# Building the Future

Agility Sustainability Report FY21



INVESTING IN INNOVATION



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# A message from our CEO

The sale of Agility's Global Integrated Logistics (GIL) business to DSV made 2021 a watershed year for the company. GIL was our largest business by revenue, geographic footprint and number of employees, and the sale changed our business structure and model.

We're proud of what we accomplished with GIL. We built it into a global logistics company through acquisitions and organic growth, and an industry champion on environment, fair labor, and community investment. GIL employees worked tirelessly to keep cargo moving through the darkest, most uncertain days of the COVID-19 pandemic and ensuing supply chain turmoil. Dedicated GIL life sciences experts performed heroically to get urgently needed medical equipment, PPE, testing kits, therapeutics and vaccines to where they were needed around the world. In the midst of it all, GIL was again awarded an Ecovadis Silver rating, placing it in the top 11% of the industry for sustainability performance.

The sale of GIL made Agility one of DSV's largest investors. We feel confident that this legacy of sustainability stewardship is in good hands with DSV, which is itself an Ecovadis Gold company.

Today, Agility is evolving and so is our sustainability strategy. We are a multi-business operator and longterm investor. As of end of 2021, 44% of our assets are in businesses we own and operate, and 56% are comprised of minority investments in established businesses and technology ventures.

As a result, from a sustainability perspective, we are looking at 2021, 2022 and 2023 as transition years as we reset and build a strong new foundation in our owned businesses, while sharpening our approach to ESG where we choose to invest.

What does not change is the commitment we make to our people, our communities and our planet. Sustainability has been a core part of our culture, strategy and vision for the past 15 years.

We continue to invest in Agility communities around the world. In Ghana, for instance, we fund job and skills training academies. Elsewhere, we are refurbishing and building schools or providing online education for students who could not attend school because of the pandemic. In 2021, we supported programs that provided schooling or training to more than 500,000 young people. At the same time, we remained committed to our long-term partnership with the UNHCR and contributed to initiatives that it undertook to help more than 4,000 refugees from Syria, Myanmar and South Sudan.

On the environmental front, this report outlines steps we've taken to reduce our impact and join forces with customers, industry counterparts, and governments to combat climate change. One that deserves to be singled out is our founding membership in the First Movers Coalition, a group of global companies that pledge to develop, commercialize and scale the technologies needed to slow and halt the catastrophic effects of CO<sub>2</sub> emissions.

We are committed to fair labor and human rights, health and safety, and an inclusive workforce. We are working on rolling out our fair labor standards across all businesses, training our employees on fair labor, and auditing our largest emerging markets operations by 2025. We're also working to expand the percentage of our workforce covered by ISO health and safety management systems and certifications.

When it comes to equity for women, we have expanded our advocacy and engagement by signing up to the United Nations Women's Empowerment Principles. Although we are still in the early days of our journey, we have begun to integrate gender into Agility's management reporting and people processes.

As an investor, Agility has provided \$139 million of capital over the last several years to companies with business models designed to deliver environmental, social and governance benefits. Our ventures arm has invested in technology companies that are decarbonizing transportation, cutting emissions with innovations that radically increase cargo and transportation efficiency, and driving more inclusive mobility systems.

Like many other companies, we believe in the need to conduct business in ways that serve the needs of an array of stakeholders. That's why, in 2021, we signed onto the World Economic Forum's Stakeholder Capitalism Principles. The aim is to sharpen the metrics we use to assess the long-term value that we create

for customers, suppliers, employees and communities, in addition to shareholders.

We are committed to building a future where global supply chains are smarter, greener, fairer, and more resilient.



Tarek Abdulaziz Sultan Al-Essa Vice Chairman and CEO

Extended

In this transition year

for Agility, our commitment

to people and planet

remains as strong

as ever

Our people

# Agility in 2021

#### A year of change for Agility

This 2021 Sustainability Report describes Agility's approach to key sustainability issues and shares our performance against these for financial year 1 January 2021 - 31 December 2021.

2021 was a year of significant organizational change for Agility. We sold our core commercial logistics business, Global Integrated Logistics (GIL), to logistics and transport company DSV in an all-shares transaction. Agility took an 8% stake in DSV, becoming the second largest shareholder in the world's third largest freight forwarding company.

The transaction changed the structure of our company and requires us to refocus our sustainability efforts. Our commitment to people and planet remains as strong as ever, and this report represents a period of transition as we reset the baseline for our continuing operations. Our company will continue to evolve, and we will update our data, targets and reporting focus to reflect this in the coming years.

fair labor assessments into **Agility subsidiary** businesses  $\forall =$ 

of our operations are ISO 14001 certified

Signed Women's **Empowerment Principles** 

Founder member of the First Movers Coalition, working to decarbonise heavy industry

Over the last six years,

## \$139 million

invested in companies with an environmental, social or governance focus



**Improved** emissions data collection systems across **Agility subsidiary** businesses

of new hires are female

4,200

refugees supported 568,000

young people's education supported

Reached the majority of our publicly reported fair labor goals for GIL at the point of sale, including

of emerging market operations audited for fair labor.



#### **About Agility**

Agility is a global leader in supply chain services, infrastructure and innovation, and a pioneer in emerging markets. Publicly listed on the Kuwait stock exchange and the Dubai Financial Market, the company had a market capitalization of around \$7 billion at the end of 2021.

#### Inclusion in global indices

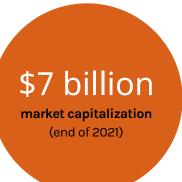
In recognition of its liquid stock (enabling efficient, lower risk transactions) and strong ESG performance, Agility is included in several global indices. This includes the FTSE4Good Index Series — a global index spanning 20 emerging markets that recognizes companies for above-average ESG performance in their sector.







S&P Dow Jones Indices





15,000+ employees

\$8 billion shareholder value created between 2011-2021

#### **Business structure following the sale of GIL**

Agility is transitioning into a new kind of company as both a multi-business operator and an investor. Following the sale of GIL, our holdings can be divided into two segments: controlled businesses and investments.



#### **Controlled businesses**

We continue to own and operate the businesses that have historically generated 80% of company profits. These businesses are "controlled" by Agility and span a range of sectors and geographies. These include: the market-leader in logistics parks and light-industrial infrastructure in the Middle East and Africa, one of the world's fastestgrowing aviation services companies, a liquid fuel logistics business, and a commercial real estate business. Other Agility Group companies offer customs digitization, remote infrastructure services, digital logistics and ecommerce enablement, waste management, and more.

\$1.6 billion

2021 gross revenue from controlled businesses

#### **Investments**

Agility holds minority stakes in businesses through our investments in both established sectors and new ventures. The collective value of these "non-controlled" investments represents 56% of the company's assets, as of end of 2021. Agility's stake in DSV represents the largest of these investments. Agility is also an active Ventures investor, investing in technology companies that are powering transformation of the supply chain and beyond.

\$5.6 billion

Total value of investments at end of 2021

#### **Agility's largest controlled businesses**

Of our controlled businesses, the five most financially material are Agility Logistics Parks (ALP), Global Clearinghouse Systems (GCS), National Aviation Services (NAS), Tristar, and UPAC.



