



AGILE BY **NATURE**

STAKEHOLDER ENGAGEMENT



Stakeholder Engagement Section
<https://www.dimolanka.com/2023-2024-dimo-annual-report/url.php?id=22>

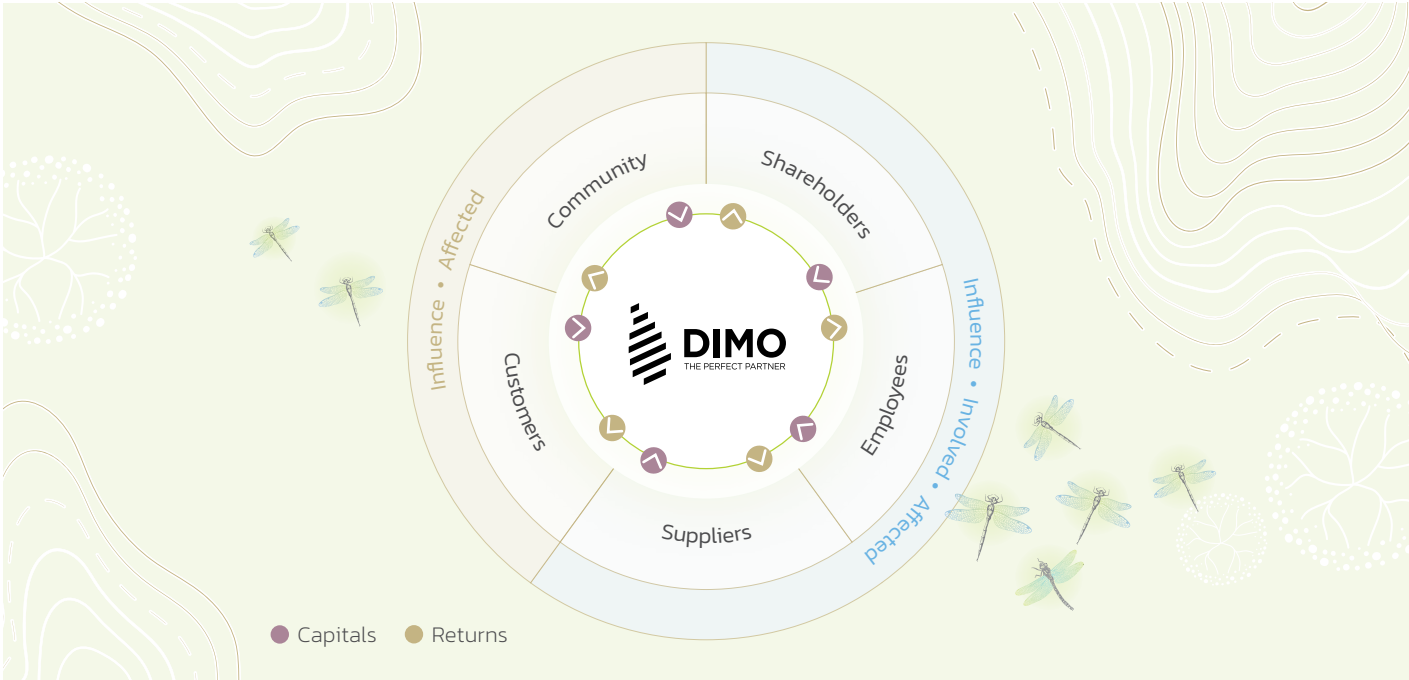
Our value transformation process revolves around creating value for a wide range of stakeholders, who provide capital inputs for value creation. We strive to understand what matters most to stakeholders whilst making every endeavour to deliver their expectations, perhaps by exceeding them, within the bounds of commercial reality.

We identify stakeholders as persons or a body of persons who:

- Bear Influence or power on aspects that can affect DIMO’s operations or value creation – Influence.
- Have legal, financial, operational responsibilities towards DIMO – Involved.
- Are impacted by DIMO’s operations – Affected.


Material matters affecting stakeholders are identified and reported, using the above criteria. Stakeholders who meet at least two of the aforementioned criteria are considered to be material to be prioritised and reported on.





Figure 12: Stakeholder Value Creation



We strive to engage with our stakeholders, by fulfilling their needs and meeting their expectations while managing relevant risks.

