



CREATING THE FUTURE

Contents

Creating The Future

About Dialog.....	3
How We Create Value	4
About This Report	6
Chairman's Message	9
Sustainable Development Goals	11
Group Chief Executive's Review	12
Sustainability Targets	17
Stakeholder Engagement and Materiality	18
Value Chain Mapping.....	25
Sustainability and Governance	26

Expanding our Digital Footprint

Innovation	34
Digital Inclusion.....	35
Affordability	38

Empowering a Digital Workforce

Employee Wellbeing	40
--------------------------	----

Creating Stakeholder Value

Economic Performance.....	54
Customer Satisfaction	56
Social Stewardship.....	57

Securing a Sustainable Future

Climate Action and Energy Management.....	68
Net Value Creation	72

Strengthening Process Management


Cybersecurity and Data Privacy.....	74
Compliance	75
Anti-Corruption	77
Responsible Supply Chain	79
GRI Content Index	82
Independent Assurance Statement	89
UNGC Communication on Progress	93
ISO 26000 Self-Assessment Criteria	94
Appendix	95
Abbreviations	96

FORWARD-LOOKING STATEMENTS

This report contains forward-looking statements characterised by the use of words and phrases such as “might”, “forecast”, “anticipate”, “project”, “may”, “believe”, “predict”, “expect”, “continue”, “will”, “estimate”, “target”, and other similar expressions. Our business operates in an ever-changing macro-environment and is subject to uncertainties that could cause actual results to differ from those reflected in the forward-looking statements. Such statements reflect the expectations of the Group and may or may not turn out as predicted.



For more information on
Dialog Axiata PLC please visit
www.dialog.lk



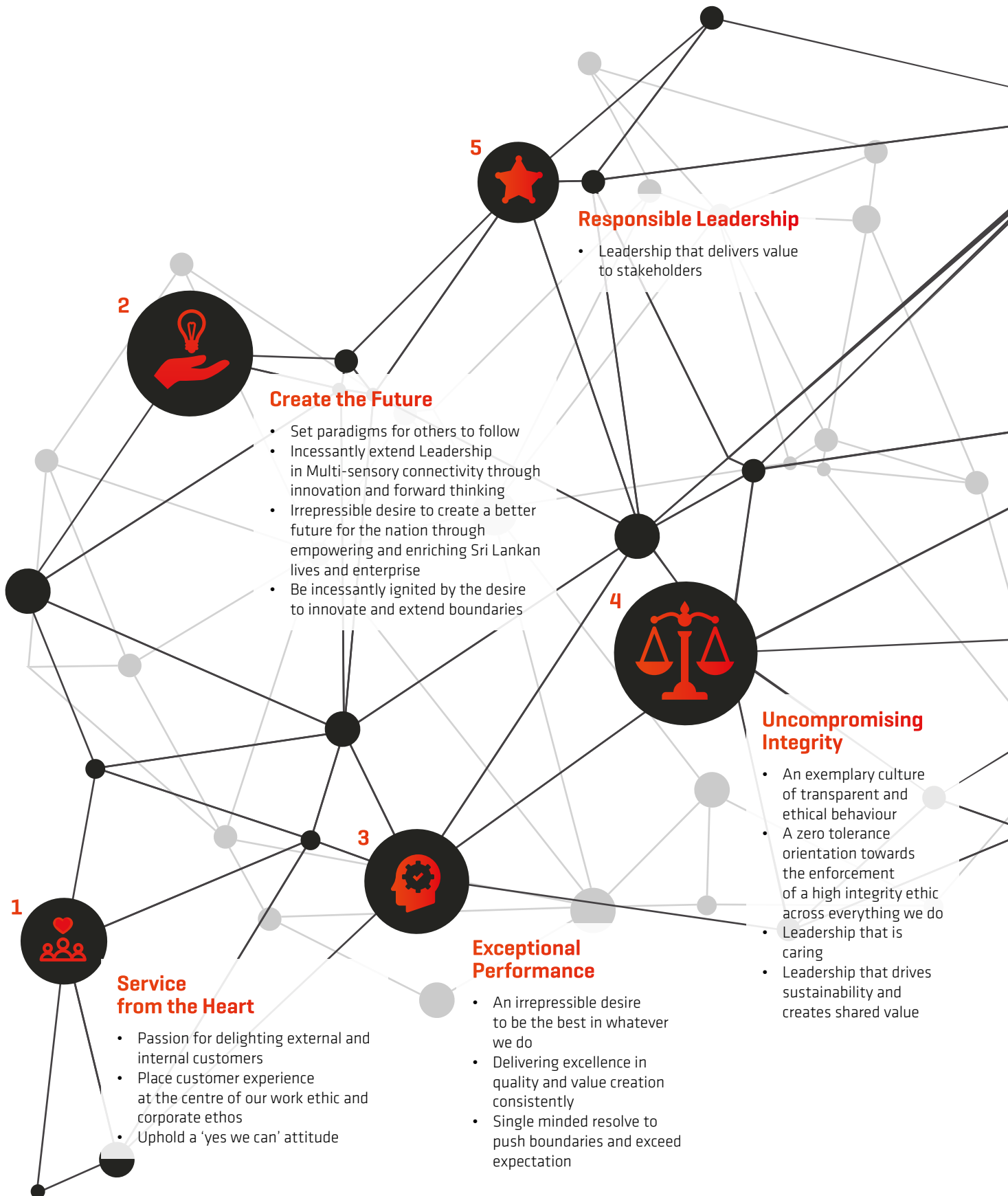
Creating The Future

As a progressive, dynamic corporate, here at Dialog we are constantly evolving, and reinventing our strategies to stay one step ahead of the rest. To us, innovative thinking and a long-term perspective are second nature, characteristics that enable us to transform the digital space and the world around us.

Even as we redefine the future, we believe that clear and strong sustainability and corporate responsibility strategies must lie at the heart of everything we do. These policies are a core element of our business model, and over the years we have embedded the concepts of sustainable business and social responsibility at every level of the company.

We're managing a complex, yet responsibly managed and sustainable business that keeps service, ethics and stakeholder interests firmly at its heart; we're connecting people, communicating our values and creating the future.

What We Stand For



About Dialog

6



Champions of Change

- Embrace change, constantly and as a way of Dialog life
- Agile, flexible and fast in action, adaptation and reaction
- Courageous and bold in leading change

7



One Team

- An 'Api Dialog' team which pursues a common purpose in accordance with the Dialog Values, together
- A team which delivers the utmost in care and respect to each other, values diversity and is proud of collective achievement and excellence
- A team that embodies a culture that makes Dialog a great place to work and a second home to the team

How to read this report:

Across this report we have referred to the Global Reporting Initiative [GRI]* Standards and Axiata's 4 pillars of sustainability. Further details can be found on page 6. For ease of reference, they are indicated as follows:

GRI

Axiata's 4P approach to Sustainability:



Process
Excellence &
Governance



Nurturing
People



Beyond
Short-term
Profits



Planet &
Society

Dialog Axiata Group, a subsidiary of Axiata Group Berhad [Axiata] is Sri Lanka's leading quad-play connectivity provider. Dialog Axiata PLC, listed on the Colombo Stock Exchange, supplements its market leading position in the Mobile Telecommunications sector, with a robust footprint and market presence in Sri Lanka's Fixed Telecommunications and Digital Television markets, through its fully owned subsidiaries Dialog Broadband Networks [Private] Ltd [DBN] and Dialog Television [Private] Ltd., [DTV]. Dialog Axiata Group is Sri Lanka's largest Foreign Direct Investor [FDI] with investments totalling USD 2.3 Billion.

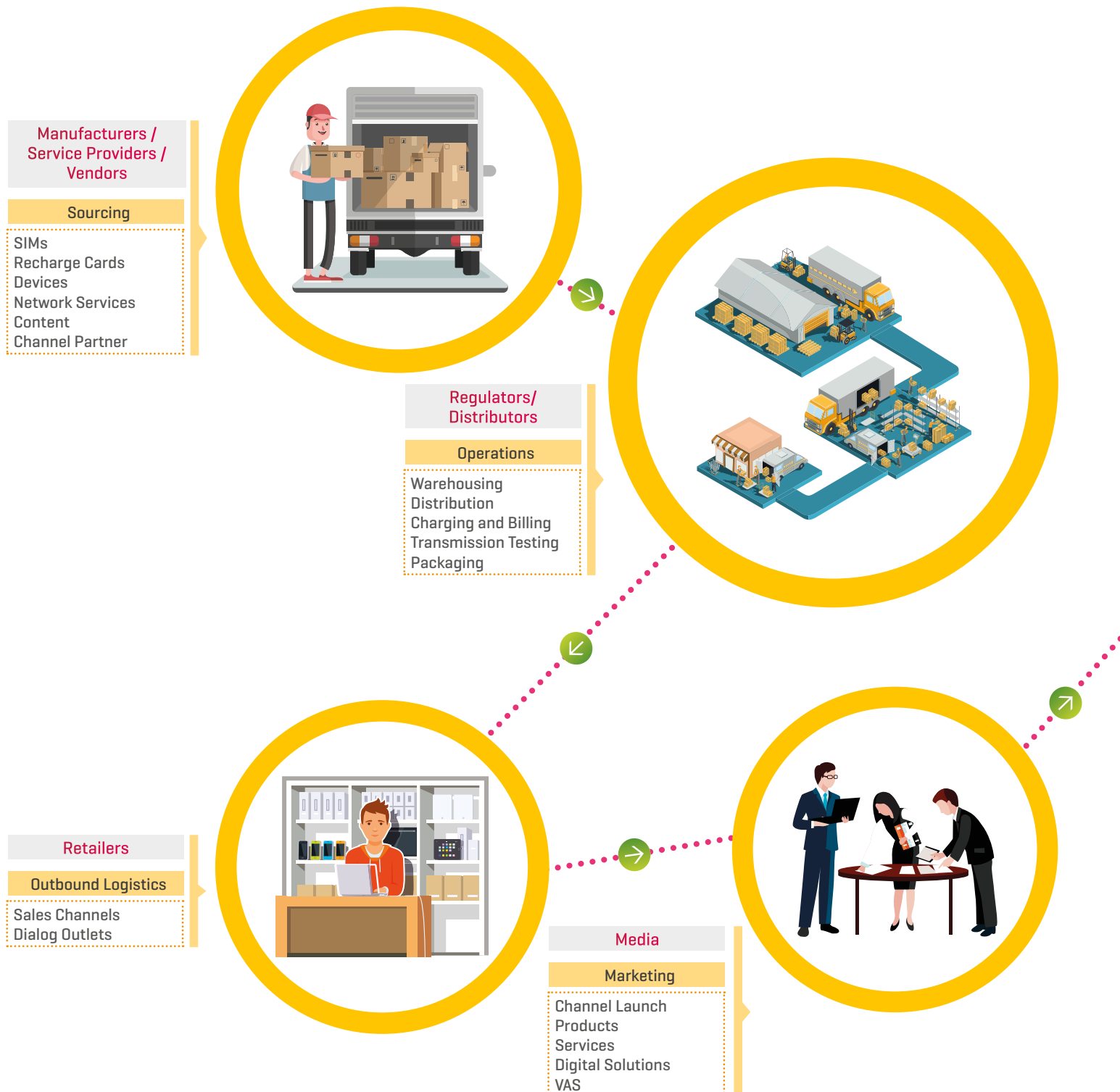
The winner of six Global Mobile Awards, Dialog has the distinction of being voted by Sri Lankan Consumers as the Telecom Service Provider of the Year for seven years in succession at the SLIM-Nielsen People's Choice Awards. Dialog was also voted by Sri Lankan consumers as the Internet Service Provider of the Year for six years consecutively, and has topped Sri Lanka's Corporate Accountability rankings for the past eight cycles in succession, and is an ISO 9001 certified company. The Company has received numerous local and international awards including the National Quality Award and Sri Lanka Business Excellence Award.

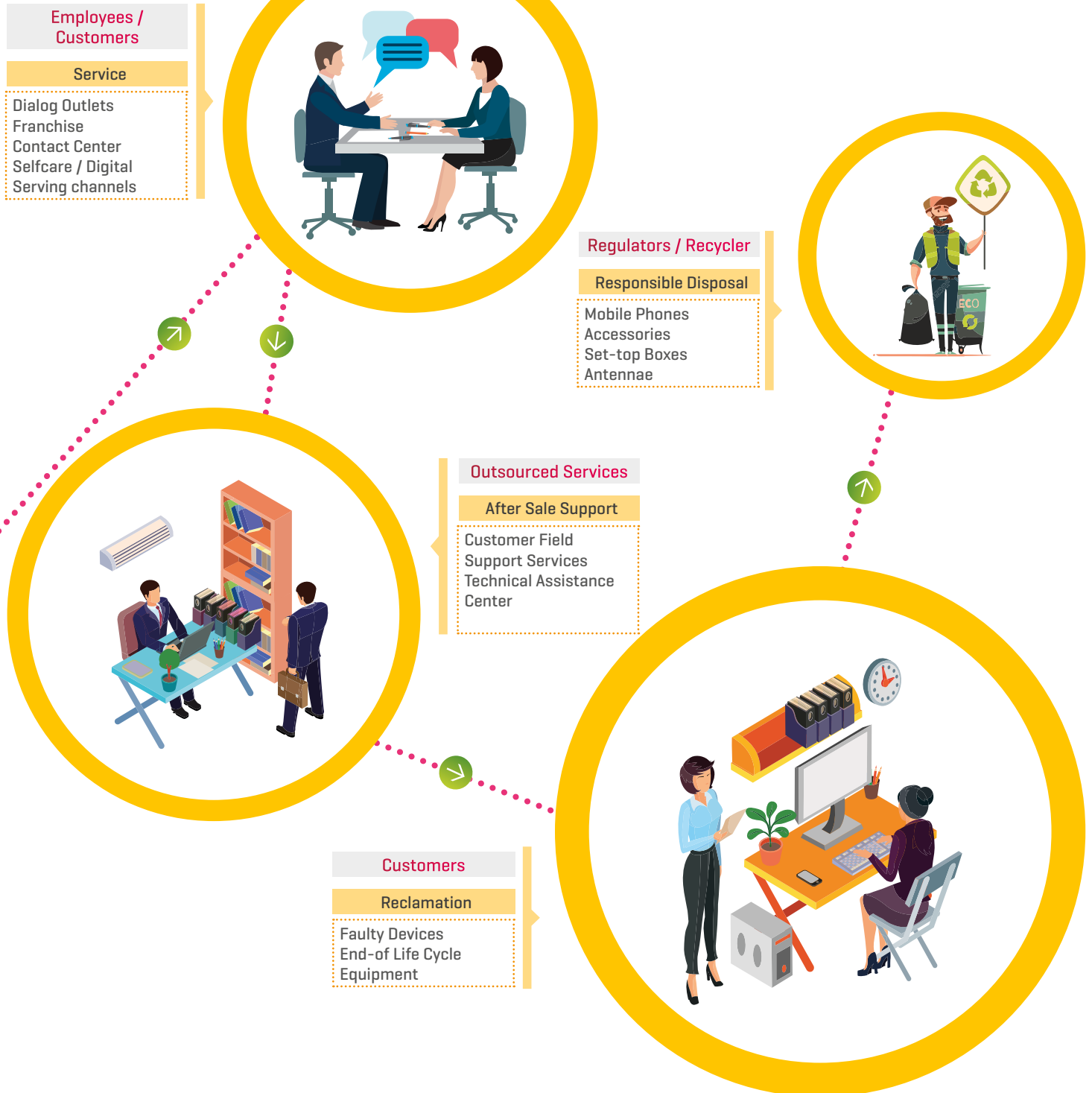
Dialog has been at the forefront of innovation in the mobile industry in Sri Lanka since the late 90's, propelling the nation's mobile telephony infrastructure to a level of advancement on par with the developed world. The company delivers advanced mobile telephony and high speed mobile broadband services to a subscriber base in excess of 12.7 Million Sri Lankans, via 2.5G and 3G/3.5G and 4G/4.5G networks.

* <https://www.globalreporting.org>

How We Create Value

Through its diverse range of products and services, Dialog creates value for over 12 million customers and a plethora of other stakeholders. The key aspects of the business, processes involved in delivering said products and services and key stakeholders, from a life cycle perspective are shown below:





About this Report

This document is Dialog Axiata PLC's ['Dialog'] tenth annual Sustainability Report complementing the Company's Annual Report to shareholders. This report outlines Dialog's economic, social and environmental performance for the financial year 1st January to 31st December 2017¹.

Report Scope and Boundary

The Report addresses eleven material topics identified by the Company and its stakeholders. This report has been prepared in accordance with the GRI Standards: Comprehensive option. The management approach and data related to twelve topic-specific GRI Standards, corresponding to the material topics of importance, where applicable, are discussed in detail within this Report².

This Sustainability Report also serves as Dialog's 10th consecutive Communication on Progress (COP) to the United Nations Global Compact (UNGC). It is also the 7th consecutive COP that meets the 24 Advanced criteria relative to the UNGC's Ten Principles of commitments in the areas of Human Rights, Labour, the Environment, and Anti-Corruption.

The reporting boundary for each material topic is derived by a two-part process. First, a mapping of the topic to its relevant GRI Standards-Specific Topic was performed. Second, the relevant GRI Standards-Specific Topics for each respective material topic were mapped out against Dialog's value chain, the output of which is illustrated later in this report on page 25. Towards aligning with the Axiata Group of Companies' reporting approach to its stakeholders, this report is organised such that references to our parent Axiata Group Berhad's 4P approach to Sustainability, i.e, Process Excellence, Nurturing People, Beyond Short-Term Profits, and Planet and Society - have been made throughout the report, where applicable.

The reporting boundary spans Dialog's wholly and non-wholly owned subsidiaries excluding its associate companies where Dialog owns minority stake. In the reporting year, Dialog acquired Colombo Trust Finance PLC, which is considered as a non-wholly owned subsidiary. Please note that the triple-bottom line performance with respect to each subsidiary is currently not fully tracked across all business entities. Dialog has committed to strengthening its reporting on such subsidiaries in the coming years, where Dialog is the majority shareholder, whilst it currently reports on the majority of its subsidiaries' social, economic and environmental performance.

As reported in the preceding report, the management of Dialog's passive infrastructure has been delegated to a third-party service provider, edotco Services Lanka Pvt Ltd, a subsidiary within the Axiata Group, who provides infrastructure and network services to Sri Lankan mobile network operators. However, performance related to Dialog's passive infrastructure is considered to be within Dialog's reporting scope and boundary, as it accounts for a significant proportion of Dialog's business operations - resulting in edotco being considered a key supplier³. The

specific data attributable to edotco's performance for the reporting year has been excluded from this report. However, Dialog hopes to introduce a mechanism to track and comprehensively disclose such data in the forthcoming years.

Context and Completeness:

This Report strives to comprehensively address all Reporting Principles for defining report content, as per the GRI 101: Foundation Standard. As such, in addition to the principles of Materiality and Stakeholder Inclusiveness, this report focuses at large on the organisation's performance throughout the reporting year on the wider sustainability context, highlighting its triple-bottom line impact - positive and negative - and action plans for future improvement. The report also addresses the principle of Completeness by ensuring the adequate coverage of all material topics, within the defined Scope and Boundary to reflect such performance, in a manner that can be easily assessed by all stakeholders.

Restatements:

Re-statements of previously reported data have been disclosed as footnotes, where applicable, within each of the respective sections.

Feedback:

Contact point for queries/feedback on report content or sustainability matters:

Head - Group Sustainability,
2nd Floor, No. 57, Dharmapala Mawatha, Colombo 03, Sri Lanka.
D: +94 777 088 806. F: +94 11 7 694 343. Mail: sustainability@dialog.lk

Independent Limited Assurance

This Sustainability Report has been independently assured by 'DNV GL' Business Assurance Lanka Private Limited to a moderate level of assurance as defined by the AA1000 Assurance Standard. For details on the subject matter and the scope of assurance, please refer to DNV GL's assurance statement on Page 89.

Significant changes in locations of operations in 2017:

There were some instances in which older office spaces and outlets were vacated and shut-down, and relocated. A Customer Experience center in Colombo was moved to a new location due to space limitations. The Network Services office in Kalutara was relocated and its previous premises was shut down. The Network Services office space in Ampara was consolidated and all staff were moved to a single location by vacating both older office premises. The Galle Warehouse Operations depot and Galle outlet were relocated and separated, now occupying two different locations.

1. Dialog's most recent (previous) report, the 2016 Sustainability Report, was released in June 2017.

2. Please refer page no. 25, for our materiality value-chain mapping chart

3. As per the Greenhouse Gas Protocol's Corporate Value Chain (Scope 3) Accounting and Reporting Standard Upstream Scope 3 Emission as a Purchased good or service

A Snapshot of This Report

 **10th**
Annual
Sustainability
Report



10 UNGC Principles

4 Sustainable
Development Goals



Axiata 4P approach to Sustainability



Process Excellence
and Governance

Nurturing
People



Beyond Short-
Term Profits

Planet and
Society







Chairman's Message

Your Company has continued its pivot to build its own digital future, to better create value for you, its customers and all its stakeholders.

My Dear Stakeholders,

It is my pleasure to reflect and pen these words to you at the end of another challenging but successful year for your Company – and for inclusion in Dialog's tenth annual Sustainability Report. This Report also serves as your Company's tenth Communication on Progress (COP) in support of the United Nations Global Compact's (UNGC) Ten Principles, and is the seventh UNGC Advanced Communication of Progress. I believe I can speak on behalf of my colleagues on the Board as well when I say that it has been a fulfilling experience being a part of your Company's efforts to improve its accountability, align its governance with global best practises, and maximise its positive contribution to society and the environment. Over these years, your company has not been short of many strategic gains, rewards and recognition for its work.

As I mentioned, this Sustainability Report is your Company's tenth voluntary, externally assured disclosure to its diverse stakeholders. What began as an electronic-only document is today a GRI Standards-based disclosure that is awaited by academics and practitioners as a point of reference as much as a document of record. Taken together, these ten reports have reflected the Company's and its stakeholders' growth and evolution. This includes the fact that an annually published document can no longer adequately span the varied cycles of interaction and feedback with diverse stakeholders – more channels and more cycles of feedback will become a feature of the accountable organisation of the future.

Your Company has also had the honour of being at the forefront of Digital Inclusion and Sustainability work across the Axiata Group. It has been an honour for Dialog to be a part of the institutionalisation of a Sustainability practise at its parent, Axiata Group Berhad, from where all Operating Companies have begun their own journeys. Of particular note as the world heads into what appear to be challenging and turbulent times, is that the Axiata Group has identified Sustainability and Stakeholder Management as one key area where it and its Operating Companies seek to "move the needle" in terms of engagement with and impact upon their wider environment. Your Company is well positioned to build upon its decade of experience, as well as work with its sister companies in devising and implementing such initiatives.

Despite headwinds such as regulatory uncertainty, burdensome taxation upon the industry and our customers, and the continued secular decline in voice revenue, your Company has continued its pivot to build its own digital future, to better create value for you, its customers and all its stakeholders.

Chairman's Message

Your Company approached 2017 with renewed dynamism powered by a potent mix of the familiar and the new – Supun Weerasinghe returning to the Company this time to take the Group Chief Executive seat, assisted by a new Chief Operating Officer, Dr Rainer Deutschmann, both able to rely upon the experience of Axiata's Regional Chief Executive for South Asia, Dr Hans Wijayasuriya. Expect continued technology and service innovation as your Company's Senior Leadership Team refreshes and challenges the Api Dialog family to disrupt the status quo.

The new Regional Chief Executive position however also indicates a growing trend – the catch-up growth of our neighbouring economies, some of them sleeping giants. If Sri Lanka is to remain competitive and attractive to international investors, the competitiveness and lean management styles of its telecommunications sector must expand to other industries, in a drive to the top. Along with all the wonderful factors Sri Lanka has in its favour, the Industry faces a tight labour market and relatively low productivity per capita. Your Company is committed to driving Sri Lanka to a digital future where playing fields are not defined by geography or limited by physical resource constraints, and Sri Lanka's best can compete globally no matter what part of the country they hail from.

The Dialog Group no longer consists of only easily categorised pure-play ICT businesses. Dialog has accelerated its transition from a hard-won incumbency to a challenger role in multiple newer industries – spawning some such industries as it went. Multiple overlapping regulatory prerogatives, yet-to-be-proven, evolving business models, deep-pocketed competitors, risk-tolerant and potentially irrational competitor behaviour, investor priorities, the potential – and challenge – of competing on a global canvas, all build risk into the equation. Reporting complexity – and audience diversification – accompany this growth, affecting the context and possibly influencing the boundaries within which measurement and reporting take place.

Governance structures and processes must adapt to changing business approaches as well. The apex body governing Sustainability activities continues to be the Board committee with the same composition as the Nominations and Remunerations Committee. I am pleased to say that the entire Board's engagement with Sustainability topics at a global scale and with regard to Dialog's activities has grown enormously, particularly with the perspectives of independent Directors from their own domains and experiences, and cross-pollination from positions on other Boards. While the Group Chief Executive and the Group Chief Corporate Officer answer to the Board directly for Sustainability related matters, I am pleased to note as well the Group Senior Management Committee's engagement with and coverage of Sustainability-driven performance improvements in their high-level operational discussions. Finally, I encourage you to engage with and learn about the work of our experienced and multidisciplinary Group Sustainability division which executes all our major Sustainability

The entire Board's engagement with Sustainability topics at a global scale and with regard to Dialog's activities has grown enormously.

Performance improvement and reporting, Social Innovation and Digital Inclusion activities.

Your Company continues to consolidate the top-to-bottom accountability lines and sustainability performance-improvement KPIs flowing from Chief Officers down across every function, with regular updates to the Board, reports, and recommendations to Senior Management. In this reporting period, the senior managers of every function undertook a focused stakeholder mapping exercise, refreshing or creating stakeholder engagement plans ratified by their Chief Officers.

In 2018, we embark on the third decade of our journey. The crowded, hyper-competitive telecommunications industry is globally a convenient target for taxation, despite the fragility of its structure and the impacts upon productivity, growth and inclusion. Climate change, local and global political and economic disruptions and trends may be changing some of the previously solid foundations upon which economies were built, and it may take years for companies to recognise and be able to build coherent, successful strategies to cope. Digital transformation requires stamina, faith, agility and a willingness to fail – often – and keep building. I have full faith in the Api Dialog team's ability to face these challenges, and ask you to join me in supporting them in leading Sri Lanka into TheFuture.Today.