#### Industrial real estate

- Development and management of industrial parks, warehousing facilities and related infrastructure
- Focus on GCC (Gulf Cooperation Council) region and Africa
- Owns 12 million m<sup>2</sup> of land across 9 countries in the Middle East, Africa and Asia





#### **Aviation services**

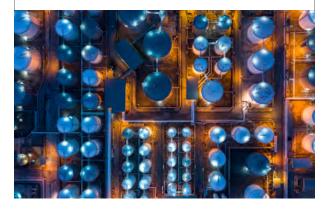
- Ground handling services, passenger and cargo management, lounge management, meet and assist services, airport technologies and aviation training
- Handles more than 85,000 flights, 13 million passengers and 370,000 tons of cargo annually in different locations in the Middle East, Africa and Asia





#### **Supply chain solutions**

- Fuel and petrochemicals logistics, including transportation and turnkey fuel supply solutions
- Operates in 21 countries with 35 owned vessels, more than 2,000 road tankers and 700 million liters of tank farms
- Services the oil and gas, chemicals and aviation industries, governments and international organizations





#### **Supply chain solutions**

- Customs operations and management through a 25-year contract with the State of Kuwait
- Services include customs digitization, port management and automation, border development and construction
- Handles more than 1 million trucks and containers per year, with over 350 million tons of goods





#### **Commercial real estate**

- Real estate development and facility management
- Manages more than 10,000 m<sup>2</sup> of commercial space, including the Kuwait International Airport mall
- Developing the Reem Mall in Abu Dhabi, a \$1.2 billion "smart" mega-mall





#### Other controlled businesses



 Remote infrastructure support, camp construction, catering, facilities management and more



 Logistics and project management for governments and international organizations



 Waste management and recycling



Customs digitization



• Digital logistics platform: freight forwarding, ecommerce logistics, last-mile delivery



















Our investment approach centers on established companies and venture startups in high growth sectors. We partner with businesses with robust corporate governance, strong management teams, and clear alignment with our vision and values.

#### Strategic investments

Some of our largest strategic investments have a strong sustainability focus:

- **DSV.** We are now the second largest investor in DSV, as a result of the sale of GIL. DSV is an EcoVadis Gold company. Read more about DSV's sustainability approach and progress.
- **Reem Mall.** This \$1.2 billion UPAC project is aligned with the Equator Principles and has achieved an Estidama 2 Pearl Rating (a UAE environmental standard). Read more in UPAC's UN Global Compact progress report.



\$139 million invested in companies with an ESG focus over the last six years

#### **Tech ventures**

ESG has long been a core pillar of our investment approach for technology ventures. Over the last six years, Agility has invested \$139 million in companies with an environmental, social or governance focus.

- **Green innovation.** Several of our tech venture investments have decarbonization of infrastructure and transportation systems at their core. By contributing to the financing and scaling of these innovations, we can help to shift our sector into a more sustainable future.
- Inclusive, efficient transport and **logistics.** Many of the markets we operate or invest in face economic and social challenges with their current transport and logistics infrastructure. We invest in start-ups that increase efficiency and connectivity of these networks, often with added benefits to inclusivity.

#### Sustainable trucking

• Volta, Sweden (new for 2021). Supplies electric trucks designed for urban logistics operators, combining modern technology, zero emissions, unique safety features and attractive economics.

Our people

• **Hyliion**, **USA**. Produces electrified powertrain systems for large commercial trucks — augmenting or replacing traditional diesel-powered or natural gas-fueled powertrains. This improves vehicle performance, lowers cost of ownership, and provides a clean alternative for the global trucking industry.

#### Digital freight platforms to drive efficiency and support SMEs

- Frete.com, Brazil. Brazil's largest freight marketplace, using technology to create a more efficient cargo transport market by connecting shippers, transportation providers and truckers. Its geo-localization platform is used by transportation providers and truck drivers to make trucking capacity available to shippers that need it.
- **Eunimart, India.** Cross-border e-commerce platform that enables sellers to do business through online marketplaces, manage inventory and orders, and handle logistics. Eunimart's AI-powered tools help small and medium-sized sellers with automatic cataloguing, product pricing, image and content optimization, portfolio optimization, sales forecasts and competitive business intelligence.
- Expand Cart, Egypt. E-commerce software-as-aservice business that enables retailers to integrate storage, shipping, fulfillment, order delivery and payment into their online store for increased efficiency and lower environmental impact. Expand Cart focuses on supporting SMEs, and one-third of its customer base consists of female-led businesses.

#### **Green innovation**

# **Tech** investments with ESG at

#### Inclusive, efficient transport and logistics

their core

#### • Swvl, UAE. Dubai-based provider of mass transit and shared-mobility solutions in the Middle East, Africa and South Asia. Swyl technology makes transportation in emerging markets countries more affordable and convenient, reducing carbon emissions

Affordable and inclusive

mass transport





#### Renewable energy for industrial decarbonization

• TVP Solar, Switzerland. Producer of high-vacuum flat solar panels for industrial-scale application, offering the world's best performing and cheapest thermal energy.



Our people

#### Supporting global trade

Our businesses leverage their size and expertise to support the development of sustainable trade and infrastructure in emerging markets. This involves working with larger customers to develop resilient, efficient supply chains, as well as supporting small and medium enterprises (SMEs) to access knowledge and world-class supply chain services.

In 2021, our businesses continued partnering with customers in emerging markets to develop sustainable, efficient supply chain infrastructure and catalyze trade.

SMFS account for 90% of businesses worldwide and up to 40% of GDP in emerging economies

> **Enabling "smart" retail in the GCC:** The Reem Mall in Abu Dhabi will feature the region's first fully integrated omni-channel retail ecosystem with fully enabled digital, e-commerce and logistics capabilities.



Warehousing in Africa: Our logistics parks business continued to build Grade A warehousing facilities in Africa, contributing to a growing network of high-quality, secure and reliable infrastructure. This investment is part of a longerterm plan to enable the sustainable growth of interregional trade across the continent and beyond.



Safe travel solutions powered by **technology:** Our aviation services company, NAS, deployed several solutions to facilitate a safe return to cross-border travel. These included a web application to ease the travel documentation process and a partnership with Abbott to offer rapid COVID-19 testing solutions at major airports and trans-border lounges. NAS also became the first ground handling agent in the world to integrate the International Air Transport Association (IATA) Travel Pass, a mobile app that helps passengers easily and securely manage their travel in line with any government requirements for COVID-19 testing or vaccine information.



**Customs digitization:** Our customs business, GCS, continues its work with the Kuwait customs authority to create a fully digitized customs process, improving efficiency, consistency and security. This holistic solution is designed to facilitate regional transfer of goods, supporting economic growth by enabling seamless trade. In addition, the GCS Customs Training Authority offers a world-class curriculum supporting key skills for customs workers. To date, almost 15,000 customs officers have completed 1,620 courses.



#### Supporting small businesses

Small businesses can face practical and financial challenges to engaging in global trade, limiting opportunities to access new markets and improve economic resilience. This has been exacerbated by the ongoing supply chain disruptions caused by the COVID-19 pandemic.

Our digital logistics platform, Shipa, helps to address these challenges by providing small businesses with a logistics backbone — covering ecommerce logistics, last mile delivery, and global freight forwarding and cargo visibility.

Agility Logistics Parks Africa requires just 90 days of advance rent from tenants, compared to the common local market requirement for 12-24 months. This enables smaller businesses to retain cash flow and reduce cost of capital.





# Our sustainability strategy and material issues

#### Sustainability strategy

#### 2021 and 2022: transition years

Agility is evolving and so is our sustainability strategy. Historically, we focused our sustainability efforts on Global Integrated Logistics (GIL), due to its significance to us in terms of headcount, size of operations, and revenue. Following the sale of GIL, we are refocusing our efforts to continue our strong sustainability focus through our controlled businesses and to sharpen our integrated ESG investment approach. 2021 and 2022 should therefore be understood as transition years for Agility, as we adapt our sustainability program to reflect our changing operating model.



# Global Integrated Logistics (GIL): ensuring a sustainable transition

In 2021, GIL continued to support its customers to manage global supply chain disruption caused by the COVID-19 pandemic, including in vaccine distribution. In addition, GIL:

- Continued to invest in communities in need around the world and supported Agility's humanitarian partners.
- Made further strides in delivering the Agility fair labor program, with 92% of emerging market operations having completed an external fair labor audit.

