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Management Approach

Just over a 1,000 people work at Dimo. They represent the finest professionals in their respective fields. The Company's goal is to make work enjoyable and rewarding. A customer-first policy has consistently driven the Dimo team over the years. Every employee living, this policy is central to the Company excelling at what it does. Thus, delivering value to customers and the value of customers is deeply ingrained into the work ethic; and drives the human resources development and management agenda. Board and the top management engagement with employees at all levels receive top priority. The engagement process has been instituted through several on-going initiatives including an Employees' Council, HR clinics, internal newsletter titled Dimo Handa, and an annual employee satisfaction survey. DIMO NET, the Company's intra-net has improved accessibility to a wide variety of corporate information including promotional campaigns, employment opportunities, employees' council minutes and corporate events.

In the year under review, a more specialised employee engagement initiative was employed covering environmental, economic and social criteria. An independent third party was commissioned to ascertain the true and honest feelings of employees at every level on the above criteria. Stemming from this survey, the Sustainability Committee has set out objectives in the ensuing year. These objectives are given in the table appearing on pages 77 to 81.

The Board ensures strict compliance with statutory requirements pertaining to all aspects of employees and employment, labour rights and human rights. The Board also ensures that freedom of association is not hindered and that Dimo remains an equal opportunity employer who treats all employees with respect and equality irrespective of gender, race, religion, social background, caste, old school ties or any other distinction. Employees have been provided with multiple channels to voice their concerns. Our concern for human rights goes beyond our own organisation. We are committed to promoting them in all external organisations that we engage with. In the year under review, 11% of training hours and 53% of employees received training in human rights pertaining to their operations (up from 2.2% and 11.6% respectively in the previous year).

- **'Buddy', employees' handbook that contains the Code of Conduct & Ethics is made available to every employee. Details of the Code of Conduct & Ethics are outlined in page 110 of the Corporate Governance Report of this Annual Report.**



- Given the nature of our business, the workforce is to a very large extent, male-dominant. However, the Company has decided to take action on this anomaly. The ten percent of females who made up the Dimo team as at the financial year end represented a one percent increase in composition over the previous year. Of the 369 new recruits in the year under review, 11 percent were females. Our target is to reach a figure of 15 percent female employees by 2014. This is not an easy task, as the percentage of applications from females for most of our technical positions is low, although we now have females in the roles of automobile mechanics and service advisors.



- Dimo has a good balance of new blood and experience. Nearly 70% are below the age of 40 years; and they are well-distributed across all levels of the organisation.



- Security and janitorial services are outsourced.



💡 - Monthly, employee discussions in an open forum with top management including CEO is the cornerstone of Dimo's regular and ongoing two-way communication with all employees. Minutes of these Employees' Council meetings are made accessible to every employee through the Company's intra-net.



💡 - Our 1,000+ employees are dispersed in diverse locations. The concept of an HR clinic was launched to enable employees to get speedy resolutions to their issues through free and frank discussions at their own locations of work. HR personnel now visit all employees at their specific location, including the furthest location from Head Office.



💡 - Dimo was one of the ten recipients of Gold Awards for overall excellence in human resources management in addition to being the category winner in the category of 'Building Capability' at the National HRM Awards 2010.



WORKING AT DIMO

The following table illustrates the age and gender distribution of our 1,019 employees as at 31st March 2011:

Age	Executive Directors		Senior Management		Middle Management		Executives		Clerical/ Supervisory		Manual		Non-Executive Contract		Total	
< 20																1
21-30				1	3	29	24	76	27	125		126	5	16	59	373
31-40			4	7	5	50	11	114	2	87		60		5	22	323
41-50		2		8	2	16	6	45	1	23		22	1	13	10	129
51<		5		7	3	13	7	29		21		9	1	7	11	91
	0	7	4	23	13	108	48	264	30	257	0	217	7	41	103	916

Employee turnover in the year under review by gender, age and position is illustrated below:

