as a negative impact on our stakeholders and on the areas where we operate, which is why aramex›s compliance and internal audit functions are dedicated towards the reduction of risks related to corruption		yes
SO4	Communications and training on anti-corruption policies and procedures	Compliance, Governance, Our People	91	Not Applicable	Material	Within our entire operations	Corruption can have significant legal and financial implications, as well as a negative impact on our stakeholders and on the areas where we operate, which is why aramex›s compliance and internal audit functions are dedicated towards the reduction of risks related to corruption and ensure that our employees are trained and aware of our code of conduct and anti-corruption policies		yes

Material Aspects		DMA and Indicators (location)	Page number	Omissions	Materiality	Aspect Boundary	Notes on Materiality	Notes	External Assurance p.196
SO5	Confirmed incidents of corruption and actions taken	Compliance	91	Not Applicable	Material	Within our entire operations	Given the importance of keeping our operations corruption free- we have formal channels to report any cases, and a comprehensive procedure to take investigate and take action against perpetrators		yes
Public Policy									
SO6	Total value of political contributions by country and recipient/ beneficiary	Governance	89	Not Applicable	Material	Within our entire operations	We have strict policy against giving political contributions to governments, as we do not affiliate our selves with any political or governmental system		
Anti-competitive Behavior									
SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes	Compliance, Governance	91	Not Applicable	Material	Within our entire operations	Direct impact on our business and stakeholders	In 2013, we did not have any legal actions for anti-competitive behavior, anti-trust, and monopoly practices filed against us	
Compliance									
SO8	Monetary value of significant fines & total number of non-monetary sanctions for non-compliance with laws and regulations	Index		Not Applicable	Material	Within our entire operations	Direct impact on our business and stakeholders	In 2013, we didn›t receive any fines or non-monetary sanctions for non-compliance with laws and regulations, since we did not face any issues of non-compliance	yes
Supplier Assessment for Impacts on Society									
SO9	Percentage of new suppliers that were screened using criteria for impacts on society	Compliance	91	Not Applicable	Material	Outside our operations related to our supply chain	It is in line with our values and sustainability to ensure that our supply chain does not bear negative social impacts, therefore, we began evaluating our supplier on matters related to our code of conduct, which include social issues such as human, labor and child rights		
SO10	Significant actual and potential negative impacts on society in the supply chain and actions taken	Compliance	91	Not Applicable	Material	Outside our operations related to our supply chain	Direct impact on our business and stakeholders		
Grievance Mechanisms for Impacts on Society									

Material Aspects		DMA and Indicators (location)	Page number	Omissions	Materiality	Aspect Boundary	Notes on Materiality	Notes	External Assurance p.196
SO11	Number of grievances about impacts on society filed, addressed, and resolved through formal grievance mechanisms	Compliance	91	Not Applicable	Material	Within and outside our operations as it relates to our supply chain	Direct impact on our business and stakeholders		
Product Responsibility									
Customer Health and Safety									
PR1	Percentage of significant product and service categories for which health & safety impacts are assessed for improvement			Immaterial	Immaterial		We do not produce any products or services that require health and safety impact assessment		
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by type of outcomes			Immaterial	Immaterial		We do not produce any products or services that require health and safety impact assessment		
Product and Service Labeling									
PR3	Type of product & service information required by the organization›s procedures for product and services information and labelling, and percentage of significant product and service categories subject to such information requirements			Immaterial	Immaterial		We do not produce any products or services that require specific labeling		

Material Aspects		DMA and Indicators (location)	Page number	Omissions	Materiality	Aspect Boundary	Notes on Materiality	Notes	External Assurance p.196
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes			Immaterial	Immaterial		We do not produce any products or services that require specific labeling		
PR5	Results of surveys measuring customer satisfaction	Our Customers	43	Not Applicable	Material	Within our entire operations and outside as it relates to our customers	Customer satisfaction is important to aramex, therefore, measuring customer satisfaction through these surveys allows us to know more about our services and identify any gaps or needs for improvement in order to maintain positive long term relationships with our customers		
Marketing Communications									
PR6	Sale of banned or disputed products	Compliance	37	Not Applicable	Material	Within our entire operations and outside as it relates to the international and national laws and regulations	We have strict policies against the sale or transportation of banned or disputed product and we have controls to ensure shipment contents		
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes	Compliance	91	Not Applicable	Material	outside our organization as it relates to international and national laws and regulations	Direct impact on our business and stakeholders		
Customer Privacy									
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	Compliance, Our Customers,	43	Not Applicable	Material	within our organization and outside as it relates to our customers	Directly impacts our customers and our business	In 2013 we did not have any cases	
Compliance									
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	Compliance, Our Customers,	91	Not Applicable	Material	within our organization and outside as it relates to our customers and international and national laws and regulations	Direct impact on our business and stakeholders		

UN Global Compact Index

Principle	Location
Human Rights	
1	29,90-92
2	29,90-92
Labor	
3	26,90-92
4	90-92
5	90-92
6	90-92
Environment	
7	61-68
8	61-68
9	61-68
Anti-Corruption	
10	90-92

Acronyms

ABANA	Arab Banks of North America	HR	Human Resources
ADSG	Abu Dhabi Sustainability Group	IST	Istanbul
AED	United Arab Emirate Dirham	IUCN	International Union for Conservation of Nature
AFED	Arab Forum for Environment and Development	JEBA	Jordan European Business Association
AMCHAM	The American Chamber of Commerce in Jordan	JED	Jeddah
ASLG	Arab Sustainability Leadership Group	KG	Kilograms
AMM	Amman	KPI	Key Performance Indicator
AUH	Abu Dhabi	KRT	Khartoum
BAH	Bahrain	KWI	Kuwait
BEY	Beirut	LBG	London Benchmarking Group
BOM	Bombay	LEV	Low Emission Vehicles
C-TPAT	Customs Trade Partnership Against Terrorism	LPG	Liquid Petroleum Gas
CAI	Cairo	MCAA	Messenger Courier Association of America
CAS	Casablanca	MCT	Muscat
CEO	Chief Executive Office	MKYEF	Mousab Khourma Youth Empowerment Fund
CH4	Methane	N/A	Not Applicable
CMB	Colombo	NGO	Non-Governmental Organization
CMT	Customer Management Team	NOx	Nitro Oxide
CO2	Carbon Dioxide	PJSC	Public Joint Stock Company
CTS	Click to Ship	PZEV	Partial zero-emissions vehicle
DAM	Damascus	RUH	Riyadh
DFT	Department for Transport	SMS (TEXT)	Short Message Service
DHA	Dhahran	SO2	Sulfur Dioxide
DOH	Doha	SSN	Shipment Status Notification
DQMS	Data Quality Management System	SULEV	Super Ultra Low Emission Vehicles
DXB	Dubai	TAPA	Transported Asset Protection Association
EDI	Electronic Document Interchange	THR	Tehran
EINVOICE	Electronic Invoice	TIP	Tripoli
EMS	Electronic Management System	TSA	Transportation Security Administration
EPOD	Electronic Proof of Delivery	UAE	United Arab Emirates
GCC	Gulf Cooperation Council	UK	United Kingdom
GDA	Global Distribution Alliance	ULEV	Ultra Low Emission Vehicles
GHG	Greenhouse Gases	UN	United Nations
GPS	Global Positioning System	UNICEF	United Nations Children's Fund
GRI	Global Reporting Initiative	US	United States
GSO	Global Support Office	USD	United States Dollars
H&S	Health and Safety	VP	Vice President
HKG	Hong Kong	YEA	Young Entrepreneurs Association
HQ	Headquarter		

GLOSSARY

AccountAbility1000 (AA1000): is a series of principle-based standards intended to provide the basis for improving the sustainability performance of organizations. The AA1000 Framework was developed to help organizations build their accountability and social responsibility through quality social and ethical accounting, auditing and reporting. It addresses the need for organizations to integrate their stakeholder engagement process into their daily activities.

Carbon Dioxide: is a chemical compound often referred to as CO2, and is present in the Earth's atmosphere.

G3 Reporting Guidelines: is a framework for reporting on an organization's economic, environmental, and social performance. Global Distribution Alliance (GDA): is a partnership of more than 40 leading logistics and transportation companies. With operations throughout the world, the GDA is strategically positioned to provide swift and reliable global transportation solutions. Each member of the alliance provides extensive coverage and expertise in each region of the world.

Global Reporting Initiative (GRI): is a long-term, multi-stakeholder, international process whose mission is to develop and disseminate globally applicable Sustainability Reporting Guidelines. Global Support Office (GSO): is the company's headquarters in Amman, Jordan.

ISO14000: is a set of international environmental management standards that brings world- wide focus to the environment, encouraging a cleaner, safer, healthier world for us all. As part of the ISO standards, ISO14000 exists to help organizations minimize how their operations negatively affect the environment (cause adverse changes to air, water, or land), and comply with applicable laws, regulations, and other environmentally-oriented requirements.

ISO9001:2000: is a set of standards for quality management systems intended for use in any organization which designs, develops, manufactures, installs and/or services any product or provides any form of service. It provides a number of requirements which an organization needs to fulfill if it is to achieve customer satisfaction, through consistent products and services which meet customer expectations.

London Benchmarking Group (LBG): is a group of over 100 companies working together to measure Corporate Community Investment (CCI). The LBG model provides a comprehensive and consistent set of measures for CCI professionals to determine their company's contribution to the community, and to also capture the outputs and longer term impacts of CCI projects on society and the business itself.

OHSAS 18001: is an international occupational health and safety management system that provides specifications to help organizations control occupational health and safety risks.

Social Accountability 8000 (SA8000): is promoted as a voluntary, universal standard for companies interested in auditing and certifying labor practices in their facilities and those of their suppliers and vendors.

Sustainability: is an attempt to provide the best outcomes for the human and the natural environment, both now and into an indefinite future.

ARAMEX PJSC AND ITS SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2013

(EC1)

Aramex PJSC and its subsidiaries

CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2013

Officer

Building a better working world

Ernst & Young
P.O. Box 9267
28th Floor, Al Attar Business Tower
Sheikh Zayed Road
Dubai, United Arab Emirates

Tel: +971 4 332 4000
Fax: +971 4 332 4004
dubai@ae.ey.com
ey.com/mena

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ARAMEX PJSC

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Aramex PJSC (the "Company") and its subsidiaries (together the "Group"), which comprise the consolidated statement of financial position as at 31 December 2013, and the consolidated income statement, consolidated statement of other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the consolidated financial statements
Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards and the applicable provisions of the Articles of Association of the Company and the UAE Commercial Companies Law of 1984 (as amended), and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility
Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Group as at 31 December 2013, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ARAMEX PJSC (continued)

Report on other legal and regulatory requirements

We also confirm that, in our opinion, the consolidated financial statements include, in all material respects, the applicable requirements of the UAE Commercial Companies Law of 1984 (as amended) and the Articles of Association of the Company; proper books of account have been kept by the Company; an inventory was duly carried out; and the contents of the report of the Board of Directors relating to these consolidated financial statements are consistent with the books of account. We have obtained all the information and explanations which we required for the purpose of our audit and, to the best of our knowledge and belief, no violations of the UAE Commercial Companies Law of 1984 (as amended) or of the Articles of Association of the Company have occurred during the year which would have had a material effect on the business of the Group or on its financial position.

