



# AGILE BY **NATURE**

OUR SUSTAINABILITY



Sustainability Section  
<https://www.dimolanka.com/2023-2024-dimo-annual-report/url.php?id=24>

Our appetite for growth, change and perseverance are centered upon being a resilient business through ethical business conduct and embracing a much-needed circular economy.

Responsible Leadership

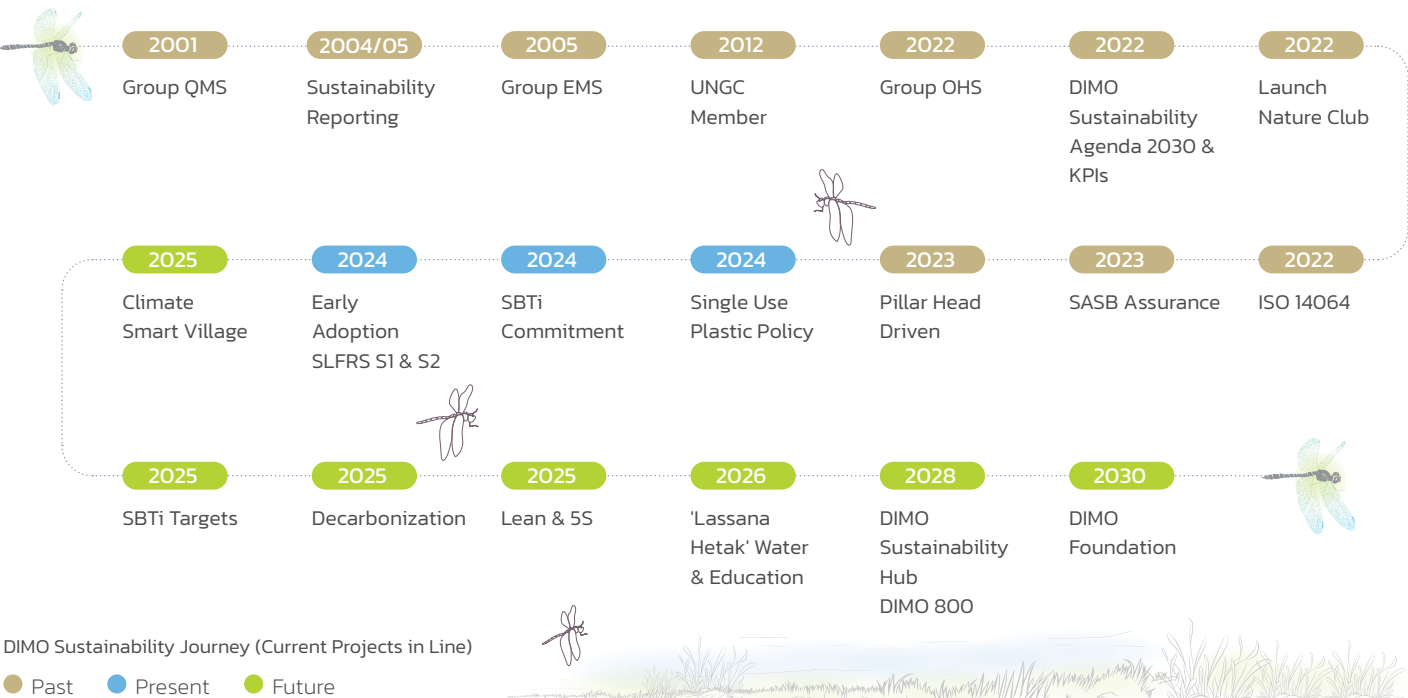
Our philosophy is based on managing our ESG Risks and capitalising on the opportunities that sustainability brings, whether it is from a brand equity point of view or as a sustainability embedded value proposition. Our leadership in sustainability is inspired by our purpose and guided by our values. We have set our sights on elevating the sustainability quotient of DIMO's brand equity to the next level. This is where we have directed the sustainability strategy of DIMO.

Our Purpose & Strategy

DIMO exists to 'Fuel Dreams and Aspirations'. This purpose necessitates that we create value for our stakeholders while delivering value to our shareholders. The purpose encapsulates DIMO's pursuit of inclusive growth, where all material stakeholders thrive in the long run.

The Milestones

Figure 17: DIMO's Sustainability Journey



*"As part of our commitment to sustainability, we have intensified our focus on environmental, social, and governance (ESG) factors in alignment with our core strategy. This resulted in the formulation of our 'Sustainability Agenda 2030', reflecting our enduring dedication to ESG principles. A detailed elaboration of our key performance indicators and our progress towards fostering a positive impact on society, the environment, and our financial outcomes."*

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

The role of sustainability in corporate strategy, as detailed on pages 24 – 25, is to provide a management framework to mitigate and manage risks and opportunities arising from ESG factors. As a diversified conglomerate, DIMO's activities can have both positive and negative impacts on environment and community. It is essential that we proactively manage the impacts in line with the changing expectations of stakeholders and upcoming legislation. Our ability to do this will ultimately determine our license to operate and DIMO's Sustainability Agenda 2030.

The value creation model on page 18 – 20 presents the role of ESG at corporate level.

Group MD & CEO's Video about the financial year + Audio statements in Sinhala and Tamil.

<https://www.dimolanka.com/2023-2024-dimo-annual-report/url.php?id=7>

## DIMO Sustainability Agenda 2030

The DIMO Sustainability Agenda 2030 defines the roadmap towards our desired status by 2030 and demonstrates DIMO's commitment to the Sustainable Development Goals. The Agenda is a rigorous plan that has arisen out of our determination to drive our business differently.

Our appetite for growth, change and perseverance are centred upon being a resilient business through ethical business conduct and embracing a much-needed circular economy. Creating a resilient community beyond our current employees, thereby prioritizing long-term human sustainability is a key component of our sustainability journey. We recognise that our impact to the environment will never be zero, and therefore consider it a priority to conserve our living planet through being more conscious of our footprint and focusing on enhancing biodiversity.



Sustainability Agenda 2030 Video

<https://www.dimolanka.com/2023-2024-dimo-annual-report/url.php?id=25>



The Ultimate Outcome



Sustainability Glossary

<https://www.dimolanka.com/2023-2024-dimo-annual-report/url.php?id=26>

## How We Work

Figure 18: DIMO Sustainability Management Structure



## DIMO Sustainability Management Structure

*"Our primary objective is to align our business offerings with the needs of an evolving 'new customer'. Under the Business Pillar, our 2030 target is to deliver a portfolio where 50% of products and services are sustainable. Achieving this ambitious goal requires a holistic approach, engaging diverse teams across our businesses.*

*We have developed a comprehensive plan – a robust review process, involving regular evaluations and strategic adjustments to ensure we remain on track. DIMO has always been at the forefront of the sustainability agenda in our country, I am confident that we will continue to lead the way in the coming years."*

~ Rajeev Pandithage ~

*"Promoting diversity and inclusion, alongside cultivating a respectful workplace will empower individuals and enhance the organisation's collective potential to drive long term value".*

~ Dilrukshi Kurukulasuriya ~

*"Our aim is to uplift one million individuals by 2030. We place our social responsibility focus on education and health, embedding it to our businesses to leverage on our strengths".*


~ Rakhita Gunasekera ~

*"At DIMO we are conscious towards our environmental footprint. We drive vigorously to make sure we take necessary action and put our processes in place. Our aim is not just to reduce our impact, but also to improve and be more efficient. We work through our management systems to give better results, adding value through continuous improvement and innovative-sustainable solutions".*

~ Mahesh Karunaratne ~

The Board of Directors is responsible for directing the organisation to achieve broader sustainability targets. They do so by managing DIMO's business operations responsibly and ensuring that the material issues of the key stakeholders are managed in a timely manner.

