



Structuring the Corporate Conscience: What it Takes to Go Above and Beyond Commercial Obligations Alone

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Presentation Overview: A Case Study of Change

- 1) Introduction of Agility
- 2) Evolution of CSR program
 - From occasional philanthropy to a powerful internal movement
- 3) Why it has been good for us
- 4) Thoughts on how governments can continue to incentivize CSR

Agility: An Overview

- Formerly PWC Logistics

- 1979: Started in 1979 in Kuwait doing public warehousing
- 1997: Privatized and publicly traded
- 1997-2004: Grew to be largest logistics provider in Middle East
- 2005: Acquired GeoLogistics, Translink, Transoceanic, Matrix, Tri-Star, etc.
- 2006: Re-branded as Agility

- Today

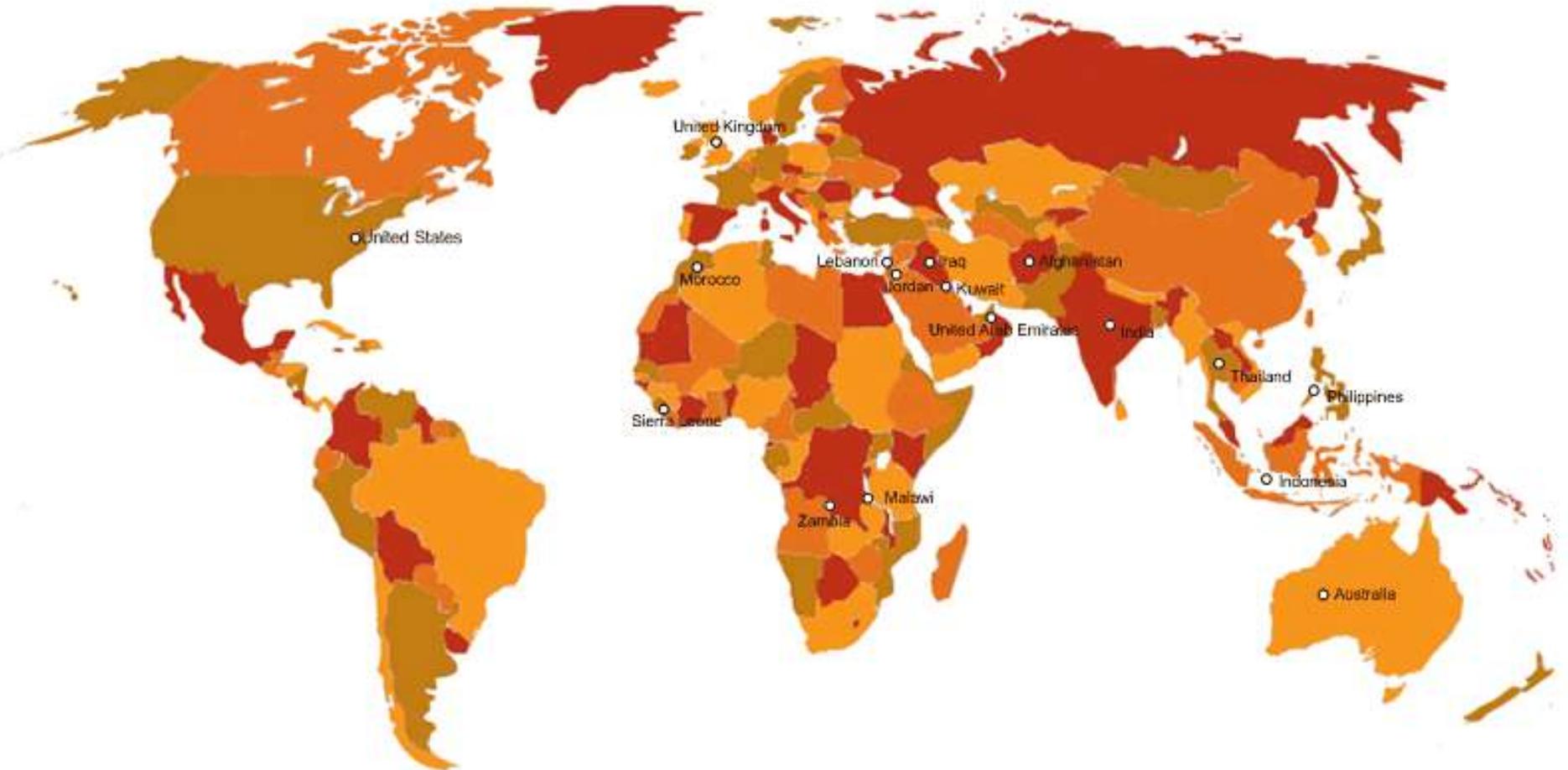
- \$4.5 billion annual revenue
- 450 offices in 100 countries
- 22,000 employees
- “One-stop shop” supply chain solutions: customs, transportation, warehousing, security, life support, consulting.