Ernst & Young

Signed by
Ashraf Abu- Sharkh
Partner
Registration No. 690
For Ernst and Young

2 March 2014
Dubai, United Arab Emirates

	Notes	2013 AED'000	2012 AED'000
ASSETS			
Non-current assets			
Property, plant and equipment	4	**541,577**	569,876
Goodwill	5	**973,629**	999,152
Other intangible assets	6	**23,912**	26,906
Investments in joint ventures and an associate	9, 10	**49,718**	54,700
Deferred tax assets	11	**2,382**	2,824
Other non-current assets		**6,801**	9,205
		1,598,019	1,662,663
Current assets			
Accounts receivable, net	12	**603,901**	583,467
Other current assets	13	**126,930**	135,363
Bank balances and cash	14	**656,972**	333,673
		1,387,803	1,052,503
TOTAL ASSETS		**2,985,822**	**2,715,166**
EQUITY AND LIABILITIES			
Equity			
Share capital	15	**1,464,100**	1,464,100
Statutory reserve	16	**145,254**	121,886
Foreign currency translation reserve	16	**(90,579)**	(34,643)
Reserve arising from acquisition of non-controlling interests	16	**(15,763)**	(16,011)
Cash-flow hedge reserve	17	**10**	(2,960)
Retained earnings	18	**586,953**	481,271
Equity attributable to equity holders of the Parent		**2,089,975**	2,013,643
Non-controlling interests		**36,870**	32,428
Total equity		**2,126,845**	2,046,071
Non-current liabilities			
Interest-bearing loans and borrowings	19	**128,095**	12,366
Employees' end of service benefits	20	**103,066**	91,166
Other non-current liabilities		**-**	572
Deferred tax liabilities	11	**1,425**	1,314
		232,586	105,418
Current liabilities			
Accounts payable	21	**163,159**	156,193
Bank overdrafts	22	**-**	11,329
Interest-bearing loans and borrowings	19	**49,302**	15,704
Other current liabilities	23	**413,930**	380,451
		626,391	563,677
Total liabilities		**858,977**	**669,095**
TOTAL EQUITY AND LIABILITIES		**2,985,822**	2,715,166

The consolidated financial statements were authorised for issue in accordance with a resolution of the directors on 2 March 2014.

A. Mazrui

Abdullah Al Mazrui
(Chairman)

Hussein Hachem
(Chief Executive Officer)

Bashar

Bashar Obeid
(Chief Financial Officer)

The attached notes from 1 to 37 form part of the Consolidated Financial Statements.

Consolidated Income Statement
For the year ended 31 December 2013

	Notes	2013 AED'000	2012 AED'000
Continuing operations			
Rendering of services	24	**3,324,838**	3,071,589
Cost of services	25	**(1,523,538)**	(1,417,247)
Gross profit		**1,801,300**	**1,654,342**
Share of results of joint ventures and an associate	9, 10	**(4,974)**	(3,995)
Selling and marketing expenses		**(152,787)**	(146,880)
Administrative expenses	26	**(635,220)**	(601,837)
Operating expenses	27	**(664,713)**	(609,749)
Other income	28	**5,622**	3,682
Operating profit		**349,228**	**295,563**
Finance income		**6,281**	4,294
Finance expense		**(8,469)**	(2,842)
Profit before tax from continuing operations		**347,040**	**297,015**
Income tax expense	11	**(32,098)**	(26,652)
Profit for the year from continuing operations		**314,942**	270,363
Discontinued operations			
Profit after tax from discontinued operations	8	**186**	1,149
Profit for the year		**315,128**	271,512
Attributable to:			
Equity holders of the Parent			
Profit for the year from continuing operations		**277,835**	243,356
Profit for the year from discontinued operations		**123**	763
		277,958	244,119
Non-controlling interests			
Profit for the year from continuing operations		**37,107**	27,007
Profit for the year from discontinued operations		**63**	386
		37,170	27,393
		315,128	271,512
Earnings per share attributable to the equity holders of the Parent:			
Basic and diluted earnings per share	30	**AED 0.190**	AED 0.167
Basic and diluted earnings per share from continuing operations		**AED 0.190**	AED 0.167

The attached notes from 1 to 37 form part of the Consolidated Financial Statements.

ARAMEX PJSC AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2013

	Note	2013 AED'000	2012 AED'000
Profit for the year		**315,128**	**271,512**
Other comprehensive income			
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		**(56,371)**	(16,438)
Gain (loss) on cash flow hedge	17	**1,460**	(2,960)
Cash flow hedge expense recycled to consolidated			
income statement	17	**1,510**	-
Gain on available-for-sale financial assets	-		782
Gain realized on sale of available – for – sale financial			
assets transferred to consolidated income statement	-		(280)
Net other comprehensive income to be reclassified			
to profit or loss in subsequent periods		**(53,401)**	(18,896)
Other comprehensive income for the year, net of tax		**(53,401)**	(18,896)
Total comprehensive income for the year, net of tax		**261,727**	252,616
Attributable to:			
Equity holders of the Parent		**224,992**	224,721
Non-controlling interests		**36,735**	27,895
		261,727	252,616

The attached notes from 1 to 37 form part of the Consolidated Financial Statements.

Attributable to equity holders of the Parent

For the year ended 31 December 2013	Share capital AED'000	Statutory reserve AED'000	Foreign currency translation reserve AED'000	Fair value reserve AED'000	Reserve arising from acquisition of non-controlling interests AED'000	Cash flow hedge reserve AED'000	Retained earnings AED'000	Total AED'000	Non-controlling interests AED'000	Total AED'000
At 1 January 2013	1,464,100	121,886	(34,643)	-	(16,011)	(2,960)	481,271	2,013,643	32,428	2,046,071
Total comprehensive income										
for the year	-	-	(55,936)	-	-	2,970	277,958	224,992	36,735	261,727
Disposal of a subsidiary	-	-	-	-	248	-	(248)	-	-	-
Transfer to statutory reserve	-	23,368	-	-	-	-	(23,368)	-	-	-
Non-controlling interests	-	-	-	-	-	-	-	-	874	874
Dividends paid to shareholders (note 18)	-	-	-	-	-	-	(146,410)	(146,410)	-	(146,410)
Directors fees paid (note 18)	-	-	-	-	-	-	(2,250)	(2,250)	-	(2,250)
Dividends of subsidiaries	-	-	-	-	-	-	-	-	(33,167)	(33,167)
At 31 December 2013	**1,464,100**	**145,254**	**(90,579)**	**-**	**(15,763)**	**10**	**586,953**	**2,089,975**	**36,870**	**2,126,845**
For the year ended 31 December2012										
At 1 January 2012	**1,464,100**	**87,312**	**(17,703)**	**(502)**	**(15,278)**	**-**	**347,181**	**1,865,110**	**30,972**	**1,896,082**
Total comprehensive income										
for the year	-	-	(16,940)	502	-	(2,960)	244,119	224,721	27,895	252,616
Acquisition of non-controlling										
interests (note 3)	-	-	-	-	(733)	-	-	(733)	(185)	(918)
Transfer to statutory reserve	-	34,574	-	-	-	-	(34,574)	-	-	-
Non-controlling interests	-	-	-	-	-	-	-	-	1,822	1,822
Dividends paid to shareholders (note 18)	-	-	-	-	-	-	(73,205)	(73,205)	-	(73,205)
Directors fees paid (note 18)	-	-	-	-	-	-	(2,250)	(2,250)	-	(2,250)
Dividends of subsidiaries	-	-	-	-	-	-	-	-	(28,076)	(28,076)
At 31 December 2012	**1,464,100**	**121,886**	**(34,643)**	**-**	**(16,011)**	**(2,960)**	**481,271**	**2,013,643**	**32,428**	**2,046,071**

ARAMEX PJSC AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2013

	Notes	2013 AED'000	2012 AED'000
OPERATING ACTIVITIES			
Profit before tax from continuing operations		**347,040**	297,015
Profit before tax from discontinued operations	8	**220**	401
Profit before tax		**347,260**	297,416
Adjustments for:			
Depreciation of property, plant and equipment	4	**77,248**	69,542
Amortisation of other intangible assets	6	**3,339**	3,247
Provision for employees' end of service benefits	20	**22,685**	20,001
Provision for doubtful accounts, net	12	**7,559**	14,583
Net finance expense (income)		**2,188**	(1,452)
Gain from sale of available - for - sale financial assets		**-**	(280)
Share of results of joint ventures and an associate		**4,974**	3,995
(Gain) loss on disposal of property, plant and equipment		**(277)**	503
Gain on disposal of the discontinued operations	8	**-**	(771)
Gain from valuation of the investment in joint venture	9	**-**	(1,541)
Working capital changes:			
Accounts receivable		**(31,047)**	(98,810)
Accounts payable		**8,866**	(6,604)
Other current assets		**7,123**	36,736
Other current liabilities		**30,401**	65,717
Cash from operations		**480,319**	**402,282**
Employees' end of service benefits paid	20	**(10,012)**	(7,480)
Income tax paid		**(25,633)**	(24,617)
Net cash flows from operating activities		**444,674**	370,185
INVESTING ACTIVITIES			
Purchase of property, plant and equipment	4	**(67,001)**	(200,486)
Proceeds from sale of property, plant and equipment		**3,068**	4,576
Proceeds from sale of available - for - sale financial assets		**-**	3,000
Interest received		**6,281**	4,294
Proceeds from sale of a subsidiary, net of cash	8	**460**	176
Other non-current assets		**28**	(9,133)
Margin deposits		**1,309**	850
Investments in joint ventures		**(4,042)**	(37,719)
Net cash flows used in investing activities		**(59,897)**	**(234,442)**
FINANCING ACTIVITIES			
Interest paid		**(8,469)**	(2,842)
Acquisition of non-controlling interests	3	**-**	(918)
Net proceeds from loans and borrowings		**149,326**	6,505
Dividends of subsidiaries		**(33,167)**	(28,076)
Non-controlling interests		**874**	1,822
Directors' fees paid		**(2,250)**	(2,250)
Dividends paid to shareholders		**(146,410)**	(73,205)
Net cash flows used in financing activities		**(40,096)**	**(98,964)**
NET INCREASE IN CASH AND CASH EQUIVALENTS		**344,681**	**36,779**
Net foreign exchange difference		**(8,744)**	(8,151)
Cash and cash equivalents at 1 January	14	**309,507**	280,879
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	**14**	**645,444**	309,507

The attached notes from 1 to 37 form part of the Consolidated Financial Statements.

1 CORPORATE INFORMATION

Aramex PJSC (the "Parent Company") is a Public Joint Stock Company registered in the Emirate of Dubai, United Arab Emirates on 15 February 2005 under UAE Federal Law No 8 of 1984 (as amended). The consolidated financial statements of the Company as at 31 December 2013 comprise the Parent Company and its subsidiaries (collectively referred to as the "Group" and individually as "Group entities").

The Parent Company was listed on the Dubai Financial Market on 9 July 2005.

The Principal activities of the Group are to invest in the freight, express, logistics and supply chain management businesses through acquiring and owning controlling interests in companies in the Middle East and other parts of the world.

The Parent Company's registered office is, Business Center Towers, 2302A, Media City (TECOM), Sheikh Zayed Road, Dubai, United Arab Emirates.

The consolidated financial statements were authorised for issue by the Board of Directors on 2 March 2014.

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), and applicable requirements of UAE Federal Law No. 8 of 1984 (as amended).

The consolidated financial statements are presented in UAE Dirhams (AED), being the functional currency of the Parent Company. Financial information is presented in AED and all values are rounded to the nearest thousand (AED "000"), except when otherwise indicated.

The consolidated financial statements have been prepared under a historical cost basis, except for derivative financial instruments that have been measured at fair value.

