Agility
A New Logistics Leader

Our Journey: Steps Taken and the Road Ahead

CORPORATE SOCIAL RESPONSIBILITY REPORT, published March 2011

About Our Report

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REPORT PARAMETERS

Our first CSR report is both a "performance to date" and "look ahead" account, designed to give our stakeholders insights into Agility's corporate social responsibility commitments over the years, highlight our progress, and set our priorities for the future.

As this is our first report, we have not pursued external validation at this time. However, information reported on has been reviewed by relevant subject matter experts within Agility and signed off by the senior management team.

Data appearing in the report covers all wholly-owned, Agility-branded businesses for the financial reporting year 2010, unless otherwise stated. We have made every effort to ensure accuracy of information, and are continuously working to improve the quality of the data and data management systems to capture and report on non-financial information. The limitations of the data, measurement techniques, and bases of calculation are described throughout the report as relevant.

We have used Global Reporting Initiative (GRI) Sustainability Reporting Guidelines, version 'G3' and the GRI Reporting Framework for guidance in collating this report, and have also benefited from the advice of our partner organization, Business for Social Responsibility (BSR), a global business network focused on sustainability.

To contact Agility's corporate social responsibility team, please feel free to email us at:
csr@agilitylogistics.com

Performance Highlights

CSR MANAGEMENT AND STAKEHOLDER ENGAGEMENT

- As the company unified under the name of "Agility," we formalized the CSR program, recruited a dedicated team, and aligned with business strategy.
- Agility is a strategic partner of the World Economic Forum and participates in industry working groups around sustainable consumption, consignment-level carbon reporting, partnering against corruption, enabling trade, and humanitarian relief.
- Agility has won a number of CSR awards including:
  - Green and CSR Award 2010, Vietnam Supply Chain Council;
  - Transportation Solution Award 2010, Transport Council of Skane and Blekinge, Sweden;
  - Special CSR Award 2010, Arabian Business;
  - Best Green Service Provider 2010, Asian Freight and Supply Chain;
  - Green Supply Chain Award 2009, Supply Chain Asia;
  - CSR Leadership Award 2009, CSR Summit in Dubai;
  - CSR National Excellence Award 2009, Pakistan CSR Association;
  - CSR Award for the Service Sector 2008, CSR Awards Kuwait.

BUSINESS WITH INTEGRITY

- Agility has committed to high standards in our Code of Business Ethics & Conduct.
- Agility established a global ethics and compliance program reporting to the highest level of the company's management.
- Employees completed over 28,000 ethics training sessions between 2008 and 2010.
- We encourage and empower employees to identify and report ethical concerns through systems that include an alert line available to any employee wishing to provide anonymous input.
- Agility became a signatory of the World Economic Forum's (WEF) Partnering Against Corruption Initiative (PACI).

OUR PEOPLE

- Agility's Code of Business Ethics and Conduct includes strong language around our commitment to employees and fair labor practices.
- Detailed policies and procedures governing all aspects of employee management have been formalized as part of Agility's quality management approach.
- New tools and systems have been employed to manage information about our workforce, including Agility's human resources management system that today covers over 90% of employees.
- We are an employer in emerging markets; over 81% of our workforce is based in Asia, Africa, and the Middle East.
- We have a diverse and multicultural workforce, with over 100 nationalities represented.
- We have started a program focused on training and empowering our migrant workforce in the Middle East.

COMMUNITY INVESTMENT

- Agility has supported over 400 community projects in over 57 countries, reaching an estimated 500,000 people, since 2006.
- Agility employees led over 130 projects in 2010 alone, focusing primarily on youth and education, health, and eco-volunteering initiatives.

HUMANITARIAN AND EMERGENCY LOGISTICS

- Agility has provided partner organizations with logistics support in 22 emergency response operations over the last five years. This includes major disasters like the recent Pakistan flooding, Haiti earthquake, Indonesia earthquake, Philippines typhoon, and Myanmar cyclone.
- Agility is part of a dynamic partnership with UPS, TNT and Maersk to assist in global disaster response by deploying rapid response Logistics Emergency Teams (LETs) to assist the Global Logistics Cluster in setting up humanitarian supply chains during emergencies. The Global Logistics Cluster is a composed of international relief agencies and non-governmental organizations, and is chaired by the United Nations World Food Program.

ENVIRONMENT

- Agility has developed and employed a number of tools to assist customers in determining how to measure and reduce their supply chain operations environmental impact.
- Agility has established a global program to improve employee awareness about the environment with a view to reducing the company's environmental impact.
- Agility is engaged in the global dialogue on the environment, most notably as a strategic partner of the World Economic Forum (WEF), where we participate in various environment related working groups.

BUTYL BLADDER

Message from the Chairman and Managing Director

Agility has been on a journey of growth and discovery over the last decade. A little over ten years ago, we were a local warehousing company in Kuwait making annual revenues of $26 million per year and employing 300 people. Today, we are a top ten player in the logistics industry, operating in 100 countries, employing over 25,000 people and posting annual revenues of nearly $6 billion.

The growth of our company and the growth of our corporate responsibility strategy are closely linked. As we became a truly global player, with a leading position in emerging markets in Asia and the Middle East and a growing presence in Latin America, Eastern Europe, and Africa, we realized that our responsibilities had grown in direct proportion to our influence in local economies. In countries around the world, we found ourselves employing large numbers of people and investing heavily in setting up logistics infrastructure that facilitates trade. We had become an actor in helping bring global products to local markets, but also in helping local products access a global stage.

With the realization of our vision to be a global player, also came the recognition that global presence demands social responsibility. Our starting point was setting up a humanitarian logistics program to assist international agencies and NGOs in getting relief goods to the site of a natural disaster quickly and effectively. From there, we branched into a community volunteer program designed to increase interactions between our communities and our employees. Then we started thinking about how to mitigate the environmental impact of our own operations and also began working with customers to green their supply chains.

As a business, we have also worked hard to maintain high standards in regards to employment, customer service, and quality. We have invested in systems and processes to manage our global workforce, and empower our migrant workers. We hold ourselves to the high standards set in our Code of Business Ethics. Over the last four years, we have developed a global ethics and compliance program to embed these standards into our everyday culture. We train our people in the fundamental principles of ethical behavior and set the expectation that every Agility employee is accountable for his or her actions.

We have learned a lot as an organization throughout the last few years. Agility acquired over 40 companies in the last decade, and forging a culture of giving back has been a significant factor in uniting our people and offices around the world. Being values-driven and making good on our commitments has helped us build stronger relationships with our customers and partners.

Like all companies though, we know we have more to learn and more work to do.

This report is about our journey; the steps we have already taken, and the road ahead. We have tried to be transparent about our progress, the lessons we have learned, and the challenges we face. We have also tried to highlight the unique perspective of being a multi-national company with the majority of our operating platform, as well as our own roots, based in emerging markets. We hope through this first report you will accompany us on our journey, whether you are an employee, a customer, or a civil society partner. We also encourage you to give us your feedback, because we know that your input is invaluable in helping us map the path ahead.

Tarek Sultan
Chairman and Managing Director
Agility

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About Our Business

Agility is one of the world's leading providers of integrated logistics to businesses and governments. It is a publicly traded company posting nearly $6 billion in annual revenue and more than 25,000 employees in 550 offices across 100 countries. Agility brings efficiency to supply chains in some of the globe's most challenging environments, offering unmatched personal service, a global footprint, and customized capabilities in developed and emerging economies alike.

GLOBAL NETWORK

Agility has a global logistics network,and is an emerging markets leader.

Agility Network Locations

Agility's Emerging Markets Footprint

Agility has a strong presence in growth markets like:

BRIC	Brazil, China, India,Russia
MIDDLE EAST	Afghanistan, Iraq, Jordan, Kuwait, Lebanon, Saudi Arabia, UAE
ASEAN	Indonesia, Malaysia, Philippines, Singapore, Thailand Vietnam
CENTRAL and SOUTH AMERICA	Chile, Mexico
EASTERN EUROPE	Czech Republic, Hungary, Poland, Romania, Slovakia, Slovenia, Ukraine
AFRICA	Algeria, Egypt, Ghana, Kenya, Libya, South Africa, Uganda

HISTORY

1979
Established as PWC Logistics (Public Warehousing Company) in Kuwait.

1997-2004
Privatization. Grew to be the largest logistics provider in the Middle East.

2004-2008
Aggressive period of mergers and acquisitions. PWC Logistics acquired many global brands, including: GeoLogistics, Transoceanic, Trans-Link, Natural, Matrix, Tristar and Lassen. Some of the brands acquired date back to the 1800s.

2006-2007
Renamed as Agility, unifying all brands into one seamless global network. Created a universal, branded and geographically diverse business network to meet global customer demands.

2008-Present
Leveraged diverse business network in providing services for the global marketplace.

Agility has grown organically and through mergers to become one of world's leading logistics companies. Agility is the only company in the industry's top ten with roots in an emerging market

OWNERSHIP

Agility is a publicly-listed company on the Kuwait Stock Exchange and Dubai Financial Market with more than 15,000 shareholders. Among the largest shareholders as of the end of December 2009 are the National Real Estate Company, a publicly listed company in Kuwait and Dubai, and the Public Institution for Social Security, the representative of Kuwait's government pension fund. Agility's corporate headquarters are in Kuwait.

GOVERNANCE

Agility is an integrated company with varied businesses operating within the framework of the policies established by the Agility parent organization. This operating model is designed to drive accountability for results with each differentiated business in charge of execution against established objectives.

Agility's parent company is governed by an elected Board of Directors, and provides global policy and strategy guidance.

Agility has two core lines of business. Agility's commercial business, Global Integrated Logistics (GIL), provides supply chain solutions to meet complex and traditional customer needs. GIL offers air, sea and road freight forwarding, warehousing, distribution and specialized services in project logistics, fairs and events, fuels and chemicals.

Agility's unique collection of portfolio business includes Agility Defense & Government Services, a logistics provider to governments, ministries of defense and international organizations, and Agility's Infrastructure group of companies manages commercial and industrial real estate and offers solutions in customs optimization and clearance, waste management and recycling, aviation services, remote infrastructure and life support.

STRATEGY

Agility has faced a number of challenges over the course of 2009 and 2010, including an uneven recovery from the global recession, a troop draw down in Iraq, and a legal dispute with the U.S. government that impacted the company's government contracting business. Amid these challenges and changing conditions, Agility's vision, strategy and values remain constant.

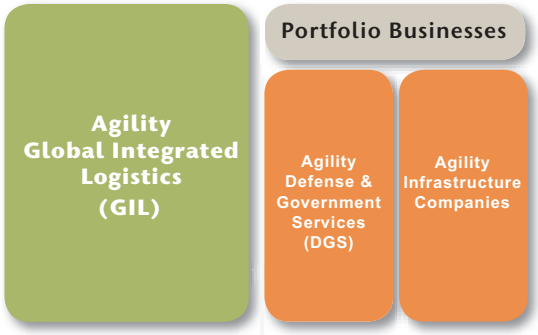
As a new kind of logistics leader, Agility strives to build value for our stakeholders by:

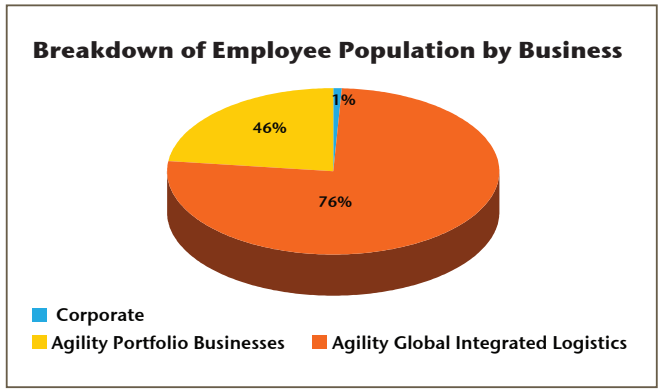
- Consolidating our position as a global logistics provider and emerging markets leader;
- Excelling at specialized logistics capabilities that offer customers seamless solutions to complex challenges;
- Focusing on being lean and low cost, generating superior returns and efficiently using capital;
- Living our culture of being bold and entrepreneurial, and having an appetite for managing what others may see as risks, in order to turn them into new commercial opportunities;
- Exhibiting personal service every day by going above and beyond for our customers, employees and communities.

BUSINESS STRUCTURE

Agility is a global logistics leader with two main lines of business. The commercial business, Agility Global Integrated Logistics (GIL), combines know-how in freight management, logistics solutions and specialty expertise to deliver customized supply chain solutions to customers around the world. Agility also holds a portfolio of logistics-related businesses.

Agility's Lines of Business





COMMERCIAL LOGISTICS

Agility's commercial business, Global Integrated Logistics (GIL), is headquartered in Switzerland and offers customers ready access to:

- Freight forwarding products: air, sea, sea/air and road freight forwarding
- Logistics capabilities: warehousing and distribution systems and technology
- Specialty services: fair and events logistics, chemicals logistics, project logistics, and fuel logistics

SPOTLIGHT: FACILITATING GLOBAL TRADE

Agility helps **facilitate world trade** by assisting its thousands of customers, from the world's biggest corporations to small and medium enterprises, deliver literally millions of shipments around the world.

- Agility Global Integrated Logistics (GIL) served approximately **58,510 customers** around the world in 2009.
- Agility GIL transported a total of **2.58 million shipments** in 2009, delivering 585,000 ocean TEUs and 490,000 tons of airfreight.

AGILITY'S PORTFOLIO OF LOGISTICS RELATED BUSINESSES

Agility's unique collection of portfolio businesses include:

- Agility Defense & Government Services: Agility's public sector logistics arm serves governments, ministries of defense and international organizations around the world.

Agility Infrastructure companies include:

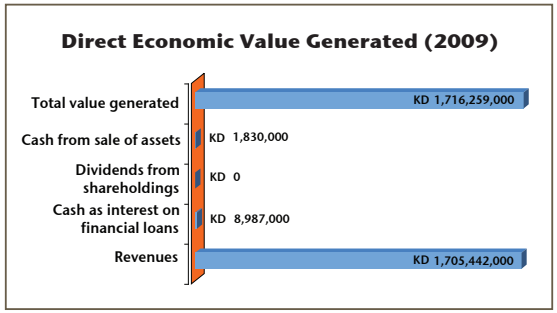
- Agility's Real Estate business: Agility's real estate business has developed more than 12 million square meters of industrial properties, and manages 21 million square meters of industrial land throughout the Middle East, North Africa and South Asia.
- Metal and Recycling Company (MRC): MRC serves industrial, commercial and governmental clients in the Middle East with waste management, scrap trading, and recycling solutions.
- National Aviation Services (NAS): NAS is an airline ground handling company providing ground support, passenger handling, cargo management, engineering, and lounge services. NAS currently operates in Kuwait, Jordan, and India.
- Global Clearinghouse Systems (GCS): GCS is joint venture with the Kuwait General Administration for Customs (KGAC), to modernize, optimize and support Kuwait customs operations for a period of twenty-five years.
- Inspection and Control Services (ICS): ICS provides governments around the world with customs modernization, trade facilitation and e-government solutions.
- GCC Services: GCC Services focuses on providing life support, catering, and worldwide camp facility construction and management.

