



# **UN Global Compact**

Communication on Progress  
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## EFL’s Steps Towards Sustainability

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## Statement from Founder and President

### Continued Support for the UN Global Compact and its Ten Principles

EFL (Expo Freight) is pleased to present our first report on progress as a signatory of the UN Global Compact. After making a commitment to the UN SDGs in July '18 followed by becoming official signatories of the UN GC in October '18, our global offices continue to implement initiatives that support human rights, labour, environment and anti-corruption.

We continue to integrate the UN GC and its principles as part of our strategy, culture and day-to-day operations and continuously

engage in collaborative projects which support the development of the Sustainable Development Goals. EFL and all its subsidiaries have begun making a clear statement of this commitment to our stakeholders and the general public.

On behalf of EFL, I reaffirm our commitment to achieve a breakthrough in sustainable development across our global network. We look forward to continuously harnessing the SDGs to create a positive impact in society and to be recognized, as a leading sustainable business entity, within the logistics industry.



Mr. Hanif Yusoof

## About EFL

EFL (Expolanka Freight) is the core business and flagship brand of Expolanka PLC, as well as the largest contributor to the Group’s performance. Over the last year, Expolanka aligned itself to grow on a sustainable path, thereby paving way for EFL to launch initiatives to facilitate the above.

As an asset light company, EFL has little or no control over its business operations. However, we continuously seek challenges in improving our business and operations by implementing best practices to accelerate our business growth and strengthen stakeholder relationships.

Along with the industry we operate and backed by our global presence, it is crucial for us to engage our customers and stakeholders in a sustainability strategy that ensures to highlight that impact of transportation and, while simultaneously incorporating measures to mitigate it.

## Sustainability Vision and Values

In a constantly evolving industry and as a forward-looking company, we embrace changes and seek new opportunities that stimulate sustainable business development to create value to our stakeholders. Keeping this in mind, a long-term sustainability vision of ours is to transform ourselves as the industry forerunner in sustainable logistics.

The sustainability values we adhere to challenge our employees to bring the best version of themselves to the workplace, thereby creating a culture that drives enhanced employee performance and positive attitudes.



### Innovation & Creativity

Staying ahead of the evolving industry and advancing our supply chain and logistics.



## **One Team**

Working collectively and cooperatively to achieve common goals and targets that elevate business and personal growth.



## **Make an Impact Through Consciousness**

Awareness of our carbon footprint and choosing to mitigate it, thereby creating positive and sustainable change and being a conscious business.



## **Ethical Business Practices**

Aiming to engage in ethical values and principles and incorporating the same into our business and practices.

## Commitment to the UN SDGs



At EFL, we support the SDGs globally. For the first time, our commitment to the SDGs were included as a core function in our sustainability strategy, which was demonstrated via Expolanka's Annual Report for 2018 - 2019.



The SDGs have been integrated into our sustainability strategy to align our organizational and sustainability vision with the four main goals applicable to our business practices.

Our commitment to the SDGs did not end with the four goals above. Through our *Global Goals* programme, we have made sure to focus on pertinent global issues that have been addressed through other SDG aligned global projects.

Furthermore, EFL took the lead for a Group initiative, a pilot programme, *HackaDev Corporate* in partnership with the UNDP in Sri Lanka, which was aimed at delivering sustainable social projects in the corporate sector.

## EFL's Global Goals

In January 2019, we implemented the Global Goals Programme, which was deployed across our global offices.

To ensure the effectiveness and impact of each initiative, we identified the needs of each country and developed a project to support and uplift the diversified needs of the respective local communities.

To further ensure the success of each project, we executed them in partnership with reputable Non-Governmental Organisations and other Local Organisations in each country, who best know and understand the needs of their local communities and environment.

## EFL Philippines: Zero Hunger



The Philippines is faced with a food deficit that is exacerbated by the combined effects of man-made and natural disasters. CNN Philippines reported that, an estimate of 3.6 million families did not have access to food during the last three months. Many Filipinos suffer from “involuntary hunger” and those who experience “extreme hunger” continue to rise.

Keeping this food deficit in mind, EFL Philippines made a commitment to make a positive impact by tackling hunger in extreme poverty-stricken areas.

By partnering with Project Pearls, a local NGO that helps the poorest of poor children to have a better life by giving them PEARLS: Peace, Education, Aspiration, Respect, Love and Smiles through provisions of nutrition, education and healthcare.

In January 2019, EFL Philippines began sponsoring a feeding programme and continues to take place once a month. Our employees volunteer to provide a healthy meal for 300 underprivileged children in Helping Land, Tondo followed by fun storytelling and therapeutic art sessions.