2.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 31 December 2013. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Basis of consolidation (continued)

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the statement of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities

2.3 Changes in accounting policies and disclosures

The accounting policies adopted are consistent with those of the previous financial year, except for the following new and amended standards effective as of 1 January 2013:

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 Changes in accounting policies and disclosures (continued)

IAS 1 Presentation of Items of Other Comprehensive Income – Amendments to IAS 1

The amendments to IAS 1 introduce a grouping of items presented in OCI. Items that will be reclassified ('recycled') to profit or loss at a future point in time have to be presented separately from items that will not be reclassified (e.g., revaluation of land and buildings). The amendments affect presentation only and have no impact on the Group's financial position or performance.

IAS 19 Employee Benefits (Revised 2011)

The IASB has issued numerous amendments to IAS 19. These range from fundamental changes such as removing the corridor mechanism and the concept of expected returns on plan assets to simple clarifications and re-wording. The amendments became effective for annual periods beginning on or after 1 January 2013. The amendments did not have any impact on the Group's financial position or performance.

IAS 28 Investments in Associates and Joint Ventures (as revised in 2011)

As a consequence of the new IFRS 11 Joint Arrangements, and IFRS 12 Disclosure of Interests in Other Entities, IAS 28 Investments in Associates, has been renamed IAS 28 Investments in Associates and Joint Ventures, and describes the application of the equity method to investments in joint ventures in addition to associates. The revised standard became effective for annual periods beginning on or after 1 January 2013. The revised standard did not have an impact on the Group's financial statements or performance, as the Group already accounts for its investments in Joint Ventures using the equity method.

IFRS 7 Disclosures - Offsetting Financial Assets and Financial Liabilities - Amendments to IFRS 7

These amendments require an entity to disclose information about rights to set-off and related arrangements (e.g., collateral agreements). The disclosures would provide users with information that is useful in evaluating the effect of netting arrangements on an entity's financial position. The new disclosures are required for all recognised financial instruments that are set off in accordance with IAS 32 Financial Instruments: Presentation.

The disclosures also apply to recognised financial instruments that are subject to an enforceable master netting arrangement or similar agreement, irrespective of whether they are set off in accordance with IAS 32. These amendments became effective for annual periods beginning on or after 1 January 2013 and did not impact the Group's financial position or performance.

IFRS 10 Consolidated Financial Statements, IAS 27 Separate Financial Statements

IFRS 10 replaced the portion of IAS 27 Consolidated and Separate Financial Statements that addressed the accounting for consolidated financial statements. It also addressed the issues raised in SIC-12 Consolidation - Special Purpose Entities.

IFRS 10 established a single control model that applies to all entities including special purpose entities. The changes introduced by IFRS 10 requires management to exercise significant judgement to determine which entities are controlled and therefore are required to be consolidated by a parent, compared with the requirements that were in IAS 27. This standard became effective for annual periods beginning on or after 1 January 2013. IFRS 10 did not have any impact on the currently held investments of the Group.

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 Changes in accounting policies and disclosures (continued)

IFRS 11 Joint Arrangements

IFRS 11 replaced IAS 31 Interests in Joint Ventures and SIC-13 Jointly-controlled Entities - Non-monetary Contributions by Ventures. IFRS 11 removed the option to account for jointly controlled entities (JCEs) using proportionate consolidation. Instead, JCEs that meet the definition of a joint venture must be accounted for using the equity method.

The application of the new standard did not have an impact on the financial position or performance of the Group as the Group already accounts for these investments using the equity method.

IFRS 12 Disclosure of Interests in Other Entities

IFRS 12 sets out the requirements for disclosures relating to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. The requirements in IFRS 12 are more comprehensive than the previously existing disclosure requirements for subsidiaries. For example, where a subsidiary is controlled with less than a majority of voting rights. While the Group has subsidiaries with material non-controlling interests, there are no unconsolidated structured entities. IFRS 12 disclosure is provided in Note 7.

IFRS 13 Fair Value Measurement

IFRS 13 establishes a single source of guidance under IFRS for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS. IFRS 13 defines fair value as an exit price. As a result of the guidance in IFRS 13, the Group re-assessed its policies for measuring fair values, in particular, its valuation inputs such as non-performance risk for fair value measurement of liabilities. IFRS 13 also requires additional disclosur es.

Application of IFRS 13 has not materially impacted the fair value measurements of the Group. Additional disclosure is provided in note 36.

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

2.4 Standards issued but not yet effective

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective.

IFRS 9 Financial Instruments

IFRS 9, as issued, reflects the first phase of the IASB's work on the replacement of IAS 39 and applies to classification and measurement of financial assets and financial liabilities as defined in IAS 39. The standard was initially effective for annual periods beginning on or after 1 January 2013, but Amendments to IFRS 9 Mandatory Effective Date of IFRS 9 and Transition Disclosures, issued in December 2011, moved the mandatory effective date to 1 January 2015. In subsequent phases, the IASB is addressing hedge accounting and impairment of financial assets. The adoption of the first phase of IFRS 9 will have an effect on the classification and measurement of the Group's financial assets, but will not have an impact on classification and measurements of the Group's financial liabilities. The Group will quantify the effect in conjunction with the other phases, when the final standard including all phases is issued.

Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27)

These amendments are effective for annual periods beginning on or after 1 January 2014 provide an exception to the consolidation requirement for entities that meet the definition of an investment entity under IFRS 10. The exception to consolidation requires investment entities to account for subsidiaries at fair value through profit or loss. It is not expected that this amendment would be relevant to the Group, since none of the entities in the Group would qualify to be an investment entity under IFRS 10.

IAS 32 Offsetting Financial Assets and Financial Liabilities - Amendments to IAS 32

These amendments clarify the meaning of "currently has a legally enforceable right to set-off" and the criteria for non-simultaneous settlement mechanisms of clearing houses to qualify for offsetting. These are effective for annual periods beginning on or after 1 January 2014. These amendments are not expected to be relevant to the Group.

IFRIC Interpretation 21 Levies (IFRIC 21)

IFRIC 21 clarifies that an entity recognises a liability for a levy when the activity that triggers payment, as identified by the relevant legislation, occurs. For a levy that is triggered upon reaching a minimum threshold, the interpretation clarifies that no liability should be anticipated before the specified minimum threshold is reached. IFRIC 21 is effective for annual periods beginning on or after 1 January 2014. The Group does not expect that IFRIC 21 will have material financial impact in future financial statements.

IAS 39 Novation of Derivatives and Continuation of Hedge Accounting – Amendments to IAS 39

These amendments provide relief from discontinuing hedge accounting when novation of a derivative designated as a hedging instrument meets certain criteria. These amendments are effective for annual periods beginning on or after 1 January 2014. The Group has not novated its derivatives during the current period. However, these amendments would be considered for future novations.

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

2.4 Standards issued but not yet effective (continued)

Recoverable Amount Disclosures for Non-Financial Assets – Amendments to IAS 36 Impairment of Assets
These amendments remove the unintended consequences of IFRS 13 on the disclosures required under IAS 36. In addition, these amendments require disclosure of the recoverable amounts for the assets or CGUs for which impairment loss has been recognised or reversed during the period. These amendments are effective retrospectively for annual periods beginning on or after 1 January 2014 with earlier application permitted, provided IFRS 13 is also applied.

2.5 Significant accounting judgments, estimates and assumptions

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described in note 37. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

2.6 Summary of significant accounting policies

Property, plant and equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the property, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the profit and loss as incurred.

Except for capital work in progress, depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

Leasehold improvements	over 4-7 years
Buildings	over 8-50 years
Furniture and fixtures	over 5-10 years
Warehousing racks	over 15 years
Office equipment	over 3-7 years
Computers	over 3-5 years
Vehicles	over 4-5 years

Land is not depreciated

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount, being the higher of their fair value less costs to sell and their value in use.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and carrying amount of the asset) is included in the consolidated income statement when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

2.6 Summary of significant accounting policies (continued)

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non- controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss. It is then considered in the determination of goodwill.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IAS 39 Financial Instruments: Recognition and Measurement, is measured at fair value with changes in fair value recognised either in profit or loss or as a change to other comprehensive income. If the contingent consideration is not within the scope of IAS 39, it is measured in accordance with the appropriate IFRS. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the re-assessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

2.6 Summary of significant accounting policies (continued)

Business combinations and goodwill (continued)

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

Fair value measurement

The Group measures financial instruments, such as, derivatives at fair value at each balance sheet date. which are disclosed in Note 36.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

2.6 Summary of significant accounting policies (continued)

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Other intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

The useful lives of these intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the consolidated income statement as the expense category that is consistent with the function of the intangible assets.

Intangible assets with finite lives are amortised over their economic lives which are between 3 to 15 years.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the consolidated income statement when the asset is de-recognized.

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

2.6 Summary of significant accounting policies (continued)

Investments in joint ventures and associates

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries.

The Group's investments in its joint venture and associate are accounted for using the equity method.

Under the equity method, the investment in an associate or a joint venture is initially recognised at cost, the carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment.

The consolidated income statement reflects the Group's share of the results of operations of the associate or joint venture. Any change in other comprehensive income of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

2.6 Summary of significant accounting policies (continued)

Investments in joint ventures and associates (continued)
The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the consolidated income statement within operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate or joint venture.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, then recognises the loss as 'Share of profit (loss) of joint ventures and an associate in the consolidated income statement.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in the consolidated income statement.

Prepaid agency fees
Amounts paid in advance to agents to purchase or alter their agency rights are accounted for as prepayments. As these amounts are paid in lieu of annual payments they are expensed to consolidated income statement over the period equivalent to the number of years of agency fees paid in advance.

Impairment of non-financial assets
The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

2.6 Summary of significant accounting policies (continued)

Impairment of non-financial assets (continued)
In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the consolidated income statement in expense categories consistent with the function of the impaired asset, except for properties previously revalued with the revaluation taken to other comprehensive income. For such properties, the impairment is recognised in other comprehensive income up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the consolidated income statement unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

2.6 Summary of significant accounting policies (continued)

The following asset has specific characteristics for impairment testing:

Goodwill

Goodwill is tested for impairment annually as at 31 December and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

Cash and short-term deposits

Cash and short-term deposits in the consolidated statement of financial position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash on hand, bank balances, and short-term deposits as defined above, net of outstanding bank overdrafts and cash margin.

Accounts receivable

Accounts receivable are stated at original invoice amount less an allowance for any uncollectible amounts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when there is no possibility of recovery.

Foreign currencies

The Group's consolidated financial statements are presented in AED, which is also the Parent Company's functional currency. For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date of the transaction first qualify for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rate of exchange at the reporting date.

Differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of monetary items that are designated as part of the hedge of the Group's net investment of a foreign operation. These are recognised in other comprehensive income until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss.

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

2.6 Summary of significant accounting policies (continued)

Foreign currencies (continued)

Tax charges and credits attributable to exchange differences on those monetary items are also recorded in other comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of gain or loss on change in fair value of the item.

Group companies

On consolidation, the assets and liabilities of foreign operations are translated into AED's, at the rate of exchange prevailing at the reporting date and their income statements are translated at the daily average exchange rate. The exchange differences arising on translation for consolidation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

Loans and borrowings and other financial liabilities

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method (EIR). Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through (EIR) amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in the consolidated income statement.

Other financial liabilities including deferred consideration on acquisition of subsidiaries are measured at amortised cost.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

Accounts payable and accruals

Liabilities are recognised for amounts to be paid in the future for goods or services received, whether billed by the supplier or not.

Employees' end of service benefits

The provision for employees' end of service benefits, disclosed as a long-term liability, is calculated in accordance with IAS19 for Group's entities where their respective labour laws require providing indemnity payments upon termination of relationship with their employees.