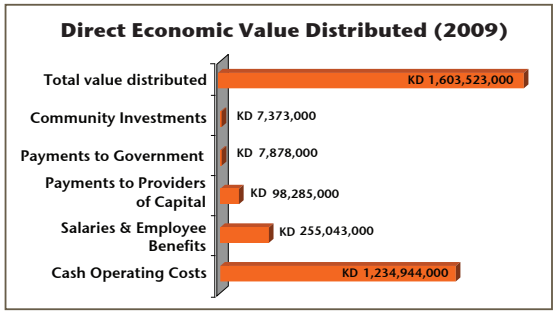
Agility also owns a private equity find, Alcazar. The fund's largest investment to date is in Korek Telecom, a provider of mobile telephone products and services in Iraq.

GROUP FINANCIAL PERFORMANCE

Million Kuwait Dinars (KD)	FY2009	FY2008	FY 2007
Revenue	1,705.44	1,835.69	1,667.09
Net Revenue	627.17	652.94	606.24
Net Revenue Margin	36.77%	35.57%	36.36%
EBITDA	215.46	206.00	-384.34
EBITDA Margin	12.63%	11.22%	-23.05%
Net Income	156.43	141.37	153.94
Net Income Margin	9.17%	7.70%	9.23%
Total Assets	1,784.17	1,641.82	1,536.02
Total Liabilities	831.24	855.42	751.38
ROA	11.69%	8.61%	10.02%

More details on Agility's financial performance can be found in the company's latest annual reports and quarterly earnings releases. (Check updated information on our website)





OUR VALUES

Integrity

Building trust with customers, communities, suppliers and one another by doing what is right, keeping our promises, being a good citizen, complying with the regulations and laws and honoring rules of engagement.

Teamwork

Working across organization and cultural boundaries to achieve extraordinary performance and deliver personal service to customers.

Excellence

Building a culture based on excellence in thought and in execution to better serve our customers.

Personal Ownership

Taking personal responsibility for the outcome by anticipating needs, being resourceful and following through until the job is done.

RECOGNITION AND AWARDS

Agility's commitment to excellence is reflected in a number of important awards:

- *Green and CSR Award 2010,* Vietnam Supply Chain Council
- *Global 3PL of the Year 2010,* Supply Chain Asia Logistics Awards
- *Supply Chain Innovation Award 2010,* Supply Chain Asia Logistics Awards
- *The Logistics Award 2010,* Lloyd's List Asia Awards
- *Regional Yearly Transportation Solution Award 2010,* Transport Council of Skane and Blekinge, Sweden
- *Quest for Quality Award 2010,* Logistics Management Magazine
- *Supply Chain Management Award 2010,* European Outsourcing Award
- *Special CSR Award 2010,* Arabian Business Awards
- *Best Green Service Provider – Logistics Operator 2010,* Asian Freight and Supply Chain Awards
- *Green Supply Chain Award 2009,* Supply Chain Asia Awards
- *Corporate Social Responsibility Leadership Award 2009,* CSR Summit Dubai
- *Best Logistics Provider 2009,* Middle East Logistics Awards
- *Planet Award of Excellence 2009,* Lufthansa
- *CSR National Excellence Award 2009,* CSR Association of Pakistan and Help International Welfare Trust
- *Top Ten 3PL Provider 2009,* Armstrong and Associates
- *BCG 100 New Global Challengers 2009,* Boston Consulting Group List
- *The Logistics Award 2009,* Lloyd's List Asia Awards
- *Star Service 2009,* Bureau of Shanghai World Expo 2010
- *Corporate Distinguished Service Award 2009,* National Defense Transportation Association
- *Supplier of the Year 2009,* Newfoundland & Labrador Institute of the Purchasing Management Association of Canada
- *Q&A Pinnacle Award 2008 – P&G Award*
- *CSR Award – Service Sector 2008,* CSR Awards Kuwait
- *The Logistics Award 2008,* Lloyd's List Asia Awards
- *Best Export Agent 2008,* International Exhibition Logistics Associates
- *Best Supply Chain Innovation 2008,* Supply Chain Asia Awards
- *Partner in Excellence 2008,* National Industries for the Blind
- *Best On-Site Agent 2008,* International Exhibition Logistics Associates
- *Logistics Exceptional Service Award in Support of OEF/OIF 2008,* Army & Air Force Exchange Service (AAFES)
- *Star Service Award 2008,* Bureau of Shanghai World Expo 2010
- *Friends of Heritage Award 2008,* National Heritage Board Singapore
- *Best Logistics Strategy 2008,* Defense Logistics Awards
- *Service Excellence Award 2008,* Al Futtaim Retail Supply Chain
- *Corporate Distinguished Service Award 2008,* National Defense Transportation Association
- *Golden List Certificate for Transportation Department 2008,* Jordan's Golden List Certificate
- *Best Logistics Strategy for Subsistence Prime Vendor Program 2007,* Worldwide Business Research (WBR) Defense Logistics Conference
- *Best Airfreight Forwarder 2007,* Supply Chain Asia Awards
- *AEO Excellence Awards 2000, 2002-2004, 2007,* Association of Event Organizers (AEO)
- *Corporate Distinguished Service Award 2007,* National Defense Transportation Association
- *Best On-Site Agent 2002- 2007,* International Exhibition Logistics Associates
- *Outstanding Industry Leader in Military Logistics 2006,* Institute for Defense and Government Advancement
- *Quality Award for Outstanding Service 2005,* Surface Deployment and Distribution Command
- *Outstanding Readiness Support 2005,* Defense Logistics Agency
- *Outstanding Customer Service 2004-2005,* Defense Supply Center Philadelphia

CSR Priorities, Stakeholders and Management

EVOLUTION OF CSR AT AGILITY

Despite a long history of local community involvement through various legacy businesses, the concept of "social responsibility" as a part of Agility's global business strategy is a relatively recent development.

In 2006, when the company's numerous acquisitions were unified under the name of "Agility," we seized the opportunity to consolidate the community involvement efforts of our legacy companies into a formal program that is broader in scope and directly aligned with the company's capabilities and growth vision. This led to our current focus on:

Disaster response: We have strong warehousing and transportation presence on the ground in a number of emerging markets that are considered high risk zones for natural disasters. These assets combined with local logistics expertise put us in a position to help the humanitarian community move relief goods quickly in times of need. From our first engagement in Lebanon in the summer of 2006 we have subsequently built a robust partnership with the humanitarian community and other private sector partners. Over the past four years we have been engaged in 20 response operations on a pro bono basis.

Community volunteerism: Our disaster response program generated a flood of requests from employees to initiate development projects in their local communities, even when there was no humanitarian crisis at hand. We responded with a community volunteer program that puts employees in charge of choosing and leading social projects, supported by financial grants from the company ranging from three to ten thousand dollars. In the last four years, Agility employees have worked with civil society organizations on more than 400 projects in 57 countries, reaching over 500,000 people with some form of service activity.

Environmental action: In response to stakeholder prioritization of environmental action for our industry, in the past two years we have developed a global environmental strategy to mitigate the impact of our own operations, and help customers green their supply chains. Although in many ways we are still at the start of our environmental journey, we have pockets of excellence within our own operation that are helping guide our next steps. We have established a good foundation of working with customers on measuring emissions in the supply chain, and in raising awareness about the importance of environmental action within Agility.

Fair labor: CSR works closely with our internal Human Resources and Ethics and Compliance specialists on issues related to fair labor and human rights. We recently updated our Code of Business Ethics and Conduct to strengthen our stance on fair labor issues, and are rolling out fair labor programs in various parts of the world. Due to the demographic composition of our workforce, we have a particular emphasis on migrant workers in the Middle East.

BUSINESS CONTEXT AND CSR STRATEGY

Two business factors have greatly influenced the development of our CSR strategy.

First, the company's rapid growth and acquisition of over 40 different companies in under a decade has meant reconciling a number of legacy systems and processes. From a CSR reporting and management perspective, this has posed challenges to measuring group-level performance in areas like environmental performance and people programs. The geographical dispersement of Agility's network, with over 100 country locations and multiple site offices within many of these countries, also adds to the difficulty of group-level measurement and management of issues. As a result, we often take a "hub and spoke" approach to our CSR efforts, initially concentrating on major hubs and operations, and then rolling out programs more widely.

Second, due to both the decentralized nature of Agility's business and also the fact that the bulk of Agility's major operations are in emerging markets, in which business, cultural and policy environments vary widely, our CSR programs have to be nuanced and locally-focused in their execution. Although the company does have Agility-wide goals, we often take a grassroots rather than top-down approach to change management at the local level. We encourage our teams on the ground to find the right path to meeting our objectives, in a way that makes the most sense in their businesses environment.

Different countries employ different strategies. For example, in order to save money and mitigate the environmental impact of our vehicle fleet, our Thailand team converted its 100-strong vehicle fleet to natural gas trucks. By contrast in the Middle East where the infrastructure is simply not available to support alternative fuel approaches, we have concentrated on training drivers to reduce idling and used technology to optimize route planning. This diversity in "how" we approach various CSR priorities at Agility is reflected throughout this report.

CSR MANAGEMENT

Agility's Chairman and Managing Director is deeply and personally engaged in shaping the company's corporate social responsibility strategy.

To ensure continuity, alignment with corporate strategy and enterprise-wise integration, Agility's Chief Strategy & Marketing Officer is responsible for CSR at the senior executive level. The vice president of CSR reports to this individual and is based, along with the CSR team, at the company's corporate headquarters in Kuwait.

Because of the divergent nature of our various CSR initiatives, a different management approach is used for each program:

- Decentralization for community volunteer program: A regional CSR coordinator, one each in the Americas, Asia, Europe and the Middle East, manages networks of volunteer leaders in each country of operations. Projects are executed locally by country offices, with financial and program support from the corporate CSR team.

- Representative committee for environmental program: A "green team" whose members represent relevant disciplines, as well as geographies, is responsible setting priorities and designing programs that can be realistically implemented in various parts of the company. The green team is co-facilitated by CSR and a sponsor from the commercial business.

- Central office/local implementation for humanitarian aid: A CSR manager based in Kuwait interacts with humanitarian partners to determine the need and the feasibility of sending Agility volunteers to assist on the ground. Resources for disaster relief are allocated through the corporate CSR office, but usually draw on local offices for support in execution.

- Collaborative approach for fair labor: The company's fair labor practices are managed collaboratively, with CSR partnering with Agility's Human Resources and Ethics departments in a "fair labor taskforce" to define and implement programs that drive awareness and adherence.

STAKEHOLDER ENGAGEMENT

Our stakeholders include shareholders, customers, employees, local governments, communities, and civil society partners. Engagement with our stakeholders has helped shape CSR priorities and reporting. Our engagement strategy includes:

- Reporting: We are committed to producing a corporate social responsibility report every three years and actively soliciting feedback both internally and externally on the next steps.

- Employee engagement: We actively engage employees through our network of CSR leaders in every one of our operating countries, distributing a quarterly newsletter on CSR activities, and maintaining an intranet site dedicated to CSR as well an internal blog post site where employees can share experiences and provide input.

- Partnership: We debrief our community and civil society partners after major joint projects to understand lessons learned, both in terms of what went well and where we could improve next time. Our formalized partnerships with the Global Logistics Cluster and International Medical Corps also provide us with opportunities for ongoing engagement and relationship-building in the humanitarian response space.

- Customer dialogue: We work with sales leaders who manage our global customer accounts to understand the perspectives of our biggest customers on environmental issues. In our experience, it has been our global accounts, which are usually large multi-national corporations, that have the most robust environmental needs and requirements and help set the tone for engagement with all of our clients.

- Memberships in multi-stakeholder bodies: We are a strategic partner of the World Economic Forum (WEF) and a member of Business for Social Responsibility (BSR). These partnerships afford us the opportunity to regularly engage with customers, the public sector, and other members of our industry around priority topic areas.

OUR PRIORITY ISSUES

Agility's social responsibility program is closely tied to the company's overall growth journey. This chart lays out our priorities, our focus today, and our goals for the future, aligned with how we expect the company to evolve in coming years.

ISSUE	BUSINESS ETHICS	EMPLOYEES	COMMUNITY	ENVIRONMENT
PRIORITY AREAS & RELEVANCE	• Anti-bribery and anti-corruption initiatives are a key industry priority. • Competitive business practices have also emerged as an industry-wide priority.	• Migrant labor welfare: Agility employs significant numbers of third-country nationals in Middle East operations. • Professional development and well-being: with a large network of professional employees, issues like personal development, diversity, and general well-being are critical. • Health and safety, particularly in warehousing and fleet operations.	• Being a good neighbor and helping community development is important everywhere and this is particularly true in emerging markets where the lines between business, employees, and the community are porous. • Humanitarian disaster response: emerging markets tend to be more vulnerable to natural disasters, and efficient logistics in the first few weeks of a disaster response operation can help save lives.	• Helping measure and manage carbon emissions in customer supply chains, as the bulk of Agility's emissions is outsourced. • Managing environmental impact from electricity, fuel use, and business travel within Agility operations. • Managing waste in operations, with a particular focus on packaging waste.
FOCUS TODAY	• Committing to strong ethical principles. • Training employees in ethical conduct. • Tackling misconduct.	• Committing to strong principles around fair labor and human rights. • Investing in training and developing employees. • Enabling safe and healthy work environments.	• Involving our employees in community development, and letting employees guide our community investment strategy. • Donating logistics expertise and services to humanitarian relief operations. • Partnering with local or international civil society organizations.	• Working with customers to estimate emissions associated with their shipments. • Estimating a preliminary carbon footprint in major operational hubs. • Raising awareness about environmental issues across the company. • Working with select large customers on targeted recycling and reuse programs.
FUTURE FOCUS	• Widening and deepening our training program, especially at operational and local levels. • Creating a strong internal audit program.	• Widening and deepening all initiatives. • Reporting consolidated health and safety figures at the group-level, rather than at local or operational levels only.	• Building long-term, multi-year relationships with civil society partners. • Continuing to build learning into programs.	• Improving ability to collect data on environmental impact across all operations. • Setting quantitative targets to reduce emissions, internally and in partnership with customers and suppliers. • Rolling out a subcontractor management questionnaire to help manage CSR issues in the supply chain. • Creating a global framework for managing and reporting on recycling and reuse programs.

Business with Integrity

ETHICS AND COMPLIANCE AT AGILITY

Agility's uncompromising commitment to integrity, fairness and accountability is reinforced at all levels of the organization by:

- Setting high standards in our Code of Business Ethics & Conduct;
- Maintaining a strong ethics and compliance management structure that reports to the highest levels of the company;
- Ensuring Agility employees receive comprehensive ethics training;
- Encouraging and empowering employees to identify and report ethical concerns through systems that include an alert line available to any employee wishing to provide anonymous input.

AGILITY'S STANDARDS OF BUSINESS CONDUCT

Our formal Code of Business Ethics & Conduct is an important part of our comprehensive compliance program. It details Agility's commitment to employees, shareholders and our local communities. It sets forth standards of behavior and expectations regarding adherence to doing what is right and observing regulations and laws.

This list provides a quick reference to some of the topics covered in the Code:

- Competition and fair selling practices (further information on our competition policy can be found on our website);
- Bribes, gifts, conflicts of interest;
- Recordkeeping and Reporting;
- Employee rights and working conditions;
- Health, safety and environmental protection.