Age	Executive Directors		Senior Management		Middle Management		Executives		Clerical/ Supervisory		Manual		Non-Ex Contract			
< 20																
21-30						2	7	3	20	5	34		19	6	16	
31-40							5	1	11	1	10		6		6	
41-50				1	1		2		2		3		2		4	
51<					1		5		3		1		2		3	
			0	0	1	2	2	19	4	36	6	48	0	29	6	29

Gender representation of governance bodies

Committees				
	No.	%	No.	%
Board of Directors	11	100	–	–
Group Management Committee	12	92	1	8
Sustainability Committee	10	83	2	17
Health & Safety Committee	26	90	3	10
Employees' Council	118	87	17	13

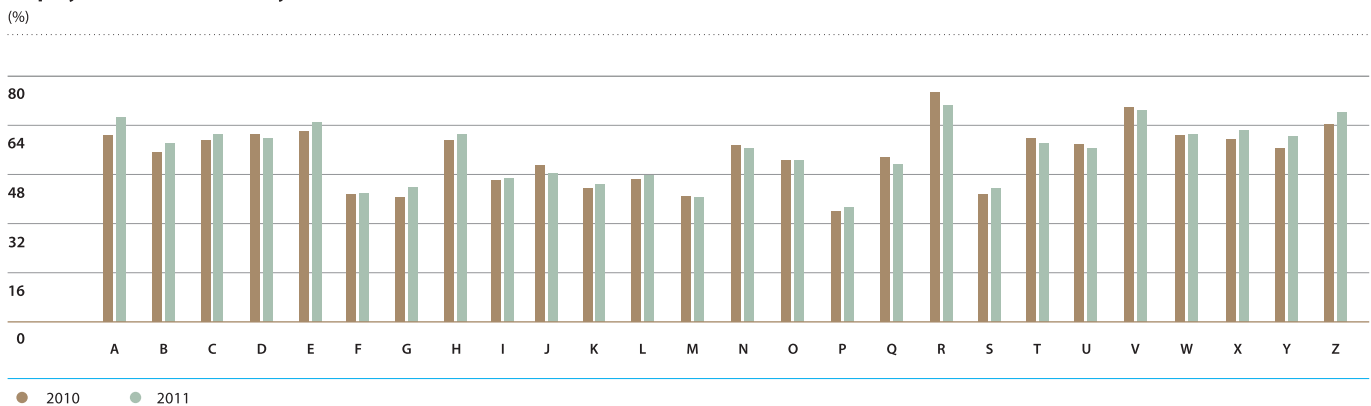
- Female - Male

Employee turnover in the year under review by reason for separation is illustrated below:

Reason	Nos.
Voluntary	171
Dismissals	4
Retirement	7
Death in Service	Nil

Employee satisfaction survey index stood at 55.06% in the year under review; up from 54.29% in the previous year. 56% of the employees (561 employees), participated in the survey as opposed to 54% who participated the previous year (481). This survey has been conducted annually over the past eight years. Survey results are discussed at Board level as well as in detail at Employee Council meetings to identify improvements and institute them through the corporate plan. Participation in the survey was voluntary and employees had the option of maintaining their anonymity by not disclosing their identity. New recruits are put through a formal induction programme so that they get to know their Company, its operations and values at the very outset.

Employee Satisfaction Survey Index



A - Nature of work/Responsibility B - Designation C - Freedom to Perform Duties D - Availability of Challenging Assignments E - Job Security F - Salary G - Incentives H - Other Perks
I - Recognition & Appreciation J - Retirement Benefits K - Appraisal System L - Opportunity for Training M - Prospects for Promotion N - Superior's Guidance O - Financial Assistant: for Education
P - Canteen Facilities Q - Sanitation R - Medical Facilities S - Recreation Facilities T - Working Environment U - Superior Relations V - Peer Relations W - Customer Satisfaction X - Focus on Quality
Y - Continuous Improvement Z - Focus on Environment


