



UN Global Compact

Communication on Progress

September 2020 - September 2021

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Statement from Founder and President



Hanif Yusoof

EFL Global is pleased to present our third report on progress as a signatory of the UN Global Compact. Upon adopting the UN SDGs in July 2018, we became official signatories to the UN GC in October 2018. Our offices across the globe continue to implement the “blueprint to achieve a better and more sustainable future for all,” which is conducive to our operations. Since the integration of the sustainability strategy, which is built around supporting six key SDGs that are relevant to our business and our operations, we have been working with a broad range of stakeholders to embark on projects and initiatives that set us on path to becoming a global frontrunner in green logistics.

Although many of our global projects were halted due to the pandemic, EFL proactively responded to assist global communities that faced severe livelihood disruptions caused by the global pandemic. When Sri Lanka faced the catastrophic environmental disaster caused by the X-press Pearl incident, we initiated projects that took a holistic approach to financially support and uplift the affected fishing communities, as well as initiatives that assisted personnel who were involved in the clean-up of the aftermath. Through our *Global Goodness* initiative we continued to engage in sustainability projects that are making significant positive impacts on the environment and communities, especially during the pandemic.

Our sustainability programmes are a ripple effect of the desire to help people across all social spectrums irrespective of differences. We are committed to building effective and efficient business models that take care of everyone in our ecosystems because supply chain networks impact varied stakeholders such as business partners, employees, the environment and the wider community. The decisions we materialize today to tackle key environmental and social issues will create a holistic world for future generations. That is why we are dedicated to environmental improvements that foster a sustainable future, and lead to socio-economic improvements in the communities we do business. The power to transform the world lies within all of us.

On behalf of EFL, I reiterate our commitment to the UN GC and reassure that we are committed to fostering business practices that support human rights, labour, environment and anti-corruption, as well as harness the SDGs to create a positive impact in society.

About EFL

EFL Global is a wholly owned subsidiary of Expolanka Holdings PLC and a leader in global supply chain solutions. Over the past few years, we have grown to cover 31 countries with 70+ offices and is backed by a diverse team of 2,900+ employees who are driving the future of freight forwarding.

While EFL grows, we continuously seek challenges in improving our business and operations by implementing best practices to accelerate our business growth and strengthen stakeholder relationships.

We strongly believe that as a business that is in the transport industry, we play an imperative role in engaging, as well as facilitating green practices that protect our environment and the communities around us.

Commitment to the UN SDGs

Since becoming signatories to the UN GC in 2019, EFL has strategically included the SDGs into our sustainability agenda by identifying key SDGs that are aligned with our business practices. While we did identify four main SDGs initially, over the past two years, we have included two more to our strategy, namely Goal 6: Clean Water and Sanitation and Goal 7: Affordable and Clean Energy.



The former is a pertinent global issue that we began to address through our Global Goodness initiative, and the latter is a fundamental area that we believe ties well with EFL's goal to reduce our carbon footprint globally.

While we support all the UN SDGs, the six SDGs we have identified will continue to be a focal point to our sustainability journey and agenda at EFL.

Global Goodness



EFL launched our Global Goodness program in 2019 as a holistic approach to our sustainability agenda. Through Global Goodness, we encourage our staff to actively volunteer in sustainability projects and build a more conscious life to

sustain our planet. We aim to engage in projects that advance societal goals, while strengthening our core business approaches by aligning them with the UN's Sustainable Development Goals.

At EFL, we strongly believe that even by making small differences, we can leave a big impact on this world.

Under Global Goodness, we initiated three large scale projects in South Africa, Sri Lanka and India focusing on providing local communities with access to clean water and/or reviving the environment.

In 2020, EFL published a Global Goodness Report that outlines all of the sustainability initiatives that are carried out till date. To view that, please select [Global Goodness Report](#) or view the annexure.

Play Pump, South Africa

The climate crisis in South Africa had exacerbated the water crisis leading to a severity in other issues like access to healthy food, nourishment, and education. Notably, it also impeded access to quality healthcare, which was further heightened in the wake of the COVID-19 pandemic. Education was barred for young girls, as they bore the responsibility of having to walk miles to neighbouring villages to fetch clean water.