AGILITY'S ETHICS AND COMPLIANCE STRUCTURE

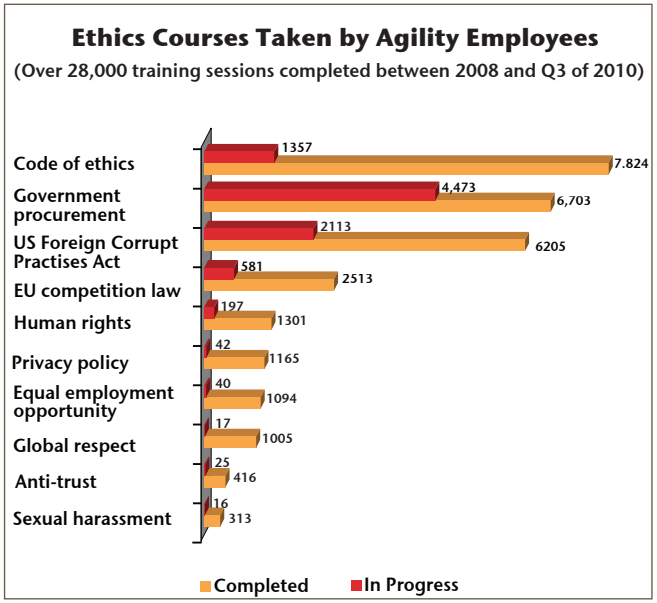
Agility's General Counsel leads the ethics and compliance program, chairing the Corporate Compliance Board that reports progress to Agility's Chairman and Managing Director.

The Corporate Compliance Board is responsible for setting, reviewing, and updating ethics and compliance policies and procedures; and overseeing the implementation of those policies in Agility's various businesses, including monitoring the ethics training program.

ETHICS TRAINING

Agility's ethics training program is designed to provide employees with access to courses appropriate to their work. Training in ethics and compliance is delivered online and in-classroom sessions.

Agility's ethics courses concentrate on real-world situations. Topics include anti-trust, anti-corruption, conflicts of interest, competition law, environmental protection, health and safety, human rights, intellectual property, and government procurement. As Agility is a US government contractor, there is also a special focus on the laws and regulations that apply to U.S. government contractors and subcontractors.



REPORTING VIOLATIONS

Our reputation for integrity is an asset that every employee takes pride in. Agility encourages employees to report possible violations of our Code of Business Ethics and Conduct and offers several ways for employees to elevate their concerns:

- By notifying their supervisor or manager if they are comfortable doing so;
- By sending an email to the personal mailbox of any member of the Ethics team or to ethics@agilitylogistics.com;
- By entering a report on our secure website from our employee intranet;
- By calling the Agility Alert Line, a toll-free number that enables employees in 35 of our operating countries to make anonymous reports through multi-lingual third-party operators. The U.S. number is answered 24 hours a day, seven days a week, in more than 10 languages;

Any employee who submits a report in good faith will be protected from retaliation. Incidents reported are reviewed and, when appropriate, investigated by the Ethics and Compliance team.

LEGAL ISSUES AND RESPONSE

Agility has faced legal actions in two areas:

Industry-Wide Freight Forwarding Investigation:

For several years, authorities in several jurisdictions have been conducting an industry-wide price-fixing investigation of the freight forwarding industry. Legacy company GeoLogistics is one of more than 15 freight forwarders under investigation. In 2010, the company reached agreement to resolve these proceedings in New Zealand and the United States.

Agility is committed to competing fairly in all markets in which it operates, and will continue to cooperate fully with authorities during the course of these investigations. Agility has also committed to a renewed focus on training employees in competition law and in the company's competition policies.

Legal dispute with the U.S. government over the Prime Vendor contract:

In November 2009, the U.S. Department of Justice made public an indictment alleging that Agility overcharged and committed fraud in connection with its Prime Vendor contracts to supply food to U.S. troops and contractors in Iraq and Kuwait.

Agility's position is that this should be a civil contract dispute, and not a criminal matter. The company acted responsibly and transparently in developing pricing, selecting suppliers, and establishing the policies and practices used to perform the two contracts. Agility's prices, suppliers and practices were put in place with the knowledge and approval of our customer, the U.S. Defense Logistics Agency (DLA).

At the time of publication, this issue was an ongoing legal matter, and updated information on the latest status can be found on our website.

SPOTLIGHT ON ANTI-CORRUPTION

Agility is a signatory of the World Economic Forum's Partnering against Corruption Initiative (PACI). Signatories of PACI are committed to having a zero-tolerance policy towards bribery and to developing and implementing anti-corruption programs. More information about PACI can be found on the World Economic Forum website.

From a training perspective, since 2008, all employees enrolled in our core training program have been required to participate in a training specific to the U.S. Foreign Corrupt Practices Act (FCPA). This course covers issues relating to bribery of foreign officials, what constitutes a bribe, and how to appropriately work with agents. It also covers "dos" and "don'ts" and possible red flags.

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Our People

Agility employs over 25,000 people worldwide, the majority in emerging markets where job creation is a sustainable development priority. We take our responsibilities as an employer seriously: striving to provide a safe environment, meaningful work, and numerous growth prospects for our employees.

HUMAN RESOURCES CHALLENGES, PRIORITIES AND PROGRESS

Agility has experienced rapid growth over the last decade, both organically and by acquiring over 40 different companies. In the past human resources management was largely decentralized across our legacy companies; however, our focus over the last four years has been to create an integrated human resources platform with policies, systems, and processes that encompass our entire workforce.

Tremendous progress has been made in this regard.

- Agility's Code of Business Ethics and Conduct includes strong language around our commitment to employees and fair labor practices.
- Detailed policies and procedures governing all aspects of employee management have been formalized as part of Agility's quality management approach.
- New tools and systems have been employed to manage information about our workforce, including Agility's human resources management system that today covers over 90% of all employees globally.

Agility has also been implementing global programs focused on training and development, performance management, occupational health and safety, and human rights. Some of these programs are described in greater detail in this chapter.

Over the last two years, Agility has also had to face the additional challenge of resizing the workforce to align with the realities of a changed economic and business landscape. The company strives to make organizational changes thoughtfully, compassionately, and in compliance with local labor laws and protections. Where possible, the company has offered outplacement programs and other support mechanisms to assist departing employees in the transition.

EMPLOYEES: UNDERSTANDING OUR WORKFORCE

To understand Agility, one has to understand our workforce. Our people define our character, impact our ability to perform, and embody the knowledge-base that differentiates us as a company.

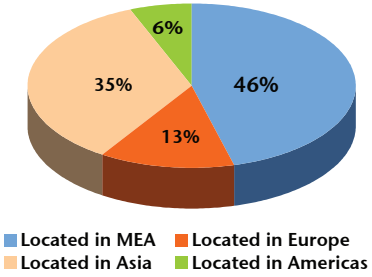
With more than 550 offices in 100 countries spanning six continents, Agility's employee base is inherently multicultural and multinational. Although we do not formally track nationality in our human resource management software, Agility has an intuitive business practice in place that encourages local hiring at all levels of the company. The rationale is simple -- particularly in emerging markets where local relationships are often a critical success factor – it makes good business sense to hire managers and employees who understand local business protocol and can respond appropriately to the local environment.

The vast majority of our workers are full-time employees, although we do employ a small percentage of temporary (usually seasonal) workers, and part-time workers.

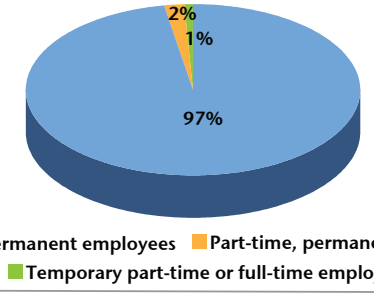
Our workforce has good gender representation relative to the logistics industry overall. While we acknowledge that we do not have equal representation between men and women in the workforce, particularly amongst drivers and warehouse workers, which have traditionally attracted more men, almost a third of our professional positions and a quarter of our management positions around the world are filled by women.

Our workforce is also relatively young, with 74% of employees under the age of 45. As an employer, Agility reflects the demographics of the countries in which it operates. In many of our largest operations in the Middle East and Asia, our workforce is consistent with the youthful composition of the local populations.

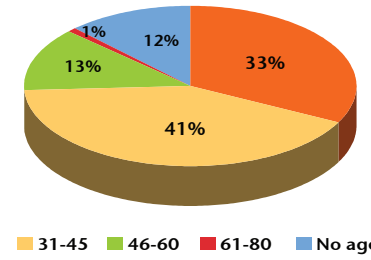
Breakdown of Employees by Region
(81% of employees are based in Asia, Africa & the Middle East)



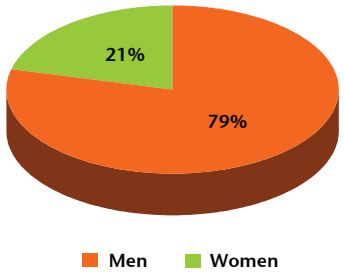
Breakdown of Workforce by Employment Contract
(97% of employees are full-time equivalents)



Breakdown of Workforce by Age Bracket
(74% of employees are under the age 45)



Breakdown of Workforce by Gender
(Women comprise over one fifth of the total workforce)



Breakdown of Job Level by Gender
(Women represent 25% of management positions)

Job Level	Number of Men	Number of Women	Percentage of Women
Executive	153	30	16%
Director	236	49	17%
Management	1,226	410	25%
Professional	2,841	1,108	28%
Support	13,293	2,705	17%
Not Classified	2,592	1,126	30%

Note: The data in this section is current as of end of October 2010. It is drawn from Agility's human capital management system, which covers over 90% of the total workforce.

AGILITY'S PEOPLE STANDARDS

Agility's commitment to employees is clearly stated in our Code of Business Ethics and Conduct. At its heart is a powerful promise: "we will respect the dignity of each Agility employee."

This means that:

- Agility is an equal opportunity employer and does not discriminate on the basis of race, religion, gender, color, age, nationality, sexual preference or disability;
- Agility is committed to providing our people with a workplace that is free from harassment;
- Agility expressly prohibits and will not tolerate the use of involuntary, forced or bonded labor;
- Agility expressly prohibits and will not tolerate the use of child labor;
- Agility's practice is to compensate employees competitively relative to the industry and local labor market;
- Agility believes in respecting the confidentiality of its employees' personal information;
- Agility works hard to provide a safe, healthy, and productive workplace.

TRAINING AND DEVELOPMENT

Agility invests in training and development at all levels of the company. Examples of training at various levels include:

Agility "E-Learning" Platform:

In July 2010, Agility teamed with a leader in online learning, to bring our employees a full-service, web-based learning site. This internet-based solution delivers training right to the desktop and offers courses that are convenient, easy to access, and easy to use.

Agility's "e-learning" platform contains 771 Courses on 1,923 topics and is accessible to employees worldwide. In the first 90 days since the e-learning platform was launched, over 624 students enrolled in 1,643 courses in eight different languages - investing 2,270 hours in learning something new. Further developing our e-learning platform and tracking usage in an important goal going forward.

Leadership Development Program (LDP):

Agility conducts a leadership development program targeted to "high potential" managers and directors within the organization. The aim is to develop in the next generation of Agility leaders the skills and judgment needed to sustain the company's success.

The leadership development program is a rigorous six to eight month program that consists of seven to ten days of "in-class" sessions, spread out over the course of the program; cross-organizational action-learning projects with an assigned professional team coach, and an internal executive as project sponsor; and individual leadership development planning activities and resources.

The LDP faculty is composed of Agility executives, external thought leaders and trendsetters from various industries across the globe. Agility's Leadership Development Program is now in its third year.

Sales Training:

Agility has invested in various sales training programs over the course of the last three years. Over 500 sales people from around the world have been trained in Miller Heiman sales methodology in the last three years. Training has been focused around strategic selling and conceptual selling.

Agility has also created a three-day basic selling skills program for Agility overall, covering multiple role plays and case-studies specific to our industry and product line. Agility's sales force also has access to various product modules around freight forwarding, logistics and global transportation. The launch of Agility's client relationship management tool has further been supported by numerous sales training projects, including the production of eight training videos, and in-person training workshops.

Finally, Agility's Global Account Manager Program is focused on growing the skills of Global Account Managers to be advocates for their accounts within the Agility organization and to live "personal service" with their customers every day.

Regional Training:

In addition to global training programs, each Agility operating region addresses local needs by providing employees with a wide range of training and development opportunities in areas like occupational health and safety, customer services, sales and marketing, language courses, team building, and management effectiveness.

For example, in the Middle East region, 328 courses were offered to 2,817 attendees in ten countries over the course of 2010. In the Americas, all employees have access to over 300 "e-learning" courses covering a variety of operational topics, and over 1,593 people from Canada, the U.S., Mexico and Chile have taken training courses. In Europe, employees have had access to an e-learning platform since 2008, with a heavy focus on operational training.

SPOTLIGHT ON DRIVER SAFETY TRAINING

In 2006, Agility started a Driver Training Academy in the Middle East with the express purpose of trying to minimize accident rates. Focused on employees driving in Kuwait and Iraq in particular, where the bulk of our fleet operations are located, the Driver Training Academy was designed to address three major concerns:

- **Driver skill level:** Agility drivers are recruited from 48 different countries, ranging from Fiji to Bangladesh, and there are significant variations in the skill levels of the driver pool. Experience ranges from months to years, and while some drivers have only driven in areas with relatively strong infrastructure, others have experience only with rural districts and poorly maintained roads and vehicles.
- **Familiarity with the equipment:** Many drivers are unfamiliar with the technology used in Agility's truck fleet. Most drivers, particularly from developing countries, have previously trained on older and less sophisticated equipment.
- **Lack of local knowledge:** As third-country nationals, drivers are unfamiliar with the particular challenges presented in Kuwait and Iraq. Although Kuwait has an extensive and well-maintained road infrastructure, excessive speeding and congestion can make driving hazardous. In Iraq, weaker infrastructure, lax traffic enforcement, and a volatile security situation present further challenges.

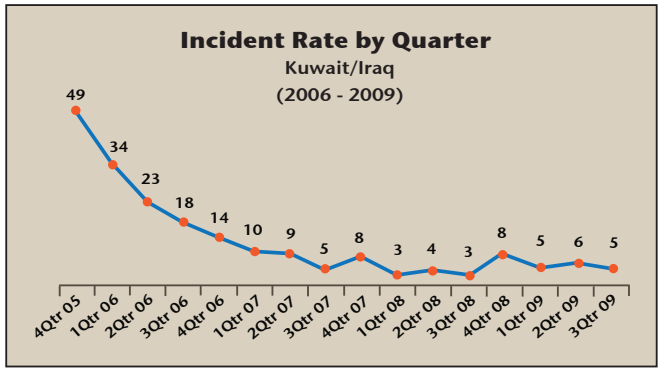
Time Management Log: Mitigating Driver Fatigue

In order to distinguish between preventable accidents and incidents in which drivers bear no blame, Agility tracks the number of hours that each driver spends on the road. The time management log is an essential planning tool for transport managers, because it helps mitigate the risk of accidents caused by driver fatigue.

Led by a former "Master Driver" from the British Army, the Academy was tasked to cut the accident rate by 75 percent. The following training programs have been implemented to achieve and exceed this goal:

- **Training of Trainers (ToT):** In order to be successful, training must be delivered in the local languages of each driver. By training trainers from a variety of countries, Agility is able to bring cultural and linguistic specificity to the program.
- **Driver Training Program:** Agility has rolled out a mandatory eight-day course that covers a variety of topics ranging from emergency procedures to driver fatigue. Drivers are trained to have the knowledge and tools needed to be self-sufficient in a variety of circumstances, including hostile territory.
- **Assistant Convoy Commander Training:** The Academy also trains convoy commanders, the head drivers who lead convoys going to Iraq. These drivers require specialized skills to effectively communicate with security escorts, negotiating access at checkpoints, and acting as the chief problem solver for the more than 30-vehicle convoys. Commanders receive additional ethics training as well as enhanced security and communications training.

