convergence

Dialog

Sustainability Report 2013

MATERIALITY MATTERS

Global Reporting Initiative™

AT THE TIME OF PUBLICATION THE G4-17 TO G4-27 DISCLOSURES WERE CORRECTLY LOCATED IN THIS G4 CONTENT INDEX AND FINAL REPORT.

2014 ✓

Augmented Sustainability Report

This Sustainability Report is not limited to the printed page. Using an Augmented Reality application, readers of this report's limited print run can more fully explore the stories and contexts underpinning Dialog Axiata PLC's world in 2013. Download the Layar application on to your compatible mobile device by following the instructions below, then hover your device's camera over the Layar icons in the report to enter this Sustainability Report's digital dimension.

Readers of electronic versions of this report: thank you for sparing a thought for the environment. In electronic versions, you may click on the Layar placeholder, which will act as a hyperlink to the additional content.

How to use the layar *app*

1. Scan the code below on your device. You will be directed to the download page for the Layar app.

2. Start the Layar app and scan the pages containing Layar icons in this report to be taken to the augmented content

Notes:

Forward-Looking Statements

This report contains forward-looking statements characterised by the use of words and phrases such as "might", "forecast", "anticipate", "project", "may", "believe", "predict", "expect", "continue", "will", "estimate", "target", and other similar expressions. Our business operates in an ever-changing macro-environment and is subject to uncertainties that could cause actual results to differ from those reflected in the forward-looking statements. Such statements reflect the expectations of the Group and may or may not turn out as predicted.

Changes from Previous Report

This report has been developed in accordance with the Global Reporting Initiative's G4 reporting guidelines, whereas the previous report was prepared in accordance with the G3.1 guidelines. A restatement of previously reported data is noted in the appendices to this report.

Convergence

Information and Communications Technologies (ICTs) have been converging with each other, and converging with other technologies key to our lives, for several years. Dialog Axiata PLC's intention declared some years ago, to become the undisputed leader in providing multisensory empowerment and enrichment for Sri Lankan lives and enterprises, presaged, and in many cases drove this convergence for millions of Sri Lankans.

Today we can recognise and highlight a similar convergence, one that took place more behind the scenes, and which reflects a corresponding journey. This convergence is one that has seen Dialog and its stakeholders analyse, internalise, and act on the world around us in powerful alignment and with explosive, multiplying effect. Today we recognise a convergence where the many activities, the many innovations, the many measured risks we have taken, and yes, the lessons from those risks that were not successful, begin to complement and feed on each other; a convergence where the whole is far greater than the sum of the parts.

Digital Inclusion has been core to Dialog's mission, and has fuelled the Company's growth and leadership from inception. In the same way, Digital Inclusion forms the core not only of the business but also of Dialog's view of corporate sustainability – in many ways leading to or linked to the priority areas of broad-basing and enhancing access to Education; early and/or technology-enabled interventions in Health (with a core focus on Hearing and other difficulties); Disaster preparedness and response and other marginalised issues.

Beginning in 1995 as the fourth entrant into an elite-oriented industry providing what was a luxury unimaginable to most Sri Lankans, Dialog brought the most future-forward, most inclusive technologies to a country and a world only just beginning to understand the phenomenal, democratising power of reliable, accessible connectivity in the hands of almost every citizen.

In 2005 Dialog reimagined itself as being no longer a – very successful – telephony provider, and took on the challenge of becoming the undisputed leader in providing multisensory connectivity for the empowerment and enrichment of Sri Lankan lives and enterprises.

In 2013 we pivoted again. Dialog is not content being Sri Lanka's most innovative Information and Communication Technology service provider. With expansion – endogenous as well as by considered acquisitions and investments – Dialog is entering a new fray, once again the disruptor, seeking to adapt and make accessible the Digital world to the base and the middle of the pyramid, to make them informed, engaged consumers who draw disproportionate value from multisensory connectivity to the rest of the world – and the rest of the pyramid – in ways that had never been affordable or available before. It has always been our belief that mere charity is unsustainable and cannot scale. On the other hand, we have seen first-hand the multiplier effect that our 4A's approach for Digital Inclusion has changed lives and changed Sri Lanka's economic and social landscape. Another converging thread that is not even visible to most consumers is the increase of connected devices. The volumes of new information we can suddenly easily access and analyse, and the hitherto unimagined control we can exercise in a world where so many more devices can be coordinated dynamically in response to the world itself, point to a revolution that Dialog is uniquely positioned, to lead and direct for the service of all Sri Lankans.

Six Years of Sustainability Reporting

In Q1 2009 the Global Financial Crisis was manifesting its widest-reaching impacts. Competition in the local market was threatening the very sustainability of the tremendous gains Information and Communications Technologies had brought to all Sri Lankans. Yet it was at this time that what was then Dialog Telekom PLC published its maiden Sustainability Report for the year 2008, in accordance with the Global Reporting Initiative's G3 reporting guidelines. In keeping with the austerity of the times, the report was published only in electronic form. We spoke of the Corporate Responsibility doctrine that guided us and recognised that by far our greatest contribution to the world was the powerful effect our technologies had in enabling an Information Society.

A year later, Dialog looked back on 2009 and shared its progress in achieving a basic goal – enriching Sri Lankan lives – by focusing on Responsible Value Creation – be it economic, social, or environmental value – and wherever possible, in combination. Reviewing 2010, Dialog's Group Chief Executive Dr. Hans Wijayasuriya discussed how Dialog had delivered Shared Value through its many activities. That the 'Triple Bottom Line' concept in fact boils down to one very simple verdict: the sustainability – and flourishing – of a company within the ecosystem that it serves, and which in turn sustains the company, was boldly argued in the next Sustainability Report covering 2011. Unlike preceding reports, this report was prepared in accordance with the Global Reporting Initiative's G3.1 guidelines.

Finally, in 2012, Dialog suggested that over its journey of 17 years, five of which had seen publicly shared reports on its Sustainability performance, the Company had endeavoured to, and was increasingly beginning to see throughout its line operations the practise of, and capacity for, Making the Right Calls in realising the long-term sustainability of the Company and the world around it.

Today, continuing this annual cycle, we share with you the increasing instances over the past year of Convergence among many apparently disparate threads. The evidence that harks back to Adam Smith's Invisible Hand demonstrates the powerful effects of years of engagement and education across functions, across competencies, across our business ecosystems and spheres of influence, resulting in an alignment and a coming together of the diverse activities of Business Units, individual employees, suppliers, consumers, regulators, policymakers, civil leaders, volunteers, and corporate peers.

Convergence is accelerating around us, from the Axiata Group's Corporate Centre taking a unified Sustainability ethos to Axiata's presence across the region; to the convergence between Axiata's leadership framework and Dialog's approach to sustainability; to maturation and phase changes of several of Dialog's Digital Inclusion efforts, Public-Private Partnerships and social innovations; to the increasing maturity and innovation being proposed and discussed with a growing number of current and prospective partners across the spectrum of sectors and a range of sizes, focused on tackling some of the hardest problems we face today and tomorrow. Convergence in the values we at Dialog *Embrace*, the rigor and science behind how we *Think*, which both guide us as we *Act*, is leading to increasing synergies by combining our growing competencies, technology portfolio, sectoral presence and tremendous depth and breadth of reach, in achieving balance and creating value at every point in the continuum between the purely altruistic and the determinedly commercial.

Retailers & Distributors

Suppliers

Employees

Media

Business Partners

Customers

Community

Regulators

Scope & Boundary

This is Dialog Axiata PLC's sixth consecutive Sustainability Report, reporting on the period from 1st January to 31st December 2013, accompanying the Annual Report to Shareholders. Dialog Axiata PLC's 2013 Annual Report and Sustainability Report, read together, provide required disclosures for the period under review on the Company and its subsidiaries, Dialog Broadband Networks (Private) Limited (DBN), and Dialog Television (Private) Limited (DTV) , collectively referred to as 'The Group'.

This report documents for the year under review the Group's management approach to, and performance on, 35 material aspects as defined by the Global Reporting Initiative's (GRI) G4 sustainability reporting framework, concerned with the Economic, Social, Governance and Environmental dimensions of the Company's performance. The definition of the boundary between aspects to be reported on or not is determined by a materiality test described later in this report. In addition to the material GRI aspects, we have also reported on eight material telecommunication industry-specific indicators.

This Sustainability Report also serves as Dialog Axiata PLC's 6th consecutive Communication of Progress (COP) in realising the United Nations Global Compact's (UNGC) Ten Principles in the areas of Human Rights, Labour, the Environment and Anti-Corruption. Further, this is our 3rd consecutive Advanced Communication on Progress on 24 Advanced Criteria relative to the ten principles.

G4-17   G4-18   G4-19

Independent Verification

Value Chain

Depicted below is the Value Chain within which Dialog Axiata PLC operated in the year under review.*

	Firm Infrastructure	Human Resources Management	Technology Development	Procurement	Inbound Logistics	Operations	Outbound Logistics	Marketing & Sales	After Sales Service
Customer Health and Safety	✓	✓	✓	✓			●	✓	✓
Diversity and Equal Opportunity		✓	✓	✓				✓	
Effluents and Waste		✓	✓	✓	✓	✓	✓	✓	✓
Employment		✓		✓		✓			
Equal Remuneration for Women and Men		✓		✓					
Forced or Compulsory Labour		✓		✓		✓			
Freedom of Association and Collective Bargaining		✓		✓		✓			
Assessments (Human Rights)		✓		✓		✓			
Human Rights Grievance Mechanism	✓	✓		✓		✓			
Indirect Economic Impacts	✓		✓	✓					
Labour Practices Grievance Mechanism	✓	✓				✓			
Local Communities	✓		✓	✓		✓		✓	
Non-discrimination	✓	✓		✓		✓		✓	✓
Occupational Health and Safety		✓		✓		✓			
Procurement Practices	✓			✓					
Product and Service Labeling								✓	
Products and Services		✓	✓	✓	✓	✓	✓	✓	✓

Material Aspects mapped against Dialog Axiata PLC's Value Chain

G4-18   G4-19   G4-20   G4-21

* The rows represent the aspects found to be most material to the Company's operations in the year under review, while the columns represent the different segments of the Company's value chain as described by Porter and Kramer in "Strategy & Society - The Link Between Competitive Advantage and Corporate Social Responsibility"

This Sustainability Report has been independently verified by Net Balance Management Group Pty Ltd (Net Balance) as fulfilling all requirements to be classified a 'GRI G4 Comprehensive' report. The assurance is for a 'Type 2' and 'moderate level report' as set out in the AA1000 Assurance Standard of 2008. Pages 92 to 96 provide a detailed assurance statement of the verification carried out. This report has also been checked by the GRI for disclosures pertaining to identified material aspects and boundaries as well as stakeholder engagement

	Firm Infrastructure	Human Resources Management	Technology Development	Procurement	Inbound Logistics	Operations	Outbound Logistics	Marketing & Sales	After Sales Service
Training and Education		✓	✓						
Biodiversity	✓		●	✓	✓	✓	✓		
Child Labour	✓	✓		✓					
Customer Privacy	✓							✓	✓
Emissions	✓		✓	✓	✓	✓	✓		
Energy			✓	✓		✓			
Environmental Compliance	✓			✓	✓	✓	✓		
Environmental Grievance Mechanism	✓			✓	✓	✓	✓		✓
Investment	✓								
Labour-Management Relations	✓	✓				✓			
Marketing Communications								✓	✓
Materials			✓	✓		✓			
Product Responsibility Compliance	✓		✓	✓			✓	✓	✓
Society Compliance	✓	✓		✓		✓		✓	✓
Supplier Assessment for Impacts on Society				✓				✓	
Supplier Assessment for Labour Practices	✓			✓				✓	
Supplier Environment Assessment				✓				✓	
Supplier Human Rights Assessment				✓				✓	

G4-18 G4-19 G4-20 G4-21

☑ Relevant ● Partially Relevant

Chairman's Message

I welcome the opportunity to contribute this brief message to Dialog Axiata PLC's sixth Sustainability Report. I believe I can say with confidence that this report is yet another milestone in Dialog's maturation as a company that cares about Sustainability both within and without its immediate boundaries. I note with particular pride that for the year 2013 Dialog maintained its Number 1 position in Sri Lanka's Corporate Accountability Ratings – for the 4th consecutive time, and since the inception of the award.
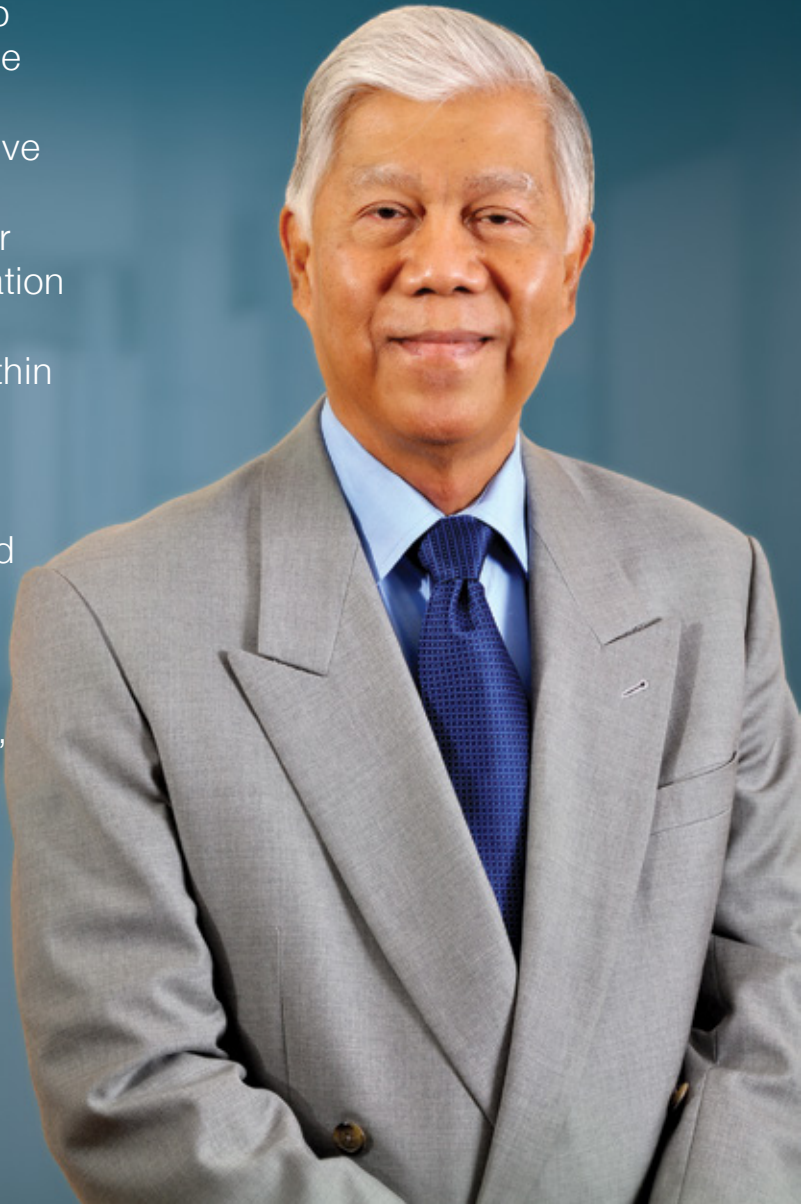
A mature Sustainability practise requires striking an appropriate balance on several dimensions. Not only must the organisation do, but it must communicate as well – not for cheap publicity, but so that others may learn of its work, share their thoughts and criticisms, take inspiration from, or, perhaps best of all, collaborate.

Strategic, critical thought and planning are hallmarks of the best examples in the field, but agility and swift, efficient execution are equally important to achieve the most impact. Focused expertise and effort provide the most traction, but wide participation and a deep, organisation-wide internalisation of the basic concepts are essential for the sustainability of Sustainability itself.

Finally, while Sustainability work must rise above the purely commercial, the most enlightened and impactful efforts are symbiotic with the organisation's activities, approaching the point where it may become impossible to make a clear distinction between commercial and sustainability-oriented activities.

Sustainability is a moving target. While I believe Dialog's excellent record has achieved or approached most of the above goals in our journey so far, I know too that our work must continue, not linearly but at an accelerating pace, if Dialog is to be part of the solution to our common Sustainability challenges.

While you will read in the following pages of many facets of Dialog's work in 2013, which we as a Board are privileged to learn about at our meetings, I wish to highlight two activities into which I have personally had insight respectively as the Chairman of the Board of Directors, and as the Chairman of the Board of Trustees of the Dialog Foundation. In 2013, we stewarded the convergence of the Group's Enterprise Risk Management framework and processes with the Sustainability-driven risk identification and management processes. The Dialog Foundation marked its first year of operations, building on and in some cases transforming the Group's contributions in the past ten years, united today under the Foundation's aegis.

In closing, I wish to thank all staff and stakeholders for their continued engagement and contribution to holding Dialog to the highest standards of corporate accountability and sustainability.

Datuk Azzat Kamaludin
Chairman of the Board of Directors

23rd May 2014

Group Chief Executive's Review

This Sustainability Report marks our sixth public disclosure on Dialog's Sustainability performance and has the distinction of being the first sustainability report published by a Sri Lankan Corporate to be externally assured and independently verified to be in compliance with the Global Reporting Initiative's most recent G4 "Comprehensive" reporting guidelines.

Last year I affirmed that your Company's Sustainability agenda would remain inseparable from its core business strategy in terms of being centred on a commitment to optimise and grow shared value. While our sustainability performance as well as our contribution to the nation and community at large during the year 2013 is more fully espoused in the forward pages of this Report, I would like to reiterate our commitment to the principle of inclusive and sustainable development towards which we direct our core business levers and capabilities on a consistent basis. Following on from our core business focus on multi-faceted connectivity technologies, the Digital Empowerment of citizens, communities and businesses, and its application on a plural and inclusive basis, continues to be central to our sustainability ethos. Our sustainability thrust in 2013 represents a continued and relentless drive towards bridging divides and asymmetries in access to education, knowledge, information, commerce, health and other fundamental levers of socio-economic development.

While digital inclusion and responsible operations continued to pervade our approach to Sustainability in 2013, we also continued to supplement our sustainability thrust with strategic philanthropic interventions carried out through the Dialog Foundation. Dialog's philanthropic interventions included the extension of monetary and in-kind support towards the activities of worthy civil organisations spanning a variety of agendas aimed at uplifting marginalised segments of society. The Company's philanthropic activities were strongly supported in terms of active engagement and implementation capacity, through employee-driven voluntarism, centered on the Dialog Employee Volunteer Network.

As espoused in my Review of Operations in the Dialog Annual Report for the Year 2013, we see the emerging digital era as being a future in which "digitisation" via a confluence of advanced devices and enabling services would permeate consumer lifestyle as well as business processes at an ever-increasing space. People and enterprises would then increasingly engage with 'Digital Services' to carry out a wide plethora of tasks including but not limited to the access of information, entertainment and learning, fulfillment of Government or Business to Consumer (G/B2C), Business to Business (B2B) and Consumer to Consumer (C2C) transactions, and the maintenance of social connections and business networks. Connectivity technologies and devices in general and the mobile phone in particular would then be the single most transformative drivers in manifesting the multi-faceted capabilities of digital services in to life changing empowerment. We see ourselves in a role focused on democratising this digital future and the multi-faceted digital empowerment it promises to deliver to citizens and businesses. In fulfilling this role we are called upon to critically evaluate the adjacencies to our core business which may take the form of critical pivots for achievement of inclusion outcomes. In our view, the plural affordability of smart devices in general and smart phones in particular is one such pivot. It was hence natural that the confluence of business and sustainability objectives focused us in the direction of the tangential business of developing and promoting our own brand of smart devices. The Year 2013 saw the aggressive market entry and penetrative proliferation of the 'Dialog Smartphone'. Driven by the single-minded objective of delivering a high-quality smart device at a price which beats the Rs.10,000 affordability barrier, the Dialog Smartphone series continues to set price benchmarks at entry as well as advanced technology/function device categories.

Dialog will continue to scan core and adjacent business verticals with a view to on one hand maximise, and on the other hand eliminate the barriers to, the creation of shared value. We believe that over the years past, the Dialog ethos of considering stakeholder engagement and long-term business sustainability as being symbiotic to the goal of creating shareholder value, has delivered positive returns to customers, shareholders and the wider stakeholder community alike. The continued delivery of shared value on the backdrop of a rapidly changing technology and socio-economic environment will no doubt call upon us to maintain an intimate degree of stakeholder engagement as a principal and guiding input to our business strategies in the context of the digital era ahead. As amply demonstrated in our core business strategies which have successfully navigated successive waves of technological transformation, the Dialog Group has honed inherent strengths in adapting to and exploiting change. We will continue to apply these inherent competencies to critically review and refresh our Corporate Sustainability agenda so as to consolidate our position as a thought leader in the area while remaining intimately relevant and equitably value adding, to our multiple stakeholders.

As alluded to above, stakeholder engagement remains central to the achievement of a high degree of alignment and relevance vis a vis stakeholder objectives and value expectations. With respect to seeking stakeholder views, we broadened the coverage of our survey process during the course of 2013. We also challenged ourselves to enhance the granularity and quantitative rigour applied to the data we collected and the analysis we performed. The outcome of the engagement process was rich in terms of learning. Among other imperatives requiring our attention, we have identified the need for a more wide-ranging and educative discourse with respect to contextual positioning of Corporate Sustainability within the diverse communities in which we operate. This report encompasses a review of the effectiveness of our responses to the issues that were determined to be the most material and legitimate over the past year. During 2013 we also up-scaled our focus on the rigour of outside-in assurance applied to our

sustainability data and disclosures, We are committed to continuously enhance the transparency and accountability accompanying our sustainability management process, operating systems and disclosure of sustainability performance. Our efforts to maintain a best in class sustainability management approach and process has earned us the distinction of being ranked No.1 on Sri Lanka's only Corporate Accountability Rating Index, four times in succession. In this respect we are proud to report that we once again retained the top spot on the prestigious Sting Corporate Accountability Index for the Year 2013. Going forward, we will continue to develop rigour in our management processes to ensure that we raise the bar even further.

In 2013, the outreach thrust of the Dialog Group focused on community-owned, economically, socially and politically sustainable and genuinely life-enhancing interventions. In this respect, a concerted effort was applied to the maximisation of triple bottom line objectives in terms of achieving Environmental, Social and Economic outcomes, concurrently with the democratisation of access to life-enhancing technologies. Accordingly, 2013 featured the application of specific focus on our product and service responsibility thrust. We continued preparations to meet ISO14001 Environmental Management System standards with respect to our tower infrastructure which has been identified as our most environmentally impactful activity. During the period under review we also bolstered our outreach efforts centred on consumer education and product responsibility. These outreach interventions ranged from lead participation in multi-stakeholder waste management forums and the development of specialised services for customer segments with special needs such as hearing impairment.
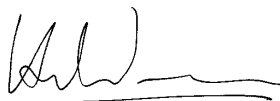
When scanning the potential for impactful shared value delivery, we continue to be drawn to the sphere of education and the manifold opportunities to bridge existing asymmetries with respect to its delivery and accessibility on a plural basis. During the course of 2013 the Dialog Group further bolstered its contribution to Sri Lanka's

Education sector. The Satellite based Nenasa Distance Learning Network was expanded to include a second channel and further more connected its 2,000th School, during the year. Nenasa is a Gift to the Nation's children from Dialog and is jointly operated by the Ministry of Education, National Institute of Education and the Dialog Group, with a vision of delivering best-in-class educational content to rural schools across Sri Lanka. The Year 2013 also marked the milestone award of the 500th Dialog Scholarship. The Dialog Scholarship has been in operation since 2003 and rewards top performers at Ordinary and Advanced Level from across all 25 districts of Sri Lanka with ongoing monetary support during their course of advanced studies. As espoused in years past, we have also identified the spheres of Hearing Impairment and Disaster Preparedness as areas of focus and shared value delivery. Our long-standing and continuing contributions in these spheres round out our major strategic engagements with the broader community and are discussed elsewhere in this Report. I would like to take this opportunity to thank our strategic partners in Government as well like-minded Non-Government sectors who have worked with us towards maximising the impact we could deliver to the communities in which we operate. These partners include the International Finance Corporation, the GSM Association, and the International Telecommunications Union, the Ministries of Education, Health, Disaster Management, the National Blood Transfusion Centre, the National Institute of Education and the National Disaster Management Centre.

Dialog continues to pay attention to the sustainable development of the downstream eco-systems which contribute symbiotically to its business and to the consumers of its services. Dialog's network of Infomediaries across rural Sri Lanka – the 5 Star Partner network – consolidated its presence during the course of 2013, and demonstrated indelible value to both Dialog and the Consumer. Co-creation of several new initiatives –

many inspired by the Infomediaries themselves epitomise continuous innovation and experimentation at all levels of Dialog's value chain. During 2013, 200 of the best-performing 5 Star Partners were digitally empowered with tablets and smart devices supporting specialised Point of Sales Applications enabling the delivery of a wider and enhanced range of services, thereby transforming the efficiency and immediacy of Dialog's Service Value chain vis a vis rural communities. The portfolio of life enhancing services specifically designed in alignment with the needs of rural communities was further enhanced through the proliferation of mobile money, mobile payment, online education and micro-insurance services delivered in the main through Dialog's digitally empowered outreach partner network.

Your Company is no doubt uniquely placed to leave behind life enhancing impacts on the communities in which it operates. During the Year under review we have seeded several strategic platforms for leadership in the emerging digital era, and will continue to be focused on delivering shared value to our multiple stakeholders through paradigm-setting advancements in the inclusive application of our products and services. In doing so we will remain strongly aligned to the ethos of responsible operations. While the period ahead will be characterised by multi-faceted transformation of the sectors in which we operate, we look forward with excitement to the opportunity to play a transformational role in the lives of people and hence in the shaping of the future of our country.