The Agenda 2030 is driven by the Group Managing Director/ Chief Executive Officer along with the leadership team. Four pillar heads are charged with leading the execution of our plans to achieve a resilient business and community, while enhancing our planet. Each pillar includes representatives from relevant departments and teams, capturing the diversity and essence of businesses across the organisation.

 The Corporate Governance Structure incorporated the Sustainability Pillar Head structure, aligning it with the Corporate Strategic Organisation Structure, as detailed on page 80 – 109.

## Engaging & Commitment

DIMO's license to operate is dependent on developing and maintaining trusted relationships with local and global stakeholders, including employees. We maintained a strong focus on stakeholder management – the central focus in our sustainability journey – as our teams are fully engaged in activities encompassing all aspects of the agenda. This is critical for an organisation, and our adherence to best practices in this respect is to DIMO's success.

Ensuring broad engagement and commitment towards sustainability KPIs demonstrates leadership commitment. At DIMO, leaders actively champion sustainability initiatives, setting a powerful example. DIMO's dedicated sustainability team has a clear mandate to cascade each goal that aligns with the Agenda 2030, in alignment with accountability across all levels.

Sustainability engagement is carried out both at individual level and within the organisation and communities. Educating and raising the right awareness among DIMO employees is critical. Activities carried out through DIMO Nature Club, Sports Club, Toast Masters, and Cycling Clubs aim to actively engage employees by enhancing collaboration and commitment and empowering them to take leadership.

### A Case Study

#### Cycling to Office

General Manager – Corporate Planning and New Business Development Amila Rangika's preferred mode of transport to office is his cycle. His original intention was to save on transport costs and to avoid using public transport while also getting his daily exercise. He acknowledges that cycling to work makes his day more pleasant and productive, while sticking to a routine is a better way to organise his day in the office.

The challenge is to get the recipe right to be able to cycle to work regularly, especially when jobs are changed, and the rains set in. He offers advice to those interested in cycling to work.

Amila believes that putting in a little effort to create facilities that are conducive to specific requirements will generate more interest and inspire more employees to cycle to office. This will inspire others to take the challenge as well, creating a positive environment and more positive social impacts.

*"Together, we continue to build an environment that not only enhances professional growth but also ensures that our people find joy, satisfaction and purpose in their daily work. Our commitment in making work enjoyable and rewarding, reinforce our core value of people centricity."*

~ Ajmal Hussain ~  
Deputy General Manager – Employee Engagement & Transformation



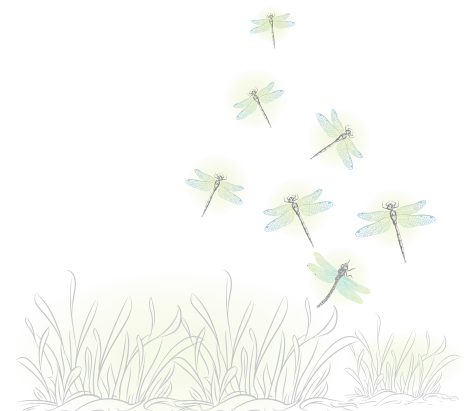
## Risks & Opportunities

The scope of sustainability is derived from the purpose, strategy and ESG risks and opportunities of the DIMO Group.

The concept of sustainability in business has undergone immense change over the last few decades. Organisations are now expected to take more strategic action towards embracing a circular economy – addressing a spectrum of issues from innovation, technology, and data driven decision making to sustainable packaging and greening supply chains. Whilst these address risks associated with sustainability, they also bring opportunities through innovations and brand enhancement.

Risks related to environmental and social aspects could harm and impair DIMO's value creation. The Company must therefore manage these risks whether DIMO is exposed due to its own actions or due to events occurring outside of its boundaries. Looking ahead, ESG priorities will transform supply chains while sustainable technologies will be leveraged to verify end-to-end ESG credentials.

Reporting on sustainability is governed by the laws, regulatory frameworks, standards, guidelines, and protocols specified on page 5. Risks and opportunities relating to sustainability are also discussed on page 24 and 120 – 126.



GRI: 2-16, 2-23, 2-24

Table 44: Our Performance

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>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>Metrics</b>	A percentage of Sustainable Products & Services from the Total Revenue	A Reduction of 50% Compared to 2019	Reusing of 100% Treated/ Recycled Water	No Waste Ends Up in Landfill	DIMO Owns 33.18 hectares of Land and Restoring 33.18 by 2030	A Percentage of Women in Leadership Roles from the Total Employee Number	The Number of Individuals Impacted
<b>Key Milestones</b>	Ethical Business Conduct through onboarding New Business Ventures & a Greening Supply Chain 2028	Decarbonization Strategy 2025	DIMO 800 Water Efficient Journey 2029	Sustainable Use of Sludge 2027	National Coral Initiative 2025	Reduced Inequalities 2026	DIMO Foundation 2030
<b>Short Term 2023/2024</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 5000 individuals
<b>Our Progress 2023/2024</b>	24%	26%	20%	Reused 41% Recycled 51% Energy Recovery 8.6%	10.83 hectares	14%	4,132
<b>Our Progress 2022/2023</b>	29%	23.3%	30%	Reused 57% Recycled 22% Energy Recovery 21%	7.6 hectares	12%	2,946
<b>Our Progress 2021/2022</b>	27%	14.4%	38%	Reused 43% Recycled 33% Energy Recovery 24%	4.5 hectares	10%	2,330

DIMO Sustainability Long Term &amp; Short-Term Goals &amp; Achievements





## Being a Resilient Business

### DIMO Plant Nutrition Solutions – DIMO Fertilizer



DIMO Agribusinesses supplies a unique and innovative product range, with all plant nutrient solutions aimed at minimizing the harmful environmental impacts caused by over application and improper soil management practices. This will ultimately uplift the living standards of farmers while increasing national food security.

DIMO Fertilizer is the third largest plant nutrition solution provider in the country. These high-quality fertilizers are produced in our own manufacturing facility. The company provides soil testing laboratory services for site-specific fertilizer recommendations based on soil pH and EC levels, ensuring soil and environmental protection.

We are the leading private sector supplier of Organo-Minerals/ Organic Fertilizer and have introduced innovative next generation fertilizers, such as compound fertiliser, slow-release fertiliser, control release fertiliser, biological fertiliser, and fertigation mixtures.

#### Impact

**20%** Crop yield growth



### Conceptualized Agriculture Outgrower Scheme



DIMO has the one of largest farmer Out Grower Networks in Sri Lanka. DIMO agribusinesses has provided value to Sri Lanka's small and medium level agropreneurs through our supply chain pipeline and the DIMO out grower network by engaging them with our agribusiness operations.

DIMO is Sri Lanka's No.1 supplier of melon seeds, with 80% of market share, and the leading supplier of local seed paddy. DIMO's current network of over 1000 outgrowers and primary producers' partner with us for seed paddy, vegetable seeds, soya, fodder maize and fruits including pineapple, papaya, passion fruit, mango. We plan to expand this out grower network to 10,000 farmers/primary producers over the next five years.