Over four years, Agility's Driver Training Academy sharply reduced accident rates and with them, the number of serious and minor injuries, lost hours, vehicle damage, cargo damage, and late delivery penalties. Additionally, drivers acquired a set of skills they can take back to their home countries, improving their potential for employment upon return.



OCCUPATIONAL HEALTH AND SAFETY

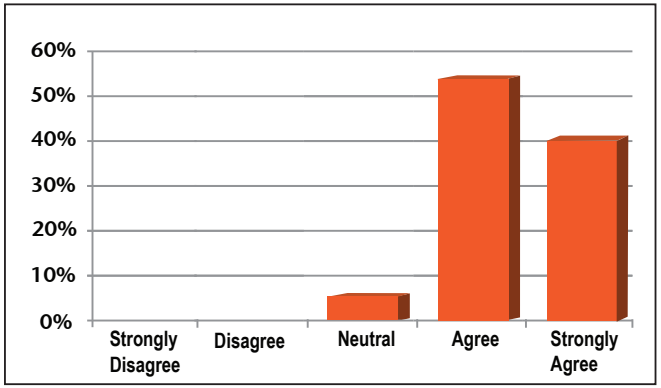
In our industry, occupational health and safety – especially in regards to warehousing and vehicle fleet operations - is a critical issue. Currently, data on accidents and incidents are collected at the local operations level. We are in the process of gathering this data at a group level for the first time, and are committed to being able to report consolidated figures from 2011 onwards.

EMPLOYEE ENGAGEMENT

Agility believes it is important for employees to be engaged in the business objectives and strategy of the company. To that end, the company's leadership conducts worldwide meetings and webcasts to inform employees about the state of the company, its financial outlook, its business priorities and objectives and the important role each employee has in contributing to Agility's success.

Whenever significant changes are introduced, senior business leaders at business group and regional levels host town hall meetings to answer employee questions and relate how the changes will affect local operations. Regardless of the forum, employees are given the opportunity to make their views and concerns known through Q&A exchanges and electronic surveys. Management is always mindful of the vital place the workforce holds in helping Agility realize its vision.

Survey results after a 2010 webcast to 700 senior leaders
"I am supportive of the direction set and will support the follow-up actions required."



APPROACH TO COLLECTIVE BARGAINING

Agility values its relationships with its employees and is committed to providing a work environment where employees can bring concerns about pay, benefits and working conditions directly to management and have their concerns addressed in a fair manner and without fear of reprisal.

Agility is largely a non-union environment, with the exception of a small number of employees (less than 2%) in the United States who are covered by collective bargaining agreements that pre-date Agility's acquisition of the operations where these agreements are in place. Within the European Union countries, employees have the right to be consulted and informed about company decisions through country and EU-level works council representation. Agility management is committed to meeting its responsibility to engage in the works councils processes and procedures.

CASE STUDY: MIGRANT WORKERS IN THE MIDDLE EAST

Some of Agility's largest operations are in the Arabian Gulf, a region that relies on migrants from Asia for most labor-intensive industries. Given the high number of migrant workers in our Middle East transport and warehousing operations, Agility made a decision to be proactive about implementing a program to safeguard migrant worker rights in the region.

Creating a Labor Task Force with Implementation Authority

Our first step was to create a "fair labor taskforce", composed of leaders from human resources, ethics and compliance and corporate social responsibility, which would report on progress directly to the Chairman and Managing Director of Agility.

The labor taskforce was given authority to: refine Agility's fair labor policies and processes in general, assess risks related to migrant labor in the Middle East in particular, create a global training and awareness program to ensure that Agility meets our fair labor commitments, and put in place a framework for auditing compliance and driving corrective actions.

Combating Corruption in the Recruitment Process

According to civil society experts, one of the most serious problems faced by migrant workers in the Arabian Gulf is that they often have to pay fees to local recruitment agencies in their countries of origin in order to get the necessary visas and paperwork to work in countries like Kuwait, UAE, or Saudi Arabia. These fees, which workers are told will cover travel and visa processing costs, are actually exploitative – as it is employers rather than employees that are legally obligated to assume these costs under local labor laws.

Although Agility has little direct control over the recruitment agencies in workers' home countries, we made a decision to assert our influence to the extent possible.

First, we looked at the legal options available. Agility contracts with recruitment agencies contain explicit clauses forbidding processing "fees" from workers. Agencies that violate the terms of these contracts are to be immediately terminated, and prosecuted under the full extent of the law. Also financial penalties are levied on such companies. Agility has permanently disbarred three recruitment agencies for unethical practices.

Second, Agility sends its own human resources representatives to recruitment sessions in-country, and clearly explains to prospective workers that it is against company policy to work with recruitment agencies that have accepted bribes. Workers are reminded that such fees are illegal, and are encouraged to inform Agility if they have incurred them. All prospective employees are also required to sign a document certifying that they have not paid any fees to work for Agility.

Furthermore, to ensure that employees in the Middle East understand their jobs upon arrival, Agility has a clear "transparency policy." Agility gives workers a presentation on all aspects of their job and living conditions in a local language before they sign the employment contract.

Taking Action: Minimizing Corruption

1. Zero tolerance towards "fees" from workers is written into all recruitment agency contracts
2. Prospective workers are clearly told that payment of bribes is unnecessary, and against company policy
3. Unethical agencies terminated and prosecuted, and permanently disbarred from doing business with Agility

Ensuring "Zero Tolerance" Towards Withholding of Passports

Another widespread business practice in the region is the retention of employees' passports for the duration of the employment contract, to protect the company from potential financial and legal liabilities that may be incurred as the official "sponsor" of an employee.

Agility set clear polices stating that no Agility employee can require employees to relinquish their passports for any reason.

Training and Awareness

Changing the culture around migrant worker management requires an investment in training and awareness around Agility's fair labor policies.

To that end, Agility has provided information on how to uphold Agility's zero-tolerance policies on forced labor, and our fair labor policies, to our human resources leaders in our Middle East operations. As part of the training, HR leaders have access to a "fair labor" toolkit, including standard contractual language around recruitment fees, passport consent form, and certification of "no fees paid" form, to help manage these issues at the operational level.

Agility has also used its e-learning system to roll out courses in human rights to managers throughout the organization. Over 1,300 managers were trained in 2009 and 2010.

Agility has developed Human Rights Policy training materials and videos in eight different languages for workers based in the Middle East. The training is scheduled to be rolled out over the course of 2011.

We also created a communication campaign, relying on posters that graphically represent Agility's "fair employment promise" and provide contact details for people to call the ethics hotline if they feel that a violation of Agility's Code of Conduct is taking place. These posters will be distributed and displayed in offices, warehouses, and worker accommodations throughout the Middle East in 2011.

Next Step: Auditing our Operations

We have established a preliminary auditing framework for measuring progress against our fair labor policies, and it is our goal to further develop the auditing process over the course of 2011, with a view to beginning to audit operations in 2012, once the training and awareness program has been fully rolled out.

Agility's Fair Employment Promise Campaign: Posters Being Rolled Out in Middle East Operations

Investing in Our Communities

As a player in the world marketplace, Agility recognizes that our global presence in business demands a correspondingly serious commitment to social responsibility. Our passionate employees are the face of Agility in our local communities, and the company is proud to support employee commitment.

COMMUNITY IMPACT

Since 2006, Agility employees have led more than **400** projects in **57** countries reaching an estimated **500,000** people with some form of service activity. Almost **15%** of our total global workforce volunteers their time each year.

COMMUNITY VOLUNTEER PROGRAM

Agility's Community Volunteer Program enables employees to initiate and lead humanitarian projects in local communities around the world. Every Agility employee may apply for a company grant to support a community project he or she believes will make a difference.

By empowering employees to shape the company's community investment strategy, we believe that we achieve greater impact, in terms of the scope and scale of projects we can undertake, the number of employees that volunteer to be a part of them, and the local relevance they have.

The criteria for an Agility-sponsored community grant are straightforward:

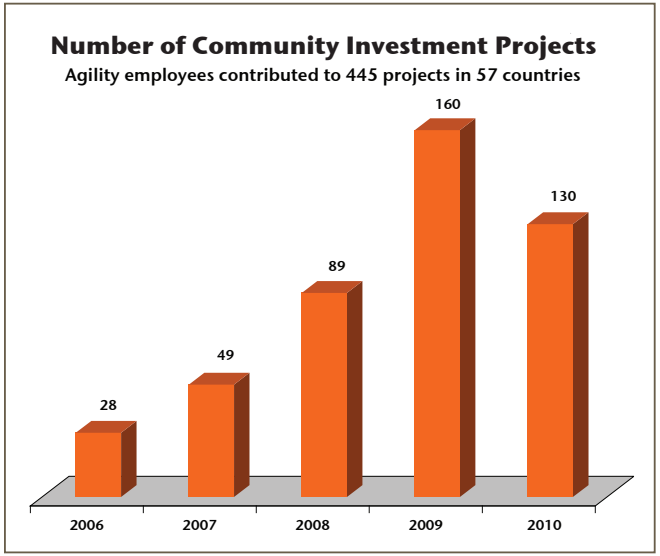
- Partnership: First, projects must support registered charity partners who adopt a humane, neutral and impartial approach to service. We work in partnership with civil society organizations and invest in long-term relationships over time.
- Priorities: Second, projects should meet priority focus areas of youth and education, health, disaster response, or environmental action. These focus areas are deliberately designed to be broad enough to enable employees to interpret them in ways that are relevant to their local communities. For example, under the auspices of "youth and education," projects have ranged from supporting entrepreneurship training in public schools in Jordan, to supporting a shelter for street children in Thailand, to collecting school supplies for underprivileged children in the United States.
- Passion: Third, employees must be prepared to lead the project in cooperation with a humanitarian partner organization. It is Agility's philosophy that in addition to financial or in-kind contributions, the time and passion of our people is critical in both making a difference and building a culture of giving back. Employees are encouraged to nominate projects that they feel personally passionate about, and to get their colleagues to join their efforts.

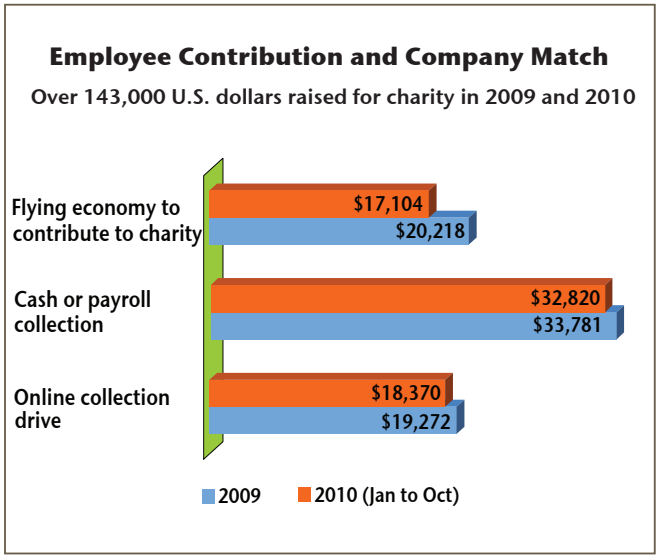
EMPLOYEE FUNDRAISING AND CORPORATE MATCHING

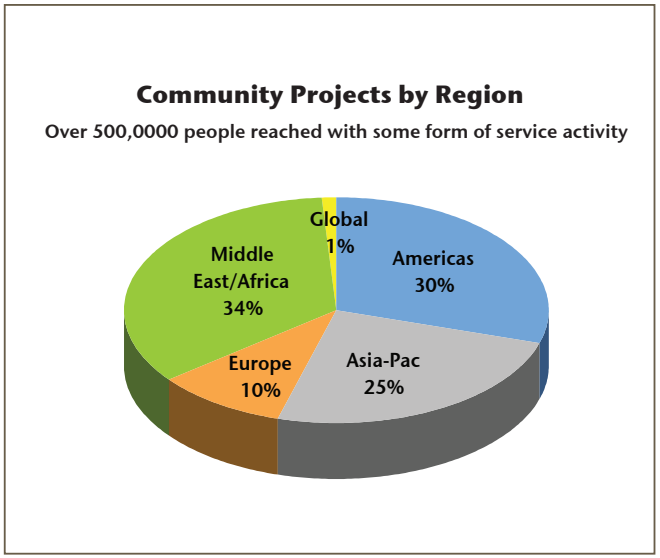
Agility has partnered with The AidMatrix Foundation to provide an online fundraising site for Agility employees. Through secure credit card donations, Agility employees can contribute to a variety of different charity partners and causes.

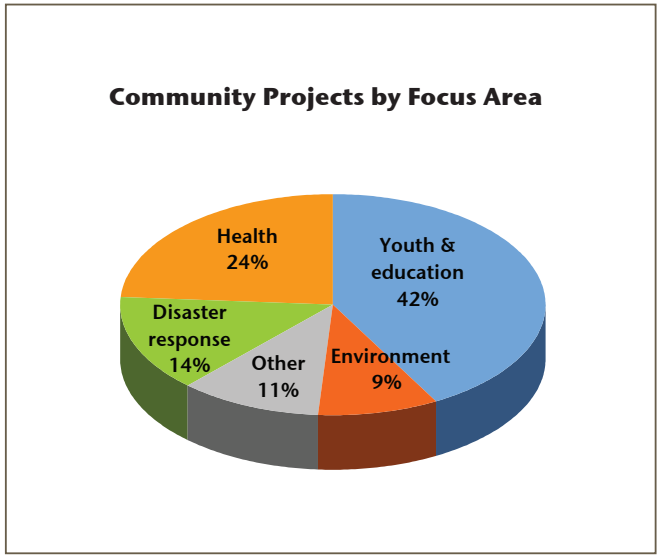
Additionally, many of our largest offices around the world offer employees the opportunity to raise funds through payroll donations or by putting monies in collection boxes around the company. Agility matches employee contributions dollar for dollar.

Finally, Agility employees are also offered the opportunity to save money for charity by flying business rather than economy. If employees chose to fly economy rather than business as per company policy, fifty percent of the savings are donated to charity.









AGILITY VOLUNTEERISM IN ACTION

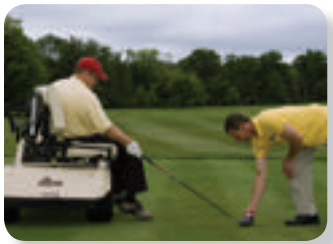
Examples of projects initiated and led by Agility employees, with company support, are laid out below. For more information on projects around the world, please visit our website.

Mentoring Students in Kuwait and Jordan

Junior Achievement is a global non-profit organization dedicated to advancing young business talent and entrepreneurship. Junior Achievement partners educators and business professionals with students in order to provide them with hands-on experiences that help them understand the economics of life. Agility was a leading sponsor at the launch of the Junior Achievement program (Injaz) in Kuwait. Since 2007, over 400 students have been mentored by Agility employees in Kuwait and Jordan through Injaz.

Combating Blindness in Australia

In Australia, Agility has partnered with the Fred Hollows Foundation, which is dedicated to overcoming blindness around the world. Agility has supported the Foundation on numerous projects, which include transporting intraocular lenses to Australia from Nepal, three slit lamps to Cambodia and Nepal, textbooks and journals to South Africa, and short-cut knives for eye surgeries to Eritrea. In addition to in-kind freight services, Agility Australia employees participated in a 100km walk and raised enough funds to perform over 200 eye surgeries.