Dr. Hans Wijayasuriya
Group Chief Executive

23rd May 2014

Management Approach

Dialog's Parent, Axiata Group Berhad, focuses on Talent as the key differentiator and driver of excellence across its diverse Operating Companies. Talent within the Companies, developed under the framework, is groomed for ever-higher performance and ever-greater challenges. Talent in the communities around the Companies, is developed as the future of Axiata's talent pipeline as well as the growth driver in its markets.

Axiata's talent adheres to the axiom, 'Think before we act, and we shall act according to what we embrace'.

This framework calls on Axiata's people to identify and commit to basic Values , and to ground their Actions upon those values. Axiata encourages its people to adopt a bias to action, choosing to act upon the environment around them rather than not, when the situation calls for it. Finally, Axiata calls on its people to base their actions upon facts, pushing the boundaries of what is known with rigorous measurement and challenging assumptions.

In 2012 we stated that Dialog was 'Making the Right Calls' in various aspects of our business under a three-fold approach for taking Sustainability into the core of our business as 'encapsulated in the ideas of Sound Management, Good Business and Leading Change'.

Our approach to Sustainability aligns with the Axiata approach. Dialog, having identified its values, priorities, its position and the value it is most uniquely able to contribute, works with Government, other corporates, and its community at many levels, to Lead Change. In every undertaking along the continuum between purely commercial and purely altruistic, Dialog challenges itself, its partners and stakeholders to seek fact-based understanding and a rigorous approach to measurement of those aspects considered most important – a focus on Sound Management. This process leads to Good Business – the daily actualisation and embodiment of the Axiata way in a dynamic, action-oriented ethos that continuously drives us to better ourselves, better our business and better the community and world around us.

Sound Managment
Knowledge-based

Think

Leading Change
Value-based

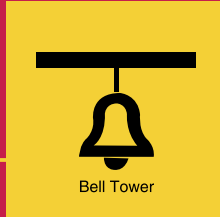# Embrace

Act

Action-based
Good Business

Upali Gajanaike
Dialog Tele-Infrastructure

Amali Nanayakkara
National Sales
Small & Medium Business, Small Office Home Office & Modern channels
Market Planning & Analytics
Brand & Media
Marketing
Corporate Communications
Online Marketing

Bell Tower

eZ Cash

Pradeep De Almeida
Technology Operations and New Technology
Access Network Planning and Operations
Network Operations & Management-SSU Technology
Group Technology Core Networks, Value Added Services
Dialog Network Services - SSU Technology

Parental Control

Azwan Khan
Global Business
Group Corporate Planning & Operational Strategy
Group Business Operations & Control
Broadband & Fixed Telecommunications
Group Business Control
Group Business Technology Management
Television Services
Group Business Programme Management and
Performance Delivery
Mobile Telecommunications

Sandra De Zoysa
People Management and Service Performance Management
Customer Experience and Loyalty
Customer Operations and Partner Management
Customer Experience Operational Excellence
Customer Experience Governance and Digital Service Care

Shayam Majeed

Technology Resource Planning
Supply Chain Management
Group Network Development
Warehouse and Logistics Operations - Supply Chain
Group Legal and Regulatory

Anthony Rodrigo

Product and Service Innovation - Group Information Technology
Business Operations- Group Information Technology
Software Services
Customer Relationship Management and Billing
Converged Charging
Enterprise IT
Infrastructure Planning and Operations
Business Development - Digital Services
Innovation & Business Development - Digital Services
Digital Commerce Loyalty Programmes and Business Development
Finance & Strategy - Dialog Digital Services
Mobile Money and Payments

Nenasa TV

Michael de Soyza

Group Human Resources
Group Sustainability
Corporate Services

Jeremy Huxtable

Large & Medium Business
Large Enterprise Solutions
Enterprise Product Management & Solution Delivery
Enterprise Business Control
Group Key Client services
Dialog Enterprise Programme Management

Outreach

Dialog Volunteer Network

Employees

123

Big Dial Phone

Lucy Tan

Group Financial Accounting and Reporting
Group Treasury
Corporate Finance Group Corporate Finance
Payment Operations and Control
Group Facilities Management

convergence

Sustainability Report 2013

Stakeholder Engagement

Dialog is honoured to be part of the daily lives of millions of Sri Lankans, engaging at individual and organisational levels as well as, through its Public Private Partnerships with Government, and with its leading technology networks and service presence across the island, at the regional and national levels. Dealing with such a large number of stakeholders guarantees complexity and occasionally competing priorities. Dialog values the engagement and feedback it receives from its many stakeholder groups, and has conducted formal stakeholder engagement surveys in different forms for several years.

In looking back at the year 2013, Dialog undertook an ambitious attempt to employ for the first time a more scientific, quantitative stakeholder study that considered the GRI G4 framework's reporting aspects, as opposed to the stakeholder study of 2012 which took an issue-based approach. Dialog as in previous years contracted an independent third-party research agency to conduct the 2013 stakeholder study to maintain impartiality, and sought an agency specialising in quantitative studies for the purpose.

In line with the GRI's guidelines, Dialog attempts to measure the materiality of the many issues and stakeholder groups as well as interactions that define the Company's operations and interactions with the world around it. Determining the materiality of different topics and groups enables the Company to prioritise issues based on impact to the business, urgency of issues to stakeholder groups, as well as stakeholder groups' relationships with Dialog. This prioritisation enables Dialog to determine the different forms and means of issue resolution, assign the most appropriate resources, as well as to define metrics for success to guide issue resolution. Material issues and

recommendations to address them, alongside other tools such as the Company's risk management tools and the Key Performance Indicator formulation process, as well as other environmental considerations, contribute to setting the corporate agenda and influencing strategy and execution.

Given the wide-ranging and diverse stakeholder groups Dialog deals with, for the 2013 stakeholder study Dialog identified the stakeholder groups related to the issues identified as most material in the 2012 sustainability reporting process. It is expected that doing so would both provide an assessment of whether Dialog had considered all affected stakeholders when addressing material issues; as well as elicit stakeholders' assessments on whether Dialog's actions on material aspects had been effective or constructive.

Key stakeholder groups identified in this way included customers, community, employees, distributors, retailers, suppliers, media and regulators or government authorities overseeing various activities undertaken by Dialog. The survey sought responses on topics covering economic, social, environmental parameters and overall company stability, values, best practices, compliance, and ethics, among others.

G4-18   G4-24   G4-25   G4-26   G4-27

Stakeholder Engagement and Materiality Assessment Process 2013

Dialog's engagement with most stakeholder groups is regular and dynamic, and is not limited to annual cycles, allowing for mutually satisfactory interactions, with transparency and accountability across any areas of interaction with different stakeholder groups.

Nevertheless, the findings of the stakeholder engagement survey will, as in previous years, define at a larger scale, while at the same time with more focus and analysis, the issues to be considered and addressed, in many cases by cross-functional efforts, as most material to Dialog's sustainability. The findings are an indication to the Company's leadership of key stakeholder groups' perceptions and assessment of Dialog's performance in the past, and a guide to future adjustments needed to align perceptions with reality as well as to continually improve performance on an absolute basis.

This Sustainability Report serves, among other things, as a record of how Dialog addressed issues identified in 2012 as being material to the Company, as well as Dialog's and stakeholders' assessments of the outcomes of Dialog's actions to address those material issues.

Stakeholder Group	Form of Engagement	Frequency
Customers	Customer Satisfaction Survey	Quarterly
	Independent Sustainability Stakeholder Engagement Study (2013)	Once every two years*
	Brand Health Track – ATP (Advanced Tracking Programme)	Throughout the year tracking –Quarterly presentations
Employees	Employee Engagement Survey conducted by Axiata Group through Towers Watson (independent research agency)	Annually
	Independent Sustainability Stakeholder Engagement Study (2013)	Once every two years*
	Focus Group study of Integrity assessment	One-off in 2012
Community	Independent Sustainability Stakeholder Engagement Study (2013)	Once every two years*
Shareholders	AGM	Annual
	Investor Forum	Quarterly
	Earnings call with foreign analysts	Quarterly
	One-on-one engagements (calls/meetings)	17 one-one meetings
	Overseas roadshows	4 including one in the US
	Independent Sustainability Stakeholder Engagement Study (2013)	Once every two years
	Forums held by local stock brokers	Annual
	International Forums	Quarterly
Regulators and Government Authorities	Independent Sustainability Stakeholder Engagement Study (2013)	Once every two years*
Most material Suppliers and Service Providers	Independent Sustainability Stakeholder Engagement Study (2013)	Once every two years*
	Vendor Satisfaction Survey	Annual
Business Partners / Retailers	Regular one-on-one engagements	
	Dialog 5-Star Partner initiative	Project
	Independent Sustainability Stakeholder Engagement Study (2013)	Once every two years*
Media	Independent Sustainability Stakeholder Engagement Study (2013)	Once every two years*
NGOs and Pressure Groups	As part of the Engagement work led by the Sustainability division	Regular business-as-usual interactions

Engagement with Dialog's Key Stakeholder Groups in 2013   *In-depth every two years, with lighter-weight survey in the years between in-depth years

G4-24   G4-25   G4-26

Materiality Assessment

Dialog's 2012 Sustainability Report presented the issues found to be most material near the end of the 2012 Sustainability Reporting cycle, at the cusp of the 2013 Sustainability Reporting period's commencement. Therefore this 2013 Sustainability Report addresses first and in most depth, those material issues identified in 2012. At the same time, as in previous years, near the end of the period under review, Dialog engaged its stakeholders through an independent third party as an input for identifying material issues a year down the road.

While the stakeholder survey was in nature more quantitative, and the 2013 materiality assessment attempted as always to inject more rigour into the process, we compare on the next two pages the evolution of the holistic view of material issues during the year under review, serving also to influence the agenda for the year ahead. In an attempt to focus Dialog's attention and efforts to the most material issues thus identified, we report this year the top 10 issue areas with the highest average materiality ratings across both Stakeholder and Company materiality dimensions. Due to the methodological differences between the contributory studies and approaches of 2012 and 2013, while we discuss the patterns and significant differences between the two lists of material issues, it must be emphasised that it may be unproductive to make too deep or direct a comparison between the two results.

Stakeholder and Company assessments of the materiality of different issue areas were compared against each other. The ten issue areas with the highest average materiality score on both dimensions are plotted in the next page as the ten most material aspects identified in the Materiality Assessment as at the end of the year under review. The list of issue areas was derived mainly from GRI aspects considered relevant to Dialog's areas of activity. Issue areas were re-phrased to be as relevant as possible to the Company's operational context, rather than in generic phrasing under the framework.

Inputs for Stakeholder materiality assessments were the results of the quantitative stakeholder survey conducted in the year under review, consolidated to a single materiality score for each issue area, and a benchmarked materiality score derived from coverage (or lack thereof) of the issue areas in publicly shared Sustainability Reports or equivalents of the Top 20 Mobile Operator Companies (by Connections and Revenue) as identified for Q1 2013 by GSMA Intelligence.

Three sources served as inputs for the Company's materiality assessment. The first was the Company's sensitivity to negative performance or perceived negative performance on each issue area. The second was a comparison between the Group Chief Executive's KPI scorecard and the issue areas. The third input for the Company's materiality assessment was a comparison of the Enterprise Risk Map at the end of the year under review against the issue areas.

G4-18   G4-27
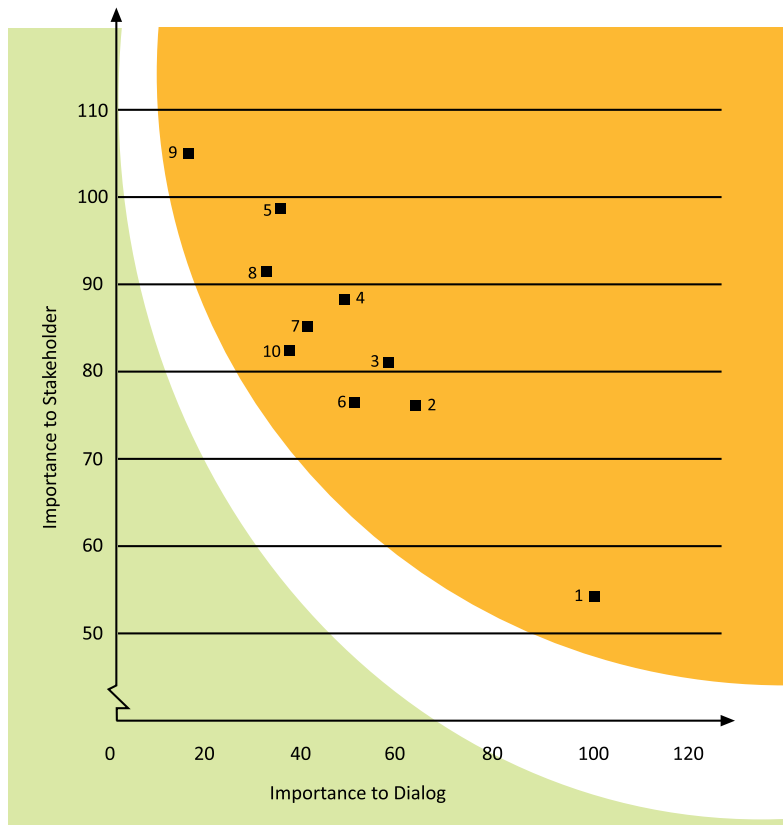
Year 2013's most material issues

High ⬛ (orange)   Low ⬛ (green)
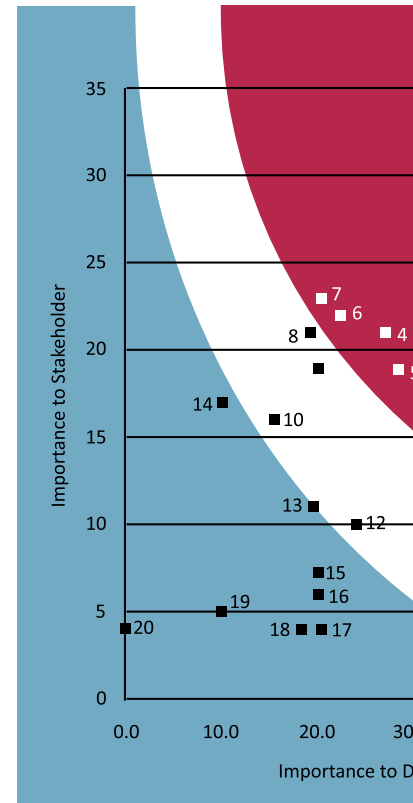
*Year 2012's most material issues*

1 Being a stable and profitable company

2 Treating customer information with high confidentiality

3 A company which always follows best practices in their operations. For example, best practices when recruiting and promoting people, best practices when selecting vendors, best practices on products and services, etc.

4 Being a company which offers applicable products to society

5 Being a Company which takes necessary measures to reduce negative impacts or any harm to the environment resulting from its operations

6 Being a company which strictly complies to environmental, social and product related codes, policies and regulations

7 Being a company which always provides job related training for its employees

8 Offering good quality voice calls

9 Being a company which has adequate health and safety measures implemented

10 Being a company where their products are affordable to the society

1 Community investment & infrastructure development of the company

2 Call drops

3 Employee welfare, satisfaction & retention

4 Compliance with regulations, codes. policies & conventions

5 High energy consumption

6 Distance from Rural consumer

7 Customer Privacy

8 Radiation from our signals

9 Market presence/ Supplier selection/ procurement practices

10 Dialog expansion and innovations-new employment opportunities

G4-18   G4-19   G4-27
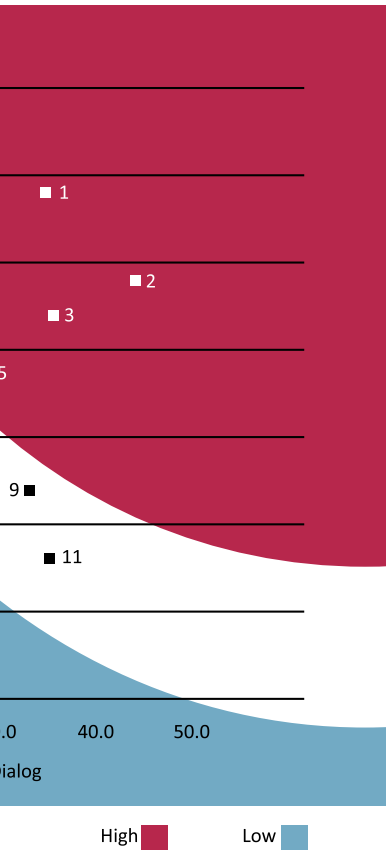
Closing the Feedback Loop

Annual stakeholder survey results driven by the Sustainability Reporting cycle are presented by the independent agency that carries out the study to Dialog's Group Senior Management Committee (GSMC) consisting of Senior Vice Presidents, Chief Officers and the Group Chief Executive, with the facilitation of the Group Sustainability Division.

Key issues are discussed at this meeting, with the Chief Officers of affected businesses or portfolios taking ownership, where necessary with cross-functional teams assigned to assist them. Items discussed at GSMC meetings are minuted and tracked through to closure by the GSMC process.

■ 1

■ 2

■ 3

5

9 ■

■ 11

.0   40.0   50.0

ialog

High ■   Low ■

11 Solidwaste Management of the company

12 Outreach projects – Communication

13 Handsets hazardous and harmful e-waste

14 Innovation and industry growth

15 Human rights, labour rights & workplace grievance procedures

16 Marketing strategy

17 H & S practices

18 Effect to Biodiversity

19 Trianing for employees

20 Lightning attracted in by BTS

Enterprise Risk

The theme of Convergence flowed through Dialog Axiata PLC's Enterprise Risk Management (ERM) process as well in 2013. Dialog's ERM process was adapted in the year under review to align with Axiata Group Berhad's approach to managing risk. This undertaking was part of an initiative across the Axiata Group to strengthen and integrate all Axiata Group Operating Companies' ERM processes.

Dialog's ERM Framework aligns with the guidelines in the ISO 31000:2009 International Standard, and was developed by JLT Consulting for Axiata and its Operating Companies (OpCos). Dialog's ERM Unit is entrusted with the task of operationalising the risk management function. The ERM Unit reports to the ERM Group Leadership Committee (ERM GLC), chaired by the Group Chief Executive (GCE) and with the Group Chief Financial Officer (GCFO) functioning as Deputy Chair. The Dialog ERM Unit also maintains a diagonal reporting relationship with the Axiata Group Risk Management (AGRM) Team.

The ERM Unit issues a Quarterly ERM Update which consists of the Risk Map of key risks faced at enterprise level, supported with detailed risk descriptions, their impacts, root causes, existing key controls and risk response plans, together with status updates on action plans.

The Quarterly ERM Update is first deliberated at the ERM GLC, and vetted in terms of the context in which the risks are identified and response plans are developed, and adopted for further deliberation at the Board Audit Committee (BAC). Subsequent to being further deliberated at the BAC, the ERM Update is then presented to the Board of Directors (BoD).
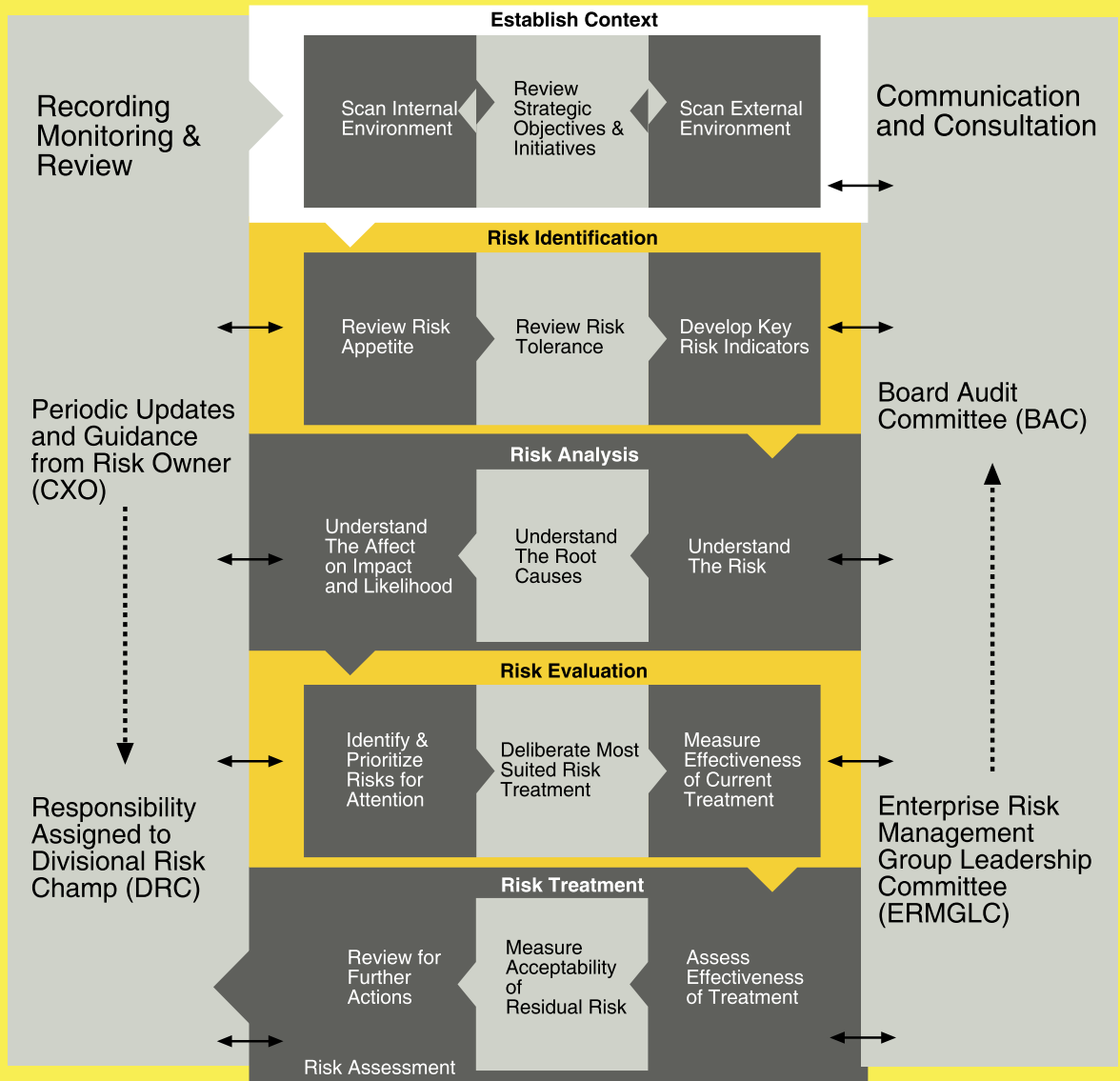
The salient points of the revamping of the ERM function in 2013 were;

1.   The reconstitution of the ERM GLC in meeting the business aspirations, to further a strategic focus on risk management in relation to corporate objectives and strategic initiatives.

2.   The adoption of major risk categories for internal deliberation and to standardise reporting as per the Axiata Group ERM Framework.

3.   The establishment of a governance structure to inculcate the risk management culture within the business as a continuing effort.
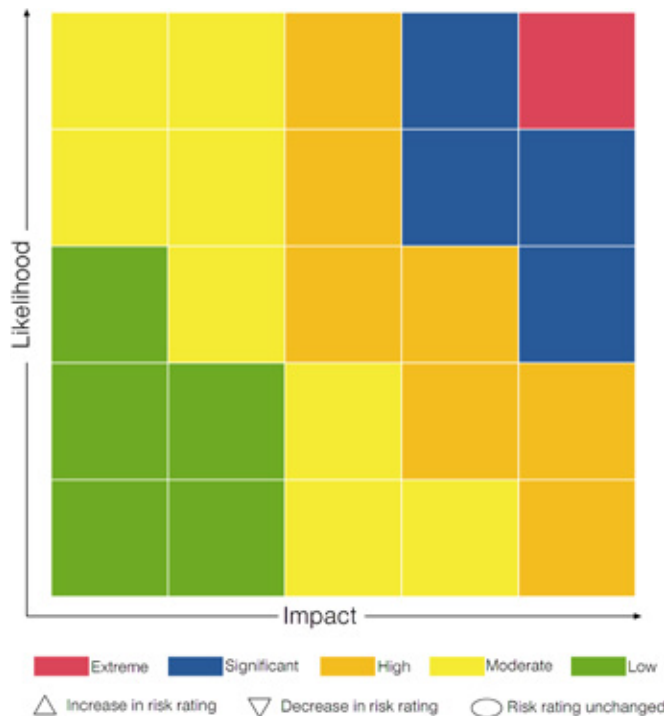
The revamping exercise brought in results by providing assurance to the BAC and the BoD that consideration of risk management in strategic aspects immediately received greater emphasis. Market Risks, Technology Risks, Strategic Business Partnership Risks, Strategic Investment Risks are a few types of risks that received immediate attention in addition to Operational Risks as a result of the revamped process. The Senior Management Team's sustained emphasis on risk management has helped focus attention on the inclusion of risk management in performance management in addition to strategic objectives and initiatives.

Dialog's ERM journey continues to evolve and extend its coverage and influence, with initiatives to inculcate the risk management culture within all layers and spheres of Dialog during 2014 and beyond.

ERM Process Aligned to Axiata Group ERM Framework

Establish Context

| Scan Internal Environment | Review Strategic Objectives & Initiatives | Scan External Environment |

Recording Monitoring & Review

Communication and Consultation

Risk Identification

| Review Risk Appetite | Review Risk Tolerance | Develop Key Risk Indicators |

Periodic Updates and Guidance from Risk Owner (CXO)

Board Audit Committee (BAC)

Risk Analysis

| Understand The Affect on Impact and Likelihood | Understand The Root Causes | Understand The Risk |

Risk Evaluation

| Identify & Prioritize Risks for Attention | Deliberate Most Suited Risk Treatment | Measure Effectiveness of Current Treatment |

Responsibility Assigned to Divisional Risk Champ (DRC)

Enterprise Risk Management Group Leadership Committee (ERMGLC)

Risk Treatment

| Review for Further Actions | Measure Acceptability of Residual Risk | Assess Effectiveness of Treatment |

Risk Assessment

Dialog Axiata PLC's Risk Reporting Framework

Enterprise Risk Map

Extreme	Significant	High	Moderate	Low

△ Increase in risk rating　▽ Decrease in risk rating　◯ Risk rating unchanged

The Enterprise Risk process consultatively categorises the significance of different risks on two axis – likelihood of occurrence, and impact in the event that the risk should materialise. Based on these two measures, identified risks are mapped on the graph depicted here, with the more significant risks appearing towards the upper right hand side of the graph. Any changes since the last review in the assessed significance of risks at regular reviews, is tracked by the iconic representation set out in the key. Risks identified or highlighted solely or in parallel to other risk champions, by the Sustainability Division are eventually categorised into the main risk categories discussed previously, prior to placement on the Risk Map.