With the sale of GIL to DSV in the third quarter of 2021, our focus turned to ensuring a seamless transition of the business and its sustainability approach. Agility worked closely with DSV to transfer knowledge about our humanitarian logistics program and local community investments in acquired businesses, share our industry-leading human rights and fair labor approach, and ensure continuity in environmental reporting.

In this year's report, we share a limited amount of information on GIL's performance over the first three quarters of 2021 in a separate chapter — see page 24.

#### Redefining our strategy

Following the sale of GIL, we are refocusing our business and sustainability strategies around:

# Creating a strong sustainability foundation in our controlled businesses

We are using our leadership experience from GIL to strengthen our sustainability approach across our controlled businesses. In 2021, each of our material businesses nominated a sustainability leader and defined their priority issues. These leaders sit on the Agility Sustainability Council, which helps us manage sustainability across a larger number of organizations operating in different industries.

# Sharpening our integrated ESG investment approach

For several years, Agility has been increasing investment activities, including in technology companies with an ESG focus. We will work to formalize this emphasis on sustainability throughout 2022 and beyond, by fully integrating ESG into our investment philosophy. This is particularly important given Agility's commitment as a founding member of the First Movers Coalition, which was launched by the World Economic Forum to scale procurement and development of net-zero technology.

#### Reassessing materiality, baselines and goals

For 2021 and 2022, our priority is improving data collection and reporting systems to establish a new baseline for our continuing operations, as well as revising our materiality strategy and goals in line with our evolving business.

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Quadrant 3:

**Engage with** 

stakeholders

and actively

monitor how

these evolve.

sustainability

programme whenever

Quadrant 4:

these issues

evolve.

**Monitor** how

possible.

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#### **Material issues**

We have made a high-level reassessment of our material sustainability issues for this report and will complete a more thorough materiality assessment in 2022. Our interim assessment was based on discussions with senior stakeholders at Agility Group and at business unit level, including the Agility senior executive management team and management board. As a result of this initial work, we have changed some of our Sustainable Development Goal alignments (see page 26) and expect a more extensive revision in our 2022 report pending our more detailed materiality assessment.

#### **Partnerships**

Environmental, economic and humanitarian partnerships and multi-stakeholder engagement remain central to our sustainability strategy. Working with others enables us to learn and share our own experience, amplify our impact, and collaborate on solutions to complex global challenges.

We are members of industry associations including the World Economic Forum's First Movers Coalition for climate action and the World Economic Forum Road Freight Zero workstream. Our global community partnerships include the UN Global Logistics Cluster, Logistics Emergency Teams, and the UN High Commission for Refugees (UNHCR).

#### **External commitments**

Our current external commitments include: UN Global Compact, Women's Empowerment Principles (new in 2021), World Economic Forum's Stakeholder Capitalism Principles (new in 2021), World Economic Forum's Partnering Against Corruption Initiative (PACI) Principles and World Economic Forum's First Movers Coalition.

#### **Agility Materiality Matrix**

Sustainability issues that are most important to Agility

Environment

(5 issues)

Social

(7 issues)



Quadrant 1:

manage these

with goals and

Quadrant 2:

**Integrated** 

into business

strategy and core values.

Economic

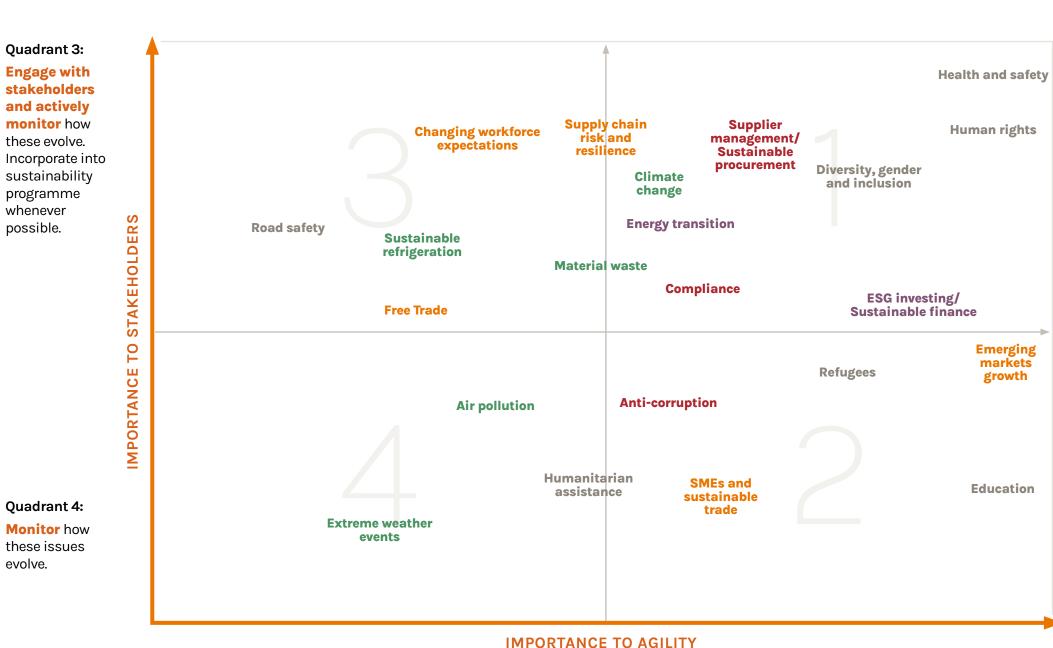
(5 issues)

Governance

(3 issues)

Actively

targets



Technology

(2 issues)

# Our environment

#### Our approach

Agility is committed to reducing the carbon footprint of our own operations and working with partners across our value chain to reduce our collective impact on climate change. Our approach to environmental action depends on our level of operational control:

• Controlled businesses. Our controlled businesses are focusing on improving their environmental performance. Most are still in early phases of their journey, largely concentrating on improving data collection and reporting systems.

• Investments. Our investment approach includes partnering with innovative green-tech companies to drive shareholder value and catalyze transformation towards lower impact and increased efficiency across our sector read more on page 7.

#### GIL environmental performance at the point of sale

Historically, Global Integrated Logistics (GIL) was our most significant source of environmental impact and was therefore our focus for measuring, reporting and

improving performance in the areas of emissions, water and waste. For 2021, we estimate GIL's carbon footprint while under our control as being around 75% of its 2020 footprint: 211,534 metrics tons CO<sub>2</sub> scope 1 & 2, 35,068 metrics tons CO<sub>2</sub> scope 3, and 5,411,643 metrics tons CO2 of outsourced emissions. This reflects the fact that Agility sold the GIL business in the third quarter of 2021. This calculation is approximate, since GIL was unable to report as comprehensively as for 2020 due to changes in business ownership and system transition.

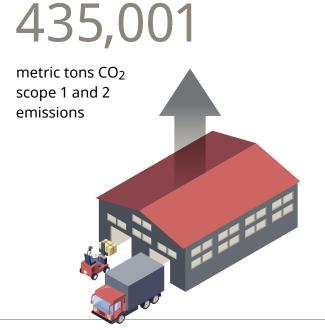
Read more about GIL's environmental performance at the time of sale on page 24. We share data and progress for our current business below.

#### Re-scoping our environmental strategy

Following the sale of GIL, we are reassessing and updating our approach to environmental management. Alongside reviewing our material issues and strengthening our reporting systems, we are revising our emissions reduction goal to reflect our evolving business model. We will share and report against our new goals from next year.

