

# SUSTAINABILITY

## *agenda 2030*

**DIMO's Sustainability Agenda 2030 drives ESG operations within a well-developed ESG ecosystem. A long-term approach, having three clearly defined pillars of focus; Being a Resilient Business, Creating a Resilient Community and Conserving a Living Planet.**

### ESG and Sustainability

The DIMO philosophy requires that the Group has in place a system by which to identify risks and opportunities related to Environment, Social and Governance (ESG) factors that arise due to acts of the group or external factors, and that the Groups acts to mitigate and manage risks whilst seizing identified opportunities. The ultimate purpose is to create value for shareholders and stakeholders in the short, medium, and long-term. To this end, it is necessary that we think, plan, implement and control the environmental, social, and economic impacts that the Group has on stakeholders and the environment. This need of DIMO is fulfilled by the sustainability management framework, the performance of which is referred to as ESG Performance.

### Sustainability and Value Creation

The sustainability management framework encompasses planning, implementation, and control of many activities across the group, which are managed through accredited management systems. The group has embarked on the ambitious Sustainability Agenda 2030 to pursue sustainability targets with the aim of managing ESG risks and opportunities.

Given the strategic importance we place on sustainability, DIMO's goal is to be a benchmark for sustainability among conglomerates. The dynamics of a Group with a footprint in several industries, operating in a continuously changing environment pose tough challenges when it comes to aligning the processes into data-driven sustainable thinking designed to achieve milestones. However, it is a challenge that DIMO embraces with enthusiasm.

We understand that being sustainable is not about managing the negative impacts of our business, but to go beyond and leverage sustainability to create value for the organisation. The Strategy and Resource Allocation, and the Value Creation Model on pages 24 - 25 illustrate how we have embedded this aspect.

### Sustainability and corporate purpose

The sustainability philosophy of DIMO is based on managing ESG related risks and opportunities, the ultimate purpose of which is to create value for the organisation, shareholders and stakeholders. This is also the ultimate outcome expected from the statement of purpose 'fuelling dreams and aspirations'.

### Role of sustainability in corporate strategy

The role of sustainability in corporate strategy is to provide a management framework to mitigate and manage risks and opportunities arising from ESG factors. The Value Creation Model on pages 24 - 25 shows the role of ESG in the corporate value creation model. The risks and opportunities relating to each business segment and capital are identified in the Business Report from pages 42 - 56 and pages 30 - 41 respectively. The statement of ESG Performance that reflects the inputs and outputs and outcomes of risk and opportunity management efforts through the sustainability management framework is presented later in this section.

### Sustainability Agenda 2030

Our Sustainability Agenda 2030, a long-term approach, has three clearly defined pillars of focus; Being a Resilient Business, Creating a Resilient Community and Conserving a Living Planet. The DIMO tribe has taken ownership of this agenda and its long-term KPIs and milestones. The Board of Directors retains overall accountability for DIMO's Sustainability Agenda 2030. The management systems in place for quality, environment, social accountability, and health and safety ensure that we follow a framework to identify our risks and opportunities and to take control measures to minimize our impact and seize opportunities.

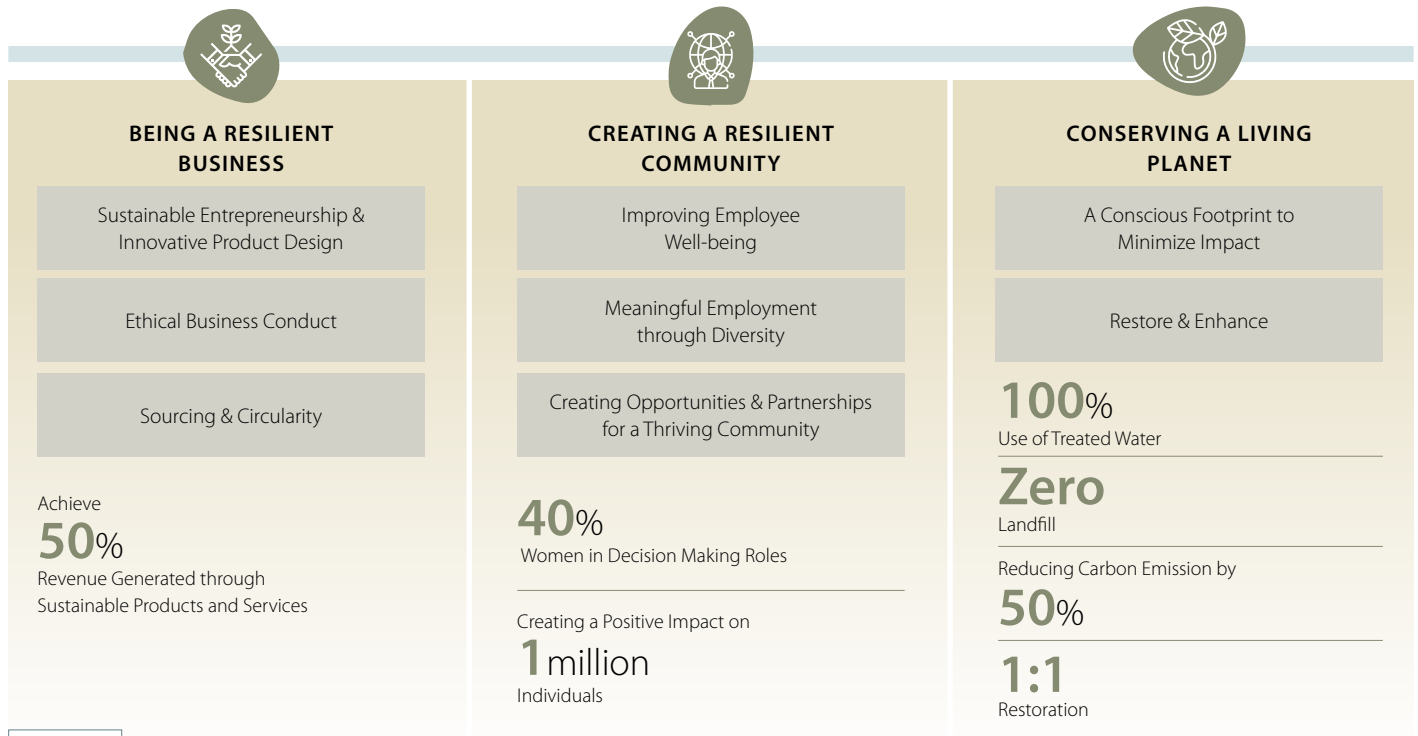
The inputs for the Sustainability Agenda 2030 were received from previous stakeholder engagement and management processes.

The performance management systems will incorporate the actions that need to be taken in order to reach the desired targets and milestones of the sustainability agenda. Internal communications and management systems align employees to the Group Sustainability Agenda 2030. Such management systems consist of the Environmental Management System, the Quality Management System, Occupational Health & Safety protocols, the Carbon Management System and HR policies and initiatives relating to diversity and inclusion.