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

2.6 Summary of significant accounting policies (continued)

Pensions and other post-employment benefits

The Group provides for a number of post-employment defined benefit plans required under several jurisdictions in which Aramex PJSC and its subsidiaries operate. These benefits are un-funded. The cost of providing benefits under the defined benefit plans is determined separately for each plan using the projected unit credit method. Actuarial gains and losses for the defined benefit plans are recognised in full in the period in which they occur in other comprehensive income. Such actuarial gains and losses are also immediately recognised in retained earnings and are not reclassified to profit or loss in subsequent periods.

Unvested past service costs are recognised as an expense on a straight line basis over the average period until the benefits become vested. Past service costs are recognised immediately if the benefits have already vested immediately following the introduction of, or changes to, a pension plan.

The defined benefit liability comprises the present value of the defined benefit obligations using a discount rate based on high quality corporate bonds. The Group has not allocated any assets to such plans.

Social security

Payments made to the social security institutions in connection with government pension plans applicable in certain jurisdictions are dealt with as payments to defined contribution plans, where the Group's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan. The Group pays contributions to the social security institutions on a mandatory basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as an employee benefit expense in the period to which the employees' service relates.

Revenue recognition

Revenue represents the value of services rendered to customers and is stated net of discounts and sales taxes or similar levies.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty or discounts. The Group assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent. The Group has concluded that it is acting as a principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements, has pricing latitude and is exposed to credit risks.

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

2.6 Summary of significant accounting policies (continued)

Revenue recognition (continued)

The specific recognition criteria described below must also be met before revenue is recognised.

Express revenue

Express revenue is recognised upon receipt of shipment from the customer as the sales process is considered complete and the risks are transferred to the customer.

Freight forwarding revenue

Freight forwarding revenue is recognised upon the delivery of freight to the destination or to the air carrier.

Catalogue shopping and shop 'n' ship services revenue

Catalogue shopping and shop 'n' ship services revenue is recognised upon the receipt of the merchandise by the customers.

Revenue from magazines and newspapers distribution

Revenue from magazines and newspapers distribution is recognised when it is delivered to the customers.

Revenue from logistics and document storage services

Revenue from logistics and document storage services is recognised when the services are rendered.

Interest income

Interest income is recorded using the effective interest rate method (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability. Interest income is included in finance income in the consolidated income statement.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Taxes

Current income tax

The Group provides for income taxes in accordance with IAS 12. As the Parent Company is incorporated in the UAE, profits from operations of the Parent Company are not subject to taxation. However, certain subsidiaries of the Parent Company are based in taxable jurisdictions and are therefore liable to tax. Income tax on the profit or loss for the year comprises of current and deferred tax on the profits of these subsidiaries. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the reporting date, and any adjustments to tax payable in respect of previous years.

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

2.6 Summary of significant accounting policies (continued)

Deferred tax
Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed to each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Derivative financial instruments and hedge accounting
Initial recognition and subsequent measurement
The Group uses derivative financial instruments (interest rate swaps) to hedge its interest rate risk. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

2.6 Summary of significant accounting policies (continued)

Any gains or losses arising from changes in fair value on derivatives are taken directly to profit or loss except for the effective portion of cash flow hedges, which is recognized in other comprehensive income and later reclassified to profit or loss when hedge item affects profit or loss.

The fair value of interest rate swap contracts is determined by reference to market values for similar instruments.

For the purpose of hedge accounting, the Group's interest rate swaps are classified as cash flow hedges, as the Group is hedging the exposure to variability in cash flows that is attributable to the interest rate risk associated with a highly probable forecast transaction.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Hedges that meet the strict criteria for hedge accounting are accounted for as follows:

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

2.6 Summary of significant accounting policies (continued)

Derivative financial instruments and hedge accounting (continued)
Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognized in other comprehensive income in the cash flow hedge reserve, while any ineffective portion is recognized immediately in the consolidated statement of income.

The Group uses interest rate swap contracts as hedges of its exposure to interest rate risk. The ineffective portion relating to interest rate swap contracts is recognized in finance cost.

Amounts recognised as other comprehensive income are transferred to profit or loss when the hedged transaction affects profit or loss, such as when the hedged financial expense is recognized.

If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover (as part of the hedging strategy), or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss previously recognised in OCI remains separately in equity until the forecast transaction occurs or the interest rate firm commitment is met .

Current versus non-current classification
Derivative instruments that are not designated as effective hedging instrument are classified as current or non-current or separated into a current and non-current portion based on an assessment of the facts and circumstances (i.e., the underlying contracted cash flows).

Derivative instruments that are designated as, and are effective hedging instruments, are classified consistent with the classification of the underlying hedged item. The derivative instrument is separated into a current portion and non-current portion only if a reliable allocation can be made.

Impairment and uncollectability of financial assets
The Group assesses, at each reporting date, whether there is objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists if one or more events that has occurred since the initial recognition of the asset (an incurred 'loss event'), has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

2.6 Summary of significant accounting policies (continued)

Leases

Group as a lessee
Finance leases, that transfer substantially all the risks and benefits incidental to ownership of the leased item to the Group, are capitalised at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the consolidated income statement.

A leased asset is depreciated over the shorter of the estimated useful life of the asset and the lease term, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term.

Operating lease payments are recognised as an expense in the consolidated income statement on a straight line basis over the lease term.

Cash dividend and non-cash distribution to equity holders of the parent

The Company recognises a liability to make cash or non-cash distributions to equity holders of the parent when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

Non-cash distributions are measured at the fair value of the assets to be distributed with fair value re-measurement recognised directly in equity.

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

2.6 Summary of significant accounting policies (continued)

Earnings per share

The Group presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of shares outstanding during the period. The weighted average number of ordinary shares outstanding during the period and for all periods presented is adjusted for the issue of bonus shares.

Provisions

Provisions are recognised when the Group has an obligation (legal or constructive) arising from a past event, and the costs to settle the obligation are both probable and able to be reliably measured.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Discontinued operations

The Group classifies non-current assets and disposal groups as held for sale or for distribution to equity holders of the parent if their carrying amounts will be recovered principally through a sale or distribution rather than through continuing use.

A disposal group qualifies as discontinued operation if it is:

- A component of the Group that is a CGU or a group of CGUs
- Classified as held for sale or distribution or already disposed in such a way, or
- A major line of business or major geographical area

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the consolidated income statement.

3 ACQUISITION OF NON - CONTROLLING INTERESTS

Acquisition in 2012

Acquisition of non-controlling interest:

Acquisition of additional interest in Aramex Courier, Freight and Logistics Services LLC – Erbil

On 25 April 2012, the Group acquired an additional 20% interest of the voting shares of Aramex Courier, Freight and Logistics Services LLC - Erbil, increasing its ownership interest to 100%. Cash consideration of AED 918 thousand was paid to the non-controlling shareholders. The carrying value of the net assets of Aramex Courier, Freight and Logistics Services LLC - Erbil at the acquisition date was AED 924 thousand, and the carrying value of the additional interest acquired was AED 185 thousand. The difference of AED 733 thousand between the consideration paid and the carrying value of the additional interest acquired has been recognised within equity as a reserve arising from acquisition of non-controlling interests.

4 PROPERTY, PLANT AND EQUIPMENT

2013 -	Leasehold Land AED'000	Improvements AED'000	Furniture Buildings AED'000	Warehousing and Fixtures AED'000	Office Racks AED'000	Equipment AED'000	Computers AED'000	Vehicles AED'000	Total AED'000
Cost:									
At 1 January 2013	43,330	59,327	333,940	28,599	64,030	94,525	108,778	102,903	835,432
Additions	-	8,526	2,974	3,983	3,816	8,862	14,586	24,254	67,001
Transfers	-	(51)	-	79	(11)	(196)	270	(91)	-
Disposals	-	(1,739)	(2,237)	(1,872)	(582)	(4,321)	(9,697)	(18,158)	(38,606)
Exchange differences	(1,904)	(1,018)	(6,234)	(1,024)	(1,388)	(2,850)	(3,333)	(5,677)	(23,428)
At 31 December 2013	**41,426**	**65,045**	**328,443**	**29,765**	**65,865**	**96,020**	**110,604**	**103,231**	**840,399**
Depreciation:									
At 1 January 2013	-	29,881	33,350	14,522	17,306	43,280	68,754	58,463	265,556
Charge for the year	-	7,978	13,262	3,447	4,197	11,524	14,789	22,051	77,248
Transfers	-	(30)	-	36	(10)	(166)	216	(46)	-
Disposals	-	(1,617)	(2,237)	(1,691)	(377)	(3,974)	(9,251)	(16,668)	(35,815)
Exchange differences	-	(436)	(60)	(761)	(189)	(1,087)	(2,140)	(3,494)	(8,167)
At 31 December 2013	**-**	**35,776**	**44,315**	**15,553**	**20,927**	**49,577**	**72,368**	**60,306**	**298,822**
Net carrying amount:									
At 31 December 2013	**41,426**	**29,269**	**284,128**	**14,212**	**44,938**	**46,443**	**38,236**	**42,925**	**541,577**

Property, plant and equipment include vehicles with a net book value of AED 15.63 million (2012: AED 15.25 million) have been obtained under finance leases (note 19).

2012 -	Land AED'000	Leasehold improvements AED'000	Buildings AED'000	Furniture and fixtures AED'000	Warehousing racks AED'000	Office equipment AED'000	Computers AED'000	Vehicles AED'000	Capital work-in-progress AED'000	Total AED'000
Cost:										
At 1 January 2012	12,140	55,045	220,295	24,389	50,145	79,791	100,189	93,901	38,608	674,503
Additions	31,216	8,916	80,306	5,924	11,542	17,671	17,478	27,433	-	200,486
Transfers	-	(103)	-	(25)	503	(1,084)	28	681	-	-
Transfer from capital										
work-in-progress	-	-	33,488	777	1,959	2,384	-	-	(38,608)	-
Disposals	-	(4,505)	-	(2,324)	(187)	(3,326)	(8,435)	(17,623)	-	(36,400)
Exchange differences	(26)	(26)	(149)	(142)	68	(911)	(482)	(1,489)	-	(3,157)
At 31 December 2012	**43,330**	**59,327**	**333,940**	**28,599**	**64,030**	**94,525**	**108,778**	**102,903**	**-**	**835,432**
Depreciation:										
At 1 January 2012	-	26,613	23,119	13,517	13,997	36,297	61,006	54,594	-	229,143
Charge for the year	-	6,966	10,231	3,015	2,823	10,922	15,720	19,865	-	69,542
Transfers	-	(40)	-	(19)	478	(1,070)	22	629	-	-
Disposals	-	(3,630)	-	(1,870)	(28)	(2,546)	(7,609)	(15,638)	-	(31,321)
Exchange differences	-	(28)	-	(121)	36	(323)	(385)	(987)	-	(1,808)
At 31 December 2012	**-**	**29,881**	**33,350**	**14,522**	**17,306**	**43,280**	**68,754**	**58,463**	**-**	**265,556**
Net carrying amount:										
At 31 December 2012	**43,330**	**29,446**	**300,590**	**14,077**	**46,724**	**51,245**	**40,024**	**44,440**	**-**	**569,876**

5 GOODWILL

	2013 AED'000	2012 AED'000
At 1 January	**999,152**	1,010,109
Exchange differences	**(25,523)**	(10,957)
At 31 December	**973,629**	999,152

The Group performed its annual impairment test at 31 December 2013 and 2012. The recoverable amounts of the cash generating units has been determined using cash flow projections from financial budgets approved by senior management covering a five year period.