Our environmental impact

2021



**Improved emissions** data collection systems

across Agility subsidiary businesses



sheets of waste paper averted

%

of our operations are ISO 14001certified



Our communities

#### Agility's carbon footprint without GIL

Agility's carbon footprint baseline has changed significantly following the sale of GIL. GIL had high scope 2 (electricity) emissions due to its global footprint, and significant scope 3 emissions from outsourced services to airlines and ocean carriers — GIL's 5.4 million metric tons of scope 3 emissions accounted for 97% of all Agility's reported 2020 emissions.

Today, Agility's scope 1 emissions are significantly higher due to the inclusion of Tristar's operational emissions footprint, which includes a large fleet of fuel transport vessels and trucks under Tristar's direct operational control. Scope 2 emissions are lower as Agility's direct operational footprint is now smaller. We do not yet have reporting systems in place for Scope 3 emissions, but we anticipate these will be significantly lower than in previous years, since we no longer operate a global freight forwarding business.

#### Scope 1 emissions

Agility's reported 2021 scope 1 emissions post-sale of GIL are around five times that of historical GIL scope 1 reported emissions, largely due to the inclusion of Agility businesses that were not previously reporting, and which control significant energy consuming operational assets.

#### Scope 2 emissions

Agility's reported 2021 scope 2 emissions post-sale of GIL are significantly lower than before, due to the reduction of warehouse operations in the Middle East and a decrease in overall global office and logistics operations footprint. We estimate 2021 Scope 2 emissions without GIL are around one third that of historical GIL reported scope 2 emissions.

#### **Overall emissions**

Here we share an overview of our in-scope companies' 2021 CO<sub>2</sub> emissions.

In 2021, Tristar reported a 7% reduction in overall emissions compared to 2020. In future years, we will report year-on-year progress for other Agility businesses.

Read more about our environmental data calculations on page 26.



14,122 1,792



3,130 50



39 293



124 204





237

2021 CO<sub>2</sub> emissions across our business

(metric tons CO<sub>2</sub>)

Scope 1 emissions Scope 2 emissions



412,295 2.394



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#### Comparative CO<sub>2</sub> emissions and intensity

Overall, Agility's reported Scope 1 and 2 emissions went up by almost 50% in 2021 due to the inclusion of Agility companies with significant quantities of controlled operational assets reporting for the first time.

#### GIL pre-sale scope 1 & 2 emissions in 2021

(Based on 75% of historic 2020 data)

61,794

Scope 1

Scope 2 Emissions intensity

## Agility non-GIL scope 1 & 2 emissions in 2021

(Based on 2021 data, representing 78% of operations by headcount)

429,722

**5,279** 

0.8

Scope 1

Scope 2 Emissions intensity

Scope 1 (Fuel)
MT CO2e thousands

**Scope 2** (Electricity) MT CO2e thousands

Emissions intensity (Scope 1 & 2 emissions/ revenue (KWD))

# Renewable energy and low emissions technology

Agility's owned companies primarily operate in emerging markets across the Middle East, Africa and Asia. Renewable energy technologies and electric and alternative fuel vehicles are not always available or commercially feasible in these markets. Across our portfolio, however, we are increasing our focus on sourcing renewable energy and zero emission technologies. See page 14 for some highlights from across our businesses.

#### A note on Tristar, our most energyintensive business

Tristar operates in a unique context. Most of its operations are located in emerging and pioneer markets. The use of battery electric, hydrogen and other alternative fuels is not possible in most of these markets, where there are also substantial local

pressures to increase the pace of social and economic development using current and prior generational energy sources. For stakeholders in Tristar's markets, the "right to development" is an important issue that must be taken into consideration.

Tristar takes active steps to reduce its scope 1 operational emissions by adopting alternative energy sources and investing in carbon offset projects, including wind and hydro-electric energy installations. Tristar is also investing in vessels that exceed current environmental impact requirements in vessel design, construction and operations — see page 14.

The Tristar team has a mature environmental management program that focuses on reducing environmental impacts through process and procurement. This includes — where possible — obtaining ISO and LEED certifications, implementing programs to reduce, reuse, and recycle, and procuring lower-impact technology for operations.

#### **Environmental management and ISO 14001**

Many Agility businesses use environmental management systems to ensure a consistent approach to monitoring and reducing our impacts and operating within all relevant legal requirements.

Approximately 61% of our operations are ISO 14001 certified. Obtaining and managing ISO and other similar certifications are important, because they

help us to focus on managing behaviors related to consumption reduction and materials re-use. This is our most powerful lever for change, given our geographic coverage and the nature of our businesses.

Certification is also important to raise awareness and create change, and to standardize good environmental performance no matter where our companies operate.

#### Coverage of ISO certified environmental management systems across our businesses

Business unit	Tristar	UPAC	Metal Recycling Company	GCC Services	Agility Logistics Parks	NAS
% of business unit headcount covered	100%	100%	100%	90%	79%	57%

#### Notes on data scope for 2021

Robust data collection and management are essential to the accuracy and transparency of our energy, emissions and wider resource consumption reporting. Our 2021 fuel, electricity and water consumption data cover approximately 78% of our controlled operations and we will be working to increase that percentage to more than 90% by the end of 2023. Read more on page 26.



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Agility in 2021

Our people

## Environmental highlights from across our business

#### **Agility Logistics Parks**

Agility Logistics Parks is the largest private owner and developer of warehousing and light-industrial parks in the Middle East and Africa.

- In 2021, Agility started working on an <u>EDGE Buildings</u> certification project in Saudi Arabia, as a proof of concept for integrating certification for all new warehouse construction projects in the Middle East and Africa. EDGE facilitates the integration of costeffective energy and water saving measures into buildings from the design stage.
- With construction starting in 2022, the new Kuwait S2 logistics city project includes more than 1 million m² of logistics park real estate. The development's planned district cooling system, Kuwait's first, will reduce electricity consumption from air-conditioning by more than 60%, and use ammonia instead of CFCs for refrigeration. Five percent of all electricity supply will be solar, and treated wastewater will fulfil 60% of water needs, largely for irrigation.
- Standard warehouse design and construction plans include sustainability features.
- ALP has pursued renewable energy in some markets. ALP's India Nagpur warehouse has more than 2,500 m<sup>2</sup> of solar panel installations and has reduced electricity consumption by more than 50%. ALP India is installing solar in warehouses in additional cities in India in 2022.
- ALP is working to improve real-time environmental data collection, in markets such as Kuwait, where smart metering is available.

#### **Global Clearinghouse Systems (GCS)**

GCS's customs and ports digitization services increase efficiency and reduce paper-based processing, averting 19 million sheets of paper per year — equivalent to more than 2,280 trees. As a participant in the Kuwait Government's energy saving strategy, GCS has also replaced conventional lighting with LED, updated air conditioning to more efficient units, switched water supply from tankers to mains network (avoiding 84 metric tons of CO<sub>2</sub> in the past five years) and switched electricity for vehicle inspections from diesel generators to mains supplied electricity.

#### **Metal Recycling Company (MRC)**

MRC has the circular economy and CO<sub>2</sub> emissions reduction at its heart, offering sustainable waste management and recycling for businesses in Kuwait — including scrap metal processing, plastics recycling, compounding and conversions, safe medical waste disposal and other related services. MRC also creates value-added products, including plastic pellets sold to manufacturers and mill-ready shredded metals. MRC is currently not operating its metal and plastics recycling business because the company is in the process of relocating. In a typical year, MRC:

- Recycles more than 60,000 tons of metal.
   The steel sector is energy- and emissions-intensive. The recycling process can reduce emissions by 0.35-1.5 metric tons CO<sub>2</sub> per ton of steel manufactured. MRC is therefore contributing to the avoidance of 20,000-90,000 tons of CO<sub>2</sub> emissions each year.
- Recycles 4,500 tons of plastics. This is the equivalent of around 2.5% of all plastic waste in Kuwait, which would otherwise be sent to landfill.