Datuk Azzat Kamaludin
Chairman of the Board of Directors

Sustainable Development Goals

As a member of the United Nations Global Compact network, Dialog places great importance on achieving the Sustainable Development Goals (SDGs) and has aligned its corporate strategies towards advancing sustainable development.

Dialog invested significant time and effort towards studying the existing macro-economic environment, industry-specific indicators and global climate with respect to each Sustainable Development goal to gain clarity on how it could maximise the value created through endorsing and working towards achieving the goals through information and communications technology, and other digital avenues. The Global System for Mobile Communication Association's (GSMA) Impact Report on assessing the

potential impact of telecommunication service providers and the ICT industry on the Global Goals was also a key reference point as part of the study.

Further to the study conducted, Dialog was able to determine four of the seventeen goals in which the most significant positive impact could be made, and is confident that the Company can contribute towards great strides in securing a reduction in poverty, an increase in the provision of quality education, the integration of innovation and sustainable thinking across business priorities, and development of sustainable infrastructure for the betterment of society, and towards combating climate change and securing a safer future.



The 4 Global goals Dialog committed to impacting and thus creating value on, and the avenues through which they may create such an impact are as follows:



Goal 1 – No Poverty

- » The provision of equal access to economic resources and empowering the poor through digital services
- » The use of voice and data services towards galvanising national economic participation
- » Ensuring affordable connectivity



Goal 9 – Industry, Innovation and Infrastructure

- » Implementing top-of-the-range innovative technologies across the value-chain leading to the expansion, upgrading and increased sustainability of existing infrastructure
- » Internet-of-Things related innovations towards increased efficiencies across social, environmental and economic dimensions
- » Promoting Digital Inclusion and thereby influencing the embedding of equality and development of digital skills for all of society, without discrimination



Goal 4 – Quality Education

- » Providing access to good education through increased connectivity to schools and increased access to digital resources for education
- » Using mobile financial solutions towards driving and supporting education-related services throughout the country



Goal 13 – Climate Action

- » The development of Disaster Risk Reduction platforms and early-warning networks to safeguard livelihoods and be proactive when responding to disasters.
- » Implementing sustainable resource management schemes towards reducing negative environmental impact and cultivating a sustainable attitude.

Group Chief Executive's Review

The Api Dialog team persevered and innovated not only in technology but in business models and processes, delivering above expectations on every measure of performance.

In my first year at the helm of this company, leading the Api Dialog team, I could not have asked for a better performance amid tough external conditions. A drought that has affected many livelihoods in the country entered its third year, dragging the economy down as its repercussions ripple ever wider. A tightening labour market, along with fiscal and regulatory uncertainty, continued to challenge long-term planning and decision-making, despite some promising reforms and encouraging changes. Nevertheless, the Api Dialog team persevered and innovated not only in technology but in business models and processes, delivering above expectations in every measure of performance.

This Sustainability Report looks back at the period from 01 January to 31 December 2017, providing a Triple Bottom Line view of the Dialog Axiata Group as well as its stakeholders. The integration of a sustainability focus into Company strategy and actions over short, medium and long-term horizons takes place across the enterprise and at multiple levels, spanning from the Board and its subcommittee overseeing Sustainability issues, to strategic and operational decision-making by Group Senior Management, to the Group Sustainability function that works across the Company and with its wider ecosystem.

Sustainability: Our Approach

Dialog's Group Sustainability function, spanning three areas – Sustainability Performance Management, Digital Inclusion, and Social Innovation – reports to the Group Chief Corporate Officer, who reports to me as the Group Chief Executive. The function is also accountable to a Board Committee with the same make-up as the Board Nominations and Remunerations Committee. The Dialog Foundation, which is operated by the Social Innovation sub-unit, is governed by an independent Board of Trustees comprising equal numbers of Dialog representatives and independent, external Trustees, chaired by the Chairman of Dialog Axiata PLC, Datuk Azzat Kamaludin.

Dialog takes a strategy-aligned approach to the Sustainability Development Goals (SDGs) adopted globally by governments, companies and citizens across the world in late 2015. Across the Axiata group, Goals number 4 and 13 – providing Quality Education and combating Climate Change, are a shared priority. Aligned with Dialog's competencies, long-term investments and priorities, Goals number 1 – combating Poverty – and 9 – Industry, Innovation and Infrastructure – are two additional SDGs adopted by the Company.





Group Chief Executive's Review

Managing and strategising our current and targeted sustainability-related performance continues to be somewhat centralised at the Group Sustainability function, closely interconnected with Strategy, Risk and other functions. The function has deep relationships with and visibility into essentially all material operational elements of the Company, working closely with them on many cycles beyond just the annual reporting process, working together to add value to their work, identify best practices, learning and happily copying from others where they lead. A longer-term goal remains of imbuing the entire enterprise with a sustainability mind-set strong and pervasive enough that a central node can focus more closely on transparency, sharing knowledge, celebrating improvements, and pollinating best-practices throughout the organisation and our partners across our value chain.

Sustainability: Our Interpretation

Having spent a year at the helm of a company that has over many years earned a leadership position in sustainability practice, this is an opportunity for me to evaluate the relevance of the topic.

A sustainability mind-set and an approach validated against sustainability-sensitive frameworks have helped the Dialog Group achieve many different aims at different times in otherwise radically different activities. Sustainable internal cost-savings; reduced exposure to risks not only identified by internal processes but also understood from close engagement with stakeholders, and yet other risks pre-empted in a growing and increasingly diversified up-stream and downstream value-chain; policy engagements with diverse stakeholders; strategic investments and considerations in overall corporate strategy; and of course a strong social license to operate have been some outcomes of the Company's integration of a sustainability driven approach into its decision-making.

Sustainability: Our Process

On an annual cycle, the Group Sustainability function assesses the topics and activities that are most material to the Company and its key stakeholders. These topics are derived internally from bringing together several sources including the Risk process, company KPIs, management directions, a benchmarking process, other best practices, short-term and long-term business plans and sustainability targets, and feedback from multiple external and internal groups of stakeholders including customers and employees.

Within the Group Sustainability function, a performance management unit is tasked with working across and interconnecting multiple governance and management processes and where necessary, recommending changes or new processes as well. The goals for the function include the long-term stability and growth of the Company within its evolving operating context, including preserving its "social license to operate", serving as an early-warning of issues and concerns developing beyond the horizon but beginning to affect peers and benchmarks, and connecting with as well as providing additional communication, transparency and accountability channels to complement existing engagements with different stakeholder groups.

A Social Innovation unit within the function directly implements interventions, partnerships and community investments that fall within the Sustainability domain. Our corporate values guide our Social Innovation work focusing on applying technology to social and environmental challenges, Community Investments and Public-Private Partnerships. As one of the farthest-reaching organisations in the country, intimately connected with more than half the population, Dialog has organically or strategically worked in cooperation or partnership with many organisations for common goals that focus on creating value for stakeholders, with the understanding that the short-term profit focus can be distracting if not destructive, to overall net value creation. Partners range from government agencies, to multilateral lenders and agencies, to like-minded corporates, civil society groups, community or professional associations, to service providers of all sizes up and down our value chain, and perhaps most importantly, the small-scale retailer who sells you your credit top-up or accepts your bill payment.

Dialog's Sustainability function is fairly unique among its peers in housing a micro business unit, with the mission of directly delivering a core part of Dialog's purpose – Digital Inclusion. Dialog as a Company has from inception maintained a focus on Digital Inclusion not only as a path to profitability but also because we value Plurality and Inclusion, embodied within our organisational purpose of empowering and enriching Sri Lankan lives and enterprises. Four corporate values – "Service from the Heart", "Create the Future", "Champions of Change", and "Responsible Leadership" – also animate our focus on unlocking Digital value for under-served populations.

Sustainability: Changing Boundaries

Dialog, as you know, has been pushing the boundary of what defines a telecommunications company or an ICT company, aggressively expanding directly or through acquisitions into digital businesses in many cases digitising and enabling verticals which focus on a wide spectrum including digital education, digital health, digital commerce, digital insurance, and digital financial services [further enhanced by the acquisition of Colombo Trust Finance].

Other changes in our processes and practices have also rearranged our boundaries and positively impacted our environmental, social and governance performance. Dialog, along with our partner edotco Services Lanka Limited, part of Axiata's regional edotco tower infrastructure group, currently manages infrastructure owned by Dialog. Given the nature of our

Dialog has organically or strategically worked in cooperation or partnership with many organisations for common goals that focus on creating value for stakeholders.

In a challenging year the Api Dialog team pulled together to deliver a net profit after tax of LKR 10.8 billion, bolstering the company's financial sustainability.

business, the network infrastructure we use is extremely material to our operations.

On the topic of our networks, our biggest physical manifestation as an enterprise, a material change during this period was the deployment of an Operating Support System (OSS) platform in the second half of 2017. We are further able to monitor resource consumption and efficiency in real time, optimising performance during equipment lifetime, and enabling sleep modes to minimise energy use in idle periods. In terms of energy use, having experimented with solar and wind at a few high-potential sites, we are moving more sites to solar as part of their energy mix. Finally, at the end of life, we have been migrating users away from and shutting down legacy networks to better use another limited resource – radio spectrum.

Sustainability: Our Progress in 2017

In the year under review, Dialog's Enterprise Risk Management process initiated an organisation-wide self-assessment of exposure to risks brought about by climate change. Some other initiatives deserve special note. In on-going digitisation and simplification efforts, we have eliminated paperwork while preserving regulatorily mandated information, equipping retailers at the last mile with terminals to capture customer signatures digitally.

With the largest workforce in the Axiata Group, transitioning to digital ways of doing business means that we must up-skill and reskill our Api Dialog team while tweaking our high-performing culture, ensuring it is one that encourages data-driven, measured risk-taking and experimentation, resilience and a learning-oriented approach to failure, and with agile work styles cutting across silos and even business units.

Uncompromising Integrity

Dialog is a signatory to the United Nations Global Compact and has published Communications of Progress for a decade in its Sustainability Report, the last eight years being Advanced Communications of Progress. The twin Corporate Values, considered atomic, of Uncompromising Integrity and Exceptional Performance, are shared across the Axiata Group's operating companies.

Employee engagement data for the period under review reflects that the Api Dialog team is cognizant of the many actions taken by management to support a culture of integrity. Top-down, visible, rigorous corrective actions

taken in response to internal whistleblowing and triggering of internal control systems which were further strengthened during the period, have improved confidence in the system of checks and balances to back communication with concrete action.

Exceptional Performance

I am proud that Api Dialog team members form the core of a Centre of Excellence across the Axiata Group, pooling together all data science and analytics talent into the Axiata Analytics Centre. Concomitantly, Dialog's in-house software team is being carved out into a unit well capable of serving the Axiata Group's needs, and already doing so. Traditional notions of what makes for a career or where someone should belong on a corporate ladder mean less and less. In the year under review, we formalised a branch in career options for our team, to best create a professional organisation. At different points in their journeys, employees can decide whether they want to focus their abilities as managers of talent, or whether they want to progress further along a track to become domain experts in their disciplines. The intention is to build a team of not only the finest professional technical experts, but also the finest professional managers, to continue the Company's leadership in talent development.

Sustainability: Our Operating Environment

In a challenging year the Api Dialog team pulled together to deliver a net profit after tax of LKR 10.8 billion, bolstering the company's financial sustainability. Amidst the many structural and operational changes the Company and its units underwent in the period, one misstep demonstrated the complexity and interconnectedness of the many activities underpinning the most basic services they provide. On September 20th, what should have been a routine, self-contained test of network resilience, overran its planned boundaries and caused significant congestion and call initiation failures on legacy networks, propagating congestion rates to other parts of the network as well. Apart from taking every action to resolve the issue and prevent a recurrence, the Company reached out to affected customers. We repeat here the gratitude we expressed then to our customers for their patience and understanding, and for remaining with us, demonstrating their trust in our service.

Recent policies have put Sri Lanka among the top 3 countries with highest indirect-taxation on telecommunications, imposing a regressive scheme across most aspects of citizens' lives. A trend in contracting consumption was compounded by drought in major agricultural districts, raising the costs of essentials while reducing disposable incomes.

However, within this challenging environment, a focus on the long term, making good broadband data available across the country, has helped grow a fixed broadband share of 3% in 2012 to 30% today, and grow other businesses even as the market leader. Concomitant with external strategies, internal cost re-scaling and price strategy revisions helped the Company keep sustainably providing affordable services to customers who have become accustomed to consuming more data for a reducing spend. As technology inexorably moves forward and customers come to

Group Chief Executive's Review

expect even greater data volumes as speeds serving them increase, it is incumbent upon us to scale down costs per unit to ensure a business model viable for the long term. Networks have become conceptually simpler as technology layers have been reduced from 2G to 3G to 4G, which also brings with it greater spectrum efficiency, and the opportunity of Network Function Virtualisation, moving previously expensive capital expenditures to the cloud, where updates and upgrades can be rolled out faster and cheaper across the network.

Dialog's "Social License to Operate" is arguably the strongest, not only among its customers but among the wider populace. However, in a regulated industry, individual decisions, and indeed different philosophies, can have massive influence upon markets and industries. As the market leader or number 1 challenger in our most mature, regulated businesses, Dialog strives at all times to overperform when it comes to regulatory expectations and guidance.

Looking ahead, the operating environment for Dialog's mainstream businesses continues to look challenging. Regulatory uncertainty, volatile political-economic conditions and unsustainable taxation challenge razor-thin margins in a sector that still provides immense value and state-of-the-art connectivity at low prices. The industry, while facing the challenges from Over-the-Top (OTT) players, is also asking for a level playing field recognising that the OTT players are currently able to offer some of the same services as telecommunications companies do, but unencumbered by any of the rules, regulations or taxation. This requires a "Same Service, Same Rules" treatment that would level the playing field for all. Telecommunications companies, with years of capital investment and research behind their infrastructure, would be able to provide the basic core services upon which both services depend. All players would compete on an equal footing to deliver greater value and convenience to consumers. Industry watchers and the lessons of other industries that have been disrupted by non-traditional OTT players are stacking the odds against telecommunications companies to emerge as lean, agile competitors capable of taking the OTT players on at their own game. Part of Dialog's – and Axiata's – main strategy has been to transform internally and leave behind the legacy structures, processes and thinking that have turned from competitive advantage to legacy encumbrances.

Against the backdrop of a fairly synchronised global economic up-swing, costs of capital are increasing overall. Cost-rescaling has been an annual exercise within the company since 2010, sparing no effort in reducing our cost base and switching to leaner operations. Part of this effort is to aggressively leverage technology and new innovations in our own operations to increase productivity and reduce costs.

Sri Lanka's economy in text-book terms is at full employment, a further challenge to a talent-driven company such as Dialog. The limits to growth, therefore, are strong on every side. This is true of the bureaucratic brakes upon growth as well, with multiple approvals and conservative regulators slowing companies down in their efforts to innovate their way beyond the many constraints. However, it is when faced with such constraints, or even

Dialog is uniquely placed to "create value to Sri Lankan lives and enterprises" even in such conditions, in line with our vision.

worse than these, that Sri Lankan enterprises have found new ways to extract further productivity, most importantly by relying on the hard work and talent of our professionals. Despite concerns in other areas, relatively stable fiscal policies and sound macroeconomic have helped unlock latent investment growth in the Sri Lankan economy. Growing exports, and Free-Trade Agreements with Eastern as well as Western hemisphere economies which should further boost them, are further key opportunities that could propel the country forward, with positive results for Dialog's outlook. As a company creating and delivering solutions and enabling technologies for improving productivity and driving business process innovation at every scale of business, Dialog is uniquely placed to "create value to Sri Lankan lives and enterprises" even in such conditions, in line with our Vision.

Sustainability: The Future.

The future, then, is far from certain. Dialog will have to satisfy its stakeholders that it is not sacrificing the consistent value-creation of the past, even as it transitions to a model, or perhaps an aggregation of models, of sustainable value-creation capable of delivering value in its many forms, to many stakeholders.





Beyond the review I have provided here, this Sustainability Report, read alongside our Annual Report, comprise the documents of record giving insight into our many activities. I trust you will see the many ways in which the Api Dialog team is re-tooling and re-engineering for the future. Beyond these reports and independently of the cycles upon which they are produced, I invite our stakeholders to engage with us, maintain the dynamic interactions that enrich our work, and join us in this journey.



Supun Weerasinghe
Director/ Group Chief Executive

Sustainability Targets

Progress on 2017 Targets

Target No.	Description	Action[s] implemented in Reporting Year	Status Update
1	Education and engagement on SDGs	1. Identification and prioritisation of Sustainable Development Goals in alignment with future looking short-and medium-term business priorities and strategic focus - 4 goals were identified.	
2	Build upon internal awareness and engagement on global and Company-specific sustainability priorities/SDGs	2. Initiated an internal awareness campaign for staff on the SDGs, focusing on goal 13 [Responsible Consumption and Production] specifically, due to its significance in relation to environmental and socio-economic issues prevailing in the country and legislative actions commissioned by the Government. Further education will be carried out in 2018 and reported in the following cycle.	
3	[Continuation] Consolidate integration of materiality assessments, company risk management processes, and their roles in informing Group and Business Unit strategies	Enterprise Risk register was formally referenced as a key input within materiality assessment process. Completion of the two-way integration of considering material topics within the Company's ERM process is to be carried forward as a target for 2018	
4	Initiate with Enterprise Risk Management [ERM] function a joint assessment of climate change risk and impacts on company operations/continuity	Climate Change Risk Assessment conducted across the company's operations, aligning with integrated ERM framework. Impact of Climate Change on all operations were mapped and quantified.	
5	[Continuation] Consolidate improvements in key data, records and analysis capability of same, related to Health and Safety	Improvements in record maintenance achieved and reflected in the Health and Safety section carried within this report.	

 Partially Completed  Completed  Carried Forward

Targets 2018

Target No.	Description	Actions for next reporting period
1	Cyber Security and Customer Privacy	1. Implementation of a documented process for managing Customer Privacy-related complaints. 2. Communication of the process for increased awareness on process for reporting complaints.
2	Anti-Corruption	1. Carry out refreshers on anti-corruption policies stated in the Employee and Procurement Codes of Conduct . 2. Holistic discussion and review by Board of corporate Values, with particular focus on anti-corruption norms, followed by refresher campaign targeting all staff.
3	Climate Action and Energy Management	1. Implementation of improved systems for tracking and reporting energy and resource consumption and waste data across the operations. 2. Tracking of NOx and SOx emissions arising from generator usage across entire scope of Dialog operations, including edotco.
4	[Continued] Occupational Health and Safety	1. Improve accident reporting and lost-time tracking through the implementation of a Group Health and Safety Audit Tool. 2. Perform an assessment of jobs having a high risk for occupational diseases.
5	Employee Wellbeing	Institutionalise a process for regular reviews of key policies and processes covering key HR areas, including Diversity and Non-Discrimination and Labour practices.
6	[Continued] Company Materiality and Risk Assessments	Consolidate integration of materiality assessments, company risk management processes, and their roles in informing Group and Business Unit strategies.

Stakeholder Engagement and Materiality

Customers

Type of Engagement and Frequency

- Net Promoter Score Survey across all groups of Customers - Annually
- Independent Stakeholder Engagement Survey - Annually

General Concerns

1. Quality products and services
2. Affordable pricing
3. Complaint management
4. Quality of Customer Service
5. Security of Personal Information

Civil Society Organisations

Type of Engagement and Frequency

- Independent Stakeholder Engagement Survey - Annually
- Project-wise/ Regular business-as-usual interactions

General Concerns

1. Quality of Customer Service
2. Eco-friendly product development
3. Regulatory Compliance
4. Customer Fraud Prevention
5. Diversity and Inclusion

General Public

Type of Engagement and Frequency

- Independent Stakeholder Engagement Survey - Annually

General Concerns

1. Provision of high quality products
2. Contribution to society
3. Use of eco-friendly products
4. Data Security
5. Quality of Customer Service

Shareholders

Type of Engagement and Frequency

- Annual General Meeting of Shareholders
- Investor Forum - Annually
- Earnings call with local and foreign analysts - Quarterly [4 Held for 2017]
- Regular one-on-one engagements - twenty-three one-on-one meetings
- Overseas roadshows - calls
- Local Stock Broker Forums - Two local forums held

General Concerns

1. Dividends
2. Special Benefits for shareholders

Regulators

Type of Engagement and Frequency

- Continuous active engagement across multiple divisions
- Independent Sustainability Stakeholder Engagement Survey - Annually

General Concerns

1. Investment in community initiatives
2. Eco-friendly product development
3. Environmental Stewardship
4. Waste Management
5. Regulatory Compliance



102-40, 102-42, 102-43, 102-44, 102-46

Employees

Type of Engagement and Frequency

- Employee Engagement Survey conducted by the Axiata Group
- Independent Stakeholder Engagement Survey - Annually

General Concerns

1. Recruitment policy being based on Competencies
2. Comfortable work environment
3. Maintain transparency with employees
4. Remuneration
5. Career Development

Suppliers

Type of Engagement and Frequency

- Supplier Site Assessments and Regular On-going Engagement
- Independent Stakeholder Engagement Survey - Annually
- Regular business-as-usual interactions/ Procurement-based interactions, both daily.

General Concerns

1. Fair procurement
2. Eco-friendly product design
3. Timely payments
4. Socio-economic Compliance
5. Adoption of new technologies

Retailers/ Distributors

Type of Engagement and Frequency

- Regular one-on-one engagements
- Dialog 5-Star Partner Initiative
- Independent Stakeholder Engagement Survey - Annually

General Concerns

1. Quality of service
2. Customer Data Security
3. Affordable pricing
4. Innovative Products and Services
5. Accessibility

Media

Type of Engagement and Frequency

- Regular one-on-one engagements
- Independent Stakeholder Engagement Survey - Annually

General Concerns

1. Product Health and Safety
2. Regulatory Compliance
3. Affordability of Products and Services



Stakeholder Engagement and Materiality

The GRI reporting framework defines Material Issues as issues that the company and its stakeholders identify as important. Reporting and disclosure on the most material issues therefore serves the Company by highlighting concerns material to its performance. The materiality of issues during the 2017 reporting period is determined by plotting them on relative scales based on inputs from Stakeholders and the business.

- 1) Materiality of issues among external Stakeholders is determined by,
 - i. A quantitative survey on issues considered material to a large majority of stakeholders
 - ii. A benchmarking exercise of global industry peer organisations to identify topics considered to be material for the industry globally
- 2) Materiality of issues to the Company is determined using,
 - i. The Company's Enterprise Risk Matrix for 2017
 - ii. The Group Chief Executive's (GCEO's) Key Performance Indices (KPIs) and Corporate dashboard outlining business focus for 2018
 - iii. A rating assigned to the level of policy coverage and implementation of best practice across the operations

Under the GRI Standards classification of economic, environmental and social topics, companies face many topics which remain material towards the business.

Stakeholder Engagement

Stakeholder opinions, perspectives and concerns are key considerations in Dialog's assessment of its operating environment and priorities. Dialog's Board of Directors has assigned responsibility for stakeholder engagements and consultations on triple-bottom line-related matters, to Group Sustainability. Topics and issues found to be material to different stakeholders through different cyclical engagement processes are a key input towards determining issues that are material to the business and its operations. This Sustainability Report summarises and describes the Company's treatment of such issues, as well as other engagement cycles driven by stakeholder and issue specifics.

In 2016, Dialog commissioned a comprehensive independent two-part stakeholder study, of which the first was a qualitative method of determining the issue areas material to each key stakeholder group, from which the second part which is an in-depth, quantitative survey engaging the identified material stakeholder groups on the material issue areas was arrived at. This comprehensive level of assessment was undertaken to measure the impact of, and Dialog's performance relating to, the identified issue areas.

As input for the 2017 Sustainability reporting cycle, following on from the previous year's comprehensive assessment of stakeholder feedback, the Company commissioned a quantitative dip-stick survey focused on identifying the shift in importance placed on the underlying stakeholder

issues from the previous year to measure the impact of, and Dialog's performance relating to, identified issue areas.

Face-to-face interviews and a quantitative online survey were actioned as part of the study across all material stakeholder groups, based on the suitability for each group. The results of the dipstick study were matched against the newly introduced GRI Standards for reporting, and functioned as a key input for the determination of Dialog's Materiality Matrix for 2017.

Prior to this, a high-level strategic review of the material issue areas arising from the previous year's comprehensive study was conducted. One key output of this review, was the actioning of a formal quarterly follow-up process within the Groups Senior Management Committee's compliance track for relevant business portfolios to close the loop with, report on, and thus comprehensively manage existing stakeholder issues. Further, a deep-dive into the stakeholder universe of each individual portfolio/ division within the Company was conducted towards developing a comprehensive 'stakeholder map' – which would allow for more efficiently managing stakeholder communications.

With the majority of stakeholder groups having been identified and engaged by this methodology, the 2017 period saw the closure (and refresh) of major engagement loops, while allowing engagement cycles to emerge and inform Dialog's accountability processes that may not correspond to the financial year cycle.

Dialog's emphasis on Stakeholder Engagement and Relations as a matter of high priority was further endorsed by its parent company, Axiata Group Berhad, which highlighted and established 'Sustainability and Stakeholder Engagement' as a 'needle-moving' initiative for the Group in the reporting year

Managing Risk

Dialog firmly believes that Enterprise Risk Management (ERM) enhances its ability to effectively manage uncertainty, and has adopted a systematic approach to respond to the risks that pose a challenge to the day-to-day operations of its business, and in doing so, prevent Dialog from achieving its strategic objectives in the long-term.

Enterprise Risk Management Framework

Benchmarked against leading global risk management standards including ISO 31000:2009, Dialog's Enterprise Risk Management framework ensures that risk is systematically and consistently integrated into the strategic decision-making processes at all levels of the business.

Dialog's ERM Framework uses a Horizon Scan to determine the risk universe associated with specific events and consider their impact on the company vis-à-vis multiple parameters covering financial, customer, employee, reputation and others. The rating also takes into consideration the 'pre' and 'post' impact in order to provide a clear understanding of inherent and residual risk status applicable within the current operating context. The basis of our ERM Process is a continuous cycle anchored on five key steps: Identify, Analyse, Respond, Monitor and Report.