## EFL Madagascar: Life on Land



Deforestation has been a long-standing issue in Madagascar, as it is one of the world’s top biodiversity conservation areas due to its high concentration of endemic species and extreme rates of habitat loss. The role of mankind has been posing pressure on its ecosystem and a threat to its biodiversity.

EFL Madagascar was aware of the importance of forests and climate change and were passionate enough to address the issue at hand to safeguard the country's biodiversity and ecosystem.

They decided to partner with a local NGO, Mitsinjo Association Parc Andasibe - an organization that's highly recognized for their project initiations to protect life on earth. This partnership paved the way for the allocation of 500m2 of land at a National park in Andasibe to successfully plant 500 trees.

## EFL UAE: Reducing Inequalities



The World Health Organization (WHO) has noted that with a population of 8 million in the UAE, approximately 11% have a disability. As the numbers of people with disability are on the rise, the UAE government recognize them as 'people of determination' and focus on making more services accessible to people with disabilities.

Although the number of services have become accessible to people of determination, a gap prevails in their social inclusion. To assist in bridging this gap, EFL UAE decided to partner with Al Noor - a training center dedicated to children and adults with disabilities.

As the first initiation, EFL UAE participated in Al Noor's Annual Fundraising Event, 'Family Fun Fair' where an energetic team of employees assembled an exciting photo booth with props to take fun pictures. The event was a huge success and they were able to raise a significant amount of funds to purchase facilities and training material for the children and adults at Al Noor.



## EFL Hong Kong: Zero Hunger



As the city faces an ageing population and housing prices continue to rise, more and more of the population continue to live in poverty. With little or no access to food or housing, Bloomberg reported that 1 in 5 people living in Hong Kong are living in poverty.

To help address the needs of these people, EFL Hong Kong decided to work with Food Angel - a food rescue and food assistance program that uses edible surplus food, which would have otherwise been disposed as waste from different sectors of the food industry.



The Hong Kong team volunteered at the food kitchen by helping prepare vegetables, food packs, and serving hot meals and redistributing it to underprivileged communities in the area.



## EFL Kenya: Clean Water and Sanitation



Clean Water Kenya is a Non-Profit organization supplying Portable Water Filtration Systems to rural Maasai and Kampo villages throughout the Great Rift Valley and Northeast of Kenya. EFL Kenya made a commitment to help more rural communities by partnering with Clean Water Kenya (CWK). The project will be carried out in three phases: Training, Distribution, Awareness.

The Kenya team conducted phase one and two of the clean water project, where employees volunteered to distribute water barrels and rain water filters to over 100 families. They also received training on how to conduct awareness lessons for the rural community on sanitation, hygiene and waste management.

The final phase of this project is to initiate awareness lessons alongside CWK, which is expected to take place before the end of this year.



## EFL South Africa: Clean Water and Sanitation



Climate change has had a serious effect on South Africa's growing water crisis. A simple scarcity such as clean water leads to a series of issues including access to healthy food, nourishment, and education. In many families, young girls do not go to school because it is their responsibility to walk miles to fetch water from nearby villages where they have no access to quality health care as well.

Therefore, with clean water and education as top priority, EFL South Africa has successfully installed a Play Pump in a rural school two hours from the capital city. The Play Pump works in such a way that when the children are playing on it (pushing it in a round motion), the kinetic energy created will pump out clean drinkable water from the ground up into a tank. The tank is connected to a pipeline, which distributes the clean drinking water to a local tap source.



The pump provides all 516 students and teachers access to clean drinking water. Moreover, the clean water is used for the mini vegetable patches cultivated in the school's garden. The overall impact the Play Pump is making on the community's life is an increase in access to clean water and a healthier life.

## HackaDev Corporate with UNDP Sri Lanka

For the first time in Sri Lanka, and as a part of the UNDP’s larger HackaDev initiative, the Expo Group, led by EFL launched a pilot initiative, HackaDev Corporate. This was the first social innovation challenge run for a private sector company in Sri Lanka. The challenge provided an opportunity for employees across the entire Group to ideate and be creative in their approaches to contribute towards the sustainable development of Sri Lanka.

### Expo CSR Challenge

In January 2019, EFL hosted Expo’s first ever CSR Challenge with the goal of driving employee engagement and empowerment by providing a platform to showcase their capacity to carry out a project they are passionate about.

Eight teams successfully presented their ideas to an esteemed panel of judges, including UNDP Sri Lanka’s Resident Representative, Jorn Sorensen. The projects presented aligned with SDGs and targeted quality education, life on land, life below water, climate action and responsible consumption and production.



## EFL's Social Responsibility

With our sustainability journey, we seek to engage in community work beyond the workplace and continuously encourage our employees to participate in projects they are passionate about.