Business Continuity

Dialog undertook a detailed study to map out the Business Units and involvement necessary to formulate and test a Business Continuity Management (BCM) and Disaster Recovery (DR) Programme. In Q3 2013 Dialog operationalised this fully fledged BCM/ DRP under the guidance of the Axiata Group with the support of the Global Consultants retained by Axiata (PriceWaterhouseCoopers-Kuala Lumpur). This effort is currently scheduled for completion in Q4 2014.

Progress on Targets 2013

In 2012 we set out targets for 2013 and beyond in two ways. A top-level view focused on new, or refined or renewed targets, as major sustainability strategic focus areas for 2013. These targets in some cases encompassed some of the sub set of targets focusing on Triple Bottom Line management. A subset of Triple Bottom Line targets, comprised mostly of our continuing, material, sustainability performance targets that are monitored and improved year-on-year rigorously.

2012 Top-level Targets for 2013 – With Commentary

Responsible Operations	A renewed and rigorous focus on improved, sustainable and institutionalised Measurement requiring internal support and coordination	Progress in discussions and preparations for a ground-breaking new approach to measuring value creation – target for commencement in 2014. Increased focus on measurement and analysis in all current activities and their new iterations
	Realising a truly Sustainable Supply Chain, aligning several contributory efforts that look both inward as well as outward	Continuous improvement in close partnership with the Supply Chain function. Engagement with regulators and peers in evolution of national solid waste management policies and plans.
	A concerted effort to systematise and institutionalise Health and Safety practices within the Company, to ensure that such issues are no longer flagged in future materiality assessments	Continuing effort with discussion at senior levels with related stakeholders. Renewed focus and prioritisation of job roles with more management attention and efforts to systematise, implement and measure more effectively and rigorously.
Inclusive Business [in 2013, this pillar was redefined as Digital Services for Development (DS4D), with a broader mandate to work on product, process and service innovation for marginalised or under-served groups]	Under community engagement and economic development, a continued focus on developing Small and Medium Enterprises in our sphere of influence	As basic operation and monitoring of the 5 Star Partner Network has transitioned to the National Sales function, Sustainability function has engaged with National Sales and other functions to begin developing further products, and services and business models for the 5 Star Partner ecosystem, including the wider base of retailers. Increased engagement and activity with partners in SMEToolkit community
	Maintaining Applicability of our product and service offerings at the Base of the Pyramid, and among marginalised populations particularly	Mapping of products and services against 4A's framework, identifying areas for further attention.
Dialog Foundation [in 2013 this pillar was redefined as Strategic Engagement, encompassing Public-Private Partnerships and strategic philanthropy under the Dialog Foundation; Employee Engagement through the Dialog Volunteer Network; and Non-strategic Engagement through General Donations and short-term partnerships and engagements]	A target of partnering with and convening key actors as well as corporate entities to discuss and set prioritised action plans in key national areas of need	Continuation of major activities; Roadmaps for major revamps of some existing PPPs; launch of second Nenasa channel, on-going commissioning of donated TVs, both Nenasa channels opened to general public; Principal partnership in the British Council FUTURES Social Innovation Forum.

Performance against 2013 Targets by Aspect

	Economic	Target	Commentary
Aspects	Economic performance	Evaluating and reporting on social & economic risks/opportunities in effects of climate change	Raised in Enterprise Risk Management process; under consideration for review in 2014
	Market presence	Report on purchases based on units, spend and vendor	Spend- and Vendor-wise purchases reported; Unit-wise data capture not feasible as several segments of purchases are not measured in units.
	Indirect economic impacts, Community	Develop a Monitoring and Evaluation guideline for social investments – to be completed in 2014	Discussions continued, new launch target 2014

	Environmental	Target	Commentary
Aspects	Materials	Reduce paper consumption by 5%	Extrapolated figures based on partial data show an increase.Aspect of measurement changed – unable to compare between 2012 and 2013 (see page 46)
	Energy	Reduce total energy consumption by 5%	Direct energy consumption reduced by 9%. Full time generator sites were connected to the grid, generator and battery cyclic operations, less power failures
		Add 5 more green base stations to the network	3 wind-solar sites added.
	Water	Reduce total water consumption by 5%	Increase of 27% recorded.
	Biodiversity	Conduct an impact assessment of our operations on bio diversity	Negotiations initiated; target for assessment in 2014
	Emissions, effluents and waste	Reporting on Scope 3 GHG emission	Delayed. De-emphasised following 2013 Materiality assessment.
		Implement a total waste management solution for the Group	Vendor selection and approval process experienced delays; on-going
	Products and services	Introduce a special 'Environment friendly' package	No progress. De-emphasised following 2013 Materiality assessment.
		Carbon Calculator for customers (carried forward from 2012 targets)	Delayed; dependent on building GHG monitoring capacity (also delayed and de-emphasised following 2013 Materiality assessment.)
		350 M-waste collection points carried forward from 2012 targets)	A total of 135 M-waste collection points were set up as at end 2013.

	Social: Labour Practices and Decent Work	Target	Commentary
Aspects	Employment	Reporting on a global benchmarking exercise against peers in terms of employee relations	No progress. De-emphasised following 2013 Materiality assessment.
	Labor/management relations And Non-discrimination	Develop a framework to monitor the operation of the Collective bargaining process	De-emphasised following 2013 Materiality assessment.
	Occupational health and safety	Quarterly audits on the Health and Safety and Fire Safety functions	Initiated; continuing engagement on strengthening reporting and joint monitoring mechanism
	Training and education	A documented career plan for 10% of the total employee base	Job-role assessment under way.
	Diversity and equal opportunity	Screening operations to identify job roles to accommodate persons with disabilities	Company-wide HAY job role assessment project on-going – to be used as a first reference for job identification

Social: Human Rights	Target	Commentary
Investment and procurement practices, Child labor, Prevention of forced and compulsory labor	Initiating preliminarysupplier audits	Successfully initiated by Supply Chain function
Remediation	Communicate to employees on the process for grievance escalating process	On-going refresher trainings, included in new-employee induction presentations

Social: Society	Target	Commentary
Corruption	Assessment of internal operations for potential risks	No issues identified by an overall Internal Audit conducted on four major functions
Public policy	Contribute to National Distance Education strategy	Significant progress in existing engagement; early convergence in strategies for online extensions as well
	Organise roundtable for National consensus on private sector support for Health priorities	Engagement with College of Community Physicians, representing public health and preventive medicine disciplines
Anti-competitive behavior, Compliance	Areas to be included in the Legal Registry	Compliance check-list compiled (capturing licences, regulations, Board of Investment agreements), reviewed bi-annually by Chief Officers

Social: Product Responsibility	Target	Commentary
Customer health and safety	Develop guidelines for best practices in using our ICTs	Delayed
	Continuation of Be Mobile Wise campaign	Street dramas to engage broader audience; sharing experience and learnings with Regulator and industry peers
Product and service labeling	Review guideline	Not initiated.
Marketing communications		
Customer satisfaction	Call drop rates to be brought down to 0.75%	Reduced to 0.11% on 2G networks and stable at 0.35% on 3G networks

Aspects (row label appears alongside each grouped section)

New Targets

- Implement system to formally record employee grievances or reports on issues related to labour practices, human rights, and corruption
- Expand Be Mobile Wise product responsibility initiative to cover full range of Dialog services
- Initiate implementation of improved sustainability performance measurement system
- Expand Dialog's work in services for the hearing-impaired, and in preventive-health
- Reduce fuel consumed
- Add 5 more green base stations to the network

Carried Forward

- Initiate project to build Net Value Creation-driven decision support tool for measuring social and environmental impacts of investments

Targets for
2014

Embrace

Dialog, having identified its values, priorities, its position and the value it is most uniquely able to contribute, works with Government, other Corporates and its Community at many levels to Lead Change.

Student of Meegasthenna Vidyalaya - Yatiyanthota

4 A's Evolution

AFFINITY

AFFORDABILITY

APPLICABILITY

AVAILABILITY

2013
2011
2009
2007
2005
2003
2001
1999
1997
1995

5 Star Partner
Senior Citizen Tariff
Dial 5
SMS 112 Service
Sinhala-Tamil GPRS Portal
Nenasa TV
Sinhala-Tamil SMS
Dialog Self Care App
eZ Buddy
Braille Billing

Guru.lk
eZ Insurance
Dialog Discount Zone
eZ Cash
1000 Minutes Outgoing Free
KIT 123
3G Superline
eZ Loan
4G Lte
KIT My 5
Rental Free My10
Mobile TV
Kidz and Family Package
Super 5 Friends
Rural Home Zone Tariff
Cell Based Tariff-Rural Communities
Budget SMS
Pre Paid per minute sachets
BTS Based Billing

Ideamart
Secret Number
Dialog Viyapara Diriya
Dialog CDMA
DEWN
Multi Media Messages
Short Message Service
WAP
NFC Touch Card and Fuel Card
Broadband wireless
Local Language SMS
GPRS
My Trader
Broadband
3G
Blood Transfusion
Say It in English

GSM
Automatic International Roaming
Dialog Sat
eZ reload
Self Care App
eazy seva
IDD Discount Rates
KIT Connection
Wi Max
Dialog Internet
DTV
Dialog Smart Phone Series
m-Commerce
KIT Home Zone
Tradenet
5 Star Partner Customer Care App

A selection of products and services devised and delivered over the years to realise Dialog's 4A's model of Digital Inclusion

Dialog Values

Service From the Heart
Guiding Principles:
- Passion for Delighting External and Internal Customers
- Place customer experience at the center of our work ethic and corporate ethos
- Uphold a 'yes we can' attitude

Create the Future
Guiding Principles:
- Set paradigms for others to follow
- Incessantly extend Leadership in Multi-sensory connectivity through innovation and forward thinking
- Irrepressible desire to create a better future for the nation through empowering enriching Sri Lankan lives and enterprise
- Be incessantly ignited by the desire to innovate and extend boundaries

Champions of Change
Guiding Principles:
- Embrace change, constantly and as a way of Dialog life
- Agile, flexible and fast in action, adaptation and reaction
- Courageous and bold in leading change

Exceptional Performance
Guiding Principles:
- An irrepressible desire to deliver the best in whatever we do
- Delivering excellence in quality and value creation consistently
- Single minded resolve to push boundaries and exceed expectation

Uncompromising Integrity
Guiding Principles:
- An exemplary culture of transparent and ethical behavior
- A zero tolerance orientation towards the enforcement of a high integrity ethic across everything we do

Responsible Leadership
Guiding Principles:
- Leadership that delivers value to stakeholders
- Leadership that is caring
- Leadership that drives sustainability and creates shared value

One Team
Guiding Principles:
- An 'Api Dialog' team which pursues a common purpose in accordance with the Dialog Values, together
- A team which delivers the utmost in care and respect to each other, values diversity and is proud of collective achievement and excellence.
- A team that embodies culture that makes Dialog a great place to work as a second home to the team

A Digital Inclusion Company Engaged Deeply with the Community

10 Years
Commenced in 2013

300
A/L scholarships

Rs.10 million+
committed to date

516
scholarships
including 2012
O/L awards

216
University scholarships

Dialog Merit Scholarship Programme
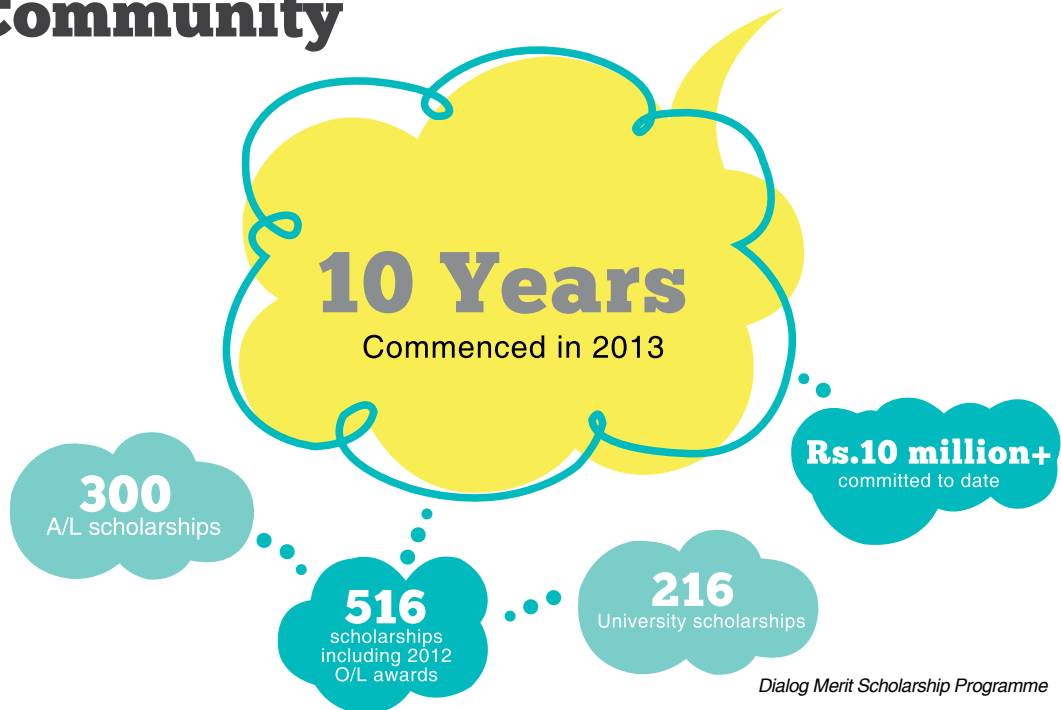
Dialog's road to market leadership was one that had not been travelled before in Sri Lanka – to take Digital Inclusion to Sri Lankans who had never realised the value that Information and Communications Technologies were capable of unlocking in their daily lives. Taking that path led to an exponential growth in technology usage – and thus opportunity. To this day, the 4A's that guide our Digital Inclusion ethos – Affordability, Availability, Applicability and Affinity – seek to break down the dichotomy between digital haves and have-nots, while at the same time focusing our attention on the particular needs of the newest entrants to the digital world. People living at the margins of today's world whether socially, geographically, demographically or economically, apart from those doing so through informed choice, do face particular hurdles to unlocking the life-enhancing value ICTs can bring.

Dialog recognises that the very nature of its businesses generate significant positive social and economic externalities – from enabling and powering economies to promoting environmentally sounder behaviours to empowering individuals and founders. A key focus within Dialog's main lines of activities has always been to focus on intensifying the positive impacts of these technologies by focusing on those whose lives would be most significantly enhanced or transformed by better access. Dialog

engages deeply across the nation with its near-complete coverage of Sri Lanka's population and populated areas, and a two-fold presence that encompasses that coverage – maintaining our sales network of retailers and customer service points, as well as maintaining the infrastructure that underpins access to our networks. The 5 Star Partner Network of Infomediaries (Information Intermediaries) has further strengthened Dialog's engagement with the hardest-to-serve populations. In siting and maintaining our infrastructure at commercial as well as consumer sites, Dialog engages with and enriches local communities building a deep and dynamic web of relationships. Dialog's micro insurance scheme with micro daily premium payments gained more than 180,000 subscribers by the end of the reporting period. Four of these subscribers were fortunate enough to have coverage when misfortune struck, with the first settlement of Rs. 800,000 followed by three settlements of Rupees One Million each.

Beyond the activities and efforts most directly connected to the main lines of its business, Dialog follows a theory of Change that guides its engagement with the community around it. The Dialog Foundation, which completed a year in existence in 2013, functions as the unifying banner for Dialog's strategic engagement with Government through Public Private Partnerships, with community organisations, and, through the Dialog Volunteer Network, translating Dialog's Sustainability ethos into direct action and direct engagement between employees and communities across the country.

On April 23rd, 2013 Dialog partnered with Google Inc. to make web search, email and social media access on Google products free of additional charge for Dialog's entire customer base – another Digital Inclusion-focused action. As Group Chief Executive Dr. Hans Wijayasuriya said at the announcement of the partnership, "Providing our 7.5 Million Mobile Customers with a platform to discover the power of the internet at no incremental cost, and thereby accelerating Internet Literacy among Sri Lankan citizens has been a fundamental tenet of our vision for the mobile internet".

As Dialog expands into ever increasing spheres or Sri Lankans' lives and their daily interactions with the world around them, Dialog is very aware of the fact that customers' experienced trust in and reliance upon our services in a manner never before considered in a traditional mobile network operator-customer context. Customers no longer depend on Dialog for only life-enhancing services but life-impacting services that require consideration of the impacts of service quality attenuation or interruption upon a trust built upon the dependability of previous interactions with Dialog as a more traditional MNO. A key feature of the Disaster and Emergency Warning Network (DEWN – also discussed at page 37) is that it enables disaster management officials to overcome network congestion issues with Cell Broadcast messages that can reach millions of subscribers in spite of network congestion. Dialog's Business Continuity Planning processes as well as aggregated and real-time network monitoring and management functions are designed to maximise quality and availability of signal. Tower sites are protected from vandalism and theft, and power availability is assured by grid-backup generators.

Dialog's Blood SMS service was first created to enable medical services to respond to the pressing need for blood donors during Sri Lanka's civil conflict by registering volunteer donors and placing calls for blood donations at peak times. In response to floods and other natural disasters, Dialog makes the 'FLOOD' SMS service available to subscribers to pledge donations to the disaster response agencies, usually matched and exceeded by donations from Dialog itself. In 2013, Dialog launched a service to enable community service organisations to engage with and solicit donations using Dialog's Idea Mart platform. While Dialog has not reached out to subscribers of other networks when soliciting support or donations in these examples, Dialog has never sought to discriminate as to whether recipients are subscribers of any network, or a competitor network.

The Dialog Foundation

The Dialog Foundation unifies Dialog's strategic, large-scale philanthropic projects and Public -Private Partnerships. The Trustees of the Dialog Foundation as at the end of 2013 are:

	Date of (re) appointment	Terms Served
Datuk Azzat Kamaludin (Chairman)	17th October 2012	1
Dr. Hans Wijayasuriya (Vice Chairman)	17th October 2012	1
Ms. Lucy Tan	17th October 2012	1
Mr. Kavan Ratnayake	22nd April 2013	2
Dr. Vinya Ariyaratne	18th October 2013	2
Dr. Tara De Mel	18th October 2013	2
Dr. T.R. Ruberu	18th October 2013	2
Mr. Jayantha Dhanapala	18th October 2013	2
Mr. Michael de Soyza	22nd April 2013	1

Trustees of the Dialog Foundation

In 2013 the Dialog Foundation continued its work on major Public-Private Partnerships such as the Nenasa Education Channels, the Dialog Merit Scholarship Programme and the Disaster and Emergency Warning Network (DEWN); the Ratmalana Audiology Centre, a collaborative effort with the Ceylon School for the Deaf and Blind; and completed a school building construction project requested by the Ministry of Education. Dialog and its partners in several partners agreed, and in some cases embarked on reviews of the different partnerships' performance against aspirations, which have in some cases led to discussions on new terms of reference.

Ratmalana Audiology Centre

In 2013 the Ratmalana Audiology Centre (RAC) served more than 6,000 clients including free services for the students of the Ceylon School for the Deaf as well as members of the public who could not afford to pay for services. Dialog committed to facilitating by way of a donation the purchase of an Auditory Brainstem Response (ABR) testing machine after an independent procurement committee appointed by the RAC's Management Council undertook a rigorous evaluation process.

Blood SMS

Dialog entered into detailed discussions with the National Blood Transfusion Service on how the system could be improved to further serve the nation in a far different context to the circumstances in which the system was first introduced. The system today has more than 9,500 registered blood donors.

School Building for Hakmana St.Methodist MMV

At the request of the Ministry of Education, Dialog undertook in 2012 and completed in 2013 the construction of a school building comprising of an administrative block, class rooms and canteen. While the project was completed to specification on-time and on-budget, Dialog subsequently undertook several additions beyond the original specification.

Nenasa

The Nenasa Public-Private Partnership with the Ministry of Education embarked on a new major phase in a multi-year roadmap with the launch of a second channel catering to Year 10 students, in November 2013, and opening both channels at no extra cost to all Dialog TV subscribers. Nenasa 10 and the existing channel, now known as Nenasa 11, together prioritise programming for students preparing for the General Certificate of Education (G.C.E.) Ordinary Level (O.L.) public examination.

The Nenasa Laboratory is a core component of the Mahindodaya Technical Laboratory building blueprint – a two-storey, four-room building that includes a language laboratory and IT laboratory and mathematics laboratory as well. A thousand secondary schools across Sri Lanka will have received this unit by the end of this on-going programme. Those schools that have received the building to date comprise some of the 2,000 schools that currently have a functioning Nenasa laboratory – 600 of which were added in 2013.

The National Institute of Education, under the Ministry of Education one of the key partners for content provision for the Nenasa channel, received a high-performance non-linear video-editing machine and funding to improve the quality of as well as increase the volume of content produced.

Disaster and Emergency Warning Network (DEWN)

2013 was a watershed year for DEWN and the partnership between the Ministry of Disaster Management's (MoDM) Disaster Management Centre (DMC) and Dialog. The system saw significantly increased usage for a much wider range of situations as it had been originally intended. A parallel conversation was begun with the DMC and DEWN's development partners – Microimage and the Dialog-University of Moratuwa Innovation Lab on future developments of the system for new and changing needs.

Scholarships

The Dialog Merit Scholarship programme has since 2003 supported the top-performing students every year at the G.C.E. O/L and G.C.E. A/L examinations who continue their studies in the A/L. Mathematics and undergraduate Engineering streams respectively at state institutions. This programme is a Public-Private Partnership between Dialog and the Ministry of Education for O/L scholars entering the A/L, and between Dialog and the Ministry of Higher Education and the University Grants Commission for A/L students entering undergraduate studies.

2013 saw the ninth batch of 30 G.C.E. O/L scholars receive their disbursements, as well as the continuation of current scholars' disbursements – a total of 125 current scholars receiving disbursements through 2013. Dialog, recognising the opportunity to continue its relationship with the many scholars who have benefited from the programme and to monitor the effectiveness and outcomes of the programme, embarked on an effort to canvass previous cohorts of scholars for contact information and insight into the effect the scholarship had upon their lives as individuals.

Three particular aspects that make this programme unique are its intentional reach into every district of the island by supporting the top-ranked student in each district as well as at national level; the fact that the scholarship, while rewarding exceptional commitment and performance, looks forward at the scholar's next stage of education and its performance-driven engagement with periodic disbursements throughout the period of recipients' supported studies.

Non-Foundation Activities
The Dialog Volunteer Network

The Dialog Volunteer Network's (DVN) activities continued in 2013, led by DVN-Outreach (DVN-O), which is a competitive, team-based process where teams of Dialog staff members propose community outreach activities aligned with Dialog's overarching Sustainability goals and philosophies. As in 2012 when DVN-O was launched, projects were canvassed on a monthly cycle, with judges randomly selected from among Dialog's top and middle management awarding Rs. 100,000 to one team in each round.