The goodwill was allocated to the following groups of cash generating units:

	2013 AED'000	2012 AED'000
Express shipping	**297,253**	306,126
Freight forwarding	**183,868**	189,356
Domestic shipping	**291,398**	300,096
Logistics	**82,535**	84,999
Documents storage	**109,388**	109,388
Publication and distribution	**9,187**	9,187
	973,629	999,152

Key assumptions used in value-in-use calculations
The calculation of the value-in-use is most sensitive to the following assumptions:

Transaction volumes - these are based on budgeted performance of individual cash generating units.

Discount rates - Discount rates represent the current market assessment of the risks specific to each cash generating unit, taking into consideration the time value of money and individual risks of the underlying assets that have been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and its operating segments and is derived from its weighted average cost of capital (WACC) for the industry which is 12% (2012: 12%). The WACC takes into

5 GOODWILL (continued)

account both debt and equity. The cost of equity is derived from the expected return on investment by the Group's investors. Cost of debt is not deemed to have any significant impact on the rate.

Growth rate estimates – Growth rate used of 3% (2012: 3%) is based on actual operating results and future expected performance.

Sensitivity to changes in assumptions
Management believes that no reasonably possible change in any of the above key assumptions would cause the carrying value of the unit to materially exceed its recoverable amount.

6 OTHER INTANGIBLE ASSETS

	2013 AED'000	2012 AED'000
Cost:		
At 1 January	**36,855**	37,059
Disposals	**-**	(204)
Adjustments	**345**	-
At 31 December	**37,200**	36,855
Amortisation:		
At 1 January	**(9,949)**	(6,702)
Amortisation during the year	**(3,339)**	(3,247)
At 31 December	**(13,288)**	(9,949)
Net carrying amount at 31 December	**23,912**	**26,906**

7 MATERIAL PARTLY – OWNED SUBSIDIARIES

The Group has one subsidiary in the Middle East with material non-controlling interests.

Financial information of the subsidiary that have material non-controlling interests are provided below:

Proportion of equity interest held by non-controlling interests:

	2013 %	2012 %
	50%	50%
	2013	**2012**
	AED'000	**AED'000**
Accumulated balances of material non-controlling interest:		
	26,748	22,368
Profit allocated to material non-controlling interest:		
	33,897	24,915

7 MATERIAL PARTLY – OWNED SUBSIDIARIES (continued)

The summarised financial information of this subsidiary are provided below. This information is based on amounts before intra-group eliminations.

Summarised income statements for 2013 and 2012:

	2013 AED'000	2012 AED'000
Revenue	**535,253**	424,609
Cost of sales	**(266,952)**	(208,014)
Administrative expenses	**(190,816)**	(159,551)
Other expenses	**(6,942)**	(4,938)
Profit before tax	**70,543**	**52,106**
Income tax	**(2,749)**	(2,277)
Profit for the year	67,794	49,829
Total comprehensive income	**67,794**	**49,829**
Attributable to:		
non-controlling interests	**33,897**	24,915
Dividends paid to non-controlling interests	**29,517**	22,834

Summarised statements of financial position as at 31 December:

	2013 AED'000	2012 AED'000
Cash and bank balances	**46,802**	34,583
Property, plant and equipment	**38,328**	36,284
Other current assets	**136,594**	107,421
Trade and other payable (current)	**109,725**	85,273
Interest-bearing loans and borrowing and deferred tax	**16,185**	15,442
Liabilities (non-current)	**31,056**	26,178
Total Equity	**64,758**	**51,395**
Attributable to:		
Equity holders of parent	**32,379**	25,698
Non-controlling interests	**32,379**	25,698

Summarised cash flow information for the year ended 31 December:

	2013 AED'000	2012 AED'000
Operating	**84,919**	62,900
Investing	**(7,569)**	(9,840)
Financing	**(65,154)**	(59,202)
Net increase (decrease) in cash and cash equivalents	**12,196**	**(6,142)**

8 DISCONTINUED OPERATION

2013

Disposal of Aramex International GMBH (Germany)

On 30 April 2013, the Group disposed of 100% of its interest in Aramex International GMBH (Germany) for AED 931 thousand in cash and an amount of AED 80 thousand as a receivable. The cash flows generated by the sale of the discontinued operation during 2013 have been considered in the statement of cash flows as part of the investing activities.

The results of Aramex International GMBH (Germany) for the period are as follows:

	2013 AED'000 Up to date of disposal	2012 AED'000
Revenue	**6,634**	19,833
Cost of services	**(5,204)**	(15,052)
Gross profit	**1,430**	4,781
Less: Overheads	**(1,442)**	(4,611)
Operating (loss) income	**(12)**	170
Other income (expense)	**41**	(414)
Profit (loss) from a discontinued operation	**29**	(244)
Cash inflow on sale:		
Consideration received	**931**	
Cash included as cash and cash equivalents at 30 April 2013 in the		
statement of cash flows	**(351)**	
Net cash inflow	**580**	

The net cash flows incurred by Aramex International GMBH (Germany) are as follows:

	2013 AED'000	2012 AED'000
Operating	299	(1,650)
Investing	-	(42)
Net cash inflow (outflow)	299	(1,692)

Disposal of Falloh Trade and Express Services (Syria)

On 31 July 2013, the Group disposed of 100% of its interest in Falloh Trade and Express Services (Syria)

8 DISCONTINUED OPERATION (continued)

The results of Falloh Trade and Express Services (Syria) for the period are as follows:

	2013 AED'000 Up to date of disposal	2012 AED'000
Revenue	**2,415**	13,964
Cost of services	**(1,023)**	(8,700)
Gross profit	**1,392**	5,264
Less: Overheads	**(1,664)**	(4,156)
Operating (loss) income	**(272)**	1,108
Other income	**463**	450
Profit before tax from the discontinued operation	**191**	1,558
Income tax expense	**(34)**	(23)
Profit after tax for the period from the discontinued operation	**157**	**1,535**
Cash outflow on sale:		
Consideration received	-	
Cash included as cash and cash equivalents at 31 July 2013 in the statement		
of cash flows	**(120)**	
Net cash outflow	**(120)**	

The net cash flows incurred by Falloh Trade and Express Services (Syria)are as follows:

	2013 AED'000	2012 AED'000
Operating	**(1,428)**	(120)
Investing	-	(24)
Net cash outflow	**(1,428)**	**(144)**

2012

During 2012, the Group publicly announced the decision of its Board of Directors to dispose of 33.3% of its interest in PT Global Distribution Alliance Company (Indonesia) which resulted in decreasing its ownership in PT Global Distribution Alliance Company (Indonesia) from 75% to 50%, as a new local law in Indonesia restricting the investment of foreign entities is intended to go into effect in 2014. On 30 September 2012, the Group completed the sale of PT Global Distribution Alliance Company (Indonesia) for AED 367 thousand in cash and an amount of AED 514 thousand to be deducted from the buyer's share of the future profits of PT Global Distribution Alliance Company (Indonesia), resulting in a pre-tax gain of AED 771 thousand. The cash flows generated by the sale of the discontinued operation during 2012 have been considered in the statement of cash flows as part of the investing activities. The remaining investment in PT Global Distribution Alliance Company (Indonesia) was classified as an investment in a joint venture.

8 DISCONTINUED OPERATION (continued)

The results of PT Global Distribution Alliance Company (Indonesia) for the year are as follows:

	2012 AED'000 Up to date of disposal
Revenue	3,304
Expenses	(1,695)
Gross profit	1,609
Less: Overheads	(2,423)
Operating loss	(814)
Add: Other income	126
Less: Expenses	(225)
Loss before tax from a discontinued operation	(913)
Income tax expense	-
Gain on disposal of a discontinued operation	771
Loss after tax for the period from a discontinued operation	(142)
Cash outflow on sale:	
Consideration received	367
Cash included as cash and cash equivalents at 31 December 2011 in the statement	
of cash flows	(191)
Net cash inflow	176

The net cash flows incurred by PT Global Distribution Alliance Company are as follows:

	2012 AED'000
Operating	182
Investing	(431)
Financing	73
Net cash outflow	(176)

9 INVESTMENTS IN JOINT VENTURES

	Ownership percentage		Country of incorporation	Nature of activity	2013	2012
	2013 %	2012 %			AED'000	AED'000
Aramex Mashreq for Logistics Services S.A.E*	75%	75%	Egypt	Logistics services	42,828	49,032
Aramex Sinotrans Co. LTD**	50%	50%	China	Express, freight and logistics services	2,481	1,686
PT-Global Distribution Alliance***	50%	50%	Indonesia	Express Services	1,291	1,593
Aramex Logistics LLC****	50%	50%	Oman	Logistics Services	3,032	1,453
					49,632	53,764

* During 2012, the Group paid an amount of AED 32.2 million which represents the capital increase of Aramex Al Mashreq for Logistic Services S.A.E increasing its ownership from 50% to 75%. However, the approvals for all major operational decisions are required by the Group and its partner jointly. Based on the facts and circumstances, management determined that, in substance, the Group does not control the entity.

** During 2012, the Group entered into a joint venture agreement to establish and operate a joint venture company with 50% interest named Aramex Sinotrans Co. Ltd. During 2013, the Group paid an amount AED 4,042 thousand for the capital increase of Aramex Sinotrans Co. Ltd.

*** During 2012, the Group publicly announced the decision of its Board of Directors to dispose of 33.3% of its interest in PT Global Distribution Alliance Company (Indonesia) which resulted in decreasing its ownership in PT Global Distribution Alliance Company (Indonesia) to 50% and to classify it as a joint venture, measured at the fair value at the date of disposal. The fair valuation of the new investment in the joint venture resulted in a gain of AED 1,541 thousand (note 28).

**** During 2012, the Group paid an amount of AED 2.4 million as advances on capital increase, this amount was capitalized during 2013.

Aramex Mashreq for Logistics Services, Aramex Sinotrans Co. LTD, PT – Global Distribution Alliance and Aramex Logistics LLC are private entities that are not listed on any public exchange.

The following tables illustrates the summarised financial information of the Group's investment in each entity:

The joint ventures are accounted for using the equity method in the consolidated financial statements.

9 INVESTMENTS IN JOINT VENTURES (continued)

Summarized financial information of the joint ventures, based on its IFRS financial statements, are set out below:

2013	Aramex Mashreq for Logistics Services AED'000	Aramex Sinotrans Co. LTD AED'000	PT- Global Distribution Alliance AED'000	Aramex Logistics LLC AED'000	Total AED'000
Non-current assets	64,382	659	3,311	31	68,383
Current assets*	24,325	11,322	1,092	27,136	63,875
Non-current liabilities	(23,616)	-	(256)	(13,514)	(37,386)
Current liabilities**	(7,987)	(7,018)	(1,565)	(7,591)	(24,161)
Equity	**57,104**	**4,963**	**2,582**	**6,062**	**70,711**
Proportion of the Group's ownership	75%	50%	50%	50%	
Carrying amount of the investment	**42,828**	**2,482**	**1,291**	**3,031**	**49,632**

* The current assets of Aramex Mashreq include cash at banks amounted to AED 5,369 thousand, accounts receivable amounted to AED 6,930 thousand and other current assets amounted to AED 12,026 thousand.

** The current liabilities of Aramex Mashreq include deferred tax liabilities amounted to AED 864 thousand, accruals amounted to AED 835 thousand and other current liabilities amounted to AED 1,798 thousand.

2012	Aramex Mashreq for Logistics Services AED'000	Aramex Sinotrans Co. LTD AED'000	PT- Global Distribution Alliance AED'000	Aramex Logistics LLC AED'000	Total AED'000
Non-current assets	54,445	733	3,438	3	58,619
Current assets*	39,203	6,076	882	23,350	69,511
Non-current liabilities	(21,896)	-	(183)	-	(22,079)
Current liabilities**	(6,377)	(3,437)	(950)	(20,446)	(31,210)
Equity	**65,375**	**3,372**	**3,187**	**2,907**	**74,841**
Proportion of the Group ownership	75%	50%	50%	50%	
Carrying amount of the investment	**49,032**	**1,686**	**1,593**	**1,453**	**53,764**

* The current assets of Aramex Mashreq include cash at banks amounted to AED 3,859 thousand, accounts receivable amounted to AED 5,757 thousand and other current assets amounted to AED 29,587 thousand.