Agility Helps Empower Paralyzed Veterans

For four years in a row, Agility DGS has organized the Paralyzed Veterans Golf Open. As the founding sponsor, Agility DGS has helped raise funds that are donated directly to the Paralyzed Veterans of America (PVA) vocational rehabilitation program. The unique vocational rehabilitation program aims to make a difference by helping veterans get good jobs and start careers in today's tough economy. Through public-private partnerships, PVA has now opened six vocational rehabilitation centers: Richmond, Minneapolis, San Antonio, Long Beach, Boston and Augusta.

Renovating a Primary School in Vietnam

As part of an annual volunteer day, Agility Vietnam employees drove 200 kilometers outside of Ho Chi Minh City to present students at the Phan Luong Truc Primary school with new school uniforms, educational supplies, food, and a much-needed first aid kit. During their visit they noticed the school building's condition and decided to return and refurbish it. Over the course of seven months, fifteen employees worked on paving and landscaping the playground, painting the walls, tiling the corridors, and installing electricity and ceiling fans throughout the building. In August 2009, the building was reopened for the new school year as a brighter, more welcoming place to learn.

Moving a Container to Ghana for Project Heal

Agility moved a container of medical and educational supplies to benefit 40,000 inhabitants of Lawra, Ghana for the non-profit organization Project HEAL. Project Heal is student-run and student-founded global health organization based at the University of North Carolina- Chapel Hill. The container included medical supplies such as monitors, first aid kits, gloves, and catheters, as well as children's books and educational toys for the Kumasi Children's Home that cares for over 150 children.

School Donation in Indonesia

Agility Indonesia stepped in to support a local kindergarten and elementary school in East Java by donating 660 books, 130 student uniform sets, 165 backpacks, 5 visual aids, 20 new table and chair units, 3 teacher's seats, and 3 book cabinets. Employees also made sure that the existing desks and playground equipment were repaired, and spent time with the children. The school educates 153 students and employs 15 teachers.

Agility's Partnership with The Great Football Giveaway

Agility offices in England and Spain have provided logistical and financial support for The Great Football Giveaway, a non-profit organization based out of the UK for the last three years. Agility partnered with The Great Football Giveaway to distribute over 3,000 footballs to children in Angola in 2007, and 3,500 footballs and netballs to 200 schools in Uganda in 2008. In 2009, Agility supported The Great Football Giveaway in Rwanda in distributing 2,500 brand new footballs to schools, orphanages, and Internally Displaced Persons (IDP)

Shipping Educational Supplies to Guinea Bissau

Agility Spain collaborated with two NGOs, the Medical Association for Catalunya's Infancy (AMIC) and Intercanvi, to ship a forty-foot container filled with humanitarian supplies to Guinea Bissau. The container carried educational materials for four primary schools for children between the ages of 3-6. The container also included toys, medical beds and supplies, and solar panels for health centers that lack access to electrical power.

Raising Funds for Spinal Muscular Atrophy

In May 2009, Agility employees from Switzerland participated in the SMArathon Sola race to raise funds to fight Spinal Muscular Atrophy (SMA), an incurable disease which kills thousands of children each year. The funds raised went towards the purchase of wheelchairs for children affected by SMA.

Renovating an Orphanage in Kuwait

Over eighty Agility employees volunteered around 750 hours of their spare time to refurbish an infant nursery at the Kuwait Orphanage. The Agility team worked for five months cleaning, scraping off old paint from the walls and fresh paint, doing electrical fittings and fixtures, carpentry and plumbing, as well as tiling and landscaping the play garden. A house that was once dilapidated, worn out, and uninhabited was turned into a cheerful and comfortable living space with all the basic amenities to house more than 10 infants.

Supporting the Children's Cancer Center of Lebanon

Agility has supported the work of the Children's Cancer Center of Lebanon (CCCL) since 2004, by sponsoring the annual equivalent of full inpatient medical care for one child at the Center. In July 2010, Agility employees in Beirut also organized an outdoor screening of the World Cup final match between Spain and Holland, which was attended by over 300 people, to raise additional funds for the Center.

School Donation in Brazil

In May 2009, Agility's Rio de Janeiro office organized Agility's first community project in South America. By collecting and donating educational supplies for a local school, Agility positively impacted 603 students.

Global Education Drive

During the months of August and September 2009, employees in Agility offices worldwide, partnered with local schools and non-governmental educational organizations in support of Agility's Global Education Drive. In Canada, offices in Calgary, Edmonton, Winnipeg, London, Toronto, Montreal and Vancouver collected 153 backpacks for underprivileged children in local schools. In the United States, the Los Angeles and Santa Ana offices partnered with the Share Our Shelves to collect over 4,000 school supplies for underprivileged children in Orange County. Employees at the Agility DGS office donated over 80 books to Everybody Wins!, an organization that distributed them to students in underprivileged schools in Virginia. Agility's New York office collected 10 backpacks and a large box of school supplies for the Nassau-Suffolk Coalition for the Homeless. The items collected benefited Long Island's homeless and at-risk children.

In Dubai, 20 employees partnered with orphans from the Al Ihsan Charity for a painting competition. Agility Dubai employees also raised funds to put seven children back in school as part of the charity's Education of Orphans program.

Agility Kuwait office, as part of an ongoing partnership with INJAZ (or Junior Achievement), reached out to 30 schools in the country to introduce basic entrepreneurial skills by giving students an opportunity to create and run their own companies. Agility employees spent valuable time mentoring and guiding these students in their various projects.

Humanitarian and Emergency Logistics

PROGRAM OVERVIEW

Natural disasters such as floods, earthquakes and tsunamis pose enormous logistics challenges. Humanitarian organizations must quickly reach affected people with food, medicine, and shelter, at a time when roads, ports, and telecommunication infrastructure is often badly damaged.

As a leading logistics supplier, Agility has the "know-how" to help. Our reputation is built on reliably delivering goods and services for customers in some of the world's most challenging environments, and it follows that these capabilities are readily adaptable to crisis situations. Thanks to our experienced people, transport assets, and warehousing operations already in place -- including in areas that are at high-risk for natural disasters – we can quickly mobilize and donate resources and support in times of need.

Over the course of the last four years, we have created a robust and systematic approach to disaster response.

Agility has invested in bilateral partnerships with organizations like the International Medical Corps, and multi-stakeholders partnerships with other private sector partners and the humanitarian community.

In support of our partners, Agility has been involved in twenty-two different disaster response operations in the last five years.

Global Agenda Council For Humanitarian Assistance

Agility represents the private sector on the World Economic Forum's Global Agenda Council for Humanitarian Assistance. The Council is producing disaster preparedness and response strategies for humanitarian, government, and private sector organizations in order to improve the effectiveness of disaster response management.

RULES OF ENGAGEMENT

Whether to deploy in a disaster scenario is a decision that must be thought through on a case by case basis. Factors such as the type and scale of the emergency, the security situation, the needs of our humanitarian partners on the ground, and our own bench-strength in any given country must all be taken into consideration.

Our operational parameters are as follows:

- Type of emergency: We deploy response teams to natural disasters. We try to avoid complex emergencies with poor security situations so as to minimize risks to the safety of our employee volunteers.

- In partnership: We respond only when invited to participate by our humanitarian partners or local government emergency relief bodies. We work at the request of our partners, with our partners – and take our operational cues from the humanitarian organizations that specialize in this work.

- Local capacity and availability: We respond where we have local capacity. We believe that on-the-ground knowledge, people, and transportation and warehousing assets are an important part of the value proposition we offer to the humanitarian community. At the same time, we must balance our desire to help against the available capacity of our local offices. Before we commit resources we consider the health and welfare of our local office staff, as well as available capacity to support a disaster response operation.

- Timeframe: The first few weeks of a disaster response operation tend to be critical – both because that is when the distribution of emergency relief can help save lives, and because there is often a "resource gap" between donor pledge and funding receipt at the disaster site. We get involved for a finite period during this emergency phase, typically donating services for periods of three to six weeks before transitioning out.
- Commercial / pro bono firewalls: We clearly distinguish between the work that we do commercially and the work that we do on a pro bono basis in disaster response operations.

  To the extent possible, different personnel are involved. If we are approached by our partners after the end of a disaster response operation to continue work on commercial terms, we get involved only after a competitive tendering process.

- Trained volunteers: As part of our commitment to our humanitarian partners, we ensure that when we deploy employee volunteers to the field, they are not only experienced logisticians, but also trained disaster responders. We collaborate with our humanitarian partners in this training process. Agility has trained 46 volunteers to date.

SPOTLIGHT ON TRAINING AND PREPAREDNESS

Our volunteers receive training in the curriculum required by humanitarian organizations. Training includes ethics, health, first aid, safety and security; UN, humanitarian and NGO organizations; the humanitarian code of conduct; cultural awareness; and general humanitarian logistics systems.

To improve effectiveness and increase cooperation, the companies of the Logistics Emergency Teams (LETs) jointly train their roster of rapid response volunteers on a yearly basis. The first LETs training exercise took place in Indonesia, and volunteers were fully embedded into an existing humanitarian operation. As part of this exercise, Agility volunteers helped the World Food Program conduct a logistics capacity assessment in Eastern Indonesia.

Agility has also worked with humanitarian partners on bringing private sector best practices to humanitarian logistics training. For example, Agility worked with International Medical Corps to review and improve International Medical Corps' logistics manual.

PARTNERSHIP WITH IMC

Agility formalized a bilateral partnership with International Medical Corps in 2009. International Medical Corps (IMC) is a non-governmental organization dedicated to relieving the suffering of those impacted by natural disaster, war and disease by delivering vital health care services that focus on training. (For more information, please visit International Medical Corps' website).

Agility has supported International Medical Corps in the delivery of medical aid to Iraq, deployed personnel to support International Medical Corps' operations in Haiti after an earthquake, and has provided the International Medical Corps with warehousing in Pakistan after devastating floods

"The expertise and resources Agility provides is invaluable. Agility's team integrates well within our humanitarian logistics system and provides requested services quickly and effectively. The joint operations are a great success and serve as a model for how responsible companies can assist humanitarian organizations during times of natural disaster."

Rabih Torbay,
VP of Operations, International Medical Corps

LOGISTICS EMERGENCY TEAMS (LETs):

Four leading logistics companies, Agility, UPS, TNT, and Maersk have joined hands to create the Logistics Emergency Teams (LETs) initiative, a cross-company partnership to support humanitarian relief efforts during natural disasters. The LETs initiative is the first-ever multi-company commitment to the humanitarian sector within a single sector.

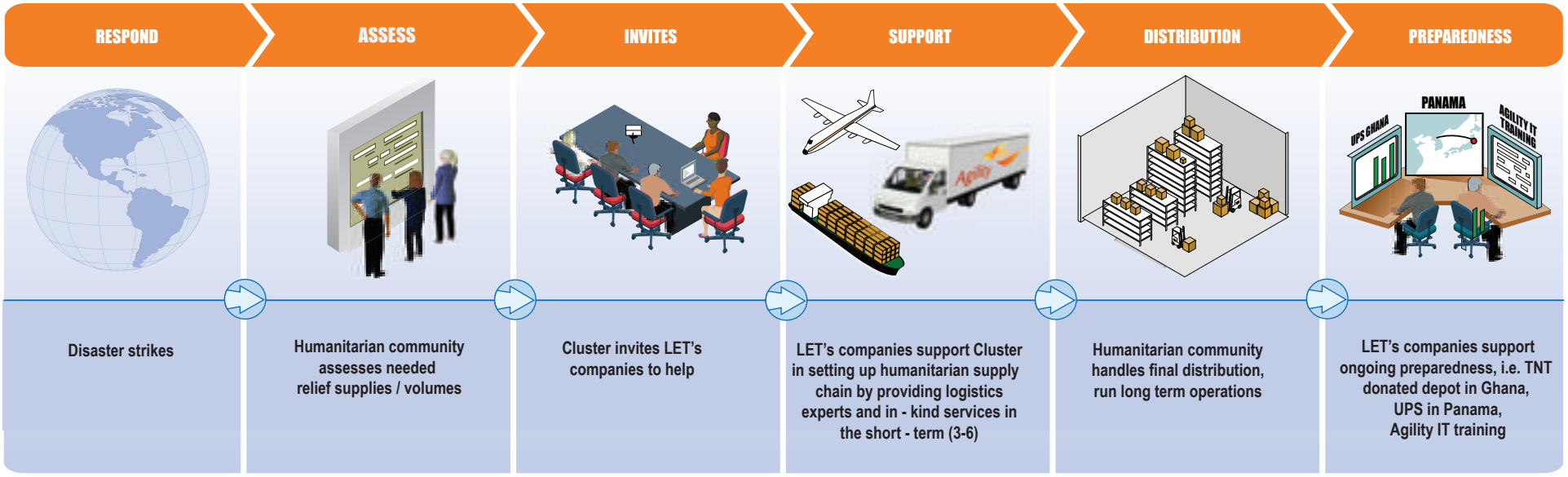
The Logistics Emergency Teams initiative was launched in Davos in 2008 under the auspices of the World Economic Forum. It is designed to allow the humanitarian community to make a single phone call and access the combined and orchestrated services of 4 major corporations.

The Logistics Cluster, led by the World Food Program, coordinates the logistical response of the humanitarian community in times of disaster. To activate this resource, the head of the Cluster simply requests the Chair of the LETs companies (a position currently held by Agility) for support in the form of trained logistics personnel, or donated warehousing, transportation, and aviation services. The companies then commit resources within 48 hours of the request.

The LETs initiative has effectively increased the scale and efficiency of relief operations, while reducing the transaction costs of partnership.

To date, the Logistics Emergency Teams (LETs) have been successfully deployed in humanitarian disasters in Pakistan, Haiti, Myanmar, Indonesia, and the Philippines.

The Way the LET's Partnership Works



HUMANITARIAN AND EMERGENCY LOGISTICS IN ACTION

2010

- Thailand floods
- Indonesia Eruption
- Pakistan floods
- Chile earthquake
- Haiti Earthquake

2009

- Hyderabad floods
- Indonesia earthquake
- Philippines flooding
- Samoa tsunami
- Sri Lanka IDP assistance
- Pakistan IDP assistance

2008

- USA hurricane
- Myanmar cyclone
- Iraq medical supplies
- China earthquake

2007

- Bangladesh cyclone
- Pakistan floods
- Bangladesh floods
- Iraq IDP assistance
- Indonesia flooding

2006

- Philippines typhoon
- Lebanon crisis

Thailand Floods, October 2010:

As a result of devastating floods that affected around 600,000 households, Agility Thailand partnered with the Thai Red Cross to provide humanitarian logistics services. Agility Trucks moved relief items from the Headquarters of the Thai Red Cross in Bangkok to flood affected areas. Over 10 trips were made to affected communities.

Indonesia Volcano Eruption, October 2010:

The Agility offices in Indonesia responded quickly to the devastation caused by the eruption of Mount Merapi in Yogyakarta. Agility employees, from various offices in Indonesia, partnered with the Indonesian Red Cross to procure and transport emergency relief goods. All procured items were donated and distributed to emergency camps housing people affected by the eruption.

Pakistan Floods, August 2010:

Agility worked with LETs partners to provide logistics support in the flood-affected areas of Pakistan after torrential rains destroyed 1.9 million homes and affected around 20 million people. Agility donated warehouse space, seven trucks and, the services of 35 volunteers to help the UN provide logistics services for humanitarian organizations on the ground. Agility's involvement lasted eight weeks. In addition, Agility Pakistan employees raised funds to procure and distribute relief goods in remote areas in and around Sukkur and Khairpur in Sindh.