DIMO's Sustainability Agenda 2030 drives ESG operations within a well-developed ESG ecosystem, which takes care of all material facets relating to ESG.



Figure 26: DIMO Sustainability Agenda 2030



Scan this QR Code to view DIMO's Sustainability Agenda 2030 video in Our Sustainability Section

Figure 27: DIMO Sustainability Glossary

<p><b>SUSTAINABLE PRODUCTS &amp; SERVICES</b></p> <p>Providing environmental, social, and economic benefits;</p> <ol style="list-style-type: none"> <li>Raw material from recycling material (15% or more)</li> <li>Sustainable disposing</li> <li>Saving energy or water</li> <li>Reduction of GHG (Green House Gasses) emissions</li> <li>Protecting public health</li> </ol>	<p><b>WOMEN IN LEADERSHIP</b></p> <p>Leading a group of people or an organisation;</p> <ol style="list-style-type: none"> <li>Assistant manager</li> <li>Manager</li> <li>Deputy general manager</li> <li>General manager</li> <li>Director</li> </ol>	<p><b>ESG</b></p> <p>Environmental, social and corporate governance (ESG), a framework designed to be integrated into an organisation's strategy to create enterprise value by expanding the organisation objectives.</p>	<p><b>CIRCULARITY/CIRCULAR ECONOMY</b></p> <p>Circularity - A product created with its own end-of-life considered.</p> <p>Circular Economy - A systems solution framework that tackles global challenges like climate change, biodiversity loss, waste, and pollution.</p>
<p><b>RESILIENT COMMUNITY</b></p> <p>To promote the ability of our employees and community to sustain adversity and live a dignified life.</p>	<p><b>ETHICAL BUSINESS CONDUCT</b></p> <p>Refers to the standards for morally right and wrong conduct in business. Generally, there are about 12 ethical principles: honesty, fairness, leadership, integrity, compassion, respect, responsibility, loyalty, law-abiding, transparency, and environmental concerns.</p>	<p><b>DIMO NATURE CLUB</b></p> <p>Creating a platform for employees to engage in conservation &amp; social welfare.</p> <p>The ability to volunteer.</p>	<p><b>DIMO SUSTAINABILITY AGENDA 2030</b></p> <p>The Agenda identifies the focus for the next 8 years. A pathway that determines stability, to overcome challenges and to institute sustainable mechanisms.</p> <p>It is a journey that will diversify our workforce, products &amp; services - creating a resilient community to build back.</p>

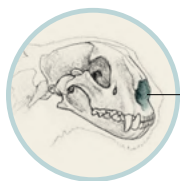
# SUSTAINABILITY AGENDA 2030

Table 52: DIMO Sustainability Long Term & Short-Term Goals & Achievements

DIMO Sustainability Agenda 2030	Being a Resilient Business	Conserving a Living Planet				Creating a Resilient Community		
	Business	Emission	Water	Waste	Biodiversity	Diversity & Inclusion	Impact to Community	
<b>Short Term 2023</b>	Achieve 32% revenue generated through Sustainable Products & Services	Reducing carbon emission by 10% from a 2019 baseline	60% Reuse of treated water	Zero Landfill	1:1 Restoration	15% Women in decision making roles	Creating a positive impact in 5,000 individuals	
<b>Long Term 2030</b>	Achieve 50% revenue generated through Sustainable Products & Services	Reducing carbon emission by 50% from a 2019 baseline	100% Reuse of treated water	Zero Landfill	1:1 Restoration	40% Women in decision making roles	Creating a positive impact in 1 million individuals	
<b>Our Progress 2022/2023</b>	29%	23.3%	30%	Reused Recycled Energy recovery 21%	57% 22%	7.6 hectares	12%	2,946
<b>Our Progress 2021/2022</b>	27%	14.4%	38%	Reused Recycled Energy recovery 24%	43% 33%	4.5 hectares	10%	2,330

“DIMO’s foundation is built on our values, which distinguish us and guide us through our Sustainability Agenda 2030. Our commitment on how we do business ethically gives us an opportunity to be more resilient as an organisation and as a business entity.”

**Gahanath Pandithage**  
Director/Group Chief Executive Officer



**STRUCTURED**

The perfect capacity enhancements enable us to optimise our performance.



**Scope of Sustainability and Reporting**

Sustainability in business as a concept has undergone immense change over the last few decades. Now, organisations are expected to take more strategic action towards embracing a circular economy – addressing a spectrum of areas from innovation, technology and data-driven decision making to sustainable packaging and greening supply chains. Similarly, the scope of how sustainability is reported has also evolved over time. Looking ahead, ESG priorities will transform supply chains while sustainable technologies will be leveraged to verify end-to-end ESG credentials.

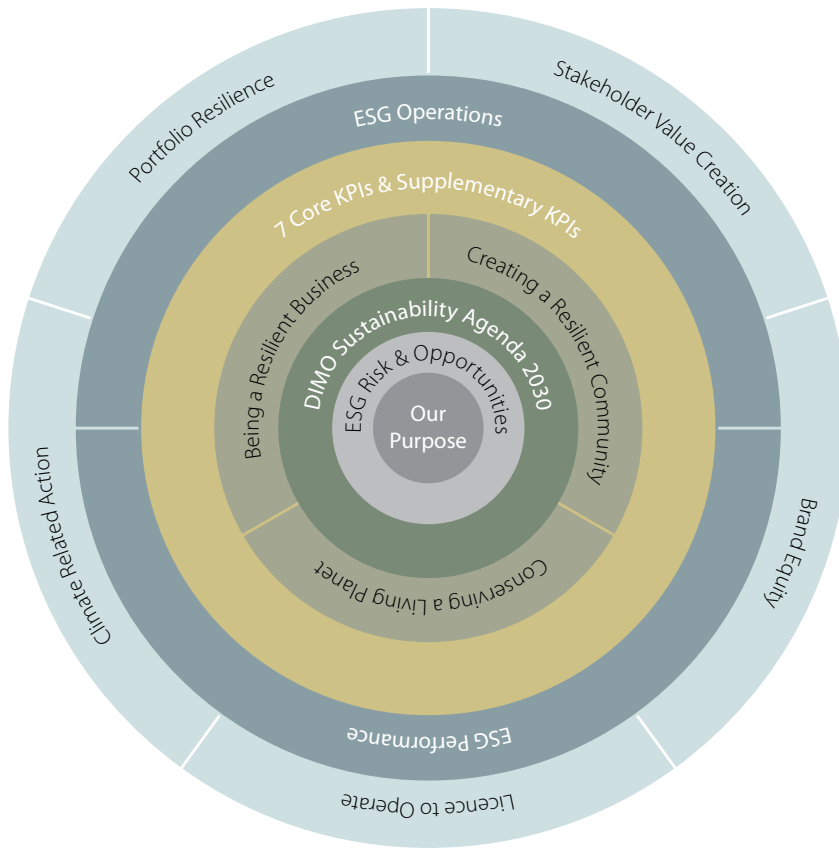
The scope of sustainability is derived from the purpose, strategy and ESG risks and opportunities of the DIMO Group. Reporting on sustainability is governed by the laws, regulatory frameworks, standards, guidelines, and protocols specified on page 5 of this report.