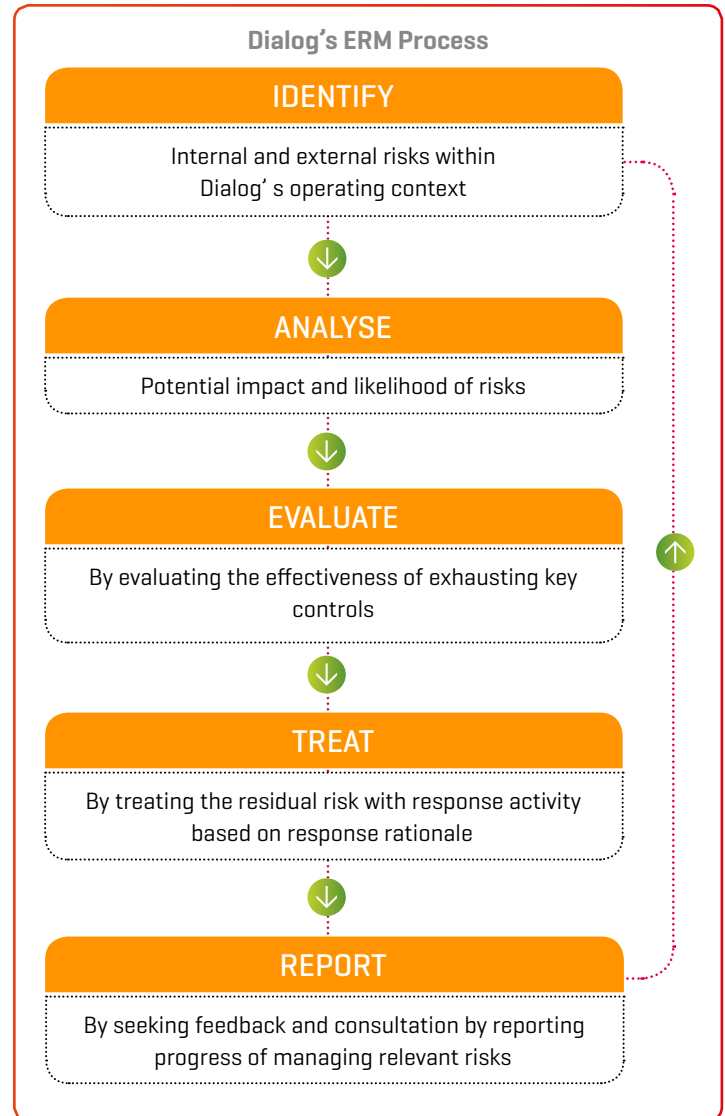
Dialog's ERM Process

All five elements of the ERM process are captured in a risk register, which serves as the main source document to report and communicate company-wide risk. The risk register is also used to document ownership in managing risk along with specific deliverable / timelines aimed at promoting a risk-driven culture across the company. In this regard, Risk Champions are appointed as custodians of specific segments of the risk register and are tasked with driving risk compliance and culture within the respective pillars under their purview. Risk Champions are the engine of the ERM process, and in carrying out their duties are expected to seek the guidance of the heads of each respective division and Chief Officer of their respective business pillar.

Risk Governance

The leadership for Dialog's ERM process is primarily driven via Dialog's Group Leadership Committee (GLC), made up of all Chief Officers (CXOs) and chaired by the GCEO. All communication and guidance in managing and governing risk is channelled through the GLC. This ensures that the tone at the top serves as a guiding direction for the rest of the company to embrace leading risk management practices.

The Risk Management Function under the guidance of the GLC oversees compliance with risk management policies and procedures, and reviews adequacy of the risk management framework in relation to the risks faced by the company. Responsibilities of the Risk Management Function include carrying out quarterly business impact risk assessment as part of the risk management cycle. The process gives due consideration of stakeholder needs through the inputs provided by cross-functional stakeholder representatives [ERM Champions outlined above under the risk register mechanism].



The GLC, along with the Board audit committee endorses this quarterly risk update, prior to it being presented to the Board. The duties of the Board Audit Committee include an annual review of the risk governance framework to ensure the most relevant standards and best practices are in place for the effective management of risks in the day-to-day business operations.

Key Highlights for 2017

Dialog's Annual Risk Forum was held on 27th July 2017, with the participation of Group Technology, Group IT, Internet Data Center (IDC), Cyber Security Division, Corporate Communication Team and Risk Management Team, under the theme "Cyber Risk Today and Risk Financing".

As part of our regular ERM process, the key risks found to be applicable to Dialog for 2017 are detailed below along with the mitigating actions taken during the year:

Stakeholder Engagement and Materiality

Cyber Security Risk

Mitigating Actions

- 24/7 Security Operations Centre (SOC)
- “Sect-Lift” programme targeting maturity under detect & respond capabilities
- Periodic awareness creation on incidents and best practices

Talent alignment to support Dialog’s Digital Transformation Agenda

Mitigating Actions

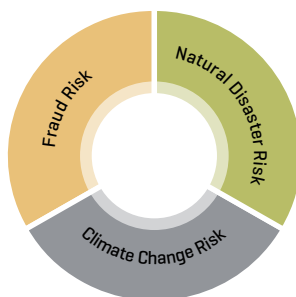
- Creation of a platforms to showcase digital talent capacities
- Facilitating emerging digital talent resources targeting aggressive talent development

Business Resilience

Mitigating Actions

- Reviewing customer expectations to align the recovery needs as the leading quad player in Sri Lanka
- Ensuring mechanisms to uplift the network resilience bar through further exercises & testing with business partner engagement
- Expanding the scale and resilience levels of information technology infrastructure synchronising with overall business recovery
- Creating the business continuity culture through cross functional engagement via routine training & awareness, exercises & testing, and performance tracking

In addition, special Risk Assessments were carried out to determine the rating for the following areas seen as potential emerging risks for Dialog.



Natural Disaster Risk:

A risk assessment was carried out to evaluate the business exposure to emerging trends in natural disasters. High accumulation of critical infrastructure within the district of Colombo remains a concern. Key risk response activities include; pursuing further network resilience by deploying disaster recovery techniques giving due consideration to economic viability, ensuring the adequacy of risk financing through insurance with loss simulations based on scenario modelling, pursuing maturity targets with business continuity to culturally align people, business processes, and systems to ensure an effective response to a disaster.

Climate Change Risk:

A risk assessment on climate change was carried out within the context of the industry Dialog operates. Risk indicators primarily identified under 5 broad categories are: 1]. Greenhouse Gases, 2]. Weather & Climate, 3]. Oceans, 4]. Health & Society, and 5]. Eco Systems. According to “National Adaptation Plan for Climate Change Impacts in Sri Lanka 2016 – 2025”, there are 4 sub-categories applicable to Sri Lanka; Under Weather & Climate; Precipitation, Global temperature, Extreme weather events, and under Oceans; Sea Level/ Arctic Sea Ice Extent.

Opportunities largely include the adoption of Green Energy agenda, substituting hydro power and fossil fuel based energies in the long run.

The financial impact of risks and opportunities related to climate change has been estimated to be between 1%-3% on NPAT, on average, across the five indicators of climate change.

There are a number of possible methods that are used to manage such risks and opportunities. One such method is through reducing the dependency on hydro power-based energy sources, with a focus on implementing more efficient renewable energy technologies instead. Implementing increased insurance coverages and alternate risk funding mechanisms via pooling is being deliberated.

If sea-level rises are to continue being a persistent threat, the use of construction materials which are less affected by oxidation and corrosion is considered for locations deemed suitable for implementation.

Fraud Risk:

A fraud risk assessment was carried out within the context of “Uncompromising Integrity” – a shared value within The Axiata Group. The assessment focused under the aspects of: vulnerability of business assets for misuse or misapplication, cultural maturity for whistleblowing and anti-corrupt behaviour, manipulation of business records and arm’s length agreements, and exposure to fraud from external sources such as industrial espionage, cyber domain, etc. Risks originating from external sources is assessed to be on the radar, while other sources remain low. Risk response involves pursuing aggressive cyber security and information security maturity under multiple business spheres, while business forensic assignments are considered by way of an engine outside the scope of business.

Matters of Material Importance

Dialog's material activities remain a mix of those within the ever-evolving Information and Communications Technology industry, limiting the scope of specific topics considered material towards the business. As such the 2017 report focuses on the top eleven most significant issues given below, to provide a concise measure of materiality.



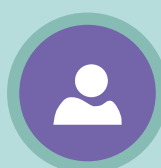
Cyber Security and Data Privacy



Compliance



Economic Performance



Employee Wellbeing



Anti-Corruption



Customer Satisfaction



Affordability



Digital Inclusion



Climate Action and Energy Management



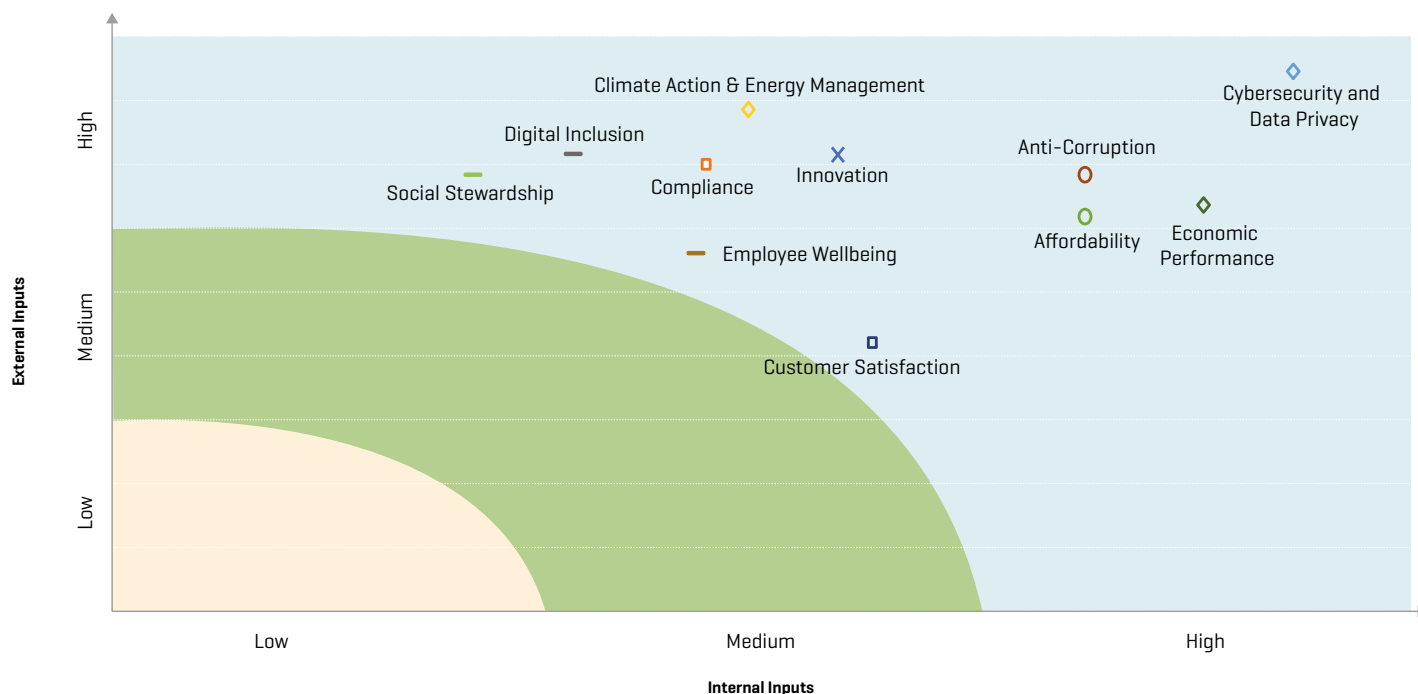
Social Stewardship



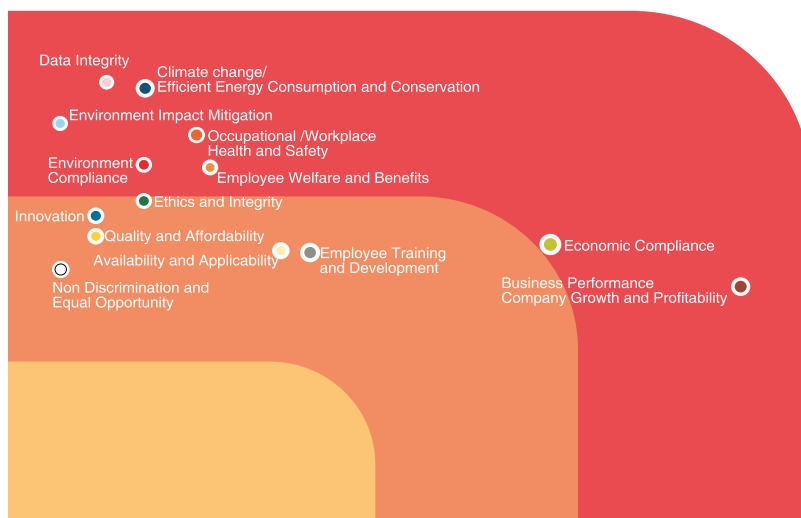
Innovation

Stakeholder Engagement and Materiality

Materiality 2017



Materiality 2016



Change in Materiality

When looking at the change in Materiality in comparison to the previous reporting year, it can be seen that whilst most of the previous material topics continued to be of material importance, those of Digital Inclusion and Anti-Corruption are new additions to the list. This can be attributed to the Company placing greater emphasis on promoting inclusivity, and addressing stakeholder needs across the nation through its products and other digital avenues. Additionally, Dialog's efforts towards transparency with its employees, and the revamping of internal and external grievance mechanisms have meant that Anti-Corruption is now highly material to both Dialog and its stakeholders.

Value Chain Mapping

The material topic-specific Standards, as per the GRI Standards for reporting, corresponding to those topics identified as being material for the reporting year are illustrated below. The value chain mapping follows the model described by Porter and Kramer in their paper, "Strategy & Society – the Link Between Competitive Advantage and Corporate Social Responsibility."

Material Topic	Relevant GRI Topic	Internal			External								Reference
		Wholly-owned subsidiaries	Non-wholly owned subsidiaries	Associate Companies	General Public	Customers	Employees	Suppliers, Distributors, Retailers	Media	Regulators/ Government	Community and Civil Society	Shareholders	
Cyber security and Data Privacy	Customer Privacy	✓	✓	✓		✓	✓	✓		✓			Pg. 74
Compliance	Environmental Compliance	✓	✓		✓	✓	✓	✓		✓	✓		Pg. 75
	Socio-economic Compliance	✓	✓	✓			✓	✓		✓		✓	Pg. 75
Innovation	*	°	°	°		°	°	°	°				Pg. 34
Affordability	*	°	°	°	°	°	°	°	°	°	°	°	Pg. 38
Anti-Corruption	Anti-Corruption	✓	✓	✓		✓	✓	✓					Pg. 77
Digital Inclusion	*	°	°	°	°	°	°		°		°		Pg. 35
Employee Wellbeing	Occupational Health and Safety	✓	✓	✓		✓	✓	✓					Pg. 47
	Training and Education	✓					✓	✓					Pg. 44
	Diversity and Equal Opportunity	✓	✓	✓			✓	✓		✓	✓		Pg. 49
	Non-discrimination	✓	✓	✓			✓	✓			✓		Pg. 49
Customer Satisfaction	*	°	°			°	°	°	°			°	Pg. 56
Economic Performance	Economic Performance	✓	✓	✓			✓	✓		✓	✓	✓	Pg. 54
Climate Action and Energy Management	Economic Performance	✓			✓	✓	✓	✓	✓	✓	✓		Pg. 21
	Energy	✓	✓	✓			✓	✓					Pg. 68
	Emissions	✓	✓	✓			✓	✓			✓		Pg. 71
Social Stewardship	Indirect Economic Impacts	✓			✓	✓	✓		✓		✓	✓	Pg. 35, 57

* For those topics that cannot be mapped to a corresponding GRI topic-specific Standard, the management approach concerning the respective topic has been brought out within each individual section within this Report, where applicable.

Sustainability and Governance

Strategic Sustainability Approach

Dialog's perspective on sustainability is anchored on its three-pillar approach to sustainable growth. Accordingly, to realise its vision to contribute to the overall wellbeing of the people of Sri Lanka, Dialog looks towards fostering societal cultures built on inclusivity through its digital services, innovating for the purpose of solving social problems or responding to societal needs, and ensuring an organisational commitment to embed sustainable values within its guiding principles, and measuring the resulting performance.

Developing operational strategies for each pillar, Dialog is bound by the guiding principles laid out under its strategic sustainability framework, namely:

- » Deliver strong and sustained economic performance that benefits all stakeholders
- » Maintain solid governance principles and oversight systems to monitor compliance, while managing its business with transparency and integrity
- » Act responsibly and engage with stakeholders to identify opportunities beyond compliance to create benefits for both society and the Company
- » Develop leading-edge telecommunication services that contribute to economic, social and environmental sustainability of the country

A Community Investment policy governs Dialog's approach towards the social aspects including Stakeholders, Community, Public Policy and pro-bono engagements. Major donations are conducted through the Dialog Foundation, which is governed by its Articles of Association.

Policy Improvements in 2017

As part of Dialog's ongoing efforts to improve the effectiveness of its sustainability framework, two key processes were developed and implemented in 2016; the Internal Sustainability Audit Process and the Sustainability dashboards. These continued to be the main drivers to ensure that all risks and opportunities were addressed through actions arising from business strategy.

The Internal Sustainability Audit Process conducted under the supervision of the Group Internal Audit in 2016 included a full cycle of compliance data validation checks across group-wide sustainability data throughout the course of the year. The process was aimed at establishing a fundamental mechanism for data and outcome validation as well as for continuous performance improvement. Following the 2016 Internal Sustainability Audit Process, the findings of the audit report were taken into consideration in setting up KPIs for 2017.

The Sustainability dashboards continued to be implemented for the second consecutive year in 2017, and were further enhanced with Sustainability-driven line items being assigned to all Chief Officers. The incorporation

Two key processes were developed and implemented in 2016; the Internal Sustainability Audit Process and the Sustainability Dashboards.

of Sustainability line items focuses on driving recurring as well as transformation-oriented imperatives. A variety of different inputs were used to develop the line items, to ensure that they comprehensively cover all possible risks/ challenges and opportunities.

The inputs were as follows:

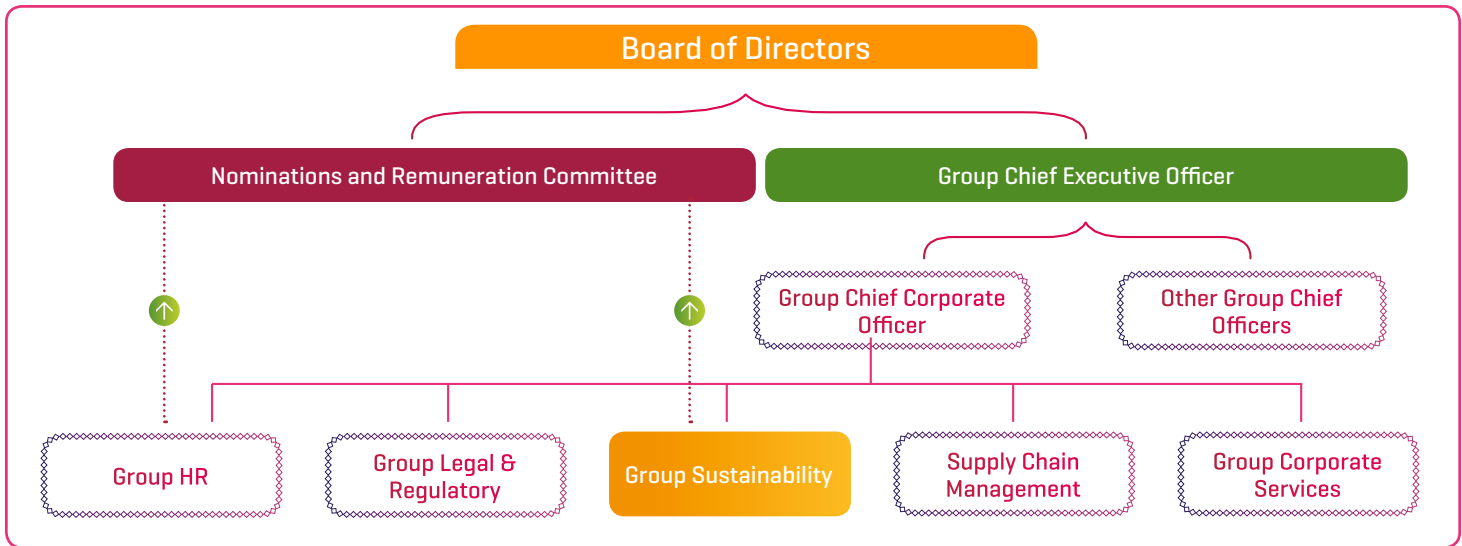
- » Corporate Accountability review 2016
- » Sustainability Assurance recommendations
- » Dow Jones Sustainability Index requirements
- » Enterprise Risk Management inputs
- » Specific issues arising from various stakeholder engagements/ activities
- » Sustainable Development Goals

Sustainability-driven line items developed in this manner were then cascaded to functional heads, with the "Sustainability Task Execution Score" being introduced to measure the performance of each functional head.

Performance objectives for functional heads measured through the "Sustainability Task Execution Score" relate to specific goals, and includes shared cross-portfolio tasks needed to achieve integrated outcomes. The main aim of this exercise is to develop a collaborative culture across the company in order to augment overall performance management.

Sustainability Governance

The ultimate authority for the company's sustainability performance lies with the Board of Directors [BOD]. The BOD has delegated the responsibility of decision-making and oversight on sustainability issues (including economic, environmental and social impacts) to the Nominations and Remuneration Committee [NRC]. Further to this, the Board/ NRC is briefed on sustainability performance-related matters by the head of Group Sustainability on a quarterly basis. Group Chief Executive and Group Chief Corporate Officer, along with other Chief Officers and Senior Management are directly engaged in seeking assurance and take part in management discussions as part of the Annual Sustainability Report assurance process.



Governance structure at Dialog

Key Governance Highlights for 2017

Further to the Board's extensive review of the Company's Annual Plan and Long-Range Plan [LRP] in late 2016, discussions were carried out on a wide range of Sustainability topics including a segment focused on the Sustainability Function's achievements and plans. Alongside updates to the Board on progress and short-term target achievement, the review enabled discussion on the full breadth of sustainability activities, their planned evolution, and actions to be taken to further enhance targeted outcomes. Quarterly presentations were conducted for the Nominations and Remuneration Committee [NRC] to provide updates on the most recent achievements and challenges faced, from a sustainability viewpoint. Sustainability was also considered a prominent topic within the Group Senior Management Committee's monthly meetings, in which an annual action plan draft, based on the findings of Dialog's comprehensive Stakeholder Engagement efforts, was drawn up and tracked in subsequent meetings.

The Board also had the opportunity to examine the outcomes of an independent review and the opportunity to review future plans laid out under the broad themes of:

- » Maintaining leadership in Corporate Accountability;
- » Establishing Dialog as a Sustainability Centre of Excellence within the broader Axiata Group;
- » Digital Inclusion Outcomes viz the 4A's paradigm;
- » The development of a Micro Business Unit for Digital Inclusion

Sustainability Academy

A noteworthy development concerning Sustainability governance in 2017 is the formation of the Sustainability Academy in Q3 2017, a joint initiative between Group Sustainability and Group HR established for the purpose of educating employees on Sustainability topics, and to increase engagement among employees in initiatives relating to Sustainability.

Programmes under the Sustainability Academy are carried out in line with a curriculum that was specifically designed and developed to cater to the diverse categories of employees, their different levels of hierarchy as well as the varied interests of the employee groups. Content is endorsed and delivered by renowned trainers.

Still in its nascent stage of creation, in 2017, the Sustainability Academy focused on 4 programmes within the short period of its launch

- » Stakeholder Mapping exercise for Senior Managers
- » Workshop on Volunteerism for Dialog staff volunteers
- » Modules on Gender Equality for those working on products and services for women
- » Training on serving customers with Special Needs for frontline staff

Dialog plans to introduce more interactive methods and platforms of learning to better engage employees and measure impact of learning and knowledge gain resulting from programmes delivered by the Academy.

Sustainability and Governance

Affiliations

Dialog represents or learns of the interests of its stakeholders through active participation in industry forums and maintains affiliations to the following organisations:

Charter/ Principle	Stakeholder involvement in Development and Governance of initiative
GSMA M-Women Working Group	Member organisation
GSMA Mobile Alliance Against Child Sexual Abuse Content	Member organisation
Biodiversity Sri Lanka [formerly Business and Biodiversity Platform]	Member organisation [Founding Patron Member]
Signatory to United Nations Global Compact [Since inception]	Member organisation
Global Compact Network of Ceylon – Founding Board Member, founding Steering Committee Member*	Steer-Co member up-to 2016. Currently a member organisation
CSR Council of Sri Lanka – Founding member	Founding member.

*As a member of the United Nations Global Compact, Dialog continues to uphold its commitment to UNGC guiding principles and the UN Sustainable Development Goals.

Gender breakdown
of the highest governance
body:



Age-wise breakdown
of the highest governance
body:



Governance-related disclosures

Governance structure, including committees of the highest governance body. Identify any committees responsible for decision-making on economic, environmental and social impacts.	<p>The Board of Directors is the highest governing body.</p> <p>Committees of the governing body are -</p> <ol style="list-style-type: none"> 1. Board Audit Committee 2. Nominating and Remuneration Committee [NRC] 3. Capital Investment and Procurement Management Committee [CIPMC] 4. Related Party Transactions Review Committee [RPTRC]
Process for delegating authority for economic, environmental and social topics from the highest governance body to senior executives and other employees.	The delegation of authority for matters related to sustainability has been formalised in the Group Policies and Limits of Authority document.
Whether organisation has appointed executive level position[s] with responsibility for environmental and social topics and whether post holders report directly to the highest body	The Group Sustainability division is responsible for such matters and report to Group Chief Executive Officer ["GCEO"]. The GCEO will in return report to the NRC and Board.
Processes for consultation between stakeholders and the highest governance body on economic, environmental and social topics.	The GCEO and the NRC will act as the intermediary [ies].