#### Impact

**1,000+** Farmers



### The Score Card – Sustainability Products & Service



It is our target that 50% of DIMO's total revenue by 2030 will be drawn from sustainable products and services. With this target in mind, the priority was to identify our current portfolio of sustainable products and services.

The Business Pillar team has devised a score card for this purpose, with a product or service needing to score 80% or more across parameters to be defined as sustainable. Once the analysis of the present portfolio is complete, there is provision for improving and extending our portfolio to include more sustainable products and services.

#### Impact

**50%** revenue from sustainable products & services by 2030

### DIMO Care Camp



DIMO Care Camp is a free service campaign for any tractor brand in Sri Lanka, providing a world-class service for tractors in readiness for the 'Maha' season in paddy cultivation.

The service campaign was conducted for two days each at six locations within agricultural districts.

#### Impact

**300+** Tractors

## Design Supply Installation and Commissioning of Rooftop Solar PV System



As a company that continuously strives to reshape the clean energy landscape of Sri Lanka, DIMO provides advanced solutions for renewable energy.

The DIMO Power Solutions Team has designed, installed, commissioned, and connected to the grid a 688-kW rooftop solar PV system at Milfort Exports Ceylon (Pvt) Limited. The project is expected to generate 908,106 kWh – annually.

### Impact

Saving **635,712kg CO<sub>2</sub>**

## Kilinochchi Treatment Plant



DIMO was contracted for the the Kilinochchi Water Supply Scheme project funded by the World Bank, with the National Water Supply and Drainage Board (NWSDB) as end-use. This national project is implemented by the Water Supply & Sanitation Improvement Project (WASIM).

DIMO was able to construct a fully-fledged water treatment plant in Kilinochchi with a total capacity of 4,500 m3 a day. It comprises of an underground sump and sand filtration, with axillary equipment, yard pumping and generator house. The plant uses a newer technology – Dissolved Air Flocculation. Catering to about 1000-1500 households, this is the largest treatment plant constructed by DIMO thus far.

### Impact

**1,000-1,500** Households

## Ambathale Energy Conserving Project

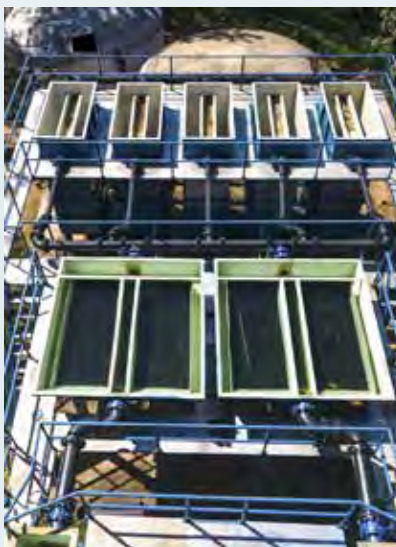


DIMO was engaged to carry out a massive energy saving project at the Ambathale water treatment plant, which caters to the entire municipal water requirement of Colombo city. Built during colonial times, the plant used older technology and was therefore consuming a heavy load of electricity for water treatment.

As part of a rehabilitation project at the plant, DIMO was contracted to supply energy efficient pumps, in order to reduce the high electricity costs involved. Working with pump supplier KSB, DIMO delivered a solution that assured positive variance of 80% or more. DIMO was able to contribute to the National Energy Saving Policy through this project.

### Impact

Reducing **60%** of energy



## Being a Resilient Community

### Skill Development – Engaging Schools Students



Skills are an important component of advanced educational programs. Leadership and teamwork are essential for any work to that involves achieving common goals. Collaborative projects and group activities foster a sense of camaraderie and collective achievement.

Our focus is on educating students within the vicinity of DIMO's business locations; in 2023-24, the focal areas were Grandpass, Kotahena, and Peliyagoda. The uniqueness of the program is that almost all sessions were trilingual, and conducted by DIMO Nature Club volunteers, who are DIMO employees. During the year, the programme conducts sessions at 6 schools, impacting 745 students.

### Impact

**745** Students **6** Schools

## Sustainability & You



Raising awareness among employees is critical to achieving our strategy, as we need our people to absorb the concept of sustainability. It is not something that can be done overnight.

'Sustainability & You' is an awareness program to introduce new subjects to the workplace. It involves conversations with experts on subjects as varied as cyber harassment, snakes and myths, and communication. Our employees moderate the program themselves, thereby increasing the engagement among employees. 7 programs in this series were conducted during the year, with the participation of over 342 employees.

### Impact

**7** Programs  
**342** Employees engaged

'Lassana Hetak' – A Book Donation Campaign



Education is the key to unlocking a brighter future, and at DIMO, we believe every child deserves access to quality learning resources. Through our 'Lassana Hetak' (A Beautiful Tomorrow) book distribution campaign, we made a significant impact on the community by reaching over 800 students across the country. The campaign was expanded to to 5 locations this year: DIMO 800, Weliweriya, Dikkowita, Siyambalape and Jaffna. Lassana Hetak not only provides books but also instills a passion for learning in young minds.

Impact  
801 Children



<https://www.dimolanka.com/2023-2024-dimo-annual-report/url.php?id=27>



Support for Entrepreneurship



DIMO Avurudu Pola this year embraced diversity and inclusion and invited visually impaired individuals from the Sri Lanka Welfare Society of the Blind, Seeduwa to sell their products, thus creating a direct marketplace. Moving forward, DIMO is dedicated to supporting their work and helping to build a sustainable marketplace for their products. This initiative supported 10 visually impaired persons to enhance their cottage industry.

Impact  
10 Visually impaired members from society

Employee Engagement – DIMO Nature Club



DIMO Nature Club was established in 2022 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 on working together to create change makers.

The club operates through a code of conduct that governs members and aligns them with DIMO values, promoting volunteerism, and currently has a membership of over 420.

Impact  
420+ Membership



<https://www.dimolanka.com/2023-2024-dimo-annual-report/url.php?id=28>

Employee Resource Group (ERG)



The ERG framework at DIMO is designed to foster an inclusive workplace by supporting and empowering diverse groups within the organisation. It acts as a platform for employees to connect, share experiences, and collaborate on initiatives that enhance the company's culture and drive business success.

ERG initially was launched as DIMO Women's Network in November 2018 to bridge the gender gap, but soon evolved to include male allies, leading to its rebranding as 'DIMO's Employee Resource Group' in October 2019.

The group currently has 57 active members and aims to promote meritocracy and foster a respectful workplace culture for all employees. This is achieved through mentorship, addressing workplace issues, developing gender-smart business solutions, and building a dedicated team.

Impact  
57 Active volunteers



Conserving a Living Planet

Partners for Conservation – Mangrove Restoration



The project site is situated in 'Kepu Ela' and 'Nugaduwa' in Galle District and its primary objective is to promote sustainability and wildlife conservation.

As an organisation, DIMO recognizes 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. The project is an 18-hectare area of conservation and we have been able to conserve and plant around 6 hectares, with 200 saplings of 5 different species planted.

The planting is carried out by the community with support from the organisation and each member is supported financially for providing seedlings.