**ESG Structure**

The Sustainability Agenda 2030 is driven by the ESG structure, led by the Group Chief Executive Officer. The agenda is pursued under the leadership of the four pillar heads, who are also members of the Group Management Committee. The pillars identified for specific actions, among others, are Business Pillar, Environment Pillar, Social Pillar- Community and Social Pillar – Employees.

The scope of sustainability is derived from the purpose, strategy and ESG risks and opportunities of the DIMO Group. A desirable mix of short, medium and long-term KPIs provide the basis for an ESG Strategy that can be sustained.

Figure 28: ESG Profusion Map of DIMO



**ESG Performance**

The end purpose of ESG is achieved through ESG operations, also referred to as Sustainability operations. This is planned, executed and managed through the management systems in place and the relevant KPIs identified in performance management. A desirable mix of short, medium and long-term KPIs provide the basis for an ESG Strategy that can be sustained.

DIMO's ESG performance is based on our pillars that drive the Sustainability Agenda 2030. The pillars discuss the triple bottom line vis-a-vis a resilient business, a resilient community and a conserving the planet.

Being a resilient business demands that DIMO secures a portfolio that will be least affected by ESG risks, and a portfolio built on the opportunities arising out of matters relating to ESG. Towards achieving this, the group has embarked upon expanding the portfolio to include 'sustainability friendly products' a term defined in our sustainability glossary.

**"Incorporating sustainability in our day-to-day corporate lives create behavioural change in the company and its people – that creates organisation reputation; and our reputation is our brand."**

**Mega Ganeshan**  
Manager – Sustainability



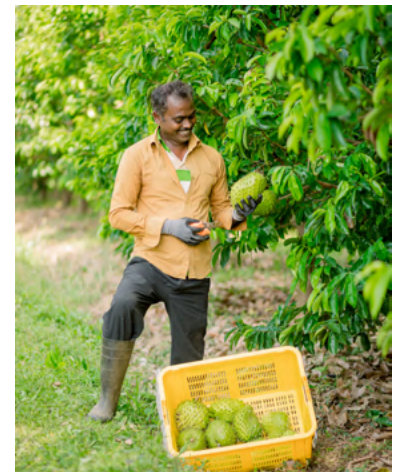
**Being a Resilient Business**



**MIDITER – NATURALLY YOURS**

A range of natural plant-based food products that fits the description natural, healthy, and sustainable.

Our products are grown, harvested, and packed with the promise of complete transparency throughout our supply chain. This transparency goes beyond sourcing the product, as they are grown, harvested and packed in compliance with social accountability norms. DIMO also provides farmers with technical expertise and support in order to give the consumer a product that complies with social responsibility norms. White labelling is also offered in conformity with our best practices. Miditer offers a range of sustainably produced coconut-based products, that help maintain a healthy lifestyle.



**14**

Sustainability Products & Services

# SUSTAINABILITY AGENDA 2030

“Aftersales business faces many risks relating to environment. We have directed all our endeavours to mitigate these risks by having required investments and accredited processes. In fact, we look at this as an opportunity to differentiate ourselves.”

**Mahesh Karunaratne**  
Chief Operating Officer -  
Aftersales Services



Scan this QR Code to view videos on DIMO's Sustainability Projects and Mangrove Restoration Project, in Our Sustainability Section

“A prerequisite to a high-performance team is understanding all groups of employees in an organisation's workforce and their differences and create a culture that they can thrive irrespective of their differences, which is not an easy task. This goes beyond implementing equal treatment, and very often requires addressing matters equitably. 'Powerfully You' is such a very special leadership development program that focuses women at DIMO. We believe that the organisation can be more productive and serve the customers better when everyone acknowledges differences of others and respect those differences.”

**Dilrukshi Kurukulasuriya**  
Executive Director/  
Chief Human Resources Officer



## Sustainable Products & Services Projects



### GRAPHENSTONE

Created in November 2013, it is a worldwide ground-breaking eco-friendly product with exceptional qualities. Graphenstone paint offer graphene-based technology combined with natural minerals like lime and silicate. This makes it a fantastic choice if one is looking for an organic and natural paint that offers the highest quality finish, superior strength, excellent conductivity, flexibility, and durability along with very low VOC levels. It is the ultimate ecological range of products, composed of natural elements that purify the air we breathe inside our homes.



### DIMO POWER & ENERGY SOLUTIONS

As a company that continuously strives to reshape the green energy landscape in Sri Lanka, DIMO provides advanced solutions for renewable energy sources in the country.

## Creating a Resilient Community



### BOOK DONATION

DIMO contributes towards the welfare of the community around us every year. The Annual Book Donation event aims at helping underprivileged children pursue their education, unhindered. 849 children were beneficiaries of the Group's book donation.



### POWERFULLY YOU

DIMO launched 'Powerfully You', a leadership development program for females focusing on the specific challenges women face in career growth and the specific leadership capabilities that must be inculcated to take up leadership roles. This was the first of its kind and was delivered by international transformation coach, Senela Jayasuriya to empower the women in junior and middle management at DIMO. In the first intake in 2022/23 there were 15 ladies from DIMO, representing different departments and different levels of work who successfully completed the program.

Through this interactive and thought-provoking journey, the participants embarked on a transformative experience of guided self-reflection and coaching-infused training



### TOTAL WATER SOLUTIONS

Today, DIMO can provide extremely energy efficient and optimal solutions for water supply in collaboration with global leaders in the industry. The Group has been involved in many water supply infrastructure projects in the country, bringing state of the art technology to the country's water supply systems.



### DIMO'S ANTI-HARASSMENT POLICY & HELPLINE

As a part of DIMO's Respectful Workplaces Program, an Anti-Harassment Helpline has been established and is managed by an IFC-trained independent consultant who receives complaints and conducts inquiries in a confidential, impartial, and credible manner, in accordance with the IFC Survivor-Centred approach. Following inquiries, the Consultant advises and recommends innovative and creative initiatives inspired by international standards and best practices and tailored to the organisation's needs, geared at both individual relief and systemic change.