** The current liabilities of Aramex Mashreq include deferred tax liabilities amounted to AED 590 thousand, accruals amounted to AED 492 thousand and other current liabilities amounted to AED 2,258 thousand.

9 INVESTMENTS IN JOINT VENTURES (continued)

Summarized statement of profit or loss of the joint ventures:

2013	Aramex Mashreq for Logistics Services AED'000	Aramex Sinotrans Co. LTD AED'000	PT- Global Distribution Alliance AED'000	Aramex Logistics LLC AED'000	Total AED'000
Revenue	35,162	30,008	4,533	-	69,703
Cost of sale	(15,087)	(25,599)	(2,311)	-	(42,997)
Administrative expenses*	(19,322)	(10,970)	(2,945)	(1,602)	(34,839)
Profit (loss) before tax	**753**	**(6,561)**	**(723)**	**(1,602)**	**(8,133)**
Income tax expense	(355)	-	42	-	(313)
Profit (loss) for the year	398	(6,561)	(681)	(1,602)	(8,446)
Group share of profit (loss) for the year	**298**	**(3,281)**	**(340)**	**(801)**	**(4,124)**

* The administrative expenses of Aramex Mashreq include depreciation expense amounted to AED 3,924 thousand.

2012	Aramex Mashreq for Logistics Services* AED'000	Aramex Sinotrans Co. LTD AED'000	PT- Global Distribution Alliance AED'000	Aramex Logistics LLC AED'000	Total AED'000
Revenue	34,006	12,510	1,131	-	47,647
Cost of sale	(17,551)	(10,823)	(580)	-	(28,954)
Administrative expenses*	(15,150)	(9,329)	(876)	(770)	(26,125)
Profit (loss) before tax	**1,305**	**(7,642)**	**(325)**	**(770)**	**(7,432)**
Income tax expense	(347)	-	(18)	-	(365)
Profit (loss) for the year	958	(7,642)	(343)	(770)	(7,797)
Group share of profit (loss) for the year	**718**	**(3,821)**	**(172)**	**(385)**	**(3,660)**

* The administrative expenses of Aramex Mashreq include depreciation expense amounted to AED 2,805 thousand.

The joint ventures have capital commitments of AED 7 million towards construction of property, plant and equipment (2012: AED 16.2 million).

10 INVESTMENT IN AN ASSOCIATE

The Group has a 49% interest in Aramex Tunisia Limited which is involved in the business of freight forwarding.

Aramex Tunisia Limited is a private entity that is not listed in any public exchange.

The Group's interest in Aramex Tunisia Limited is accounted for using the equity method in the consolidated financial statements. The following table illustrates the summarized financial information of the Group's investment in Aramex Tunisia Limited.

	2013 AED'000	2012 AED'000
Non-current assets	**208**	280
Current assets	**2,081**	695
Current liabilities	**(3,905)**	(856)
Equity	**(1,616)**	**119**
Proportion of the Group's ownership	**49%**	49%
Group's share	**(792)**	**58**
Add: Embedded goodwill	**878**	878
Carrying amount of the investment	**86**	**936**

Share of the associate's revenue and loss:

	2013 AED'000	2012 AED'000
Revenues	**4,003**	3,166
Cost	**(2,234)**	(1,453)
Administrative expenses	**(3,500)**	(2,394)
Profit before tax	**(1,731)**	(681)
Income tax expense	**(4)**	(3)
Loss for the year	**(1,735)**	(684)
Group's share of loss for the year	**(850)**	**(335)**

The associate has no contingent liabilities or capital commitments as at 31 December 2013 and 2012.

11 INCOME TAX

The charge for income tax on results of operations of foreign subsidiaries comprises the following:

	2013 AED'000	2012 AED'000
Current income tax expense	**31,682**	26,875
Deferred income tax	**553**	(72)
Foreign exchange rate	**(137)**	(151)
Income tax expense reported in the consolidated income statement	**32,098**	26,652

Deferred tax relates to the following:

	2013 AED'000	2012 AED'000
Provision for doubtful accounts	**492**	347
Depreciation	**(134)**	(104)
Employees end of service benefits	**(230)**	654
Net operating losses carried forward	**432**	2
Capital allowance	**(302)**	(155)
Others	**699**	766
	957	1,510
Recognised as follows:		
As deferred tax assets	**2,382**	2,824
As deferred tax liabilities	**(1,425)**	(1,314)
	957	1,510

Reconciliation between accounting profit and taxable profit:

	2013 AED'000	2012 AED'000
Accounting profit before income tax	**347,040**	297,015
Non-deductible expenses	**76,693**	78,027
Losses carried forward	**-**	(2,254)
Taxable profit	**423,733**	372,788
Income tax expense reported in the consolidated income statement	**32,098**	26,652
Effective income tax rate	**9.25%**	8.97%

In some countries, the tax returns for certain years have not yet been reviewed by the tax authorities. In certain tax jurisdictions, the Group has provided for its tax exposures based on the current interpretation and enforcement of the tax legislation in the jurisdiction. However, the Group's management is satisfied that adequate provisions have been made for potential tax contingencies.

12 ACCOUNTS RECEIVABLE

	2013 AED'000	2012 AED'000
Trade receivables	**653,231**	630,865
Less: allowance for doubtful accounts	**(49,330)**	(47,398)
	603,901	583,467

Geographic concentration of trade receivables as of 31 December is as follows:

	2013 %	2012 %
- Middle East and Africa	**79**	75
- Europe	**13**	15
- North America	**1**	2
- Asia	**7**	8

As at 31 December 2013, trade receivables at nominal value of AED 49,330 thousand (2012: AED 47,398 thousand) were impaired. Movements in the allowance for impairment of receivables were as follows:

	2013 AED'000	2012 AED'000
At 1 January	**47,398**	39,029
Charge for the year	**8,288**	15,520
Unused amounts reversed	**(729)**	(1,027)
Amounts written-off	**(5,627)**	(6,124)
At 31 December	**49,330**	47,398

As at 31 December, the ageing analysis of trade receivables was as follows:

		Past due but not impaired				
	Total AED'000	0-60 days AED'000	61-90 days AED'000	91-180 days AED'000	181-365 days AED'000	More than 1 year AED'000
2013	603,901	489,298	64,720	36,314	13,569	-
2012	583,467	472,945	64,029	32,521	13,972	-

Unimpaired receivables are expected, on the basis of past experience, to be fully recoverable.

13 OTHER CURRENT ASSETS

	2013 AED'000	2012 AED'000
Prepaid expenses	**42,054**	43,494
Advances and other receivables *	**84,876**	91,869
	126,930	135,363

* Advances and other receivables include an amount of AED 6 million (2012: AED 12 million) due from a related party in connection with employees participating in an incentive plan as at 31 December 2013 and 2012.

14 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise of the following:

	2013 AED'000	2012 AED'000
Cash and short term deposits	**656,972**	333,673
Less: cash margin	**(11,528)**	(12,837)
Less: bank overdrafts (note 22)	**-**	(11,329)
	645,444	309,507

Included in cash and short term deposits are amounts totalling AED 199,703 thousand (31 December 2012: AED 175,789 thousand) held at foreign banks abroad.

15 SHARE CAPITAL

	2013 AED'000	2012 AED'000
Authorised, issued and paid up		
1,464,100,000 ordinary shares of AED 1 each (2012: 1,464,100,000		
ordinary shares of AED 1 each)	**1,464,100**	1,464,100

16 RESERVES

Statutory reserve

In accordance with the Articles of Association of certain entities in the Group and Article 255 of the UAE Federal Commercial Companies Law of 1984 (as amended), a minimum of 10% of the net profit for the year of the individual entities to which the law is applicable has been transferred to a statutory reserve. Such transfers may be ceased when the statutory reserve equals half of the paid up share capital of the applicable entities. This reserve is non distributable except in certain circumstances. The consolidated statutory reserve reflects transfers made post-acquisition for subsidiary companies together with transfers made by the parent company. It does not, however, reflect the additional transfers to the consolidated statutory reserves which would be made if the retained post-acquisition profits of the subsidiaries were distributed to the Parent Company.

Foreign currency translation reserve

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries.

Reserve arising from acquisition of non-controlling interests

The reserve represents the difference between the consideration paid to acquire non-controlling interests and the carrying amount of those interests at the date of acquisition.

17 DERIVATIVE FINANCIAL INSTRUMENTS

During January 2012, the Group entered into a loan agreement with Arab Bank for an amount of USD 50 million. The loan bears interest at USD three month LIBOR plus 225 basis points per annum. The Group had drawn down the loan during January 2013. The purpose of the loan is to finance expected acquisition costs. The loan is repayable in 20 consecutive equal quarterly instalments of USD 2.5 million each, commencing after withdrawal of the full loan amount.

Derivative financial instruments - interest rate swaps

The Group's loan with Arab Bank is in the form of variable interest rate loan. To mitigate its exposure to fluctuations in market interest rates, the Group entered into interest rate swap contracts that effectively fix the interest rate on 100% of its available facilities with Arab Bank. Under the terms of these contracts, the Group pays a pre-determined fixed rate (1.19%) of interest on a notional principal balance equal to amounts expected to be drawn down and receives from the counter-party a floating rate of interest on the same notional principal balance equals to USD three month LIBOR.

For the purpose of hedge accounting, the Group's interest rate swap contracts are classified as cash flow hedges, as the Group is hedging exposure to variability in cash flows that is attributable to the interest rate risk associated with a highly probable forecast transaction.

As of 31 December 2013, the cash flow hedges were assessed to be highly effective and an unrealized gain of AED 1,460 thousand was included in other comprehensive income, while an expense of AED 1,510 thousand was reclassified from other comprehensive income to the consolidated income statement and the corresponding negative fair value of the interest rate swap deal amounted to AED 1,500 thousand (2012: AED 2,960 thousand) was recorded as a liability in the consolidated statement of financial position.

18 RETAINED EARNINGS

Dividends

The General Assembly approved in its meeting held on 16 April 2013 a cash dividend for 2012 of 10% of the Company's share capital.

The General Assembly approved in its meeting held on 11 April 2012 a cash dividend for 2011 of 5% of the Company's share capital.

Directors' fees paid

Directors' fees of AED 2.25 million representing remuneration for attending meetings and compensation for professional services rendered by the Directors for the year 2012 were paid in 2013 (2012: AED 2.25 million representing remuneration for attending meetings and compensation for professional services rendered by the Directors for the year 2011 were paid in 2012).

19 LOANS AND BORROWINGS

	2013 AED'000	2012 AED'000
Non-current		
Term loan*	**120,679**	2,614
Notes payable	**83**	2,321
Finance lease obligations (a)	**7,333**	7,431
	128,095	12,366
Current		
Term loan*	**38,464**	3,142
Notes payable	**1,987**	4,551
Finance lease obligations (a)	**8,851**	8,011
	49,302	15,704

* During January 2012, the Group entered into a loan agreement with Arab Bank for an amount of USD 50 million (AED 184 million). The loan bears interest at USD three month LIBOR plus 225 basis points per annum. The Group had drawn down the loan during January 2013. The purpose of the loan is to finance expected acquisitions. The loan is repayable in 20 consecutive equal quarterly instalments of USD 2.5 million (AED 9 million) each, the first instalment was due in April 2013.