• Safely disposes of more than 7,000 tons of medical waste. Throughout the Covid-19 pandemic, MRC scaled its program to meet evolving needs in Kuwait, including safely disposing of all public sector medical waste throughout the country — around 20 tons per day. MRC uses technologically advanced equipment to process medical waste through incineration and safe disposal. All ash is disposed in a secure, hazardous waste landfill facility. MRC strictly monitors air quality from the medical waste incineration and all emissions are managed in accordance with Kuwait's rigorous EPA standards.

#### **National Aviation Services (NAS)**

Aviation service provider NAS introduced <u>fully</u> <u>electric</u> ground support equipment in Entebbe, Uganda and a 9,000 kWh/year solar installation in Nairobi, Kenya. NAS also provides detailed environmental monitoring reports on air quality and water quality to some of its government partners.

#### **Tristar**

Tristar offers end-to-end fuel logistics solutions and is working to reduce its own operational impact. Tristar has introduced six new vessels over the past three years with engines that reduce emissions and environmental impact. One of these vessels, the Tristar Solar Sharna, has achieved ECO class notation from Lloyds, recognising the vessel for going beyond statutory environmental requirements on aspects of ship design, construction and operation to manage and minimize operational waste and GHG emissions. In addition, Tristar Ruby (above) is a Liquified Natural Gas carrier (LNG/C), which is also powered by LNG fuel. The vessel uses the vapourised LNG or "boil off" from its cargo to help fuel the ship, significantly reducing emissions and improving efficiency.

Other 2021 highlights include:

- Carbon offsets and wind/hydroelectric installations in India.
- Solar installation and rooftop garden at the Tristar Dubai HQ (below).



## United Projects for Aviation Services Company (UPAC)

UPAC's \$1.2 billion Reem Mall project is aligned with the Equator Principles and has achieved an Estidama 2 Pearl Rating (a UAE environmental standard) thanks to its strong sustainability credentials — including highly insulating and high-performance materials, air conditioning and lighting systems. Read more in UPAC's UN Global Compact progress report.

#### **Group HQ**

Agility's Group <u>Corporate HQ</u> building in Kuwait is fully cooled by solar thermal energy and has achieved LEED Silver certification.

# Our people

#### A changing workforce

People are the heart of our business. We are committed to respecting and protecting the human rights of those involved in our business, promoting diversity, equity and inclusion, and supporting fair labor practices across our value chain.

The sale of our Global Integrated Logistics (GIL) business has had a significant effect on the composition of Agility's overall workforce:



Our total number of employees dropped by nearly half; today we have 15,000+ employees.



Our geographic concentration in the Middle East and Africa intensified; today 60% of our people are based in the Middle East and 35% in Africa, with the remaining 5% split across Asia, Europe and the Americas.



The sectors in which we operate are primarily industrial, with more than 90% of our workforce working in operations in some capacity.



These changes have also contributed to a reduction in the proportion of female employees in our workforce, from 21% last year to 15% in 2021.

Currently, four of our businesses account for 88% of our remaining headcount. These are: NAS, GCC Services, Tristar, and GCS. Further changes may be expected in 2022 as a result of the potential acquisition of Menzies Aviation. As per our early 2022 announcement, the Menzies' acquisition is subject to various regulatory approvals and other conditions to closing. However, should the deal close, it will create material changes to our workforce composition, including total workforce size and geographic footprint.

Throughout these changes, our people priorities remain constant: we focus on fair labor, gender diversity and inclusion, and health and safety across all our businesses.

Our workforce

15,650

employees across the Agility Group



24%

female new hires

female top management



Signed

Women's **Empowerment Principles** 

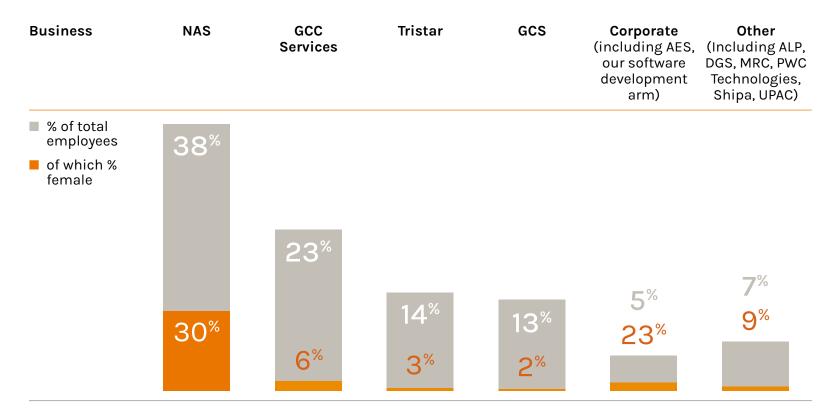
Extended

fair labour program, trainings and assessments

across Agility subsidiary businesses



#### **Employees by business (%)**



# Americas 0.3% 38% O.5% 36% | Widdle East 60% 6% | | Soft total employees of which % female | | Asia Pacific 4% 21% | | Asia Pacific 4% 21% | | Africa 35% 31% | | Africa 35% 31% | | Africa 35% 31% | | Asia Pacific 4% 21% | | Asia Pacific 4% 21%

#### Diversity, gender and inclusion

As a leader in emerging markets, with more than 95% of our people located in the Middle East and Africa, inclusion and diversity are key focus areas across our businesses. The diversity of our workforce is also one of our biggest assets. An inclusive workforce ensures our teams represent the communities in which we operate, as well as bringing valuable diversity of thought, experience and innovation into business decisions.

We take pride in Agility operations looking and feeling local, driven by an equitable approach to employee recruitment and development. Our companies have historically focused on:

- **Developing local talent**, including through education and on-the-job training programs.
- Promoting a culture of gender inclusiveness and working to increase female representation across the business. We are in the early stages of this journey and know it will take time to build equity and inclusivity across the range of contexts within which our businesses operate.





#### **Women's Empowerment Principles**

Establish high-level corporate leadership for gender equality

Treat all women and men fairly at work – respect and support human rights and nondiscrimination

Ensure the health, safety and well-being of all women and men workers

Promote education, training and professional development for women

Implement enterprise development, supply chain and marketing practices that empower women

Promote equality through community initiatives and advocacy

Measure and publicly report on progress to achieve gender equality

This year, we signed up to the <u>UN Women's</u> Empowerment Principles

We have identified four priority action areas for the coming years:

# Priority action area Improve data collection

on issues such as diversity, pay equality, development opportunities, career advancement, and availability of family friendly policies.

#### Progress in 2021

We started working on more integrated reporting on people, gender, age and more by strengthening our human resources management system across all companies in our group. We have also built a dashboard with key metrics that we will be reporting internally and externally on a quarterly basis moving forward.

## Create policies



that require consideration of female candidates for every job opening and participation by female employees in the interviewing and hiring process. We have made it a requirement that at least one female candidate must be interviewed for any management position opening. Relevant female leaders participate in the interviewing and hiring process.

# Modify our leadership and development programs



to promote gender equality and advance overall diversity goals — with the aim to identify and nurture female talent across the company, encouraging female employees to develop and achieve their career aspirations.

In 2021, our female employees completed 4,494 hours of training — 12% of all training hours for the year. One example is our Finding Your Voice (FYV) program, which enables participants to speak and present effectively, build relationships, gain trust, and influence others. Other training courses in 2021 covered topics such as wellbeing, resilience and adaptation, and creative thinking.

## Build a gender action plan



balancing flexible application across our different businesses and geographies with a consistent approach to achieving our goals — including working with responsible, inclusive partners and subcontractors that share our values.