Athumalpitiya Primary School
Athumalpitiya - Polonnaruwa
Established and Provisioned School Library

212 Students
10 Teachers
226 hrs

St.Mary's Maha Vidyalaya
Uswetakeiyawa - Gampaha
Established and Provisioned School Library

450 Students
261 hrs

Pahalabaladora Junior School
Kobeigane (A DVN-O project)

Mahamadagama Maha Vidyalaya
Talathuoya - Kandy
Provided basic sanitary Facilities for Primary and Secondary sections

174 Students
21 Teachers

80 hrs

Agrabodhi Vidyalaya
Kantale - Trincomalee
Constructed toilets

750 Students

85 hrs

Poovarasankulam Maha Vidyalaya
Poovarasakulam - Vavuniya
Established Community water filtration system to reduce hardness and fluoride in drinking water
Conducted awareness programme for students on water quality and health

575 Students
32 Teachers

224 hrs

Sri Indraratana Junior School
Onagama - Polonnaruwa
Established computer Laboratory
Renovated classrooms

75 Students
12 Teachers

90 hrs

J/Kuddiyapulam G.T.M School
Vayavilan - Jaffna
Renovated Computer Laboratory and school building

385 Students

288 hrs

Kulamangal R.C School
Mallakam - Jaffna
Access to water
Renovated main building
Refurbished furniture and electrical wiring

300 Students
15 Teachers

350 hrs

Projects Carried Out in 2013 Under the Dialog Volunteer Network

Volunteer hours
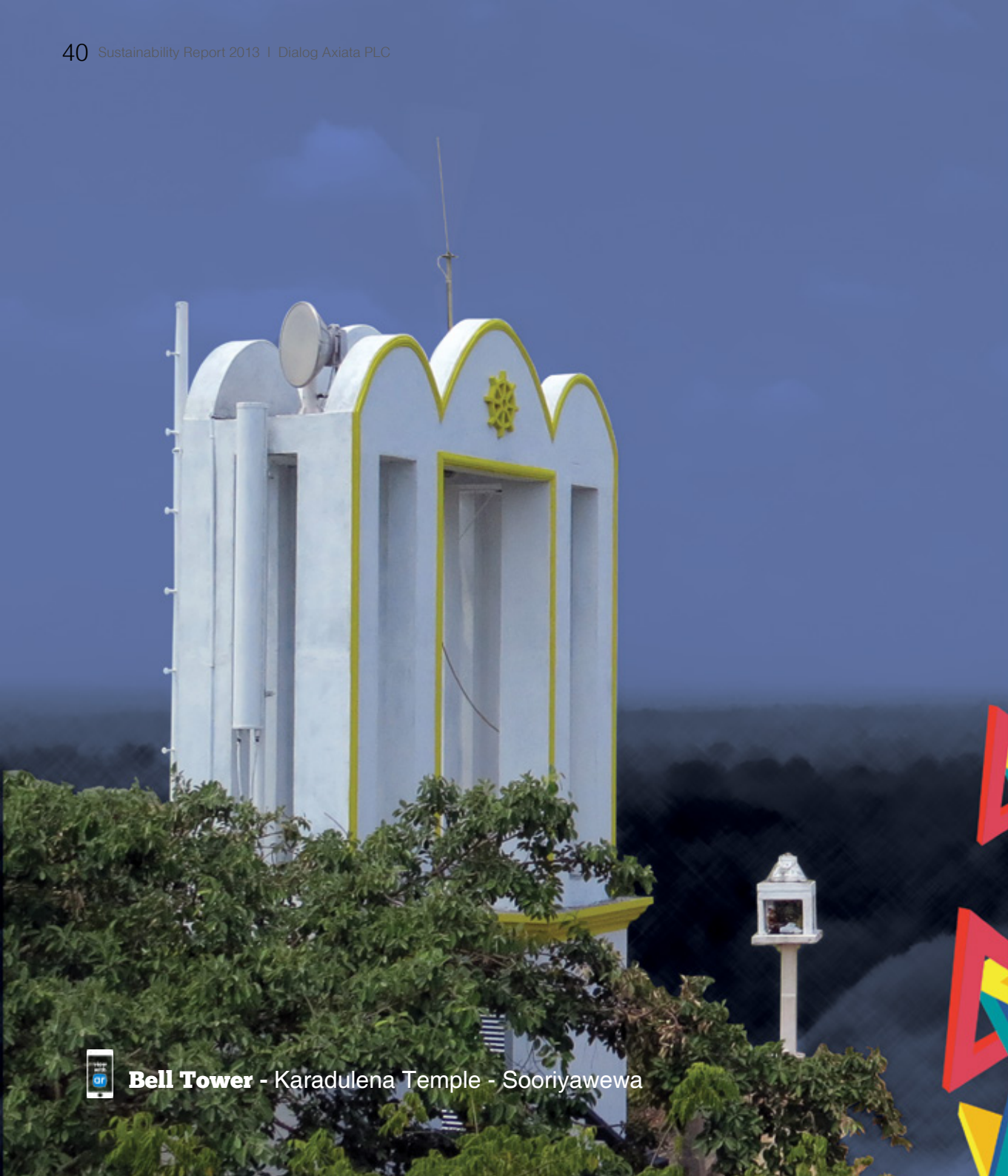
Bell Tower - Karadulena Temple - Sooriyawewa

Think

In every undertaking along the continuum between purely commercial and purely altruistic, Dialog challenges itself, its partners and stakeholders to seek fact-based understanding and a rigorous approach to measurement of those aspects considered most important – a focus on Sound Management.

A Leader's Responsibilities

Dialog, the People's Telecom Service Provider of the Year and People's Internet Service Provider of the Year, is one of the biggest Sri Lankan enterprises by such measures as coverage, penetration, physical presence, perception or brand recall. As such, Dialog's activities have a tremendous impact upon the economy and society around us not just as a provider of products and services, but as a consumer of the factors that go into our own value-creating activities. Dialog is aware of and takes great care in its impact upon the up-stream and down-stream value chains it is a part of – its ability to influence for the better by promoting transparent, fair and healthy competition, while also creating opportunities for local and environmentally and socially positive suppliers to establish themselves as economically viable players.

In both consuming and creating, products and services in this complex ecosystem, as well as leveraging and developing the human capital factor that is the creative spark in the process of Value Creation, in keeping with the precautionary principle – first, do no harm – Dialog works to comply with, as well as sometimes influence and innovate for the better, the many environmental, social and governance conventions, regulations, codes and policies, that prevent or mitigate adverse impacts in its activities and

in its spheres of influence. As Dialog drives Digital Inclusion not only to the wider population but deeper into the lives of the consumer, the Company faces and seeks to answer today many interesting and challenging questions such as which regulators govern what services and which Dialog services take precedence in defining these ever-changing boundaries of Dialog's identity.

Dialog follows the standards used by its parent, Axiata Group Berhad, as well as local or international industry standards relevant to its specific operating context, including the ISO 9001:2008 (QMS) and ISO/IEC 27001:2005 (ISMS) standards. The ISO 9001:2008 standard, for which the entire Company has been certified since 1999, provides standardised requirements for a quality management system. Since 2010 Dialog's Group Information Technology function and Internet Data Centre unit are each certified under the ISO/IEC 27001:2005 standard which provides a model for establishing, implementing, operating, monitoring, reviewing, maintaining, and improving an Information Security Management System, of particular importance due to customer confidentiality and data privacy issues in those areas of operation.

Treading Lightly

The ICT industry sector enjoys a relatively light environmental footprint compared to more traditional industries. When considering the economic and environmental benefits of increased productivity and more-efficient value chains among other benefits, it can be argued under the nascent Net Value Creation model where value creation is set off against value destroyed in that same act of creation, that the ICT sector might be one of the highest creators of Net Value – a hypothesis that should be explored.

Dialog's environmental footprint can be considered in three components – waste streams, consumption including consumption of energy, and radiation – whether intentional as part of the radio signals that underpin modern telecommunications, as well as any unintended radiation. As Dialog places the most modern technologies at our customers' disposal, obsolete hardware that cannot be

repurposed or re-used – always a first resort – comprises a large part of our solid waste streams. Dialog's long-standing internal e-waste management processes are complemented by the mWaste programme that, when first launched, served as a guide for national policy and regulation. Dialog's continued leadership and engagement with regulators and peers has helped advance the discourse in this less-publicised but forward-looking area.

Though international regulators, policy-makers and researchers are still unable to come to conclusions on any harmful effects of the consumer electronics Dialog customers use, Dialog, through such awareness programmes as Be Mobile Wise, as well as pre-sale product testing and certification has worked to proactively do all possible to protect and educate the consumer on the most prudent use of technology.

Sharing Dialog's Sustainability Story

For Society

For Dialog

For Employees

Opportunity Costs of not knowing

Years of internal and external feedback – and in several cases, the lack thereof – indicated a very poor understanding of Dialog's sustainability philosophy and its application, beyond a few very small circles of practitioners. This lacuna was also highlighted as a material issue in Dialog's 2012 stakeholder engagement process. Internally, Dialog management began to understand the opportunity costs of its own employees not being better versed in Dialog's philosophy and actions, as well as of not creating and inviting wider discourse.

Beginning with an internal all-staff road show in November and December of 2012, a slide from which is depicted above, Dialog's Sustainability team opened the discourse

with its many internal stakeholders, and eventually with some of its closest and biggest external stakeholders, on Dialog's sustainability activities and the Why, What, How and When of communicating more widely Dialog's sustainability journey, its successes and failures, lessons learned, and opportunities for collaboration.

In 2013 Dialog's Sustainability Division with the support of its Marketing division and under the guidance of top management, undertook a process of planning and preparation for a long-term engagement on sustainability activities and achievements, with Dialog's diverse stakeholders, to commence in 2014.

Environment

In 2013 Dialog improved or implemented new systems to further green its operations. These activities, key among them the addition of free cooling systems at tower sites, also look ahead to the implementation of an ISO14001 Environmental Management System (EMS) governing Dialog's most environmentally impactful activity – its network operations. Apart from the initial scope of the EMS, the Group Facilities Management function initiated and executed several greening measures in 2013 including workspace energy saving awareness creation with posters and presentations, as well as process changes, and multiple measures to reduce fleet footprint.

Energy

Energy used in delivering Dialog's services is constantly monitored with numerous interventions undertaken to manage and minimise such use. In 2013, eleven underused generators were redeployed to different locations to better utilise their capacity. The number of grid-connected sites was increased by 35, thereby reducing fuel usage and resultant emissions in generating direct energy. Three new wind/solar base stations were added to the network in 2013, bringing the total number of Green base stations to 12 – also a function of the number of off-grid sites encountered in network expansion. Energy use reduction measures in 2013 included deployment of 56 inverter air conditioners, completely switching 590 air conditioned sites to free cooling systems, installing hybrid cooling systems at 221 sites, 21 generator-battery hybrid installations, and 20 static voltage regulator installations at sites experiencing low voltage supply from the main grid.

Emissions

The above measures resulted in a saving of 4,372 tonnes of Green House Gas emissions as compared to the absence of such interventions. Measured emissions per tower were 23.69 TCO2 (Tonnes of Carbon Dioxide) in 2013 compared to 24.53 TCO2 in 2012. Though Dialog's absolute carbon footprint in 2013 was measured at 70,400 TCO2, compared to 66,037 TCO2 in 2012, carbon footprint scaled to total number of sites showed a reduction by 3.4% YoY, with growth in the absolute footprint resulting from network expansion. A total of 2,190 kg of R-22 gas was measured as emitted during the replacement of gas in air conditioners at office and base station locations. This measure had not been reported in previous years.

A Thousand Jak Trees

In 2013 two of Dialog's regional offices worked with their communities to identify community sites to plant a total of 1,000 Jak fruit trees. As commercially valuable trees endemic to those regions requiring no additional inputs and with multiple uses over their lifetimes, these trees are of direct value to their recipient communities, while also offsetting Dialog's carbon footprint.

Jak Tree Planting Project

Water

Total water consumption at office sites increased in 2013 by 27%. Factors behind this increase include the consideration in 2013 of sites added after the merger in 2012 with Suntel, for which data was not reported in 2012. Scaled data per employee shows an increase of water consumption from 14.66KL in 2012 (excluding Suntel staff) to 20.66KL in 2013.

In 2013, 96 of the 116 water faucets in the main Head Office complex housing 10% of the staff and accounting for 36.26% of total water usage, were replaced by push-tap mechanisms to further conserve water.

Investment:	**Rs. 431,222.40**
Measured saving for the period of September – December 2013:	**Rs. 117,745.07**
Projected payback period for pilot:	**14.6 months**

Effluents and Waste

There were no significant spills of oils or other hazardous material from our sites during 2013. Several changes were identified in our technical sites to reduce to zero the probability of a spill. Oil storage at regional offices has also been revised to minimise risks of contamination of any run-off.

The data capturing system initiated in 2012 captures real-time performance data for base stations including fuel and electricity data. Emissions from generators were identified as a significant impact to the environment during the preparations for the implementation of an Environmental Management System. To better understand the metric, Dialog intends to carry out emission tests at a sample of full-time generator sites. Dialog has a passive preventive maintenance contract with selected vendors, which also ensures optimum operation of all equipment. Dialog is in the process of formalising a companywide waste management program, a control measure taken by the Company to mitigate what has been identified as a significant impact to the environment. The different types of waste generated as a result of Dialog's activities were identified by assessing the Company's operations for waste generation points. As next steps to implementing the program, the identified waste collection locations will be equipped with adequate facilities for responsible and segregation of waste.

* http://www.myledlightingguide.com/article.aspx?articleid=19

Indirect material usage by Dialog in the delivery of its products and services is addressed by the annual Dialog Environment Week, which in 2013 included themes on paper usage, as well as the continuation of the 2012 Dialog Environment Week's Trading Post material reuse concept, which was further supported by the Group Facilities Management Division in 2013 *

4,986mg
Mercury Recycled

420 Tyres
Resold

325 Tonnes
Network Equipment Recycled

Waste Managment

4,372.5 TONNES of GHG
emissions saved

- Free Cooling System
- Hybrid Cooling System
- Generator Battery Solution
- Static Voltage Regulator
- Wind Solar Hybrid Green Solutions
- Inverter A/C deployments
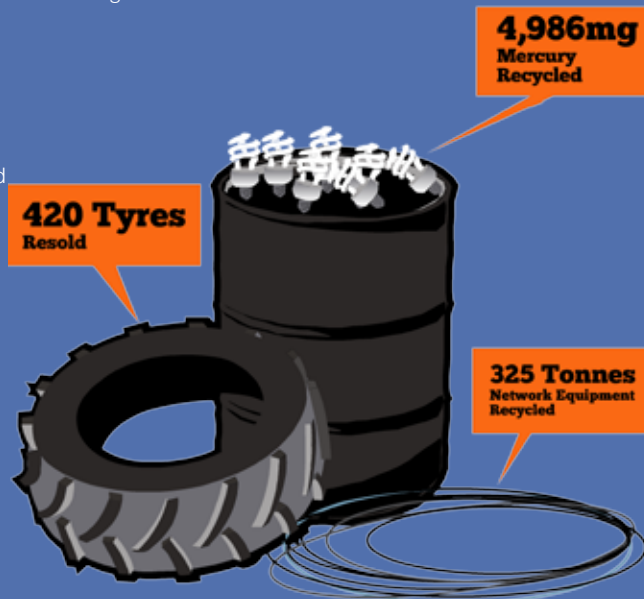
SAVED 170 Tonnes of paper through e-bills and Summary Bills

CO2

70,400.21 TONNES
Total GHG emissions

USED 16.11 Tonnes of paper

RECYCLED 35 Tonnes of paper

Energy Consumption

		Per Customer
Indirect Energy	106.56GJ	Office energy per staff
Direct Energy	37,128.13GJ	Energy per site

Paper Consumption and Savings, Energy Consumption and Energy Saving and Emissions

0.005GJ

f member   0.09GJ

12.43GJ

Fleet

Dialog reduced its fleet cost by 7.5% in the year under review, when compared to the previous period. Several actions led to this saving, embodying the Embrace, Think, Act model. The fleet operating transport in the Greater Colombo area was optimised with vehicle reductions, changes to the vehicle mix – phasing out or replacing hired as well as older Dialog-owned vehicle models. Vehicle counts in several regional offices were also reduced and had their fleet makeups optimised. Changing the brand of tyre on the pickup truck fleet that does much of the heavy running was another action that is expected to create long-term value.

Biodiversity

Four Dialog base stations, representing 0.84% of total sites, are in close proximity to protected high-biodiversity areas. Dialog routinely takes all necessary measures to comply with all regulations and to minimise minimum damage to these locations. Dialog identified in 2013, 25 sites adjacent to non-protected areas nevertheless considered to exhibit high bio diversity. Dialog intends to go beyond the regulated requirements to identify potential impacts of our presence in undeclared areas that may yet exhibit high biodiversity. Dialog's mobile telephony network is delivered via a portfolio that includes among its total 2,971 sites, 1,363 stand-alone towers (45.88%). Sharing agreements with competitors account for 1,628 sites (54.8%). Towers placed upon existing structures account for 756 sites (25.45%). Finally, addressing stakeholder concerns on aesthetic impacts, Dialog's network includes 9 "tree towers" and one tower constructed such that it integrates and addresses a rural monastery's need for a bell tower.

As a part of the Environmental Management System, the Company prepared an aspect impact register capturing all environmental impacts of base station operations, from site acquisition, to operations and maintenance stages. Aspects identified as significant have been assigned control measures, with environmental management programs undertaken.

Materials

The only tangible recurrent material usage by Dialog in relation to its services takes the form of paper bills sent to customers. In previous years we reported the paper procured for use in all operations as the nearest available measured proxy for this indicator. In 2013, we measured the actual volume of summary bills, detailed bills and envelopes consumed in billing operations, to more accurately report on this indicator. Dialog continues to promote electronic billing and summary bills to corporate and individual customers saving 170.43 Tonnes of paper in 2013.

Dialog is reporting on reclaimed products for the first time for the year under review encompassing products under the Mobile, Fixed Line and DTV business units. In Dialog's Fixed Line telephone business, reclaimed superannuated or faulty units are repaired and/or refurbished with serviceable units kept in stock for use as short-term service replacement units. The Fixed Line business conducts 'CDMA camps' in rural locations, where customers are able to immediately obtain temporary replacement units for faulty fixed line telephones or replacements for old units.

Network tower-sharing, where Dialog leads the industry, reduces the absolute quantum of towers present in the country, mitigating duplicative material and energy use. While subscriber phone numbers are an intangible resource, they are limited within phone number allocation regimes. Dialog recycles pre-paid phone numbers dormant beyond a reasonable duration of time.

Service camps carried out in Chunnakam I Nelliadi I Padaviya I Nochchiyagma I Horowpathana I Kaduruwela I Chilaw I Batticola I Kalawana I Nittambuwa I Yakkalamulla I Kamburupitiya
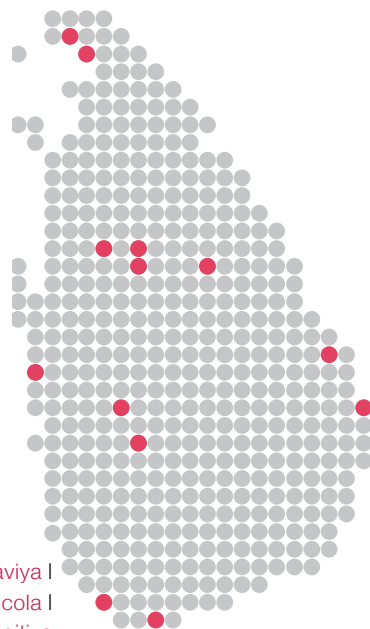
Environmental Policy
An outcome of the ISO 14001 certification process

"The environment sustains all our lives. Preserving the environment and protecting it for future generations is our moral obligation, and we strive to do our best in that regard. We work as a team together with our stakeholders in practicing good environmental practices to meet that moral obligation. Dialog Axiata PLC, as a provider of multisensory connectivity resulting in the empowerment and enrichment of Sri Lankan lives and enterprises, provides products and services that are inherently capable of benefiting the environment.

Our objective in relation to the environment is to comply with all statutory and regulatory requirements while proactively avoiding where possible any harmful impacts of our operations; mitigating to the greatest extent any unavoidable harm; and actively reversing or remedying any harm we may have caused.

To sustain this effort, we continually upgrade our activities to be environment-friendly by both preventive and corrective means. We do so by continuously modernising our equipment to be greener and less power-consuming, employing green energy sources alongside or in the absence of grid power; by empowering our people, supporting them with effective training; and by committing to incorporate environmental stewardship into our Company culture. These objectives shall be periodically communicated to all staff and relevant stakeholders via internal communications and incorporated into relevant guidelines for stakeholders.

We hold ourselves accountable to these goals through rigorous measurement, thus enabling continual improvement."

A Culture of Sustainability

The Dialog Environment Week was held in 2013 for the second year running with 5 themes for each day of the week. Themes were derived from material issues identified in 2012's stakeholder studies. Activities and actions included promoting remote meetings; calculating per-employee paper consumption by location with advice on reducing consumption; introducing portion-control options to reduce food waste and improve employee wellness at canteens; reminders on reducing electricity consumption (later reinforced by the Group Facilities Management function by a campaign via emails and posters), and promoting carpooling with simple online matching for carpoolers.

Some of the 2012 Environment Week's introductions have continuing effect. The Office Trading Post concept has been extended to more locations in Colombo offices, with a revamp and extension planned for 2014. The shuttle service app introduced in 2012 is now operated on an even easier-to-use short code.

FUTURE

Dialog Environment Weeks
WITH EMPLOYEE FEEDBACK

Sustained Behaviour Change
FM reusing folders from archives
Mobile Buyback Programme (MBB)
Proposed waste sorting programme

Efficient Meetings
Reduce resource use
Responsible waste management
Food Costs & Portion Control

Engage

Long-Term Outcomes of Dialog Environment Week

INITIATIVE	IMPACTS
Reduce unnecessary travel for meetings	• 35 WebEx meetings • Approximately 1,050 employee traveling hours saved
Increase Shuttle awareness and usage for convenient, efficient travel	• Increased average shuttle usage by staff from 35 passengers to 75 passengers/day • Savings on cost – approximately Rs. 6,000/day • Reduced car-park utilisation and time wasted on parking
Promote Circular Economy – Reduce Consumables waste and under-utilisation with Trading Posts introduced in main office sites	• Expansion of Office Trading Post locations to all main buildings • Reduced stationery cost – approximately Rs. 40,000 saved • Endorsed and embraced by Group Facilities – approximately Rs. 200,000 saved
Encourage reduced artificial lighting and more use of natural light	• LED lighting implemented to many office locations where possible • Reduced Energy costs
Strengthen M-Waste campaign awareness and encourage M-Waste collection among staff members	• 100 units collected internally. Company supports the project with the 'buy-back policy' – you can bring in your old phone and get a reduction on your new phone

Dialog Enivironment Week Efforts in 2012 and 2013

Procurement

In 2013, Dialog introduced a Procurement Code of Conduct for employees involved in procurement transactions. The purpose of the code is to ensure that employees involved both directly and indirectly in procurement transactions, conduct their duties and responsibilities with the highest standards of personal and corporate integrity and ethical purchasing practices.

The core principles the code is concerned with are, Information Confidentiality, Business Conduct, Bribes & Corruption, Gifts and Entertainment, and Conflict of Interest. The introduction of this Code of Conduct is another step towards better governance and accountability, in a key function and area of activity material to Dialog's overall performance.

Dialog's Board-approved Procurement Policy and Guidelines govern procurement practises across the Company. The Supplier Code of Conduct introduced in 2012 additionally sets expectations and standards for suppliers dealing with Dialog.

Dialog's Supply Chain Management function regularly educates and reinforces the Company's supplier base on best practices and guidelines to be followed, as well as provides quarterly feedback to each supplier on their performance, with any corrective action specified, to which suppliers are requested to respond with action plans for rectification. Failures in compliance are handled by a pre-specified, escalating scale of actions. Vendor pre-qualification processes, required before vendors qualify for bidding for Dialog's business, look into a combination of financial, quality and compliance with Dialog's Vendor Code of Conduct – which encompasses labour and human rights, health and safety, sustainability, business integrity and ethics, management systems, and payment policy. While sole proprietorships are measured on a different scorecard to public or other private enterprises, no specific policies exist preferring marginalised or local suppliers; however, where expertise and technology are comparable, local suppliers are in most cases successful in winning Dialog's business on cost considerations.

The analyses here, including data on unique numbers of vendors, analysed for the first time in 2013, show not only an increase in absolute percentages of local procurement, but also that Dialog sustains and interacts with a healthy, large ecosystem of local vendors in its procurements.

Foreign
Unique Vendors 240 (15.39%)
Amount LKR 20,338,430,952.84 (52.10%) in 2013
LKR 18,692,302,501.14 (62.28%) in 2012

Local
Unique Vendors 1,319 (84.61%)
Amount LKR 18,698,977,807.52 (47.90%) in 2013
LKR 11,320,152,085.70 (37.72%) in 2012

Local vs Foreign Procurement Spend and Vendor Comparisons

Act

Good Business – the daily actualisation and embodiment of the Dialog Way in a dynamic, action-oriented ethos that continuously drives us to better ourselves, better our business and better the community and world around us.

Rusiru Thirasara - Thelijjawila

Delivering on the Promise

'The Future. Today.' From inception, Dialog's promise to every Sri Lankan has been a commitment to bring the best, most modern technologies to better serve more customers, and to support Sri Lanka's development. To Sri Lanka's knowledge workers, Dialog is an admired and sought-after employer. Ten years ago, Dialog introduced the Dialog Merit Scholarship programme to encourage the brightest students in every district to pursue their dreams of an engineering career.

While Dialog has always believed in the transformative power of education from an individual to a national level, the Merit Scholarships were also a proactive act of enlightened self-interest. Sri Lanka's nascent knowledge industry at the time faced a genuine threat of shortage of the most crucial resource of all – talent, with the technical training particular to the new technologies taking over the world. Today, Dialog's outreach and prospect database reflects a much more mature job market, where multiple disciplines and skill sets are required to best serve Dialog's many businesses, reaching out to a customer base too that has evolved and grown significantly.

Dialog leads in Sri Lanka as well as for Axiata Group Berhad across Asia, the evolution of Digital Services as a new business area, and in doing so, is once again creating new business lines with exciting new opportunities for Sri Lanka's knowledge workers.

Direct Economic Value Generated (Dialog Group)	2013 (LKR)	2012 (LKR)
Revenues (Net sales plus revenues from financial investments and sales of assets)	63,498,611,000	56,790,625,864
Economic value distributed (Group)	43,095,691,279	41,624,551,562
Operating costs (Payments to suppliers, non-strategic investments, royalties, and facilitation payments)	17,970,286,932	20,341,964,602
Employee wages and benefits (Total monetary outflows for employees (current payments, not future commitments)	4,908,644,000	4,272,122,000
Payments to providers of capital (All financial payments made to the providers of the organisation's capital.)	3,128,959,000	2,666,049,987
Payments to government (Gross taxes)	17,020,177,429	14,297,488,398
Community investments (Voluntary contributions and investment of funds in the broader community includes donations)	67,623,918	46,926,575
Economic value retained (calculated as Economic value generated less Economic value distributed) - Investments, equity release, etc.	20,402,919,721	15,166,074,302

Economic Value Generated and Distributed Across Dialog's Value Chain in 2013

Customer Experience

Dialog takes a cohesive view of customer experience through systematic measurement and analysis of the Customer Experience Index. Significant indicators tracked to measure customer experience include Net Promoter Scores (NPS) tracked across customer touch points and geographical regions with both top-down and bottom-up views; Service Level measurements at retail touch points and at the contact centre track First Contact Resolution and service level scores. An annual in-depth, in person quantitative Customer Satisfaction survey conducted under the eQ terminology model, randomly sampling clients from all major business units, counterbalances the general-population focused NPS score.

Podimanike Senakarala
Imbulgodahena, Akuressa
"Big-Dial Phone" user

A Group Leadership Council on Customer Experience maintains senior management focus and enables collaborative, cross-function analysis and decision-making on customer experience issues. Dialog adheres to industry best practises for service delivery, including People CMM Level 4 – the highest rating for employee engagement and satisfaction, COPC certification for contact centre operations, and the Customer Service Quality Standard.

