



UN Global Compact

Communication on Progress

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Summary

When EFL became signatories to the UN Global Compact, our objective was to integrate sustainability into our company's value and develop strategies while taking into consideration our principle-based approach. As a people-oriented business, we strive to be responsible and committed towards embodying good practices that enhance the well-being of all stakeholders involved. By adopting and complying to the 10 principles of the UN GC, we have taken one step closer towards achieving our objectives.

Human Rights

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

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

As a logistics and supply chain solutions-based company, we rely heavily on our workforce to drive us towards being an efficient and effective business. Therefore, we ensure that all our employees are treated fairly and equally with utmost dignity and respect. The human rights principles we have integrated into our business 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 in relation to any form of human rights violations.

Labour

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

Child and Forced Labour Policies

At EFL, we have strictly enforced the policy of minimum age of employment as 18 years and above. Child labour does not correspond with any of our company's values and principles and therefore, we have never employed minors across all our global operations. As a responsible business, we ensure that suppliers, service providers and other stakeholders stringently adhere to this as well.

Moreover, all our global stations follow 'EFL's General Guidelines of Employment' outlining all employment guidelines including wages & salaries, suitable working conditions and government-imposed laws and policies for employment – inclusive of minimum age requirements - with respect to each country, where EFL offices are stationed.

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

EFL's Non-Discrimination and Diversity & Inclusion Policies

All EFL's employees are required to comply with a policy handbook known as 'The Pledge.' This handbook clearly outlines our commitment to creating a safe working environment free from all forms of discrimination and harassment. Moreover, we have strict HR guidelines in place for those who do not comply with these policies.

At EFL, we are committed to creating an inclusive and engaging culture for employees while promoting diversity across all our stations. Since one of our company's core purpose and values is to be flexible and creative, we foster a fun and happy working environment to stimulate innovation and creativity. We believe that by doing so, we will empower and motivate our employees to drive efficiency which in turn leads to business growth.

EFL's Membership with Ethical Trading Initiative

EFL acquired the ETI membership during the latter part of 2019. As a member of the ETI, EFL has adopted the 'ETI Base Code of Labour Practice' which was derived from the 'Conventions of the International Labour Organisation (ILO)'. This membership ensures that we are committed to creating a safe supply chain via integration of ethical trade into our core business practices. Furthermore, this membership assesses the working conditions of our labour force and requires facilitation of the same for all our suppliers.

Environment

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

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

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

This year, EFL identified 7 vital purposes and values for the company. One of the values driven was 'conscious' at a top down approach. This value not only reiterates our responsibility as a company, but also encourages all employees to be socially conscious to generate benefits for society as well as the environment.

In 2019, we identified 4 SDGs that are relevant to our business and worked towards implementing projects and practices that would drive these goals. Therefore, we relaunched the Global Goals as ***Global Goodness***, an internal initiative to encourage all employees to actively volunteer in sustainability projects and build a more conscious life to sustain our planet. Under Global Goodness, we implemented two large scale sustainable projects in South Africa and Sri Lanka by the end of 2019. In early 2020, we initiated a new climate action related project in Chennai, India. One of the aims of our sustainability projects, besides protecting the environment is to promote the importance of environmental responsibility within our company as well as the external communities in our respective country of operation.

To showcase our Global Goodness journey and to highlight our sustainability projects, key initiatives and memberships, we compiled a Global Goodness booklet, which has been annexed to this document.

To keep up with the fast-changing global environment alongside our key value offerings, EFL moves towards digital transformation in order to reduce paper usage and wastage.

Environmental Certifications

- ISO 14001: Environmental Management System
- ISO 14064: Green House Gas Emissions Certification

EFL Logistics Park is the 1st 'LEED Gold Accredited Facility' inclusive of Sri Lanka's second largest rooftop solar powerplant. Earlier this year, EFL expanded the solar capacity at our Fulfillment Center at Orugodawatta which has extended to 2,551 solar panels in order to generate an excess of 100,000 kilowatt hours of energy per month. Over 85% of the Center's consumption is now generated through solar. Moreover, EFL's 3PL facility is working towards becoming the first ever carbon neutral 3PL facility in Sri Lanka.

Environmental Development Partnerships

- Sustainable Air Freight Alliance
- Clean Cargo Working Group
- Green Freight Asia

Anti-Corruption

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

EFL does not engage in any form of anti-competitive behaviour or unethical practices. One of EFL's key priorities is to promote best ethical business practices reflected by our membership with the 'Ethical Trading Initiative (ETI)'.

Employees are also required to comply with our anti-corruption policy highlighted in 'The Pledge.' The Pledge is the key driver of the Group's Code of Conduct that covers categories including human rights, safety, whistle blowing etc. for all employees. It also includes specific procedures to prevent conflict of interest, bribery and corruption alongside the post-termination procedure in order to protect information security and confidentiality.

To showcase all our sustainability projects and initiatives, we have annexed our Global Goodness Booklet for the year 2019/2020.