We signed the Women's Empowerment Principles (WEP) and began a gap assessment against them to identify areas for improvement. Our strategy for achieving the WEP ambitions includes strengthening data collection and analysis, improving recruitment processes, incorporating gender into leadership development, and creating a gender action plan that includes supplier management.

#### Also in 2021:

- 98% of women in our workforce who took parental leave returned to work and 85% of these were still with the company at the end of the year
- NAS <u>signed up</u> to the International Air Transportation Association 25by2025 gender diversity initiative and established a goal for 25% female managers by 2025, as well as annual progress reporting under the IATA program. Currently NAS management is 19% female.

#### Our current workforce gender balance

Our Chairperson of the Board of Directors is a woman, equating to women holding 14% of Agility Group Board of Director positions. This year, 15% of the total Agility (non-GIL) workforce and 24% of new hires were female. Female employees achieved 18% of all promotions and the turnover rate of female employees was 9% compared to 16% for male employees.

It is important to look at these figures in the geographic and sectoral context of our business. The majority of our workforce comprises operational roles in the industrial sector, including warehouse workers, baggage handlers and maintenance personnel. Many countries in the Middle East — where most of our employees are located — have explicit regulations forbidding women from working in hazardous roles and at night, making it legally impossible to employ women in certain types of jobs. There are also strong cultural constraints to some forms of industrial work in many of the markets where we operate.

This context is important for understanding some of the challenges and limitations we are looking to overcome, but it does not hamper our commitment to advancing gender progress in our industry, markets, and business.

#### % female employees by employee level



Top management



Upper management



Middle management



Our communities

#### **Human rights and fair labor**

Respect for human rights is central to the way our companies do business, and Agility has been working to set high standards for fair labor in emerging markets operations since 2007.

We embed respect for human rights across our companies through our Fair Labor Program, which includes a systematic approach to training, implementation tools, performance measurement and reporting — supported by our Global Human Rights Policy and Modern Slavery Statement. Through an iterative process of assessment, awareness raising and corrective action, we enable our people to think and act every day in ways that uphold their own and others' rights.

#### Our fair labor goals

At the point of its sale to DSV in August 2021, GIL had reached the majority of our publicly reported fair labor goals. We are now resetting the same targets across all remaining group businesses, with revised timelines — see table right.

#### **GIL** goal

	GIL progress at August 2021	Timeline for all remaining businesses
100% of our operations to have undertaken human rights risk assessments	100%	End 2022
100% of our employees and management to have undertaken human rights training	90%	End 2023
100% of our largest emerging market operations to undertake a fair labor audit	92%	End 2025

**Management training** based on real-world scenarios to embed a focus on human rights across the organization and ensure

accountability for actions.



Step

**Employee training** to help embed support for human rights into everyday actions and behaviors, and ensure employees know how to raise concerns.

Step

4



**Regular self-assessment** to enable our emerging market operations to understand how they are doing and identify areas for improvement — supported by a market-based risk assessment.

Step Our **Fair Labor** Program Three-year cycle

Step



**Audits** to provide an independent perspective on performance and progress, and ensure areas of non-compliance are addressed.



## promise

**Protection for complainants** 

No child labor

No forced labor

Fair work hours and wages

Freedom of association

No discrimination or harassment

Protection of health, safety and the environment

Community and stakeholder engagement

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Global Integrated Logistics sustainability summary

About this report

#### **Health and safety**

The wellbeing of our people is always a priority. We are using our strong track record with health and safety at GIL to build an integrated health and safety program with common global metrics across all our businesses in the coming three years.

We take a behavior-based approach to prevention, encouraging a health and safety culture focused on stopping accidents before they start. This is supported through ongoing risk assessments, continuous communications, and technology to aid monitoring and reporting.

In 2021, GIL maintained its excellent health and safety performance through to the third quarter with better than industry average performance — read more on page 24.

We are working to strengthen and optimize health and safety data systems and assess the health and safety landscape across our remaining controlled business units — many of which have demonstrated excellence in H&S performance, as well as good coverage of ISO or OHSAS certifications.



#### **Excellence in health and safety performance**

Our largest businesses all have a managed health and safety program, including hazard and risk identification and reporting, incident investigation and corrective actions management, protection for complainants, worker engagement and training, and delegated health and safety roles and responsibilities. For example:



Tristar employs a worldclass health, safety, environment and quality (HSEQ) management system that has received extensive external recognition, including winning the Royal Society for the Prevention of Accidents Global Gold Award 11 times.



GCC Services adheres to the highest standards of Health, Safety, Quality, Environment and Food Safety management systems, including OHSAS 18001/ISO 45001 and ISO 22000 certifications. GCC has won multiple health and safety awards — most recently a British Safety Council International Safety Award with distinction in 2022.



NAS has active and reactive hazard identification and risk management processes integrated throughout the organization supported by digital reporting systems and employee engagement.

#### Coverage of ISO certified health and safety management systems across our businesses

Currently, various Agility companies like NAS, GCC Services, Tristar, UPAC, MRC and ALP are ISO 45001/18001 certified. Together, ISO certified health and safety management systems cover 68% of Agility's overall total headcount.

Business unit	Tristar	UPAC	Metal Recycling Company (MRC)	Agility Logistics Parks	GCC Services	NAS
% of business unit headcount covered	100%	100%	100%	90%	79%	45%

Our communities

#### Living a culture of integrity

Ethical behavior and integrity are key to our business approach. Doing things the right way enables our companies to build strong, lasting relationships with their customers, communities, employees, suppliers and other stakeholders. We have zero tolerance for bribery and modern slavery, and we

are a member of the World Economic Forum's Partnership Against Corruption Initiative (PACI).

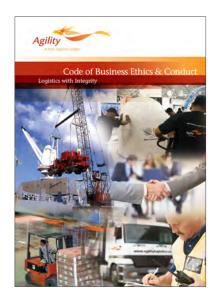
Our approach to living a culture of integrity across our businesses includes:





#### Commitments and standards

Our codes and policies clearly communicate our expectations of ethical behavior to our employees, suppliers and partners. These include our Code of Conduct, our Supplier Code of Conduct, and our Global Human Rights Policy and Modern Slavery Statement.





#### **Ethics training**

Our companies keep our people up to date with our expectations, policies and procedures through regular training. In 2021, more than 10,000 employees undertook ethics training — Including 9,097 GIL employees as of Q3 2021, and 1,117 non-GIL Agility Group employees as of November 2021. In 2022 and beyond, we will expand our ethics training across our businesses.

10,000+

**Employees undertook** ethics training in 2021



#### **Grievance reporting**

We encourage and expect employees to speak up about ethical concerns, supported by clear no retaliation guidelines and confidential grievance mechanisms. Employees can share concerns via our website or by calling a toll-free third party managed hotline, available in more than 100 countries — read more about our ethics and compliance approach, including grievance reporting.



Via Agility's website



By calling a toll-free hotline available in 100+ countires answered by a third-party

#### Learning and development

Many of our business units work in rapidly changing or challenging environments. Equipping our people with up-to-date skills and knowledge is essential to enabling them to do their jobs effectively. Prior to the GIL transaction we offered online training to all GIL employees with a catalog of more than 50,000 courses — including GIL-unique curricula as well as training in topics such as management, communication, HR, leadership, change, technology, certifications and others. Following the GIL transaction, we are developing our new online on-demand training courses that will be accessible to all Agility companies and employees. These will cover universal topics, such as fair labor, alongside business-specific content.

Our Agility Leadership & Management and Agility Way of Management programs provide personal and career development for our employees. The courses use team-based project work to enable change management and drive our strategic agenda. In 2021, 120 employees participated in these development programs, of whom 22% were female.