What does being a “responsible” company mean in this context?

- Following laws
- Mentoring small businesses
 - Past examples in Jordan, Turkey, Kuwait, and Iraq
 - Launching formal program in Iraq
- Investing in training and development
 - Agility University has trained 2,750 office-based employees for over 1,600 learning hours this year
 - Agility training pushes down to 3,000 truck drivers as well
- Managing environmental impact
 - Holds ISO 14001:2004 certification for strong policies, procedures, and programs with regard to environmental protection
- Giving back to the community

Where We Are Today

In 2006, Agility contributed \$4.4 million to 20 different non-profit organizations worldwide. In 2007, we hope to do even more!



When We Started: Corporate Philanthropy

- We have always taken a view that community involvement is important, but our contributions were often ad hoc, and primarily financial. We spent time and effort on structuring our CSR program, giving it strategy and focus, and aligning it all levels of the company.



12 April 2007

Helping give children a drug-free future

To : Mentor Foundation USD \$103,000

Amount: One Hundred and Three Thousand Dollars Only



12 November 2006

Promoting entrepreneurship for the next generation

To : Injaz (Junior Achievement) USD \$43,000

Amount: Forty Three Thousand Dollars Only



05 March 2007

Helping contribute to medical relief in Darfur, Sudan

To : International Medical Corps US\$9,200

Amount: Nine Thousand, Two Hundred Dollars Only

Lessons Learned

- Writing the odd check is not always optimal
 - Difficult to track impact of individual donations
 - Does not take advantage of economies of scale
 - Difficult to sustain in the long-term if it does not fit into a larger strategy
 - Difficult to communicate about progress
- Decided we needed a more systematic and strategic approach

“Global presence brings social responsibilities. As we grow as a company, particularly in emerging markets, we can see for ourselves that the scourge of poverty, disease, and disasters affects us all. No one can afford to ignore these problems — and in fact, we as Agility, are in a unique position to help.”

-Tarek Sultan, Chairman and Managing Director

Finding A Corporate Passion: Humanitarian Logistics

Tsunami



Lebanon



BBC Pictures

- Started thinking about how we could contribute using core competency – expeditionary logistics
- International disaster response was obvious fit; disasters are “logistics nightmares”
 - Ripped up roads, congested airports, limited warehousing, overwhelmed customs authorities
- We knew we could help!
 - Structural network, people and assets already on ground = nuanced and appropriate response
 - Ability to mobilize people, expertise, and funds quickly = fast response
 - Existing relationships (i.e. with customs authorities) = effective response

Humanitarian and Emergency Logistics Program (H.E.L.P) in Action

Indonesia Transported biscuits, noodles, and rice to feed 43,000 people displaced by floods in Jakarta, for the World Food Program



Lebanon Delivered food, mobile hospitals, and surgical kits to war-torn Lebanon on behalf of the Red Crescent and Red Cross at height of bombing



Philippines Partnered with Department of Social Welfare and Development to deliver 150 tons of blankets and food to typhoon victims in Bicol



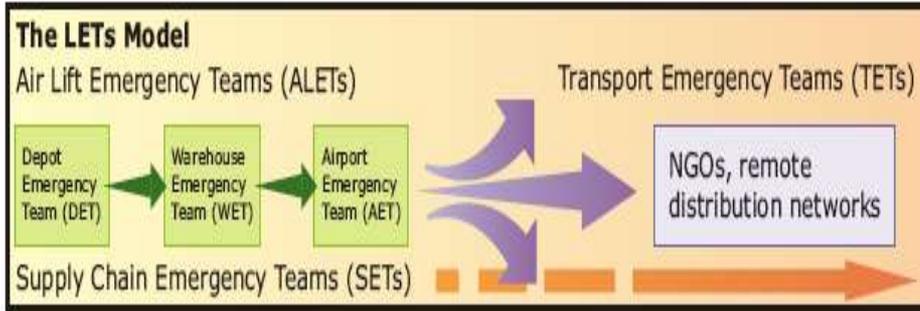
India Training humanitarian logisticians from India, Pakistan, Bangladesh, and Afghanistan with Red R



