

# INTRODUCTION

## Statement by the Chairman

### Sustainable Entrepreneurship:

#### A Constant Learning Process

"I am convinced that stakeholder value maximisation and corporate social responsibility go hand-in-hand."

Today's corporate citizen cannot survive without paying due attention to their social responsibilities. Unlike the corporate entities of yesteryear today's companies are required to comply with a variety of regulatory and legal measures on sustainable development, enterprise governance and corporate responsibility.

A positive Corporate Social Responsibility (CSR) outlook is an asset to today's entrepreneurs as much as are financial assets. It facilitates acceptance and recognition among a wide spectrum of society. We are also conscious that financial growth should not compromise on corporate values and business ethics. Financial growth should be with integrity, equity and responsibility. The values of CSR moreover help us to keep in mind the impact of our corporate activities on all our stakeholders, including our employees, generations yet unborn and society in general.

Sustainable value creation is a dynamic process. As a Company we are constantly learning new things and every year we integrate new processes and systems into our business practices. We are constantly trying to refine our systems and processes to ensure that we continue to generate durable value for all our stakeholders without compromising on any of our principles and ethics.

Details of our policies and practices on sustainable entrepreneurship are contained in this report. Last year, our efforts in this area received external and objective recognition when we were placed first in the medium scale category at the ACCA Sustainability Reporting Awards.

The initiatives we have put in place have been the result of years of planning and ethical entrepreneurship. We will continue to evolve sustainable business practice that nurture human relationships, empower society and protect the environment in more meaningful ways.



A.R. Pandithage  
Chairman

This is Dimo's third Sustainability Report.

This report is presented to our stakeholders with a view to sharing as complete a picture as possible on all aspects of the Company's activities. It documents some of the less visible and less tangible aspects of the Company's operations and shows how we are discharging our social responsibilities as a modern corporate citizen.

This Sustainability Report has two broad goals. First to communicate to our diverse stakeholders Dimo's processes of sustainable wealth creation in as detailed a manner as possible. Secondly, to trigger a process of reflection and review within the organisation and to consider how we could strengthen our operational procedures and business practices with regard to sustainable wealth creation. To us sustainable value creation is a dynamic process and every year we seek to push the bar higher.

The Report is divided into four sections. The first section examines our overall strategy to sustainable entrepreneurship. It looks at our efforts at creating sustainable and durable corporate solutions, balancing today's expectations with the needs of generations yet unborn. It also looks at our processes for stakeholder involvement in the decision making of the Company.

The second section looks at how we have added economic value to our major stakeholders and examines our interaction with the economic environment of the country.

The third section documents our interaction with the environment. We look at our efforts at preserving and nourishing our natural environment as we go about delivering sustainable value to our stakeholders.

## DIMO QUALITY & ENVIRONMENT POLICY

"We at Dimo are committed to:

- Continuously improve our systems & processes
- Total customer satisfaction
- Develop human resources
- Conservation of resources
- Reducing waste
- Compliance to Legal Statutory and the requirements of the Principals

The fourth section examines how we interact with people: the people within our organisation and the people who form part of the wider social community.

The report conforms largely, though not entirely, with the G3 guidelines as published by the Global Reporting Initiative.

The report covers the operations of the business units directly under Diesel and Motor Engineering PLC and its subsidiaries. The environmental data has been extracted from our EMS reports, the operating data maintained by the different business units over the past year and from periodic on site analysis.

In our Business Review we look in detail at how the different business units of the Company have performed over the past year. Our organisational profile, product portfolio, and group structure are detailed elsewhere in the report. Our procedures of governance are detailed more exhaustively in the Enterprise Governance section.

In accordance with our standards on transparency in this Sustainability Report we attempt to report on both the positive and negative aspects of the Company's behaviour.