Chile Earthquake, February 2010:

Not long after the devastating earthquake that hit Haiti, Chile suffered an 8.8 magnitude earthquake. Agility worked closely with the World Food Program to assist it in assessing requirements for a humanitarian supply chain. The Agility team arranged for local transport and provided office space and administrative support for WFP personnel deployed to Chile. In addition, Agility provided two trucks to the Chilean Red Cross to transport nonperishable food to the affected cities of Lolol and Navidad.

Haiti Earthquake, January 2010:

A 7.0 magnitude earthquake struck Haiti, the most destructive earthquake to hit the Caribbean in 200 years. Working within the framework of the UN Logistics Cluster, Agility supported operations planning, coordination and communication for the aid pipeline coming from Santo Domingo. In addition, Agility assisted International Medical Corps with logistics expertise. As part of our partnership, Agility deployed a trained logistician and supply chain management specialist to support International Medical Corps' Haiti Emergency Relief Operations.

Hyderabad floods, October 2009:

Agility employees in Hyderabad rallied to assist those affected by floods in the Mahadoobnagar district in Andhra Pradesh. Agility organized a collection drive to procure basic necessities for people in two remote villages. The team quickly put together 320 bags, each containing food and sanitary items for the villagers. Agility's assistance was the first aid to reach these villages.

Indonesia Earthquake, September 2009:

Within hours of a 7.6 magnitude earthquake in Padang City on Indonesia's Sumatra Island, Agility Indonesia mobilized a team to Padang. Agility's volunteers were among the first on the ground, establishing the humanitarian warehouse and operations complex for all UN Global Logistics Cluster relief operations. Agility donated 12 managers, drivers, trucks and warehouse space to assist the World Food Program in establishing a logistics hub in the stricken city of Padang. Agility also deployed a trained volunteer to Padang from Agility's Europe operations to established warehouse and transport operations for the International Medical Corps and the International Organization for Migration, in addition to working with World Food Program.

Philippines Flooding, September 2009:

Devastating tropical storms slammed into the Philippines, killing an estimated 460 people and rendering tens of thousands of people homeless. Agility Philippines assisted in the logistics of the relief operations by providing trucks to the Philippines National Red Cross (PNRC) to move relief goods to flood-stricken areas within Metro Manila and surrounding areas. In addition, the team donated canned goods, instant noodles, rice and bottled water, as well as setting up collection boxes around Agility premises where staff members could drop off in-kind donations. Agility was also active in the LETs partnership in this disaster, providing the UN Logistics Cluster with logistics specialists and warehousing and transportation services.

Pakistan IDP Assistance, 2009:

As a result of the fighting in Pakistan's Federally Administered Tribal Areas and North West Frontier Province, an estimated two million people have been uprooted from their homes and forced to relocate to Internally Displaced People (IDP) camps or host communities in neighboring regions. The seriousness of the matter prompted the World Food Program to initiate a project that provided supplies to 100,000 displaced people a day. Agility asssisted by donating 10,000 square feet of warehouse space in Karachi for the collection and segregation of donations to the Relief Bank Centre in Islamabad, Karachi, Lahore and Quetta, as well as 2,000 square feet of cold storage for the central warehouse in Peshawar. In addition, Agility provided customs clearance and transportation services to support 2.6 million internally displaced persons in need of food aid.

Samoa Tsunami, September 2009:

A massive tsunami hit the islands of Samoa, causing substantial material damage. In response, Agility New Zealand coordinated the shipment of over five containers of relief supplies. The Agility team was particularly keen to be involved with the wider public by donating toys, stationery and books to Samoan children in the tsunami- affected Falealii, Poutasi and Matatufu district villages.

Sri Lanka IDP Assistance, April 2009:

Agility extended a helping hand to Sri Lankans made refugees in their own country due to the island's armed conflict. Agility Colombo responded to an urgent need for drinking water, food, and sanitation items, by collecting toiletries, food, clothing and medical supplies for 5,000 people living at Menik Farm Camp. The donated items filled three 40-foot containers, which the Agility team delivered and distributed. Agility Sri Lanka employees also developed a second project with longer-term goals: a home farming project designed to help the residents of the camp become more self-reliant. Agility purchased all the agricultural equipment needed for the project and transported it to the camp, where the camp's residents are using it to increase their farming skills so that they can grow their own food and sell the surplus. The goal of the project is to provide 100 families with both nourishment and a sustainable source of income.

USA hurricane, September 2008:

Hurricane Ike, one of the most destructive hurricanes to make landfall in the United States, hit the state of Texas in September 2008. Agility employees responded to the disaster by raising funds to procure and transport food, cleaning supplies and household items for over 200 persons affected by the hurricane.

Myanmar cyclone, May 2008:

A category four cyclone hit Myanmar, killing 138,000 people and displacing over two million others. In response, Agility and LETs partners were mobilized to support relief operations by the UN Global Logistics Cluster. This was the first time that cross-company Logistics Emergency Teams were called into action to help the humanitarian community set up the humanitarian supply chain for relief goods. Agility and LETs partners worked as an integrated team on a daily basis with the UN to receive and dispatch cargo efficiently and quickly for 1.5 million people.

China earthquake, May 2008:

A 7.9 earthquake in China left over 67,000 dead and 4.8 million homeless. Agility employees in China and Korea raised funds and donated clothing, food, sleeping bags and toys to victims of the quake. In Northern China, Agility offices assisted with the shipment of 60 shelters from Beijing to Chengdu, as well as transported beds from the Olympic Village to support 5,000 displaced persons.

Iraq medical supplies, June 2008:

International Medical Corps and Agility teamed to deliver essential medical supplies and equipment to Al Sadr City, one of the poorest and most volatile neighborhoods in the Iraqi capital. Agility trucked over two tons of life-sustaining medical supplies to International Medical Corps' warehouse in Baghdad. More than 10,000 people directly benefitted from equipment.

Bangladesh cyclone, November 2007:

Cyclone Sidr affected more than seven million people and damaged over 50 percent of crops in coastal areas. In response to disaster, Agility employees procured rice, water, water purification tablets, and clothes for over 1,200 cyclone survivors.

Bangladesh floods, summer 2007:

Much of Bangladesh was hit by heavy flooding, leaving 60 percent of the country underwater and thousands of homes lost. Agility employees in Bangladesh and Kuwait donated funds to the Chief Advisor's Relief Fund to provide food and water to those affected.

Pakistan floods, summer 2007:

As a result of heavy flooding, over 30,000 people were left homeless and tens of thousands were displaced. Agility employees in Pakistan and Kuwait raised money for flood survivors in partnership with the Edhi Foundation.

Iraq IDP assistance, May 2007:

Agility partnered with the International Medical Corps to help move life support kits to internally displaced families in Sheikahan, Telkif and Al Qush in Iraq. Agility's delivered the items to 500 families, reaching over 2,000 people.

Indonesia floods, February 2007:

Torrential storms left 40% of Indonesia's capital under water, displacing over 200,000 people, including the families of thirty Agility employees. Agility's Jakarta team coordinated with the World Food Program to distribute high-energy biscuits and other food items for one month to 43,000 people displaced by the flood.

Philippines typhoon, December 2006:

A "super typhoon" killed over 1,000 people and caused extensive damage to villages. Agility partnered with the government's Department for Social Welfare and Development to transport relief supplies from Manila to the Bicol. Agility Philippines sent six truckloads with over 100 tons of relief goods to displaced survivors.

Lebanon crisis, August 2006:

In response to the conflict in Lebanon which claimed over 1,000 lives and displaced 800,000 more, Agility donated in-kind services to a number of relief agencies. At the height of the crisis, Agility moved a six-truck convoy containing 120 metric tons of desperately-needed canned food and dairy products from Kuwait to Beirut on behalf of the Kuwait Red Crescent. A second convoy of two trucks with 50 tons of food was moved from Qatar to Lebanon on behalf of the Qatar Red Cross.

WE...

Our Environmental Journey

AGILITY'S ENVIRONMENTAL PRIORITIES

Building more sustainable supply chains and mitigating the environmental impact of our operations is a long-term, multi-faceted commitment. It is a priority for our CSR program efforts while we are still in an early phase of our environmental journey. We are actively working with customers, employees, industry partners and non-governmental organizations to address this complex global challenge. Our efforts are focused on:

- Building greener supply chains with customers: We estimate that the majority of Agility's emissions are "outsourced" emissions related to managing our customer's supply chains. Therefore, we have made it a key priority to work with customers to help measure carbon emissions in the supply chains we manage. We are also working jointly with customers to reuse and recycle packaging waste.
- Greening Agility's operations: Internally, we have launched an environmental awareness campaign to educate our teams about how to think and act green. We are focused on reducing energy consumption through using less electricity in our offices, incorporating sustainable design features into our major warehousing facilities, better manage our vehicle fleets and reducing business travel through the use of videoconference technology. We are also working to reduce resource consumption, reuse materials and recycle waste.
- Multi-stakeholder dialogue on the environment: Like many other companies and industries, we have questions about what the future looks like in regards to running a more environmentally conscious business. We feel that these questions are particularly acute in many of the emerging markets where we operate - in places where the infrastructure, policy, and business environments are profoundly different from those in Europe and North America. To this end, Agility is participating in global industry, policy, and customer dialogue on these issues through our strategic partner, the World Economic Forum.

MEASURING ENVIRONMENTAL PERFORMANCE

In this report, we share Agility's first carbon footprint analysis. We focus on three areas:

- Direct impact from largest operations: In this report, we measure electricity and fuel consumption from our largest operations. These operations cover 62% of our headcount, 67% of our total warehousing capacity, and more than 70% of our vehicle fleet.
- Business travel: We also capture carbon emissions related to business travel. Due to the fact that Agility maintains a centralized travel-tracking database, we are able to capture approximately 80% of all air miles travelled by employees.
- Indirect impact from outsourced logistics services: Using our freight tracking database, known as CONTROL, we show emissions related to air, ocean, and overland freight moved by Agility. The majority of these freight movements are made through sub-contracted air, ocean, and road transportation suppliers, rather than through Agility owned and operated assets.

While water consumption and waste management are of concern to Agility, we are only able to provide limited information on these impact areas.

- Water consumption: We cannot accurately measure water consumption currently due to the fact that we have no centralized tracking systems for water. Where consumption information was available, we converted the data to life cycle CO_2 impact as a component of our aggregate CO_2 impact. We understand that our water consumption and resultant impact is likely significantly higher than estimated in this report.
- Recycling: Currently, Agility has no centralized tracking systems for managing recycling programs around the world. Anecdotal evidence, as well as statistics we are able to gather from hub locations in the Middle East and Asia, suggest that employees around the world are recycling paper, aluminum, and plastic waste, as well as packaging waste. These efforts are being reinforced by the "Think Green, Act Green" campaign, which emphasizes the importance of reusing and recycling materials.

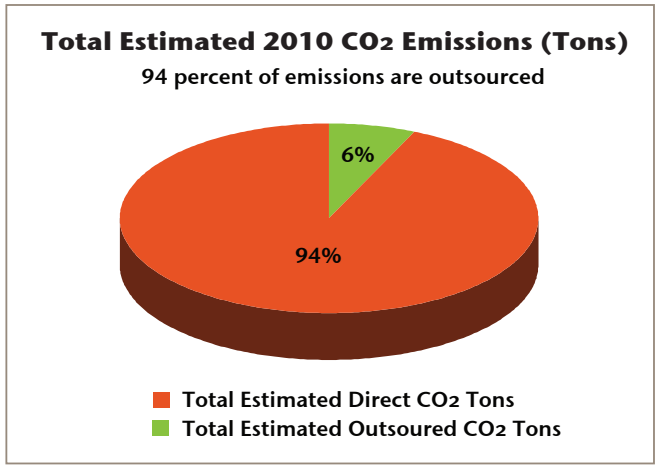
CO_2 IMPACT SUMMARY

For understanding our carbon (CO_2) footprint, we relied upon publicly available sources to measure and estimate our own performance. These include the UK Department of Environment, Food and Rural Affairs (Defra) 2009 & 2010 Guidelines and Conversion Factors and the UK Parliamentary Office of Science and Technology's Carbon Footprint of Electricity Generation Report, 2006. Data sampled for this analysis includes information from year 2009 and 2010.

Given some deficiencies in our ability to accurately measure our impact, we are taking an "at least" approach to our analysis. We believe that the figures referenced in our analysis represent a baseline of impact. That is, our estimated impact from 2010 business operations is "at least" the amount referenced in this report. Agility is committed to putting better systems and processes in place to measure our carbon footprint going forward. The company hopes to be able to improve reporting in the future, with a focus on continuing IT and management integration activities that will result in an improved ability to collect and analyze environmental performance data. Below are several types of analysis that we see as a starting point, whilst acknowledging that there are shortcomings to the approaches we took. Based on our survey, we realize that we need to develop better methods of and resources for data. As such, developing these systems and methods will be a high priority goal prior to our next reporting cycle.

We divide our estimated carbon footprint into direct emissions, generated from fuel and electricity consumption in our offices and owned vehicle fleets, and indirect emissions from the transportation of customer's cargo using sub-contracted resources. We also include business travel as a source of indirect emissions.

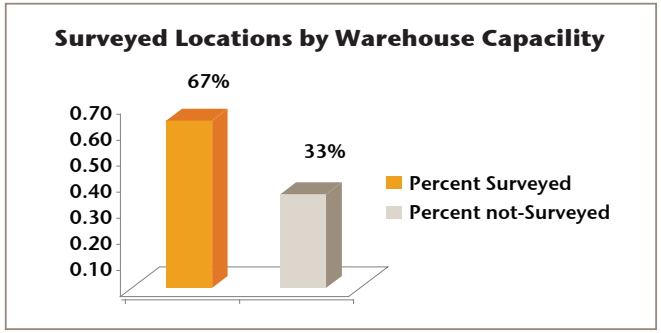
Our total estimated footprint is 2,511,348 tons of CO_2. The majority of which is accounted for by the transportation of our customers' cargo using sub-contracted resources.

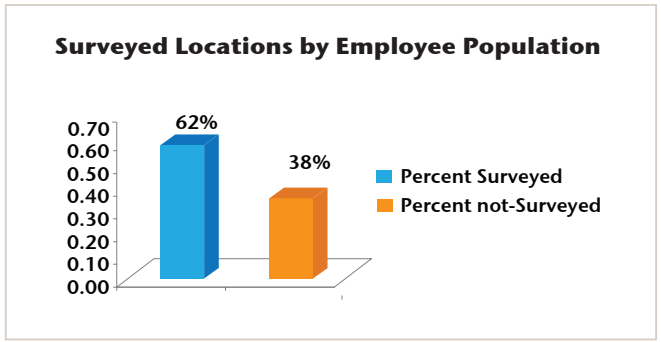


DIRECT IMPACT FROM OUR OPERATIONS

With 550 branch offices in 100 countries throughout the world, measuring our internal carbon footprint has been a major challenge. Due to numerous data collection and management factors, we are unable to accurately estimate the entirety of our direct CO_2 impact.

However for the purpose of this report, we estimate baseline impact directly attributable to our largest operations. We analyzed our top twenty operations, some of them co-located in the same country or city, based on employee population and operational footprint. These offices account for over 60 percent of our vehicle fleet, warehousing facilities, and employee population.