Composition of the highest governance body and its committees by:

	BOD	BAC	NRC	CIPMC	RPTRC
Gender					
Executive	1	0	0	1 [2 Ex-officio members]	0
Non-executive	8	3	3	2	3
Independent	3	2	2	2	2
Tenure on the governance body	Please refer the Annual Report - Profile of Directors				
Number of each individual's other significant positions and commitments, and the nature of the commitments	Please refer the Annual Report - Profile of Directors				
Gender	Male	Male	Male	Male- 5 Female-1	Male
Membership of under-represented social groups	None	None	None	None	None
Competences relating to economic, environmental and social impacts	None	None	None	None	None
Stakeholder representation	Major shareholder representation only - by 05 nominee directors	Major shareholder representation only - by 01 nominee director	Major shareholder representation only - by 01 nominee director	Major shareholder representation only - by 01 nominee director	Major shareholder representation only - by 01 nominee director

Sustainability and Governance

Governance-related disclosures	
Report whether the Chair of the highest governance body is also an executive officer (and, if so, his or her function within the Organisation's management and the reasons for this arrangement).	No, the Chairman is Non-Executive
<p>Nomination and selection processes for the highest governance body and its committees, and the criteria used for nominating and selecting highest governance body members, including:</p> <ul style="list-style-type: none"> » Whether and how diversity is considered » Whether and how independence is considered » Whether and how expertise and experience relating to economic, environmental and social topics are considered » Whether and how stakeholders (including shareholders) are involved 	<p>In the process of nomination of directors, the Board and the NRC, evaluates the balance of skills, knowledge and experience on the Board and selects candidates who would complement the make-up of the Board. When doing so the skill-set, experience, knowledge, diversity, and availability of the candidate are taken into consideration. Further, whether the candidate is independent in character and judgment and whether there are relationships or circumstances which are likely to affect, or could appear to affect, his/her judgment is also considered.</p> <p>All directors appointed to the Board are required to retire and submit themselves for re-election by the shareholders at the Annual General Meeting of Shareholders immediately succeeding his/her appointment.</p>
<p>Processes for the highest governance body to ensure conflicts of interest are avoided and managed. Report whether conflicts of interest are disclosed to stakeholders, including, as a minimum:</p> <ul style="list-style-type: none"> » Cross-Board membership » Cross-shareholding with suppliers and other stakeholders » Existence of controlling shareholder » Related party disclosures 	Yes, all directors are required to disclose their interest, which is entered in the Interest Register maintained by the Company. Disclosure of Directors' interest is made in the Annual Report in the Financial Statements section.
Highest governance body's and senior executives' roles in the development, approval, and updating of the organisation's purpose, value or mission statements, strategies, policies, and goals related to economic, environmental and social impacts.	Subject to the authority delegated to the management under the Limits of Authority, the above are approved by the Board based on the recommendation of the GCEO as proposed by the relevant Chief Officer. Respective functional Heads review and update strategies, policies and goals for submission to the Board through the responsible Chief Officer and GCEO periodically, as required.
Measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental and social topics.	The Board/NRC is briefed on such matters by the management at the Committee meetings. An expert independent consultant conducted a specialised refresher on Sustainability for the Board of Directors.

Governance-related disclosures

Processes for evaluation of the highest governance body's performance with respect to governance of economic, environmental and social topics. Whether such evaluation is independent or not, and its frequency. Whether such evaluation is a self-assessment.	A performance self-evaluation is carried out internally on a periodic basis. A self-evaluation is conducted within Group Sustainability's quarterly updates to the Board. The evaluation covers performance on key economic, environmental and social topics of priority at all levels of the company.
Actions taken in response to evaluation of the highest governance body's performance with respect to governance of economic, environmental and social topics, including, as a minimum, changes in membership and organisational practice.	None
a. The highest governance body's role in the identification and management of economic, environmental and social impacts, risks, and opportunities, including its role in the implementation of due diligence processes.	The identification of the risks will be carried out by the Enterprise Risk management team on behalf of the Board, in consultation with the relevant business process owners. The Board Audit Committee is responsible for identification and resolving of queries on governance.
b. Whether stakeholder consultation used to support the highest governance body's identification and management of economic, environmental and social impacts, risks, and opportunities.	The Board delegates responsibility to management on a per case basis, with respect to due diligence processes. Yes, stakeholder consultation is an integral part of the ERM process within Dialog.
Highest governance body's role in reviewing the effectiveness of the organisation's risk management processes for economic, environmental and social topics.	The Group's risk management framework is reviewed by the Board Audit Committee and the Board on a quarterly basis.
The highest committee or position that formally reviews and approves the organisation's sustainability report and ensures that all material Aspects are covered	Director/Group Chief Executive
The process for communicating critical concerns to the highest governance body.	The GCED/Top Management will communicate the same to the Board of Directors. A concern is judged to be critical, as per the discretion of the individual responsible for each communication. Such discussions are conducted 'in camera'. Of the concerns taken up for discussion with the Board in 2017, none were deemed 'critical' as per the Board/Company Secretary's definition.
Nature and total number of critical concerns that were communicated to the highest governance body and the mechanism[s] used to address and resolve them.	Concerns are considered 'critical' when existing internal controls are inadequate to appropriately address them, or when introduction of new controls or processes are required to resolve said concerns.

Sustainability and Governance

Dialog's remuneration policy in relation to its highest governance body, which is the Board of Directors, and other senior executives, is governed by the Company's performance framework and is not currently based on any specific economic, environmental and social objectives. The individual aspects or types of remuneration within the aforementioned remuneration policy are as follows:

- » Performance-based pay - Salary increments granted by the Company are based on the Annual Performance Review mechanism and differentiated based on the employee designation/category. The Annual Increment Plan is sent for Board approval as part of a special presentation on Employee Performance, Motivation and Retention.
- » Bonuses - Bonuses are disbursed based on the individual's Performance Review rank and the remuneration mix, which are considerations when deriving the bonus quantum. The Annual Bonus Plan is also sent for Board approval as part of the special presentation on Employee Performance, Motivation and Retention.
- » Termination Payments - Based on the termination clause included with the Letter of Appointment.
- » Retirement Benefit schemes - In line with Statutory requirements.
- » Dialog does not currently disburse remuneration with regard to equity-based pay policies, deferred or vested shares, sign-on bonuses or recruitment incentive payments and clawbacks.

Please refer the Dialog Axiata Annual Report 2017 – Corporate Governance Report for a more detailed look at remuneration within Dialog.



Expanding our Digital Footprint

At Dialog, we envision a future without boundaries – shifting paradigms to lead the nation further into an era of greater connectivity and infinite possibilities.

Expanding our Digital Footprint



Innovation

Since its inception, Dialog has been at the forefront of innovation in Sri Lanka's mobile services industry in Sri Lanka. Blazing trails from as far back as the late 90's, Dialog has been largely responsible for bringing the nation's mobile telephony infrastructure on par with the developed world. Over the years, we have used innovation as a platform to bring progress to our nation.

Kick starting Dialog's efforts in this regard was the Digital Jam initiative – Axiata's common group-wide employee learning platform, designed to encourage all 12,000 Axiata Group employees to come together online to share ideas and explore new digital work tools, bots, and gaming, among others. The Digital Jam culminated in a one-day programme held on 23rd November 2017, marking a definite shift in Dialog's training focus, going forward. Cascading from this, a number of other initiatives were put in place.

Dialog continues to invest in innovation to fast track its digital transformation journey and elevate Dialog's status in the digital telecommunications sphere. The Company's goal is to leverage on emerging opportunities and be the first-to-market with path-breaking technologies that are at the same time simple, relevant and affordable.

At Dialog, "Innovation-first" is the ethos by which we operate and is imbued in our culture. At a corporate level, the Dialog Innovation Funnel, the Ideation Forum, The-Future-Today Forum, The Chief Officer network, Product Funnel meetings etc. serve as highly focused think-tanks aimed at fuelling the spirit of innovation. Meanwhile, employees too are encouraged to develop and submit their ideas. Practical and workable ideas (for products or processes) are picked up and then assigned to the relevant vertical for further development, with the original idea owner being involved through every stage of the development process.

Dialog also has access to the Axiata Expert Working Group, which serves as a cross border idea bank for new developments taking place across the Group. Always on the lookout for fresh ideas, Dialog also actively engages in all key global innovation forums.

To further support our innovation model, we have begun strengthening our eco-system through cooperation with high-potential partners. Over the years, Dialog has developed relationships with a number of high-profile research specialists, including the long-standing partnership with the Dialog-University of Moratuwa Mobile Communications Research Lab, which has been instrumental in operationalising many of our IoT [Internet of Things] concepts. Being the country's leading innovation specialist, Dialog supports innovation across the broader community as well. In this regard, both accelerator and incubator funds have been set up to assist external innovators and help them develop and eventually monetise their ideas.

In 2017, the Company made significant headway in advancing its innovation agenda vis-à-vis strategic investments, partnerships and groundbreaking events that underscores Dialog's position as the undisputed leader in digital innovation in Sri Lanka.

Dialog Ideamart

Ideamart, Dialog's flagship Application Programming Interface [API] and Developer Ecosystem program offers a platform for local tech enthusiasts, specifically software developers and content providers to use its advanced tech tools and connectivity infrastructure, to build applications.

Ideamart is an accelerator fund, where both developers and content providers are able to further operationalise their ideas, by making them available for the benefit of the general public through the App Store. By leveraging on the enhanced functionality of the Ideamart platform, independent developers can even create and host mobile applications using advanced network resources such as SMS, Interactive Voice Response [IVR] and Location Based Services [LBS], to host their mobile applications for targeted niche audiences.

Moreover, through the Ideamart incubation program, organisations looking to create customised applications are able to procure the services of talented and skilled developers to fulfill their requirements.

In 2017, Dialog tied up with its competitor Bharti Airtel Lanka, to widen the radius of the Ideamart digital ecosystem, impacting a larger segment of the Sri Lankan mobile phone user base across the country.

Dialog Smartlife – IoT solutions

Launched in July 2017, 'Dialog Smartlife' is an innovative digital lifestyle application that is the core thrust of Dialog's IoT [Internet of Things] strategy. "Connected Home", launched in July 2017 exemplifies the degree of convenience and flexibility that is the norm for most modern-day customers. Built on a robust multi-dimensional user interface, "Connected Home" enables users to create 'scenes' to programme their IoT devices, via their Smartphone App or just as easily through the Smartlife Website. Once on the "Connected Home" platform, users are able to engage digitally via smart phones to monitor their home security systems, and control lighting, air conditioning and entertainment systems and a variety of devices and appliances including smart switches and power points.

"Connected Home" is the second phase of the Smartlife project, the first being "Car Connect", an On-Board Diagnostic [OBD] device launched in 2016.

South Asia's First NB-IoT Service Launched on Dialog's 4G LTE Network

In October 2017, Dialog unveiled yet another cutting-edge technology solution while marking the Company's foray into Narrowband Internet of Things [NB-IoT]. The first to launch the technology in South Asia, NB-IoT is a narrowband radio technology specially designed to enable seamless connectivity amongst devices using Low Power Wide Area [LPWA] technology. Operating in a licensed and regulated spectrum, NB-IoT is less susceptible to interference and enables secure and reliable communication. Key features of the technology include longer battery life for devices, unified coverage, secure connectivity, high reliability and easy deployment into existing cellular network architecture.

NB-IoT was activated across Dialog's island wide network through a software upgrade to existing 4G base stations, extending the benefits of IoT to a broader customer base.

The introduction of NB-IoT to the market increases the adoption of emerging IoT technology and other related devices. By allowing for better connectivity amongst devices and sensors, NB-IoT has the ability to scale larger smart projects that complement solutions such as Smart Metering for utilities, Smart Parking systems, Smart Garbage collection, logistics solutions as well as other applications in agriculture and farming

With IoT playing a crucial role in the Company's innovation agenda, the investments in NB-IoT will provide a springboard for Dialog to further leverage IoT in introducing revolutionary services that will enrich the lives of more and more Sri Lankans.

Google IO Extended

The Dialog Ideamart Team in collaboration with Google Developer Group of Sri Lanka and other event partners, hosted Google I/O Extended 2017, the largest developer conference organised outside the United States by tech giant Google. A notable feature of this year's Google IO extended event was the involvement of the GSMA's Ecosystem Accelerator Programme, an initiative that funds start-up companies in the mobile innovation spectrum.

Stemming from Dialog's involvement, a special session dedicated to Sri Lankan tech-start-ups looking to break into the international market, was also included in this year's programme. The strategy was aimed at giving start-ups on-boarded through the Ideamart platform, the opportunity to reach out to the GSMA's Ecosystem Accelerator Programme in order to spearhead their global ambitions.

Dialog's Digital Innovation Fund

A unique initiative by Dialog launched in December 2017, the Digital Innovation Fund is Sri Lanka's first incubator fund, set up exclusively for the purpose of supporting digital startups to take their business to the next level. The main thrust of the fund is to provide financial assistance, to small and medium scale companies that are already present in the digital sphere or are emerging entities in the field of digital based services. The fund is mandated to invest between LKR 50 million to LKR 200 million on each tech startup, per their ability to demonstrate strong business potential and have a proven product that has the capacity to become a digital trendsetter in the country and beyond. In addition to financial assistance, these start-ups also receive support through mentoring, knowledge sharing and assistance with business development along with management insights to improve critical business processes.

Of the total fund, 20% has been carved out specifically for seed funding for start-ups looking to break into the digital sphere.

Dialog partners with Eureka Technology to Offer Customers Access to World-Class Information Security and IT Audits

In an increasingly technology driven and futuristic world, many Sri Lankan companies appear to have become the target of recent cyber-attacks, a disturbing trend that points to a bigger problem - the lack of reliable IT security services in the country. In an effort to bridge the gap for seamless and secure IT services, Dialog tied up with Eureka Technology Partners (Eureka), the Country's leading specialist to give our corporate customers vital access to world-class information security systems and other crucial tools that can strengthen and improve their IT networks.

Leveraging on Eureka's expertise in the field of IT systems security, Dialog hopes to support its customers to reduce their down-time, recognise vulnerable mission critical assets and its impact on cyber-attacks and provide direction to restore information, if a disruption occurs, using Eureka's information security and IT audits as the basis to develop comprehensive customer-specific incident response plans.

Through these comprehensive audits, we also aim to encourage organisations to migrate their IT environments from a standardised cost centre towards a more strategic function, where ongoing improvements would enhance operational efficiencies.



Digital Inclusion

It is clear that digital technology has evolved to such an extent that it is now considered a key enabler in providing underserved people with access to essential services, such as education, healthcare, energy, and improved water sources, as well as providing previously unbanked populations with access to financial services. Given its growing importance in recent times, the UN SDGs too have called for digital technology to play a bigger role in supporting the implementation of social development and welfare programmes across the globe. Dialog's portfolio of products and services enable access to financial and other services that were simply not available before to the most isolated citizens. The Company's transformative technologies empower not only the most rural customers but also those at the base of the pyramid, including urban dwellers or internal migrants who may have previously struggled to reach the first rung of the ladder, establishing credit profiles and documentation to warrant the attention of larger businesses.

Driven by a broad-ranging Digital Inclusion Strategy, Dialog has already begun creating a new type of social revolution that aims to bring progress and prosperity to marginalised and underserved communities as well as persons with disabilities (PWDs) in the country.

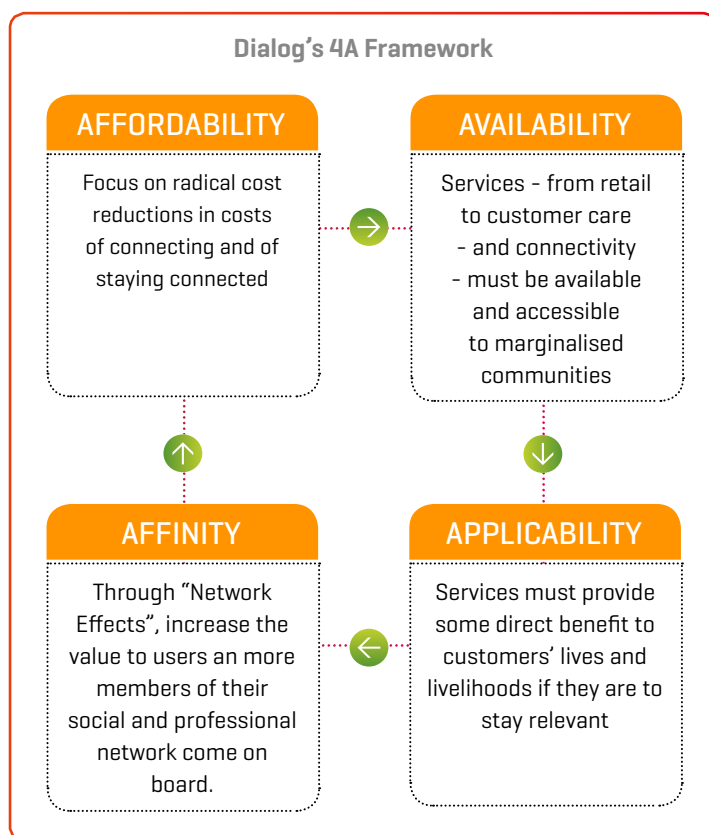
While taking cognizance of the SDGs, Dialog's Digital Inclusion strategy is driven by four key principles; Affordability, Availability, Applicability, and Affinity. These principles form the basis of all Digital Inclusion programmes undertaken by Dialog.



Expanding our Digital Footprint

Govi Mithuru

Leading Dialog's Digital Inclusion strategy is the Govi Mithuru [Translated as the Farmer's Friend, also known as Uzhavar Tholan in Tamil] initiative, which was formally launched in October 2015. The initial development and scaling of the product was supported by an international Challenge Fund agreement between Dialog and the GSMA under its mAgri and mNutrition Initiatives funded by the UK government. The GSMA mAgri programme also provided support throughout the product development cycle, from implementation to iteration, business intelligence [BI], monitoring and evaluation, and content support.



The vision of the Govi Mithuru initiative is to "secure crop and family health" at a grass root level. Essentially a capacity building initiative, Govi Mithuru reaches out to rural farmers to share agricultural advice targeting each stage of the farming cycle, from land preparation to post-harvest support. Major crops [e.g. Paddy, Maize, Potato, Tomato, Brinjal, Big Onion, and Tea] are covered under the Govi Mithuru initiative, with the content used for each crop being generated by the government's Department of Agriculture with the support of CABI, an inter-governmental organization. The approved content is shared with the farmers along with advice on family nutrition, to promote a more sustainable farming paradigm.

More recently, the programme focus has also included mentoring farmers to encourage them to reduce the dependence on chemical inputs in the crop cultivation process.

Registered users paying LKR 1/- per day per crop [USD 0.0065] receive regular customised voice recordings regarding on-farm changes [land preparation, cultivation, harvesting and post-harvest activity] depending on their location within the country's Wet, Dry and Intermediate Agricultural Zones. Users can also call the short code 616 at any time for no fee to re-listen to messages. Information disseminated also includes such matters as, seed selection, pest and disease control, home gardening and improving family nutrition. To further augment the existing model, Dialog partnered with Unilever to disseminate information on sustainable tea cultivation to smallholder tea growers, while a new partnership with Industrial Technology Institute [ITI] saw the addition of two new crops [mango and papaya] bringing the crop portfolio to ten.

By end-2017, the Govi Mithuru initiative had a total of 400,000 registered users, up from 267,000, a year prior.

The roll-out of this initiative was found to have a wide range of significant indirect economic impacts, benefitting the registered subscribers of the service, and the agricultural community of Sri Lanka in general. A primary outcome that can be directly attributed to the adoption of this services is the reduction in the use of chemical inputs, thereby securing environmental and personal health and safety, resulting in a reduction in production costs, which serves to enhance their economic standing - leading to improvements in quality of life.

As documented in the GSMA's Case Study on Govi Mithuru⁴, in January and February 2017, a series of phone surveys and follow up field visits were carried out to assess the impact of the Govi Mithuru and track changes to farming behaviour and resulting improvements in on-farm production techniques.

The study, which was carried out by an independent third-party, saw a group of 446 power users and 210 non-users being surveyed.

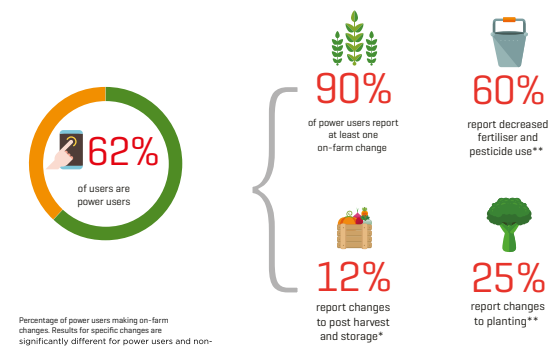


A papaya farmer (and Govi Mithuru user) testing the new addition to the Crop registry

4. The GSMA report can be found at: <https://www.gsma.com/mobilefordevelopment/wp-content/uploads/2017/06/govi-mithuru-mobile-agriculture-service-dialog-sri-lanka.pdf>



ගොවි මිથුරු உழவர் தோழன்



Statistics obtained from GSMA's Case Study on Govi Mithuru

The study categorised regular users of Govi Mithuru as “power users”. Most power users [22 out of 34] were further categorised as ‘stuck’ farmers, with another five ‘optimistic’, four ‘on the verge’ and three ‘established’. As the early adopters of the service, the ‘optimistic’ and ‘stuck’ farmers are reported to have made more on-farm changes, while established, and on-the-verge farmers seemed to report focusing on more nutritional changes rather than on-farm changes. In general, it was found that at least 90% of the respondents had taken action to implement at least one recommended change, be it on-farm or nutritional changes. This points to a positive culture, which will help raise the standard of the country’s agricultural sector in the years ahead. Further, thanks to the Govi Mithuru initiative, the perception regarding mobile technology also appears to be changing. The mobile phone is no longer seen merely as a device for voice calls, but a more powerful tech tool. This is believed to be a major attitudinal shift that paves the way for even greater digital inclusion among these grass root level communities.

The control group was selected based on the likelihood they would have similar profiles to the user group, but would not have benefitted from the service during the previous farming season.



Connected Women

Dialog is a founding signatory to the GSMA’s Connected Women Initiative. “Connected Women” is a GSMA partner initiative aimed at closing the gender gap in Internet usage and mobile money globally. In 2017, Dialog received a GSMA grant to study the barriers causing the gender gap in mobile and Internet usage in Sri Lanka. The study revealed that women face more challenges adopting mobile money and Internet than men, mainly due to social norms. The study also found that most often mobile phones are either denied to women by gatekeepers or may seem less relevant for women due to smaller social circles and their lack of interest in keeping pace with technology. These dynamics point to the fact that women require more support than men to adopt mobile Internet.

Emphasising its commitment to the effort, Dialog conducted a series of ICT awareness workshops –named “Suhuru Kathak, Sonduru Hetak” [Smarter Women, Better Tomorrow] across the island to raise awareness among women and break the fear and general mistrust associated with internet use, and in doing so, increase mobile phone and internet uptake among women.



Women Development Officers participating at a Connected Women workshop

Dialog’s Connected Women programmes, detail the benefits of digital inclusion for women, including news and education, health and safety information, lifestyle, entrepreneurial opportunities and business promotion. The responsible and safe use of the Internet is also a key area of focus, with special emphasis on safe Internet access for children and young adults.

The inaugural workshop was held parallel to International Women’s Day 2017, in Polonnaruwa, drawing large crowds from the area. Conducted in collaboration with the Department of Agriculture, the programme included a special session on crop management, pest control, organic fertilizer, the latest developments in agriculture and how to use the Internet to access and discuss such information.

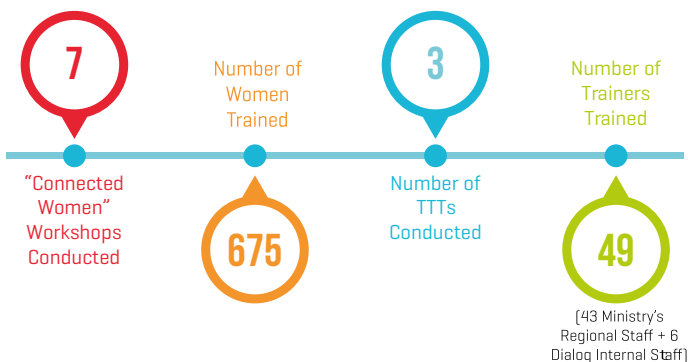
Following the resounding success of the initial programme in Polonnaruwa, ICT Awareness workshops were gradually rolled out across other regions of the country, with a total of 7 workshops held in 2017.

Expanding our Digital Footprint

Efforts to further scale up the programme saw Dialog tie up with the Ministry of Women and Child Affairs to carry out a series of “train-the-trainer” (TTT) programmes for the Ministry’s “Women Development Officers” (WDO), who would reach out to promote mobile and internet usage at the grass root level. As this would require highlighting the relevancy factor, the central focus of the TTT sessions was to show the relevance of the Internet in the daily lives of rural women by stressing:

- » The practical use of the internet for accessing life enhancing services such as education, health and entrepreneurship
- » Optimising the use of smart phones
- » Child safety on the Internet

Post-training, WDOs return to their districts to conduct village-level training, with the aim of systematically uplifting the ICT level among rural communities across Sri Lanka.



To further promote the relevancy of the internet to a wider audience, Dialog also rolled out a targeted campaign across identified high-circulation women's magazines, where a structured quiz was published to encourage women readers to respond with any queries they may have regarding the use of the Internet. The move generated an unexpectedly high response rate and opened up for engagement with more than 5000 women within a short period of 2 months.



Affordability

From being a high-end product, which catered mainly to professionals, the demand for mobile technology has grown rapidly in the past decade. Leveraging on this trend, Dialog has adopted an inclusive approach to make its services more mainstream and more accessible to rural populations, the elderly, low-income groups and to the differently abled; thereby empowering all Sri Lankans to reap the benefits of economic, educational, health and entertainment opportunities that result from connectivity.

Dialog has understood that affordability is the key towards increasing its outreach and continues to work towards making its services more affordable in order to reach out to as many Sri Lankans as possible.

Over the years, Dialog has pioneered numerous innovative, low-cost mobile-based solutions that have revolutionised the way people manage their day-to-day lives.