### DIMO NATURE CLUB

The purpose of establishing DIMO Nature Club was to create a platform for DIMO employees to engage in conservation and social welfare. Any employee can become a member if they are passionate about driving the tasks undertaken by the club. DIMO Nature Club focuses on educating members and the community in conservation and in working together to create change makers. The club operates through a code of conduct that governs members and aligns them with DIMO values. This initiative also promotes volunteerism.



sessions. Further, they discovered the power within their selves, as they unleashed their true potential and equipped themselves with the tools and strategies necessary to support the next level growth.



### Conserving a Living Planet



### MANGROVE RESTORATION

DIMO started a mangrove planting project in Galle, which was initiated with a community survey and planting of 520 saplings of different species of mangroves. The project site is situated in 'Kepu Ela' and 'Nugaduwa' in Galle District and its primary objective is to promote sustainability and wildlife conservation.

Mangroves are crucial as they provide a natural habitat for a diverse range of plants and animals, including migratory birds, fish, and shellfish. Furthermore, they help prevent soil erosion and protect coastal communities from the damaging effects of storms. Mangroves also play a vital role in mitigating climate change by absorbing and storing large amounts of carbon dioxide.

As an organisation, DIMO recognized the importance of planting mangroves to conserve biodiversity, combat climate change, and sustain local communities. This project was initiated in collaboration with MAS Holdings, and the implementation was carried out by the Wildlife Conservation Society of Galle.



# SUSTAINABILITY AGENDA 2030

217

# Employee Engagement - Sustainability

228

# DIMO Nature Club Membership

9

# Volunteer Projects

“Sustainability demands that we measure, monitor and take factual decisions through data, process monitoring and adherence to standards. This drives behavioural change that is needed for a business to evolve.”

Thanusha Chandrasekera  
Head of Compliance



3,012 m<sup>3</sup>

Total Recycled Water



## Environmental Projects



### LIFE TO OUR BEACHES

DIMO embarked on the 'Life to Our Beaches' project in collaboration with Biodiversity Sri Lanka (BSL) and Marine Environment Protection Authority (MEPA). Through this project, DIMO takes care of two beach stretches in Dikkowita, keeping them clean from plastic pollution. BSL and MEPA provide directions on how to make the best use of the waste collected at these sites. The beach cleaning is carried out by two care takers from the community, who earn an income through this initiative.



### COLLECTING PET

DIMO partnering with Eco Spindles started collecting PET for recycling, as a responsible way of disposing plastic waste, while upcycling it to some other product. Currently, this project is operational at four different locations; at Head Office, DIMO 800, Siyambalape and Ratmalana.



### PANAMA TURTLE CONSERVATION PROJECT

Our long running turtle conservation project in Panama with Wildlife Ocean Resource Conservation (WORC) is now in its 11th consecutive year. The project has grown over the years and contributed extensively to conserving turtles, especially 3 species that come ashore to nest at Panama: Olive Ridley, Green Turtle and Loggerhead. This initiative resulted in releasing a little over 10,000 hatchlings during 2022/23.



### PROJECT 'LIFE'

Biodiversity Sri Lanka (BSL) in partnership with the Forest Department, IUCN Sri Lanka and selected private sector partners has undertaken a pilot project to establish the biodiversity baseline in a 12-hectare block of degraded land, in the Kanneliya rainforest in 2018. The site is best described as a degraded rainforest which has been cleared for cultivation and subsequently abandoned resulting in the colonization by the pioneer fern species *Dicranopteris linearis* (Kekeilla). The project completed five years and has a very successful story behind it. DIMO is pleased that the company was able to participate in this iconic project.



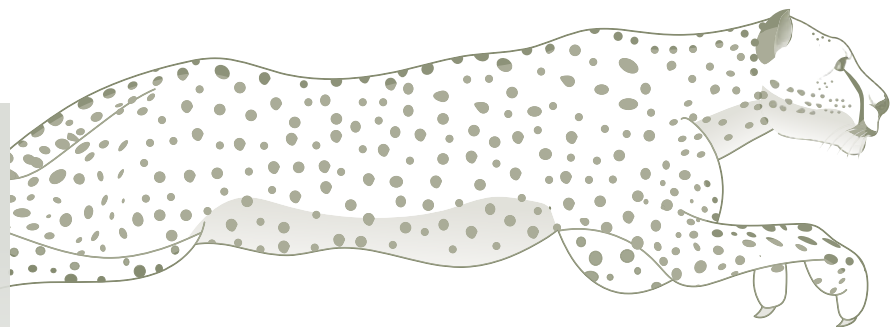
### TURTLE PATROLLING IN COLOMBO

During the turtle nesting season, DIMO financially supported Pearl Protectors, an organisation dedicated to preserving the environment, with their Turtle Patrolling project in Colombo District. The patrolling took place on a coastal stretch in Colombo south, with the help of 60 volunteers. The project was supported by Sri Lanka Coast Guards and the Department of Wildlife Conservation (DWC) and was responsible for the conservation of approximately 8,000 eggs.



### LIFE TO REEF – CORAL RESTORATION

In 2016 with the El Nino effect, the coral reef in Rumassala, Galle was destroyed. In an attempt restore what was lost DIMO embarked on the 'Life to Reef' in collaboration with Wildlife & Ocean Resource Conservation (WORC). The project attempts to restore the reef as naturally as possible, replanting coral polyps and giving them space to regenerate on their own. This is our 5th year engaged in the project and the progress seen so far is encouraging.



#### TRACTION

We have the necessary attributes to ensure we maintain our stance and stability, even as we accelerate into the unknown.



# consolidated statement of ESG PERFORMANCE

Table 53 ESG performance statement

	Note	2022/23	2021/22
<b>Environmental Performance</b>			
<b>Resources</b>			
Purchased grid electricity consumption for operations (GJ)	2.1	4,035	11,206
Non-renewable energy consumption for operations (GJ)	2.1	42,883	57,109
Generation of Renewable Energy (GJ)	2.2	11,415	11,739
Water consumption for operations (m <sup>3</sup> )	2.3	50,964	98,106
Water recycled and re-used for operations (m <sup>3</sup> )	2.3	917	10,316
<b>Waste</b>			
Solid non-hazardous waste (kg)	2.4	156,327	246,996
Solid hazardous waste disposed (kg)	2.4	66,903	108,321
<b>Emission</b>			
Carbon emitted for operations (tCO <sub>2</sub> e)	2.5	3,069	5,376
<b>Social Performance</b>			
<b>People &amp; Employees</b>			
Total employees as at 31st March	3.1	1,737	1,875
Employee turnover (%)	3.1	22.05	15.90
Total number of female employees as a percentage of total employees (%)	3.2	12	10
Female employees in decision making roles	3.2	54	50
Employee engagement score (out of 5)	3.3	4.20	4.20
Employee Trust Index (out of 100)	3.4	84	80
Total number of injuries	3.5	9	6
Average training hours per employee	3.6	10.87	23
Total Employee Benefits Distributed (Rs. 000)	3.8	4,470,904	4,088,882
<b>Customers and Society</b>			
Customer Satisfaction Index (%)	3.7	89	92
Duty and tariff paid (Rs. 000)	3.8	2,002,326	4,427,108
Donations and other social contributions (Rs. 000)	3.8	16,965	24,068
Number of apprenticeships provided for technical education	3.9	794	582
<b>Governance Performance</b>			
<b>Values and Ethics</b>			
Employees trained on DIMO's code of conduct	4.1	182	361
Number of whistle-blowers cases reported and solved	4.2	3	3
Anti-harassment helpline cases reported and solved	4.3	6	-
<b>Management Systems</b>			
Number of total audits conducted on management systems	4.4	2	1
Number of non-compliances reported in Management Systems	4.4	0	0
<b>Data Privacy and Security</b>			
Employee trained on data privacy	4.5	182	361