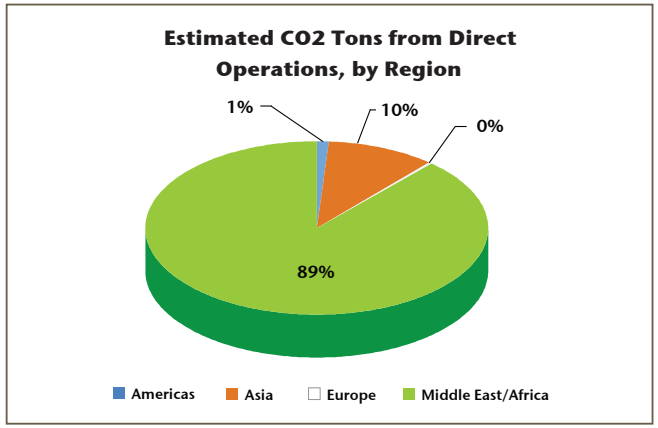


We estimate that our largest operations directly contributed 155,282 tons of CO_2 to the environment in 2010. This is broken down by individual location and by region below:

Direct Impact by Individual Operating Location

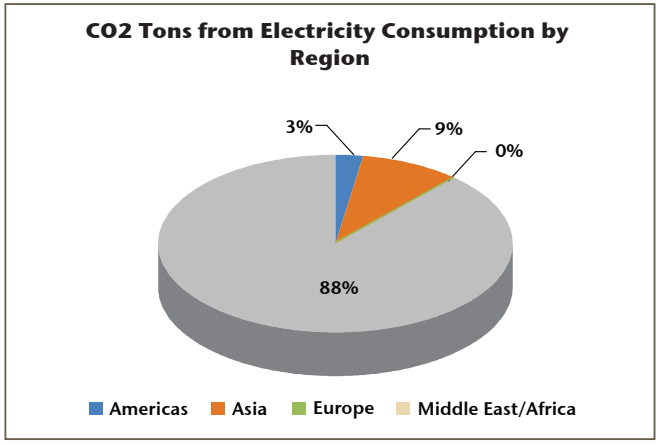
Country & Region Location	Estimated CO_2 Tons
Houston, US	1,913.64
Americas Total	1,913.64
Shanghai, China	1,652.23
Hong Kong	741.71
Mumbai & Chennai, India	1,402.75
Jakarta, Indonesia	110.26
Kuala Lumpur, Malaysia	2,202.22
Karachi & Islamabad, Pakistan	378.63
Manila , Philippines	1,342.06
Singapore	2,589.31
Bangkok , Thailand	5,379.02
Asia Total	15,798.19
Basel , Switzerland	425.90
Europe Total	425.90
Cairo , Egypt	711.42
Amman , Jordan	7,020.62
Nairobi , Kenya	5,335.16
Kuwait	77,380.81
Qatar	11,044.74
Dubai, United Arab Emirates	19,389.07
Abu Dhabi , United Arab Emirates	16,262.70
Middle East/Africa Total	137,144.53
Total Direct Emissions	**155,282.25**

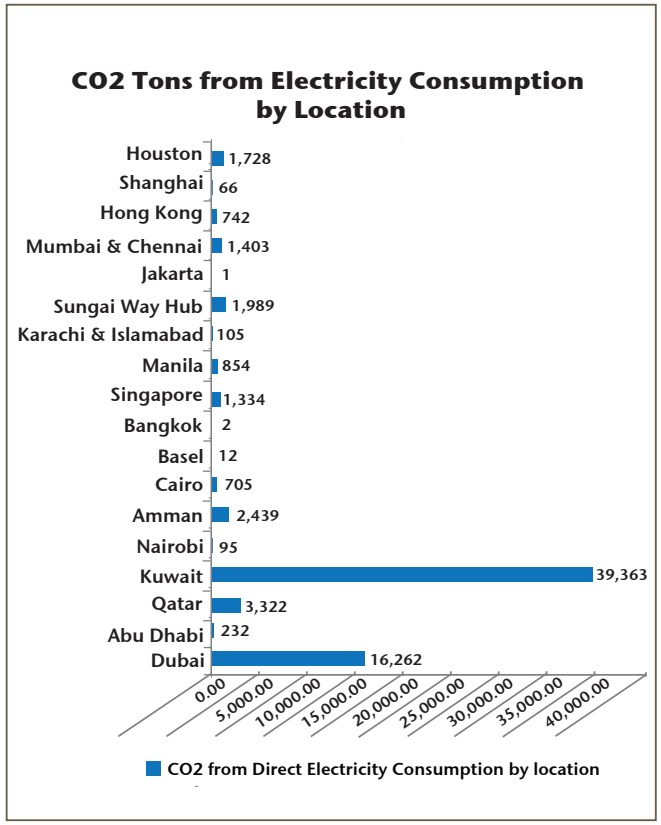
As one can see, these findings align with our emerging market growth strategy. Most of our direct impact is attributable to locations in the Middle East/Africa and Asia regions.



MEASURING AND MANAGING ELECTRICITY CONSUMPTION

We analyzed data from our top 20 offices and derived estimated CO_2 impact related to electricity consumption. We found that these operations accounted for approximately 70,653 tons of CO_2 impact from electricity consumption. Consistent with our operational footprint, our Middle East and Asia operations consumed the most electricity and had the highest CO_2 impact.





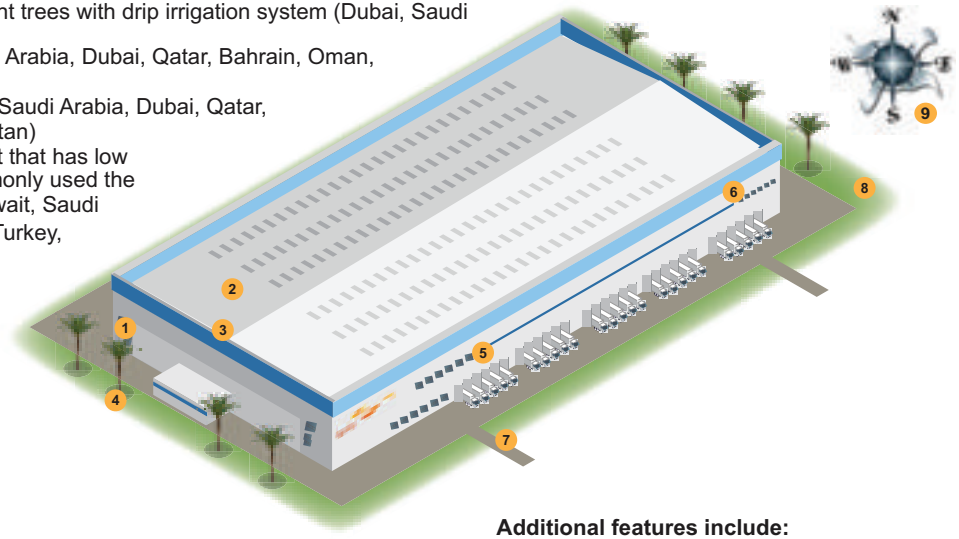
Reducing Agility's Environmental Impact

Agility has made efforts to reduce our footprint in various ways: through targeted energy-savings plans in some of our largest offices, by incorporating sustainability features into warehousing design, by more efficient fleet management, and by attempting to reduce business travel through the introductions of alternatives like video conferencing technology.

Incorporating Sustainability Features in Warehousing

A notable portion of our greenhouse gas emissions comes from electricity use in warehousing facilities. Throughout the Middle East, where some of our largest facilities are located, we have worked to incorporate sustainability features into warehousing design and management. The diagram below shows some of the features we track, and the operations where they are in use.

1. Double glazed windows (Kuwait, Dubai, Saudi Arabia, Oman, Turkey, Pakistan)
2. Filon Skylights to stop UV and reduce heat by 85% (Kuwait, Dubai, Saudi Arabia, Oman, Egypt)
3. Factory made aluminum sandwich walls and roof panels for better insulation (Kuwait, Bahrain, Dubai, Saudi Arabia)
4. Xeriscaping incorporated with planting draught resistant trees with drip irrigation system (Dubai, Saudi Arabia)
5. Dock shelters and sealed dock levelers (Kuwait, Saudi Arabia, Dubai, Qatar, Bahrain, Oman, Egypt, Jordan, Turkey, Pakistan)
6. Light exterior paint colors for better reflection (Kuwait, Saudi Arabia, Dubai, Qatar, Bahrain, Oman, Egypt, Jordan, Turkey, Bahrain, Pakistan)
7. Paved roads are made of locally manufactured asphalt that has low embodied energy of 4930 MJ/m3 as opposed to commonly used the concrete interlock bricks which have 5170 MJ/m3 (Kuwait, Saudi Arabia, Dubai, Qatar, Bahrain, Oman, Egypt, Jordan, Turkey, Bahrain, Pakistan)
8. Locally available natural sand is used to achieve road leveling which avoids back filling and import of external back filling material (Dubai, Kuwait, Saudi Arabia, Oman)
9. Warehouse orientation is considered to avoid direct sun light and maintain low thermal heating (Kuwait, Saudi Arabia, Dubai, Qatar, Bahrain, Jordan, Turkey, Oman, Egypt, Bahrain)



Additional features include:

- The use of locally available materials such as cement, concrete, interlocks, ceramics, HV cables, steel structures, etc., reduces transport emissions. (Kuwait, Saudi Arabia, Dubai, Qatar, Bahrain, Oman, Egypt, Jordan, Turkey, Bahrain, Pakistan)
- Wind driven heat extraction fans in the ambient 30,000sqm portion of the warehouse, provides natural flow of air into the building and reducing electrical consumption. (Dubai)
- Water overflow warning alarms. (Kuwait, Saudi Arabia, Dubai, Qatar, Bahrain, Oman, Egypt, Jordan, Turkey)
- Water from ACs collected through a network of drain lines into a collection tank, water is reused in water cooled chillers. (Dubai, Saudi Arabia, Bahrain, Qatar, Jordan, Turkey, Pakistan)
- Water cooled chillers used instead of air cooled chillers, reduce electricity consumption (Dubai, Saudi Arabia, Bahrain, Qatar, Jordan, Turkey)
- Water recycling plant with 10m3/day capacity, treats water from chillers and is reused in the water cooled chillers. (Dubai, Kuwait)
- Building management systems are installed to monitor high AC levels and filter blockage levels in warehouses to avoid filter blocks and increase energy efficiency. (Dubai, Kuwait, Saudi Arabia)

Case Study: Energy Savings in Kuwait

Agility's Kuwait operations account for more than 50% of our surveyed carbon emissions from electricity, which is not surprising given that we have almost one million square meters of warehousing facilities in the country.

In 2007, electricity shortages in Kuwait prompted the government to launch an energy savings campaign known as "Tarsheed." Agility partnered with the Kuwaiti government to reduce electricity consumption in our operations. After conducting an energy audit, Agility:

- Replaced 3,000 light bulbs with compact fluorescent bulbs
- Switched off electricity during off-peak hours for durable goods
- Controlled AC temperatures
- Conducted an awareness campaign encouraging employees to be more energy-efficient

These efforts resulted in a 30% energy savings, which translated to a savings of 9,300 tons of CO_2 emissions, or the equivalent of the electricity use from 823 homes for an entire year.

Case Study: Green Makeover in Dubai

Agility's Dubai operations account for over 20% of our total carbon emissions from electricity. In 2010, Agility Dubai won a "green makeover" competition sponsored by the Emirates Foundation for Philanthropy and the World Wildlife Fund (WWF), by submitting a case study demonstrating existing efforts to reduce energy and water consumption. The Emirates Foundation and WWF are now working with our Dubai office to further "green" our offices and warehousing facilities.

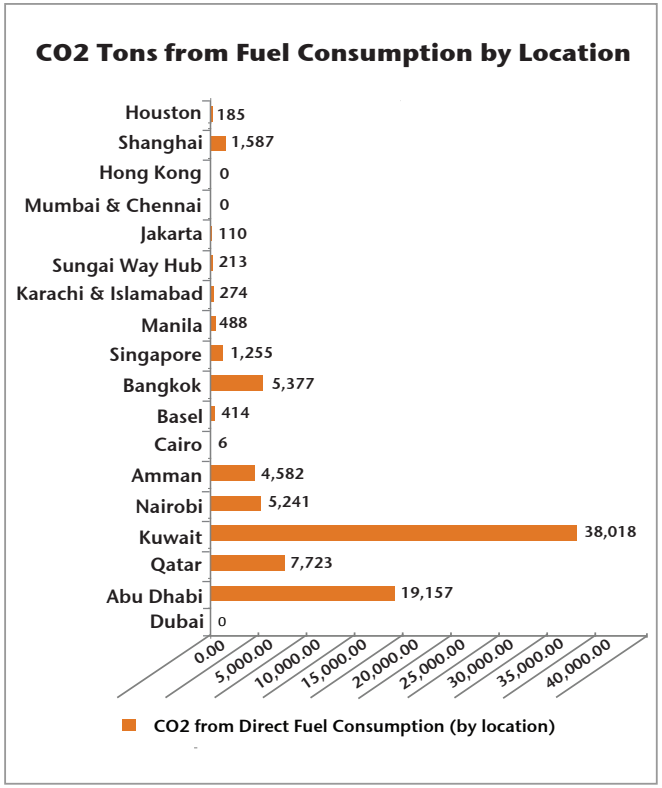
Case Study: Going Carbon Neutral in New Zealand

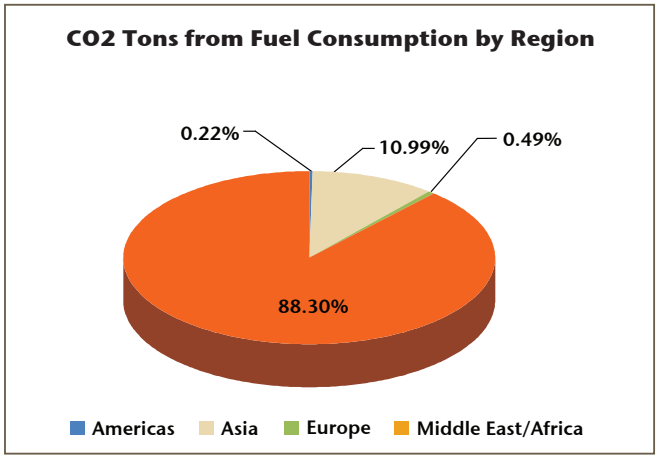
In support of the government of New Zealand's pledge toward carbon neutrality, Agility New Zealand became the first international freight and logistics provider to achieve carboNZero certification in the country. The certification process involved Agility measuring, reducing and mitigating greenhouse gas emissions arising from its business activities. Agility New Zealand further purchases carbon credits that have been created through local sustainable energy initiatives. In addition to the certification, Agility can measure the carbon emissions created when customers move freight internationally. This enables Agility New Zealand to offer customers the option of a carboNZero certified service for the movement of cargo to or from any port in the world.

carboNZero Cert TM
certified organisation

MEASURING AND MANAGING FUEL CONSUMPTION

One of the key impact drivers for the logistics industry is emissions from transportation operations. We estimate that the CO_2 impact from fuel consumption in our largest operations was at least 84,629 tons. This is further broken down by individual location and operating region below.





Fleet Management

Agility owns a flee of approximately 5,000 vehicles, mostly in the Middle East, and subcontracts road transport in most other operating regions. In Kuwait, where in 2010, at least 50% of our vehicle fleet was located, we are ISO 14001 certified.

In order to reduce the impact of vehicle emissions, we have also taken the following steps:

- Training drivers to reduce idling time and monitor fuel consumption.
- Upgrading 85% of our fleet to meet Euro II Emissions standards.
- Using retread tires on 70% of our fleet, saving an estimated 168,000 gallons of oil.
- Converting our fleet in Thailand to use compressed natural gas.
- Giving preference to subcontracted road partners in Europe that have environmental management systems in place for their fleets.