(a) Finance lease obligation

Future minimum annual payments under all non-cancellable finance leases are as follows:

	Future minimum lease payments AED'000	Interest AED'000	Present value of minimum lease payments AED'000
Less than one year	9,907	1,056	8,851
Between one and five years	7,694	361	7,333
31 December 2013	17,601	1,417	16,184
Less than one year	9,218	1,207	8,011
Between one and five years	7,992	561	7,431
31 December 2012	17,210	1,768	15,442

Finance lease obligations have maturities till 2016. Interest rate on finance lease obligations is 8%. (2012: 8%).

20 EMPLOYEES' END OF SERVICE BENEFITS

Movements on provision for employees' end of service benefits were as follows:

	2013 AED'000	2012 AED'000
Provision as at 1 January	**91,166**	79,660
Provided during the year	**22,685**	20,001
Paid during the year	**(10,012)**	(7,480)
Disposal of a subsidiary	**(307)**	(105)
Exchange differences	**(466)**	(910)
Provision as at 31 December	**103,066**	91,166
Actuarial gains and losses	**-**	-
Present value of the defined benefit obligations	**103,066**	91,166

21 ACCOUNTS PAYABLE

Trade payables mainly include payables to third party suppliers against invoices received from them for line haul, freight services, handling and delivery charges.

22 BANK OVERDRAFTS

The Group maintains overdrafts and lines of credit with various banks. Aramex International Limited (AIL) has provided a corporate guarantee of AED 1.8 million to Audi Bank in Lebanon to secure the bank facilities given for the Aramex subsidiary in Lebanon. The outstanding balance of the overdrafts and lines of credit amounted to AED Nil as of 31 December 2013 (2012: AED 173 thousand).

Aramex Ireland Limited has outstanding bank overdrafts and lines of credit (that includes invoicing discounting) of AED Nil as at 31 December 2013 (2012: AED 7.76 million), which are secured by a floating charge over the assets of Aramex Ireland Limited together with inter-company guarantees within the Group.

Aramex Emirates LLC has outstanding overdrafts from the Arab Bank of AED Nil as at 31 December 2013 (2012: AED 3.39 million) with guarantees amounted to AED 15,213 thousand.

23 OTHER CURRENT LIABILITIES

	2013 AED'000	2012 AED'000
Accrued expenses	**325,593**	313,665
Deferred revenue	**16,263**	15,672
Sales tax and other taxes	**17,074**	8,946
Income taxes payable	**28,375**	22,428
Customers' deposits	**6,274**	403
Social security taxes payable	**6,791**	7,694
Others	**13,560**	11,643
	413,930	380,451

24 REVENUE

	2013 AED'000	2012 AED'000
International express	**1,056,942**	968,673
Freight forwarding	**1,234,706**	1,169,037
Domestic express	**645,026**	592,899
Logistics	**169,648**	138,284
Publications and distribution	**20,272**	25,630
Others*	**198,244**	177,066
	3,324,838	3,071,589

* Represents revenues from other special services which the Group renders, including airline ticketing and travel, visa services and revenues from document retention business. All related costs are reflected in cost of services.

25 COST OF SERVICES

	2013 AED'000	2012 AED'000
International express	**347,611**	324,186
Freight forwarding	**905,247**	862,061
Domestic express	**197,885**	167,306
Logistics	**34,550**	24,641
Publications and distribution	**13,554**	18,875
Others	**24,691**	20,178
	1,523,538	1,417,247

26 ADMINISTRATIVE EXPENSES

	2013 AED'000	2012 AED'000
Salaries and benefits	**310,298**	289,390
Rent	**49,292**	50,965
Depreciation	**49,520**	45,489
Communication expenses	**29,858**	25,764
Repairs and maintenance	**15,473**	14,421
Travel expenses	**15,601**	15,300
Allowance for impairment of receivables (note 12)	**7,559**	14,493
Utilities	**11,102**	10,978
Printing and stationary	**8,241**	8,780
Entertainment	**7,145**	6,262
Vehicle running expenses	**4,395**	4,161
Insurance and security	**12,232**	10,719
Government fees and taxes	**30,419**	29,806
Corporate Social Responsibility	**6,971**	6,399
Sponsorship	**154**	331
Others	**76,960**	68,579
	635,220	601,837

27 OPERATING EXPENSES

	2013 AED'000	2012 AED'000
Salaries and benefits	**437,709**	397,643
Vehicle running and maintenance	**81,055**	79,412
Supplies	**24,890**	24,789
Communication expenses	**6,815**	5,962
Depreciation	**27,728**	23,812
Rent	**49,003**	44,772
Others	**37,513**	33,359
	664,713	609,749

28 OTHER INCOME

	2013 AED'000	2012 AED'000
Exchange gain (loss)	**2,630**	(1,213)
Gain (loss) on sale of property, plant and equipment	**277**	(503)
Miscellaneous income	**2,715**	3,857
Gain from valuation of the investment in joint venture (note 9)	**-**	1,541
	5,622	3,682

29 RELATED PARTY TRANSACTIONS

Certain related parties (directors, officers of the Group and companies which they control or over which they exert significant influence) were suppliers of the Company and its subsidiaries in the ordinary course of business. Such transactions were made on substantially the same terms as with unrelated parties.

Transactions with related parties included in the consolidated income statement are as follows:

	Related party		Total	
	Officers AED'000	Companies controlled by the directors AED'000	2013 AED'000	2012 AED'000
Rent expense	**329**	**1,389**	**1,718**	1,720

During 2012, Aramex Ireland Limited purchased premises from its director amounted to AED 49,485 thousand.

Compensation of key management personnel of the Group

Compensation of the key management personnel, including executive officers, comprises the following:

	2013 AED'000	2012 AED'000
Salaries and other short term benefits	**9,280**	13,391
End of service benefits	**346**	958
	9,626	14,349

29 RELATED PARTY TRANSACTIONS (continued)

Significant subsidiaries of the Group include:

- Aramex Jordan Ltd.
- Aramex India Private Limited, India
- Aramex International Egypt for Air and Local services (S.A.E), Egypt
- Aramex Bahrain S.P.C
- Aramex Emirates LLC, UAE
- Aramex Ireland Limited
- Aramex Nederland B.V.
- Aramex South Africa PTY Ltd.

All of the above subsidiaries are 100% owned by the Parent Company.

Certain subsidiaries of the Group are controlled through shareholder agreements and accordingly consolidated in these consolidated financial statements.

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year. The outstanding balances as at 31 December 2013 and 2012, are included Notes 12 and 21:

		Sales to related parties AED'000	Cost from related parties AED'000	Amounts owed by related parties* AED'000	Amounts owed to related parties* AED'000	Long term loan granted to related parties AED'000
Associate:						
Aramex Tunisia Limited	**2013**	71	-	-	722	-
	2012	19	-	-	363	-
Joint ventures in which the						
Parent is a venturer:	**2013**	244	4,572	2,054	1,407	6,751
	2012	51	969	2,757	9,914	-

* These amounts are classified as trade receivables and trade payables, respectively.

30 EARNINGS PER SHARE

	31 December 2013	31 December 2012
Profit attributable to shareholders of the		
Parent (AED'000)	**277,958**	244,119
Weighted average number of shares during		
the year (shares)	**1,464 million**	1,464 million
Basic and diluted earnings per share (AED)	**0.190**	0.167

31 OPERATING LEASES

Group as lessee

The Group leases land, office space, warehouses and transportation equipments under various operating leases, some of which are renewable annually. Rent expense related to these leases amounted to AED 98.3 million for the year ended 31 December 2013 (2012: AED 95.7 million). The Group believes that most operating leases will be renewed at comparable rates to the expiring leases.

The approximate minimum rental commitments of the Group under the existing lease agreements are as follows:

	2013 AED'000	2012 AED'000
Less than one year	**94,409**	93,399
Between one and five years	**352,950**	353,299
More than five years	**34,956**	57,004
	482,315	503,702

32 STOCK BENEFIT PLAN

On 18 December 2013, the Board of Directors have approved an employee stock benefit plan (the "plan"). The Board requested that the nomination and remuneration committee discusses the details of the plan, including beneficiaries and number of shares to be allocated to each beneficiary. The details of the plan will be notified to employees during 2014 and no stock options were granted during 2013.

33 SEGMENTAL INFORMATION

For management purposes, the Group is organised into five operating segments:

- International express: includes delivery of small packages across the globe to both, retail and wholesale customers.
- Freight forwarding: includes forwarding of loose or consolidated freight through air, land and ocean transport, warehousing, customer clearance and break bulk services.
- Domestic express: includes express delivery of small parcels and pick up and deliver shipments within the country.

- Logistics: includes warehousing and its management distribution, supply chain management, inventory management as well as other value added services.
- Other operations: includes catalogue shipping services, document storage, airline ticketing and travel, visa services, and publication and distribution.

Management monitors the operating results of the operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss.

Transfer prices between operating segments are on an arm's - length basis in a manner similar to transactions with third parties.

33 SEGMENTAL INFORMATION (continued)

The following table presents revenue and profit information regarding the Group's operating segments for the years ended 31 December 2013 and 2012, respectively.

	International express AED'000	Freight forwarding AED'000	Domestic express AED'000	Logistics AED'000	Others AED'000	Elimination AED'000	Total AED'000
Year ended 31 December 2013							
Revenue							
Third party	1,056,942	1,234,706	645,026	169,648	218,516	-	3,324,838
Inter-segment	467,271	265,380	690	4,134	5,970	(743,445)	-
Total revenues	1,524,213	1,500,086	645,716	173,782	224,486	(743,445)	3,324,838
Gross profit	709,331	329,460	447,141	135,097	180,271	-	1,801,300
Year ended 31 December 2012							
Revenue							
Third party	968,673	1,169,037	592,900	138,284	202,695	-	3,071,589
Inter-segment	430,404	216,235	15,450	3,855	4,611	(670,555)	-
Total revenues	1,399,077	1,385,272	608,350	142,139	207,306	(670,555)	3,071,589
Gross profit	644,486	306,977	425,594	113,644	163,641	-	1,654,342

Transactions between stations are priced at agreed upon rates. All material intra group transactions have been eliminated on consolidation. The Group does not segregate assets and liabilities by business segments and, accordingly, such information is not presented.

Geographical segments

The business segments are managed on a worldwide basis, but operate in four principal geographical areas, Middle East and Africa, Europe, North America and Asia. In presenting information on the geographical segments, segment revenue is based on the geographical location of customers. Segments assets are based on the location of the assets.

33 SEGMENTAL INFORMATION (continued)

Revenues, assets and liabilities by geographical segment are as follows:

	2013 AED'000	2012 AED'000
Revenues		
Middle East and Africa	**2,480,656**	2,229,036
Europe	**526,394**	500,626
North America	**51,147**	66,266
Asia	**266,641**	275,661
	3,324,838	3,071,589
Assets		
Middle East and Africa	**2,504,112**	2,215,614
Europe	**353,071**	352,716
North America	**24,335**	28,926
Asia	**104,304**	117,910
	2,985,822	2,715,166
Non- current assets*		
Middle East and Africa	**523,084**	553,591
Europe	**70,257**	72,109
North America	**6,839**	8,269
Asia	**15,027**	17,513
	615,207	651,482
Liabilities		
Middle East and Africa	**697,880**	492,304
Europe	**107,297**	113,214
North America	**9,841**	13,084
Asia	**43,959**	50,493
	858,977	669,095

* Non-current assets for this purpose consist of property, plant and equipment, other intangible assets, investments in joint ventures and investment in an associate. Goodwill is allocated to business segments (note 5).