Customer data privacy is a condition of employment for all Dialog employees, included as a specific clause in the contract of employment and in an addendum Non-Disclosure Agreement that protects all data including customer data specifically, with perpetual validity regardless of employment status at Dialog. The Employee Code of Conduct reinforces the data privacy message, while comprehensive audit tracking in all client information systems provide audit trails for investigation of customer complaints of data privacy violations.

Users of Dialog's data services are protected at the server side by Dialog's compliance with all specifications and requests by the TRCSL. Dialog in partnership with Blue Coat makes available free downloads of the K9 filtering app for mobile devices. Dialog Direct-to-Home (DTH) Satellite TV subscribers have access to parental control features via their set top boxes.

Digital Services

Dialog's transformation into a Digital Services company, which began in 2012 with the Joint Venture with Digital Commerce Lanka continued in 2013. A Digital Services strategic business unit today encompasses the new business lines such as the eZ Cash mobile money service (launched in 2012) as well as newer ventures into the Education and Health spaces, to mention a few.
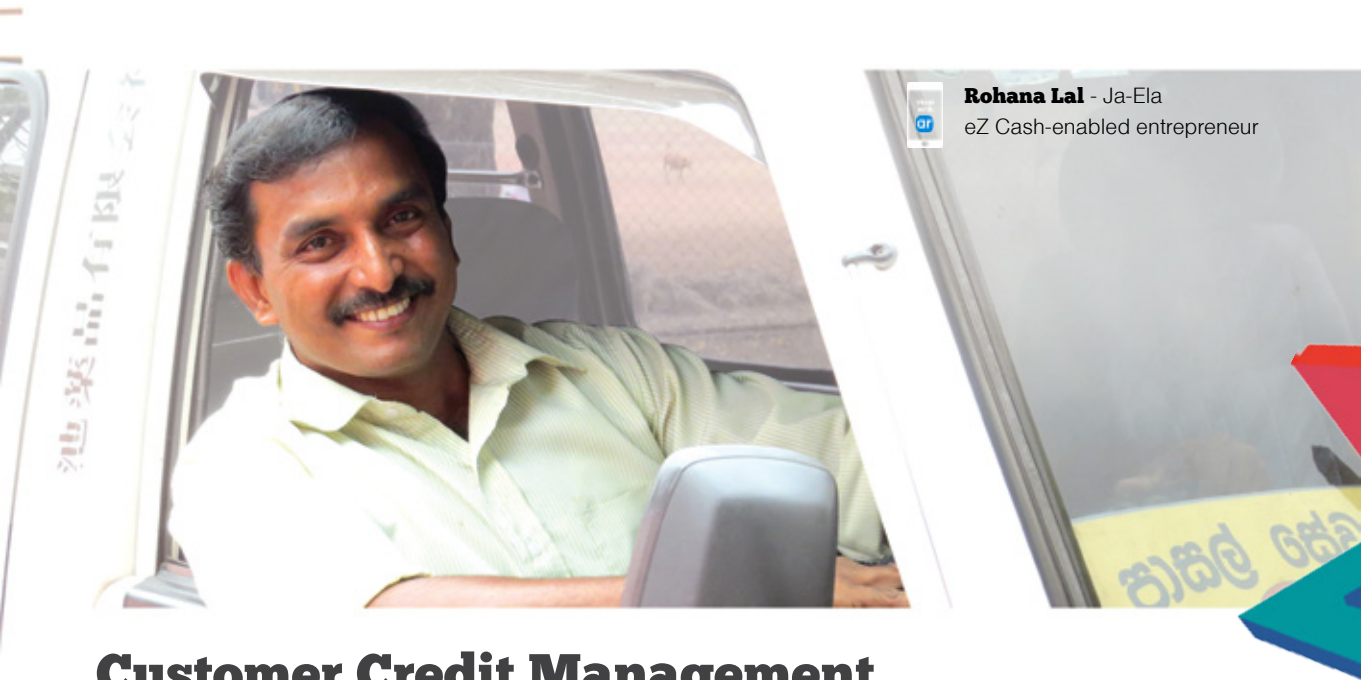
Rohana Lal - Ja-Ela
eZ Cash-enabled entrepreneur

Customer Credit Management

Dialog helps customers of pre-paid and post-paid services across all its businesses manage their finances prudently and efficiently with a mix of automated and personal notifications both as customers approach credit limit thresholds, as well as when bills remain unpaid relative to standard time durations. Automated processes include SMS messages for voice and data subscribers, tele-text messages for Dialog TV subscribers, as well as pre-recorded calls and letters. Personal notifications are personal voice calls made by call centre operators.

Dialog also allows mobile phone customers to "ask for credit" when pre-paid customers exhaust their credit or when post-paid customers are barred due to non-payment. When credit is requested from Dialog, the exceeded credit is recovered at the customer's next reload, with a fixed, pre-disclosed charge. A service called Call Me SMS allows a customer to send a free SMS to another customer requesting a call back, even when the requesting customer has no credit to make a standard call or SMS.

Product Stewardship

Dialog's commitment to Digital Inclusion and providing life-enhancing services to all Sri Lankans has in the past led to efforts to reduce the cost of device ownership – a key limiting factor. In 2013, through partnerships with several handset vendors, Dialog lowered the cost of smart device ownership further by taking the additional step of absorbing some of the brand premium otherwise extracted on top of generic devices – by offering Dialog-branded smart devices.

Handset manufacturers work with Dialog to ensure that Dialog's commitments to environmental protection and customer experience and safety are matched or exceeded, while minimising costs. As a founding member of the forums on electronic and mobile waste management, Dialog works to ensure the same commitments are met and to facilitate informed discourse in the changed context. All devices sold by Dialog, regardless of brand, are required to conform to ICNIRP, CE and regulated Specific Absorption Rate (SAR) values. Devices are submitted for compliance testing and certification by the Telecommunications Regulatory Commission of Sri Lanka (TRCSL). Base Transmitting Stations (BTS) conform to ICNIRP and TRCSL Electromagnetic Frequency (EMF) emission requirements.

5 Star Partners

Dialog's network of Infomediaries implemented across rural Sri Lanka in 2012 – the 5 Star Partner network – consolidated its presence in 2013, and strongly demonstrated its value both to the business and to the consumers it was created to serve.

Selected 5 Star Partners received skills-development and capacity-building and equipment to take more Dialog services to the hardest to reach customers, as well as to simplify previously complicated customer-facing processes that sometimes required customers to visit urban offices. Several new initiatives – many inspired by the Infomediaries themselves – see constant experimentation and iteration where it matters most in Dialog's value chain. As examples, in 2013, 200 of the best-performing 5 Star Partners were given tablet PCs with a special Point of Sales (PoS) app to help them bring to our customers new services such as new SIM activation, SIM changes, and a simple Value Added Service (VAS) activation process, while also assisting 5 Star partners by tracking performance metrics to improve their operational performance. Dialog also pilot-tested delivery mechanisms of products sold by online partners where rural customers could inspect and take delivery of goods in local outlets.

Age in Years

18-25	26-35	36-50	>50
13%	**62%**	**24%**	**1%**
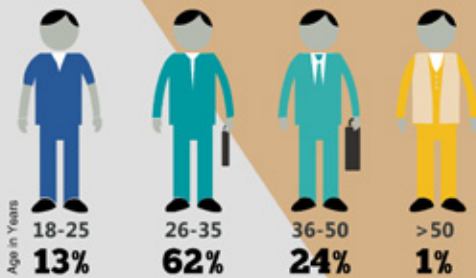
Senior Management	0.49%
Managerial	**9.27%**
Executive	**58.34%**
Non-Executive	**31.90%**
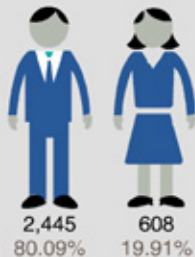
3,053
Dialog Group Staff

2,445	608
80.09%	19.91%
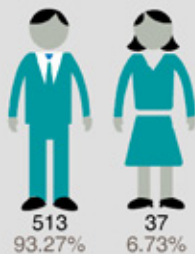
550
Outsourced Employees

513	37
93.27%	6.73%

795
Outsourced Services

621	174
78.11%	21.89%

Recruitment rate 11.73%

Recruitment
86.3% Colombo   13.7% Regional

Turnover
87.8% Colombo   12.2% Regional
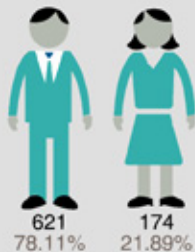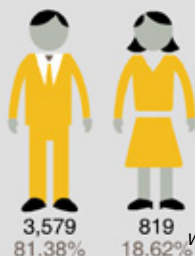
Net Addition
2.32%

4,398
Total Workforce

3,579	819
81.38%	18.62%

Workforce Distribution, Diversity, Recruitment and Turnover

Creating 'A Special Place to Work'

Distribution by Management Level

- Senior Management 0.49%
- Managerial 10.18%
- Executive 55.50%
- Non-Executive 33.82%

Distribution by Management Level

- Senior Management 0.49%
- Managerial 5.59%
- Executive 69.74%
- Non-Executive 24.18%
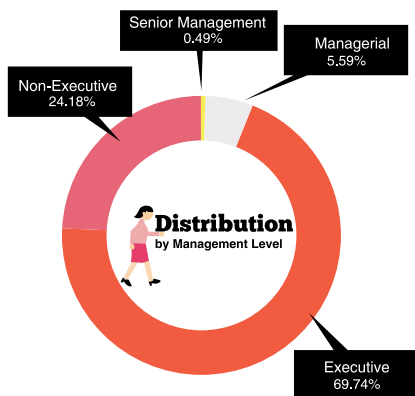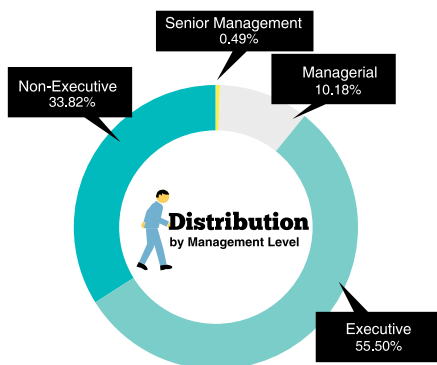
Organisation Hierarchy by Gender

Turnover rate 9.40%

Our employees are essential to our success. We believe in the relationship between investing in employees and the increased strength and sustainability of returns whether at Dialog, its subsidiaries, or joint ventures. The culture at Dialog Axiata Group allows employees to question accepted solutions and test new ideas, and to see mistakes as an opportunity to learn. Dialog's strong value system helps employees develop together and enhance the lives of all stakeholders. Human Resource policies, practices and their delivery play key roles in managing human capital. Dialog Axiata PLC's leadership together with its Human Resources function constantly envisions new strategies and initiatives focused on talent acquisition and retention. Delivery of human resource management as a service is designed to make it highly accessible to any employee. Constant dialogue and facilitation are also maintained relating to work related issues as well as matters pertaining to general interest that could affect employees and their families.

The Employee Code of Conduct – available to all employees on the Company intranet, and in summary form as a booklet handed out to each employee – is a resource and first point of reference for employees, providing guidelines and expectations on standards of conduct in different situations. Topics covered include personal conduct and protection of Dialog Group's assets (Employee Conduct); obligations in conducting Dialog Group's businesses with external parties (Business Conduct); considerations affecting the Dialog Group that may arise on employees' personal time (Conflict of Interest); reporting of violations and suspected violations; and awareness and training.

Accompanying Procedures to this code are the Whistle-blowing Policy; Disciplinary Policy and Procedure (as part of the Company's HR Manual); Harassment, Bullying and Inappropriate Behaviour Policy; and the Employee Code of Conduct. The gender ratio reported in the previous reporting period has been maintained unchanged. The Company adapted its Maternity Leave Policy to provide adoptive mothers the same rights afforded to biological mothers, and extends to both parents to enable the most flexibility for differing needs at a time of significant change in any family. Continuous efforts on building and fostering trust, transparency, and communication we believe has resulted in our employee retention and commitment towards our growth plans.

Employee Engagement

Dialog Axiata PLC believes in constant dialogue with all our employees and creating a sense of ownership and commitment that ensures strong employee relations. We strongly believe that employee engagement enables positive social impacts for our organisation. We recognise the need for constant engagement with peers and promoting healthy workplace relationships and dialogue. Accordingly we provide staff with forums, support groups and policies to hear and address concerns and resolve issues and conflicts in a fair and transparent manner. Dialog practices an Open Door Policy where employees can meet managers or HR personnel regarding any concerns, including in-person or direct email access to the Group CEO.

Lilantha Senathilake | Ruweendra Senanayake | Jayangie Seneviratne | Darshana Abesingha

The Ombuds process in place since 2010 is another mechanism to encourage employees to bring up concerns should they lack confidence in other internal processes and polices. Dialog's performance management system framework ensures measurement of all aspects of performance including the quality of how employees are managed. Under this framework every Chief Officer receives a Human Resources Score which tracks performance on 'Skip Level meetings' conducted with lower-level employees, and follow-up actions. In 2013 all Chief Officers achieved the highest possible score, significantly exceeding expectations in conducting skip-level meetings and following through thereafter. Quarterly Town Hall meetings at portfolio level are an additional channel for employees to gain visibility as well as comment on Company performance and governance.

The group has established many people related policies and practices that contribute to build employee engagement; these initiatives enable the creation of organisational citizen and commitment which in return ensure the success of employee relations. Employee voluntarism via the Dialog Volunteer Network, 360-degree feedback for managers and above, an active lifestyle with 10% of our employees participating in multiple sporting disciplines, discipline and the drive to win, are some overarching themes of the Api Dialog culture. The "Dialog Blog" and electronic communication channels such as the company intranet – 'DNET', and the online CONNECT magazine, are constant enablers of employee engagement.

An Employee Engagement Survey was initiated in the reporting year to gather employee pulse of the organisation, carried out by a third-party firm specialising in such surveys. The group will use the results as a people management index and monitor its progress as a measure every year. Each Business area (portfolio) will have an individual Employee Engagement Index score where the portfolio head and his/her direct reportees are responsible to maintain year-on-year improvement to reach or surpass global high performing standards. The results will be captured, analysed and used to draw action tracks to address employee concerns and build on areas of strength.

Year	Returned to work after maternity /paternity leave		Retained after returning to work	
	Male	Female	Male	Female
2009	100%	96.67%	75.18%	81.49%
2010	100%	96.22%	84.27%	76.35%
2011	100%	94.78%	92.47%	84.62%
2012	100%	99.00%	86.87%	96.88%
2013	100%	100.00%	94.44%	78.43%

Employee Retention Rates after Parental Leave

Performance Management

All employees of the Group undergo regular appraisal to receive feedback on their performance. The Group Performance Management policy requires formal feedback to be twice a year, however the performance centric culture of the DIalog Axiata Group allows employee feedback constantly. In 2013, the increasing trend in coverage of employee performance reviews continued, with 99.24% coverage achieved. The concept of 'Divisional Council' and 'Talent Council' are the decision making committee for all performance related decisions made on behalf of employees at the end of a performance cycle.

The objective of these committees is to assess employee performance as a committee and not to be done by a single supervisor and to bring about a benchmark at each level and create less subjectivity. The committees' agenda look at Performance Review, Group Talent pool, Employee promotions. As the financial year ends the Company sets tone for performance appraisals where over 2,500 employees are robustly appraised ensuring objectivity and fairness. This is testament to the Performance Centric Culture prevalent at Dialog Axiata Group. Employee feedback tracked in 2013 and compared to corresponding 2012 scores show improvement in key areas such as clarity of objectives against which employees are assessed; clarity on job responsibilities; and regular feedback from immediate supervisors.

98.75%	**98.47%**	**95.05%**	**98.82%**	**99.24%**
2008	2009	2010	2011	2012

Percentage of Employees Receiving an Annual Performance Review

Learning and Development

L&D is a dedicated function at all business units and also driven by Group HR in terms of new strategies, policies and learning initiatives such as Harvard ManageMentor, Sales School etc. The Group believes in business focus training for all staff bringing in the technical expertise that is necessary for employees attached in different business and industry groups. Further the Group focuses its training on competency development and leadership development for all our employees to address current and future learning needs. The Group's employees have spent a total of 75,275 hours on training averaging 24.7 hours per employee. In comparison to last year it is an increase of 57.3 percent.

The Group offers leadership training at all levels using various strategic partners. Harvard Business School Publishing Corporation (a wholly-owned subsidiary of Harvard University) acts as one of the the group's leadership training partners where 450 employees are given an opportunity to learn online (E-learning). This includes the employees at Executive categroy and above. Two specific structured programmes exist focusing on developing the overall management capabilities of the selected individuals. These are the Corporate Management Development Program (CMDP) and the General Management Development Program (GMDP). These programmes focus on further strengthening the key leadership capabilities which are a key element for their future role irrespective of their specific areas of work.

CMDP is a stepping-stone programme for high potential employees, helping them develop and qualify for roles in corporate management. Participants are nominated via the Annual Promotion Cycle and endorsed by Dialog's Talent Council. Similarly, employees tracking for General Management are enrolled in the GMDP. This ensures that such employees are prepared and trained with the necessary skill requirement for a General Management position. This ensures quick transition to a new category of employment with expedited results.

The Group's 20-strong pool of multifunctional internal training faculty caters not only to the entry level training but offers many complex training offerings from a menu of competencies. This strategy has assisted in the Group's Human Resource strategy to equip all our employees to do more for the organisation than their assigned role and thereby build a sense of belonging.

The Group's L&D philposophy and practices also have a flexible and dynamic framework to accommodate lifelong learning that is crucial in building a sustainable and competitive advantage. We operate on the 70:20:10 learning philosophy.

45.4	**67.6**	**23.2**	**14.6**
Senior Management	Middle Management	Executive	Non-Executive
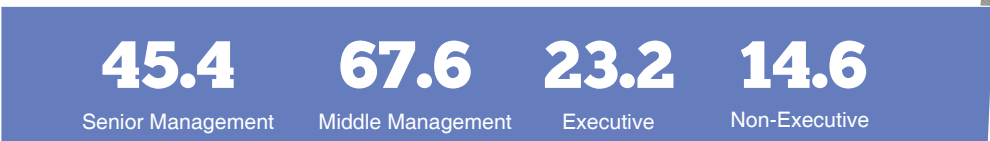
Training Hours by Employee Category
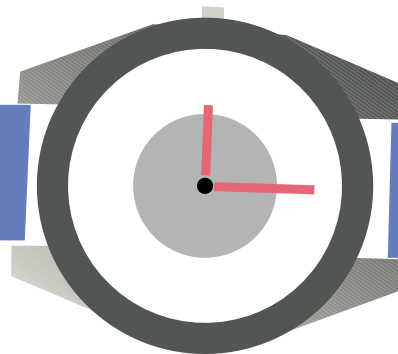
Learning Philosophy

Dialog Axiata Group is an "Equal opportunity employer"; we do not discriminate on the basis of gender, race, nationality, age, social origin, disability, religion, or any other. Employee policies from talent acquisition to talent retention are applied to employees based on their performance and merit. Employee hiring is done based on the job, and supported by the Job Description document. Guidelines given from the recruitment policy and policy on equal opportunity ensure the success of our hiring to be job and role based. The Group's operating structure is designed in such manner that, all people-related decisions generally are made with committees and not by individuals. Decision relating to hiring, performance, promotion, learning and development, career development, compensation management, talent management could be named as few decisions made in this manner using a Talent Council.

The Group's operating model comprises of governance committees at many stages in the business. Management committees, Group operating committees and Group Executive committees are some examples of such mechanisms. The selection to these respective committees is based on the level an employee is in the organisation. The Gender balance of the governance committees of the group maintains the same correlation visible in the total gender represented in the group. To further strengthen our governance structure and encourage/facilitate all employees to live by our values the group's appointed 'ombudsman' continues to add value to the organisation.

We lay emphasis on creating a favourable working environment for our employees. Our HR policies and practices enable us to attract and retain high-calibre employees. We foster a culture of inclusivity and trust. We are committed to offer all our employees a "Special place to work".

24.1 hrs

24.8 hrs
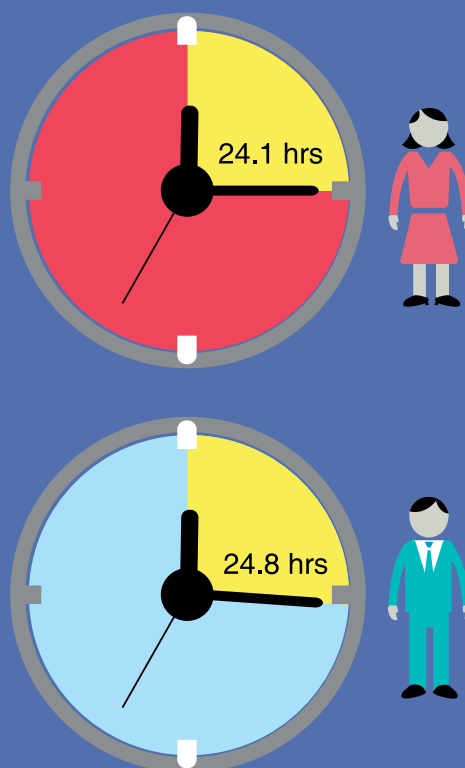
Employee Training Hours by Gender

Health and Safety

The main objective of Health & Safety activities is to ensure that Dialog Axiata PLC and its subsidiaries establish and conduct all business activities at their business premises free from hazard, as well as provide the same to all its employees, vendors and the public at large with a healthy and safe environment. Dialog has had different mechanisms looking into Health and Safety since 2004.

2.91% of the total workforce is represented in the formal Health and Safety committees, enabling representations from outsourced staff and female employees and the composition is reviewed every year to sufficiently represent all groups. Wherever possible floor-wise appointment of representatives is done and currently 58% of the office sites have floor-wise representation. In order to establish and meet above objective we make sure that 125 of our health & safety representatives are trained and update their knowledge periodically on work safety, hazard prevention and first aid. We also identify the H&S hazards and risk by periodic H&S audits covering all Dialog premises.

Three (03) injuries were reported during the year, of which one was recorded from a Colombo office, whilst the others were from regional offices – 2 males and a female. This contributed to an injury rate of 0.82% in the reporting year in comparison to the injury rate of 1.09% recorded in 2012.

546 employees availed themselves of the Health Camp organised in 2013 to connect employees with education and advice on health and wellness. 1,100 training hours were spent educating all Dialog staff and outsourced employees to ensure the establishment of the H&S culture. A lost days rate of 0.20% was recorded in the year under review, compared to zero lost days recorded in 2012. An absentee rate of 1.84% recorded as opposed 1.80% in the previous year, while no workplace fatalities were recorded in the reporting year. No occupational diseases were recorded, though it is noted that the Company does not at the moment have a formal system for identifying and recording incidence of occupational diseases.

Some highlights in 2013 with regard to Health and Safety include the appointment of dedicated H&S representatives in all 32 regional engineering offices, selected from among the regional engineering staff to ensure the safety of the tower maintenance crew, which includes riggers and technicians; a special first aid programme conducted by the Sri Lanka Red Cross for regional engineering staff involved in tower maintenance activities; and a targeted training programme for selected engineering and DTV installation staff (riggers, engineering technical staff and DTV regional installation staff) on safety when working at heights, use of Personal Protective equipments (PPE's) and safety of others by District factory Inspector - Western Province.

0.82% Injury rate

0.20% Lost day rate

1.84% Absentee rate

zero Workplace fatalities

Health and Safety

Performance Trends

Aspect	Data Point	2008	2009	2010	2011	2012	2013	Performance
Economic performance	Revenue (Rs. Million)	36,278	36,246	41,423	46,136	56, 790	63,498	↑
Market Presence	Local spend %	59.04	62.37	57.58	53.57	37.72	47.90	↑
	Foreign personnel in Senior Management	1	0	2	2	2	3	↓
Material	Paper (Tonnes)	382.5	44.17	150.85	132.4	150.34	16.11[1]	◻
	Recycled	0%	0%	0%	0%	0%	0%	⇔
Energy	Direct (GJ)	72,224	33,065	15,424	22,662	39,385	37,128	↑
	Indirect (GJ)	345,821	365,675	353,746	452,995	480,483.66	106.56[2] (570,994.7)[3]	↓
	Savings				411,877MWh (0.4 GJ)		14,918GJ[4]	◻
Water	Consumption (Kl)	82,218	54,106	48,145	46,884	43,275	63,078	↓
Biodiversity	Area of high Biodiversity land covered (km²)	0.0025	0.0025	0.0025	0.0025	0.0025	0.01575	↓
Emissions and Waste	GHG for direct energy	6,367	2,945	1,259	1,965	3,809.2	3,249.4[5]	↑
	GHG for indirect energy	43,990	41,979	44,936	52,004	58,026.16	67,145.26[6]	↓
	GHG for other	4,250	5,273	4,919	4,881	4,201.76	4,384.21[7]	↓
	Discarded e-waste units	186	302	508	1,580	None	112,590[8] Tonnes	◻
	Recycled paper (Tonnes)	92.5	54.5	35.6	47.9	48.6	35.6	↓
	Significant spills	None	None	None	None	None	None	⇔
Compliance	Fines and sanctions for environmental non-compliance	None	None	None	None	None	1	↓
Employment	Total No. of employees	4,406	3,435	2,871	2,544	2,993	3.053	◻
	Total workforce	4,912	3,940	3,389	3,001	3,535	4.398	◻
	% of female employees	25.55	22.64	21.49	19.73	19.68	19.91	◻
	Turnover %	17	33.62	28.04	13.78	10.69	9.40	↑
	Retaining % after parental leave: Female/ Male		81.49	76.35	84.62	86.87% 96.88%	78.43% 94.44%	↓
Occupational Health & Safety	% H&S representation	100	100	100	100	100	2.91[9]	◻
	Injury rate %	2	1	1.91	0.27	1.09	0.82	↑
	Lost day rate %	0.12	0.01	0.34	0.0	0.0	0.20	↓
	Absentee rate %	2	2	2.10	1.76	1.80	1.84	⇔
	No. of Fatalities	2	0	0	0	0	0	⇔
Training	Average training hours for the year per employee	26.77	8.56	12.18	16.39	15.57	24.7	↑

↑ Better performance   ↓ Poor performance   ⇔ No change   ◻ Not comparable

Aspect	Data Point	2008	2009	2010	2011	2012	2013	Direction
Investment and procurement practices	% of significant vendors screened	25.61	28.97	66	78	68	100[10]	↑
	Other developments				CoC booklet, Ombudsman Volunteer programmes	Vendor COC	Dialog Axiata Procurement Code of Conduct	↑
Customer Data protection	% Customer complaints on divulgence of information	0.0030000	0.0030000	0.0009000	0.0019787	0.0047580	0.0034772	↑

↑ Better performance ↓ Poor performance ⇔ No change ◻ Not comparable

1. Prior to the period under review, this measure was calculated based on total paper procurements for the Company. To best capture the principle of this aspect, in 2013 Dialog considered the weight of paper procured for bills and envelopes, being material used only to produce bills were taken into consideration [claiming that is the primary product]consumed in course of providing the Company's primary services.