Table 39: Stakeholder Inputs, Expectations, and Responses

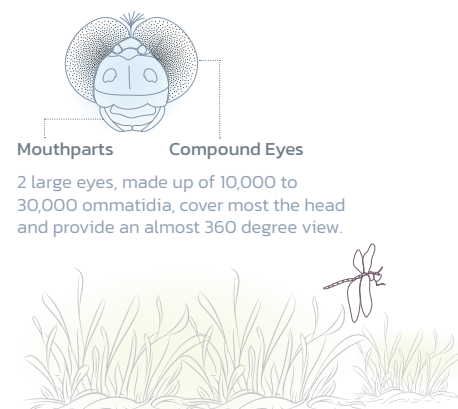
Stakeholder	What they give	What they expect	Responses and results
 Shareholders	Investors play a pivotal role in the success and growth of our businesses – providing the requisite capital.	<ul style="list-style-type: none">• Share price appreciation and attractive dividends• A sustainable growth strategy	<ul style="list-style-type: none">• Maintaining a consistent and sustainable return on investment.• Greater transparency in operations and reporting

Stakeholder	What they give	What they expect	Responses and results
 Employees	Employees are our living force and their happiness, wellbeing, and dedication shapes how we perform as a business. They provide inputs and insights to enhance the Company's performance. Happy and healthy employees will help accelerate our success, across the business.	<ul style="list-style-type: none"> Safe and healthy work environment, supported by flexible work practices. Fair remuneration, effective performance management and recognition. Challenging work, with opportunities to make a difference. 	<ul style="list-style-type: none"> Promoting greater diversity and inclusion. Competitive rewards and benefits in line with the market Maintaining high standards in occupational health and safety
 Suppliers	Working with reliable, efficient, and trustworthy suppliers ensures that our entire value chain operates as smoothly as possible, towards the achievement of our goals. Furthermore, the consistency in supply and diversity of suppliers will balance value chain activities and reduce risks.	<ul style="list-style-type: none"> Prompt payments, and business operations in accordance with agreed terms. Establish a reliable relationship for a long-term sustainable partnership. 	<ul style="list-style-type: none"> Practicing fair and equitable procurement Promoting sustainable procurement through contractual agreements .
 Customers	Building a loyal consumer audience is crucial to growing and developing our business. They help provide invaluable resources, insights and inspiration that allow us to improve, innovate and sustain in a competitive market. Reliable customers always contribute to building our brand image, which helps us to grow and expand the business in the long term.	<ul style="list-style-type: none"> Innovative product solutions, and excellent client service. Safe and convenient access to products and services. 	<ul style="list-style-type: none"> Maintaining service excellence Introduction of innovative products and services to promote customer convenience.
 Community	Building strong relationships with our communities allows us to work together to make a positive difference in people's lives, the economy, and their environment. Valuable feedback and word-of-mouth referrals from the community will expand our brand reach.	<ul style="list-style-type: none"> Be socially responsible by creating opportunities for the community. Encouraging community-led initiatives and partnerships for the further growth of agriculture sector. 	<ul style="list-style-type: none"> Being socially responsive in all our operations Transparency and governance

Channels of Engagement with Stakeholders

Table 40: Channels of Engagement with Stakeholders

Stakeholder	Channel	Frequency
Employees	Employee Council Meetings	Once a month
	Employee Engagement Survey	Once a year
	Annual Strategic Planning Meeting	Once a year
	Company's 'Open Door' Policy	Ongoing
	Individual Performance Review	Annual
	Employee Facebook Group	Online
	Anti-Harassment Help-line	Ongoing