34 COMMITMENTS AND CONTINGENCIES

Contingent liabilities

	2013 AED'000	2012 AED'000
Letters of guarantee	**74,856**	66,875

Claims against the Group

The Group is a defendant in a number of lawsuits amounting to AED 17,179 thousand representing legal actions and claims related to its ordinary course of business (2012: AED 10,242 thousand). The management and their legal advisors believe that the provision recorded of AED 7,546 thousand as of 31 December 2013 is sufficient to meet the obligations that may arise from the lawsuits (2012: AED 3,853 thousand).

35 RISK MANAGEMENT

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group is exposed to interest rate risk on its interest bearing assets and liabilities (bank deposits, bank overdrafts, notes payable and term loans).

To manage this, the Group enters into interest rate swaps, in which the Group agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount. These swaps are designated to hedge underlying debt obligations.

The sensitivity of the consolidated income statement is the effect of the assumed changes in interest rates on the Group's profit for one year, based on the floating rate financial assets and financial liabilities held at 31 December.

The following table demonstrates the sensitivity of the consolidated income statement to reasonably possible changes in interest rates, with all other variables held constant. There is no other direct impact on the Group's equity.

	Increase/ (decrease) in basis points	Effect on profit for the year AED'000
2013		
Variable rate instruments	**+100**	**3,705**
Variable rate instruments	**-100**	**(3,705)**
2012		
Variable rate instruments	+100	967
Variable rate instruments	-100	(967)

Credit risk
This is the risk that other parties will fail to discharge their obligations to the Group. The Group manages credit risk with its customers by establishing credit limits for customers' balances and also disconnects the service for customers exceeding certain limits for a certain period of time. Also, the diversity of the Group's customer base (residential, corporate, government agencies) limits the credit risk. The Group also has a credit department that continuously monitors the credit status of the Group's customers.

The Group also deposits its cash balances with a number of major high rated financial institutions and has a policy of limiting its balances deposited with each institution.

Trade and other receivables
The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the Group's customer base, including the default risk of the industry and country, in which customers operate, has less of an influence on credit risk. The Group earns its revenues from a large number of customers spread across different geographical segments. However, geographically 79 percent of the Group's trade receivables are based in Middle East and Africa.

Management has established a credit policy under which new customers are analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. Purchase limits are established for customers, who represent the maximum open amount without requiring approval from senior Group management; these limits are reviewed regularly

A significant portion of the Group's customers have been transacting with the Group for a number of years, and losses have occurred infrequently. In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or legal entity, whether they are an agent, wholesaler, retailer or end-user customer, geographic location, industry, aging profile, maturity and existence of previous financial difficulties.

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. The collective loss allowance is determined based on historical data of payment statistics for similar financial assets.

Liquidity risk
Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group currently has sufficient cash on demand to meet expected operational expenses, including the servicing of financial obligations.

35 RISK MANAGEMENT (continued)

Credit risk (continued)

The table below summarises the maturities of the group's financial liabilities at 31 December, based on contractual undiscounted payments:

At 31 December 2013	Less than 3 months AED'000	3 to 12 months AED'000	1-2 year AED'000	2-5 years AED'000	> 5 years AED'000	Total AED'000
Term loans	11,087	31,269	40,345	87,713	-	170,414
Notes payable	705	1,422	139	41	-	2,307
Finance lease obligations	2,703	7,204	6,547	1,147	-	17,601
Trade and other payables	534,046	-	-	-	-	534,046
	548,541	39,895	47,031	88,901	-	724,368

At 31 December 2012	Less than 3 months AED'000	3 to 12 months AED'000	1-2 year AED'000	2-5 years AED'000	> 5 years AED'000	Total AED'000
Term loans	912	2,783	2,369	266	-	6,330
Notes payable	1,528	3,388	2,370	41	-	7,327
Finance lease obligations	2,455	6,763	5,658	2,334	-	17,210
Bank overdrafts	11,329	-	-	-	-	11,329
Trade and other payables	480,772	-	-	-	-	480,772
	496,996	12,934	10,397	2,641	-	522,968

Currency risk

Foreign currency risk is the risk that the fair value of future cash flows of financial instruments will fluctuate because of changes in foreign currency exchange rates.

The Group is exposed to currency risk mainly on purchases and sales that are denominated in a currency other than the respective functional currencies of the Group entities, primarily the United States Dollar (USD), Euro, Egyptian Pound, Sterling (GBP), South African Rand, Turkish Lira and the Indian Rupee (INR). The currencies in which these transactions are primarily denominated are Euro, USD, ZAR, TYL and GBP. The Parent Company's and a number of other Group entities' functional currencies are either the USD or currencies that are pegged to the USD. As a significant portion of the Group's transactions are denominated in USD, this reduces currency risk. The Group also has currency exposures on intra group transactions in the case of Group entities where the functional currency is not the USD or a currency that is not pegged to the USD. Intra Group transactions are primarily denominated in USD.

The Group hedges some of its trade payables denominated in certain foreign currencies, mainly Euros and Indian Rupee. However, a significant portion of the Group's trade payables and all of its foreign currency receivables, denominated in a currency other than the functional currency of the respective Group entities, are subject to risks associated with currency exchange fluctuation. The Group reduces some of this currency exposure by maintaining some of its bank balances in foreign currencies in which some of its trade payables are denominated. This provides an economic hedge.

35 RISK MANAGEMENT (continued)

The following table demonstrates the sensitivity to a reasonably possible change in the AED exchange rate, with all other variables held constant, of the Group's profit before tax (due to changes in the fair value of monetary assets and liabilities).

	Changes in currency rate to AED %	Effect on profit before tax AED'000
2013		
EUR	**+10**	**(217)**
INR	**+10**	**(57)**
GBP	**+10**	**1,661**
EGP	**+10**	**282**
TYL	**+10**	**(519)**
ZAR	**+10**	**(38)**
2012		
EUR	+10	61
INR	+10	386
GBP	+10	2,000
EGP	+10	(744)
TYL	+10	(365)
ZAR	+10	823

The effect of decreases in exchange rates are expected to be equal and opposite to the effects of the increases shown.

Capital management
The Group manages its capital structure and makes adjustments to it in light of changes in business conditions. No changes were made in the objectives, policies or processes during the years ended 31 December 2013 and 31 December 2012. Capital comprises share capital, statutory reserve, reserve arising from acquisition of non-controlling interests and retained earnings, and is measured at AED 2,180,554 thousand as at 31 December 2013 (2012: AED 2,051,246 thousand).

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital, which the Group defines as net operating income divided by total shareholders' equity, excluding non-controlling interests. The Board of Directors also monitors the level of dividends to shareholders.

The Board seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position. The Group currently has minimal borrowings. In the medium to long term, the Group believes that having a debt to equity ratio of up to 50% would still enable the Group to achieve its objective of maintaining a strong capital base.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements other than the statutory requirements in the jurisdictions where the Group entities are incorporated.

36 FAIR VALUES OF FINANCIAL INSTRUMENTS

Financial instruments comprise financial assets and financial liabilities.

Financial assets consist of cash and bank balances, receivables and other current assets. Financial liabilities consist of loans and borrowings, bank overdrafts, trade payables and other current liabilities.

The fair values of financial instruments are not materially different from their carrying values.

The fair values of all instruments measured at fair value are determined using level 2 in the fair value hierarchy as per the following table:

Quantitative disclosures fair value measurement hierarchy for assets as at 31 December 2013:

			Fair value measurement using		
Liabilities measured at fair value:	**Date of valuation**	**Total AED'000**	**Quoted prices in active markets (Level 1) AED'000**	**Significant observable inputs (Level 2) AED'000**	**Significant unobservable inputs (Level 3) AED'000**
Derivative financial liabilities					
Interest rate swap	31 December 2013	1,500	-	1,500	-

Quantitative disclosures fair value measurement hierarchy for assets as at 31 December 2012:

			Fair value measurement using		
Liabilities for which fair value are disclosed:	**Date of valuation**	**Total AED'000**	**Quoted prices in active markets (Level 1) AED'000**	**Significant observable inputs (Level 2) AED'000**	**Significant unobservable inputs (Level 3) AED'000**
Derivative financial liabilities					
Interest rate swap	31 December 2012	2,960	-	2,960	-

37 KEY SOURCES OF ESTIMATION UNCERTAINTY

Impairment of accounts receivable

An estimate of the collectible amount of trade accounts receivable is made when collection of the full amount is no longer probable. For individually significant amounts, this estimation is performed on an individual basis. Amounts which are not individually significant, but which are past due, are assessed collectively and a provision applied according to the length of time past due, based on historical recovery rates.

At the statement of financial position date, gross trade accounts receivable were AED 653,231 thousand (2012: AED 630,865 thousand) and the provision for doubtful debts was AED 49,330 thousand (2012: AED 47,398 thousand). Any difference between the amounts actually collected in future periods and the amounts expected will be recognised in the consolidated income statement.

Useful lives of property and equipment

The Group's management determines the estimated useful lives of its property, plant and equipment for calculating depreciation. This estimate is determined after considering the expected usage of the asset or physical wear and tear. Management reviews the residual value and useful lives annually and future depreciation charge would be adjusted where the management believes the useful lives differ from previous estimates.

Fair value measurement of contingent consideration

Contingent consideration, resulting from business combinations, is valued at fair value at the acquisition date as part of the business combination. When the contingent consideration meets the definition of a derivative and, thus, a financial liability, it is subsequently remeasured to fair value at each reporting date. The determination of the fair value is based on discounted cash flows. The key assumptions take into consideration the probability of meeting each performance target and the discount factor.

As part of the identification and measurement of assets and liabilities in the acquisition of Acquaship customer list, the Group identified an element of contingent consideration with a fair value of AED 2,716 thousand at the acquisition date, remeasured to AED 818 thousand as at the reporting date, which is classified as current liabilities.

Goodwill impairment

The impairment test is based on the "value in use" calculation. These calculations have used cash flow projections based on actual operating results and future expected performance. A discount rate of 12% has been used in discounting the cash flows projected (refer to note 5).

Provision for tax

The Group reviews the provision for tax on a regular basis. In determining the provision for tax, laws of particular jurisdictions (where applicable entity is registered) are taken into account. The management considers the provision for tax to be a reasonable estimate of potential tax liability after considering the applicable laws and past experience.

37 KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

End of service benefits

In determining the appropriate discount rate, management considers the interest rates of corporate bonds in the respective currency with at least AA rating, with extrapolated maturities corresponding to the expected duration of the defined benefit obligation. The underlying bonds are further reviewed for quality, and those having excessive credit spreads are removed from the population of bonds on which the discount rate is based, on the basis that they do not represent high quality bonds.

The mortality rate is based on publicly available mortality tables for the related countries. Future salary increases are based on expected future inflation rates for the respective country.

Useful lives of intangible assets with finite lives

The Group's management determines the estimated useful lives of its intangible assets with finite lives for calculating amortisation. This estimate is determined after considering the expected pattern of consumption of future economic benefits embodied in the asset. Management reviews the amortisation period and amortisation method for an intangible with a finite life at least each financial year end and future amortisation charges will be adjusted where the management believes the useful lives differ from previous estimates.

Identifiable assets and liabilities taken over on acquisition of subsidiaries

The Group separately recognises assets and liabilities on the acquisition of a subsidiary when it is probable that the associated economic benefits will flow to the acquirer or when, in the case of liability, it is probable that an outflow of economic resources will be required to settle the obligation and the fair value of the asset or liability can be measured reliably. Intangible assets and contingent liabilities are separately recognised when they meet the criteria for recognition set out in IFRS 3. Intangible assets, acquired on acquisition, mainly represent lists of customers, bound by a contract, valued on the basis of minimum cash flows.