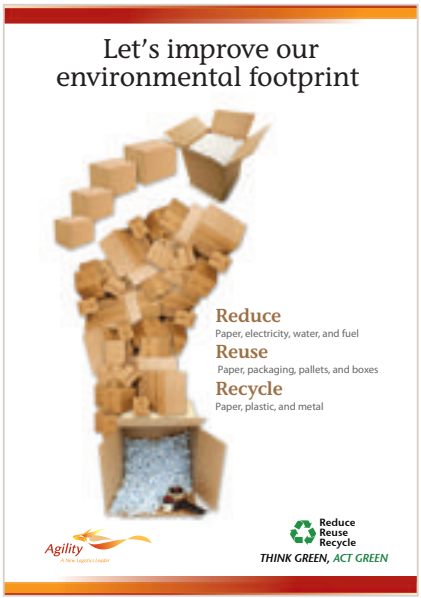
ENGAGING WITH EMPLOYEES TO REDUCE DIRECT OPERATIONAL IMPACT

A key part of reducing our own direct impact is internal awareness and employee engagement. In 2010 we undertook a company-wide campaign to raise the importance of environmental awareness and improved performance within our operations. The scope of the campaign included an internal communications campaign to reduce resource consumption, reuse resources where possible and recycle unusable waste.

Think Green, Act Green Campaign

We believe that the starting point for becoming a more environmentally friendly company is awareness amongst our employees. In 2010, Agility launched a "Think Green, Act Green" campaign that uses policies, work instructions, posters, podcasts, newsletters, and a green pledge to encourage employees to follow environmental principles. Employees are also encouraged to participate in environmental volunteer activities like beach clean-ups and tree planting. This campaign is being enacted in major hub locations over the course of 2010, and will be rolled out globally in 2011.

Posters and stickers are being used to raise green awareness:



Community Engagement to Reduce Local Environmental Impact

Agility employees participate in eco-volunteer activities:

Employees in Thailand planted 400 trees to assist in prevention of soil erosion and environmental degradation.

Employees in Hong Kong cleaned up a beach, removing 280 kg of trash in one day.

More than 1,000 employees in Kuwait typically participate in annual Earth Day activities.

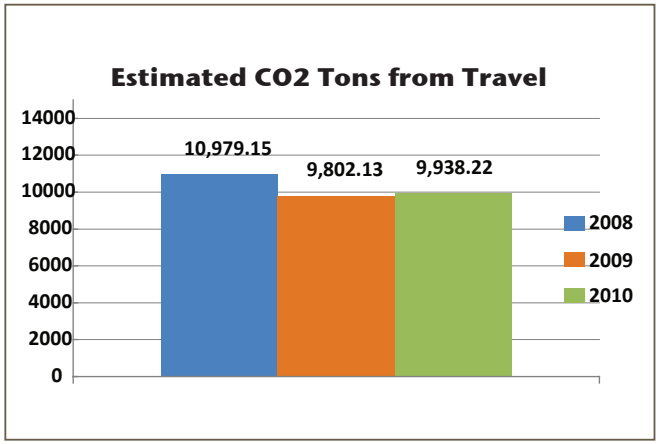
Agility employees in Beijing, China, participated in tree planting activities to thwart pollution and dangerous emissions.

In celebration of Earth Day 2010, Agility employees in Italy donated *Prunus Domestica* trees to a local school.

As part of the largest national environmental clean up campaign, Agility Slovenia employees collected and segregated garbage from a local forest.

INDIRECT IMPACT FROM BUSINESS TRAVEL

Due to the fact that Agility maintains a centralized travel-tracking database, we are able to capture approximately 80% of all air miles travelled by employees. In 2010, Agility employees travelled approximately 29,977,369 air miles, which corresponds to roughly 9,938 tons of CO_2 emissions.



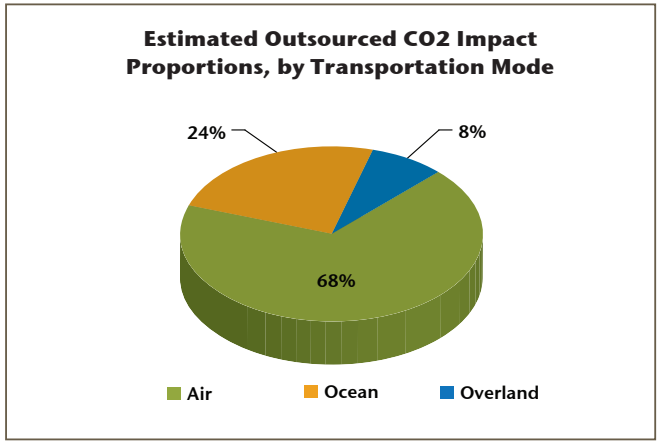
Reducing Business Travel

Agility has made a concerted effort to reduce business travel, investing in technology that facilitates face-to-face communication without requiring an airplane trip. This includes installing video conference facilities at major hubs, purchasing software that allows employees to have meetings using their personal computers, and increasing the use of webcasts from senior leadership. For example, Agility has an annual leadership conference that brings the top 200 leaders of the company together to discuss strategy going forward. In 2009, rather than meeting in person, we conducted this conference virtually instead. The company plans to alternate between virtual and in person meetings going forward.

MEASURING AND MANAGING OUTSOURCED LOGISTICS SERVICES

We estimate that 93% of Agility's emissions are derived from assets that are not owned by Agility, that are related to managing our customer's supply chains. In 2010, we estimate that outsourced logistics accounted for 2,345,987 tons of CO_2.

Air transport accounts for the bulk of our outsourced emissions.



Given the importance of outsourced logistics to our overall impact, Agility has made it a key priority to work with customers to help measure carbon emissions in the supply chains we manage. We are also working jointly with customers to reuse and recycle packaging waste.

Carbon Calculator Tool

Agility customers are increasingly requesting information about the environmental impact of their respective shipments, because they know that greenhouse gas (GHG) emissions associated with transportation can account for a significant portion of their total supply chain impact. Agility has responded by developing a customer-focused environmental carbon impact estimation and reporting tool.

The carbon calculator is based on the UK's Department for Environment, Food and Rural Affairs (Defra) guidelines for emissions measurement. It provides a calculation of carbon emissions associated with a shipment or group of shipments, based on weight, mode of transport, and distance. At this time the tool provides only generic calculations around modes of transport, but does not distinguish between differences in suppliers' environmental performance or transport platforms (different aircraft models for example.)

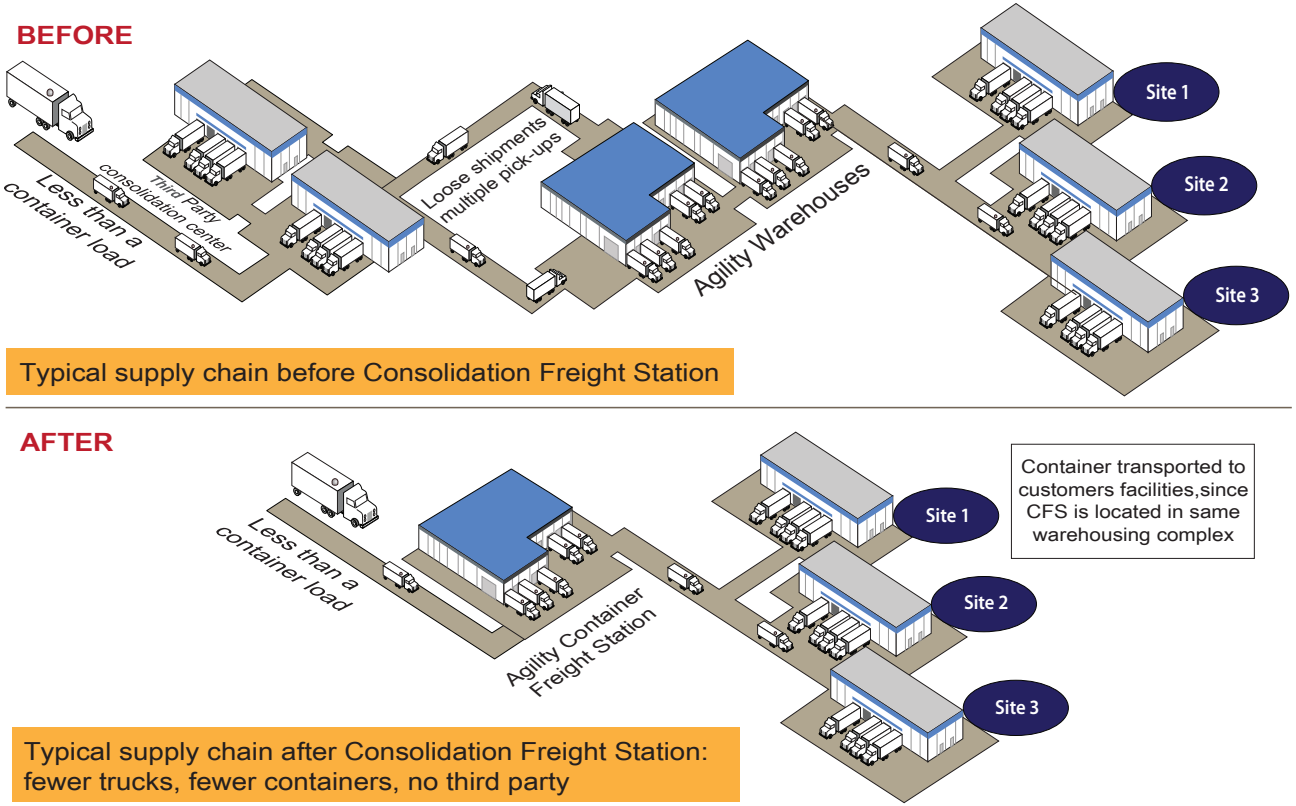
The advantage of the tool is two-fold. First, customers can understand the approximate emissions associated with their shipments. Second, the reports provide an additional data point for customers to rethink how their supply chains are managed.

OFFERING MORE EFFICIENT LOGISTICS SOLUTIONS

Agility strives to create efficient supply chains, and the process of optimizing supply chains for customers often creates reduced environmental impact. This is best illustrated by example.

Case Study: Dubai Container Freight Station

Over a period of two years, Agility's Dubai operation noticed that there was increase in the number of less-than-full-container loads being shipped from Dubai. In response, Agility developed a Container Freight Station (CFS) at the Jebel Ali Free Zone, the country's largest man-made terminal and a major hub for freight movements throughout the Middle East. The 1,000 square meters station is a major consolidation and redistribution service center that enables Agility to consolidate cargoes originating from ports worldwide and redistribute them throughout the Arabian Gulf region and Africa. By using a centralized distribution center, Agility is able to reduce costs and improve environmental performance because shipments from multiple customers can be consolidated into a single container moving to a single destination. Where cargo was once being moved on four or five different containers, today they can be consolidated into only one freight move. The Container Freight Station also eliminates the need for a third party consolidators, and eliminates the trucks and trips required to transport containers to and from the third-party consolidators.



Case Study: Multi-mode transport options in Sweden

In Sweden, Agility has set up six different intermodal transportation solutions to and from the country. One example is the route Gävle to Milan. In Gävle, goods are loaded on to trailers which are then put on trains. The trains go to Trelleborg in the south of Sweden where they are lifted onto a ferry to Travemünde, Germany and then travel by rail to Italy – Novara and Verona. The final stretch goes by road to Milan. This method makes it possible to load 28 tons per trailer during the rail transport segment, instead of 24 tons that are otherwise the maximum weight for road transportation. By mixing transport modes, the Agility solution optimizes freight volume capacity for the majority of the trip which results in reduced environmental impact while still meeting customer business requirements. Agility Sweden was awarded the regional 'Lift of the Year' (Arets Lyft) award for creating this type of intelligent and eco-efficient transport solution.

MANAGING SUPPLY CHAIN WASTE

While Agility does not have a global system in place to measure or manage waste, we have several pockets of excellence that we hope to build on further. Examples of our initiatives include:

Case Study: Working with a leading shoe retailer to reduce carton waste in their Indonesia and Philippines manufacturing hubs

Agility offices in Philippines and Indonesia partnered with a leading shoe retailer to eliminate unused carton space and maximize the usable space for shipping. Agility optimized each carton with a different thickness of material to accommodate the specific shipping needs. This shift away from single carton thickness allowed for a significant reduction in the amount of packaging material required for shipments. Instead of using 44 different carton sizes, the shoe retailer was able to bring that number down to only seven.

Additionally, cartons carrying footwear and sports apparel used to be left to individual stores to be disposed of, producing much unnecessary waste. Agility partnered with our customer to pick up and reuse cartons instead. On average, 84% of the customer's delivery cartons are being reused today.

Case Study: Closing the Loop in India

Agility India is working closely with a leading wholesale outlet in Hyderabad to convert organic waste into fertilizer through vermicomposting. Vermicomposting is a sustainable agricultural process of using worms and microorganisms to turn organic waste into nutrient-rich fertilizer. In addition to providing supply chain solutions to the customer, Agility stepped in to provide both the customer and local farmers with a solution to the problem of waste disposal. On an average, around 2 tons of organic waste is generated from the 80 wholesale stores in and around Hyderabad in a single day. The waste is collected and stored in a designated dump yard in 2 feet layers. Earth worms are added to this decomposing bed of waste in a process that takes 40-45 days to create an organic fertilizer. The organic fertilizer is then distributed to local farmers to be used instead of chemically manufactured fertilizer. The use of vermicompost fertilizer not only improves the production and quality of the yield but also reduces 50 tons of CO_2 per year.

Case Study: Repairing wooden pallets for a government customer

One of Agility's largest operations in Kuwait, the Defense Distribution Depot Kuwait/Southwest Asia (DDKS) receives over 1,200 inbound containers and ships out 500 air pallets per week. In 2010, Agility DDKS recycled over 146 tons of paper and cartons, 26 tons of metal, and 37 tons of plastic. Furthermore, by repairing and reusing approximately 1,800 wooden pallets on which goods were shipped, DDKS significantly reduced environmental impact in 2010.

Multi-stakeholder Dialogue on the Environment

Today's environmental challenges are too great for Agility to address alone. We recognize the importance of participating in global dialogue to stimulate broader action and also seek advice on the way forward for our industry and our company. The World Economic Forum is a key channel for engaging in the global community's debate on sustainable business operations.

Some of our specific engagements in dialogue through the World Economic Forum (WEF) include:

- WEF Supply Chain Decarbonization Research: Agility participated in developing the report "Supply Chain Decarbonization: The role of Logistics and Transport in Reducing Supply Chain Carbon Emissions". The report highlights and prioritizes the leading opportunities for the logistics and transport sector to mitigate CO_2 emissions.

- WEF Consignment Level Reporting working group: Agility has worked with industry partners to formally recommend how impact from shipping consignments should be accounted for in measuring CO2 and other environmental impacts. These recommendations can be read here.

- Policy dialogue with G8 and G20 leaders: Agility is one of 100 global companies that contributed to the World Economic Forum's Climate Change letter "CEO Climate Policy Recommendations" delivered to the G8 leaders in July 2008 and to G20 leaders in 2009. Agility supports the letter's recommendations on a post-2012 framework for global climate policy and outlines environmentally effective and economically efficient long-term policy frameworks.

- Participating in an ongoing Sustainable Consumption working group: In the WEF's Sustainable Consumption working group, Agility has encouraged industry, public sector and civil society groups to work together to develop new and innovative ways of approaching sustainability in product life cycles. Agility continues to work with these groups through the WEF to help enable change to fundamental ways in which consumer product and services groups conduct business in order to reduce environmental impact.

Thank you for joining us on our journey.

Agility
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