Impact  
200 Saplings 5 Species





## Multiple Partners – Marine Turtle Conservation



The Panama Project was initiated in 2012 with Wildlife Ocean Resource Conservation (WORC) organisation. As the first step, we educated and trained the community engaged in stealing turtle eggs and converted them to the patrol that protects the nests during breeding season. To protect the eggs from natural predators, we covered the nests by burrowing cages 1½ feet into the ground, a harmless in-situ conservation method that allows turtle hatchlings to emerge through the gaps of the cages.

The project today is a multiple partner case study. The project has 3 funding partners: DIMO (3 km), MAS Intimates (3 km) and Commercial Bank (11 km). Its key objective is to declare the site a protected area with data collection and support from the Department of Wildlife Conservation (DWC).

The ongoing project, a labour of love spanning over 12 years, has yielded remarkable results in safeguarding turtle populations and their nesting habitats. DIMO's individual efforts have led to the protection of 1314 nests and 153,815 eggs, with an impressive 75%–89% hatchling survival rate. From Loggerhead to Green Turtle and Olive Ridley, the project has seen the successful nesting of various turtle species, contributing significantly to conservation of marine biodiversity along Sri Lanka's coastal belt.

### Impact

Protecting **1,314** Nests

**153,815** Eggs

**127,488** Hatch-lings released



[Turtle Conservation Video](https://www.dimolanka.com/2023-2024-dimo-annual-report/url.php?id=29)

<https://www.dimolanka.com/2023-2024-dimo-annual-report/url.php?id=29>



## 'Life to Reef' – An End of a Project



DIMO's 'Life to Reef' project embodies the company's dedication to environmental stewardship. By collaborating with Wildlife and Ocean Resource Conservation (WORC) organisation and engaging local communities, DIMO has not only restored a vital coral reef but fuelled dreams and aspirations of communities for a sustainable future. This initiative demonstrates the transformative power of collective action in preserving our planet's precious ecosystems.

The project was underway for more than 5 years and solely funded by DIMO. It has restored 30 coral species belonging to 4 families, a considerable portion of the 184 identified in Sri Lanka by WORC. Today, some coral colonies reach heights between 10cm and 15cm, providing a vital natural habitat for many species. The returning presence of turtle species, including Green Turtles, Loggerhead Sea Turtles, and Hawksbill Sea Turtles, to the Bonavista reef is another immense achievement of this restoration effort.

The revitalized reef has re-emerged as a popular tourist destination, generating income streams for local communities through snorkel kit rentals and food stalls. This economic revival and heightened awareness of coral reef conservation have fostered a sense of community ownership and a commitment to protecting this vital marine ecosystem.

### Impact

**3.5** Hectares restored



[Life to Reef Video](https://www.dimolanka.com/2023-2024-dimo-annual-report/url.php?id=30)

<https://www.dimolanka.com/2023-2024-dimo-annual-report/url.php?id=30>

## Committed Towards SBTis



The Science Based Targets initiative (SBTi) is a global body enabling businesses to set ambitious emissions reduction targets in line with the latest climate science. SBTi's goal is to accelerate companies across the world to support the global economy to halve emissions before 2030 and achieve net-zero before 2050.

The initiative is a collaboration between CDP, the United Nations Global Compact, World Resources Institute (WRI) and the World Wide Fund for Nature (WWF) and one of the We Mean Business Coalition commitments. The SBTi defines and promotes best practice in science-based target setting, offers resources and guidance to reduce barriers to adoption, and independently assesses and approves companies' targets.

DIMO's Sustainability Agenda focuses on a reduction of 50% in emissions from a 2019 baseline. In continuing this journey, DIMO has signed a commitment letter towards adoption of SBTi. This indicates that the organisation will work to set a science-based emission reduction target aligned with the SBTi's target-setting criteria. This is the first step in DIMO's journey towards decarbonisation.

### Impact

**Science-based targets for reducing carbon emissions.**

## 'Life' Project – The Fertilizer Partner



The five-year forest reserve project 'Life' at Kanneliya, is a collaboration among 15 stakeholders – including corporate, community and public entities. In partnership, we have been able to restore a degraded land of 12 hectares within just 5 years. This restoration project has been deemed a resounding success and published as a case study for the successful science-based methodologies used.

DIMO participated in the restoration programme as a funding partner, along with Biodiversity Sri Lanka (BSL) and 11 other corporates; technical support was provided by the International Union Conservation Network (IUCN) while the Forest Department of Sri Lanka provided guidance. The community is the key stakeholder for planting and taking care of the site. 5 years after entering the project, DIMO is now the official fertilizer partner, providing the annual fertilizer requirement.

### Impact

**15** Project partners  
**12** Hectares restored



## The EHS Watch



EHS stands for Environment, Health & Safety. The EHS Watch is an initiative to document and create a mechanism to report environmental and health and safety observations at DIMO.

The EHS Watch is open for any employee to share a photograph or a video of a situation that is not in compliance with the management systems. After being reported, it is shared with the relevant departments and teams to resolve the concern. The initiative engages employees and keeps them alert to reducing the number of non-compliances that can occur in premises.

### Impact

**27** Cases reported and resolved

## Implementing Single-Use Plastic



DIMO's Single-use Plastic policy is to eliminate all single-use plastics in 3 phases – at our premises, at events we organize and then, moving towards the process and supply chain.

As the first step, we have eliminated items such as plastic straws, plastic cutlery, polystyrene & styrofoam containers, single-use polythene bags, PET, and back drops at events.

### Impact

**Group-wide elimination of single-use plastic at DIMO.**

## GHG Solar Project Validation



DIMO has received verification confirmation for ISO 14064-2:2019 for the 'DIMO Lanka Solar Power Project.' This verification confirms the reduction or removal of greenhouse gas emissions. The scope of this verification covers the emission reductions or removal enhancements of the project from November 1, 2019, to July 31, 2023. The total net greenhouse gas emission reduction or removal enhancements amount to 5,712.18 metric tons of carbon dioxide equivalent over a period of three years and nine months. DIMO is committed to sustainable practices and environmental responsibility. This verification underscores our dedication to reducing greenhouse gas emissions and contributing to a greener future for generations to come.

### Impact

**5,712.18** Tons CO<sub>2</sub>e reduced & removed

*"Our mission is to be unique. We create a brand that distinguishes a business that meets sustainability; a tribe that creates a space for diversity, change agents and partnerships. Ours is a journey that is defined by our agenda 2030, connecting to create a brand that is an outstanding business case".*

~ Mega Ganesan ~  
Senior Manager – Sustainability

# Consolidated Statement of ESG Performance

GRI: 2-7, 2-8, 2-16, 2-26, 2-27, 201-2, 301-1, 303-2, 303-3, 303-4, 304-3, 305-1, 305-4, 305-5, 305-6, 305-7, 306-1, 306-5, 307-1, 401-1, 401-2, 403-1, 403-3, 403-5, 403-9, 404-1, 404-2, 404-3, 406-1, 412-2, 416-1, 416-2, 419-1

