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Introduction

In 2016, we celebrated ten years since our first sustainability report. We have grown immensely in this decade, continually improving, innovating and strategizing our approach to sustainability within our industry and region.

This year we also switch from the Global Reporting Initiative (GRI) G4 guidelines to GRI’s Standards. We are proud to be pioneers in the transition to these Standards, which we hope will enable us to continue the conversation about our sustainability efforts in a more effective, stakeholder-focused and comprehensive manner.

The report integrates our financial and sustainability information and includes our Green House emissions for 2016, as well as communicating our progress on sustainability goals.

It also complies with the regulations of the UAE and covers the ten principles of the United Nations Global Compact as well as Sustainable Development Goals.

In 2016, we held multi-stakeholder engagement and consultation workshops in three of our main material markets – Singapore, Hong Kong and Sri Lanka.

Our financial statements are maintained in accordance with the International Financial Reporting Standards (IFRS) of the International Accounting Standards Board (IASB) and are reported in line with the regulatory requirements of the Securities and Commodities Authority (SCA) of the United Arab Emirates.

In sharing this, our 7th integrated report and 11th sustainability report, we aim to facilitate a continuous conversation with our stakeholders.
Letter from our CEO

Dear Shareholders,

2016 was a historic year for Aramex. In what was one of the most economically challenging years since the 2009 recession, we achieved a record-breaking financial performance - all while further enhancing our global business operations and maintaining our position as a market leader. These successes create a strong platform from which we will execute our 2017 plans.

Global economic growth slowed to 1.7% in real terms in 2016. From the UK's decision to leave the EU to the Presidential election in the United States, the world experienced historic political and economic turbulence. The UAE economy, however, exceeded global expectations in 2016, growing by 2.3% and predicted to grow between 2.5-3.3% from 2017-2019.

Despite global and regional economic uncertainties, Aramex's 2016 fiscal performance outperformed all expectations. We recorded AED 4,343 million in revenues, up by 16% compared to AED 3,755 million in 2015. This increase was driven by robust growth, primarily in our international and domestic express and supply chain services across key geographies.

Our net profits increased by 37% to AED 426.6 million, reaching an all-time high.

Our cross-border e-Commerce services in particular also registered record growth and is the strongest performing segment of our business, accounting for 25% of our annual revenues and currently growing at 30% annually.

Our 2016 results and achievements serve as proof that Aramex's asset-light strategy is working. This has always been a competitive differentiator and enables our growth, even in times of economic, social and political volatility. But the strong financial performance was only one key element of our success in 2016. Our commitment to innovation and technology were two core areas of focus this year, and they ultimately allowed us to enhance our overall customer experience, expand our business operations and further strengthen our B2C last-mile solutions. 2016 indeed was a milestone year for innovations and new partnerships across the Aramex global network.

From a technological innovation perspective, we launched our mobile app to improve the delivery experience for customers and further streamline our delivery processes. In 2016, we also continued automating our sorting centers globally to keep pace with the increasing demand for our cross-border e-commerce solutions. We also rolled out our Enterprise Resource Planning (ERP) platform, which will enable us to adopt industry best practices and further strengthen collaboration across key business units. We will continue to focus on adopting technological innovations to ensure we maintain our market leadership, disrupt the industry through digital-based solutions and further our transformation to a technology-based enterprise.

Leveraging strategic partnerships was another key driver of our success in 2016. To ensure sustainable growth, we have partnered with several logistics and technology focused companies around the world to extend our global reach and further enhance our business operations. We acquired Fastway Limited to further strengthen our presence in Australia and New Zealand.

We also formed a joint venture with Australia Post to launch “Aramex Global Solutions,” a hybrid product accessible through postal offices worldwide.

Additionally, as part of Aramex's strategy to scale up through a variable business model, we invested in a number of delivery startups worldwide to optimize our last-mile delivery solutions. We also invested in a new global addressing system to reach more customers in off-the-grid locations. Partnerships will continue to be important because they give us unique opportunities to export our own technologies, import the technologies of our business partners into our operations and give more businesses and consumers access to our products and services globally.
Aside from our financial and operational excellence in 2016, Aramex also excelled in the areas that matter most – creating shared value through long-term partnerships with communities in areas in which we operate as well as supporting and developing our own people.