### Sri Lanka Flood Relief



In December 2018, it was reported that over 45,000 people from 14,000 families in the Northern province of Sri Lanka were severely affected by heavy rains and floods. This left approximately 9,000 people displaced and seeking shelter. While the Sri Lankan Navy and Army engaged in arranging shelter, Expolanka Holdings along with EFL stepped in to contribute to families in need of emergency flood relief.

Expo and EFL worked with Asia Pacific Alliance for Disaster Management – Sri Lanka (APAD) and the Ministry of Disaster Management to identify the needs of the affected communities.

In January 2019, a flood relief distribution of dry rations was arranged and distributed by employees across the Group who actively participated as volunteers. EFL arranged the transport and logistics to make sure the rations were delivered to Kilinochchi. With the distribution of dry rations to 110 families in Kilinochchi, the relief efforts concluded successfully.



## Empowering Her



EFL HQ commemorated International Women’s Day on March 8<sup>th</sup> to raise funds for all the female support staff at the premises. EFL ensures that everyone at the workplace is treated equally and that includes the support staff, who work tirelessly to provide a clean and safe working environment for all.

The HQ employees were given the option to participate in *Empowering Her* by wearing a piece of clothing or accessory in purple to show solidarity, support and appreciation to our well deserving support staff. For every person who participated, a small donation was made to a fund on behalf of the CSR & Sustainability Department and the total funds collected were distributed amongst the support staff.



## Pakistan’s National Throwball Championship



Throwball is a popular sport in Pakistan widely played by young girls. EFL Pakistan identified the talent of both young women and men, who play the sport in the province of Sind. However, the Federations governing the sport did not have enough funds to support the teams’ participation in the National Throwball Championship.

Therefore, EFL Pakistan sponsored both the women’s and men’s team to participate in the championship, where both teams emerged victorious as champions.

This was truly a defining moment as EFL had the opportunity to empower the youth in Pakistan by providing them with gear and transport to truly showcase their talent on the field.



## Vietnam Celebrates Children's Day



The Government of Vietnam came up with a programme that focuses on sustainable solutions to eradicate hunger in all its forms by 2030 and achieve food security. This programme specifically prioritizes the reduction of malnutrition among children under two by 2025.

To help the Government achieve its targets, EFL Vietnam decided to grasp the issue at hand by visiting a local school in the Vinh Hung District on the 2nd of June to commemorate Children's Day. The Vietnam team presented the school with essential school items, gifts and spent a fun-filled day with nearly 200 children at the school.



## EFL Raising Sustainability Awareness

With the aim of being the industry forerunner in sustainable logistics, we recognize the need to include our stakeholders and build positive consciousness throughout our entire supply chain.

For this purpose, EFL's Global Lead in Sustainability chairs conversations with many of our stakeholders including airplane cargo carriers and brands that we move products for.

Through these conversations, we collectively identify how to effectively create a sustainable supply chain, especially focusing on eco friendly practices that will enhance both businesses' and our services along the way.

EFL is in the process of developing a new green delivery service, which aims at partnering with airplane cargo carriers and brands we move goods for, to collectively offset our emissions and reduce our carbon footprint on this planet.

## Aligning with the UN GC Principles

### Human Rights

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*Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and*

*Principle 2: make sure they are not complicit in human rights abuses.*

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EFL's core business relies on its employees and therefore, we believe that every one of our employees must always be treated fairly and with dignity and respect. In doing so, we strive to comply with globally accepted best practices for human rights such as those set out under the UN's Declaration of Human Rights and the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work.

To date, EFL or the Group has not faced any legal action or received complaints with regards to any form of human rights violations.

## Labour

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*Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;*

*Principle 4: the elimination of all forms of forced and compulsory labour;*

*Principle 5: the effective abolition of child labour; and*

*Principle 6: the elimination of discrimination in respect of employment and occupation.*

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### **Child and Forced Labour Policies**

EFL has always respected one's individual rights and has ensured humane management that fosters employee well-being. We also ensure a culture that does not resort to any form of exploitation of employees for financial gains.

At the Group level, we strictly enforce the policy of minimum age of employment – 18 years and above. EFL has always eschewed child labour and have never employed minors in any of our operations. We are conscious and even demand this vital practice from our suppliers and outsourced service providers.

This also applies to each of our global stations, which follow EFL's General Guidelines of Employment. This policy document highlights all employment guidelines, including wages & salaries, suitable working conditions for employees, and government-imposed laws and policies for employment with respect to each country, where EFL offices are stationed.

To this date, EFL or the Group has not had any records of child labour or forced labour cases.

### **EFL's Non-Discrimination and Diversity & Inclusion Policies**

'The Pledge' is a policy handbook, which all EFL employees are required to comply with. This policy strictly outlines EFL's commitment to providing a workplace and working environment free from all forms of discrimination and harassment. The handbook further outlines the consequences one will face if they do not comply with the respective guidelines.