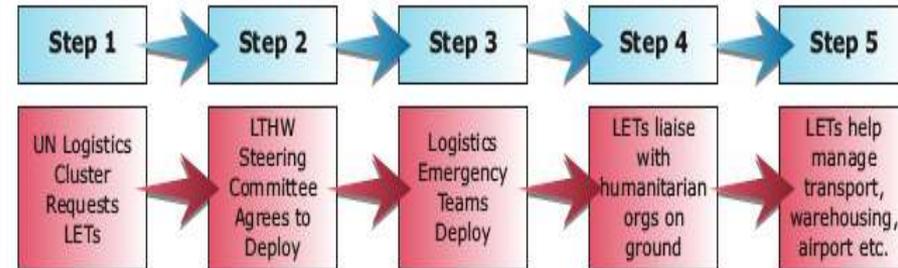
Partnering for Scale: Logistics Emergency Teams

•With World Economic Forum, other logistics companies, & humanitarian community, working on creating Logistics Emergency Teams (LETs) that can help manage logistics during times of crisis.

LETs Model



Process Flow



A Win-Win Scenario: Public-Private Partnership

How Humanitarian Organizations Benefit	How L&T Companies Benefit	How Affected People Benefit
<ul style="list-style-type: none"> • More resources at their disposal (human, financial, and knowledge-based) in a disaster scenario • Logistics capacity-building and scale-up during the preparedness phase 	<ul style="list-style-type: none"> • Employee motivation and engagement • Shareholder and customer pride • Useful, targeted, and measurable impact on community involvement 	<ul style="list-style-type: none"> • Shorter lead times • Reduced bottlenecks • More effective and efficient relief

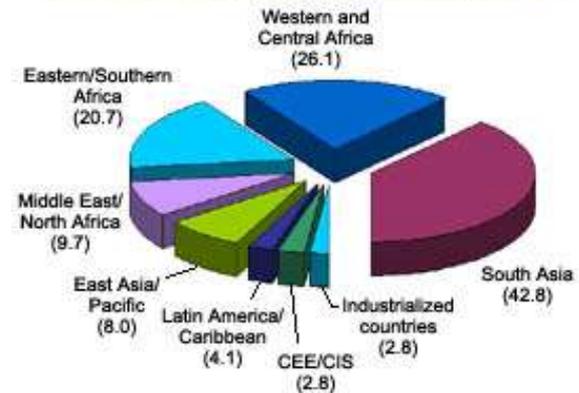
How We Got Employees Involved

- Our work in disaster response struck a chord, employees from around the world kept asking how they could help
 - Over 130 countries represented on payroll, people want to give back
- Became increasingly clear that we had to make opportunities available for everyone to get involved
 - Disaster response is localized and unpredictable, needed to find an ongoing cause that would keep people engaged
- Challenge was to pick an issue that resonated, but that was also strategic and sustainable

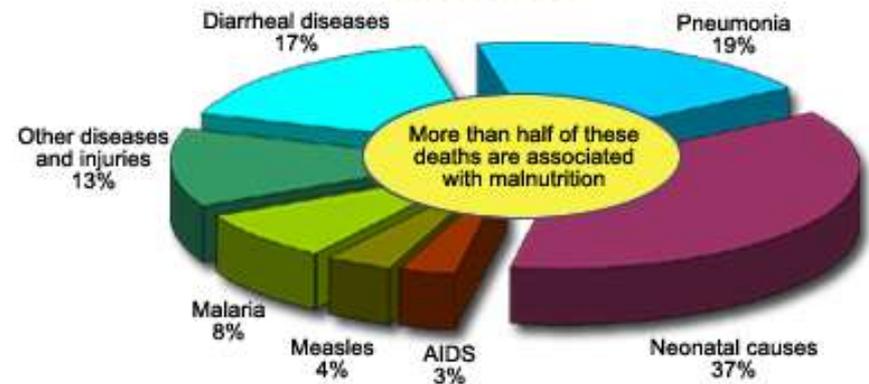
From Disasters to Development: Youth and Education

- We chose youth and education as a second strategic priority
 1. Analysis of donations worldwide showed youth and education #1 issue our people care about
 2. It makes sense for our business and our future
 - Nearly 50 percent of the world's population is under the age of 25 overall. If we want a future market, we have to help develop it.
 - 9 out of 10 people under the age of 25 live in emerging markets, where Agility has strong presence and strategic interests
 - 1 billion children will need jobs in the next decade. If we want to continue to employ talent, we have to invest in it.