EFL South Africa's team worked hard to identify a rural school two hours away from the Capital City that could greatly benefit from having access to clean water. In 2019, we installed a play pump at the Khubamelo Primary School located in the North-Western province. The Play Pump, which was built to combat the clean water crisis, pumps clean, drinkable groundwater into a tank when the children play with it. The tank is connected to a pipeline, which distributes the clean drinking water to a local tap source.

Over the past two years, the Play Pump project has successfully provided over 500+ students and teachers, as well as the neighbouring communities access to clean drinking water, which has led to a healthier life. However, when the pandemic hit, the communities benefited significantly from it. Despite the country's lockdown, which restricted movement of essential services including lorries carrying water, the local communities had access to clean water through the pump.

Given the success of the first pump, EFL was able to identify that several areas in South Africa had existing pumps, which had fallen into a state of disrepair due to lack of maintenance. This led EFL to undertake the service and upkeep of 6 pumps, in order that local communities can use them efficiently to generate clean drinking water for their needs.



6 pumps that were located in 6 schools across the North Western Province in South Africa have now successfully been restored, thereby providing clean water access to another 2600+ students and teachers, as well as their local communities.

Revive Bundala, Sri Lanka

As a part of EFL's sustainability agenda, a flagship project was launched in 2019 with the aim of restoring Bundala National Park's ecosystem. This National Park in Sri Lanka, which was declared a Ramsar site and is well known for attracting international migratory birds has been deeply affected by an invasive plant species.

EFL adopted 600 acres of land that had been cleared off the invasive species to initiate a project that focuses on rehabilitating and reviving the surrounding habitat by planting 125,000 trees over 5 years, so that migratory birds would return over the years. In the year of inception (2019), we successfully planted 15,000 plants of native species.

In early 2020, the project's progress was delayed due to the pandemic. Nevertheless, we were able to launch phase 2 over two stages due to the ease of lockdowns and restrictions in the South: October 2020 and January 2021. While our intention for this project was to have our own employees volunteer by planting, this had to be revised, as we couldn't have employees participate in large groups. Therefore, we sought help from the local community by hiring them to plant in designated areas.



As the local community is heavily dependent on tourism for their daily income and tourism was at a standstill, this was a way for EFL to empower them financially as well. The community members who were selected were also educated on the plants and how to take care of them, thereby ensuring that the plants will sustain under their care for the long run.

During phase 2, with the assistance of local community members and Park staff, enabled almost 25,000 saplings to be planted. To date, we have successfully planted 40,000 saplings across approximately 100 acres of land.

Thaali Kulam, India

Lakes and ponds in India often bear the brunt of human negligence, and freshwater bodies are contaminated due to human activity, adding to the major water crisis in the country. Today, many cities in India are running low on fresh groundwater, struggling to find access to clean water. This has greatly impacted health across many regions.



Thaali Kulam, located in South Chennai, is a non-system pond that did not have proper bunds to function properly and needed a complete ecological restoration. To find a solution, EFL India partnered with the Environmentalist Foundation of India (EFI), a group that focuses on the scientific revival of damaged and polluted freshwater bodies through community-based conservation efforts.

EFL took the lead and restored inlets for maximum efficiency, while also improving flood resistance of the surrounding areas. Additionally, this initiative restored the water-holding capacity of the pond and provided groundwater recharge. We also planted native plant species around the pond area, which aids with improving the ecological environment for wildlife over time.

This restoration initiative benefited 3,000+ families around the area, providing replenished aquafer levels especially during droughts (a common occurrence in Chennai).

Although EFL had hoped to expand this project across India in the past year, our efforts had been halted due to the severity of the pandemic in India. Instead, we channeled our energy into ensuring efficient mechanisms were in place to protect our employees from COVID and conducted COVID relief efforts across the country.