#### Supply chain

Following the sale of GIL, we are reviewing our approach to supply chain management and engagement across our remaining controlled businesses. This work is currently at an early stage. We are rolling out our Supplier Code of Conduct and Fair Labor Code of Conduct to all Group companies and will begin updating relevant language in new supplier contracts across our businesses in 2022.

In 2022 and 2023, each of our businesses will work to gain a more transparent picture of their supply chains, alongside working with suppliers to progress environmental and social performance. Human rights remain our priority, and we will work with labor providers to ensure they understand our fair labor and human rights requirements.

# Our communities

#### Our approach

Agility works to create a positive difference across the communities in which we operate, through our program of partnership and investment. To maximize social impact, we make investments based on four key principles:



**Focused.** We target our investments towards education and training, employment readiness and entrepreneurial skills development.



**Partnership based.** We work with registered charities to amplify our impact.



**Long-term.** We aim to create partnerships of three-years or more, designed for iterative impact.



**Local.** We focus on our key operational markets, where we can combine financial investment with the skills, expertise and volunteer times of our teams.

We prioritize projects that advance youth education, employment, entrepreneurship and technology, with a focus on supporting refugees and improving gender equality. We also continue to provide humanitarian partners with expertise and donated services during major natural disasters, and to support our employees to give their time and skills to causes close to their hearts.

#### Our community investment goals



Support the education of **5,000** young people per year



Support **5,000** refugees per year



Ensure at least **50%** of the people we support are women or girls

Our people impact

2021



568,000

young people's education supported



4,200

refugees supported



49%

supported are women or girls



41+

projects in 33 countries

Our impact over time 2014-2021

650,000 young people's education

supported

1 million+
people reached
overall

1,021 projects in 76 countries

Our people

## 2021 partnerships in action

In 2021, Agility invested in 41+ community partnerships in 33 countries reaching more than 566,000 people. Since 2014, Agility has completed 1,021 projects in 76 countries reaching more than 1 million people. We are committed to supporting men and women equally through the initiatives we fund.

Youth employment is a significant development challenge in emerging markets such as the Middle East. We support education and skills development, as well as providing on-the-job training programs to build the skills of young people and prepare them for the future of work. This year we continued to give students access to digital learning in the context of the Covid-19 pandemic.

In addition, we continued long running partnerships with organizations such as the United Nations High Commissioner for Refugees (UNHCR), supporting refugees to access shelter and essential facilities.

Read more about our community investment projects.



#### Supporting financial literacy and entrepreneurship globally

• Beneficiaries: 560,000

• % female: 50% (estimated)

We funded the development and translation of Aflatoun International's AflaYouth financial literacy and entrepreneurship curriculum into Arabic, French, Russian and Spanish. AflaYouth will be accessible through Aflatoun's network of more than 50 NGOs in 30 countries in the Middle East, North and West Africa, Central and South America and East Europe. Students aged 16-24 can access online and in-person training, support, mentoring and learning to aid their transition into the formal labor market or help them launch an entrepreneurial career. With Agility's support, Aflatoun International is also developing a teachers' training manual to support educators around the world to deliver the curriculum.



Read more.

#### **Facilitating online learning** in Bangladesh

Beneficiaries: 458 • % female: 50%

In our fifth year of partnership, we supported the Gulshan Literacy Project in Bangladesh to give students access to digital learning in the context of the Covid-19 pandemic. We provided funding for internet connections, laptops and photocopiers, and to support teacher training on administering online education programs. Over the life of this partnership we have supported more than 2,300 children with improved access to education (left).



Read more.



#### **Enabling women to develop coding** skills in Ghana

• Beneficiaries: 175 • % female: 62%

Read more.

Since 2018, we have supported a community training program at the Agility Logistics Park in Tema, Ghana, partnering with Oiada International to offer technical and vocational training to local students. This year, we also supported Soronko, a local NGO, to join the program. This new partnership has so far enabled 110 women to learn coding, computer skills and soft skills to support their employability and encourage entrepreneurship. To date, nearly 700 students have completed courses as part of the Agility program (above).

#### Preparing for the world of work in Kuwait

• Beneficiaries: 32 • % female: 50%

Each year, Agility supports INJAZ, an NGO based in Kuwait that helps young people develop the skills required to start their own businesses and work in the private sector. Since the start of the partnership in 2007, Agility volunteers have mentored nearly 1,500 students from Kuwait high schools and universities. We have supported INJAZ in entrepreneurial training and skills development that have reached more than 100,000 young people to date.



Read more.

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#### **Mentoring students to meet** community challenges in Kuwait

Beneficiaries: 47 • % female: 50%

For more than ten years, Agility has supported LOYAC, a Kuwait-based youth development NGO. Since the beginning of the partnership, Agility employees have mentored more than 350 students through the LOYAC KON Entrepreneurship program in collaboration with Babson College, Boston, USA. Participants are mentored to help them develop ideas for responsible business solutions to pressing challenges, before eventually presenting their plans to a jury panel for feedback. Since the start of the partnership, we have supported LOYAC in entrepreneurial and professional skills development and community service reaching more than 100,000 young people and beneficiaries around the world.



Read more.



#### Supporting skills development in Côte d'Ivoire

Beneficiaries: 190 • % female: 60%

In 2021, we launched an entrepreneurial and life skills training program in Côte D'Ivoire,

in partnership with International Rescue Committee (IRC). In this two-year partnership at the Agility Logistics Park in Abidjan, we are providing funding, classroom space, computers and internet access that are being used to teach young people basic technology and soft skills. The content includes financial management, entrepreneurship, gender equality awareness, and business plan development support. At the end of the program, students will have access to financial resources to start a business or will receive help finding jobs. The program also offers a vocational training track, focusing on agriculture or information and communications technology (left).



Read more.

#### **Supporting girls' education** in Sudan

• Beneficiaries: 1.000 • % female: 90%

As part of GCC's commitment to gender equality and to commemorate International Women's Day, in 2021 GCC completed the refurbishment of Um Ayman Elementary School for Girls in El Fasher, Sudan. This is GCC's 4th school renovation in the Darfur region. 750 girls attend this school, and the project is expected to positively impact students' education for more than five years. The project also brought income to local contractors, enabling them to better support their families.

#### **Supporting education in India**

• Beneficiaries: 582 % female: 50%

Agility supports two schools in Kuknoor and Velpur villages in India. Following refurbishment support and equipment donation in Kuknoor, we continue to support teacher and staff salaries at



both schools. Since the beginning of the partnership, school enrollment in Kuknoor increased from 186 to 328 students, and overall the program has supported 2,338 students (above).



Read more.

#### **Providing essential support to** refugees in Malaysia and Jordan

• Beneficiaries: 4,200 • % female: 50%

The United Nations High Commissioner for Refugees (UNHCR) outreach center in Johor, Malaysia provides shelter, education, healthcare, skills training and other critical services to refugees, most of whom are Rohingya. Agility helps to fund the center, which houses more than 50 Malaysian community organizations and will reach an estimated 12.000+ beneficiaries once operating at full capacity.

This initiative is part of our ongoing partnership with UNHCR. Through the partnership this year, we also supported 183 Syrian refugees in Jordan with job skills training and job placement assistance. Employee fundraising further supported UNHCR's mission of providing food, shelter and water to refugees around the world. This year, Agility directly reached 4,200 refugees with some form of assistance. When accounting for dependents and families, this number increases to approximately 16,000 people, according to UNHCR.



Read more.

#### Improving the lives of disabled children in Kuwait

We continued our three-year partnership with the Kuwait Society for the Handicapped to build and kit out the first sensory gym in the country built to international standards. The gym is part of the NGO's Children's Rehabilitation Unit and

is fitted with clinical equipment and furniture designed to improve users' sense of movement, body positioning, balance and spatial awareness.



Read more.

