///Agility®
fuel solutions

Clean Air Everywhere Through Sustainable Transportation Solutions

UN Global Compact
Communication on Progress
for the Year Ended July 31, 2018

August, 2018

RE: United Nations Global Compact - Communication on Progress

To all our stakeholders:

I am pleased to confirm Agility Fuel Solutions' continued support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labor, Environment, and Anti-Corruption.

This represents our fifth annual Communication on Progress (COP) in which we describe our actions to continue the integration of the Global Compact and its principles into our business strategy, culture and daily operations. This report covers the period from July 31, 2017 through July 31, 2018.

We also commit to share this information with our stakeholders by posting it to our corporate website.

Sincerely Yours,

KATHLEEN LIGOCKI
Chief Executive Officer

01 Human Rights Principles

PRINCIPLE 01

Businesses should support and respect the protection of internationally proclaimed human rights; and

PRINCIPLE 02

make sure that they are not complicit in human rights abuses.

Assessment, Policy and Goals

Agility has a vested interest in human rights and workplace practices. We are supportive of the policies set forth by the UN Global Compact. We have a published code of conduct which is meaningful and embraced by our executive management. Agility places a contractual requirement on our suppliers to be compliant with social responsibility issues.

Implementation

Agility has taken the following measures to prevent human rights violations in its facilities and facilities of critical suppliers:

- We maintain an open-door policy for addressing employee concerns about their job, working conditions, or the treatment that they have received. Regular business- or employment related concerns which do not require anonymity are directed to the employee's immediate supervisor or to our Human Resources department.

- We have implemented a whistle blower policy, and associated hotline and email, and communicated it to the entire organization through meetings, email blasts, postings in public areas, and posting on the corporate SharePoint site. This policy provides an outside reporting vehicle for individuals to raise concerns using the company's whistle blower hotline and reassurance that good faith reports submitted by employees or temporary and/or contract workers will be protected from reprisals or retaliation.

- We've published our commitment to Corporate Social Responsibility through the following 15 general principles; Ethics, Leadership, Employees, Environment, Quality and Continuous Improvement, Suppliers and Business Associates, Customers, Specific Social Responsibilities, Health and Safety, Worker Rights, Child and Forced Labor, Freedom of Association, Discrimination, Environment, and Ethical Conduct. A copy of our Corporate Social Responsibility policy is prominently displayed on our website and in each of our facilities.

Procedures are in place to ensure that any suspicions of inappropriate conduct can be voiced. All employees are systematically made aware of the Codes and the related Standards of Business Conduct and are reminded of the whistle blowing procedures annually.

The internal guidance sets out examples of the types of wrongdoing which should be raised by employees, including non-compliance with legal obligations or a breach of human rights, and also identifies the key contact as the Vice President of Human Resources.

We incorporated our standards for corporate social responsibility, and our core values that reflect that commitment, in our controlled Supplier Quality Manual and Supplier Code of Conduct Manual to drive consistency throughout the supply chain, and have posted them on our website to communicate these positions broadly to all our stakeholders.

Measurement of Outcomes

All concerns raised during the year were addressed in line with the company's aforementioned policies, including concerns raised by employees in partner and supplier organizations.

Delivering Cost-Effective Clean Transportation Solutions Worldwide

The Customer

Waitrose, a leading British supermarket chain, has sustainability goals of reducing its carbon intensity 65% from 2010 to 2020 and keeping its food and agricultural waste out of landfills completely by the same date.

One way to achieve those goals is by switching the fuel used in Waitrose's logistics truck fleet from diesel to compressed natural gas. In particular, Waitrose seeks to power its trucks using renewable biomethane generated from its own food and agricultural waste. This results in an 84% carbon emissions reduction compared to diesel, and in a significant reduction in waste being sent to landfills.

The Challenge

Technologies available in Europe for storing compressed biomethane on board vehicles in steel tanks only enabled enough fuel on board to run a truck 300 miles before refueling. This limited the number of truck routes that could be switched from diesel to biomethane.