2. Response scaled to previous reporting format, for comparison with GRI G3.1 EN4. Grid energy consumed in the form of indirect energy is factored by the multiple representing the non-renewable energy purchased to supply the national grid, as defined by the Ceylon Electricity Board.

3. Response required by GRI G4 EN3.

4. Derivation of 2013 figure not directly comparable to previous years – now also accounts for diesel savings, expressed as potential energy.

5. Using data of GHG protocol website: *http://www.ghgprotocol.org.calculation-tools.*

6. Calculation as per Clean Development Mechanism project National Grid GHG emission factor as quoted in CDM validation report No. 53601511-11/356 – the latest available at time of calculation.

7. Fleet emissions and air travel emissions calculated using the GHG protocol website.

8. Prior to the period under review, this figure represented the number of E-waste units. In 2013 Dialog considered the weight of E-waste recycled.

9. In previous years this figure was interpreted as the fraction of workforce represented by Health and Safety volunteers. From the period under review this figure has been interpreted as the percentage of the workforce actually representing their colleagues as Health and Safety volunteers.

10. All new vendors were screened in the year under review by way of endorsing the Vendor CoC.

Appendices
Detailed Discussion of Management Approach
Relative to 2012 Materiality Assessment

Indirect Economic Impacts	Dialog's many diverse activities and services for different market segments may not have received equal prominence in promotion in the past. The year 2013 saw a concerted effort launched to provide over a considerable length of time starting in 2014, more equal coverage to the many activities and services focused on customers and issues outside urban areas, while continuing and building upon the activities themselves.
	Dialog endeavours to maintain discipline in managing headcount versus productivity while providing career growth for existing employees through lateral and diagonal internal career opportunities. At the same time, Dialog's expansion into new areas of business and the innovations our employees are tasked with creating, have a less immediately measurable or attributable effect on the rest of the economy's development and productivity.
	Despite adding only 60 total net headcount in 2013, Dialog created 72 new roles in its technology division which leads Dialog's entry into Digital Services – more than half of the net growth.
	Dialog recognised that despite years of strategic philanthropic and main-line business-driven engagements which has won regular accolades from practitioners and those directly affected by its work, the general public had a very low level of awareness and insight into Dialog's community outreach or theory of change.
	In 2013 Dialog's Sustainability Division devised a strategic approach for communicating Dialog's different forms of outreach into and impact upon the world around the Company. At the same time as initiating a deep and far-reaching conversation with the Company's key communications decision-makers, Dialog also began gradually increasing the amount of internal communication as well as awareness and communication with directly affected stakeholders, in the course of community outreach work. Some of the outcomes of the strategic work begun in 2013 based on this stakeholder feedback, will become visible in 2014.
	The indirect economic impacts of Dialog's main-line work in particular has been so far-reaching in impact, and so much a part of Sri Lanka's development story as to become a blind spot in how the public perceive the impact and the view Dialog has on the awareness and discourse within and outside the Company. Certain impacts are also so deep and so wide that empirical testing against a counterfactual is essentially impossible due to the organic and rapid nature of Dialog's impact across the island on a large proportion of Sri Lankans. The low levels of awareness and communications on Dialog's community investments and infrastructure developments are also considered to be contributory causes for this topic to be flagged as an issue.
Local Communities	The low levels of awareness and communications on Dialog's community investments and infrastructure developments are considered to be contributory causes for this topic to be flagged as an issue under this aspect.
	This is diagnosed as primarily a perception gap due to Dialog's lack of communication about its many services focused on, and the value created for rural consumers. Dialog undertook work in 2013 to address this perception and awareness gap, beginning in 2014
	Dialog works with local communities to dispel myths and spread awareness on the known facts as well as areas where science does not yet have definitive answers on radiation relating to technologies used in Dialog's businesses.
	Dialog created proportionately more net-new positions in its regional operations than in Colombo in 2013. This reflects a sustained pattern of regionalising the Company's workforce such that employees have employment operations close to their home towns, opportunities are created outside the main metropolises, and Dialog's operations can be more sensitive to the regional contexts in which is active.
	In Colombo Dialog added 57 net-new, positions with 310 recruitments in total including replacements. In its regional operations Dialog created 26 net-new positions, recruiting 67 people including replacements.
	The low levels of awareness and communications on Dialog's community investments and infrastructure developments are considered to be contributory causes for this topic to be flagged as an issue under this aspect.
Product and Service Labelling	Call drop rates on Dialog's widest-spread 2G networks were reduced 22% year-on-year to 0.11%, while they remained at 0.35% on 3G networks. 2G network KPIs have seen significant improvements since 2011, as have 3G data KPIs.
	Product promotion and labelling complies with regulatory requirements as well as statutory consumer protection and disclosure requirements, including explanations of pricing structures, terms and conditions, as well as respect for ethics and best practices in addressing vulnerable target markets.

G4-19

Employment	Dialog works to ensure that compensation and benefits are competitive and attractive relative to market; meet all statutory obligations including Employees' Provident Fund and Employees' Trust Fund payments; and reviewed and adjusted in relation to performance, requiring performance assessments at least twice a year. Employee wellness, health and safety, welfare, development and engagement mechanisms are led primarily by the Group Human Resources function, supported as necessary by Group Sustainability, Group Corporate Communications and Group Marketing.
Training and Education	
Occupational Health and Safety	
Assessments	Induction training for all new employees incorporates a 30-minute session on human rights in the workplace. In the year under review, 14 cohorts of new employees received a total of 150 person-hours of such training.
	No Human Rights reviews or impact assessments were conducted in the period under review.
	The employee Code of Conduct communicates to employees the Company's values and practices, and policies against harassment and bullying. The code of conduct also guides disciplinary actions against employees found to be in violation of expected conduct.
Diversity and Equal Opportunity	The Group HR function updates the Nominations and Remunerations Committee (NRC) – a Board subcommittee –at a minimum of biannually with workforce information disaggregated along dimensions including overall gender distribution; age- and gender-wise distribution; Generation-X and Generation-Y distribution; tenure- and gender-wise, and management gender composition at each level.
Equal Remuneration for men and women	
Labour Practice Grievance Mechanism	Dialog Axiata PLC maintains a published Grievance Policy – detailing standard internal complaint and escalation policies, and Whistleblower Policy, with escalation, where necessary, up to an independent Ombudsman directly accountable to the Board Audit Committee.
Labour/ Management Relations	A major function of the staff welfare committee is to serve as a mechanism to receive, and engage with management on, staff concerns and grievances. Provision of sufficient notice of operational changes is practised in all HR communications on such changes.
Labour Practices Grievance Mechanism	The Group Human Resources function maintains officers with specific mandate to handle staff concerns and grievances, as well as to liaise with the Employer's Federation of Ceylon, the industry group representing and providing resources for employers to manage their labour practises. The Group Human Resources and Group Legal and Regulatory functions undertake together any issues pertaining to legal and regulatory matters relating to employment and employees.
Freedom of Association and Collective Bargaining	Dialog allows employees the freedom to use the channels available or any other form that they wish to exercise freedom of association, and the Company does not object to or prevent employees from organising groups and collectively acting together. Some initiatives to promote freedom of association and collective bargaining during the reporting year were coffee sessions for employees with the Ombudsman, the formation of the welfare society with employee representation.
Forced or Compulsory Labour	Dialog Group policies require the company and all subsidiaries to fully comply with local employment regulations and laws. Dialog adheres to Sri Lankan labour regulations, which prohibit forced or compulsory employment. No incidents or grievances were filed through formal mechanisms in the year under review. No outstanding grievances were addressed or resolved in the year under review. Where extending to outsourced staff, Dialog conducts audits for compliance, and where necessary, intervenes to ensure that any such issues reported, or uncovered during audits, are addressed by the supplier of outsourced staff.
Human Rights Assessments	
Human Rights Grievance Mechanism	
[Human Rights] Investment	No significant mergers or acquisitions took place in the year under review. Review of employee and outsourced labour contracts is a standard practise in the course of any significant merger or acquisition.
Non-discrimination	Dialog Axiata PLC's Code of Conduct, which contractually binds all employees from point of employment, the policy on Harassment , Bullying and Inappropriate Behaviour, and 'Whistleblower Protction Policy' require employees to maintain a work environment free from discrimination or harassment based on race, religion, political opinion, membership in political groups, gender, sexual orientation, marital status, national origin, disability, age or other factors unrelated to the Dialog Group's legitimate business interests.
Environmental Compliance	Dialog undertook several internal process changes or implemented new processes in 2013 in to align with the ISO14001 Environmental Management System standard. Dialog sought a unified waste management system that accounts for all significant waste streams from all our points of presence across the island. Dialog intends to work towards certifying its most environmentally material area of activity – its Base Transmitting Station (BTS) network – in 2014.
	Awareness and engagement activities continued in 2013 with the Dialog Environment Week focused primarily on staff, influencing sustained behaviour change towards more sustainable practices, as well as Dialog's participation in e-waste participation at forums with regulators and peers.
	A delay in renewing the Environmental Protection Licence (EPL) resulted in the requirement to pay a fine for same.

G4-19

Product Responsibility Compliance	The Be Mobile Wise campaign in 2013 saw educational messages, communicated via playing cards to promote engagement and discourse, being distributed to Dialog's corporate clients to be shared in employee and customer lounge areas. An internal campaign that drew considerable participation, drove interest and engagement by eliciting new messages to be included in future communications, thereby also more deeply engraining the spirit and messages of the Be Mobile Wise campaign.
	In the period under review, one incidence of non-compliance, in an environmental aspect, resulted in a fine being levied against Dialog.
Society Compliance	No incidents of non-compliance in relation to this aspect were reported in 2013. Compliance, and stakeholder perception of such compliance, on social compliance matters, and Dialog's responsiveness to concerns and issues, are key to the Company's socio-political 'license to operate'.
Energy	The implementation of changes ahead of the ISO14001 standard implementation drove energy-use management improvements in the most energy-consumptive and strategic areas of business, Dialog's BTS network. Two separate awareness campaigns – one specifically focused on energy consumption, driven by the Facilities Management team, as well as the Dialog Environment Week, which featured a component on electricity and lighting – continued the staff engagement and call-to-action communications from previous years.
	Energy use quanta are not directly regulated under national or industry regimes. Due to high dependence on energy and the high cost of energy, Dialog practices several energy-use monitoring and reduction efforts.
Emissions	The implementation of changes ahead of the ISO14001 standard implementation drove emissions management improvements in Dialog's BTS network. Reduced power draw on the mains grid would have the effect of reducing emissions at major power generation sites, while improvements in management of on-site power generation where used as grid-backup or off-grid power, would directly reduce emissions. Green House Gas emissions are monitored and regulated under environmental licences required for Dialog's operations.
	Two specific components of the Dialog Environment Week 2013 focused on directly emission-reducing actions – online conferencing instead of physical meetings, as well as a car-pooling sign-up and coordination page on the Company intranet, incentivised by token give-aways. The remaining components, which included reducing paper usage – with a graphical depiction of relative usage vs. headcount at different locations, enabling appropriate serving sizes and pricing at employee canteens, and electricity usage reduction, also have an indirect impact on emission reduction
Customer Health and Safety	The Be Mobile Wise mobile phone safety education campaign promotes responsible use of mobile phones to protect the privacy of mobile phone users and those around them
	Dialog complies with all regulations with regard to siting, installation and operation of towers.
	The Be Mobile Wise mobile safety education campaign in 2013 included targeted awareness interventions with select customer groups. Retail packaging for devices provides basic usage and safety information. In 2013 Dialog commenced planning for a larger and more wide-spread awareness effort on Dialog's gamut of Sustainability activities including expanding its customer safety and education efforts.
	All consumer hardware sold by Dialog is tested for compliance with the safety standards stipulated by the Telecoms Regulatory Commission of Sri Lanka (TRC SL).
Customer Privacy	Dialog maintains and enforces strict access controls to customer information and call records. Customer data privacy is highly material to our operations. Customer data is protected by law and regulations, with strict protocols for exceptional, legally required cooperation with authorities, and with severe penalties for non-compliance.
	A Customer Complaint Management Unit (CMU) is the first line of response for privacy, service and satisfaction, empowered to draw support from all divisions necessary to investigate and respond to customer issues. Please also refer the section 'Customer Experience' on page 55.
Product and Service Labeling	Packages offered to consumers are subject to approval by the TRC and bear such approval numbers in all promotions. Packaging on hardware resold by Dialog complies with labelling requirements.
	An annual customer satisfaction survey is conducted as part of customer experience monitoring and improvement efforts. Call centre calls are monitored randomly and followed up with simple satisfaction questions to callers, with SLAs for resolution and satisfaction rates. Dialog was voted as the number 1 People's Telecom Service Provider of the Year and Internet Service Provider of the Year in an independent national survey.
Procurement practices	In 2012 Dialog's Supply Chain Management function implemented several improvements to its procurement practices including requiring vendors to comply with a Vendor Code of Conduct, and agreeing to opening their operations to audits.
	Dialog's procurement practices always prioritise local sourcing when quality and supply-reliability requirements are assured.
	Dialog's engagements with small and medium-sized enterprises in its supply chain in most cases fall below the thresholds requiring centrally regulated procurement.
Supplier Environment Assessment	Dialog's Vendor Code of Conduct implemented in 2012 requires all new vendors to declare their compliance levels and to agree to be assessed on their environmental impacts, including some key criteria from the ISO14001 environmental standard that require up-stream compliance and care as well.

G4-19

Supplier Assessment for Labour Practices	Dialog's Vendor Code of Conduct implemented in 2012 requires all new vendors to declare their compliance levels and to agree to be assessed on their socially positive policies and labour practices including freedom of association and collective bargaining, forced labour, child labour, discrimination, working hours, compensation, disciplinary practices, human rights, safe workplace, training and safety equipment, and medical and insurance cover.
Supplier Human Rights assessments	
Supplier Assessment for Impacts on Society	145 new suppliers entered Dialog's value chain in the period under review, making mandatory self-declarations on compliance with the above criteria. Self-declarations received since introduction of the vendor code of conduct have not identified any issues for concern or further investigation.
Effluents and Waste	Dialog's internal stakeholders concerned with solid waste streams were a part of a discussion in 2013 that resulted in a plan for a total waste management solution addressing safe and responsible disposal of all waste streams. Effluents and waste streams are material to Dialog's operations as they were identified as a significant area of consideration in the aspect-impact register compiled during the documentation process related to the ISO14001 Environment Management System.
	Dialog's internal stakeholders concerned with hazardous waste streams were a part of a discussion in 2013 that resulted in a plan for a total waste management solution addressing safe and responsible disposal of all waste streams.
Products and Services	Dialog continued its mobile waste collection efforts in 2013, expanding its number of collection points to a total of 350 locations by delivering collection boxes to franchise outlets in remote areas – doing so by leveraging an existing franchise audit process to eliminate additional expense or carbon footprint.
	Dialog continued its participation and leadership in e-waste forums with regulators and peers.
	Dialog introduced its first own-branded handsets in 2013 to make high-quality smart phones more affordable and available to more Sri Lankans. This for the first time increases Dialog's impact downstream in terms of solid waste, and will require measurement and consideration of any additional awareness and actions to prevent or mitigate potential harm.
Child Labour	Dialog's procurement and employment policies ensure that child labour is not employed in the workforce or in its upstream value chains. Suppliers of outsourced staff are physically audited for compliance with child labour prohibitions, and staff allocated to the Company are verified to be of legal age.
Marketing Communications	Packages offered to consumers are subject to approval by the TRC and bear such approval numbers in all promotions. Packaging on hardware resold by Dialog complies with labelling requirements. Non-compliance would threaten the Company's license to operate, not only given the regulated nature of our areas of business, but also among customers in what is a highly competitive, perception-driven service industry.
Biodiversity	Dialog became a founding patron member of the Sri Lankan Business and Biodiversity forum, convened by the International Union for the Conservation of Nature (IUCN) in 2013. Dialog's most material area of operations that may impact biodiversity are its network expansion and maintenance activities. Dialog follows all environmental regulations related to site acquisition and maintenance, including fulfilling the requirements to receive mandatory certifications of compliance with all requirements by the environmental regulator. In 2013 Dialog convened all internal stakeholders concerned with waste streams to produce a total waste management plan. This effort too was part of Dialog's decision to work towards implementing the ISO14001 Environmental Management System standard at its network-related infrastructure, to directly address Dialog's most materially impactful effect upon the environment.
Internal operations-infrastructure	
Environmental Grievance Mechanism	Dialog, with the telecoms regulator, academics and local police, works on an as-needed basis with local communities to dispel myths and spread awareness on the known facts related to the effect of tower installations on incidence and severity of lightning strikes. Thirty recorded grievances where investigated and resolved by different methods in the year under review.
Materials	Refer section on Environment

Other Standard Disclosures

GRI Disclosure	Description	Reference/Disclosure
G4-10	a.Total number of employees by contract and gender	(see table below)
	b.Total number of permanent employees by employment type and gender	Dialog Axiata PLC currently employs full-time employees only
	c.Total workforce by employees and supervised workers by gender	(see table below)
	d.Total workforce by region and gender	(see table below)
	e.Portion of the organisation's work performed by workers who are legally recognised as self-employed, or by individuals other than employees or supervised workers, including employees and supervised employees of contractors.	N/A
	a.Significant variations in employment numbers (such as seasonal variations in employment in the tourism or agricultural industries).	None
G4-12	Description of organisation's supply chain: Sequence of activities or parties that provides products and services to the organisation	• User requirement identification • Identifying the potential vendor list • Vendor Pre-qualification process • Preparation of RFQ/RFP • Sharing the RFQ/RFP • Collection of Bids • Technical & Commercial evaluation • Negotiation and vendor selection • Contract finalisation • Procurement approval • Order
	Types of suppliers (such as contractors, brokers, wholesalers, licensees)	1. Sub-contractors 2. Wholesalers 3. Retailers 4. Local partners 5. Service providers 6. License providers 7. Original Equipment Manufacturers

G4-10 a. table:

Employee Contract	Gender	2013
Contract	Male	416
	Female	114
Permanent	Male	2,029
	Female	494

G4-10 c. table:

	2013	Male	Female
Employees	3,053	2,445	608
Outsourced Staff	550	513	37
Outsourced Services	795	621	174
Total Workforce	4,398	3,579	819

G4-10 d. table:

Location	Gender	2013
Colombo	Male	1,782
	Female	525
Outstation	Male	663
	Female	83
Grand Total		3,053

GRI Disclosure	Description	Reference/Disclosure
G4-12 (Contd.)	Sector-specific characteristics of the supply chain (such as labor intensive)	• Imported equipment (Machine intensive) • Local Supplies (Labour intensive) General: • Admin, Marketing, Trading categorisations are a balance of labor and machine intensive
	Location of suppliers by country or region	United Arab Emirates, Argentina, Austria, Australia,Bangladesh, Belgium, Bulgaria, Bermuda, Canada, Switzerland, China, Czech Republic, Germany, Denmark, Spain, Finland, France, United Kingdom, Ghana,Hong , Kong,Hungary, Indonesia, Ireland, Israel, India, Italy, Japan, North Korea, South Korea, Sri Lanka, Monaco, Mauritius, Maldives, Malaysia, Nigeria, Netherlands, Norway, New Zealand, Oman, Pakistan, Qatar, Russian Fed.,Saudi Arabia, Seychelles, Sweden,Singapore, Swaziland, Thailand, Tunisia, Turkey, Taiwan, USA, South Africa
G4-15, G4-16	Memberships in National or International Organisations	• Ceylon Chamber of Commerce • Signatory to the United Nations Global Compact since inception • Founder Board Member and Steering Committee member of the Global Compact Network of Ceylon • Sri Lanka Business and Biodiversity Platform • Employers' Federation of Ceylon • GSM Association • SLASSCOM • Member of the CSR Council of Sri Lanka • Member of GSMA M-Women Working Group • Founding Patron Member of the IUCN Business and Biodiversity Platform. • Founding Member of the Coalition against AIDS • Member of the GSMA Green power Working Group • Member of the GSMA Mobile Alliance against Child Sexual Abuse
G4-22	Effects of any restatements of information provided in previous reports, and the reason for such restatements	The total number of tower sites at the commencement of the previous reporting period, as well as the number of sites added in the previous reporting period, require restatement. The total number of base stations at the commencement of the 2012 reporting period should be read as 2,302 rather than the reported 2,185. The number of base stations added in the 2012 reporting period should be read as 390 rather than the reported 1,145.
G4-23	Significant changes from previous reporting periods in the Scope and Aspect boundaries	Reports for years prior to the period under review considered as reporting boundary the Company's entire operations including all up-stream and down-stream value chain activities. All related aspects were considered to be in-scope for prior reports. In adopting the G4 reporting guidelines for the year under review, the reporting boundaries were restricted to the 20 most material issues identified immediately prior to the reporting period. All aspects related to these material issues were taken as scope for this report.
G4-28	Reporting period	1st January 2013 to 31st December 2013
G4-29	Date of most recent previous report	April 2013
G4-30	Reporting cycle	Annual

G4-22   G4-23

GRI Disclosure	Description	Reference/Disclosure
G4-31	Contact point for questions	Mr J. Charitha Ratwatte Jr., Chief Manager – Sustainability, Group Sustainability & Corporate Affairs, Dialog Axiata PLC 2nd Floor, No. 57, Dharmapala Mawatha, Colombo 03, SRI LANKA. D: +94 77 7 088 806 F: +94 11 7 694 343 charitha.ratwatte@dialog.lk
Governance		
G4-34	Governance structure, including committees of the highest governance body. Identify any committees responsible for decision-making on economic, environmental and social impacts	Refer Corporate Governance section of Annual Report. The Board Audit Committee, the Nomination and Remuneration Committee, and the Executive Committee oversee different parts of the economic and governance aspects of the Company's operations. No one Board committee currently directly addresses environmental aspects, which are overseen by the Director/Group CEO.
G4-36	Whether organisation has appointed executive level position(s) with responsibility for environmental and social topics and whether post holders report directly to the highest body	The Head of the Group Corporate Office, under whom the Group Sustainability Division operates, reports to the Group Chief Executive, who in turn reports to the Board of Directors.
G4-37	Processes for consultation between stakeholders and the highest governance body on economic, environmental and social topics.	Through Group Chief Executive, to Board of Directors where necessary
G4-38	Composition of the highest governance body and its committees by Competences relating to economic, environmental and social impacts	None
G4-40	Nomination and selection processes for the highest governance body and its committees, and the criteria used for nominating and selecting highest governance body members, including: • Whether and how diversity is considered • Whether and how independence is considered • Whether and how expertise and experience relating to economic, environmental and social topics are considered • Whether and how stakeholders (including shareholders) are involved	In the process of nomination of directors, the Board and the NRC, evaluate the balance of skills, knowledge and experience on the Board and select candidates who would complement the make-up of the Board. When doing so the skill-set, experience, knowledge, diversity, and availability of the candidate are taken into consideration. Further checks are whether the candidate is independent in character and judgment and whether there are relationships or circumstances which are likely to affect, or could appear to affect, his/her judgment is also considered. All directors appointed to the Board are required to submit themselves for re-election by the shareholders at the AGM immediately succeeding his/her appointment
G4-41	Processes for the highest governance body to ensure conflicts of interest are avoided and managed. Report whether conflicts of interest are disclosed to stakeholders, including, as a minimum: • Cross-board membership • Cross-shareholding with suppliers and other stakeholders • Existence of controlling shareholder • Related party disclosures	All directors are required to disclose their interest, which is entered in the interest register maintained by the Company. Disclosure of directors' interest is made in the Annual Report
G4-42	Highest governance body's and senior executives' roles in the development, approval, and updating of the organisation's purpose, value or mission statements, strategies, policies, and goals related to economic, environmental and social impacts.	Subject to the authority delegated to management under the Limits of Authority document which is reviewed and approved by the Board, based on the recommendation of the GCEO as proposed by the relevant Chief Officer
G4-43	Measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental and social topics.	The Board is briefed on such matters by the management at Board meetings. Further, an external briefing was discussed and negotiated in the year under review, to be carried out in 2014
G4-44	a. Processes for evaluation of the highest governance body's performance with respect to governance of economic, environmental and social topics. Whether such evaluation is independent or not, and its frequency. Whether such evaluation is a self-assessment	Annual self-assessment; does not currently consider environmental and social topics

GRI Disclosure	Description	Reference/Disclosure
G4-44 (Contd.)	b. Actions taken in response to evaluation of the highest governance body's performance with respect to governance of economic, environmental and social topics, including, as a minimum, changes in membership and organisational practice	None
G4-46	Highest governance body's role in reviewing the effectiveness of the organisation's risk management processes for economic, environmental and social topics	The Group's risk management framework is reviewed by the Board Audit Committee and the Board on a quarterly basis
G4-47	Frequency of the highest governance body's review of economic, environmental and social impacts, risks, and opportunities	Quarterly
G4-48	Report the highest committee or position that formally reviews and approves the organisation's sustainability report and ensures that all material Aspects are covered	Director/Group Chief Executive
G4-50	Nature and total number of critical concerns that were communicated to the highest governance body and the mechanism(s) used to address and resolve them	None