EFL's Social Responsibility

Since day one, an important aspect of our company's vision and mission is to be a socially responsible corporate that works towards giving back to the communities and people that support the growth of our business. Not only do we strive to empower our employees, but we are also particular about uplifting our local communities to the best of our abilities. Therefore, as a logistics company, we use our services and expertise in this industry to assist with immediate disaster relief by collaborating with local organizations, so that all efforts directly benefit the people affected.

COVID-19 Relief

It is no surprise that the world has been severely impacted since the beginning of the COVID-19 pandemic. The severity was heightened in developing countries that were in lockdown causing many vulnerable communities with daily wage earners and low-income earners, who had been made redundant of jobs and didn't have access to feed their families.

Moreover, as a logistics company, EFL's services have become more important that even since the wake of the pandemic. While movement was restricted for non-essential workers and regular citizens, EFL's transport and logistical services came in handy, especially to distribute relief packages and COVID related equipment to hospitals.

EFL's parent company, Expolanka Holdings Plc along with EFL will remain committed to supporting as many communities as possible and facilities involved in COVID care during these uncertain times.

Essential food distribution to local communities

When Sri Lanka faced its second wave leading the Government to impose a nationwide lockdown in October 2020, several low-income communities within the Western Province were put in a similar vulnerable situation.



EFL partnered with The Centre for Humanitarian Affairs (CHA) and local police to identify such areas that were subject to lockdown orders and assist these communities by distributing daily essential food items. The distribution programme, which began in November 2020 was conducted by the Local Police Divisions and other relevant COVID personnel in the designated areas.

This initiative that was continued on until the end of March 2021 had successfully catered to 19,376 families across 22 locations in the Western Province.

Dry ration relief to local community in Bundala

In July 2021, the EFL team hand-delivered COVID-19 relief items to members of the local community who were physically involved in our ongoing project in Bundala to assist them and their families during the pandemic.



Supporting dry ration relief carried out by Expolanka



Expolanka has been catering to the needs of local communities across the island that have been severely displaced due to the spread of the pandemic. Many daily wage and low income communities did not have access to basic food items or monetary funds to purchase food for their families.

Under the facilitation of Expolanka, EFL provided logistical services to transport dry ration packages that were distributed across severely impacted communities in Kandy, Ratnapura, and Nuwara Eliya. Over 1,500 families benefitted from this initiative.

Supporting Expolanka's COVID related equipment donations



EFL supported Expolanka by providing logistical services and transporting heavy machinery, including ventilators, oxygen therapy machines, PCR testing kits, and other hospital equipment to major hospitals involved in COVID care across the island. One of these initiatives included the donation of high-end ICU ventilators to the Ministry of Health in Sri Lanka.

X-Press Pearl Disaster Relief

Our global citizens have felt the severe impact of COVID-19 on their local communities. In Sri Lanka, these hardships were further exacerbated by the X-Press Pearl incident, when the cargo ship carrying chemicals caught fire off the coast of Sri Lanka, affecting surrounding marine life and creating the worst environment disaster the island has faced.

As a logistics service provider, our services transcend freight on air and ground. As we provide services through ocean freight as well, we have been committed to protecting our oceans and marine life through our sustainability agenda.

Phase I

Fishing communities in the Western Province of Sri Lanka were facing severe hardships with loss of income and livelihoods. In June 2021, EFL partnered with NAFSO Sri Lanka and Sri Vimukthi Fisher Women Organization to identify 70 families in Munnakari, a local fishing village, that are struggling to financially support their families. EFL delivered dry rations and supplies to help feed their families and lessen their burden during this time.



Phase II

Sri Lanka's Coast Guard collectively with the Forces had been working tirelessly to clean up the nurdles and chemicals that have covered local beaches after the X-Press Pearl fire. To help expedite and assist with the process, our EFL Global team visited the Coast Guard this week to hand off supplies and safety equipment to the teams working on ground.



Phase III

As we continued to support the affected communities, something we feel very strongly under our Global Goodness initiative is to not only educate our employees, but to also educate and engage future generations to safeguard the environment.

We took to the beaches of the West Coast with a few of our team members and their children to lend a helping hand to the Coast Guard, who had been working tirelessly to clean up the nurdles.