 - The following list provides a snapshot of the recruitment activities at Dimo:

- If the expected qualifications and competencies are matched, priority will be given to existing staff for vacancies that arise, giving staff every opportunity to rise up in their careers.
- DATS and NAITA Trainees who undergo training with us have an opportunity to join our permanent cadre subject to recruitment need.
- Talented young engineering professionals are attracted through the 'Dimo Career Guidance Day' programme conducted at the Moratuwa University.
- Dimo participates in various career fairs to promote Dimo and to collect information from potential candidates interested in joining Dimo.
- Professionals are recruited as Management Trainees periodically.

Dimo's operations are currently limited to Sri Lanka. The senior management team and other team members being citizens of Sri Lanka, Dimo contributes towards creating employment opportunities for Sri Lankans.

 - The following list gives and indication of the training and development activities at Dimo:

- Training needs identification follows an established process. Gaps are identified at the biannual evaluation process by the immediate supervisors and the employee. In addition Heads of departments would do so when ever needs arise. Occasionally it would be on the request of the employee.
- The Company implements a knowledge-sharing scheme where those employees who have undergone training are then required to share this training with co-workers in order to disseminate the knowledge gained to all levels of the organisation.
- Job-related educational expenses and subscriptions for memberships of professional associations and institutions are reimbursed by the Company in a bid to promote greater levels of knowledge acquisition.
- All employees are encouraged to participate in operational decision-making process.
- We recently launched 'E-Library' - a web-based library for our employees.

 - The total number of hours invested on training in the year under review is shown below:

Employee Category	Executive			Non-Executive			Total
	Directors	Senior Manager	Middle Manager	Executives	Clerical/ Supervisory	Other	
Total Employees	7	27	121	312	287	265	1,019
Total Training Hours	243	1,182	2,892	3,688	745	2,356	11,105
Per Employee Training Hour - 2010/11	34.7	43.8	23.9	11.8	2.6	8.9	10.9
Per Employee Training Hour - 2009/10	37.9	29.1	24.1	11.1	9.3	8.8	10.34

 - The following list provides a flavour of employee remuneration and benefits at Dimo:

- Employees' performance is evaluated by the business unit managers bi-annually.
- Employees are offered attractive remuneration packages on par with the best in the industry.
- The Company participates in benefit surveys to establish external parity and ensure that our employees' remuneration levels are on par or above the industry.
- No discrimination on remuneration, based on gender at Dimo.
- Long service is recognised and rewarded.
- We are offering much more than the minimum salary prescribed by law.
- Innovations and novel ideas are encouraged.
- 'Reward and recognition' scheme recognises exceptional individual and team contributions/ performances. 89 employees were awarded in the period under review.
- Each Business Unit conducts 'Monthly Meetings' to review performance against the set objectives and discuss any concerns /day-to-day operational issues.
- A Death Donation Fund is in operation in the Company. Employees and the Company contribute equally to this fund. Financial Assistance is given to the employee/member of employee's family in case of a death.
- Loans are granted at no interest or at concessionary rates of interest to employees.
- Meals are provided at subsidised rates to employees.
- Company employees are eligible for a defined benefit obligation plan under Payment of Gratuity Act No. 12 of 1983. Under this Act employees who have completed 5-years of continuous service are entitled for the equivalent of half a month's salary for each completed year in service.
- Contract employees are eligible for all benefits enjoyed by permanent employees.

 - The following list is indicative of the employees' social activities at Dimo:


- An Annual Sports Meet is organised on yearly basis by the Sports Committee of the Company.
- Dimo Cricket team was the runners-up in the Mercantile Cricket Tournament - 2010 organised by the MCA. Upcoming young talented Dinesh Chandimal, a Sri Lankan Cricket player, works for Dimo.