The Solution

Agility introduced our higher-pressure carbon fiber composite fuel storage systems to the UK. These fuel systems hold more fuel, are 54% lighter than existing steel tank systems, and enable a driving range of up to 500 miles. This allows Waitrose to complete round-trip deliveries on a single fill on all of its routes throughout the UK.

With Waitrose's new truck fleet running entirely on biomethane, the company will be able to run five CNG-powered trucks for the same overall emissions as one diesel truck. And in Waitrose's case, that biomethane is a product of its own waste stream, which is now used to power its fleet rather than sent to landfills.

02 Labor Principles

PRINCIPLE 03
Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

PRINCIPLE 04
the elimination of all forms of forced and compulsory labour;

PRINCIPLE 05
the effective abolition of child labour; and

PRINCIPLE 06
the elimination of discrimination in respect of employment and occupation.

Assessment, Policy and Goals

Equal opportunity means creating a work environment which allows all of our employees to fulfill their potential. We seek to foster a culture in which our employee-related decisions, whether they be in hiring, training or promotion, are taken based solely on an individual's ability and contribution to Agility's success. This is irrespective of gender, age, ethnicity, disability, or sexual orientation. This is fully described in our Employee Handbook.

Implementation

As communicated in our Employee Handbook, Agility does not tolerate harassment or any behavior which creates a hostile, offensive, or intimidating environment for its employees. We make it clear that any breaches of this policy may lead to an investigation and, when appropriate, dismissal. We encourage all employees to report any incidents of harassment forbidden by the policy and we provide the appropriate phone number and website address to take action.

Agility's Supplier Code of Conduct requires that our suppliers perform in a manner that is appropriate, as it applies to their ethical, legal, environmental, and social responsibilities. The Code covers labor relationships, employment practices, human rights, and ethical business principles.

In addition, Agility has expanded training regarding unconscious bias as it relates to hiring and employment practices from our executive management team to include all departmental managers and employees who regularly interact with different business units within the company.

Measurement of Outcomes

Agility requires our suppliers and business partners to acknowledge and sign the Supplier Code of Conduct. Our goal is to increase the number of signatories to this Code of Conduct each year. Further, departments within Agility require such suppliers and business partners to provide diversity initiatives and demographic information on an annual basis to evaluate a continuing relationship.

Data on population diversity is reviewed periodically by our Human Resources Department and executive leadership team to aid in diversity planning and decision making.

Training to Foster a Safe and Diverse Workplace

4 QUALITY EDUCATION

5 GENDER EQUALITY

8 DECENT WORK AND ECONOMIC GROWTH

Agility continues to foster a continued education environment to improve upon labor and safety principles. After initiating a training program regarding unconscious bias to our Executive Management Team in 2017, Agility expanded this training in 2018 to include all department managers and employees who regularly interact with different business units within the company. This training has now been taken by managers from our offices in Costa Mesa and Fontana, California; Lincoln, Nebraska; and Salisbury, North Carolina. In addition, a Learning Management System was developed and implemented across the company to meet safety training requirements, to provide scheduling of training, and to track safety training objectives. This resulted in an improvement in regulatory compliance and the overall safety culture within our organization.

03 Environment Principles

PRINCIPLE 07

Businesses should support a precautionary approach to environmental challenges;

PRINCIPLE 08

undertake initiatives to promote greater environmental responsibility; and

PRINCIPLE 09

encourage the development and diffusion of environmentally friendly technologies.

Assessment, Policy and Goals

Environmental responsibility is core to who we are and what we do: it is our stated corporate vision to achieve clean air everywhere through sustainable transportation solutions. We manufacture energy storage, conversion, and delivery systems that enable commercial vehicles like school buses, transit buses, trucks, and vocational vehicles to run on natural gas, propane, or hydrogen instead of diesel. These clean fuels reduce the carbon emissions and smog-causing emissions in the commercial transportation sector.