This voluntary participation was a great way to educate the children on the commitment that's needed to rehabilitate and protect our planet.



EFL Green Initiatives

As a logistics service provider, we aim to become a front runner in green logistics by investing in green solutions that negate any negative effects that are created by our operations.

Renewable Energy & Carbon Neutral Facility

In 2016, EFL Logistics Park (LPPL) became the first LEED Gold Accredited facility of its kind and has Sri Lanka's second largest rooftop solar powerplant. In early 2019, EFL expanded the solar capacity at our Fulfillment Center at Orugodawatta and now have 2,551 solar panels, which will help generate an excess of 100,000 kilowatt hours of energy per month. Over 85% of the Center's consumption is now generated through solar.

While we recognized the many benefits that investing in renewable energy such as solar provides, especially the benefit of reducing our carbon footprint, we began working towards making LPPL a complete carbon neutral facility.



In 2021, EFL 3PL became the first 3PL facility in Sri Lanka to be fully carbon neutral by offsetting 1,100 tonnes of CO².

EFL is working towards installing more renewable energy measures across our own offices in Sri Lanka and India.

World Zero Emission Day 2020

In 2019, we launched a new service “Green Deliveries,” by offering all our customers the option to make their shipments carbon neutral. This service helps reduce the direct negative impact of their shipments and reduces their carbon footprint. We compensate for these carbon emissions by investing in a global renewable energy project.

In lieu of World Zero Emissions Day 2020, we selected our top ten customers and neutralized their shipments on this day through our Green Delivery Service. Not only does this help promote a more sustainable partnership by reducing our carbon footprint together but helps EFL recognize customers who are committed to sustainability as well.

Aligning with UN GC Principles

When EFL became signatories to the UN Global Compact, our objective was to integrate sustainability into our company’s value, as well as develop on our principle-based approach. As a people-oriented business, we have always strived to be responsible and committed towards embodying good practices that enhance the wellbeing of all our stakeholders. By adopting and complying to the 10 principles of the UN GC, we have taken one step closer towards achieving our objective.

Human Rights

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 strongly believe that all our employees must always be treated fairly and equally with dignity and respect. The human rights principles we have integrated into our practices 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

Child and Forced Labour Policies

At EFL, we strictly enforce the policy of minimum age of employment – 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 in any of our global operations. As a responsible business, we ensure that the suppliers and service providers we work with stringently adhere to this as well.

Moreover, all our global stations follow EFL's General Guidelines of Employment, which outlines all employment guidelines, including wages & salaries, suitable working conditions for employees, 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 has not had 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, '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 the policies.

At EFL, we are committed to building an inclusive and engaging culture for our employees by promoting diversity across all our stations. One of our company's purposes & values is to be flexible and creative for which 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, thereby driving employee efficiency and business growth.

Environment

In 2020, EFL identified 7 key purposes and values for the company, of which one is "conscious." This value reiterates our responsibility as a company, but also encourages all employees to be socially conscious, so that we would benefit both society and the environment. Tying in with our Global Goodness initiative, we strive to be an environmentally and socially conscious corporate.

Through our Global Goodness initiative, we have been able to continue with two of the largest sustainability projects undertaken by EFL with one of them focusing on reviving a National Park's deprived ecosystem in Sri Lanka.

Environmental Certifications

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

Environmental Development Partnerships

- ⇒ Sustainable Air Freight Alliance
- ⇒ Clean Cargo Working Group
- ⇒ Green Freight Asia
- ⇒ Science Based Targets Initiative

Science Based Targets Initiative (SBTi) is a clearly defined path to reduce emissions in line with the Paris Agreement Goals: to limit the global temperature increase in this century to 2°C.

In 2020, EFL committed to SBTi with the aim of setting SBT in line with the latest climate science to reduce our greenhouse gas emissions. We are currently in the process of identifying the best SBT that can support our goal of reducing our global carbon footprint.

Anti-Corruption

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 and that is reflected by our membership with Ethical Trading Initiative (ETI).

Employees are also required to comply to our anti-corruption policy, which is highlighted on '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 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.