Table 45: Consolidated ESG Statement

For the year ended on 31st March	Note	2023/24	2022/23	2021/22
<b>Environmental Performance</b>				
<b>Resources</b>				
Non-renewable energy consumption for operations (GJ)	2.1	51,503	42,883	42,813
Generation of Renewable Energy (GJ)	2.2	11,605	11,415	11,739
Water consumption for operations (m <sup>3</sup> )	2.3	69,915	50,964	97,911
Total treated wastewater (m <sup>3</sup> )	2.3	2,524	3,012	-
Total treated wastewater reused (m <sup>3</sup> )	2.3	1,770	917	10,316
<b>Waste</b>				
Non-hazardous waste (kg)	2.4	428,088	156,327	246,996
Hazardous waste (kg)	2.4	81,000	66,903	108,321
Non-hazardous waste (Units)	2.4	650,899	314,498	29,140
Hazardous waste (Units)	2.4	624	758	934
<b>Emission</b>				
Carbon emitted for operations (tons CO <sub>2</sub> e)	2.5	4,888	3,604	5,088
<b>Biodiversity</b>				
Land restoration (hectares)	2.6	10.83	7.63	4.5
<b>Social Performance</b>				
<b>People &amp; Employees</b>				
Total employees as at 31st March	3.1	1,933	1,737	1,875
Employee turnover (%)	3.1	18.64	22.05	15.90
Female employees as a percentage of total employees (%)	3.2	14	12	10
Total number of female employees in decision making roles	3.2	59	54	50
Employee engagement score (out of 5)	3.3	4.20	4.20	4.20
Employee Trust Index (out of 100)	3.4	81	84	80
Total number of injuries	3.5	12	9	6
Average training hours per employee	3.6	20.1	10.87	23
Investment in training (Rs. 000)	3.6	24,438	1,149	-
Total employee benefits distributed (Rs. 000)	3.8	5,570,827	4,470,904	4,088,882
<b>Customers and Society</b>				
Customer Satisfaction Index (%)	3.7	91	89	92
Duty and tariff paid (Rs. 000)	3.8	5,756,450	2,696,486	4,427,108
Investment in Sustainability Initiatives (Rs. 000)	3.8	31,174	16,965	24,068
Number of apprenticeships provided for technical education	3.9	814	794	582
<b>Governance Performance</b>				
<b>Values and ethics</b>				
Employees trained on DIMO's code of conduct	4.1	455	182	361
Number of whistle-blowers cases reported and solved	4.2	-	3	3
Anti-harassment helpline cases reported and solved	4.3	17	6	-
<b>Management Systems</b>				
Number of total audits conducted on management systems	4.4	2	2	1
Number of major non-compliances reported in Management Systems	4.4	-	-	-
<b>Data privacy and security</b>				
Employee trained on data privacy	4.5	455	182	361



Supplementary Information

<https://www.dimolanka.com/2023-2024-dimo-annual-report/url.php?id=31>

# Notes to the Consolidated ESG Statement

GRI: 2-7, 2-8, 2-26, 2-27, 201-2, 301-2, 303-2, 303-3, 303-4, 306-1, 306-5

## Section 01 – Basis of Preparation

### General Reporting Standards and Principles

This ESG statement is prepared for Diesel & Motor Engineering PLC (DIMO) and for the subsidiaries over which 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 2022/23 with the DIMO Sustainability Agenda 2030 – state our long term strategic KPIs.

- 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 (ISSB).
- Sustainability Accounting Standards Board (SASB) Standards that play an important role in the IFRS Foundation's Climate-related Disclosures and General Requirements for Sustainability-related Disclosures.
- 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.
- The Code of Best Practices in Corporate Governance issued jointly by The Institute of Chartered Accountants of Sri Lanka and The Securities and Exchange Commission of Sri Lanka in 2017.
- Early adoption of SLFRS S1 for disclosure of all information pertaining to sustainability-related risks and opportunities while SLFRS S2 captures climate-specific requirements.

DIMO applies reporting principles highlighted in the GRI standards, SASB and <IR> Framework to ensure the quality of information presented. DIMO has opted for early adoption of SLFRS S1 and S2.

### Materiality

When determining the materiality of information to be reported in this statement, DIMO considers information that is material to financial capital providers in gauging DIMO's value creation ability in the short, medium, and long term. The sources of inputs for this determination are the material issues identified through key stakeholders, key aspects arising out of management discussions. The operating context and outlook on pages 28 – 30, evaluates the external environmental context in which DIMO operates, the key risks and opportunities arising and what is anticipated.

### Stakeholder Inclusiveness

An independent stakeholder engagement is carried out every three years; the latest engagement was conducted in year 2022. Refer page 116 – 119 for more information about stakeholder engagement.

### Accuracy, Completeness and Verifiability of Data

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

They are:

- ISO 14001:2015 (Environment Management System)
- ISO 9001:2015 (Quality Management System)
- ISO 45001: 2018 (Occupational Health and Safety Management System)

### Comparability

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

An additional new upgrade is the early adoption of qualitative data on SLFRS S1 and S2.



GRI: 2-7, 2-26, 2-27, 201-2, 203-1, 302-1, 302-2, 302-3, 302-4, 302-5, 303-2, 303-3, 303-4, 306-1, 306-5

## Section 02 – Environmental Performance

### 2.1 Non-renewable Energy and Electricity Consumption

Table 46: Non-renewable Energy Consumption in Operations at DIMO

Description	Units	Consumption			
		2023/24	Change (%)	2022/23	2021/22
Generators	GJ	959	(85)	6,396	781
Petrol for Vehicles	GJ	39,636	22	32,452	30,826
Diesel for Vehicles	GJ	1,786	-	-	-
Grid Electricity	GJ	9,123	126	4,035	11,206
<b>Total</b>	<b>GJ</b>	<b>51,503</b>	<b>20</b>	<b>42,883</b>	<b>42,813</b>

Energy consumption increased during the 2023/24 financial year due to the considerable amount of data captured this year, including diesel and petrol for operations.

#### Basis for Measurement

The energy consumption of DIMO consists of the consumption of 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 meter readings and invoices.

### 2.2 Renewable Energy Generation

Table 47: Renewable Energy Generation at DIMO

Location		Capacity (kW)	Energy Generation (GJ)		
			2023/24	2022/23	2021/22
DIMO Embilipitiya Solar PV Plant	Ground Mounted	1,000	5,019	5,070	5,258
DIMO 800, Mercedes Benz Showroom	Rooftop Mounted	700	2,722	2,753	2,718
DIMO Weliweriya	Rooftop Mounted	807	2,864	2,894	2,947
DIMO Siyambalape	Rooftop Mounted	237	947	698	816
DIMO Engineering Solutions, Jethawana Road	Rooftop Mounted	21.09	53	-	-
<b>Total</b>		<b>2,765</b>	<b>11,605</b>	<b>11,415</b>	<b>11,739</b>

#### Basis for Measurement

Renewable energy is generated mainly through solar power systems installed on the roof tops of three of our key locations in the Western Province, in additionally a ground mounted system is installed at Embilipitiya under a power purchasing agreement. Recently, installed a system at engineering solutions in Colombo 14 with a capacity of 21.09 kW. The measurement is based on meter readings of the system installed to facilitate solar generation.

As a responsible corporate that takes part in the country's sustainable development, DIMO has initiated in implementing a GHG emission inventory and verification through ISO 14064:2018 certification, covering all its key operations.