Scan this QR Code to view  
Supplementary Information –  
Sustainability Report

# notes to the consolidated ESG STATEMENT

## SECTION 01 – BASIS OF PREPARATION

### General Reporting Standards and Principles

This ESG statement is prepared for Diesel & Motor Engineering PLC (DIMO) and for its subsidiaries where DIMO exercises management control. Information pertaining to joint ventures is included where relevant. More information about Group entities can be viewed on page 9.

The Sustainability KPIs that were launched in 2021/22 with the DIMO Sustainability Agenda 2030 – state our long-term strategic KPIs and short term annual KPIs. The indicators reported in the ESG statement are those that are material to the Group and reported based on guidelines provided below:

- GRI Standards issued by the Global Sustainability Standards Board (GSSB)
- International Integrated Reporting Framework (International <IR> Framework) 2021. The company is a Sustainability Alliance Member of the International Sustainability Standards Board.
- SASB Standards that play an important role in the IFRS Foundation's Climate-related Disclosures Exposure Draft and General Requirements for Sustainability-related Disclosures Exposure Draft, 2018-10 version.
- The Greenhouse Gas Protocol Corporate Standard published by World Resource Institute (WRI) and World Business Council for Sustainable Development (WBCSD) is used to measure and report on the Group's carbon footprint.
- Code of Best Practices in Corporate Governance jointly issued by The Institute of Chartered Accountants of Sri Lanka and The Securities Exchange of Sri Lanka in 2017.

DIMO applies reporting principals highlighted in the GRI standards, SASB and <IR> Framework to ensure the quality of information presented. Key principles followed in the preparation of ESG statements and related information is highlighted below.

### Materiality

When deciding the materiality of information to be reported in this statement, DIMO considers information that is material to financial capital providers in determining DIMO's value creation ability in the short, medium, and long-term. Material issues identified from key stakeholders, key aspects arising out of management discussions and key factors considered in PESTEL analysis are sources of inputs for this determination.

An independent stakeholder engagement is carried out every three years and the latest engagement was conducted in year 2022. Refer pages 77 - 80 for more information about Stakeholder Engagement.

### Accuracy, completeness, and verifiability of data

Accuracy, completeness, and the verifiability of information is ensured by the accredited management systems that are audited annually by an external independent party. They are:

- ISO 14001:2015 accredited Environmental Management System
- ISO 9001:2015 accredited Quality Management System
- ISO 45001: 2018 accredited Health and Safety Management System

### Comparability

Indicators presented in this statement are calculated based on guidelines presented in GRI and SASB sustainability standards. There are no changes to these guidelines from last year unless otherwise specifically stated.

# NOTES TO THE CONSOLIDATED ESG STATEMENT

## SECTION 02 – ENVIRONMENTAL PERFORMANCE

### 2.1 Energy & Electricity Consumption

Table 54: Energy consumption for operations

Description	Units	Consumption		
		2022/23	2021/22	Change
Generators	GJ	6,396	781	719%
Petrol for Vehicles	GJ	32,452	30,826	5.27%
Purchased Electricity	GJ	4,035	11,206	-65.25%
<b>Total</b>	GJ	<b>42,883</b>	<b>57,109</b>	<b>13.86%</b>

Energy consumption has increased during the year, with generator fuel being the highest due to generators being used during the daily grid power outages scheduled during the year. Grid electricity consumptions reduced drastically.

#### Basis for Measurement

The energy consumption of DIMO consists of consumption for power and fuel for its operations. Other than the renewable energy generated internally, and the hydro power and coal generated power obtained through public electricity lines (grid electricity), all other energy sources were non-renewable sources such as petrol and diesel. The measurement is calculated based on the meter readings and invoices. As some invoices for March 2023 is missing in some locations an average is taken for the month of March.

### 2.2 Renewable Energy Generation

Table 55: Renewable energy generation at DIMO

Location		Capacity (kWh)	Energy Generation (GJ)	
			2022/23	2020/21
DIMO Embilipitiya Solar PV Plant	Ground Mounted	1,000	5,070	5,258
DIMO 800, Mercedes Benz Showroom	Rooftop Mounted	700	2,753	2,718
DIMO Weliweriya	Rooftop Mounted	807	2,894	2,947
DIMO Siyambalape System	Rooftop Mounted	237	698	816
<b>Total</b>		<b>2,744</b>	<b>11,415</b>	<b>11,739</b>

#### Basis for Measurement

Renewable energy is generated through solar power systems installed on the roof tops of three key locations in the Western Province in addition to the solar system installed at Embilipitiya under a power purchasing agreement. Total capacity of these systems is 2,744 kW. The measurement is based on meter readings of the system installed to facilitate solar generation at Weliweriya, for 4 months meter readings are unavailable.

As a responsible corporate that takes part in the country's sustainable development, DIMO has initiated implementing a GHG emission management system with ISO 14064 certification, covering all its operations. In line with its Sustainability Agenda 2030, the program will cover DIMO's key operations.

## 1.21 GJ

Non-renewable energy consumption to generate one million turnover

## 0.09 Tons

Emission consumption to generate one million turnover

## 1.44 m<sup>3</sup>

Water consumption to generate one million turnover

### 2.3 Water Consumption

Table 56: Water consumption for operations

Description	Units	Consumption		
		2022/23	2021/22	Change
Municipal Water	m <sup>3</sup>	34,854	61,715	43.52%
Ground Water	m <sup>3</sup>	15,193	25,994	41.55%
Recycled Water Re-used	m <sup>3</sup>	917	10,202	91.01%
<b>Total</b>	m <sup>3</sup>	<b>50,964</b>	<b>97,992</b>	<b>47.99%</b>

Use of municipal water was lower due to more employees working from home instead of office due to the political instability and the economic crisis that faced the country during 2022.

#### Basis for Measurement

DIMO's main water source is Municipal water. Water used in Colombo Head Office, Siyambalape, Anuradhapura and DIMO 800 MB centre are recycled as per local environmental regulations and re-used where possible. DIMO 800 MB centre water consumption is measured based on meter readings and invoices.