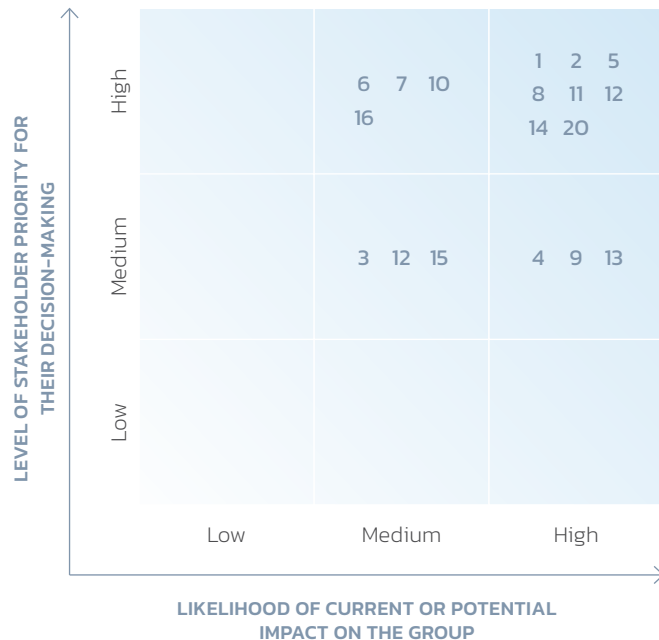
Stakeholder Engagement

GRI: 2-29, 3-1, 3-2, 3-3, 413-2

Stakeholder	Channel	Frequency
Business partners	One-to-one interview	Once in every 3 years*
	Dedicated managers for foreign business partner relation-ships	ongoing
	On-site visits from principals and vice-versa to facilitate engagement	ongoing
Customer	One-to-one interviews	Once in every 3 years*
	Customer Satisfaction Survey	Once a month Quarter
	Loyalty customer clubs (TATA Emperor, Mercedes-Benz Club, Jeep club)	On going
Community	One-to-one interviews (by independent parties)	Once in every 3 years*
	Dialogue with Religious Dignitaries	On going
	Written and oral communications initiated by stakeholders	On going
	Company website and social media platforms	Online
Shareholders	One-to-one interviews	Once in every 3 years*
	Annual General Meeting	Once a year
	Other annual and quarterly publications	Periodically
	Company website and social media platforms	Online

*Base year : 2021/22

Figure 13: Prioritization of Material Stakeholder Issues



Issues indicated in this area are of high significance and impact both the stakeholders and the organisation. All indicators shown in this area are fully discussed in the Annual Report and/or in the corporate website.

Issues indicated in this area have a relatively moderate impact on our business. They too were addressed during the reporting period and are fully or partially reported in the Annual Report and/or in the corporate website.

Issues found in this area of the grid have only a minor impact thus may only be reported in the corporate website.

Material Stakeholder Issues Identified

1. Reduction in disposable income
2. Inflation & high cost of living
3. COVID-19 pandemic
4. Foreign job opportunities and Job insecurities in Sri Lanka
5. Technical education for youth
6. Global recession
7. Data security & customer privacy
8. Import restrictions imposed by Sri Lanka Government
9. Unavailability of stock
10. Employee training & education
11. Increase in prices of products and services
12. Climate change and other environmental concerns
13. Regulatory impact on businesses
14. Extremely high Interest rates and adverse economic conditions
15. Product and service labelling
16. Occupational health and safety
17. Energy shortage
18. Mutually beneficial relationships with business partners
19. Emissions, effluents and waste
20. Compliance

Material Stakeholder Issues and Our Response and Outlook

The material issues identified through our stakeholder engagement process have been effectively addressed by the management, with strategic plans and actions formulated in response.

Table 41: Material stakeholder issues and our response and outlook

Material Issue	Relevant stakeholder groups	Our response	Reflection on Corporate Strategy	Strategic priority	Outlook
Compliance	Customers, Suppliers, Shareholders, Employees, Community	Please refer page 5 to read more about the Laws, Regulatory Frameworks, Standards,	Differentiation	Not linked to a specific strategic priority	To consistently adhere to all applicable mandatory regulations and, whenever feasible, to voluntary standards.

Material Issue	Relevant stakeholder groups	Our response	Reflection on Corporate Strategy	Strategic priority	Outlook
		Guidelines and Protocols Followed, Intellectual Capital on page 70 to read more about our ISO compliances and Corporate Governance compliances on page 80 – 109.			
Reduction in disposable income	Customers	Enhanced customer experience by providing bundled packages, thereby offering a value proposition to our customers.	Differentiation	Not linked to a specific strategic priority	We aim to enhance value for our customers by improving customer experience management.
Inflation and high cost of living	Employees	Extended financial support during periods of economic difficulty.	Differentiation	5 Critical talent retention via equitable compensation	The group is dedicated to employee wellbeing and, within the limits of economic feasibility, providing support to employees during times of crisis
Technical education for youth	Customers, Society and Suppliers	Persisted with our investments in technical education and broadening the scope of opportunities available to apprentices	Diversification	3 Drive for sustainable products, services, and practices	We continue to acquire licenses to offer new technical courses that can strengthen our contribution to society and customers, while also fostering new partnerships
Import restrictions imposed by Sri Lankan government	Customers & Suppliers	Enhanced competencies in alternative solutions compliant with Sri Lankan regulations, such as locally assembled vehicles, and sustaining operations of the semi-knocked-down assembly line	Diversification	1 Reduce dependencies on individual business domains	Enhancing preparedness to adapt to change and capitalize on opportunities. Increase the monthly production output of units in assembly lines
Increase in prices of products and services	Customers	Introduced more affordable choices for price-conscious customers	Differentiation	Not linked to a specific strategic priority	Constant value engineering
High interest rates and adverse economic conditions	Customers	Partnered with several financial institutions to provide better payment conditions for customers	Collaboration	Not linked to a specific strategic priority	Constantly seek alternatives to support customers
Climate change & other environmental concerns	Community	Execution of Sustainability Agenda 2030	Collaboration	7 Climate risk	Sustainability Agenda 2030 (Please refer page 124, 128 – 136 to read more about our climate actions)