### 1.18 GJ

Non-renewable energy consumption to generate one million turnover  
(2022/23 – 1.21 GJ)

### 0.11 tons CO<sub>2</sub>e

Emission consumption to generate one million turnover  
(2022/23 – 0.09 tons CO<sub>2</sub>e)

### 1.60 m<sup>3</sup>

Water consumption to generate one million turnover  
(2022/23 – 1.44 m<sup>3</sup>)

# Notes to the Consolidated ESG Statement

GRI: 2-7, 2-8, 2-26, 2-27, 201-2, 301-2, 301-3, 303-1, 303-2, 303-3, 303-4, 303-2, 303-3, 303-4, 306-1, 306-2, 306-3, 306-4, 306-5

## Section 02 – Environmental Performance

### 2.3 Water Consumption

Table 48: Water Consumption for Operations

Description	Units	Consumption			
		2023/24	Change (%)	2022/23	2021/22
Municipal Water	m <sup>3</sup>	49,501	42	34,854	61,715
Ground Water	m <sup>3</sup>	17,675	16	15,193	25,994
Total Treated Wastewater Reused	m <sup>3</sup>	2,524	175	917	10,202
Rainwater Harvesting	m <sup>3</sup>	214	–	–	81
<b>Total Water Consumption</b>	<b>m<sup>3</sup></b>	<b>69,914</b>	<b>37</b>	<b>50,964</b>	<b>97,992</b>

There is an increase in the percentage of reused treated water. This year, we are reporting rainwater harvesting as to the previous years. The increase in water consumption is due to the additional locations.

#### Basis for Measurement

DIMO's main water source is municipal water. Water used at the Colombo Head Office, Siyambalape, Anuradhapura, Kurunegala, THF-Kurunegala and DIMO 800 MB centre uses an Effluent Treatment Plant (ETP) for treating wastewater as per local environmental regulations, reused at Siyambalape and Kurunegala.

### 2.4 Waste and Effluents

Table 49: Waste Generated from Operations

Description	Hazardous/ Non-Hazardous	Disposal Method	Units	Generation			
				2023/24	Change (%)	2022/23	2021/22
Cotton waste	Hazardous	Incinerate	kg	11,471	–20%	14,298	21,061
Paint tins	Hazardous	Incinerate	Units	624	–18%	758	934
Sludge	Hazardous	Incinerate	kg	31,360	–25%	41,640	76,640
Waste oil	Hazardous	Reuse	m <sup>3</sup>	35	–39%	57	67
Contaminated paper	Hazardous	Incinerate	kg	8,032	–18%	9,760	5,677
Batteries	Hazardous	Recycle	Units	–	–100%	8	199
Saw dust	Hazardous	Incinerate	kg	–	–	*6,700	4,009
Saw dust	Non-Hazardous**	Reuse	kg	29,142	–	–	–
Cardboard boxes	Non-Hazardous	Recycle	kg	31,234	110%	14,873	50,141
Metal scrap	Non-Hazardous	Recycle	kg	55,871	511%	9,142	40,957
Food / Organic waste	Non-Hazardous	Reuse	kg	35,840	56%	22,982	12,896
Pallets	Non-Hazardous	Reuse	kg	63,243	22%	51,900	90,285
Plastic	Non-Hazardous	Recycle	kg	4,905	95%	2,514	3,063
Polythene	Non-Hazardous	Recycle	kg	36,552	89%	19,296	39,377
Filters	Non-Hazardous	Recycle	Units	10,581	–17%	12,751	28,077
Metal Dust	Non-Hazardous	Reuse	kg	1,812	–83%	10,497	5,056
Tyres	Non-Hazardous	Recycle	Units	394	–28%	544	864
A4 Paper	Non-Hazardous	Recycle	kg	21,089	78%	11,828	5,222

GRI: 2-7, 2-8, 2-26, 2-27, 201-2, 301-2, 301-3, 305-1, 305-2, 305-3, 305-4, 305-5, 305-6, 305-7, 306-2, 306-3, 306-4

Description	Hazardous/ Non-Hazardous	Disposal Method	Units	Generation			
				2023/24	Change (%)	2022/23	2021/22
Gunny Bags	Non-Hazardous	Reuse	Units	638,735	112%	301,195	-
Glass Bottles	Non-Hazardous	Recycle	kg	28	-	-	-
Fruit Waste	Non-Hazardous	Recycle	kg	148,400	-	-	-
Plastic Cans	Non-Hazardous	Recycle	kg	1,189	-	-	-

\*2022/23 figure for saw dust has been restated.

\*\*In the financial year 2023/24, sawdust has been reclassified as non-hazardous waste. This reclassification is based on the fact that the majority of sawdust waste is generated by the Agriculture Division from fertilizer sweepings. Furthermore, this waste is subsequently reused by third-party buyers in agricultural applications.

In the financial year 2023/24, the majority of waste was classified in the non-hazardous category, which is 86% of total waste generation. Notably, this year marks the first year where fruit waste data was included, as this category of waste originated from a recently acquired new business – Tropical Health Food (THF), and is being managed through composting initiatives.

### Basis for Measurement

Waste is collected and segregated using 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 and collectors. Waste is disposed for reusing, recycling, or for energy recovery by incineration – through suppliers approved by the Central Environmental Authority (CEA).

## 2.5 Emission

Table 50: Carbon Emission from Operations

Description	Units	2023/24		2022/23		2021/22	
		Consumption	Emission (tCO <sub>2</sub> e)	Consumption	Emission (tCO <sub>2</sub> e)	Consumption	Emission (tCO <sub>2</sub> e)
<b>Scope 1</b>			55		117		1,765
Diesel For Generators	Ltr	6,542	18	43,656	117	774,516	1,765
Diesel for Vehicles	Ltr	12,186	33	-	-	-	-
Petrol for Vehicles	Ltr	1,873	4	-	-	-	-
<b>Scope 2</b>			1,799		*796		2,095
Electricity	kWh	2,534,307	1,799	1,120,846	796	3,112,685	2,095
<b>Scope 3</b>			3,034.4		2,690.6		1,228
Diesel for Vehicles – Delivery	Ltr	67,047	180	15,209	407	116,015	266
Petrol for Vehicles – Delivery	Ltr	165	0.4	287	0.6	256,027	670
Petrol for Vehicles – Employees	Ltr	1,157,062	2,673	948,896	2,192	163,015	278
Business Travel			181		91		14
<b>Total Emission</b>			4,888		3,604		5,088

The increase in electricity consumption during the 2023/24 financial year compared to the 2022/23 financial year is due to the inclusion of a larger number of DIMO premises in the emission calculations. There is a significant increase in our Scope 2 emissions as rarely power outages were occurred during the year compared to 2022/23.

\*2022/23 figure for scope 2 emission has been restated.

## Section 02 – Environmental Performance

### 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. According to data availability some elements of Scope 3 has been reported.

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) issued to employees. Assumptions based on the prevailing fuel prices are used to identify the litres of usage each month.

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

### 2.6 Biodiversity

#### Number of Hectares Restored

During the 2023/2024 financial year, DIMO has restored 10.83 hectares through the following 4 major conservation projects.

**Table 51: Breakdown of Environment Restoration**

Project	Number of hectares restored			
	2023/24	Change (%)	2022/23	2021/22
'Life to Reef' at Rumassala	3.5	-	3.5	3.5
'Life' at Kanneliya	1	-	1	1
Mangrove Restoration at Galle	6.2	-	3	-
Marine Turtle Conservation at Panama	0.13	-	0.13	-
<b>Total</b>	<b>10.83</b>	41.94	7.63	4.5

Efforts in restoration has increased from the mangrove project with the mangrove saplings planted for this year comparatively.