### 2.4 Waste and Effluents

Table 57: Waste generated from operations

Description	Hazardous / Non-Hazardous	Disposal Method	Units	Waste Generated		
				2022/23	2021/22	Change
Cotton Waste	Hazardous	Incinerate	kgs	14,298	21,061	32.11%
Paint Tins	Hazardous	Incinerate	kgs	758	934	18.84%
Sludge	Hazardous	Incinerate	kgs	41,640	76,640	45.67%
Waste oil	Hazardous	Reuse	m <sup>3</sup>	57	67	22.07%
Contaminated paper	Hazardous	Incinerate	kgs	9,760	5,677	-71.02%
Batteries	Hazardous	Recycle	Units	8	199	95.98%
Saw dust	Hazardous	Incinerate	kgs	447	4,009	88.85%
Cardboard boxes	Non-Hazardous	Recycle	kgs	14,873	50,141	70.34%
Metal Scrap	Non-Hazardous	Recycle	kgs	9,142	40,957	77.68%
Food/Organic waste	Non-Hazardous	Reuse	kgs	22,982	12,896	78.21%
Pallet racks	Non-Hazardous	Reuse	kgs	51,900	90,285	42.52%
Plastic	Non-Hazardous	Recycle	kgs	2,514	3,063	17.92%
Polythene	Non-Hazardous	Recycle	kgs	19,296	39,377	51%
Filters	Non-Hazardous	Recycle	Units	12,751	28,077	54.59%
Metal Dust	Non-Hazardous	Reuse	kgs	10,497	5,056	107.61%
Tyres	Non-Hazardous	Recycle	Units	544	864	37.04%
A4 Paper	Non-Hazardous	Recycle	kgs	11,828	5,222	126.5%

# NOTES TO THE CONSOLIDATED ESG STATEMENT

There is a significant reduction in the waste generation compared to 2021/22 due to physical offices operating less during the political instability in the country.

## Basis for Measurement

Waste is collected and segregated using the colour coded bins placed at DIMO's premises. Waste is measured as the sum of all the waste disposed at different locations based on the weight logs and invoices received for paid waste disposal. Waste is disposed for re-use, recycled, or incinerated for energy recovery through suppliers approved by the Central Environmental Authority (CEA). Wastewater is treated, reused and the balance is released to public drainage systems after they reach approved PH level, maintaining local regulations. Only the total solid waste in kilograms are taken into consideration of solid hazardous and non-hazardous waste.

## 2.5 Emission

Table 58: Carbon Emission from operations

Description	Units	2022/23		2021/22	
		Consumption	Emission tCO <sub>2</sub> e	Consumption	Emission tCO <sub>2</sub> e
<b>Scope 1</b>			2,309		3,032
Diesel for vehicles - employee	Ltr	-	-	19,789	52
Diesel for generator	Ltr	948,896	2,192	774,516	1,765
Petrol for vehicles - employee	Ltr	43,656	117	163,015	278
Diesel for vehicle - delivery	Ltr	-	-	116,510	266
Petrol for vehicle - delivery	Ltr	-	-	256,027	670
<b>Scope 2</b>			261		2,095
Electricity	kWh	1,120,846	261	3,112,685	2,095
<b>Scope 3</b>			498.6		249
Fuel utilised by outsourced party – Diesel	Ltr	15,209	407	73,791	193
Business Travel			91		14
Fuel utilised by outsourced party – Petrol	Ltr	287	0.6		
A4 Consumption	kg	-	-	15,785	42
<b>Total Emission</b>			<b>3,069</b>		<b>5,376</b>

## Basis for Measurement

Emissions are limited to CO<sub>2</sub> emissions from energy and do not include other greenhouse gases. The methodology of measurement of the emissions follows the WBCSD/WRI Greenhouse Gas Protocol's Corporate Standard (Revised Edition). Reporting is primarily under Scopes 1 and 2 with some elements of the optional Scope 3, according to data availability. Invoices and meter readings are used when measuring

the consumption. Where exact quantities are not available, assumptions are used to arrive at estimated quantities of consumption. It has been assumed that all employees' vehicles are fuelled by petrol, due to the unavailability of specific details of vehicle types and fuel types.

Emissions from petrol or diesel provided to employees is calculated based on the actual usage of the fuel cards (A card that can be

used to pump fuel from fuel stations) given to employees. Assumptions are used to identify the litres of usage based on the prevailing fuel prices each month.

Emissions from business travel is estimated based on standard mileage between airports along with the passenger travelling class.

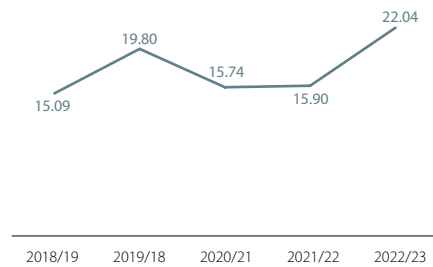
## SECTION 03 – SOCIAL PERFORMANCE

### 3.1 Number of employees and employee turnover

Table 59: Employee Composition as at 31st March;

Status	Gender	2023	2022
Contract	Female	11	12
	Male	109	179
Permanent	Female	206	182
	Male	1,411	1,502
<b>Grand Total</b>		<b>1,737</b>	<b>1,875</b>

Graph 25: Employee Turnover



The company manages employee turnover levels at around 14% to 16%. 2022/23 shows a high employee turnover due to the country's unstable political and economic conditions during that period.

#### Basis of Measurement

The number of employees is recorded as all employees except interns and those who undergo apprenticeships as at the year-end.

The rate of employee turnover is measured as the number of employees who left the Group during the financial year including those whose contracts were terminated, divided by the average number of employees for the financial year.

### 3.2 Employee Diversity

Table 60: Employee Diversity as at 31st March 2023

Age Group	Directors		Senior Mgt.		Middle Mgt.		Executive		Clerical/ Supervisory		Manual		Non-Ex-Contract		Total Employees	
	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F
<20									3	1	1				4	1
21-30			1	1	33	10	136	59	105	22	156	1	22		453	93
31-40	1		5	3	167	21	247	27	81	16	95	1	4		600	68
41-50			29	3	74	12	138	4	46	11	51		3	1	341	31
51<	9	1	10	1	24	2	36	6	14	10	11		18	4	122	24
<b>Total</b>	<b>10</b>	<b>1</b>	<b>45</b>	<b>8</b>	<b>298</b>	<b>45</b>	<b>557</b>	<b>96</b>	<b>246</b>	<b>60</b>	<b>314</b>	<b>2</b>	<b>47</b>	<b>5</b>	<b>1,520</b>	<b>217</b>

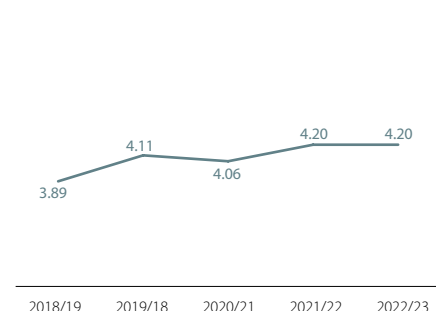
#### Basis of Measurement

Employee diversity is a measure of total female employees as a percentage of total male employees. Senior management includes employees above the senior manager designation, and middle management includes employees above the assistant manager designation but below senior manager. Both middle management and senior management employees are considered employees in decision-making capacities.