Children out of school by region (million), 2004



Causes of deaths in children under five, 2000-2003



Motivating Employees: The AFFECT! Program

- Corporate Grant Scheme
 - Employees can write in and request sponsorship for their favorite charities
- Employee Fundraising and Matching
 - Our goal is to raise \$100,000 for charity this year
- Global Volunteer Day
 - One day a year, each office around the world makes a volunteer opportunity available to employees
- Corporate Social Responsibility Prizes
 - Outstanding employee “social entrepreneurs” are recognized and rewarded with donations made to their charity of choice

If every Agility employee donated as little as \$1/month for one year,
we would raise over **\$250,000** for our world.

Employees in Action: Living Personal Service

Thailand Employees deliver educational supplies and volunteer time at school for disabled children



Afghanistan Agility employees airlift educational equipment to girls' schools in Kabul



Sierra Leone Orphans in Free Town, Sierra Leon play with toys and other supplies transported by Agility



Kuwait Employees and families walk to raise money to alleviate child hunger, with the World Food Program



A Year in Numbers

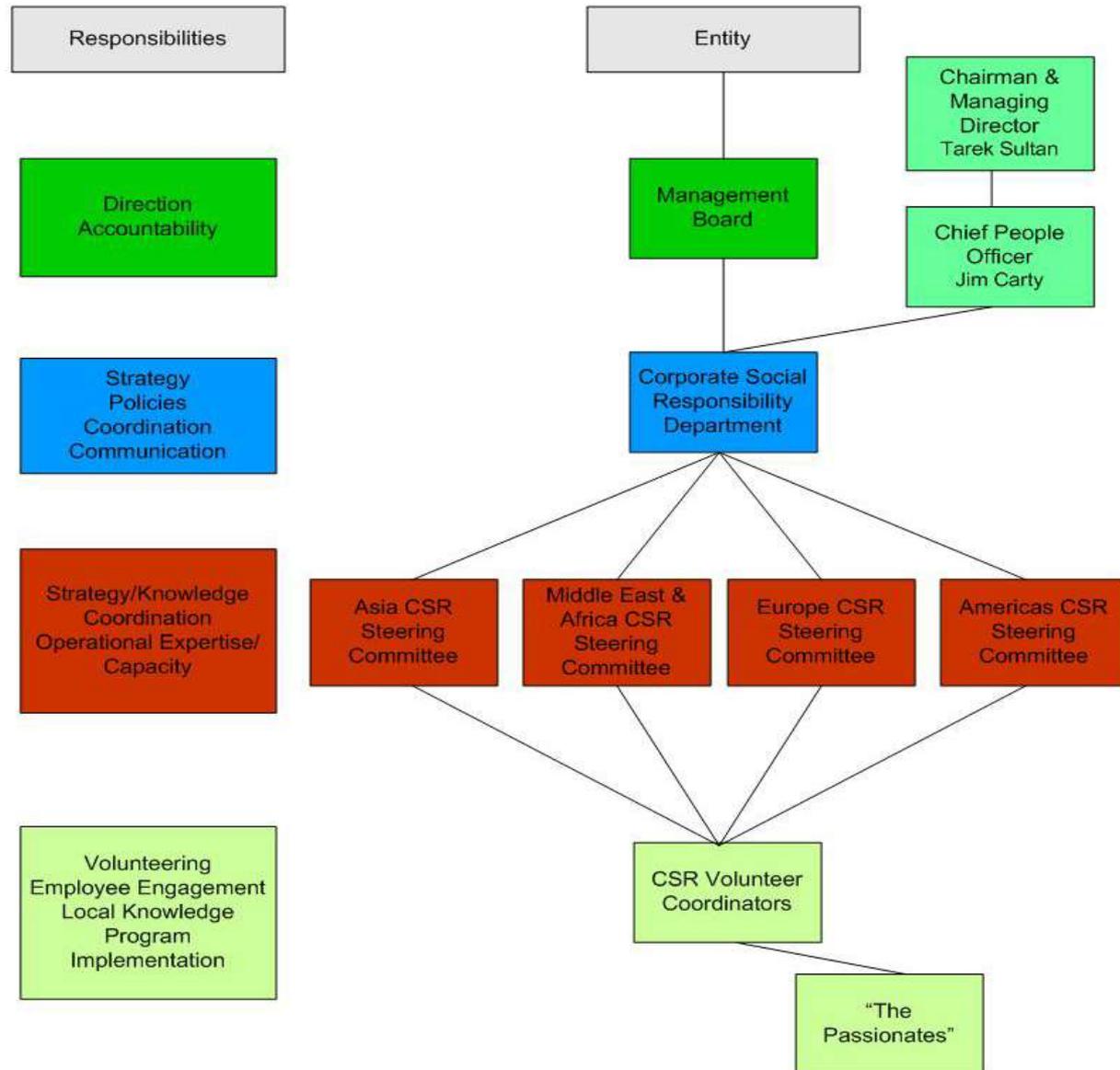
In 2007 (so far), with a little help from Agility in...