Remunerations and Incentives

G4-51	a. Report the remuneration policies for the highest governance body and senior executives for the below types of remuneration:	
	• Fixed pay and variable pay:	
	Performance-based pay	Salary increments are based on annual Performance Reviews and are driven by rank (rank 1: lowest performer – rank 3: performance to expectation – rank 5: exceptional performer) accorded during performance review. An annual increment plan submitted for Board approval as part of a presentation on Employee Performance , Motivation and Retention
	Equity-based pay	An Employee Share Option Scheme (ESOS) was implemented in 2005 with initial validity for 5 years. A subsequent extension was made up to 25th October 2014
	Bonuses	Bonuses are paid based on the rank accorded during Performance Reviews. A benchmark annual pay mix of 80% salary and 20% bonus for rank 3 performers drives bonus quantum, with no bonus for those ranked below 3, and incrementally increasing bonus for higher ranks. The annual bonus plan is also submitted for Board approval as part of a presentation on Employee Performance , Motivation and Retention
	Deferred or vested shares	29% of the shares issued under ESOS Tranche 0 have not been exercised and will expire on 25th October 2014
	• Sign-on bonuses or recruitment incentive payments	No corresponding policy
	• Termination payments	Termination payments are based on the termination clause in standard Letter of Appointment, governing exceptional cases
	• Clawbacks	No corresponding policy
	• Retirement benefits, including the difference between benefit schemes and contribution rates for the highest governance body, senior executives, and all other employees	All retirement benefits are provided in line with statutory requirements
	b. Report how performance criteria in the remuneration policy relate to the highest governance body's and senior executives' economic, environmental and social objectives	Dialog's remuneration policy is governed by the performance framework. In the year under review the performance framework did not widely spread accountability for Economic , Environmental and Social objectives across the organisation

GRI Disclosure	Description	Reference/Disclosure
G4-52	Report the process for determining remuneration. Report whether remuneration consultants are involved in determining remuneration and whether they are independent of management. Report any other relationships which the remuneration consultants have with the organisation	Recruitments are performed in line with an approved salary matrix. Any deviations required authorisation by relevant approvers. Annual remuneration adjustments consider any increase in cost of living, performance ratings and results of salary survey conducted by independent parties every two years. Adjustments proposed in any year are executed from the subsequent year
G4-53	Report how stakeholders' views are sought and taken into account regarding remuneration, including the results of votes on remuneration policies and proposals, if applicable	Requests or suggestions made at Skip Level meetings, One-on-One meetings or reflected in Employee Engagement Survey results are considered

Ethics and Integrity

GRI Disclosure	Description	Reference/Disclosure
G4-57	Internal and external mechanisms for seeking advice on ethical and lawful behavior, and matters related to organisational integrity, such as helplines or advice lines	Internal escalation procedure 1. Refer Employee Code of Conduct 2. Consult Immediate Supervisor 3. Skip-level: consult Immediate Supervisor's supervisor 4. Consult HR Manager for portfolio 5. Consult Chief Officer 6. Consult Head of Group Human Resources 7. Consult Group Corporate Office 8. Consult GCEO External escalation or where internal procedure is considered insufficient: 9. Consult Ombudsman 10. Employers' Federation of Ceylon 11. Labour Department
G4-58	Internal and external mechanisms for reporting concerns about unethical or unlawful behavior, and matters related to organisational integrity, such as escalation through line management, whistleblowing mechanisms or hotlines	Internal escalation procedure: Standard grievance procedure OR 1. Report to Immediate Supervisor 2. Skip-level: report to Immediate Supervisor's supervisor 3. Report to HR Manager for portfolio 4. Report to Chief Officer 5. Report to Head of Group Human Resources 6. Report to Group Corporate Office 7. Report to GCEO External escalation or where internal procedure is considered insufficient: 8. Report to Ombudsman 9. Report to Labour Department

Economic

GRI Disclosure	Description	Reference/Disclosure
G4-DMA	Economic performance	Dialog Axiata PLC is a shareholder-owned, publicly listed Company regulated as such and required to disclose its financial performance annually. The Annual Report accompanying this Sustainability Report, carries statutory, independently verified required disclosures on economic performance
G4-DMA	Work undertaken to understand indirect economic impacts at national, regional, or local level	In collaboration with the GSM Association's mWomen team and the International Finance Corporation Dialog employed an independent third party to assess the economic and social outcomes of Dialog's 5 Star Partner Infomediary network, with a particular focus on outcomes for women in every stakeholder group
		The report concluded that Dialog's experience with the 5 Star Partner programme has generated some practical operational recommendations for mobile operators seeking to launch a similar training programme in their own markets

GRI Disclosure	Description	Reference/Disclosure
G4-DMA (Contd.)	Whether the organisation conducted a community needs assessment to determine the need for infrastructure and other services	None
G4-EN21	NOX, SOX, and other significant air emissions	Dialog does not engage in any large scale production where emissions tagged as atmospheric pollutants under the GRI G4 guidelines would make a materially significant impact. However we have taken steps to identify the emission levels of generators we use at the technical sites, beginning with a process being implemented to measure the operation levels of generators to make this calculation possible. Under the management's direction to work towards the ISO14001 Environmental Management System (EMS) standard, a detailed analysis of Dialog emissions will be carried out with the implementation of the EMS
G4-EN24	Total number and volume of significant spills	None
G4-EN25	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention2 Annex I, II, III, and VIII, and percentage of transported waste shipped internationally	No hazardous wastes as identified under the Basel convention were transported in the year under review

Social - Labour Practises and Decent Work

G4-LA10	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings of employees and assist them in managing career endings	None
G4-LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity	

Gender breakdown of the highest governance body:

Board of Directors	Male	100%
	Female	0

Age-wise breakdown of the highest governance body

Board of Directors	18-25	0%
	26-35	0%
	35-50	37.50%
	>50	62.50%

Composition of minority groups in the governance body:

Board of Directors	Sinhalese	37.50%
	Tamil	0%
	Muslim	50.00%
	Malay	0%
	Burgher	0%
	Other	12.50%

GRI Disclosure	Description	Reference/Disclosure
G4-LA12 (Contd.)	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity	

Age-wise breakdown of employees by employee category:

Senior Management	18-25	0.00%
	26-35	0.00%
	35-50	80.00%
	>50	20.00%
Middle Management	18-25	0.00%
	26-35	34.98%
	35-50	61.48%
	>50	3.53%
Executives	18-25	7.80%
	26-35	68.11%
	35-50	23.64%
	>50	0.45%
Non-Executives	18-25	26.80%
	26-35	58.62%
	35-50	13.24%
		1.33%

Composition of minority groups among employees broken down by employee catergory:

Senior Management	Sinhalese	66.67%
	Tamil	6.67%
	Muslim	13.33%
	Malay	6.67%
	Burgher	0%
	Other	6.67%
Middle Management	Sinhalese	81.63%
	Tamil	4.95%
	Muslim	10.25%
	Malay	2.83%
	Burgher	0.35%
	Other	0%
Executives	Sinhalese	83.72%
	Tamil	6.79%
	Muslim	7.13%
	Malay	1.18%
	Burgher	1.18%
	Other	0%
Non-Executives	Sinhalese	79.36%
	Tamil	10.37%
	Muslim	8.42%
	Malay	1.03%
	Burgher	0.82%

GRI Disclosure	Description	Reference/Disclosure
G4-LA13	a. Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation	Dialog does not discriminate between genders in its remuneration practices. The analysis below shows that differences – driven by the effect of performance management frameworks over time – are marginal, or in the case of Senior Management, significantly favourable to women

Category	Ratio
(Female : Male)	
Non-Executive	1:1.0488
Executive	1:1.0151
Managerial	1:1.0521
Senior Management Level	1:0.9063

GRI Disclosure	Description	Reference/Disclosure
	b. Definition used for 'significant locations of operation'	Dialog's only significant location of operation is restricted to the geographic and political boundaries of Sri Lanka
G4-LA16	Number of grievances about labour practices filed, addressed, and resolved through formal grievance mechanisms	None reported in year under review. Five grievances were carried forward from the previous reporting years, of which one was concluded in the reporting year
Social – Product Responsibility		
G4-PR3	Type of product and service information required by the organisation's procedures for product and service information and labeling, and percentage of significant product and service categories subject to such information requirements	Dialog does not currently require any further labelling beyond prevailing statutory or regulatory requirements
G4-PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes	None
G4-PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes	None

Sector Supplement – Telecommunications

IO1	Capital investment in telecommunication network infrastructure	Please refer Annual Report 2013
IO4	Compliance with ICNIRP standards on exposure to radiofrequency emission from handsets	Please refer to section on "Product Stewardship"
IO5	Compliance with ICNIRP guidelines on exposure to radiofrequency emissions from base stations	
IO6	Policies and practices with respect to Specific Absorption Rate (SAR) of handsets	
IO7	Site sharing	Please refer Other Standard Disclosures above on stakeholder consultation &Please refer section on Environment regarding initiatives to reduce visual impacts
IO8	Standalone sites	Please refer section on Environment
PA1	Access to low income groups	Please refer Group Chief Executive's Review
PA5	Products for low income groups	Please refer diagram 4A's Evolution

GRI Content Index

GENERAL STANDARD DISCLOSURES

General Standard Disclosures	Page Number/ Reference	Identified Omission(s)	Reason(s) for Omission(s)	Explanation for Omission(s)	External Assurance
STRATEGY AND ANALYSIS					
G4-1	Group Chief Executive's Review (Page 10-13)	Not applicable	Not applicable	Not applicable	Yes; Pages 92-96
G4-2	Group Chief Executive's Review (Page 10-13), Enterprise Risk (Page 24-26), Detailed discussion of management approach (Page 67-70)	Not applicable	Not applicable	Not applicable	Yes; Pages 92-96
ORGANISATIONAL PROFILE					
G4-3	Convergence (Page 2), Annual Report-Corporate Information (Inner back cover)	Not applicable	Not applicable	Not applicable	Yes; Pages 92-96
G4-4	Group Chief Executive's Review (Page 10-13), Annual Report - Business and Financial Review (Page 24-34)	Not applicable	Not applicable	Not applicable	Yes; Pages 92-96
G4-5	Back cover, Annual Report- Corporate Information (Inner back cover)	Not applicable	Not applicable	Not applicable	Yes; Pages 92-96
G4-6	Annual Report - Business and Financial Review	Not applicable	Not applicable	Not applicable	Yes; Pages 92-96
G4-7	Annual Report - Corporate Information	Not applicable	Not applicable	Not applicable	No Assurance applies
G4-8	Annual Report - Business and Financial Review	Not applicable	Not applicable	Not applicable	No Assurance applies
G4-9	Annual Report, Creating "A Special Place to Work" (Page 58-64)	Not applicable	Not applicable	Not applicable	Yes; Pages 92-96, Annual Report; Auditor's Report
G4-10	Creating "A Special Place to Work" (Page 58-64), Other Standard Disclosures (Page 71-78)	Not applicable	Not applicable	Not applicable	Yes; Pages 92-96
G4-11	Detailed discussion of Management Approach (Page 68)	Not applicable	Not applicable	Not applicable	Yes; Pages 92-96
G4-12	Other Standard Disclosures (Page 71-78)	Not applicable	Not applicable	Not applicable	No Assurance applies
G4-13	Annual Report - Business and Financial Review	Not applicable	Not applicable	Not applicable	No Assurance applies
G4-14	A Leader's Responsibilities (Page 42)	Not applicable	Not applicable	Not applicable	No Assurance applies
G4-15	Other Standard Disclosures (Page 72)	Not applicable	Not applicable	Not applicable	No Assurance applies
G4-16	Other Standard Disclosures (Page 72)	Not applicable	Not applicable	Not applicable	No Assurance applies
IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES					
G4-17	Scope and Boundary (Page 5), Annual Report - Business and Financial Review	Not applicable	Not applicable	Not applicable	No Assurance applies
G4-18	Scope and Boundary (Page 5-7), Stakeholder Engagment (Page 18) Materiality Assessment (Page 21-23)	Not applicable	Not applicable	Not applicable	Yes; Pages 92-96
G4-19	Detailed discussion of Management Approach (Page 67-70), Scope and Boundary (Page 5-7)	Not applicable	Not applicable	Not applicable	Yes; Pages 92-96
G4-20	Scope and Boundary - Value chain (Page 6-7)	Not applicable	Not applicable	Not applicable	Yes; Pages 92-96
G4-21	Scope and Boundary - Value chain (Page 6-7)	Not applicable	Not applicable	Not applicable	Yes; Pages 92-96
G4-22	Other Standard Disclosures (Page 72)	Not applicable	Not applicable	Not applicable	No Assurance applies
G4-23	Other Standard Disclosures (Page 72)	Not applicable	Not applicable	Not applicable	No Assurance applies
STAKEHOLDER ENGAGEMENT					
G4-24	Stakeholder Engagement (Page 18, 20)	Not applicable	Not applicable	Not applicable	Yes; Pages 92-96
G4-25	Stakeholder Engagement (Page 18, 20)	Not applicable	Not applicable	Not applicable	Yes; Pages 92-96
G4-26	Stakeholder Engagement (Page 20)	Not applicable	Not applicable	Not applicable	Yes; Pages 92-96

GENERAL STANDARD DISCLOSURES

General Standard Disclosures	Page Number/ Reference	Identified Omission(s)	Reason(s) for Omission(s)	Explanation for Omission(s)	External Assurance
G4-27	Stakeholder Engagement (Page 18-19), Materiality Assessment (Page 22-23), Detailed discussion on Management Approach (Page 67-70)	Not applicable	Not applicable	Not applicable	Yes; Pages 92-96
REPORT PROFILE					
G4-28	Scope and Boundary (Page 5)	Not applicable	Not applicable	Not applicable	Yes; Pages 92-96
G4-29	Six years of Sustainability Reporting (Page 3)	Not applicable	Not applicable	Not applicable	Yes; Pages 92-96
G4-30	Six years of Sustainability Reporting (Page 3)	Not applicable	Not applicable	Not applicable	Yes; Pages 92-96
G4-31	Other Standard Disclosures (Page 73)	Not applicable	Not applicable	Not applicable	Yes; Pages 92-96
G4-32	Scope and Boundary (Page 5), GRI Content Index (Page 79-87)	Not applicable	Not applicable	Not applicable	Yes; Pages 92-96
G4-33	Independent Verification (Page 6-7)	Not applicable	Not applicable	Not applicable	No Assurance applies
GOVERNANCE					
G4-34	Annual Report-Corporate Governance Report	Not applicable	Not applicable	Not applicable	No Assurance applies
G4-35	Annual Report-Corporate Governance Report	The delegation of authority for economic, social and environmental topics	The information is subject to specific confidentiality constraints	Confidential operational information	No Assurance applies
G4-36	Annual Report-Corporate Governance Report				No Assurance applies
G4-37	Stakeholder Engagement (Page 18-23), Other Standard Disclosures (Page 73)				Yes; Pages 92-96
G4-38	Annual Report, ibid. Other Standard Disclosures				No Assurance applies
G4-39	Annual Report - ibid				No Assurance applies
G4-40	Annual Report - ibid				No Assurance applies
G4-41	Annual Report - ibid				No Assurance applies
G4-42	Annual Report - ibid				No Assurance applies
G4-43	Chairman's Message (Page 8-9)				No Assurance applies
G4-44	Other Standard Disclosures (Page 73-74)				Yes; Pages 92-96
G4-45	Enterprise Risk (Page 24-26) , Stakeholder Engagement (Page 18-23)				Yes; Pages 92-96
G4-46	Other Standard Disclosures (Page 74)				Yes; Pages 92-96
G4-47	Other Standard Disclosures (Page 74)				Yes; Pages 92-96
G4-48	Other Standard Disclosures (Page 74), Group Chief Executive's Review (Page 10-13)				Yes; Pages 92-96
G4-49	Enterprise Risk (Page 24-26), Detailed discussion on Management Approach (Page 67-70)				Yes; Pages 92-96
G4-50	Other Standard Disclosures (Page 74)				Yes; Pages 92-96
G4-51	Other Standard Disclosures (Page 74)				Yes; Pages 92-96
G4-52	Other Standard Disclosures (Page 75)				Yes; Pages 92-96
G4-53	Other Standard Disclosures (Page 75)				Yes; Pages 92-96
G4-54	Not reported	Ratio between highest paid individual to medium pay or of all other individuals	The information is subject to specific confidentiality constraints	This includes Senior Executives' pay data	No Assurance applies

GENERAL STANDARD DISCLOSURES

General Standard Disclosures	Page Number/ Reference	Identified Omission(s)	Reason(s) for Omission(s)	Explanation for Omission(s)	External Assurance
G4-55	Not reported	1. Percentage increase in the highest paid individuals from the previous year to the reporting year 2. Percentage increase of the median total annual compensation from previous year to the reporting year	The information is subject to specific confidentiality constraints	This includes senior executive's annual increment data	No Assurance applies
ETHICS AND INTEGRITY					
G4-56	Values (Page 33)				No Assurance applies
G4-57	Detailed discussion of Management Approach (Page 68)				No Assurance applies
G4-58	Detailed discussion of Management Approach (Page 68)				No Assurance applies

SPECIFIC STANDARD DISCLOSURES

DMA and Indicators	Page Number/ Reference	Identified Omission(s)	Reason(s) for Omission(s)	Explanation for Omission(s)	External Assurance
CATEGORY: ECONOMIC					
MATERIAL ASPECT: ECONOMIC PERFORMANCE					
G4-DMA	Other Standard Disclosures (Page 75)				No Assurance applies
G4-EC1	Delivering on the Promise (Page 54)				No Assurance applies
G4-EC2		Not Considered Material	Not Considered Material		No Assurance applies
G4-EC3		Not Considered Material	Not Considered Material		No Assurance applies
G4-EC4		Not Considered Material	Not Considered Material		Yes; Pages 92-96
MATERIAL ASPECT: MARKET PRESENCE					
G4-DMA		Not Considered Material	Not Considered Material		No Assurance applies
G4-EC5		Not Considered Material	Not Considered Material		Yes; Pages 92-96
G4-EC6		Not Considered Material	Not Considered Material		Yes; Pages 92-96
MATERIAL ASPECT: INDIRECT ECONOMIC IMPACTS					
G4-DMA	Other Standard Disclosures (Page 75)				No Assurance applies
G4-EC7	Embrace (Page 31-39)				Yes; Pages 92-96
G4-EC8	Targets for 2014 (Page 29)				Yes; Pages 92-96
MATERIAL ASPECT: PROCUREMENT PRACTICES					
G4-DMA	Procurement (Page 51)				No Assurance applies
G4-EC9	Procurement (Page 51)				Yes; Pages 92-96

SPECIFIC STANDARD DISCLOSURES

DMA and Indicators	Page Number/ Reference	Identified Omission(s)	Reason(s) for Omission(s)	Explanation for Omission(s)	External Assurance
CATEGORY: ENVIRONMENTAL					
MATERIAL ASPECT: MATERIALS					
G4-DMA	Environment (Page 44-50)				No Assurance applies
G4-EN1	Environment (Page 44-50)				Yes; Pages 92-96
G4-EN2	Environment (Page 44-50)				Yes; Pages 92-96
MATERIAL ASPECT: ENERGY					
G4-DMA	Detailed Discussion of Management Approach (Page 68-70)				No Assurance applies
G4-EN3	Environment (Page 44-50)				Yes; Pages 92-96
G4-EN4	Environment (Page 44-50)				Yes; Pages 92-96
G4-EN5	Environment (Page 44-50)				Yes; Pages 92-96
G4-EN6	Environment (Page 44-50)				Yes; Pages 92-96
G4-EN7	Environment (Page 44-50), Detailed discussion of Management Approach (Page 68-70)				Yes; Pages 92-96
MATERIAL ASPECT: WATER					
G4-DMA		Not Considered Material	Not Considered Material		No Assurance applies
G4-EN8		Not Considered Material	Not Considered Material		Yes; Pages 92-96
G4-EN9		Not Considered Material	Not Considered Material		No Assurance applies
G4-EN10		Not Considered Material	Not Considered Material		No Assurance applies
MATERIAL ASPECT: BIODIVERSITY					
G4-DMA	Detailed Discussion of Management Approach (Page 67-70)				No Assurance applies
G4-EN11	Environment (Page 44-50)				Yes; Pages 92-96
G4-EN12	Environment (Page 44-50)				Yes; Pages 92-96
G4-EN13	Not applicable				Yes; Pages 92-96
G4-EN14	Not applicable				Yes; Pages 92-96
MATERIAL ASPECT: EMISSIONS					
G4-DMA	Detailed Discussion of Management Approach (Page 67-70)				No Assurance applies
G4-EN15	Environment (Page 44-50)				Yes; Pages 92-96
G4-EN16	Environment (Page 44-50)				Yes; Pages 92-96
G4-EN17	Environment (Page 44-50)				Yes; Pages 92-96
G4-EN18	Environment (Page 44-50)				Yes; Pages 92-96
G4-EN19	Environment (Page 44-50)				Yes; Pages 92-96
G4-EN20	Environment (Page 44-50)				Yes; Pages 92-96
G4-EN21	Other Standard Disclosures (Page 76)				Yes; Pages 92-96
MATERIAL ASPECT: EFFLUENTS AND WASTE					
G4-DMA	Detailed Discussion of Management Approach (Page 67-70)				No Assurance applies

SPECIFIC STANDARD DISCLOSURES

DMA and Indicators	Page Number/ Reference	Identified Omission(s)	Reason(s) for Omission(s)	Explanation for Omission(s)	External Assurance
G4-EN22		Not Applicable	Not Applicable	Dialog does not use water in any of its productions. Hence the only water discharge we have is the sewage discharge from office sites to the city sewer system. Hence this indicator is not applicable to Dialog.	No Assurance applies
G4-EN23	Environment (Page 44-50)				Yes; Pages 92-96
G4-EN24	Other Standard Disclosures (Page 76)				Yes; Pages 92-96
G4-EN25	Other Standard Disclosures (Page 76)				No Assurance applies
G4-EN26		Not Applicable	Not applicable	Dialog's operations do not result in the generation of waste water	Yes; Pages 92-96
MATERIAL ASPECT: PRODUCTS AND SERVICES					
G4-DMA	Detailed Discussion of Management Approach (Page 67-70)				No Assurance applies
G4-EN27	Environment (Page 44-50)				Yes; Pages 92-96
G4-EN28	Environment (Page 44-50)				Yes; Pages 92-96
MATERIAL ASPECT: COMPLIANCE					
G4-DMA	Detailed discussion of Management Approach (Page 67-70)				No Assurance applies
G4-EN29	Performance Trends (Page 65-66), Detailed Management Approach (Page 67-70)				Yes; Pages 92-96
MATERIAL ASPECT: TRANSPORT					
G4-DMA		Not applicable	The Standard Disclosure or part of the Standard Disclosure is not applicable	Not identified as material	No Assurance applies
G4-EN30		Not applicable	The Standard Disclosure or part of the Standard Disclosure is not applicable	Not identified as material	No Assurance applies
MATERIAL ASPECT: OVERALL					
G4-DMA			Not Considered Material	Not Considered Material	No Assurance applies
G4-EN31			Not Considered Material	Not Considered Material	No Assurance applies
MATERIAL ASPECT: SUPPLIER ENVIRONMENTAL ASSESSMENT					
G4-DMA	Detailed Discussion of Management Approach (Page 67-70)				No Assurance applies
G4-EN32	Detailed Discussion of Management Approach (Page 67-70)				Yes; Pages 92-96
G4-EN33	Detailed Discussion of Management Approach (Page 67-70)				Yes; Pages 92-96
MATERIAL ASPECT: ENVIRONMENTAL GRIEVANCE MECHANISMS					
G4-DMA	Detailed Discussion of Management Approach (Page 67-70)				No Assurance applies

SPECIFIC STANDARD DISCLOSURES

DMA and Indicators	Page Number/ Reference	Identified Omission(s)	Reason(s) for Omission(s)	Explanation for Omission(s)	External Assurance
G4-EN34	Detailed Discussion of Management Approach (Page 67-70)				Yes; Pages 92-96
CATEGORY: SOCIAL					
SUB-CATEGORY: LABOR PRACTICES AND DECENT WORK					
MATERIAL ASPECT: EMPLOYMENT					
G4-DMA	Detailed discussion of Management Approach (Page 67-70)				No Assurance applies
G4-LA1	Creating 'A Special Place to Work' (Page 58-64)				Yes; Pages 92-96
G4-LA2	Delivering on the promise (Page 54), Creating 'A Special Place to Work' (Page 58-64)		The information is subject to specific confidentiality constraints		Yes; Pages 92-96
G4-LA3	Performance Trends (Page 65-66) , Creating 'A Special Place to Work' (Page 58-64)				Yes; Pages 92-96
MATERIAL ASPECT: LABOR/MANAGEMENT RELATIONS					
G4-DMA	Detailed discussion of Management Approach (Page 67-70)				No Assurance applies
G4-LA4	Detailed Discussion of Management Approach (Page 67-70)				Yes; Pages 92-96
MATERIAL ASPECT: OCCUPATIONAL HEALTH AND SAFETY					
G4-DMA	Detailed discussion of Management Approach (Page 67-70)				No Assurance applies
G4-LA5	Creating 'A Special Place to Work' - Health and Safety (Page 64)				Yes; Pages 92-96
G4-LA6	Health and Safety (Page 64), Performance Trends (Page 65-66)				Yes; Pages 92-96
G4-LA7	Health and Safety (Page 64)				Yes; Pages 92-96
G4-LA8	Not applicable		The Standard Disclosure or part of the Standard Disclosure is not applicable		No Assurance applies
MATERIAL ASPECT: TRAINING AND EDUCATION					
G4-DMA	Learning and Development (Page 62-63)				No Assurance applies
G4-LA9	Learning and Development (Page 62-63)				Yes; Pages 92-96
G4-LA10	Other Standard Disclosures (Page 76)				No Assurance applies
G4-LA11	Creating 'A Special Place to Work' - Performance Management (Page 61)				Yes; Pages 92-96
MATERIAL ASPECT: DIVERSITY AND EQUAL OPPORTUNITY					
G4-DMA	Creating 'A Special Place to Work' (Page 58-64)				No Assurance applies
G4-LA12	Creating 'A Special Place to Work' - Employee Engagement (Page 60-61), Other Standard Disclosures (Page 76)				Yes; Pages 92-96
MATERIAL ASPECT: EQUAL REMUNERATION FOR WOMEN AND MEN					
G4-DMA	Other Standard Disclosures (Page 78)				No Assurance applies
G4-LA13	Other Standard Disclosures (Page 78)				No Assurance applies
MATERIAL ASPECT: SUPPLIER ASSESSMENT FOR LABOR PRACTICES					
G4-DMA	Procurement (Page 51)				No Assurance applies
G4-LA14	Detailed Discussion of Management Approach (Page 67-70)				Yes; Pages 92-96