### 3.3 Employee Engagement Score

Employee engagement score during the last five years

Graph 26: Employee Engagement Score in Last Five Years



In the financial year 2021/22, DIMO achieved its highest ever employee engagement score – which was maintained in 2022/23. This is a result of an increased employee engagement activities.

#### Basis of Measurement

The employee engagement survey is conducted internally and is open to all employees. The survey includes 12 questions based on the internationally recognized Gallup Q12 Employee Engagement Questionnaire. This year, 83% of all employees responded. The survey is carried out by the HR division, with proper mechanisms in place to ensure the integrity and independence of the results.

The Trust Index demonstrate the effectiveness of DIMO's employment practices in the eyes of employees. DIMO was able to achieve an average score of 84 this year, from 80 scored in 2022.

# NOTES TO THE CONSOLIDATED ESG STATEMENT

### 3.4 Employee Trust Index

Table 61: Employee trust index – Comparison with the averages of Sri Lanka’s Best 50 companies

Gender	DIMO	Sri Lanka’s Best 40 Companies
I would strongly endorse my organisation to friends and family as a great place to work	87	92
Management is honest and ethical in its business practices	86	93
Taking everything into account, I would say this is a great place to work	88	93
I’m proud to tell others that I work here	94	95
This is a psychologically and emotionally healthy place to work	80	89

Trust Index demonstrate the effectiveness of DIMO’s employment practices in the eyes of employees. DIMO was able to achieve an average score of 84 this year, improved from 80 in 2021/22. Increased efforts to closely engage with employees despite the challenges posted by the country’s instability was the key reason for this improvement.

#### Basis of Measurement

The Employee Trust Index is an independent survey carried out by Sri Lanka’s Great Place to Work Institute. The survey is open to all employees and this year DIMO recorded a respondent rate of 90% of all employees. The trust model consists of five aspects, namely credibility, respect, fairness, pride, and camaraderie.

### 3.5 Employee Health and Safety

Table 62: Employee Injuries and lost working days

Injuries/Diseases/Fatalities/Lost Working Days/Absenteeism	2022/23		2021/22	
	Rate	Total No.	Rate	Total No.
Injuries	0.52%	9	0.0002%	6
Occupational diseases	Nil			Nil
Lost working days	0.02%	82	0.0013%	46
Work related fatalities	No			Nil

The reduction in injuries reflects increased attention to health and safety. DIMO was able to get its occupational health and safety management system accredited by ISO 45001:2018 in April 2022.

#### Basis of Measurement

An injury is defined as a non-fatal or fatal injury arising out of, or during, work. Injury rate is calculated based on the frequency of injuries, relative to the total time worked by all workers during the reporting period.

An occupational disease is defined as disease arising from a work situation or activity, or from a work-related injury (Examples - stress or regular exposure to harmful chemicals).

Lost working days are the number of days that work cannot take place (and are thus ‘lost’) because of a worker or workers being unable to perform their usual work due to an occupational disease or accident.

Injuries and occupational diseases are recorded based on the logs maintained by the medical officer of the respective locations.

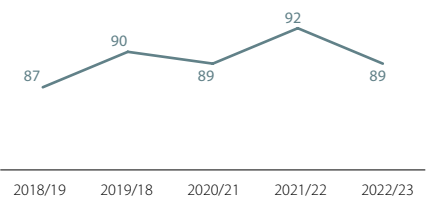
**54**

# Females in Leadership Roles

**84**

Employee Trust Index Score

Graph 27: Customer Satisfaction Index



### 3.6 Employee Training and Development

Table 63: Average training hours per employee

Category		No. of Employees	No. of Training hours	Per Employee Training hours per Year
Board of Directors	M	1	35	35
	F			
	<b>Total</b>			
Senior Management	M	23	97	4.22
	F	3	12	4
	<b>Total</b>			
Middle Management	M	83	857.5	10.33
	F	27	332	12.30
	<b>Total</b>			
Junior Management	M	29	300	10.34
	F	17	320.5	18.85
	<b>Total</b>			
Executive	M	123	1190.5	9.68
	F	32	558	17.44
	<b>Total</b>			
Clerical/Supervisory	M	4	21	5.25
	F	12	57	4.75
	<b>Total</b>			
Sales	M	1	35	35
	F			
	<b>Total</b>			
Manual	M	74	847	11.45
	F			
	<b>Total</b>			
<b>Total</b>	M	388	3383	10.01
	F	91	1279.5	14.06
	<b>Total</b>	<b>429</b>	<b>4662.5</b>	<b>10.87</b>

The focus of the year was to recover from the lockdowns due to political instability in the country and planning out the business process re-engineering programme. Trainings were thus intentionally limited to mission-critical aspects.

#### Basis of Measurement

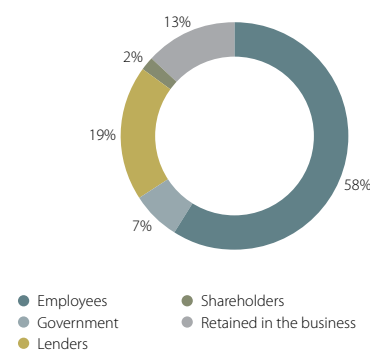
Training hours per employee calculated is based on total hours of training provided to each employee category and the total employees trained. Employee training hours are measured based on training logs maintained by the HR Division.

#### Basis of Measurement

Customer satisfaction is measured using a questionnaire filled out by customers at each business unit level, which is then consolidated at segment level. For each product and service type, the questionnaire addresses areas such as delivery time, employee interaction levels, and quality covering all types of customers. The dedicated CRM division of the Group conducts the survey via telephone, email, and where relevant, one to one interviews. Refer Business Reports from page 30 - 41 for segment for segment-wise breakup of the customer satisfaction index.

Monetised value increased by 7.5% mainly due to the increase in value distributed to employees. This reflects business operations returning to normalcy post political instability.