In addition, Agility is passionately committed to providing a safe and healthy environment for its employees, contractors, visitors, or anyone who may be affected by our business operations, and to protecting the environment by managing our business in an environmentally sensitive and responsible manner.

Implementation

To achieve our goals, we have implemented a Director of Environmental, Health & Safety ("EH&S") position who is responsible for global EH&S, which includes further developing our systems, policies, programs, and procedures in support of our goal to create a Zero Incident Culture and to have a positive impact on the environment. To ensure that we meet this objective, we are:

- Continually developing policies, programs, and procedures to ensure compliance with applicable laws and regulations and drive continuous performance improvement.

- Ensuring that employees are properly trained and provided with appropriate safety and emergency equipment.

- Ensuring that all work activities are done safely by taking action to eliminate unsafe acts and conditions that endanger health, safety, or the environment.

- Making safety and environmental factors a priority in all operating decisions.

- Encouraging personal accountability and emphasizing standards compliance, policy conformity, and best practice advancement through training, coaching, and performance reviews.

- Communicating and foster the expectation that everyone on Agility premises follow this policy and report any environmental, health, or safety concern to management.

- Monitoring, measuring, and communicating our progress to all levels of the organization.

- Using resources responsibly and efficiently.

We implemented ISO14001 in our Salisbury, North Carolina facility in 2017, are already certified to this standard in our Raufoss, Norway facility, and are continuing the implementation of this standard throughout our organization.

Measurement of Outcomes

We are fully compliant with all applicable environmental standards, statutes, and regulations. We measure and track aspects of our business that have environmental impacts, e.g. energy usage, and have implemented projects to reduce waste through recycling and reuse. For example, we have designed and implemented a reclamation system for used acetone solvent that results in recapture and recycling of 98% of used acetone and disposal of the remaining byproduct as nonhazardous solid waste. We are also continuously evaluating our use of disposable materials in our supply chain and are replacing such packaging where possible with reusable pallets and shipping racks. Environmental impact data will be reviewed annually on an ongoing basis.

We estimate that there are over 36,000 vehicles in operation using Agility's clean fuel solutions. We estimate that by running on cleaner fuels instead of diesel these vehicles avoided emitting over 760 thousand metric tonnes of CO^2 in the twelve months ended July 31, 2018.

Finding Opportunities for Efficiency and Reduced Environmental Impact

8 DECENT WORK AND ECONOMIC GROWTH

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

Agility is passionately committed to providing a safe and healthy environment by managing our business in an environmentally sensitive and responsible manner. Agility's cylinder manufacturing facility in Lincoln, Nebraska uses acetone as a solvent for cleaning resin off tooling used in cylinder production. Once used, acetone cannot be reused, and needs to be disposed of as a hazardous liquid waste, which poses safety and environmental risks and is financially expensive. Agility's Lincoln team recognized the duty of being a responsible manufacturer and took action by designing and implementing an acetone reclamation system which resulted in recapture and recycling of 98% of used acetone. This improved safety, reduced hazardous waste, reduced disposal costs, and reduced purchasing costs.

04 Anti-Corruption Principles

PRINCIPLE 10
Businesses should work against corruption in all its forms, including extortion and bribery.

Assessment, Policy and Goals

Agility has published an internal Standard of Conduct. The Standard of Conduct has been made available to all employees upon hiring and will be reaffirmed each year. The Standard includes Agility's clear opposition to all forms of bribery and corruption.

Implementation

Reporting procedures are in place to ensure that any suspicions of inappropriate conduct can be voiced. All employees are systematically made aware of the Standard of Conduct. We train employees from time to time to ensure that an ethical culture is developed within the company and integrated in our management systems. We also implement an anonymous hotline in each region we operate to facilitate reporting by all employees.

Measurement of Outcomes

All concerns raised during the year were addressed in line with Agility's Standard of Conduct, including concerns raised by employees in partner organizations, such as suppliers. We conduct comprehensive training of new employees and annually reconfirm that all employees are familiar with our Standard of Conduct. The responsibility and accountability for the implementation of the anti-corruption commitment rests with senior management.

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