SPECIFIC STANDARD DISCLOSURES

DMA and Indicators	Page Number/ Reference	Identified Omission(s)	Reason(s) for Omission(s)	Explanation for Omission(s)	External Assurance
G4-LA15	Detailed Discussion of Management Approach (Page 67-70)				Yes; Pages 92-96
MATERIAL ASPECT: LABOR PRACTICES GRIEVANCE MECHANISMS					
G4-DMA	Detailed Discussion of Management Approach (Page 67-70)				No Assurance applies
G4-LA16	Other Standard Disclosures (Page 78)				Yes; Pages 92-96
SUB-CATEGORY: HUMAN RIGHTS					
MATERIAL ASPECT: INVESTMENT					
G4-DMA	Creating 'A Special Place to Work' (Page 58-64)				No Assurance applies
G4-HR1	Detailed Discussion of Management Approach (Page 67-70)				Yes; Pages 92-96
G4-HR2	Detailed discussion of Management Approach (Page 67-70)				Yes; Pages 92-96
MATERIAL ASPECT: NON-DISCRIMINATION					
G4-DMA	Detailed Discussion of Management Approach (Page 67-70)				No Assurance applies
G4-HR3	Detailed Discussion of Management Approach (Page 67-70)				Yes; Pages 92-96
MATERIAL ASPECT: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING					
G4-DMA	Detailed Discussion of Management Approach (Page 67-70)				No Assurance applies
G4-HR4	Procurement (Page 51)				Yes; Pages 92-96
MATERIAL ASPECT: CHILD LABOR					
G4-DMA	Procurement (Page 51)				No Assurance applies
G4-HR5	Procurement (Page 51), Detailed Discussion of Management Approach (Page 67-70)				Yes; Pages 92-96
MATERIAL ASPECT: FORCED OR COMPULSORY LABOR					
G4-DMA	Detailed Discussion of Management Approach (Page 67-70)				No Assurance applies
G4-HR6	Detailed Discussion of Management Approach (Page 67-70)				Yes; Pages 92-96
MATERIAL ASPECT: SECURITY PRACTICES					
G4-DMA		Not Considered Material	Not Considered Material		No Assurance applies
G4-HR7		Not Considered Material	Not Considered Material		No Assurance applies
MATERIAL ASPECT: INDIGENOUS RIGHTS					
G4-DMA		Not Considered Material	Not Considered Material		No Assurance applies
G4-HR8		Not Considered Material	Not Considered Material		No Assurance applies
MATERIAL ASPECT: ASSESSMENT					
G4-DMA	Detailed discussion of Management Approach (Page 67-70)				No Assurance applies
G4-HR9	Detailed discussion of Management Approach (Page 67-70)				Yes; Pages 92-96

SPECIFIC STANDARD DISCLOSURES

DMA and Indicators	Page Number/ Reference	Identified Omission(s)	Reason(s) for Omission(s)	Explanation for Omission(s)	External Assurance
MATERIAL ASPECT: SUPPLIER HUMAN RIGHTS ASSESSMENT					
G4-DMA	Detailed discussion of Management Approach (Page 67-70)				No Assurance applies
G4-HR10	Detailed discussion of Management Approach (Page 67-70)				Yes; Pages 92-96
G4-HR11	Detailed discussion of Management Approach (Page 67-70)				Yes; Pages 92-96
MATERIAL ASPECT: HUMAN RIGHTS GRIEVANCE MECHANISMS					
G4-DMA	Detailed discussion of Management Approach (Page 67-70)				No Assurance applies
G4-HR12	Detailed discussion of Management Approach (Page 67-70)				Yes; Pages 92-96
SUB-CATEGORY: SOCIETY					
MATERIAL ASPECT: LOCAL COMMUNITIES					
G4-DMA	A Digital Inclusion Company - Engaged Deeply with the Community (Page 34-35), Stakeholder Engagement (Page 18-23)				No Assurance applies
G4-SO1	A Digital Inclusion Company - Engaged Deeply with the Community (Page 34-35), Stakeholder Engagement (Page 18-23)	The information is currently unavailable			Yes; Pages 92-96
G4-SO2	Detailed discussion of Management Approach (Page 67-70)				Yes; Pages 92-96
MATERIAL ASPECT: ANTI-CORRUPTION					
G4-DMA		Not Considered Material	Not Considered Material		No Assurance applies
G4-SO3		Not Considered Material	Not Considered Material		No Assurance applies
G4-SO4		Not Considered Material	Not Considered Material		Yes; Pages 92-96
G4-SO5		Not Considered Material	Not Considered Material		Yes; Pages 92-96
MATERIAL ASPECT: PUBLIC POLICY					
G4-DMA		Not Considered Material	Not Considered Material		No Assurance applies
G4-SO6		Not Considered Material	Not Considered Material		No Assurance applies
MATERIAL ASPECT: ANTI-COMPETITIVE BEHAVIOR					
G4-DMA		Not Considered Material	Not Considered Material		No Assurance applies
G4-SO7		Not Considered Material	Not Considered Material		No Assurance applies
MATERIAL ASPECT: COMPLIANCE					
G4-DMA	Detailed discussion of Management Approach (Page 67-70)				No Assurance applies
G4-SO8	Performance Trends (Page 65-66)				Yes; Pages 92-96
MATERIAL ASPECT: SUPPLIER ASSESSMENT FOR IMPACTS ON SOCIETY					
G4-DMA	Detailed discussion of Management Approach (Page 67-70)				No Assurance applies
G4-SO9	Procurement (Page 51)				Yes; Pages 92-96
G4-SO10	Detailed discussion of Management Approach (Page 67-70)				Yes; Pages 92-96

SPECIFIC STANDARD DISCLOSURES

DMA and Indicators	Page Number/ Reference	Identified Omission(s)	Reason(s) for Omission(s)	Explanation for Omission(s)	External Assurance
MATERIAL ASPECT: GRIEVANCE MECHANISMS FOR IMPACTS ON SOCIETY					
G4-DMA			Not Considered Material	Not Considered Material	No Assurance applies
G4-SO11			Not Considered Material	Not Considered Material	No Assurance applies
SUB-CATEGORY: PRODUCT RESPONSIBILITY					
MATERIAL ASPECT: CUSTOMER HEALTH AND SAFETY					
G4-DMA	Product Stewardship (Page 57)				No Assurance applies
G4-PR1	Product Stewardship (Page 57)				Yes; Pages 92-96
G4-PR2	Detailed discussion of Management Approach (Page 67-70)				Yes; Pages 92-96
MATERIAL ASPECT: PRODUCT AND SERVICE LABELING					
G4-DMA	Customer Experience (Page 55), Detailed discussion of Management Approach (Page 67-70)				No Assurance applies
G4-PR3	Other Standard Disclosures (Page 78)				Yes; Pages 92-96
G4-PR4	Other Standard Disclosures (Page 78)				Yes; Pages 92-96
G4-PR5	Customer Experience (Page 55)		The information is subject to specific confidentiality constraints		Yes; Pages 92-96
MATERIAL ASPECT: MARKETING COMMUNICATIONS					
G4-DMA	Detailed discussion of Management Approach (Page 67-70)				No Assurance applies
G4-PR6	Product Stewardship (Page 57), Detailed discussion of Management Approach (Page 67-70)				Yes; Pages 92-96
G4-PR7	Other Standard Disclosures (Page 78)				Yes; Pages 92-96
MATERIAL ASPECT: CUSTOMER PRIVACY					
G4-DMA	Detailed Discussion of Management Approach (Page 67-70), Think - A leader's responsibility (Page 42)				No Assurance applies
G4-PR8	Performance Trends (Page 65-66)				Yes; Pages 92-96
MATERIAL ASPECT: COMPLIANCE					
G4-DMA	Detailed discussion of Management Approach (Page 67-70)				No Assurance applies
G4-PR9	Performance Trends (Page 65-66)				Yes; Pages 92-96

United Nations Global Compact Advanced Criteria

Criterion	Description	Relevant sections in the report
Strategy, Governance and Engagement		
1	Key aspects of the Company's high-level sustainability strategy in line with Global Compact principles	Group Chief Executive's Review, Enterprise Risk Management, Think, Act
2	Effective decision-making processes and systems of governance for corporate sustainability	Annual Report CG, Other Standard Disclosures
3	Engagement with all important stakeholders	Stakeholder Engagement
UN Goals and Issues		
4	Actions taken in support of broader UN goals and issues	Embrace, Act
Human Rights Implementation		
5	Robust commitments, strategies or policies in the area of human rights	HR1, HR9, HR10, HR11, HR12
6	Effective management systems to integrate the human rights principles	HR1, HR2, HR4, HR5, HR6, SO3, SO4, Stakeholder Engagement,
7	Effective monitoring and evaluation mechanisms of human rights integration	HR9, HR10, SO3, SO5, Detailed Discussion of Management Approach
8	Key outcomes of human rights integration	HR3, HR4, HR5, HR6, HR11, HR12, SO5
Labour Principles Implementation		
9	Robust commitments, strategies or policies in the area of labor	Creating A Special Place to Work, Detailed Discussion on Management Approach
10	Effective management systems to integrate the labor principles	Annual Report CG, LA1, LA13, HR 11, HR4, SO4
11	Effective monitoring and evaluation mechanisms of labor principles integration	HR 2
12	Key outcomes of integration of the labor principles	LA4, HR5, HR7, HR6, HR4
Environmental Stewardship Implementation		
13	Robust commitments, strategies or policies in the area of environmental stewardship	EN3, EN4, EN11, EN12, Our Environment Footprint, Progress on Targets 2013

Criterion	Description	Relevant sections in the report
14	Effective management systems to integrate the environmental principles	Total Commitment to our Customers, Progress on Targets 2013, PR1, EN26
15	Effective monitoring and evaluation mechanisms for environmental stewardship	EN1, EN3, EN4, EN5, EN8, EN11, EN12, EN16, EN17, EN19, EN20, EN21, EN22, EN23, EN26, EN28
16	Key outcomes of integration of the environmental principles	EN1, EN3, EN8, EN16, EN19, EN20, EN5, EN26
Anti-Corruption Implementation		
17	Robust commitments, strategies or policies in the area of anti-corruption	Management Approach, Targets for 2013
18	Effective management systems to integrate the anti-corruption principle	SO3, SO4, HR4, Management Approach on Human Rights aspects, Targets for 2013,
Risk Management		
19	Effective monitoring and evaluation mechanisms for the integration of anti-corruption	Risk Management, SO8, HR4, ISO 26000, GRI Verification
20	Key outcomes of integration of the anti-corruption principle	SO2, SO4, SO3
Value Chain Implementation		
21	Describes implementation of the Global Compact principles in the value chain	Management Approach, Progress on Targets 2013, LA10 Annual Report, GRI Content Index
Transparency and Verification		
22	Information on the Company's profile and context of operation	GRI Content check, Audit Report and Cover Page
23	High standards of transparency and disclosure	GRI Content check, Assurance and Cover Page
24	The Sustainability Report is independently verified by a credible third-party	AA1000, DNV, GRI Content check

Progress Towards ISO 26000 Compliance

Core Subject	Sub category	Report page
Human Rights	Due diligence	Page 68
	Human rights risk situations	Page 68
	Avoidance of complicity	Page 57, 68 - 69
	Resolving grievances	Page 59
	Discrimination and vulnerable groups	Page 68
	Civil and political rights	Page 68
	Economic, Social and Cultural Rights	Page 68
	Fundamental principles and rights at work	Pages 68, 69
Labour Practice	Employment and employment relationships	Pages 58 – 64
	Conditions of work and social protection	Pages 58 – 64
	Social dialogue	Page 68
	Health and safety at work	Page 64
	Human development and training in the workplace	Pages 62 - 63
The Environment	Prevention of pollution	Pages 44 - 45
	Sustainable resource use	Page 44 - 48
	Climate change mitigation and adaptation	Page 28
	Protection of the environment, biodiversity and restoration of natural habitats	Page 47
Fair Operating Practice	Anti-corruption	Page 29
	Responsible political involvement	–
	Fair competition	Page 42, 70
	Promoting social responsibility in the value chain	Page 70
	Respect for property rights	–
Consumer Issues	Fair marketing, factual and unbiased information and fair contractual practices	Page 42, 69
	Protecting consumers' health and safety	Page 57,75
	Sustainable consumption	–
	Consumer service, support, and compliant and dispute resolution	Page 55, 56
	Consumer data protection and privacy	Page 42, 55
	Access to essential services	Page 10
	Education and awareness	Page 10
Community Involvement and Development	Community involvement	Pages 34 - 39
	Education and culture	Pages 34 – 39
	Employment creation and skills development	Pages 58 - 64
	Technology development and access	Pages 34 - 39
	Wealth and income creation	Pages 34 - 39
	Health	Pages 34 - 39
	Social Investment	Pages 34 - 39

Abbreviations

ABR	Auditory Brainstem Response		GSMC	Group Senior Management Committee
AC	Air Condition		HR	Human Resources
AGM	Annual General Meeting		H&S	Health and Safety
AGRM	Axiata Group Risk Management		ICTs	Information Communications Technologies
ATP	Advanced Tracking Programme		ISO	International Organisation for Standardisation
BAC	Board Audit Committee		IUCN	International Union for the Conservation Nature
BCM	Business Continuity Management		Kg	Kilogram
BoD	Board of Directors		Kl	Kilo Litres
BP	Business Plan		KJ	Kilo Joules
BTS	Base Transmitting Stations		Km^2	Square Kilometres
CDMA	Code division multiple access		KPI	Key Performance Indicator
CE	Customer Experience		KWh	Kilo Watt Hour
CMDP	Co-operate Management Development Program		LED	Light Emitting Diode
CMM	Capability Maturity Model		L&D	Learning and Development
CMU	Complaint Management Unit		MBBP	Mobile Buy Back Programme
CoC	Code of Conduct		MMV	Madya Maha Vidyalaya
COPC	Customer Operations Performance Center		MNO	Multinational Organisations
CO2	Carbon dioxide		NGOs	Non-Governmental Organisations
CXO	Chief Officer – Respective Portfolio		NPS	Net Promoter Scores
DEW	Dialog Environment Week		OpCos	Operating Companies
DEWN	Disaster and Emergency Warning Network		PCs	Personal Computers
DR	Disaster Recovery		PLC	Private Limited Company
DRC	Divisional Risk Camp		PoS	Point of Sales
DS4D	Digital Services for Development		PPE's	Personal Protective Equipment's
DTH	Dialog Direct to Home		Q1	First Quarter
DTV	Dialog Television		Q2	Second Quarter
DVN	Dialog Volunteer Network		Q3	Third Quarter
DVN-O	Dialog Volunteer Network Outreach		Q4	Fourth Quarter
EMF	Electromagnetic Frequency		R-22	Chlorodifluoromethane
EMS	Environmental Management System		RAC	Ratmalana Audiology Centre
ERM	Enterprise Risk Management		SAR	Specific Absorption Rate
ERM GLC	Enterprise Risk Management Group Leadership Committee		SM	Senior Management
FM	Facilities Management		SME	Small & Medium Enterprises
GCEO	Group Chief Executive Officer		SMS	Short Message Service
G.C.E (A/L)	General Certification of Examination, Advance Level		TCO2	Tonnes of Carbon Dioxide
G.C.E (O/L)	General Certification of Examination, Ordinary Level		TRCSL	Telecoms Regulatory Commission of Sri Lanka
GCFO	Group Chief Financial Officer		UNGC	United Nations Global Compact
GHG	Greenhouse Gas		VAS	Value Added Services
GJ	Giga Joules		YoY	Year on Year
GMDP	General Management Development Program		3G	Third Generation
GRI	Global Reporting Initiative		4G	Fourth Generation
GSMA	Groupe Spéciale Mobile Association			

INDEPENDENT ASSURANCE STATEMENT

To the Board and Management of Dialog Axiata PLC:
Dialog Axiata PLC (Dialog) commissioned Net Balance Management Group Pty Ltd (Net Balance) to provide independent assurance over the sustainability content of the 2013 Sustainability Report (the Report). The Report presents Dialog's sustainability performance over the period 1 January 2013 to 31 December 2013. Dialog was responsible for the preparation of the Report and this statement presents our opinion as independent assurance providers. Net Balance's responsibility in performing its assurance activities is to the Board and Management of Dialog in accordance with the terms of reference agreed with them. Other stakeholders should perform their own due diligence before taking any action as a result of this statement.

Assurance Standard and Objectives

The assurance engagement was undertaken in accordance with AccountAbility's AA1000 (2008) Assurance Standard (AA1000AS). This standard allows for the evaluation of whether an organisation is responsible for its management, performance and reporting on sustainability issues.

This was undertaken by evaluating the organisation's adherence to the AA1000 AccountAbility Principles (2008) of:

Inclusivity: How does the organisation include stakeholders in developing and achieving an accountable and strategic response to corporate responsibility and sustainability?

Materiality: How does the organisation include in its reporting the material (most important) information required by its stakeholders to make informed judgements, decisions and actions?

Responsiveness: How does the organisation respond to stakeholder concerns, policies and relevant standards and adequately communicate these in its reporting?

Assurance Type, Level, Scope and Limitations

Net Balance provided Type 2 assurance in accordance with the AA1000AS (2008). This involved assessing the organisation's adherence to the AA1000 AccountAbility Principles (2008) and assessing the accuracy and quality of the sustainability information contained within the Report. Our assurance focussed on the following eleven material issues:

- Community investment & infrastructure development
- Employee welfare, satisfaction & retention
- Compliance with regulations, codes, policies & conventions
- Disproportionate focus on urban consumers, to detriment of rural consumers
- Customer Privacy, Service & Satisfaction
- Call drops

- Market presence / Supplier selection/ procurement practices
- Hazardous and harmful e-waste
- High energy consumption
- Innovation and industry growth/affordable and accessible services
- Human rights, labour rights & workplace grievance procedures

A check was also performed against the Global Reporting Initiative (GRI) G4 "In accordance" requirements.

The assurance scope excluded the following:

- The scope of work did not involve assurance of financial data, other than that relating to environmental, social or broader economic performance where applicable.
- The head office and a number of operational offices in the greater Colombo commercial capital were visited as part of this assurance engagement with most non-head office data being reviewed remotely.

Assurance Methodology

The assurance engagement was undertaken in February to March 2014, and involved:

- Interviews with selected management team members to understand and assess how sustainability is integrated within the business against the AccountAbility Principles. Interviewees included: the Chief Executive Officer, Group GM Human Resources, Company Secretary, GM – Group Legal and Regulatory, Senior GM – Large Enterprise, Head of Brands-Group Marketing, Head of Marketing, Head of Product Service Innovation, Group Chief Internal Auditor, Group Business Controller, Manager – Insurance and Enterprise, Senior GM, and Head of Customer Experience & Compliance.
- A review of the Dialog materiality process and materiality register using the five-part materiality test.
- A review of the stakeholder engagement activities undertaken by Dialog during the reporting period and how this informs the sustainability strategy and performance of the organisation.
- A review of Dialog's key sustainability strategies, policies, objectives, management systems, measurement and reporting procedures.
- Interviews with key personnel responsible for collating and writing various parts of the Report to substantiate the reliability of selected claims.
- A review of the Report for any significant anomalies, particularly in relation to claims as well as trends in data.
- Testing of a limited sample of 64 selected data points in the performance table and corresponding statements in the Sustainability Report and the systems and processes that support the information reported.
- A review of the Report against the Global Reporting Initiative (GRI) G4 "In accordance with Comprehensive" guidelines.

Our Independence

Net Balance was not responsible for preparing any part of the Report. Net Balance confirms that we are not aware of any other engagement or issue that could impair our objectivity in relation to this assurance engagement. A copy of our Independence Policy is available at http://www.netbalance.com/services/assurance.

Our Competency

The Dialog assurance engagement was carried out by an experienced team of professionals led by a Lead Sustainability Assurance Practitioner (Lead CSAP), accredited by AccountAbility in the UK. The project included personnel with expertise in environmental, social and economic performance measurement across a range of industry sectors. Net Balance is a global leader in the use of Accountability's AA1000AS, having undertaken over 200 assurance engagements in Australia in the past seven years.

Findings and Conclusions

Adherence to AA1000 Principles

Inclusivity:

Dialog was found to have well-established mechanisms that assist the business to engage with its stakeholders, including a documented process for identifying stakeholders and developing engagement plans, and a formal stakeholder engagement study to develop the list of material issues and the Report content. Systems were found to exist for recording and tracking the results of stakeholder engagement activities within the business.
In the future, it is recommended that Dialog holds separate workshops with key internal and external stakeholders (or engages them in one-on-one interviews) to gain more clarity around some of the questions and issues (e.g environmental and social issues) raised during the stakeholder study. Dialog notes that the stakeholder study has been an educational process with its stakeholders over the past couple of years; the lack of knowledge or understanding of sustainability issues by the stakeholders could result in misinterpretation of the question or the material issues, resulting in ambiguous responses.

Materiality:

Dialog has a process in place to help the business identify its material issues for reporting. Material issues were defined through desktop research, a risk review and a stakeholder engagement survey. The Sustainability Report was found to contain information on the top eleven high priority material issues that were prioritised by the sustainability team. It is understood that more detailed information on these high priority topics will be included over time as management strategies progress. The Report was also found to have extensive information that fell outside these top eleven issues. Increased disclosure of the materiality process (based on G4 guidance), was identified as an area for improvement in the future.

Net Balance also recommends that Dialog develops a consistent process for prioritising its material issues in order to ensure that the key themes used to structure the Report reflect the organisation's material risks and stakeholder information needs. As an example, coverage on themes identified by stakeholders as important (e.g. customer service/satisfaction) can be improved in the Report.

Responsiveness:

Net Balance tested the responsiveness of Dialog to the management of the selected sustainability issues through a series of interviews with management, the review of performance management systems and supporting documentation. These interviews focused on stakeholder engagement processes, energy/environment, supplier management, human resources management, sustainability integration and gender diversity. It was found that Dialog had implemented a collaborative approach to engagement in these areas.
Net Balance noted that Dialog's 'eZ Cash', 'First Aid on your Phone', and mobile insurance services have shown how it is responding to emerging shared value opportunities.

It is recommended that the feedback obtained during these engagement activities be used to inform future strategies and approaches. For example, how Dialog deals with improving conditions for career continuation and advancement for its female employees has been an area receiving significant internal focus, partially in response to stakeholder concerns. Net Balance notes that there needs to be more examples in the Report of where Dialog has engaged directly with stakeholders on issues of their concern.

Finally, Net Balance would also like to see further improvements in environmental data collection systems.

Reliability of Performance Information

Based on the scope of the assurance process, the following was observed with regard to performance information:
- The findings of the assurance engagement provide confidence in the systems and processes used for managing and reporting sustainability performance information included in the scope of this assurance engagement.
- The level of accuracy of sustainability performance information was found to be acceptable.
- Data trails selected were identifiable and traceable, and the personnel responsible were able to reliably demonstrate the origin and interpretation of data.
- A review of the adherence to GRI G4 reporting framework found that Dialog's Report satisfies the in accordance 'comprehensive' requirements

Overall, it is Net Balance's opinion that the information presented within the Report is fair and accurate. The Report was found to be a reliable account of Dialog's sustainability performance during the reporting period.

The Way Forward

To further improve Dialog's management approach to sustainability, we make the following recommendations based on the assurance findings:

Mapping material issues against Dialog's value chain

We recommend that the process of assessing and prioritising sustainability issues is given additional rigour by:
- Documenting and clearly defining assessment and weighting criteria.
- Mapping issues against Dialog's value chain.
- Assessing total value of Dialog's activities from an economic, environmental and social perspective (integrated).

Environment

To ensure the accuracy and completeness of environmental data (water, energy, waste) reported by sites, we recommend that:

- Data protocols and reporting requirements are clearly defined, accountability is reinforced at all sites and additional internal reviews are implemented to ensure compliance.
- A carbon footprint is developed and reported for Dialog's full value chain, to provide a more comprehensive under-standing of risks and opportunities.
- Increased focus is provided on Dialog's energy consumption with a view to minimise use and maximise renewable energy opportunities.
- Increase focus is placed on life cycle environmental impacts of devices and hardware.

Outcome-based targets

We recommend that Dialog develops a value chain based approach to its measurement and assessment of performance by:
• Focusing on outcomes as opposed to outputs across certain types of indicators, e.g. its approach to community investment and how it measures the effectiveness and success of its activities and programs.

Develop an automated data collection system

To minimise the level of manual data collection and collation, we recommend that Dialog:
• Implements an automated data collection system for sustainability reporting.
• Ensures that the correct parameters are inbuilt into the system.
• Links the system to other existing systems (such as Human Resources, Occupational Health and Safety) to minimise the risk of transcription errors.

Our findings and recommendations are discussed in more detail in Net Balance's report to Dialog's Board and Management.

On behalf of the assurance team
22 May 2014
Melbourne, Australia

Terence Jeyaretnam FIEAust
Director, Net Balance
Lead CSAP (AccountAbility UK)

AA1000
Licensed Assurance Provider
000-1

convergence

Sustainability Report 2013