To support ‘Delivering Good’, Aramex’s corporate activism strategy, we have continued to develop effective partnerships with communities, social entrepreneurs, governments, NGOs and corporations worldwide over the past year.

Our strategy is in line with the United Nations’ Sustainable Development Goals, focusing on increasing economic growth, access to quality education and fair employment, and taking steps to mitigate climate change and its impacts globally. We also continue to adhere to the United Nations Global Compact by communicating our progress on an annual basis.

Currently, 97% of our locations are actively engaged in sustainability initiatives and projects and identify with at least one of the three focus areas of our “Delivering Good” platform: Education and Youth Empowerment, Entrepreneurship and Environment. Through our different projects, we were able to reach over 60,000 beneficiaries. We have supported over 2,600 startups and SMEs, as they have the capacity to create jobs, improve the local economy and empower communities.

On the Environmental front, we achieved a 25% reduction of Greenhouse Gases (GHG) per shipment compared to our 2012 baseline and increased recycling by 17%. Additionally, our warehouse in Amman has started using solar energy for the first time to reduce our overall carbon footprint and impact on the environment. We are proud of our achievements this year, and it brings me great pleasure to state confidently that we are leading the way in sustainability efforts across the region.

I am confident that our corporate culture also contributed to the resounding success we achieved in 2016. Aramex is a place where innovation and creativity are encouraged and thrive.

We understand that creating a workplace that celebrates diversity and encourages open dialogue is essential to achieving our core business goals. This culture is an important part of our company’s history and tradition and helps us drive a more sustainable, and consequently more successful, business.

Our global business and brand is expanding rapidly. As we look towards 2017, emerging economies worldwide will continue to be target markets for our business expansion plans, particularly in Asia-Pacific and Africa. Our strategy paid off in Australia and New Zealand in 2016, as witnessed by our impressive financial performance, and with the Asia-Pacific now officially the largest e-commerce market in the world (at a size of $770 billion) we will continue to pursue strategic business opportunities across the region. We are also particularly excited about our joint venture with Australia Post, as it has allowed us to access global markets and open up new trade lanes for Aramex.

Though it remains unclear how the global economy will perform moving forward, we are confident we will effectively execute our strategy by leveraging technology and developing partnerships that most benefit our business and stakeholders. Aramex continues to consistently outperform the market and deliver significant value to all of its stakeholders. Our robust 2016 results have put us in a strong position to deliver on our ongoing business strategy and, as we move into the new fiscal year, we are ready to introduce a number of exciting initiatives.

Looking ahead, we will continue to focus on investing in technology to further transform Aramex into a technology-driven enterprise and lead the market by sourcing disruptive, digital-based solutions. We must stay ahead of global trends and find the most optimal ways of making the world’s logistics and transportation systems as seamless and connected as possible. Efficient logistics and transportation systems are the lifeline that connects people, goods and services globally and we will stay committed to keeping this lifeline healthy and strong.

I have always maintained that our success is built on our highly capable global team and would like to extend my thanks to all of Aramex’s stakeholders who help to ensure that the business and brand takes another step forward every day. I am excited for the year ahead and would like to thank all of our shareholders for their continuous support as we move forward with our incredible journey.

I hope you share our excitement about our path for 2017 and beyond.

Hussein Hachem
Chief Executive Officer
Aramex
About Aramex

Since its foundation in 1982, Aramex has grown to become a world leader in comprehensive logistics and transportation solutions, recognized for its customized services and innovative products for businesses and consumers. Listed on the Dubai Financial Market (DFM) and headquartered in the UAE, we are located at the crossroads between East and West, which allows us to reach more customers by providing effective logistics solutions worldwide.

Our unique, asset-light business model and commitment to innovation underpin every strategic decision we make. This has proved highly successful, allowing us to adapt swiftly to challenging market conditions, execute last-mile delivery solutions, develop new products and services and respond quickly to changing customer preferences.