### Basis for Measurement

In DIMO Sustainability Agenda 2030 – the Biodiversity KPI is 1:1 restoration. This is measured from the increased number of hectares restored during the year marking up to the 33.18 hectares owned land area by DIMO.



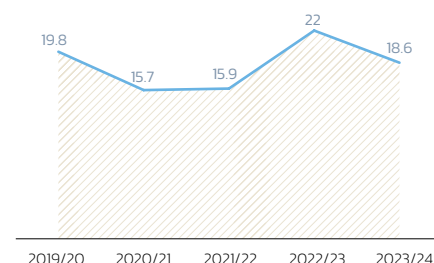
## Section 03 – Social Performance

### 3.1 Number of Employees and Employee Turnover

Table 52: Employee Composition as at 31st March

Status	Gender	2023/24	2022/23
Contract	Female	20	11
	Male	119	109
Permanent	Female	252	206
	Male	1,542	1,411
Grand Total		1,933	1,737

Graph 41:  
Employee Turnover



Compared to the previous financial year, the employee turnover rate for 2023/24 has decreased to 18.6%. This reduction reflects DIMO's commitment to addressing the high turnover experienced in 2022/23, which was caused by the country's unstable political and economic conditions and this year the rate has scaled-down.

#### Basis of Measurement

The number of employees is recorded as all employees except those undergoing internships and 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 53: Employee Diversity as at 31st March 2024 for the whole group

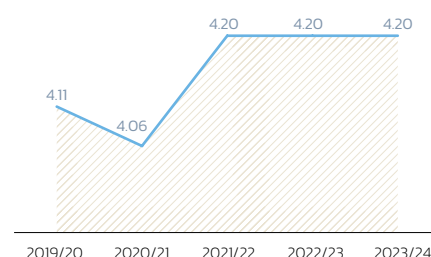
Age Group	Directors		Senior Mgt		Middle Mgt		Executive		Clerical/ Supervisory		Manual		Non-Ex-Contract		Total Employees	
	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F
<20							1		7		2		3		13	
21-30			1		21	8	155	80	125	30	168		26	3	496	121
31-40			5	3	166	23	259	44	71	9	104		10	1	616	80
41-50	1		27	4	89	15	145	6	45	13	75		7	1	388	39
51<	8	2	12	2	30	2	46	8	13	12	16		23	6	148	32
<b>Total</b>	<b>9</b>	<b>2</b>	<b>45</b>	<b>9</b>	<b>306</b>	<b>48</b>	<b>606</b>	<b>138</b>	<b>261</b>	<b>64</b>	<b>365</b>	<b>0</b>	<b>69</b>	<b>11</b>	<b>1661</b>	<b>272</b>

#### Basis of Measurement

Employee diversity is a measure of total female employees as a percentage of total male employees. Senior management includes all employees of the senior manager designation and above, while middle management consists of 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

Graph 42:  
Employee Engagement Score in Last Five Years



In the financial year 2021/22, DIMO achieved its highest ever employee engagement score – which has been successfully maintained for three consecutive years. This is a result of 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 recognised Gallup Q12 Employee Engagement Questionnaire. The survey is carried out by the HR division, with proper mechanisms in place to ensure the integrity and independence of the results.

**In 2021/22, DIMO has achieved its highest ever employee engagement score – which has been successfully maintained for three consecutive years.**

# Notes to the Consolidated ESG Statement

GRI: 2-7, 2-8, 2-26, 2-27, 201-2, 403-9

## Section 03 – Social Performance

### 3.4 Employee Trust Index

Table 54: Employee trust index – Comparison with the averages of Sri Lanka's Best Workplaces (Large)

Statement	DIMO	2023 Sri Lanka's Best Workplaces (Large)
I would strongly endorse my organisation to friends and family as a great place to work	85	93
Management is honest and ethical in its business practices	85	92
Taking everything into account, I would say this is a great place to work	85	94
I'm proud to tell others that I work here	92	96
This is a psychologically and emotionally healthy place to work	79	90

Trust Index demonstrate the effectiveness of DIMO's employment practices in the eyes of employees. DIMO was able to achieve an average score of 81 this year.

#### 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 response 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 55: Employee Injuries and Lost Working Days

Injuries/Diseases/ Fatalities/Lost working days /Absenteeism	2023/24		2022/23		2021/22	
	Rate	Total No	Rate	Total No	Rate	Total No.
Injuries	0.65%	12	0.52%	9	0.0002%	6
Occupational diseases	-	-	-	-	-	-
Lost working days	0.04%	168	0.02%	82	0.0013%	46
Work related fatalities	-	-	-	-	-	-

There is a higher number of injuries reported than last year reflecting the efficiency in collecting data and reporting to health and safety. DIMO was certified in April, 2022 for Occupational Health and Safety Management System – ISO 45001: 2018.

#### 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 a disease arising from a work situation or activity, or from a work-related injury (Example – 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.

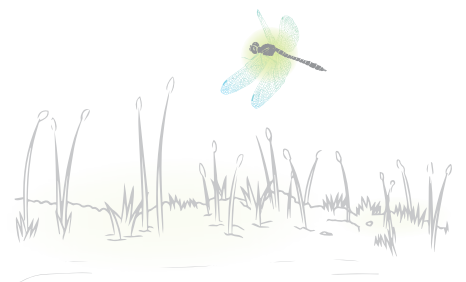
Injuries and occupational diseases are recorded based on the logs maintained by the medical officer of each respective location.

59

# Females in Leadership Roles  
(2022/23 – 54)

4.20

Employee Engagement Score  
(three consecutive years)



#### Enabling People's Progress

Dragonflies support high degrees of pest control, and have long inspired engineers and scientists to create new technologies such as drones and artificial visual systems that break the boundaries of innovation.

GRI: 2-7, 2-8, 2-26, 2-27, 201-1, 201-2, 401-2, 404-1, 404-2, 404-3, 417-1, 417-2, 417-3, 418-1

### 3.6 Employee Training and Development

Table 56: Average Training Hours per Employee

Category		No. of Employees	No. of Training hours	Per Employee Training hours per Year
Board of Directors	M	11	141	12.8
	F	1	50.5	50.5
Senior Management	M	24	411	17.1
	F	5	120	24
Middle Management	M	43	931	21.7
	F	8	158	19.7
Junior Management	M	163	3,749	23
	F	32	749	23.4
Executive	M	336	7,580	22.6
	F	83	1,891	22.8
Clerical/ Supervisory	M	156	2,409	15.4
	F	28	432	15.4
Sales	M	8	114	14.3
	F	1	32	32
Manual	M	112	1,652	14.8
	F	9	61	6.8
Total	M	853	16,987	19.9
	F	167	3,492	20.9
		1,020	20,479	20.1

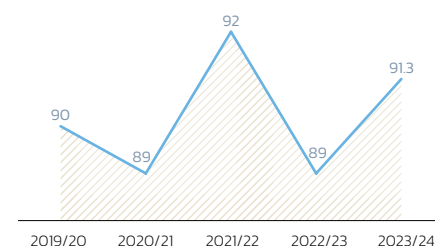
The focus of the year was to increase the number of employees been trained and the training hours with new training programs.