Further reiterating the commitment to provide affordable mobile solutions for the mass market, in 2017 Dialog unveiled the Dialog Infinity Pro, currently the most affordable 4G smartphone available in the market. Custom-manufactured to suit stakeholders' requirements. Since its launch in August 2017, the device has gained significant traction in districts outside the western province, acting as further proof of the effectiveness of Dialog's affordability strategy, and its efforts to bridge technological gaps in society.

Pilot Digital Payment Platform

Dialog in collaboration with Australia's Department of Foreign Affairs and Trade (DFAT) piloted a digital payment platform roll out across 200 ATM locations in the Northern Province paving the way for the delivery of advanced digital and financial services to people in the region. With LKR 60 million from DFAT's Business Partnerships Platform and LKR 91 million of its own funding, Dialog intends to reach out to and support under-banked communities with its state-of-the-art digital payment retail system.

Once complete, the project will enable customers in 200 locations to withdraw money across a wide network of corner stores and ATMs via their mobile phones by activating the eZ Cash mobile wallet. Customers can safely and easily deposit and withdraw cash to and from their digital wallet, pay for goods and services and perform other cashless transactions. The immediate purpose of the project is to provide an inclusive, safe and low-cost payment platform to foster economic growth across the region starting at the grass root level. As part of our commitment, Dialog will provide training and run parallel digital literacy programs to expedite adoption.





Empowering a Digital Workforce

Our people drive our success – exemplifying all that Dialog stands for, their collective determination, spirit, and relentless pursuit of excellence is entirely focused on transforming the future as we know it.

Empowering a Digital Workforce



Employee Wellbeing

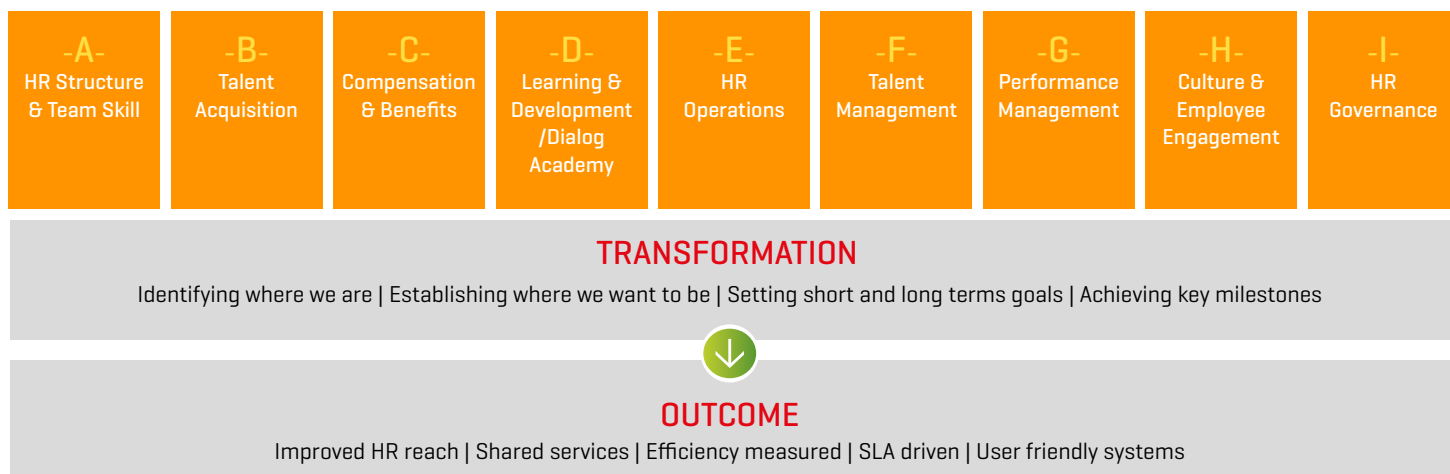
Dialog believes its employees to be the DNA that defines the Company's identity. As key stakeholders of its business, employees form the crux of Dialog's structural genome and the lifeblood of its business. By delivering the service excellence and innovations that enhance the quality of life of its customers, all 3,353 Dialog employees are in fact the true custodians of the Company's leadership position in Sri Lanka's telecommunication industry.

Underpinned by the "Api Dialog" (Dialog Family) model, the Company seeks to foster a working environment that resembles a broader family network, where a shared value culture inspires mutual success.

In 2017 we began working on a HR transformation strategy to enhance our HR functionality to accomplish our business ambitions. A comprehensive global benchmarking of HR norms and best practice was conducted, with respect to HR governing procedures of multinational companies. The identified gaps were immediately addressed and with the assistance of the relevant Chief Officers, the current HR structure modified and was broken

down into nine pillars. Each pillar was further benchmarked to determine areas for improvement. Stemming from this, a long-range HR plan was drawn up and approved by the NRC (Nominations and Remuneration Committee) at Board level, followed by a number of internal reallocations and reassignments. At the same time, segmented teams were assigned within the Business Partnering function, whereby employees were broken into clusters allowing HR partners greater focus on individual employee needs. Following this move, major HR policies and procedures in four key thrust areas were reviewed and enhanced taking cognizance of the evolving needs of the business.

The Company does not oppose collective bargaining⁵, however there are no such trade unions in the Company. Dialog is a registered member of the Employers' Federation of Ceylon, who advises on social harmony to nurture a balanced and healthy employer-employee relationship. Quarterly Town-hall meetings, skip-level meetings and one-on-ones with senior management, on an as-needed basis, are channels to discuss and resolve issues in case of clarifications, concerns and grievances. Further to this, employees may raise such grievances through the whistle-blower process.



Group HR Transformation Strategy for 2017



102-41 →

5. Restatement: Response relating to disclosure on percentages of employees covered under Collective bargaining agreements included in error, further text from a previous year's report. This has been corrected herein.

Transforming HR - The 9 Pillars

In this context, Dialog has put in place an organisational structure and working systems to encourage improved efficiencies and ensure employees stay motivated and happy about the work they do each day. The management encourages employee involvement and participation for the benefit of both the employees and the Company. Dialog is open to the opinions and suggestions of its employees and has provided them with a variety of convenient communication channels to provide their feedback. An employee engagement survey was carried out by an independent international service provider in 2016 to identify employee perceptions and determine Dialog's ranking as an employer of choice. After the survey HR teams conducted organisation wide focus group discussions to validate survey finding and create plans for improvement. Ongoing efforts to further strengthen formal employee communication in 2017 were executed through two Group Townhalls by the Group CEO, and individual quarterly portfolio townhalls by each respective Chief Officer.

Stemming from the findings of the survey, Dialog took steps to expand the grievance handling process with the revision of the whistleblower process, along with improvements to Dialog's anti-corruption framework and the employee Code of Conduct.

In 2017, Dialog's Workforce Operations model was subject to a rethink in tandem with the renewed focus on the Strategic Business Partner concept. With the shift in thinking, the emphasis for the year was on employee life

cycle management, mainly to facilitate the seamless integration between all key HR pillars starting from the point of employee onboarding to the exit interview.

To drive this change and achieve the "Axiata 3.0" Digital strategy, Dialog set up a cross functional team driven by two Chief Officers to drive the digital agenda and strategy of the Company. The Human Resources team is an integral part of this committee, supporting the business in their digitisation initiatives and driving the transformation of HR systems and processes into a digital mode.

As a first step, a new Human Resource Information System [HRIS] upgrade has been identified and is currently in progress. This extends to evaluating digital document management systems and processes. The groundwork also commenced on the prospective roll out of a new digital archiving mechanism to further expedite the process in time to come.

Other key changes included changes to Dialog's Talent Acquisition model, where a new framework was introduced, improving the approval flow of the current recruitment matrix, enabling timely recruitments to meet the needs of Dialog's Digital transformation agenda.



Empowering a Digital Workforce



Underpinned by the “Api Dialog” [Dialog Family] model, the Company seeks to foster a working environment that resembles a broader family network

OUTSOURCED SERVICES PERSONNEL

275
165

440

EMPLOYEE RECRUITMENT BY AGE GROUP

243

18 - 25
Years

23

36 - 50
Years

138

26 - 35
Years

3

> 51 Years

EMPLOYEE RECRUITMENT BY GENDER

285

122

407
Total

EMPLOYEE TURNOVER BY AGE GROUP

88

18 - 25 Years

158

26 - 35 Years

42

36 - 50 Years

9

> 51 Years

EMPLOYEE TURNOVER BY GENDER

219

78

297**
Total

* This count includes outsourced employees as well as managed services staff

** No. of terminations included within the overall number, confirmed to be 14 within the reporting period.

Empowering a Digital Workforce

Ethics and Integrity



Dialog's Workforce Operations model is built on a solid foundation of ethics and integrity, where regulatory compliance and governance play a vital role. This ensures Dialog remains fully complicit with all statutory labour laws including the Shop and Office Act of 1954 and the ILO Declaration on fundamental principles and employee rights at work. As a signatory to the UN Global Compact on Human Rights, Dialog refrains from child labour, or forced/ compulsory labour.

Dialog sets clear principles for all employment processes throughout the employee lifecycle, from recruitment, compensation and remuneration, performance management, employee development planning, and career progression to eventual retirement. Further, its core values are imbued into all HR policies and practices to ensure that it has the team that is the best fit for Dialog.

Some of the positive outcomes of the most recently concluded Employee Engagement Survey highlighted Dialog's commitment to maintaining ethics and integrity. The following attributes scored positively under the aforementioned category:

- » Ethics and Integrity
- » Contribution to Company Goals and Objectives
- » Building Value

Average Training Hours by Gender & Employment Category

Gender	2017	2016	% change
	19.24	26.00	-26.00
	12.63	21.00	-39.86

Employment Category	Avg. Training Hours
Senior Management	15.26
Middle Management	26.19
Executive	20.62
Non Executive	6.82

Total number of training hours in 2017 - 59,695.62

The increasing number of reports on incidents related to non-compliance or corruption can be attributed to the more transparent nature of communications surrounding corrective actions taken with respect to such issues. Employees have thus gained confidence in the system and are able to challenge established traditional ways of thinking, and approach the appropriate channels for reporting incidents and grievances.

Competence

Well aware of the challenges that Dialog faces in its attempt to achieve digital maturity in a highly competitive operating environment, Dialog's main priority is to develop and empower its people to keep pace with the fast-moving digital world. In pursuit of creating an agile workforce, adequately equipped to face challenges in the digital journey ahead of us, the company's talent management model was enhanced in 2017. The internal transfer policy was revamped to encourage greater internal mobility, while a structured succession plan was rolled out for Chief Officers positions. Meanwhile, with Dialog striving towards digital maturity, the Company's technical and IT staff were subject to a comprehensive value mapping to determine their potential for job roles with new job families and identify the competency requirements needed to fit these roles. Additionally, a specific technical ladder was introduced to create a parallel career path for technical professionals.

Disclosures on Training	Hours
a. The type and scope of programs implemented and assistance provided to upgrade employee skills.	
CMDP - Biz Sim Assessment	104
CMDP - Coloured Brain and Emotional Drivers	424
CMDP Project Viva	13
Coaching and Mentoring	287
GADP - Self Development Workshop	84
GADP Progress Review one-one Discussion	34
Talent Engagement	80
GMDP - Advanced Leadership Programme	160
	1,186



Disclosures on Training

a. The total number of hours in the reporting period devoted to training on human rights policies or procedures concerning aspects of human rights that are relevant to operations.	169 hours
b. The percentage of employees in the reporting period trained in human rights policies or procedures concerning aspects of human rights that are relevant to operations.	8.86%

Dialog's training and development focus encompasses provision of training and development opportunities to all permanent employees of the Group's wholly-owned subsidiaries. A possible reason for the decrease in training hours is due to the shift towards digital learning and the time taken for employees to assimilate the same. One other factor was a delay in rolling out the Sales and Services Academy, under the Dialog Academy.

To holistically drive our digital talent building exercise over the next few years, Dialog remains committed to scale up existing digital expertise to build critical digital competencies among all employees across all levels and roles. To imbue the right mindset and build the right competencies among its employees, the Company continuously experiments with new training and development models and have dedicated significant resources to address our employees' digital learning needs. The overarching objective here is to ensure our employees, think, act, work and innovate with a digital mind set.

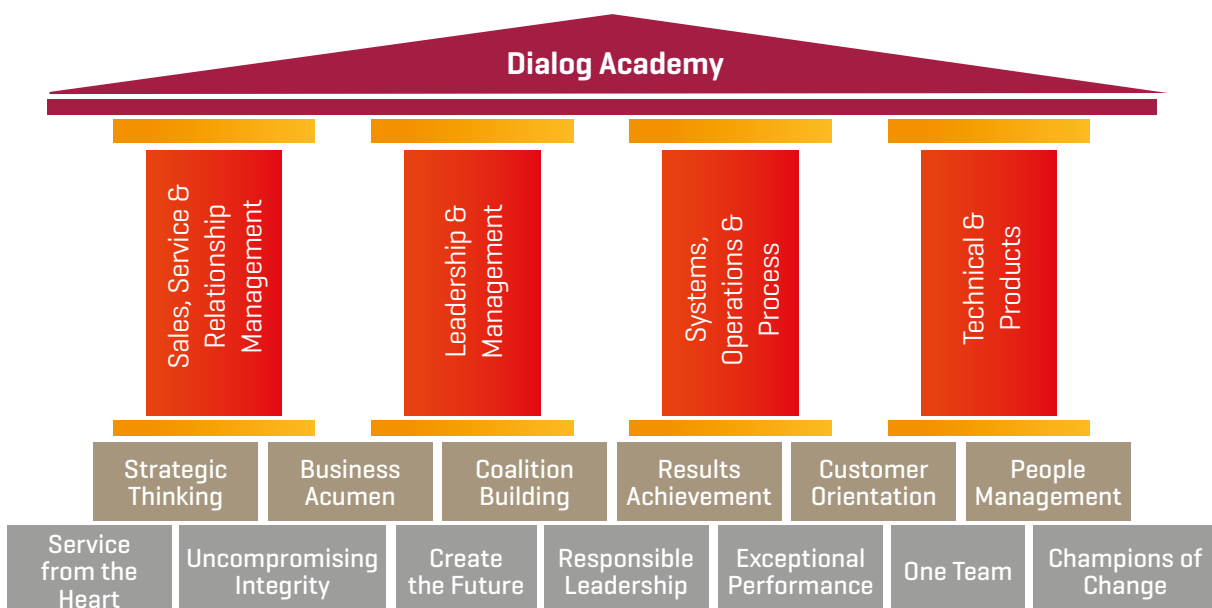
Dialog Academy

As we transition from a mobile service provider into a fully-fledged digital telecommunications service provider, the Dialog Academy is likely to play a vital role in this transformation journey.

The Dialog Academy is the result of extensive research conducted jointly with MTI Consulting [Pvt] Ltd., to address potential skill gaps that may hamper the company's progress towards this ultimate goal. Designed along the lines of a corporate learning campus, the vision of the Dialog Academy is to "provide industry leading, cutting edge, blended learning solutions that will transform business performance".

Supported by a four-pillar strategy, the Dialog Academy aims to facilitate ongoing development of recruits and existing employees, through a structured experiential learning process that would gear them with the skill set and right attitude needed to drive the Company's digital transformation agenda. The curriculum under each pillar follows a three-tier structure;

- » Core programmes that are mandatory. KPIs are monitored for a period of 03 months by their supervisor and HRP to follow up and ensure learnings are operationalised as intended.
- » Personal effectiveness programmes covering the soft skills and personality development
- » Common programmes were held in the form of motivational sessions such as in the manner of "TED Talks", knowledge fora on global trends, insightful programmes on special management skills, latest industry developments and path-breaking innovations.



The four-pillar structure of the Dialog Academy

Empowering a Digital Workforce

In 2017, several important steps were taken to improve the effectiveness of the Dialog Academy's core programmes schedule. The Sales, Service and Relationship management pillar was prioritised. Strict monitoring of post-training targets also continued, with the assessment results used to develop each employee's individual development plan and prepare the employees to drive exceptional performance in the Company.

Customer Service Training Academy (CSTA)

Given the strong focus on sales and service in today's digital era, Dialog invested to set up the CSTA, in an effort to develop a dynamic and technically savvy team empowered to deliver "best in class" service with passion, within the Dialog eco system. Consequently, competency development of Frontline, Franchise and Group Service Delivery staff members as well as Dialog Business Services (DBS) and Device Team, were all brought under the purview of the CSTA. The CSTA was given a clear operational mandate – analysing and identifying the job scope of different Service Delivery roles, defining the level of competencies needed for each role, and providing adequate training by way of theory & practical exposure together with development-training opportunities to strengthen skills through exposure to new competencies and experience in the latest digital technology.

CSTA's responsibilities also include;

- » Educating new recruits on company products, services, systems, policies & procedures & confirm transfer of knowledge via module exams, buddy answering & skill verification, for them to carry out their daily tasks effectively & efficiently
- » Updating existing staff on company products, services, systems, policies & procedure changes, and verify through monthly minimum skill verification to ensure achievement of first contact resolution

- » Conducting testing modules - Monthly exams & specialised exams to reinforce knowledge
- » Conducting simulations via Zenlife (Internal e-learning platform)
- » Organise external & overseas training based on the requirements
- » Conducting competency enhancement & career development trainings as requested by the management identified through Skill Gap analysis.
- » Ensuring conformity to International Organisation for Standardisation (ISO), People Capability Maturity Model (PCMM) and Capability Maturity Model Integration (CMMI) standards in terms of training effectiveness, content review, record maintenance and continuous improvement

E-Learning Initiative

In keeping with Dialog's digital transformation effort, in 2017 the Company invested in access to LYNDIA, an e-learning platform to encourage continuous self-learning and knowledge sharing among employees. Marking a significant step towards raising digital awareness and readiness among employees, the e-learning initiative is spearheaded by three modules; "Path-Finder" for Chief Officers, "Path-Builder" for Senior Management and "I Am Ready" for all other employees. The programmes were designed and developed together with Axiata Group Human Resources and Hyper Island, a digital creative business school, specialising in real-world industry training using digital technology.

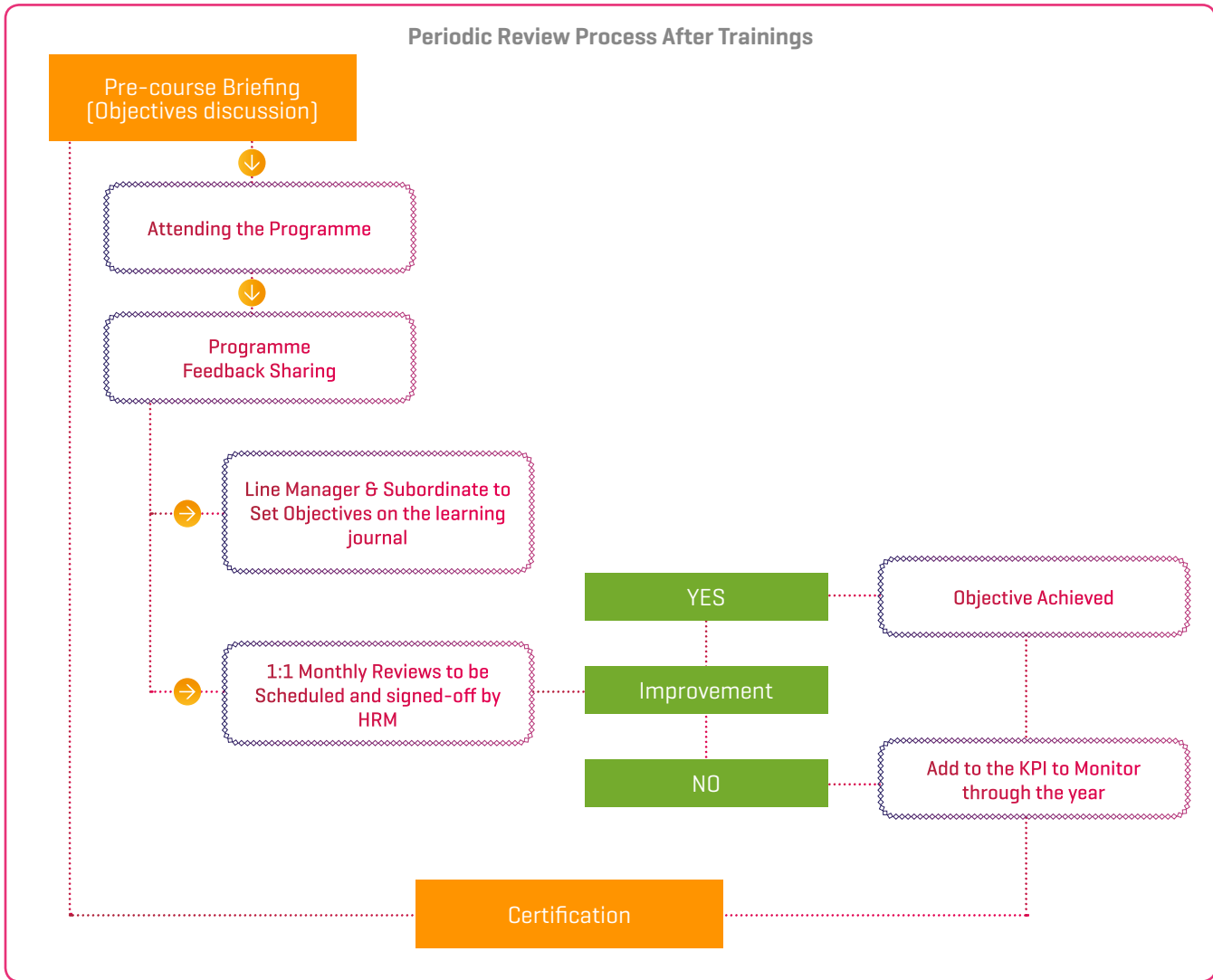
The first phase of the initiative was rolled out in May 2017, starting with Chief Officers.



A frontline officer serving a customer at a Dialog service outlet



The 'Path-Builder' session for Senior Management



Occupational Health and Safety

Dialog has adopted an inclusive approach to provide a safe and healthy working environment for all. Safeguarding the health and wellbeing of over 3,000 of the Company's employees as well as customers, suppliers, contractors or any other party who may be present at any Dialog premises across the country is among our top priorities.

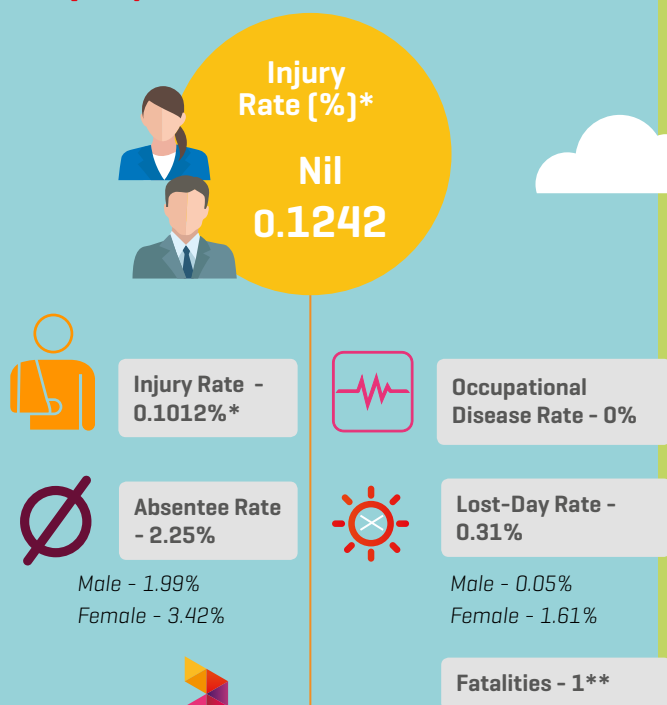
Dialog considers those occupations that could be identified as having potential for risk of occupational illnesses to be those involving field staff in positions such as drivers, riggers and other field-support services roles. Health and Safety trainings and refreshers on best-practices in Field-Support Services and on the use of Personal Protective Equipment (PPEs) were carried out throughout the reporting year, in addition to an awareness creation initiative continuing from the previous year of reporting. Safety

is nonetheless considered to be of paramount importance in the day-to-day operations of the Company. As such, Dialog has established a formal Health and Safety Committee to provide necessary oversight and ensure compliance. The Safety Committee comprises of cross-functional representation from across the entire Dialog workforce.

The Committees' focus for 2017 was centered on streamlining the safety management process and raising awareness to strengthen the Company-wide safety culture, mainly by making improvements aimed at changing individual behaviour and the work processes. The Health and Safety committee represents all individuals employed [permanent and outsourced] at Dialog. The Health and Safety representatives are responsible for giving first aid and acting as fire wardens.

Empowering a Digital Workforce

Dialog Employees⁶



Outsourced Employees

Injury Rate - 0.3605%***
Lost-Day Rate - 1.09%
Fatalities 0

3-year comparison

	2017	2016	2015
 Injury Rate	0.1012%	D.N.A	0.1392% ⁷
 Occupational Disease Rate	0.31%	D.N.A	0.10%
 Absentee Rate	2.25%	D.N.A	1.95%
Fatalities	0	0	0

- * One ankle fracture, One left leg fracture, One collarbone fracture, One bruise and sprain – all injuries due to road accidents of field-support staff.
- ** This fatality did not occur due to any job-related actions. However it is recorded here as the unfortunate incident occurred within Dialog premises.
- *** One collarbone fracture and one right hand fracture due to road accidents. One bruise and sprain, and one collarbone fracture due to field-work accidents.

100% of the total workforce is represented in formal joint management-worker health and safety committees.

6. All data reported on Health and Safety applies across Dialog Axiata PLC's operations, confined to Sri Lanka.
7. The Injury rate was erroneously stated for 2015 as 0.55%, and has now been recalculated and stated as 0.1392 due to a revision in the calculation methodology to align with the definition as per the GRI Standards.

The Safety Committee, working in joint consultation with unit heads at each location, carried out a comprehensive study in early 2017, to identify policy and procedural gaps in an effort to address potential risks that can have an impact on the day-to-day work schedule of our employees. This was followed by a revision of the Company's Safety Procedure manual, taking cognizance of Health and Safety as the sixth component of the Company's 5S operational code, in effect making allowance for a 6S workflow system.

The roll out of this new Premises Safety Programme, with the inclusion of standard safety protocols to be deployed at all Dialog locations, marks the first phase of Dialog's journey towards obtaining the OHSAS 45001 Health and Safety Management Systems certification for 6 identified locations - Batticaloa, Wennapuwa, Trincomalee, Badulla and Ratnapura arcades along with the head office at Union Place, Colombo.