Our breadth of services, including express courier, freight, logistics, supply chain management, e-Commerce and record management, extend our considerable reach. We remain committed to further enhancing our global operations and pursuing more opportunities for business growth.

We live in an era where technology transforms and influences our daily lives more than ever before. As a result, technological innovation is critical to our success. We are strategically leveraging technology in a variety of ways, acquiring or partnering with domestic-focused logistics companies that have strong local networks, for better and more efficient last-mile delivery solutions. This approach has significant benefits, and that’s why we consider ourselves a technology-driven enterprise, selling transportation and logistics solutions without owning heavy assets. We also believe that investing in technologies in the field of e-Commerce is key to moving goods and services efficiently and maintaining our market leading position.

We recognize that, in order to grow a truly sustainable business, we must utilize our core competencies to enhance a positive impact as active citizens in the communities in which we operate.
Our “Delivering Good” sustainability platform is active in over 140 educational, social and environmental projects worldwide and we have partnered with many international and local organizations dedicated to similar causes. We are proud of the close ties and partnerships we have with the communities in which we operate, as well as the contributions we help make to their sustainable economic development.

To that end, we are actively developing a culture where innovation can thrive. We will continue to invest in our people, technology and infrastructure, implementing innovative solutions to satisfy our customers’ evolving needs, delivering maximum value to our stakeholders and maintaining partnerships with local communities.

To learn about our services please refer to the full version of the annual report page 09.
OUR SUPPLY CHAIN

The majority of our spending is on local suppliers. At Aramex, we make every effort to engage with our suppliers – through all available channels and on a regular basis as required.

ENGAGING OUR SUPPLY CHAIN

In 2016 we implemented and unified our Supplier Evaluation Form, which surveys our suppliers’ compliance-related issues including human and labor rights, anti-corruption and anti-bribery, as well as social and environmental criteria such as the application of environmental management systems and community engagement. Moreover, we ensure the evaluation of the new major suppliers with the use of a supplier evaluation questionnaire. Since June 2013, Aramex’s major locations are dedicated to utilizing the suppliers’ questionnaire during the commencement process. We are expanding our coverage during 2017.

GOVERNANCE

As part of Aramex’s sustainability strategy, and in keeping with our 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, reporting on how these elements relate to overall corporate performance.

Aramex strives to continuously pursue sustainability at a corporate level, implementing internal policies related to the environment, responsible procurement and whistle-blowing mechanisms. 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, in accordance with the Board’s code of conduct.

To learn about our compliance practices please refer to the full version of the annual report page 84.
Financial Performance

We recorded **AED 4,343 million** in revenues, **up by 16%** compared to AED 3,755 million in 2015.

Our cross-border e-Commerce services accounted for **25% of our annual revenues** and are currently **growing at 30% annually**.

Our net profits **increased by 37%** to **AED 426.6 million**.

For full details on our financial performance please refer to the financial statements in the full report page 121.
Our People

People are at the heart of Aramex. We seek to empower them through ensuring global connectivity and strengthening trade links by way of the support we provide to our clients in bringing their goods and products to markets.

In 2016 our workforce increased by 1.5% to reach 14,275* (excludes indirect) employees representing 88 nationalities

One of our top priorities is to provide a safe working environment for our employees and to ensure that no human or labor rights violations are taking place on our premises or across our supply chain. Our HR 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). All of our security personnel have received special training on Aramex policies and procedures, including those related to human and labor rights.

We have a reporting structure for all grievances and a grievance committee in each office, allowing us to follow up on any reports related to human or labor rights. More in our full report page 95.

No incidents or cases of discrimination, harassment or human rights or labor violations were reported across our network in 2016.

*This chart represents expat senior management in our global corporate operations.
INTRODUCING A NEW APPROACH TO LEARNING:

In 2016, Aramex has redefined the role of its Corporate University and introduced a new approach to Learning, shifting from the old approach in which employees had to go through pre-set courses and webinars to follow a rigid individual development plan set annually.