Furthermore, EFL is also committed to building an inclusive and engaging culture for all employees and promoting diversity across all our offices and operations. We believe that by

doing so, we will empower and motivate our employees, thereby driving employee efficiency and business growth.

## EFL Pledges for Unity



In keeping with this commitment, EFL was a participant at the 'Pledge for Unity' hosted by The Ceylon Chamber of Commerce on the 21st of May 2019. This was a private sector initiative towards peacebuilding and restoring Sri Lanka's image as a peaceful and tolerant country post Easter Sunday attacks. EFL members at the event took an oath to promote unity and the same was repeated at the EFL office with all our employees in attendance. To ensure that all employees understand the importance of unity and peace, a circular was sent out to all EFL employees in Sri Lanka and all 3 official languages.

## Environment

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*Principle 7: Businesses should support a precautionary approach to environmental challenges and;*

*Principle 8: undertake initiatives to promote greater environmental responsibility; and*

*Principle 9: encourage the development and diffusion of environmentally friendly technologies.*

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While revamping our sustainability strategy to include the SDGs, we focused on four main SDGs that are relevant and directly impact our business. The four SDGs in concern are important components to the environment. The industry EFL is in is one of the largest contributors to air pollution and we, as an organisation, have understood the importance of mitigating our carbon footprint and protecting our planet.

Besides directing our Global Goals focus into climate action related projects and activities, we have reiterated our commitment to the environment with a top-down approach to stress on the importance of sustainability and building a socially responsible organisation to positively impact greater society and the environment.

EFL's commitment to the environment is emphasized on the Pledge and all employees are required to contribute towards converting ourselves into a sustainable organisation.



Furthermore, the Group has amended its environmental focus to invest in digital transformation to reduce paper usage and wastage.

## Environmental Certifications

Annually, EFL is audited under the ISO guidelines to help determine the emission's output of the Sri Lankan Logistic sector operations. We also monitor the usage of materials and compare consumption against the increase in operations and number of employees via an online in-house data management system. This further helps understand material consumption patterns and how best to introduce conservation initiatives.

EFL has once again been certified in:

ISO 14001: Environmental Management System

ISO 14064: Green House Gas Emissions Certification

Furthermore, EFL Logistics Park is also the first LEED Gold Accredited facility of its kind and has Sri Lanka's second largest rooftop solar powerplant, which reduces the facility's energy consumption by approximately 50% from the national grid.

## Environmental Development Partnerships



As a corporate business that is striving towards setting benchmarks for sustainable logistics, we have a constant desire to learn more about positioning ourselves as a sustainably driven business and challenge ourselves by taking on risks. At EFL, we acknowledge that developing sustainability practices through collaborations and partnerships will not only add more value to our business, but also enhance global partnerships to collectively achieve similar targets and goals for sustainable development.

Our desire to learn more and part take in sustainability efforts led us to work alongside a well-known Environmental Scientist in Sri Lanka, who helped direct our sustainability strategy to identify goals that cultivate environmental, community, and financial sustainability. In addition to this, we work closely with a consulting company on developing methods and services to reduce our company's overall carbon emissions and to enhance our path to sustainability.

Moreover, EFL is a proud member of *Sustainable Air Freight Alliance* and *Clean Cargo Working Group*, through which we work alongside fellow freight forwarders, cargo carriers, as well as major brands to collectively reduce environmental impacts of global goods transportation and promote responsible freight transport.

In 2019, EFL successfully acquired membership with *Green Freight Asia (GFA)* and was deemed Sri Lanka's first ever logistics service provider to do so. EFL is now among a network

of Asia road freight companies that work together to improve fuel efficiency, reduce carbon emissions, and lower logistics costs across the entire supply chain.

## EFL's Eco Driver Training



Upon acquiring our membership with GFA, EFL Sri Lanka successfully hosted its very first Eco Driver Training. At this training programme, all EFL Sri Lanka truck drivers were provided with information and gathered knowledge on best sustainability driving practices including fuel saving and efficient fuel mileage methods.

## Anti-Corruption

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

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One of EFL's key priorities is to promote best ethical business practices. As a compliant organisation, we do not engage in any anti-competitive behaviour or any unethical practices that would damage the reputation of the organisation and stakeholders.

To ensure compliance, EFL maintains 'The Pledge' - a policy handbook employees are required to sign on their first day of employment. The Pledge is the key driver of the Group's Code of Conduct that covers categories including human rights, safety, whistle blowing etc. for employees. It also includes specific procedures to prevent conflict of interest, bribery and corruption and the post-termination procedure in order to protect information security and confidentiality.