#### Also in 2021:

#### **Earth Day**

We joined with others in the global community to celebrate Earth Day and reflect upon our impact on the planet. This year, due to pandemic restrictions, we went digital. Employees in 11 countries shared their favorite vegetarian recipes, planted more than 280 flowers, trees and herbs, joined two clean-up activities in their local communities, and participated in Earth Hour. Agility has been celebrating Earth Day every year since 2007.

#### **Humanitarian Support**

We continued to fund vital humanitarian support to those most in need. For example, we:

- Donated money to International Medical Corp operations in Lebanon — a country in economic crisis — for the purchase of essential medicines that will treat approximately 2,500 people.
- Partnered with NAS and Help Liberia to fund the transportation of hospital materials and equipment for Covid-19 response in Liberia, supporting the treatment of an estimated 2,000 people.

Global Integrated Logistics (GIL) was a central part of Agility's business for nearly 20 years. Until its sale to DSV in August 2021, GIL was the focus of our sustainability strategy and performance measurement due its significance to us in terms of headcount, size of operations, and revenue.

Through a decade and a half of work embedding sustainability across GIL's business, we have demonstrated that an ambitious approach to reducing environmental and social impact can go hand in hand with profitability. We left GIL in a robust financial position as a thriving logistics business and will continue to have a stake in the company as major shareholders in DSV.

Here are some of GIL's key sustainability achievements over the past few years:



**Health and safety.** Built a strong track record for health and safety, with one of the lowest recordable incident rates in the logistics industry.



**Fair labor.** Implemented the Agility Fair Labor Program to embed respect for human rights across the organization — see relevant data on page 25.



**Environment.** Improved the accuracy and coverage of emissions data to include 99% of operations; worked with customers to reduce outsourced emissions by providing real-time data and route planning tools; reduced outsourced emissions year on year.



**Supporting supply chains through COVID-19.** Helped keep global supply chains functioning and resilient so that vital supplies of PPE, medical equipment, vaccines and more could reach their destinations on time.

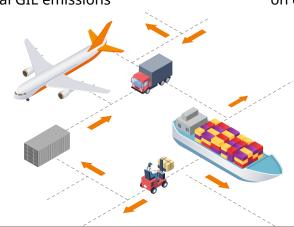
Through the transfer of GIL to DSV, we established a smooth transition of key sustainability activities. We worked with DSV to ensure continuity of support for local office community projects, integrate our fair labor program into the DSV human resources program, and transfer our operational footprint management and green solutions programs.

Global Integrated Logistics Summary

2021

5,411,643

metric tons CO<sub>2</sub> outsourced emissions
— 97% of total GIL emissions



7,306

employees trained on ethics



0.12

total recordable incident rate



97%

of emerging market operations audited for fair labor



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#### **Key sustainability data**

Here, we report GIL's key sustainability data for the period from 1 January 2021 to 16 August 2021, when the sale of the business to DSV was completed.

In some cases, figures for 2021 are estimates based on 75% of 2020 data, e.g. emissions and water use data. In others, we report using available data up to the point of sale, e.g. health and safety and fair labor data. The 2021 data points are not comparable with prior years, since they do not represent a full year.

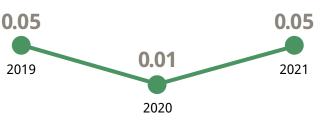


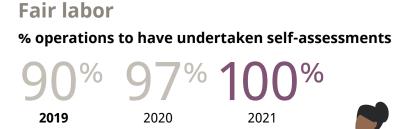




## GIL key sustainability performance 2021, to point of sale



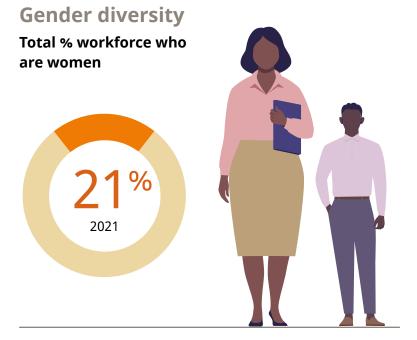








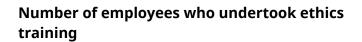




## **Training**

Number of employees who accessed online training









#### **Environment**

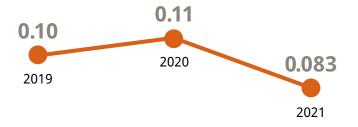




#### Scope 3 emissions (thousands metric tons CO<sub>2</sub>)



#### Emissions intensity (Scope 1 & 2 Emissions/ Revenue in KWD)



#### Outsourced emissions (million metric tons CO<sub>2</sub>)



#### Water consumption (million liters)



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# About this report

#### **Entities covered**

This 2021 update on Agility's sustainability progress covers activities and data for Agility branded organizations during the year 2021. Data and statistics from Global Integrated Logistics (GIL), Agility's core commercial business division until August 2021, are reported on page 25. All other data have been gathered from Agility's remaining subsidiaries, covering the full year, with relevant scope defined in each case.

#### **Data quality and coverage**

We have made every effort to ensure the accuracy of information and data presented herein, and we are continuously working to improve the quality of the data and data management systems to capture and report on non-financial information — particularly in light of the sale of GIL as we work to strengthen data systems for our remaining entities. The limitations of the data, measurement techniques and basis of calculation are detailed below and in other relevant places in this report. Find more detailed data in our latest GRI index.

Financial figures are given in United States dollars unless otherwise stated.

#### Notes on environmental data

• Improving CO<sub>2</sub> emissions data accuracy is an ongoing area of focus for Agility. Many of Agility's

- subsidiaries are publicly reporting on emissions for the first time this year. We will continue to work on expanding the scope and the quality of the data we report across our businesses going forward.
- Our 2021 fuel, electricity and water consumption data cover approximately 78% of our controlled operations and we will be working to increase that percentage to more than 90% by the end of 2023.
- Reported CO<sub>2</sub> data for 2021 covers Agility E-Services (AES), Agility Logistics Parks (ALP), GCC Services (GCC), Metals Recycling Company (MRC), National Aviation Services (NAS), Tristar, and UPAC. Other Agility businesses did not report in 2021.
- In some instances, estimates were made. For example, UPAC and GCS provide services in facilities where they do not control energy, water, or waste consumption and management. For a major UPAC operation in a government facility not controlled by the company, Agility has estimated a % of the gross energy consumed by UPAC.
- For GCS, no emissions estimates have been provided, because we were unable to differentiate the energy used by GCS while occupying facilities shared by other organizations, including government organizations.
- Where CO<sub>2</sub> data are reported, Agility relies on the conversion factors from the IEA 2021 Greenhouse Gas Emissions from Energy database, with the

- exception of Tristar, which uses IMO factors for estimating vessel emissions and other sources for estimating vehicle and electricity emissions. In 2022 and 2023, data standardization and harmonization will be a priority.
- We own 65.12% of Tristar. However, emissions reported in 2021 cover 100% of Tristar operations.
- GIL is reported separately. GIL data is an estimate based on 75% of historic 2020 data, which covered 90+% of GIL operations. Due to reporting challenges in 2021 arising from the sale of GIL, 2020 data was determined to be a more accurate baseline from which to estimate these emissions.

#### **External assurance**

We have not pursued external validation for this report. Information presented in this report has been reviewed by relevant subject matter experts within Agility and signed off by the senior management team.

#### **External frameworks**

This report contains disclosures from the updated GRI Sustainability Reporting Guidelines. Read our latest GRI index.

We align our sustainability efforts and reporting with the UN Sustainable Development Goals (SDGs), set by the United Nations General Assembly in 2015. Our sustainability activities contribute to the SDGs

listed right. See a detailed analysis of the links between our sustainability strategy and relevant SDGs online and in our 2020 Annual Report.

#### Our sustainability program supports the following SDGs