- Bangladesh:** 400 families will receive emergency assistance through the Chief Advisor's Fund
- Egypt:** 200 students will be trained in saying "no" to drugs, through Mentor Arabia
- India:** 50 unemployed youths will learn a trade with the St. Aloysius Industrial Training Center in Mangalore
- Indonesia:** 43,000 displaced flood survivors received food from the World Food Program
- Iraq:** 500 internally displaced families received life support kits through the International Medical Corps
- Jordan:** 85 students will be fed a school lunch for a whole year with Tkiyet Um Ali
- Kuwait:** 100 students were mentored in entrepreneurship with Junior Achievement (Injaz)
- Lebanon:** One child with leukemia will receive medical treatment for a full year from the Children's Cancer Center
- Pakistan:** 400 families will receive emergency post-flood assistance through the Edhi Foundation
- Saudi Arabia:** 150 students will be trained in saying "no" to drugs, with Mentor Arabia
- Sudan:** 13,000 refugees in Darfur will have access to primary health care through International Medical Corps
- Thailand:** 106 former street children will have access to educational and agricultural equipment to learn new life skills, through Home Hug
- United States of America:** Hundreds of families were trained in disaster preparedness through the American Red Cross

Our Internal Network

- Corporate Social Responsibility is not a department, it is an internal movement.

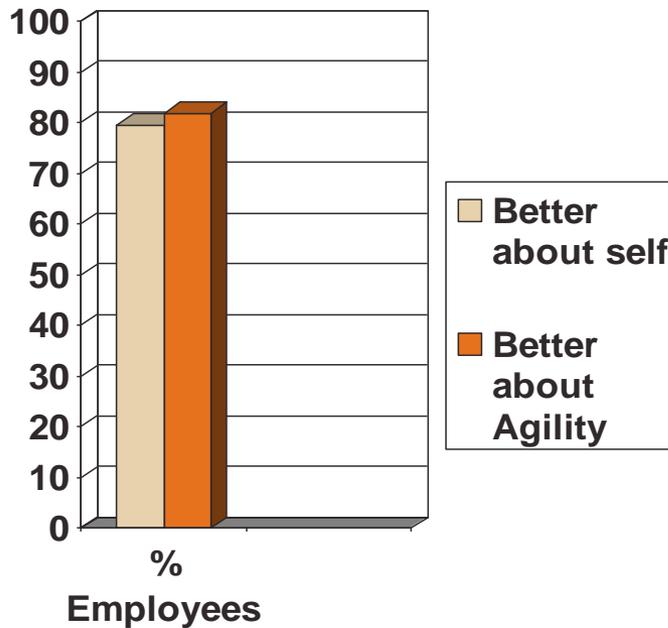
- It relies on a global network of volunteers, “Passionates,” to make things work



Benefits for Agility

Employee motivation,
recruitment, retention

After Fundraising Event in Kuwait



Integration

- Encourages cooperation across time and space
- Helps forge common company culture

Reputation

- Builds our new global brand
- Articles have been published about our efforts in Financial Times, Business Week, USA Today

Business Strategy

- Customers increasingly interested in ethical supply chain
- “Personal service” a key differentiator for Agility

What Can Policy Makers Do to Incentivize CSR?

- Make comprehensive and fair laws that are easy to understand and relatively simple to follow – invite private sector participation in brainstorming about creating a more attractive investment climate.
- Consider CSR issues in government contracting, especially in the privatization/BOT wave sweeping the region, it can provide an incentive for continual improvement.
- Actively seek partnerships with the private sector on development challenges; invite participation and recognize contribution. Companies, like people, respond positively to the opportunity to make a difference.
- Create forums to get businesses together; multi-business, multi-sector partnerships can be remarkably effective in terms of scale and integrated solutions.

The Bottom Line

Being a responsible business should be good for business!



Thank You

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