 - The following figures illustrate the outcome of Dimo's Health and Safety measures currently in place. A Health and Safety Committee was established a year ago. It comprises 29 individuals representing every level and business sector of the Organisation. A group-wide health and safety audit is also carried out every year. Outcomes of this audit are discussed at the Group Management Committee with the view of implementing additional health and safety measures.


• Manager representation	7 (24%)
• Executive level representation	18 (62%)
• Non-Executive level	4 (13.7%)

Injuries/Diseases/Fatalities/ Lost Day/Absenteeism	2010/11		2009/10	
	Total No.	Rate (%)	Total No.	Rate (%)
Injuries	26	2.5	7	0.74
Occupational Disease	Nil	Nil	No	Nil
Lost Working Days	165.5	0.065	49	5.2
Work-Related Fatalities	Nil	Nil	No	Nil

The employee absenteeism ratio reduced to 3.6% during the period under review from 6% in 2009/10.

 - The following list is indicative of some of the employee health & safety measures at Dimo:

- The Company is working towards obtaining Occupational Health and Safety Standard- OHSAS 18001 certification.
- Significant incidents are reported and discussed/communicated at the appropriate forum in order to avoid/prevent such instances in other locations.
- The equipment in the Company's workshops is state-of-the-art and they are all equipped with modern safety mechanisms.
- Regular fire drills are conducted at all branches and all employees are educated on how to act in case of an emergency.
- Free-of-charge medical facilities - A doctor visits the Colombo office and Siyambalape Workshop complex daily. Medical investigations and medicines are provided free-of-charge.
- Services of an In-house Nurse are available during the working hours.
- Education, training, counselling, prevention, and risk-control programmes are in place to assist workforce members, their families and communities regarding serious diseases
 - An Osteoporosis awareness programme was conducted.
 - A dengue awareness and prevention programme was carried out through e-mails and posters.
- Medical Insurance Cover is available for employees and their families.
- Other Insurance covers such as workmen compensation insurance, life insurance, and personal accident benefits are also available.

 - United Nations declaration of labour rights and human rights are upheld by the Company.

- The investments during the year were mainly to acquire property, plant & equipment. The nature of these investments did not necessitate the inclusion of human rights clauses in any agreement related to these investments.
- We demand of our business partners the same standards that we uphold.
- Dimo respects the dignity of workers in the workplace and provides personal security, a safe, clean and healthy workplace and freedom from harassment or abuse of any kind. These issues are also addressed in the Company's Code of Conduct.
- Anti-discrimination is included in the DIMO HR ethic. The policy insists that in every aspect of employment, such as recruitment, training, compensation, promotion, transfer and termination, employees are treated according to their abilities to meet job requirements and all decisions are free from any form of discrimination, in particular, discrimination based on race, sex, age, nationality, religion and personal beliefs.
- The right to freedom of religion of all employees is respected and Company practices have been adapted so as to allow all employees to practice their religion without any hindrance.
- Employees are always given the opportunity to voice-up their opinion at the workers' council and are given the opportunity to speak to their senior managers through an open-door policy. The Company ensures that employees' rights are not at risk under any circumstances.
- There have been no breaches to the right to freedom of association or the right to collective bargaining available for employees.
- As Dimo understands the importance of the minimum notice period regarding operational changes, matters relating to operational changes are discussed at employee council meetings on a case by case basis.
- Dimo is strictly against the use of child labour.
- Child labour is addressed in the Company HR policy.
- It is our philosophy that all children under the age of 18 should remain in school and not at work.
- We work under the legislative framework established by the country.
- We have extended the same view towards all our out sourced services. As a new initiative we have prepared a supplier code for our suppliers/contractors and child labour is strictly addressed in this policy as well.
- Company does not allow forced or compulsory labour.
- The employees may be required to perform reasonable overtime in order to fulfill customer requirements. No incidents have been recorded of any forced or compulsory labour in the Company.
- The function of security has been outsourced. Our security service company has been briefed on Dimo's policy regarding human rights and labour rights.