Meanwhile, to further improve safety governance and imbue a company-wide safety culture, designated safety representatives were appointed - one at each single-story location and two per floor for multi-story buildings. These safety representatives are tasked with conducting regularly reviews to ensure proper compliance with safety procedures, with monthly incident reports being escalated to the Safety Committee for review and necessary action. The main goal here is to identify and respond effectively in order to prevent future incidents that may result in lost time. Regular training was conducted throughout the year to improve the understanding of and adherence to workplace safety and reinforce the safety culture among employees. This was coupled with bi-annual fire drills at each location. Special safety training was provided for security service personnel, while a new policy requiring that all Security Service Providers contracting with Dialog to be certified for fire and emergency response by a recognised local body, was also introduced. The safety equipment procurement process was further streamlined in line with standardised ISO requirements.

In addition to safeguarding their physical safety, Dialog considers the mental and physiological wellbeing of employees to be of equal importance. Therein, Dialog has proactively taken steps towards introducing wellness programs in the following year, encompassing counselling and related services for managing occupational stress, work-life balance and other health issues.

Diversity and Non-discrimination

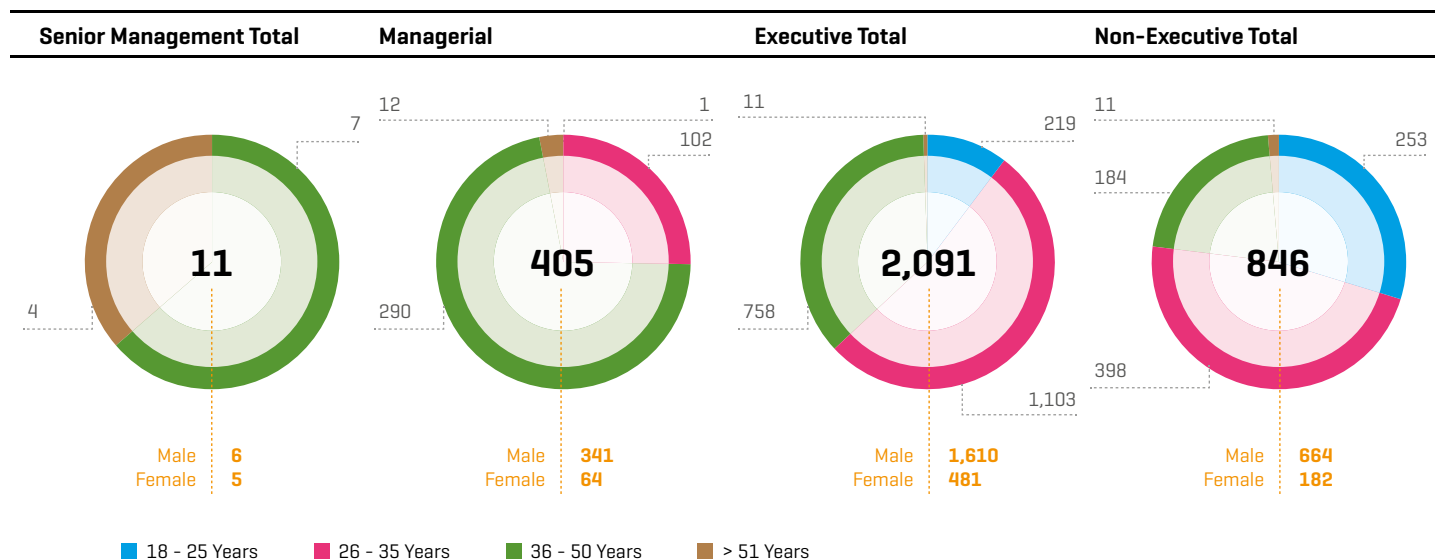
Our parent company, Axiata, is a multinational that operates across South Asian and South-East Asian regions, thereby providing Dialog employees the unique opportunity of being exposed to a multicultural operating environment. Dialog, as a progressive digital organisation, thus takes pride at being composed of a diverse team of individuals of various beliefs, faiths and gender identities. Thus, diversity and non-discrimination is a topic of material importance for Dialog, specifically across its direct and indirect workforce, including employees, outsourced employees, outsourced services staff and supply chain.

Further, as an equal opportunity employer, Dialog follows a non-discriminatory approach that respects the individuality and diversity of job applicants and employees. As such, at recruitment, Dialog only considers potential candidates' qualifications and competencies required in relation to the respective job opening. As a policy, we offer each employee a fair chance to work in all positions based on position requirements, educational qualifications, experience and other necessary requirements.

As per the Company's code of business ethics, all Dialog employees are treated fairly with dignity and respect throughout their employment life cycle. Employees too are expected to act similarly and are strictly forbidden from engaging in any form of harassment involving physical or verbal behaviour that offends other people based on race, gender, religion, age, and physical or mental disability. We are pleased to report that there were no incidents of discrimination reported within the reporting year. Employees have the opportunity of voicing any grievances related to discrimination through the whistleblower process, and through their respective HR Partners or Managers. The Company periodically conducts an internal review of policies and management approaches in place towards ensuring the maintenance of a workplace culture built around equal opportunity and non-discrimination, across all aspects of the organisation.

Empowering a Digital Workforce

Workforce Analysis by Staff Category



Remuneration

At Dialog, we endeavour to claim the best in-class talent pool in the industry and understand that the compensation and benefits we offer is the key to doing so.

Dialog's remuneration policy is aimed at attracting, motivating and retaining employees, and at promoting a high-performance and value-based culture across the business. Salary structures are competitive and designed to offer fair and equitable remuneration that is often ahead of industry benchmarks. Adjustments to remuneration are performed in line with the Axiata Group's remuneration strategy. With regards to recruitments, remuneration is based on an approved salary matrix and any amendments to the said policy require approvals from authorised individuals. Annual Remuneration adjustments to remuneration are made based on the increase of cost of living, the annual performance rating assigned to each individual and the results from the most recent salary survey. Such salary surveys are conducted by independent parties, once every two years.

In addition to their salary, Dialog employees also receive a variable bonus annually, based on each year's operating results and each employee's performance for the year. Further, depending on quarterly results achievement there is also a more immediate reward disbursed in the form of a smaller quarterly bonus pay out. All permanent and fixed-term contract employees further receive health insurance cover for hospitalisation and can claim reimbursements of routine medical expenses upto a stipulated maximum irrespective of employee category.

Other benefits made available to all permanent and fixed-term contract employees include: reimbursement of educational expenses and other selected special expenses – birth of a new baby and family events [wedding, death etc.]. Dialog also provides a host of recreational facilities to safeguard the wellbeing of our people.

In 2017, certain remuneration policies were reviewed following a salary survey carried out to determine Dialog's position vis-à-vis industry norms. Based on the findings of the study, adjustments were made to the salary structures for certain pay grades, specifically Manager and below. With a majority of the cadre falling within this bracket, the salary revision affected over 90% of the total cadre.

The current compensation structure was also reviewed, with the groundwork being put in place for a new compensation roll-out on par with best practices, both locally and internationally. In addition to this, towards further capturing stakeholder views regarding remuneration, requests made via skip-level and one-on-one meetings are considered.

Ratio of remuneration across staff categories, Female: Male

Category	2017	2016
Non-Executive	1 : 0.94	1 : 1.11
Executive	1 : 1.02	1 : 1.01
Managerial	1 : 0.98	1 : 1.02
Senior Management Level	1 : 0.79	1 : 0.82

*The ratios indicated above are specific to each employment category and include provisions for length of stay at the company, performance-related revisions and other factors affecting individual remuneration. There is however, no difference in the entry-level pay across gender, within each designation, or employee category.

Entry level wage: National minimum wage - 1.7: 1

Ratio between highest paid individual to median pay of all other individuals - 52.8 : 1⁸

Percentage increase in the highest-paid individual's compensation from prior year to the reporting year - 28%

Percentage increase of the median total annual compensation from prior year to the reporting year - 26%

Ratio of the of the annual total compensation percentage increase of the highest-paid individual to the median annual total 1.07:1⁹

Performance Management

Performance Management is deemed integral to fostering an engaged and productive workforce, recognising and rewarding good performance, and managing underperformance. Dialog's Performance Management policy has been designed to provide a vital link between the company's Business Plan, vision, values, and the goals and aspirations of our employees' individual employees. The purpose of this policy is to ensure that a consistent approach is followed for conducting Annual Performance Reviews, and that job-related skill and knowledge, and employee competencies and behaviours, are evaluated and compared against set standards and business objectives. Under the policy, at the outset of each financial year, managers work with their teams to develop a Performance Plan which outlines the employee's goals and objectives for a 12-month period cascading from the company's Business Plan. Managers are called upon to conduct progress reviews on an informal basis throughout the financial year to ensure employees are on track to achieve set goals and targets.

At the conclusion of each financial year and within the first 08 weeks of the new financial year, all permanent and fixed-term contract employees at Dialog receive a formal performance review to determine the progress made against pre-determined targets set out in the performance plan at the start of the year.

In addition, 360° evaluations and skip level assessments are conducted for some positions in order to gather employees' opinions and ensure fairness and transparency is maintained throughout the performance management process.

The process flow of the performance management process:



How grievances/disagreements on reviews are handled

- » Once the Performance Review [PR] ranks are communicated, related grievances should be immediately escalated to the Immediate Supervisor, Human Resource Partner [HRP] or Human Resource Manager [HRM] within 5 working days after the Performance Review score was communicated
- » HRM/HRPs to consolidate such grievances and submit the same to the Head of HR and Chief Manager- Organisation Development, along with the Chief Officer approval within 5 working days
- » Grievances submitted will be sent for GCED approval by the Head of HR and Chief Manager - Organisation Development
- » Any changes to the PR ranks will be communicated to HRPs and the Performance Management team
- » HRPs will update the system and communicate the same to the employees whilst the Performance Management team communicates the same to the Remuneration team

Total number of grievances as of the end of most recently completed Performance Review process [2016]: 13

8. Considered Salary, Statutory payments, Bonus, Fuel, Vehicle allowance, Time based allowances, Medical payments, Housing allowances for this calculation.

9. Considered Salary, Statutory payments, Bonus, Fuel, Vehicle allowance, Time based allowances, Medical payments, Housing allowances for this calculation. Sales Commission and Incentives are not considered for this calculation as it's not within the HR cost.

Empowering a Digital Workforce



Employees displaying the 'Api Dialog' spirit



Technical Staff at work at a tower site

Well aware of the challenges that we face in our attempt to achieve digital maturity in a highly competitive operating environment, Dialog's main priority is to develop and empower its people to keep pace with the fast-moving digital world.



Providing seamless Customer Service – the embodiment of 'Service from the Heart'



Creating Stakeholder Value

Our quest to create and deliver meaningful stakeholder value is ingrained into the very fibre of our being, and spans across all aspects of Dialog's operations.

Creating Stakeholder Value



Economic Performance

2017 proved to be yet another challenging year, with intense competition and the enforcement of multiple regulatory reforms, which had a significant impact on the Telecommunications Industry. Despite multifaceted challenges, the company continued to remain the most preferred mobile operator and undisputed market leader while delivering robust growth across all key performance indicators.

In keeping with this trend, the 2017 financial year demonstrated an equally challenging year, marked by unfavourable developments on multiple fronts, including intense competition, regulatory obstacles and numerous proposals from the fiscal budget that brought about uncertainty and caused widespread challenges to the industry as a whole. Despite many challenges, the Dialog Group continued to consolidate its position as Sri Lanka's premier connectivity provider, continuing its operational momentum to deliver strong growth across all key performance indicators. Continuing its strong performance trajectory, the Group delivered consolidated revenue of Rs94.2Bn for FY2017, a growth of 9% Year-to-Date ("YTD"), underpinned by strong growth across all business segments.

The year 2017 was marked by constrained consumer spending as Value-Added Tax (VAT) and Nation-Building Tax (NBT) were introduced toward the latter part of 2016, leading to constrained consumption during the year and affordability pressure for the consumer wallet. This was demonstrated via the slow-down in revenue growth of other listed consumer companies. The said taxes pushed the effective tax rate to 49.67% on Voice, Value-Added Service (VAS), Fixed Line and Television service offerings.

Group total operating cost grew by a moderate 5% YTD as the Group continued its Cost Rescaling ("CRS") initiatives with renewed vigour in FY 2017, which led to a significant realisation of cost savings exceeding LKR 4 billion. On the back of substantial revenue growth as well as operational efficiencies, Group Earnings Before Interest Tax Depreciation and Amortisation ("EBITDA") for FY 2017 delivered a strong growth of 16% YTD to reach Rs33.9Bn. Underpinned by strong growth across all operational performance metrics, the Group recorded a significant Net Profit After

Tax ("NPAT") of Rs10.8Bn for FY 2017, recording a double-digit growth for the second consecutive year of 19% YTD. The Sri Lankan Rupee (LKR) depreciated against the United States Dollar (USD) by 2.3% in FY 2017 compared to 3.9% in FY 2016.

Dialog Group continued to be a significant contributor to state revenues, remitting a total of Rs35.7Bn to the Government of Sri Lanka ("GoSL") during the financial year ending 31st December 2017, representing an increase of 13% YTD. Total remittances included direct taxes and levies (Rs9.0Bn) as well as consumption taxes collected on behalf of the GoSL (Rs.26.7Bn).

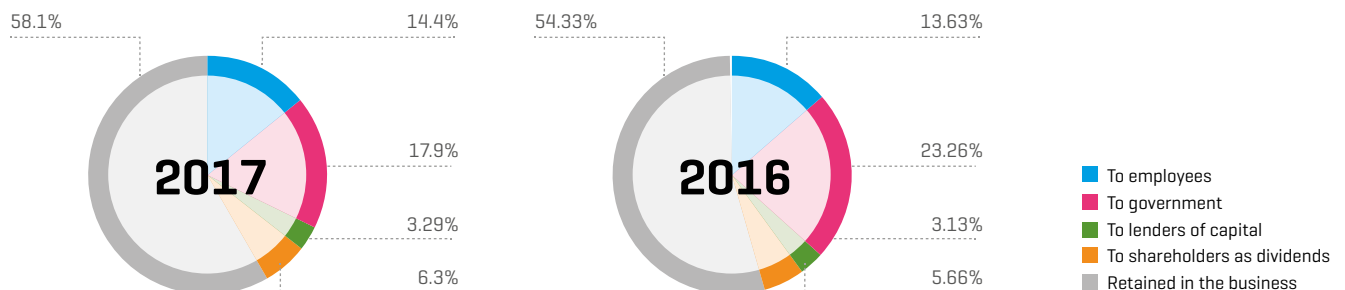
Capital expenditure was directed in the main towards investments in high-speed broadband infrastructure encompassing capacity upgrades for 3G networks and expansion-focused investments for 4G networks, alongside the extension of the Group's Optical Fibre Network to support robust seamless connectivity.

For a more detailed view of Dialog's economic performance, please refer the 2017 Dialog Annual Report, chapter 'Business and Financial Review.'

Value Added Statements

For the year ended 31 December	2017 LKR 000'	2016 LKR 000'
Value added		
Revenue	94,195,890	86,745,233
Other operating income	45,236	72,096
Interest income	244,612	367,008
	94,485,738	87,184,337
Cost of materials and services bought in	[44,111,601]	[41,103,760]
Value creation	50,374,137	46,080,577
Distribution of value added		
To employees		
Salaries and other benefits	7,254,108	6,281,310
To government		
Taxes, fees and levies	9,017,746	10,718,690
To lenders of capital		
Interest on borrowings	1,658,003	1,440,228
	1,658,003	1,440,228
To shareholders as dividends		
Dividend to shareholders	3,176,074	2,606,009
	3,176,074	2,606,009
Retained in the business		
Profit retained	10,212,812	9,235,977
Depreciation and amortisation	19,055,394	15,798,363
	29,268,206	25,034,340
	50,374,137	46,080,577

Distribution of value added



Creating Stakeholder Value



Customer Satisfaction

It is Dialog's firm belief that each and every customer plays a vital role in our ability to maintain our position as the leading digital telecommunication service provider in the country. Enriching our customers' experience is therefore a top priority for Dialog. Investments to scale up our network and extend our coverage are continuous and ongoing. Our aim is to provide high quality uninterrupted coverage throughout all regions across the country, and continuous investment to enhance the speed of our network and improve capacity for new digital services paves the way for an unprecedented customer experience. Notable efforts for 2017 included the 5G-capability trial, including the Massive MIMO [Multiple-Input Multiple-Output] Technology demonstration.

As a follow up to the commercial launch of 4G-LTE services in June 2016, Dialog pioneered the first-ever 5th generation [5G] capability trial in South Asia in August 2017, together with technology partners - Ericsson and Huawei. The demonstration showcased the capabilities of 5G technology in delivering wireless throughput speeds in excess of 35 Gbps [Gigabits Per Second] on the 5G Radio [Air] Interface, setting a solid foundation for the future evolution of the nation's Broadband connectivity, well ahead of peer countries in South Asia.

Included in the trial was a demonstration of the next-generation, Massive MIMO [Multiple-Input Multiple-Output] Technology. Massive MIMO Technology offers greater spectrum efficiency with up to six times more capacity from the same spectrum resource. Massive MIMO is considered the most compelling technology with superior energy and spectral efficiency thanks to its ability to use multiple antennas to enhance capacity and transmit parallel data streams to users on the same frequency and thereby enhancing connectivity and reducing interference faced by individual users. The trial concluded with a MIMO deployment capable of delivering speeds up to 716Mbps over a single 20MHz LTE TDD carrier.

Dialog's commitment to customers goes beyond meeting their telecommunication and connectivity needs. The Company seeks to provide each individual customer with a personalised, seamless experience right from the very beginning of our relationship. Governed by its Customer Intimacy Vision for Digitisation, Dialog aims to lead the Customer Experience Transformation towards a Digital Future by humanising digital care to fulfill consumer needs of connection, self-expression, exploration & consumption through ubiquitous omni-channel life enriching experiences.

The key focus & development for 2017, was the drive of the "Service from the Heart", Dialog's first value, via an organisation wide campaign, to align staff through one central customer service premise. The move was also aimed at continuous triggering of cultural transformation to support efforts to drive passion for service & customer centricity in everything the Company does, thereby strengthening Dialog's overall NPS [Net Promoter Score] as a customer-centric organisation. Comprehensive development programmes are driven by the Customer Service Training Academy, and rolled out for all frontline staff across all Customer Interaction Centres

and Partner Networks. To further support the digital self-learning process the Zenlife e-learning app was launched for contact centre/frontline staff. Zenlife is the official eLearning platform and app launched by the Group Service Delivery function, which aims to deliver training efficiently to all the employees in the Customer Experience eco system and across all regions and partners. Zenlife is a learning management platform which enables staff to access the online eLearning portal through their Digital devices for free, enabling real time training for new product & service launches and continuous development training. Its success was recognised at the 2017 Dialog Awards, as the "Process Excellence Initiative of the Year" with the Silver Award.

Other changes made during the year were specifically aimed at streamlining the customer complaint mechanism and a thorough review of the existing customer complaint mechanism was done in the early part of 2017. Based on the findings, several important steps were taken to eliminate / reduce complaints, customer effort, barriers for customer satisfaction and for retention. A new real-time monitoring centralised resolution model was initiated to facilitate the dissemination of complaints data in real-time in order to simplify the overall complaint resolution, provide faster resolution and response. In parallel, Dialog began monitoring over 10 customer interaction channels on transactional NPS [tNPS] and also measure Relative NPS [rNPS] to measure its rank relative to market competition. Meanwhile, to analyse feedback received via customer touch points a special text analytics tool was developed to monitor customer behaviour patterns and respond effectively to address service gaps. This algorithm which was published as "A Sentiment Analysis and Classification Algorithm utilising an Independent Term MATCHING SCHEME sensitive to Negations and Word Count Patterns", won the award for the best paper at the Annual Technical conference by IET [Institution of Engineering and Technology] surpassing all leading technical institutions, companies and universities in Sri Lanka. It also won an Honorary Mention at the Customer Experience Management [CEM] Summit Asia held in Singapore. The event features industry experts from leading Tech and Telco companies in Asia.

The complaint governance process re-examined under the organisation wide simplification project and Trouble to Resolve [T2R] will drive better Customer Experience by offering better responsive and resolution times with a proposed Central Resolution Center, with real time dashboards and auto segregation complaint flows.

Meanwhile, the Digital customer experience channels were given more focus by the launch of the Dialog Chat Bot and new Self Care app features, along with a GUI [Graphical User Interface] revamp, and consolidated agent interface projects to reduce the agent handling time at touch-points mainly by encouraging customers to migrate to digital channels.



Dialog was voted Sri Lanka's most preferred Telecom Service Provider and Internet Service Provider of the year for the 7th and 6th consecutive times, respectively.



Social Stewardship

Dialog's subscriber base makes up more than half of Sri Lanka's total population. As an accountable corporate operating within this geographic and socio-economic context, Dialog has a responsibility towards the citizens of Sri Lanka, due to the vast potential it carries in terms of positively impacting on the nation through its objectives and other indirect investments. Dialog thus has the distinct ability and opportunity not just to connect, but reach out to all of its stakeholders in adverse situations or times of national strife.

Through that mindset, Dialog leveraged its technologies to extend beyond its immediate operating boundaries and create value for extended communities within its geographic reach. Some of the key interventions benefitting communities across the island range from the focus on providing access to quality education, healthcare services and assistive technologies towards improvements in the quality of life for the hearing, sight and speech-impaired, and for those vulnerable to natural disasters.

As part of its commitment to the Sustainable Development Goals, Dialog reviews its stakeholder-focused activities on an annual and multi-year basis, so as to ensure that the company always tackles relevant social and environmental issues keeping up with the ever-changing needs of society.

Working to accelerate social and economic development in Sri Lanka, Dialog focuses on areas that are deemed national priorities. The projects undertaken as per its social stewardship agenda, are sustained, long-term interventions that have the capacity to deliver lasting change for the betterment of the country and its people. To ensure that these initiatives deliver the intended benefits, Dialog partners with industry, like-minded organisations, international research bodies and organisations, respective government bodies and local authorities and community groups unique to each scenario.

The key drivers of Dialog's social stewardship strategy are innovations for social needs, strategic partnerships and stakeholder consultations for the long-term viability of such interventions.

Dialog Foundation

Replacing its precursor, the Change Trust, the Dialog Foundation was created in 2012 to unify Dialog's major Public Private Partnerships and provide a cohesive framework to drive the company's social stewardship activities.

Recognising not only that Dialog is a part of the Knowledge Economy, but also that education is the single most powerful tool for long-term change, the Dialog Foundation's main thematic areas of focus from the inception have been the development of the country's formal primary and secondary education system, assistance for those with hearing, sight and speech deficiencies or impairments, disaster preparedness and response, and health and support for marginalised communities, as part of the Dialog

Foundation's mandate, making up its comprehensive social stewardship strategy.

Hearing, Sight and Speech

Athuru Mithuru - Augmentative and Alternative Communication App

Focused on addressing the needs of Persons with Disabilities [PWDs], Dialog launched the Athuru Mithuru App, an assistive and augmentative communication tool for persons with speech difficulties and those with limited mobility to communicate with their caregivers. The App connects visual images with corresponding audio response to assist users to easily manage a host of daily functions. In addition to the basic pre-programmed list of options, the Athuru Mithuru App can be further customised using the in-built image and audio archive. The app also provides an option for users to snap and upload pictures and audio clips. Athuru Mithuru is a free trilingual app launched on the Android platform symbolising Dialog's commitment to make cutting-edge technology more accessible to a broader spectrum of users.

At present, the app is being piloted with a few organisations working with persons with hearing and speech issues, autism and cerebral palsy.

Finger Reader

As part of Dialog's inclusive approach to reach out to PWDs, a new Finger Reader device was piloted through a soft launch in November 2017.



Finger reader in action

Using groundbreaking technology developed by the Massachusetts Institute of Technology (MIT), USA and Singapore University of Technology and Design [SUTD], the Finger Reader is meant to assist visually impaired persons to access visual information on the go. The Finger Reader allows users to simply point at products, restaurant menus, sign boards etc. to perform a recognition and interpretation task on what the Finger Reader sees and hear the result spoken to him or her through a headset.



Creating Stakeholder Value

The Finger Reader project remains at the pilot stage as ongoing refinements continue to be made, with the commercial model yet to be determined.

Vision 2020

'Vision 2020' is a global initiative of the World Health Organisation (WHO) and the International Agency for the Prevention of Blindness (IAPB) for the elimination of avoidable blindness by 2020. In Sri Lanka, the Ministry of Health spearheads the programme and encourages public-private-partnerships to implement of sustainable programmes that add value to the National Healthcare System.

Having signed up for the "Vision 2020" initiative in 2015, in 2017 Dialog facilitated 19 eye camps, across 8 districts where over 6,831 people from low-income communities have been screened, with nearly 4,899, or 71% of the individuals screened being provided with spectacles. This brings the total eye camps to 21, with 7,485 individuals screened and 6,159 spectacles distributed.



A patient undergoes an eye-test at a Vision 2020 eye camp

Disaster Response

Senehe Siyapatha I and II

The first Senehe Siyapatha project was initiated following the disastrous floods and landslides of May 2016. The completion of the final phase of this effort saw a total of 30 houses in the Kegalle district, constructed and handed over to the survivors in May 2017. Triggered by a similar disaster soon after, "Senehe Siyapatha II" was launched as a collaborative effort between Dialog, the Ministry of Defense and the Ministry of Disaster Management.

Specific efforts for the year involved the reconstruction of houses damaged or destroyed by the May 2017 flood. The project was managed by Dialog, with the civil construction services being performed by the tri-forces, free of charge. All construction activities were carried out as per specifications given by the National Building Research Organisation (NBRO) under the

aegis of the Ministry of Disaster Management, and overseen by a specialist construction company.

Funding for the project was met partly by Dialog and partly through contributions made by customers. Following a special appeal to subscribers to donate 50 rupees for relief operations via SMS (Short Message Service), Star Points and eZ Cash, a total of LKR 16.53 million was raised through customer contributions with Dialog matching each donation 2:1, the total fund stood at LKR 57.5 million.