#### Basis of Measurement

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

### 3.7 Customer Satisfaction Index

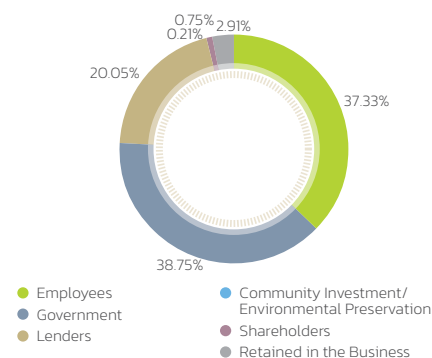
Graph 43:  
Customer Satisfaction Index



#### 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.

Graph 44:  
Monetised Value Distributed



# Notes to the Consolidated ESG Statement

GRI: 2-7, 2-8, 2-26, 2-27, 201-1, 201-2, 203-2, 401-2, 412-3, 413-1

## Section 03 – Social Performance

### 3.8 Statement of Monetised Value Added and Distributed

Table 57: Statement of Monetised Value Created and Distributed

For the period of (‘000)	Group			
	2023/24		2022/23	
Gross turnover	43,644,295		35,299,201	
Other income	575,243		295,694	
Less: cost of material and services bought in	(29,296,138)		(24,172,531)	
<b>Monetised Value Created</b>	<b>14,923,400</b>		<b>11,422,364</b>	
<b>Distribution of Value Added</b>				
Employees	37.33%	5,570,827	39.14%	4,470,904
Government	38.75%	5,782,299	23.61%	2,696,486
Lenders	20.05%	2,992,174	27.43%	3,336,911
Investment in social and environmental progress	0.21%	31,174	0.15%	16,966
Shareholders	0.75%	112,119	1.01%	115,000
Retained in the business	2.91%	434,807	8.63%	985,236
Depreciation set aside	3.04%	454,321	3.53%	402,872
Profit retained	-0.13%	(19,514)	5.10%	582,364
	<b>14,923,400</b>		<b>11,422,364</b>	

#### 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 58: Duty and Tariffs Breakdown

(Rs. 000)	2023/24	2022/23	2021/22
Duty on imports	4,300,000	2,002,326	3,577,813
Corporate Income tax	148,073	175,974	417,628
Other taxes including value added tax	1,876,442	518,186	431,667
<b>Group Total</b>	<b>6,324,515</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 194 – 196 in financial statements. The amounts are extracted from the financial accounting system and recorded based on invoices.

Table 59: Investments for Sustainability Initiatives

(Rs. 000)	2023/24
Investment for environmental initiatives	7,177
Investment for social initiatives	23,507
Other donations	490
<b>Group Total</b>	<b>31,174</b>

#### Basis of Measurement

Investments for sustainability initiatives include investments made by DIMO for both environmental initiatives and social initiatives as well as for other donations. Additionally, investments in the free automobile course which is conducted by DIMO Academy of Technical Skills (DATS) has been included in the cost of social initiatives.

**Our commitment towards social and environmental contribution has been mainly focused on enhancing biodiversity, wildlife conservation, social impact and community engagement and training for youth.**

**116**

# DATS Enrolled Students  
(2022/23 – 41)

**599**

# Internships  
(2022/23 – 678)





### 3.9 Apprenticeships Provided for Technical Education

**Table 59: Number of Trainees Enrolled during the Year**

	2023/24		2022/23		2021/22	
	F	M	F	M	F	M
DATS (Graduates)	2	49	4	37	2	47
DATS (Certificate course completed students)	0	65	-	-	-	-
Universities/Technical Institute	154	445	118	560	97	399
Other (DATS Trainings)	0	99	4	71	9	28
<b>Total</b>	<b>156</b>	<b>658</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 the promotion of women in unconventional job roles. This year, the percentage of females undergoing training has increased by 30% compared to the last year.

#### 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 of measurement are logs maintained by HR division.

## Section 04 – Governance Performance

### 4.1 Training 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 undergoes training 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

DIMO's Whistle-blower policy 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 part of DIMO's Respectful Workplaces Program, we have established an Anti-Harassment Helpline. It 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-Centered approach. Following inquiries, the Consultant advises and recommends innovative and creative initiatives inspired by international standards and best practices and tailored to the organization's needs, geared at both individual relief and systemic change.

### 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 each area managed by the system.

**Table 60: Management Systems**

Management System	Areas governed	Accredited
Environmental Management System	Consistent with the organization's environmental policy, the intended outcomes of an environmental management system include the enhancement of environmental performance, fulfilment of compliance obligations, and achievement of environmental objectives.	ISO 14001:2015

## Section 04 – Governance Performance

Management System	Areas governed	Accredited
<b>Quality Management System</b>	Needs to demonstrate the ability to consistently provide products and services that meet customer needs within 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 applicable statutory and regulatory requirements.	ISO 9001:2015
<b>Occupational Health and Safety Management System</b>	Consistent with the organization'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
<b>GHG Emission Inventory and Verification</b>	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.

### 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.

Data privacy of customers is ensured by controlling the access to customer databases 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, audits of access points and end point security audits.

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

# Independent Limited Assurance Report

## to the Directors of Diesel & Motor Engineering PLC

### on ESG Statement



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We have been engaged by the Directors of Diesel & Motor Engineering PLC ("the Company") to provide limited assurance in respect of the Environment, Social & Governance indicators ("ESG indicators") in the ESG Statement for the year ended 31 March 2024 ("ESG Statement"). The ESG indicators are included in the Company's Integrated Annual Report for the year ended 31 March 2024 ("The Report").

The Limited Assurance ESG indicators covered by our engagement are

Limited Assurance ESG indicators	Integrated annual report page
Environmental indicators	139 to 142
Social indicators	143 to 147
Governance indicators	147 to 148

#### Basis for Conclusion

We conducted our work in accordance with Sri Lanka Standard on Assurance Engagements SLSAE 3000: Assurance Engagements other than Audits or Reviews of Historical Financial Information issued by the Institute of Chartered Accountants of Sri Lanka. In accordance with standard, we have;

Ensured that the engagement team possess the appropriate knowledge, skills and professional competencies.

Used our professional judgement to plan and perform the engagement to provide limited assurance that we are not aware of any material misstatements in the Company's ESG Statement, whether due to fraud or error;

Considered relevant internal controls when designing our assurance procedures, however we do not express a conclusion on their effectiveness; and

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusions.

#### Conclusion

Based on the procedures performed and evidence obtained, as described below, nothing has come to our attention that causes us to believe that the Environment, Social & Governance indicators included in the ESG Statement, as defined above, for the year ended 31 March 2024, is not presented, in all material respects, in accordance with the Consolidated Set of Global Reporting Initiative Sustainability Reporting Standards Guidelines.

#### Board of Directors and Management's responsibility

The Board of Directors and Management are responsible for:

- The preparation and presentation of the Limited Assurance ESG Indicators in accordance with the Consolidated Set of Global Reporting Initiative Sustainability Reporting Standards Guidelines.
- Determining that the criteria is appropriate to meet the needs of intended users, being the Company's members and any other intended users. This includes disclosing the criteria, including any significant inherent limitations.
- Establishing such internal controls as management determines are necessary to enable the preparation of the Limited Assurance ESG Indicators that are free from material misstatement whether due to fraud or error.
- Management is responsible for preventing and detecting fraud and for identifying and ensuring that the Company complies with laws and regulations applicable to its activities.
- Management is also responsible for ensuring that staff involved with the preparation and presentation of the description and Report are properly trained, information systems are

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