Graph 28: Monetised Value Distributed





# NOTES TO THE CONSOLIDATED ESG STATEMENT

## 3.8 Statement of Monetised Value Added and Distributed

Table 64: Statement of monetised value created and distributed

For the period of ('000)	Consumption			
	2022/23	2021/22		
Gross turnover	35,299,201	37,507,480		
Other income	295,694	220,499		
Less: cost of material and services bought in	(24,172,531)	(27,105,298)		
<b>Monetised Value Created</b>	<b>11,422,364</b>	<b>10,622,681</b>		
<b>Distribution of Value Added</b>				
Employees	39.14%	4,470,904	38%	4,088,882
Government	23.61%	2,696,486	42%	4,427,108
Lenders	27.46%	3,336,991	8%	842,042
Investment in social and environmental progress	0.15%	16,966	0%	26,494
Shareholders	1.01%	115,000	1%	110,955
Retained in the business	8.63%	985,236	11%	1,127,200
Depreciation set aside	3.53%	402,872	4%	383,785
Profit retained	5.10%	582,364	7%	743,415
		11,422,364		10,622,681

### Basis of Measurement

The statement of monetised value created and distributed measures the financial value created by the Group and how the financial value thus created is distributed amongst different stakeholders, thereby facilitating economic and social progress. Financial transactions recorded in the accounting system are the basis for this calculation.

Table 65: Duty and Tariffs Breakdown

(Rs. 000)	2022/23	2021/22
Duty on imports	2,002,326	3,577,813
Corporate Income tax	175,974	417,628
Other taxes including value added tax	518,186	431,667
<b>Group Total</b>	<b>2,696,486</b>	<b>4,427,108</b>

### Basis of Measurement

Duty on imports is the custom tariff the Group pays when clearing goods imported into Sri Lanka. Corporate income tax is the direct tax paid to the government on the taxable income for the financial year. The basis on which these taxes are calculated is disclosed from page 148 in financial statements. The amounts are extracted from the financial accounting system and recorded based on invoices.

Table 66: Donations and other social contributions

(Rs. 000)	2022/23	2021/22
Environmental and biodiversity projects	11,672	4,598
Social projects and donations	596	19,471
Investments in DATs	4,697	2,425
<b>Group Total</b>	<b>16,965</b>	<b>26,494</b>

### Basis of Measurement

Donations include the Group's voluntary contributions to social progress or philanthropic activities throughout the year. Investments in DIMO Academy of Technical Skills (DATs) include investments made by the Group in students enrolled in the free automobile course. The amounts are extracted from the financial accounting system and recorded based on invoices.

**Our commitment towards social and environment contribution has been mainly focused environment and community projects as well as trainings for youth.**

# 41

#DATs Enrolled Students

# 678

#Internships

### 3.9 Apprenticeships provided for technical education

Table 67: Number of trainees enrolled during the year

(Rs. 000)	2022/23		2021/22	
	F	M	F	M
DATS	4	37	2	47
Universities/Technical institutions	118	560	97	399
Other	4	71	9	28
<b>Total</b>	<b>126</b>	<b>668</b>	<b>108</b>	<b>474</b>

Enrolment of female trainees was increased due to enhanced focus on diversity and inclusion as well as promotion of women in unconventional job roles.

#### Basis of Measurement

Apprenticeships for technical education include paid and unpaid internships for youth who have completed or are following vocational or technical education courses. Many of these enrolments are for apprenticeships at DIMO's vehicle service workshops. The basis for measurement is based on logs maintained by HR divisions.

## SECTION 04 – GOVERNANCE PERFORMANCE

### 4.1 Trainings on Values and Ethics

#### Basis of Measurement

Demonstration of values and ethics by employees is defined by standards of leadership and DIMO's code of conduct. Every recruit is trained on the code of conduct and the standards of leadership. The measurement is based on logs maintained by the HR division.

### 4.2 Whistle-blower cases reported and solved

#### Basis of Measurement

Whistle-blower policy of the organisation encourages employees to raise their concerns related to, but not limited to, unlawful acts, illegal

acts, acts that are below DIMO's standards and any harassment related act, directly to the Group Chief Executive Officer, Chairman or the Head of Internal Audit. Such cases reported and solved are the basis for this measurement.

### 4.3 Anti-harassment helpline cases reported and solved

#### Basis of Measurement

As a part of DIMO's Respectful Workplaces Program, an Anti-Harassment Helpline has been established and is managed by an IFC-trained independent consultant who receives complaints and conducts inquiries in a confidential, impartial, and credible manner,

in accordance with the IFC Survivor-Centred approach. Following inquiries, the Consultant advises and recommends innovative and creative initiatives inspired by international standards and best practices and tailored to the organisation's needs, geared at both individual relief and systemic change.

### Our Anti-harassment Helpline governs to establish and manage DIMO's Respectful Workplace Program.

### 4.4 Management Systems

Management systems are the processes, procedures and methodology in place with defined KPIs to ensure that the desired results are delivered in the area managed by the system.

Table 68: management system

Management System	Areas Governed	Certification
Environmental Management System	Consistent with the organisation's environmental policy, the intended outcomes of an environmental management system include enhancement of environmental performance, fulfilment of compliance obligations, and achievement of environmental objectives.	ISO 14001:2015
Quality Management System	Needs to demonstrate the ability to consistently provide products and services that meet customer needs and applicable statutory and regulatory requirements. Aims to enhance customer satisfaction through the effective application of the system, including processes for improvement of the system and the assurance of conformity to customer and applicable statutory and regulatory requirements.	ISO 9001:2015

# NOTES TO THE CONSOLIDATED ESG STATEMENT

Management System	Areas Governed	Certification
Occupational Health and Safety Management System	Consistent with the organisation's OH&S policy, the intended outcomes of an OH&S management system include continual improvement of OH&S performance, fulfilment of legal requirements and other requirements, achievement of OH&S objectives.	ISO 45001:2018
GHG Emission Management System	Greenhouse gas and climate change management and related activities	ISO 14064: 1 (2018) ISO 14064: 2 (2019)

### Basis of Measurement

Environmental and social factors are integrated into daily business operations and decision making through the management systems. To ensure the proper operation of the management systems, one internal and one independent external audit are carried out every year. A dedicated team – the DIMO Compliance team - is employed to ensure this mandate.

Non-compliances reported in these management systems during independent audits are extracted from audit reports.

Data privacy of customers is ensured by controlling the access to customer data bases in the ERP system.

Periodic audits are conducted to ensure that data security mechanisms are working properly. These include general control audits, internal and external vulnerability assessments, audits of firewalls, audit of access points and end points security audits.

Each employee that joins DIMO is educated on DIMO data privacy policy during their orientation.

## 4.5 Data privacy and Security

### Basis of Measurement

Governance of Information Security rests with a separate Information Security unit attached to the Internal Audit division. The division consists of information security experts and works with the intention of safeguarding information assets of the company.

Apprenticeships for technical education include paid and unpaid internships for youth who have completed or are following vocational or technical education courses and internships at DIMO.