The new approach in building annual training plans consists of two main categories:

1. **Mandatory Courses**: which include topics related to regulatory and compliance training in addition to courses mandated by local laws.

2. **Employee Development Courses**: these include Management & Leadership Training, Customer Service Training and an extensive list of soft skills topics from which employees can select and learn.

Aramex has prevailed in maintaining Security and Safety standards for 2016 and no non-compliances recorded from external auditing bodies or by supplier audits.

• We have introduced HSE Recognition Program to enhance the culture of reporting on incidents and accidents, no matter how minor.

In 2016, **134,000+ hours** of training were conducted within Aramex.
Our Customers

E-TOOLS

Utilizing technology for faster, easier and more accurate processing has long been a cornerstone of our innovation culture and the solutions offered to our customers. We offer smart IT solutions that allow for integration between customers’ systems and our operations:

**ClickToShip**

We upgraded the application this year to speak 3 new languages: Chinese, Russian and Georgian. Additional languages and enhancements will follow in 2017.

**aramex.com**

Aramex.com offers customers and their shoppers online tracking of their orders in five languages: English, Arabic, French, Turkish and Chinese. In 2016, we embarked on a huge project involving a complete revamp for our website. The new aramex.com, designed specifically to enhance our customers’ experience in every way, is faster, more responsive, and easier to use.

**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 giving them a seamless workflow process. These tools – which work in the background and in real time – process input information and produce an output.

**SALES SUPPORT**

We have worked this year on developing a new mobile application for our sales force called “REACH SFA”. The main objective of this app is to enhance the existing sales experience by providing our sales teams with a tool that extends their reach to all customers and assists them in having most of their work done while on the go and in a timely, effective manner.

**SOCIAL MEDIA**

In 2016, traffic increased across the main Social Media channels, doubling the traffic received in 2015 and crossing 1 million mentions.

*Over 1,700 employees have received training sessions spanning the full range of customer service competencies.*
In 2015 and 2016, Aramex KSA, Abu Dhabi, Kuwait, Bahrain, Qatar and Jordan offices have been certified across the TISSE standard.

CUSTOMER RETENTION

We are proactive in our recruitment of new customers, while ensuring the retention of our existing customer base.
Sustainability

As we consider sustainability part of our DNA, we pride ourselves in adopting an inclusive approach in all aspects of our sustainability strategy. We seek to create shared value through working closely with our communities and stakeholders to ensure social good and maximizing our positive impact.

In 2016, we worked on more than 140 projects and programs with different partners, spanning 97% of our countries of operation and reaching over 60,000 beneficiaries.

Our goal for 2016 was to increase the number of beneficiaries from our sustainability by 5%. We are happy to announce that we were able to go above and beyond, reaching a 14% increase. Furthermore, we increased our sustainability coverage to 97% of our operations, from 95% in 2015.

In 2016, we launched Aramex It Forward, an initiative to support the shipping needs of socially responsible projects working in disaster relief, youth and community empowerment, education and environment. Every month, organizations are encouraged to apply to the initiative to win a free shipment. That month’s winner is then part of the committee to select the next month’s winner.

By utilizing our core competencies, we are able to support and encourage organizations working towards social good by providing these free “prize” shipments. Furthermore, the initiative uses social media to reach out to organizations and aims to connect individuals and organizations working towards sustainability and community empowerment.

Aramex It Forward was incubated and launched by RedLab and has since been adopted by the sustainability team at Aramex.

“Delivering Good” sustainability platform is active in over 140 educational, social and environmental projects worldwide.

In 2016, we shipped clothing, medical and educational supplies to 6,500 refugees who were in need.

This year, we were able to reach 2,675 Startups and SMEs through the Startup Support Program.