A review of the established Senehe Siyapatha I Village in Kegalle was carried out as part of a study titled 'Donor Driven Housing Constructions in Post-Disaster Reconstruction projects – A Case Study on Kegalle Resettlement Programme, Sri Lanka' by the NBRO. The key highlights of this review focused on assessing the satisfaction levels of resettled dwellers. The study reported an above 80% satisfaction for the dwellers' level of privacy, ease of cleaning, maintenance and orientation of the house, sanitary facilities and aesthetics. The project transformed the livelihoods of the beneficiaries by providing them with the platform to restart their lives, after the natural disaster.



The building of the new Senehe Siyapatha Village in progress

Disaster Early Warning Network (DEWN)

An updated version of South Asia's first disaster warning system, DEWN 2.0 was launched in 2014 to coincide with the tenth anniversary of the Indian Ocean Tsunami of 2004. DEWN is an early warning mechanism aimed at minimising the risk of disaster.

DEWN Version 2.0 offers connectivity among all key stakeholders – general public, relevant government authorities, first responders, media etc., offers mobile cell-level alerting, and enables media channels and other authenticated services to disseminate alerts of potential disasters to the general public. Meanwhile the DEWN app rolled out in 2015 for Android and Apple devices leverages modern technology to provide content-rich alerts.

Designed and developed in partnership between Dialog, Microimage Mobile Media (Pvt) Ltd., and the Dialog-University of Moratuwa Mobile Communications Research Laboratory for the Disaster Management

Centre [DMC], DEWN uses the latest mobile communication technology to transmit alerts through the GSM network to issue customised alerts to the public and first responders, warning them of impending natural disasters.

Readiness for Emergencies and Disasters (RED)

A new initiative by Dialog, RED is a set of detailed disaster management protocols that aim to minimise the cost to human life, caused by various types of natural disasters. The first phase of the project, which commenced in 2017, involved drawing up Standard Operating Procedures (SOPs) for the actions that may be taken by the Company to assist in the immediate aftermath of a disaster.

Education

Dialog Merit Scholarships

Established in 2003, the Dialog Merit Scholarship programme offers financial assistance to top-performing G.C.E. O/L and A/L students to pursue their higher studies.

Accordingly, in the O/L category, 30 students comprised of the island's top five students and the students ranked 1st in each district choosing to continue their A/L studies in Physical Science stream will become eligible for the Dialog Merit scholarship. In the A/L category, Dialog Merit scholarships are offered to the all island top performing male or female student, the next-highest performing female student, as well as the top ranked students from each district entering a state university engineering faculty.

The O/L programme is a partnership between Dialog and the Ministry of Education (MOE) and as such, eligible candidates are determined by the MOE. The A/L programme is a partnership between Dialog and the Ministry of Higher Education and the University Grants Commission (UGC), and candidate selection process is carried out by the UGC. Since its inception in 2003, the Dialog Merit Scholarship scheme has assisted over 700 bright students through commitments in excess of LKR 100 million.

Nenasa Smart Schools

A new initiative that commenced in 2017, the Nenasa Smart Schools project spearheaded by Dialog aspires to transform Sri Lanka's education eco system, and to change the way education is consumed by teachers and students. The Nenasa Smart School initiative highlights Dialog's commitment to develop the local education sector vis-à-vis digitised study solutions for the classroom.

The initiative is driven by Headstart (Pvt.) Ltd. (an associate company of Dialog) in collaboration with the Ministry of Education, Microsoft Sri Lanka and Commercial Bank of Ceylon PLC. The aim of the project is a digital transformation of 250 schools to 'smart schools' by 2020 through systematic, people-centric transformation of the learning process, thereby creating "smart" students and teachers.

The first phase of the project, which commenced in November 2017, saw the initiative being rolled out across 100 schools, with train-the-trainer programmes being conducted for nominated ambassador teachers. These schools were selected from the Western and Southern Provinces with the guidance of the respective Provincial Departments of Education, after a careful evaluation.

What is unique about this initiative is this teacher-centric approach, where the teacher - who is generally ignored by many 'device-centric' initiatives - is treated and 'empowered' to be a changemaker within the school. Ably supported through a follow-up programme, these ambassador teachers are then expected to share their knowledge and guide students and colleagues in their respective schools to achieve a well-defined 'smart school transformation KPIs.

The overall Nenasa Smart School concept is developed in alignment with contemporary global trends in Teaching with Technology (TwT), embodying Dialog's commitment to the UN SDG 4 - 'Education for All'. Dialog's commitment for the initiative in 2017 was LKR 22 million spent on a series of hands-on training sessions for 300 ambassador teachers.

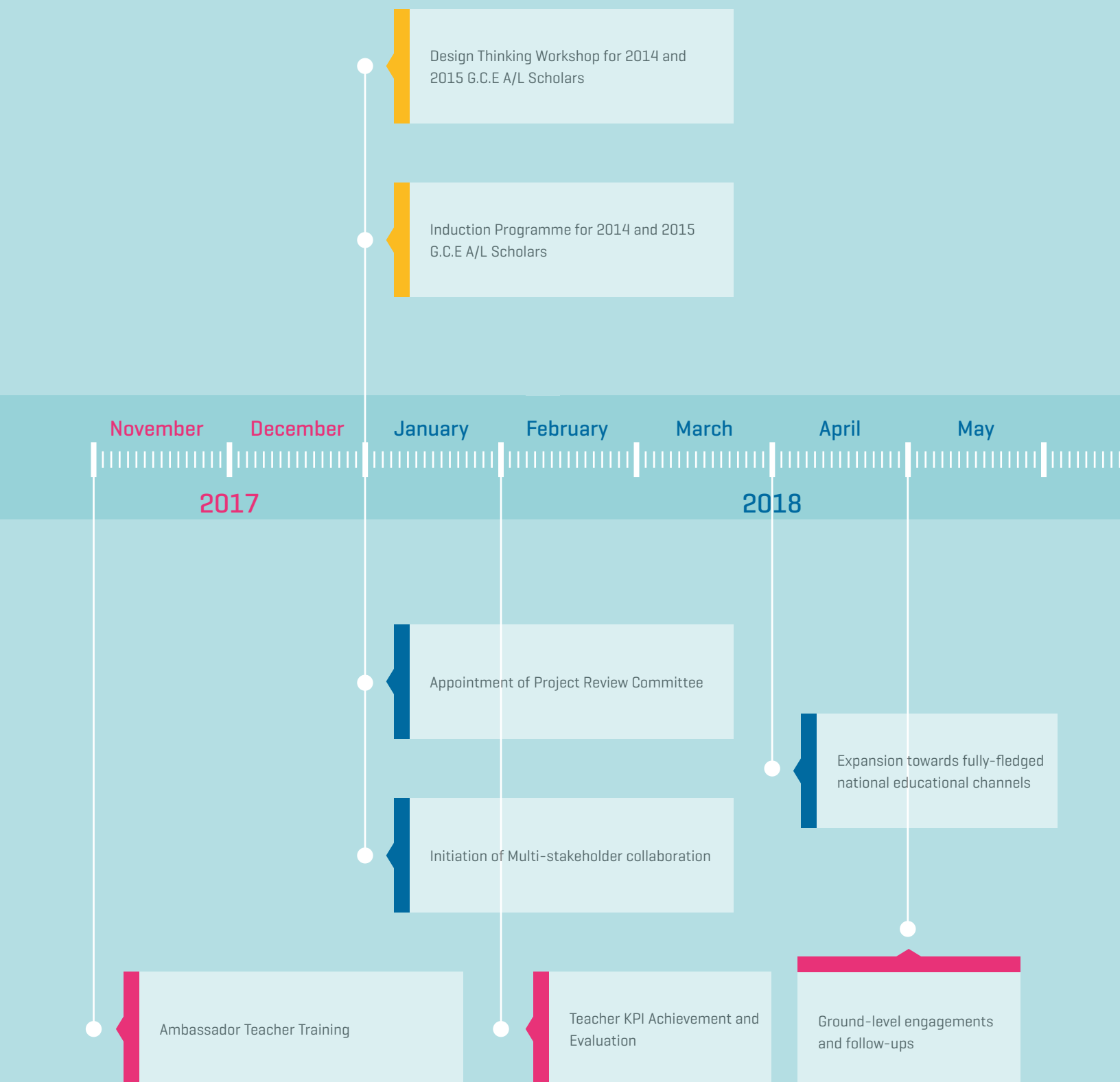
Nenasa TV

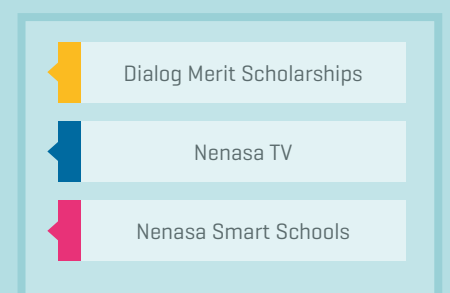
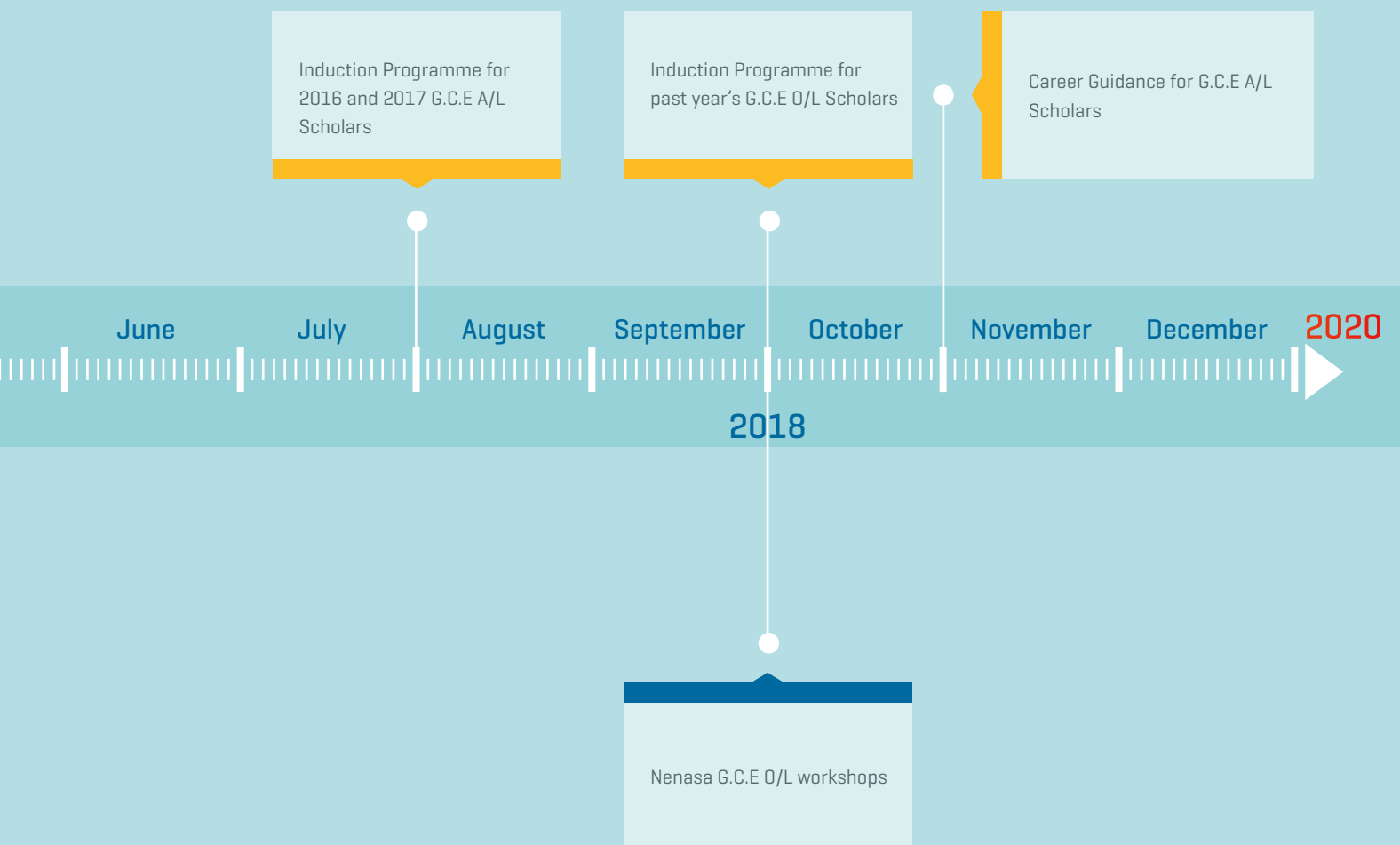
Nenasa, a Public-Private Partnership with the Ministry of Education is an initiative intended to support grade 10 and 11 students preparing for the General Certificate of Education (G.C.E.) Ordinary Level (O.L.) through two dedicated TV channels, Nenasa 10 and Nenasa 11.

While the content aired on each channel is provided and monitored by the Ministry of Education, the partnership with Dialog enables the programme to be promoted to a wider audience, mainly through ongoing school outreach programme, where Dialog has provided televisions and receiving equipment to give students in over 2000 schools the opportunity to access the Nenasa TV channels.

In 2017, the long standing Nenasa initiative between the Ministry of Education and Dialog, was extended for another 5 years with plans to seek possible ways to enhance Dialog's contribution to the initiative, thus making it a fully-fledged education ecosystem, reaching beyond the current scope of complementing the Ordinary Level syllabus. In 2017, Dialog's commitment under the Nenasa initiative was in excess of LKR 53 million inclusive of the channel management cost, transponder cost and contributions made for the Nenasa Ordinary Level seminars.

Education Milestones



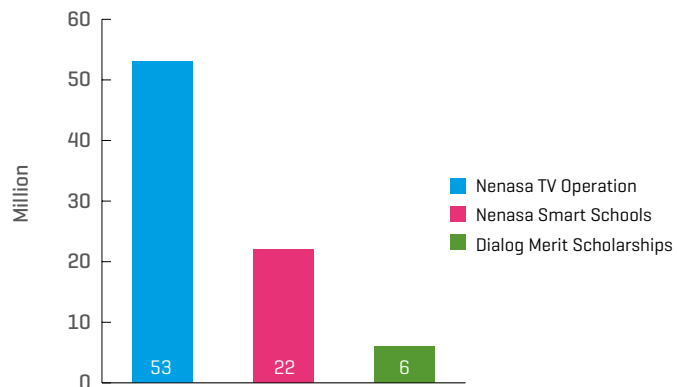


Creating Stakeholder Value



Distribution of Schools powered by Nenasa TV

Dialog's commitment to education in 2017



Renewal of the Nenasa Memorandum of Understanding



Launch of the Nenasa Smart Schools Programme



Teachers experiencing Teaching with Technology [TWT] during Nenasa Smart Schools sessions



Induction of Dialog Merit Scholars - 2014 & 2015 Advanced Level

Veta

The threat and impact of Dengue Haemorrhagic Fever is one that is felt heavily every year in Sri Lanka. 2017 was no different, with the number of reported cases in the first 6 months having surpassed that of the entirety of 2016. Through consultation with public health professionals, the general consensus is that there is significant apathy among the public with regards to knowledge on the spread of dengue. This, combined with insufficient public resources, leads to poor control of mosquito breeding sites – specifically around identified cases – which is usually the best method of preventing transmission of the disease.

Veta is an endeavour to rid Sri Lanka of the Dengue epidemic which impacts thousands of people across the island. Veta provides a simple yet effective location-based system to report and discover Dengue cases. By alerting Citizens in high-risk areas, the app empowers Citizens and connects them to each other to fight Dengue effectively. The app helps focus scarce resources and alerts only communities at high risk, ensuring that the fight against Dengue can be more effective and efficient.

Veta enables provides both users and authorities alike, the opportunity to exercise greater vigilance, and take extra safeguards in any location that has a relatively higher number of reported incidents. By making it personal, Veta believes that people will start taking mosquito breeding sites more seriously, before it impacts one's own family.

Veta offers a host of features such as:

1. Neighbourhood Feed: Users can share information about dengue breeding sites, personal stories of dengue's impact, etc.
2. Frequented Locations: Users can set locations that are commonly visited by them and their family. Veta will constantly monitor such locations for its users, and provide updates on the incidence of dengue.
3. Protection Zone: Users will receive updates on the incidence of dengue, whenever Veta's Community submits Dengue case reports within a specified location.

4. On the Go: Users can always be vigilant. Users can search any new areas they visit for a historic summary of Dengue case reports by users living in the area.
5. Submit Reports: Users can be responsible and keep their community alert. Reporting an incident, could help save a life.
6. Dashboard for Authorities: A Dashboard view with reported cases identified on a map, displayed according to the selected time window, allows authorities to identify the transmission vector as it moves over time, helping assign resources to the locations where they are most needed to prevent further transmission.

Dialog Volunteer Network

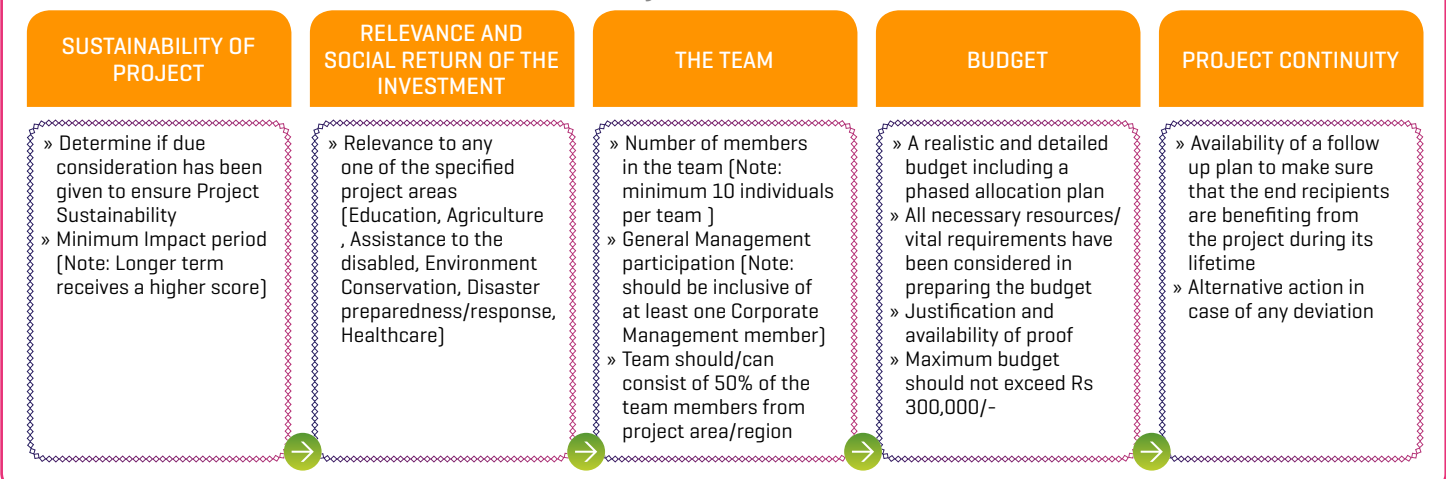
The Dialog Volunteer Network [DVN] is a conduit that seeks to bring change to grass root level communities. Set up with the intention of mobilising Dialog employees to make a difference in their communities, DVN is an employee volunteerism initiative that puts people at the center of change by empowering them to make a difference.

DVN gives employees the opportunity to pitch prospective project ideas to a designated Selection Panel for evaluation and rating. As per the DVN mandate, approval will not be granted if the project is contradictory to Dialog's core Values.

Community-based projects receiving a high rating are selected and given the go ahead and the entire project management process vested with the employees themselves. In this context, additional safeguards are included to ensure that project funds are not channelled towards sponsorships, one-off events (e.g., launches, prize giving, walks), politically motivated initiatives or religious institutions and events.

In the 2017 cycle, 11 teams proposed DVN Project, with six receiving approval.

DVN Project Selection Criteria



Creating Stakeholder Value

Water, Electricity, Sanitary and Safety

for Sivapuram Ragulan Pre-School – Sivapuram, Paranthan, Killinochchi



Duration:

3 Months

Team size:

20

Project Value:

LKR 295,000

Direct beneficiaries:

1,000

- » Covering the initial cost of obtaining electricity
- » Renovating playground equipment
- » Planting trees in the garden
- » Cleaning the water well and building a water tank equipped with a water pump to ensure water supply to the school and the toilets
- » Renovating the roof of the school building and painting the inner walls with child friendly pictures
- » Building a proper fence

New Classroom and Facilities Upgrade

for Pokkaddi G. T. M. School, Kodikamam



Duration:

3 Months

Team size:

15

Project Value:

LKR 300,000

Direct beneficiaries:

300

- » Completion of the new classroom complex work, which was stalled after the foundation stage
- » Renovation of the existing building and white washing the walls
- » Providing proper wiring

School Library and Facilities Development

for Ra/Soodagala Sri Rahula Maha Vidyalaya - Ratnapura



Duration:

3 Months

Team size:

15

Project Value:

LKR 300,000

Direct beneficiaries:

500

- » Renovating the school library and donating books
- » Renovating the class rooms
- » Electrical wiring
- » Repairing broken tables and chairs

Kuda Oyata Nena Pahanak

for Kuda Oya Primary School, Wellawaya, Monaragala



Duration:

6 Months

Team size:

40

Project Value:

LKR 400,000

Direct beneficiaries:

1,500

- » Construction of a new classroom
- » Construction of a new library
- » Donating library reading material

Creating Stakeholder Value

Classroom Renovation and Toilets Upgrade

for Rathupaswala Bodhiraja kanitu Vidyalaya, Gampaha



Duration:

3 Months

Team size:

25

Project Value:

LKR 300,000

Direct beneficiaries:

300

- » Renovating the classrooms
- » Repairing the broken desks and chairs
- » Renovating the toilets

Library, Playground and Teachers' Quarters

for Matambuwa Halmillewa School - Anuradhapura



Duration:

3 Months

Team size:

15

Project Value:

LKR 305,000

Direct beneficiaries:

150

- » Building a new library
- » Renovating and further developing the existing playground with a protective fence
- » Planting trees in the garden
- » Repairing the teachers' quarters - a priority as this is a remote location



Securing a Sustainable Future

Even as we seek to reinvent and revolutionise the days ahead, we are mindful of our growing impact – ours is an enduring, long-term commitment to the planet and society in which we operate.

Securing a Sustainable Future



Climate Action and Energy Management

“Climate Action and Energy Management” was found to be among the key material issues of 2017. The vastness of Dialog’s operations across the country means that there exists a significant demand for energy to power the entirety of Dialog’s network operations and the sizeable number of Dialog’s service centres and back-office locations. As Dialog forever challenges its systems and processes towards digitising its operations for higher efficiencies and future readiness of the network. Dialog has taken great strides towards implementing infrastructure-sharing schemes, as 40% of its operations are run on shared sites owned by other operators. Similarly, Dialog shares a significant amount of owned tower sites with peer-operators, to minimise duplication by integrating collective plans and driving a co-build approach, leveraging the infra-sharing platform to optimise consumption across the island-wide network. This in turn also helps mitigate the visual pollution caused by tower sites and base stations spanning the country, and reduces the requirement of having to maintain point-to-point radio links within the county, thereby reducing Dialog’s overall footprint. This is further supported by the drive towards fiberising our network. Retiring old link hardware during our core transport network modernisation has reduced energy and physical footprints, reducing costs directly and indirectly with simplified management.

Dialog’s impact on Sri Lanka’s skylines too is changing, with the reduction or elimination of link hardware, substituting lamp-pole style sites mounted on existing structures, or inside buildings, in place of the once-familiar dedicated steel structure, and in some cases blending completely into integrated advertising, street lighting, or smart parking solutions. Dialog worked with town-planning experts in laying the foundations for modern metropolises, further to the already deployed, and further planned sites, having integrated environmental information sensors, including flood-monitoring systems.

Dialog implemented a number of different energy-saving initiatives and mechanisms across 2017. The cutting edge solar-power production system at the Head Office accounted for a saving of up to 181.39 GigaJoules of energy [equivalent to 26.67 tCO₂e saved], a 36.92% increase on that saved in the preceding period. Dialog’s strategy for the long-term is to gradually move towards an ecosystem of tower sites powered primarily by solar power and other forms of renewable energy. There lies great potential in implementing such technology within areas prone to the effects of bad weathers, including flooding and landslides, which has been a common occurrence in recent times. Such sites would act as hubs for distributing power across the network, when the main grid is rendered inaccessible for a prolonged period. At the point of procurement, by actively working with and imposing upon vendors design efficiency and energy efficiency criteria, Dialog aims to reduce long-term environmental impacts. Dialog went to the extent of assisting key equipment suppliers in identifying areas of operation in which large energy consumption was seen, and worked together with such suppliers in applying analytics and identifying a feasible reduction strategy.

The combination of all efforts made to conserve energy and increase energy efficiency at Dialog yielded savings of approximately LKR 19.90 million over the course of 2017. Further to this, the year-end review of energy consumption efforts at Dialog assessed the extent to which energy usage was managed across the organisation. Upon completion of the review, action plans to modify the approach to energy management within Dialog will be implemented in the forthcoming year. Dialog is exploring the implementation of an ISO:14001 Environmental Management System across its operations, towards taking mitigatory measures concerning its potential adverse environmental impacts, including managing its consumption, emissions and waste disposal, guided by the Precautionary principle. Further to this, as necessitated by Dialog’s vendor code of conduct, suppliers must adopt a precautionary approach to environmental matters and undertake initiatives to promote greater environmental responsibility.

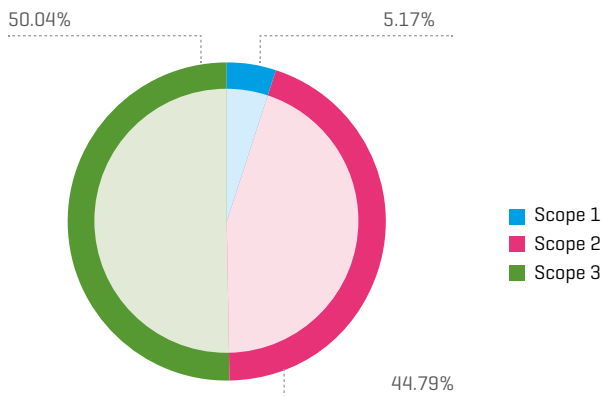
Listed below are some of the key energy saving initiatives, through staff engagement, that were introduced throughout the reporting period:

- 1] Facilities management teams were assigned specific locations for the conduct of audit visits, to monitor and analyse energy usage and implement saving measures.
- 2] 47 Electricity metered locations & outlets under the Facilities Management purview were divided and assigned to groups, who implemented energy saving initiatives such as switching off lights, air conditioning systems, TV’s, water purifiers etc, when not in use.
- 3] Dialog’s Security Management teams assisted in more accurately monitoring consumption by obtaining electricity meter readings on daily basis [during, before & after office hours].
- 4] A physical Energy Management dashboard was maintained so as to clearly highlight daily electricity savings and to show comparison with respect to benchmarks and/or targets.
- 5] Staff awareness sessions by way of presentations, notification emails requesting curtailment of additional use of air conditioners, and posters.
- 6] Utilisation of fans at maximum possible locations in lieu of switching on air conditioners outside working hours and on holidays.
- 7] Special training sessions were organised for janitorial staff on the optimum utilisation of electrical equipment towards being vigilant on energy saving options and improvements related to monitoring energy saving initiatives.