In 2016, we worked on more than 140 projects and programs with different partners, spanning 97% of our countries of operation and reaching over 60,000 beneficiaries.
SUSTAINABILITY IMPACT AT A GLANCE

- 97% Coverage
- 1,788 Students
- 500 Women
- 2,675 Startups and SMEs
- 798 Athletes
- 18,349 Children
- 60,194 Total Beneficiaries
- 505 Interns
- 78,301 Paper Units
- 6,500 Emergency Relief
- 500 Women
- 46,625,615 kWh Electricity
- 18,198,324 L Fuel
- 17% Increase in Recycling
- 29,146 Community Beneficiaries
- 500 Women
In 2016 we continued to focus on three main themes to direct our sustainability efforts:

**YOUTH EDUCATION AND EMPOWERMENT**

Youth make up a significant proportion of the population in our areas of operation – as such, they hold the key to positive and sustainable development. We recognize their potential and see immense value in investing in their futures. We design our programs to address the needs of young people and their communities, creating long-term partnerships with local and international organizations and institutions. We also provide financial scholarships for education and empowerment through training and mentorship.

In 2016, we reached **1,788 student beneficiaries** through our programs.
ENTREPRENEURSHIP

We recognize the important role entrepreneurship plays in socio-economic transformation. Our entrepreneurial roots allow us to understand the unique challenges that startups and small businesses might encounter on their path to growth and success, which is why we continue to focus on entrepreneurship as part of our sustainability strategy.

- In 2016, we continued to offer competitive rates for our services, mentorship and sustainability integration support to startups, as well as small and medium enterprises, under the Startup Support Program (previously SME program), which we rebranded to ensure wider reach and highlight the dynamic nature of the program. 2,675 Businesses supported.

- In 2016, we partnered with the Federation of Indian Export Organizations (FIEO) for our Startup Support Program. In launching this partnership, we sponsored training sessions for FIEO member startups and SMEs in India and Iran, as well as working with members to train them on expanding their businesses to the GCC.

This year, we were able to reach **2,675 Startups** and SMEs through the Startup Support Program.
OUR ENVIRONMENTAL COMMITMENTS

2016 was a big year for us, as we initiated several environmental investments as part of our efforts to achieve our goal of cutting our carbon emissions per shipment by 20% by 2020.

Since we have met our goal of cutting our carbon emissions per shipment by 20% by 2020, we are committing to an additional 20% decrease of carbon emissions from our own operations.

To this end, we invested in two solar projects in Jordan and the United Arab Emirates in 2016. We also commenced building a LEED Warehouse in Dubai and began converting our fleet to LPG in Abu Dhabi, Cairo and India. We expect to see results of these investments over the next few years.

We are also investing in alternative fuels and converting our fleet to include more efficient and environmentally friendly vehicles. We have implemented several measures of environmental compliance, from added supplier evaluation and certifying our facilities according to the ISO Environmental Management Systems and the Leadership in Energy and Environmental Design certifications, to exploring renewable energy options, fleet upgrades and increasing operational efficiency. We are active in finding innovative solutions to mitigate the risks of climate change and to reduce our environmental footprint.

In 2016, we began generating electricity through our solar farm in Amman, Jordan, which will cover all of our electricity consumption. We are also finalizing our solar farm in Dubai, which is set to cover part of our operational electricity consumption.

Our Scope 3 emissions per shipment decreased by 80% due to a decrease in total weight of shipments, as well as utilization of mixed modes of transportation.

In 2016, our total emissions per shipment were 10Kg CO2e, decreasing by 25% from our 2012 baseline and reflecting our active efforts to utilize environmentally friendly measures across our operations.

In 2016, 21 of our stations were ISO14001 certified.
### Emissions (tCO₂e)

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<th>Year</th>
<th>2012 (Baseline)</th>
<th>2016</th>
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<td><strong>Emissions (tCO₂e)</strong></td>
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<td>Scope 1</td>
<td>37,100</td>
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<td>Scope 2</td>
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<td>Scope 3</td>
<td>456,306</td>
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<td>Freight</td>
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<td>Express</td>
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<td>Commuting</td>
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<td>Business Travel</td>
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<td><strong>Total Emissions</strong></td>
<td>516,291</td>
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| Total Emissions (kg) / Shipment | 13 | 10 |
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