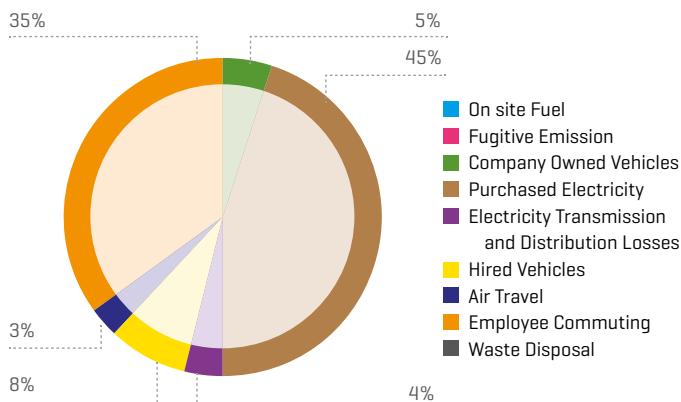


Dialog undertook a comprehensive review of the prevailing emission sources across its operations. Due to the variety of portfolios and areas of operation, Dialog's carbon footprint is composed of a number of diverse sources. Dialog's comprehensive Carbon Footprint consists of Scope 1, Scope 2 and all feasibly trackable Scope 3 emissions, as per the Greenhouse Gas (GHG) Protocol. The greenhouse gases tracked include Carbon dioxide (CO₂), Methane (CH₄) and Nitrous oxide (N₂O), with the total emissions presented as Carbon dioxide equivalents (CO₂e). As previously, a year-end review was conducted to determine action plans and modifications to current operational procedures with respect to emissions management, for implementation in the forthcoming year. The majority of NO_x and SO_x emissions arising from Dialog's operations may be attributed to network operations. Following the carve-out of these operations to external management by edotco, outside Dialog's degree of influence, Dialog is no longer reporting on related emissions. Dialog plans to conduct a comprehensive assessment on generators located across its base stations, and provide a detailed map of such emissions in the following reporting year.

Dialog's Total Emissions by Scope



Dialog's Total Emissions by Type



Resource Consumption and Waste Management

Waste



Paper Waste
[tonnes]
2017 - 46.53
2016 - 37.52
2015 - 97.40



Newspapers
[tonnes]
2017 - 0.28
2016 - 0.72
2015 - 0.70



Cardboard
[tonnes]
2017 - 0.00
2016 - 0.51
2015 - 1.38



E-Waste
[tonnes]
2017 - 559.07
2016 - 261.40
2015 - 352.35



Tyre Waste
[tonnes]
2017 - 3.87
2016 - 3.75
2015 - 2.46

Water



Total Water Usage [m³]
2017 - 56,470
2016 - 64,862
2015 - 54,514



Water used per employee [m³]
2017 - 13.29
2016 - 19.84
2015 - 18.00

OUR ENERGY USAGE AND CONSERVATION

FUEL USED FOR TRANSPORT (LITRES)

Diesel
637,669.49
Petrol 1,384,695.05



Diesel
19,357.01 GJ
Petrol
42,033.61 GJ

ENERGY INTENSITY



Total energy related to transport
61,390.61 GJ
[Hired Vehicles, Company Owned Vehicles, Employee Commuting]



Per Customer
2.37
[MJ/ Customer]



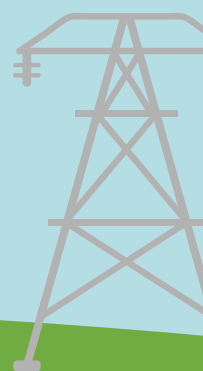
Per Employee
71.19
[MJ/ Employee]



Per Unit Revenue
2.80
[GJ/ LKR Mn.]



Savings from Energy Efficient
A/C units
6.02 [LKR Mn.]



Dialog



Savings from Energy saving initiatives
13.17 [LKR Mn.]



ENERGY CONSUMED

↑ 30.77%

2017
30,225.82 GJ
2016
23,113.48 GJ

↑ 33.72%

Indirect - Electricity Consumption
29,913.25 GJ - 2017
22,369.85 GJ - 2016

42%
Saving



Direct - Fuel Usage
312.57 GJ - 2017
743.63 GJ - 2016

10. All emission factors used to determine the GHG emissions arising from direct energy were sourced from the Department for Environment, Food and Rural Affairs (DEFRA) 2017 emission factors database
11. R410A gas usage [Fugitive Emissions] is based on estimate of weight of containers used for refills, not on the actual amount of gas used.
12. All emission factors used to derive Scope 2 GHG emissions arising due to indirect energy usage were sourced from the IEA Annual Emissions Highlights for 2016 and Sri Lanka Energy Balance 2014 - Baseline emission factor used in the previous year of reporting. [Factor used - 0.529 kgCO₂/kWh]
13. All emission factors used to determine Scope 3 GHG emissions were sourced from the DEFRA 2017 emission factor database.

OUR CARBON FOOTPRINT

ENERGY CONSERVATION

Emissions Saved

Solar Power Solution

Total
26.67 tCO₂eEquivalent to amount
of purchased
electricity / diesel

Emissions Intensity

Emissions Per Customer

0.66

[kgCO₂e/ Customer]

Emissions Per Employee

2.31

[tCO₂e/Employee]

Emissions Per Unit Revenue

0.91

[tCO₂e/LKR Mn.]

SCOPE 1

Total
507.99 tCO₂eFire Extinguishers
0.02 tCO₂eGenerator Fuel
Consumption
Diesel¹⁰
26.77⁹ tCO₂eFugitive Emissions -
R410A¹¹
6.68 tCO₂eCompany Owned
Vehicles
474.51 tCO₂e

SCOPE 3

Total 4,912.52
tCO₂e¹³Electricity -
Transmission &
Distribution Losses
439.75 tCO₂eHired Vehicles
[Diesel]
813.43 tCO₂eAir Travel
245.19 tCO₂eEmployee
Commuting
[Petrol]
3,044.05 tCO₂e
[Diesel]
370.10 tCO₂e

SCOPE 2

Purchased Electricity
4,397.48 tCO₂eTotal
4,397.48 tCO₂e¹²Total Emissions
9,817.98 tCO₂e

WASTE DISPOSAL*

Paper
0.00 tCO₂eNewspaper
0.00 tCO₂eCardboard
0.00 tCO₂eE-waste
0.00 tCO₂e*All waste sent
for recycling

Securing a Sustainable Future

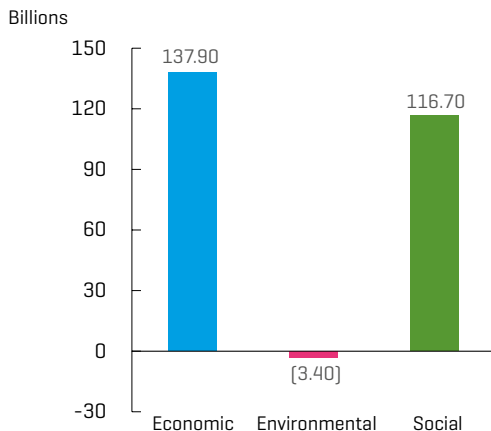
Net Value Creation

Net Value Creation is an internal measurement mechanism developed by Dialog used for the valuation of the Company's triple bottom line. This measurement as referenced in the previous sustainability report quantifies and summarises the Company's Triple Bottom Line impact as a single monetary value.

In 2016, Dialog measured and reported the social value created for customers by its main business units. In the 2017 reporting period, the economic and environmental impacts measurable at an enterprise level were also assessed, based on which Dialog reports the following.

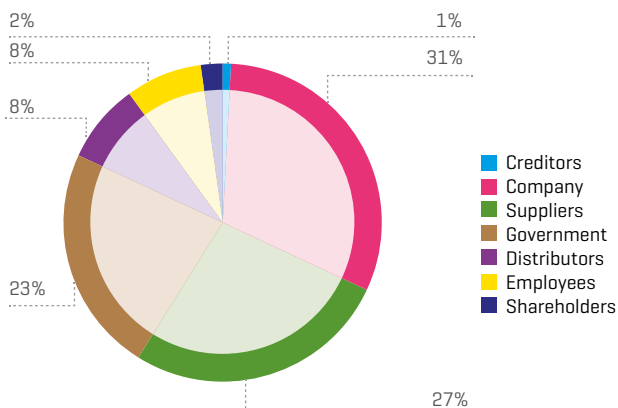
The mechanism quantifies Dialog's measurable Net Value Creation across all three bottom lines for the year 2017 as LKR 251.2 billion.

Net Value Creation by Bottom Line - 2017



Out of the entire Net Value Created the largest share is under the Company's Economic pillar, followed by the Social pillar. The only net negative, or net value destruction, is under the Environmental pillar.

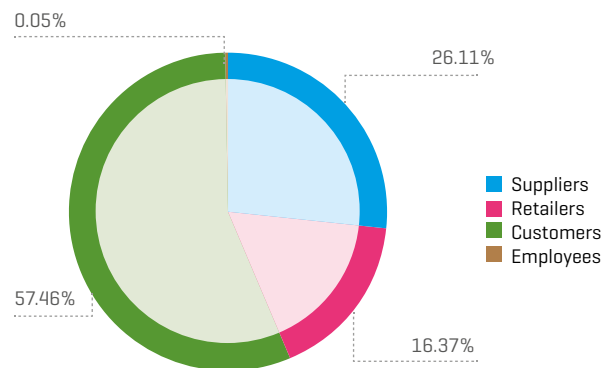
Economic Value Created by Stakeholder



Stakeholders who have gained the highest economic value beyond the company itself are suppliers, government, employees and distributors.

The Social pillar accounts for LKR 116.7 billion a 46% share of the total Net Value Created.

Social Value Created by Stakeholder Group



Dialog customers have acquired the highest share from the total social value created, followed by suppliers and retailers with employees gaining the lowest. The reason for employees gaining the least absolute social value is explained by comparing the number of staff to the number of customers positively affected. Suppliers and retailers, on the other hand, do gain a large share of the social value created but do so due to their status as business entities varying from large to small enterprises.

Environmental Outcome

At the Environmental level, the company has accrued a net value destruction of nearly LKR 3.0 billion. The primary driver of this is the fuel allowances given to staff members. However, e-waste recycling has accrued a positive impact on the environmental pillar of the company. In future studies, this tool will refine valuations on the company's impact towards the environment including indicators that are more suited for accounting the local environmental impact.



Strengthening Process Management

At Dialog, we are constantly strengthening and enhancing our mechanisms, engaging in activities that are integral towards streamlining the progress of our vision to connect and empower lives.

Strengthening Process Management



Cyber Security and Data Privacy

The more we rely on technology to collect, store and manage information, the more vulnerable we become to security breaches. Dialog is aware that human error, cyber attacks and system malfunctions could not only lead to financial loss, but also jeopardise the Company's reputation. To address this reality and ensure that it continues to earn customers' trust, Dialog maintains a robust Data Privacy policy developed in accordance with BS [British Standard] 10012. The policy spells out how Dialog collects, uses and manages customers' information, reaffirming Dialog's commitment to protect all Personal Information in its custody and provide customers with the assurance that their data is in safe hands. Dialog's Privacy Policy is accessible online and customers have the option to report any possible data security breach through privacy@dialog.lk. In order to develop a common Cyber Security discipline and governance across all operating companies of the parent company of Dialog, Axiata, appointed a Group Chief Information Security Officer [GCISO] who also assumes the responsibilities as the Group Head of Privacy given the increasingly critical nature of data privacy and protection, thereby maintaining responsibility for the aforementioned channel.

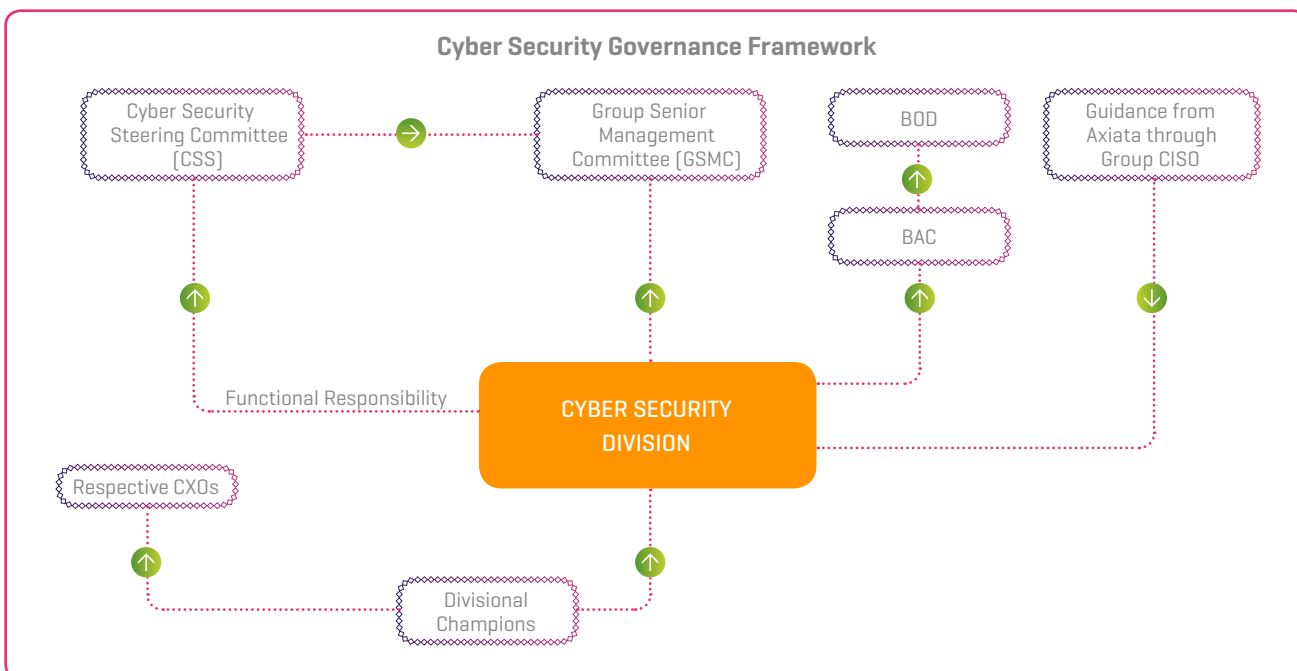
All Cyber Security matters come under the purview of Dialog's Cyber Security Division. In line with our commitment to adopt global best practices, the Cyber Security Division follows the ISO 27001:2013 and NIST [National Institute of Standards and Technology of the United States of America] Cyber security protocol which is being augmented with reference to "ISF - The Standard of Good Practice" security controls in order to safeguard information. To assess the maturity of Security Controls, Dialog

refers Control Objectives for Information and Related Technologies [COBIT] standard and NIST Cyber Security Framework on a periodic basis. Direction from Axiata's Cyber Security Steering Committee further enhances Dialog's Cyber Security framework.

Going hand in hand with Dialog's Cyber Security framework is the company's ERM framework, which helps to determine the risk maturity level of each business pillar in line with globally accepted best practices outlined by the ISO 31000 Risk Management Standards. Cyber security risk maturity assessments are conducted quarterly, taking cognizance of the external [global and regional] risk universe, and country-specific risks. These are then plotted on a risk heat map to assess the overall impact to Dialog, cascading down to a detailed analysis of the impact to each business pillar. Continuous monitoring by the division's R & D team ensures all malicious activity is detected, profiled and recorded weekly. A monthly risk update is presented to the GSMC [Group Senior Management Committee], while the Board Audit Committee is kept apprised every quarter.

To promote accountability and risk ownership, information Security SPOCs [Single Points of Contact] have been appointed to ensure key business pillars [HR, Supply Chain Management, Sustainability etc.] comply with the policy guidelines. Designated Cyber Security Champions are assigned to drive necessary operational protocols under each pillar and ensure continuous monitoring to prevent escalation in the event of an attack.

These formal procedures are further supported by a strong internal culture where our employees understand the importance of privacy and security risks and continue to manage them.



In 2017, several important steps were taken to further strengthen Dialog's Cyber Security Framework. The first major development was the commissioning of Sri Lanka's first Tier III certified Data Centre and Media Hub. Housing a state-of-the-art Satellite Earth Station, the new Data Centre is expected to support the very latest in hosting technology and co-location services alongside a suite of Cloud services, which would significantly enhance Sri Lanka's Digital Infrastructure by aligning the country's hosting and colocation facilities to Global standards. The Data Centre construction and performance including but not limited to security systems, fail-safe operational methodologies, redundancy and temperature control systems are built in conformity with the highly demanding Tier III standards. In November 2017, the Tier III data centre secured the ISO 27001:2013 Information Security Management Certification, further elevating its credentials as one of the most advanced data centres in Asia.

Aside from the investment in the TierIII Data Center, a number of operational improvements were also made to strengthen Dialog's internal Cyber Security management capacity. The existing alert mechanism was enhanced with the roll out of Informational Alerts to keep corporate management apprised of possible attacks. Vulnerability Alerts were also issued to monitor specific divisions under threat. A new technical alert was also introduced mainly for technical divisions [Information Technology (IT), IDC etc.]. Technical alerts are issued to ensure respective asset owners remain hyper vigilant to prevent a breach during a period of technical vulnerability, until the required vulnerability patch is installed.

A new programme was initiated to promote a cyber security awareness culture, and foster engagement with staff on Cyber Security. Dialog recognised employees who escalated vulnerabilities and security gaps discovered whilst carrying out their duties, as 'Cyber Guardians'.

Further to this, each division was assigned an IS [Information Security] champion tasked with managing basic cyber security aspects within their own division and promptly escalate more complex issues raised by employees to the Cyber Security division for necessary action.

Cascading from the launch of Axiata's three-year fully-fledged project focusing on digital privacy and trust, Dialog too expanded its focus on digital privacy in an effort to stay ahead of regional peers. Steps taken in this regard saw the inclusion of new clauses [right to audit, NDA] in supplier agreements in order to ensure every vendor understands and strictly complies with Dialog's information security protocols.

As evidenced from the Group's focus on digital privacy and trust, given the nature of our business, customer information security and data privacy were two of the most highly material to Dialog in 2017. In order to ensure that all possibilities for risk of breach were eliminated, Dialog was proactive in putting in place the necessary safeguards. All customer concerns and complaints with regard to information leaks are handled by a Complaints Management Unit, under the Group Service Delivery portfolio. A dedicated team is assigned to recording and investigating any such complaints raised

through the channels available for customers grievances, including email and a dedicated hotline. Dialog annually reviews such controls in place to prevent the leakage of customer information, and strives to build trust with its stakeholders by placing paramount importance on their privacy and on the security of such information

	From Outside Parties	From Regulators
Total complaints investigated in relation to breaches of customer privacy in 2017	225	0
Identified Leaks [further to two-tier investigation]	0	0

3-year comparison:

	2017	2016	2015
Complaints investigated in relation to breaches of customer privacy and losses of customer data [%]	0.0018	0.0026	0.0003



Compliance

Given the increasingly complex and highly competitive environment in which the Company operates, its commitment to compliance has become a key differentiator that places Dialog ahead of peers not only locally but across the region as well.

Dialog's compliance mechanism is structured to ensure that the Company remains fully compliant with the laws applicable to each core business vertical. Our core businesses are bound by the rules and regulations of their respective governing bodies – Dialog's telecommunication business operates under the system license issued by the Telecommunications Regulatory Commission (TRC), while Dialog TV is governed by the operating license issued by the Ministry of Mass Media. Meanwhile, certain products such as eZCash, being financial tools, come under the direct purview of the Central Bank of Sri Lanka.

In addition to fulfilling these mandatory requirements, Dialog is committed to benchmark globally accepted best practices in order to gain a competitive edge in the market through the delivery of consistent, high-quality telecommunication services.

Across various segments of the company, Dialog continues to roll out International Organisation for Standardisation [ISO] accredited standards as part of the ongoing commitment to process improvement. The Quality Systems and Process Management [QSPM] unit provides oversight for the proper implementation of quality management systems in accordance with the guidelines stipulated by the respective certification bodies. Also under the purview of the QSPM unit is Certification Governance, which includes

Strengthening Process Management

regular monitoring and reporting of issues that may impact quality of service. QSPM conducts monthly customer forums to determine potential issues, with concerns raised being escalated for corrective action within a stipulated time frame, with preventive actions put in place to avoid future recurrence. QSPM also drives the re-certification process through the facilitation of the external audits for each certification renewal cycle.

As tower operations comprises a highly material area of our operations, Dialog ensures that it closely follows up with edotco, the service provider, on compliances to the requisite environmental approvals and license-renewal requirements in setting up and maintaining tower infrastructure. This process primarily deals with obtaining clearance from the Telecommunications Regulatory Commission and Environmental Protection Licenses from the Central Environmental Authority, alongside approvals from relevant local authorities.

Dialog faced no fines or penalties related to breaches of regulatory, environmental or economic compliance throughout the reporting period.

Compliance Highlights for 2017

As part of the ongoing QSPM improvements, steps taken in 2017 saw an end-to-end process mapping exercise being done to determine the entire process landscape of all core processes, followed by cohesive process management models being drawn up for twelve identified core processes such as Customer Life Cycle Management, Network Life Cycle Management, Employee Life Cycle Management etc. Process champions were assigned to each process to carry out independent system audits to validate the effectiveness and accuracy of each process model vis-à-vis ISO 9001 Quality Management Standards.

Dialog's Certification Journey					
Certification		Business Segment	Initial certification [Year]	Renewal Cycle	Current Validity Period
ISO 9001	Quality Management Systems	Entire Company	1999	These ISO certifications are re-certified every 3 years	Current ISO 9001:2008 certificate is valid till 28th May 2018.
					Dialog successfully completed the re-certification + version upgrade audit to certify for ISO 9001:2015 [latest version of ISO 9001] on 16th February 2018.
					Pending receipt of the new certificate from the certification body, DNV.
ISO 27001	Information Security Management	Internet Data Center	2007		30th Oct 2019
		Group IT	2012		2nd Jan 2021
		Group Technology	2017		3rd Dec 2020
PCIDSS		For 'Genie'	2017	Valid for one-year period from issuance.	

Pre-Launch Assurance

The pre-launch assurance process, integral to Dialog's compliance landscape, is a standard operating procedure followed by the Company to ensure conformity to the highest levels of quality and compliance requirements of products and services which are put out to the market. In essence, this process seeks to provide technical verification on the suitability of the product/service for the market from the consumer and regulatory standpoint. It is mandatory that all products and services

introduced to the market by Dialog have gone through this process and conform to the legal and regulatory frameworks governing the business. The TRC is informed formally of any planned services including details of specifications and product pricing upon which approvals are obtained. Following this, the Pre-launch Assurance process validates against TRC conditions and conformity, which provides the necessary assurance to launch the product/service.



Anti-Corruption

At Dialog, Uncompromising Integrity is a core value and it resonates across every step that the Company takes.

Accordingly, Dialog follows a zero-tolerance approach towards Bribery and Corruption. Dialog remains committed to act professionally, fairly and with integrity in all business dealings and in doing so has implemented systems and processes to counter bribery and corruption in any form. These policies and procedures apply to all Dialog employees.

The Dialog Employee Code of Conduct, which all employees are expected to read and understand, encapsulates the Company's anti-corruption principles and the required behaviours expected of its employees.

Similarly, for third parties who contract with Dialog, a Vendor Code of Conduct is applicable. The code is communicated at the outset of every business relationship and as appropriate thereafter.

While the Board of Directors holds the ultimate responsibility for the company's anti-corruption track record, the day-to-day responsibility for enforcing anti-corruption practices across the company, lies with the management at all levels, who are required to ensure that those reporting to them understand the company's stance on anti-corruption and are given regular training to raise awareness and encourage necessary behaviours.

Dialog has also put in place appropriate internal controls and reporting systems to monitor performance against relevant anti-corruption policies and procedures. Moreover, based on the results of the bi-annual internal audit, due diligence is carried out on existing processes to determine their appropriateness, adequacy and effectiveness, with recommendations for improvement being submitted to Management for approval. Further, Dialog continues to leverage opportunities to share learnings and adopt best practices to further enhance its existing position.

Dialog's Whistleblower Policy which is designed to facilitate the reporting of alleged improper activity, includes matters relating to bribery and corruption. The policy provides strict guidelines for reporting improper conduct and the process for managing allegations. In 2017, zero incidents of corruption were reported through the whistleblower mechanism. Complaints and incidents reported via other existing channels were successfully investigated and appropriate remedial action was taken.

Dialog's whistleblower policy was revamped, and a new process implementing the use of a third-party professional agency, to better ensure the anonymity and confidentiality of the whistleblower was introduced. A benchmarking exercise was carried out against other top local and international corporates, with the new mechanism coming out because of this exercise. Any whistleblower would have the capability of speaking straight to Chief Officers and the GCEO himself within one year of the submission of the whistleblowing report.

All such incidents will be reported to the Board Audit Committee, who in turn would brief the entire Board on any significant issues raised, and possible risks/opportunities arising from such complaints. Dialog plans to hold mass internal and external awareness campaigns for all key stakeholders, having already educated Suppliers on the mechanism and the Supplier Forum in 2017. All employees receive updates on policy, procedure and company status related to anti-corruption during the quarterly town-hall sessions, most recently conducted by the GCEO. Further to this, Dialog intends to provide a similar overview on Anti-Corruption to its Board of Directors in the following reporting period.¹⁴

The year under review saw the termination of 14 employees on disciplinary grounds, related to deviations from internal process controls.

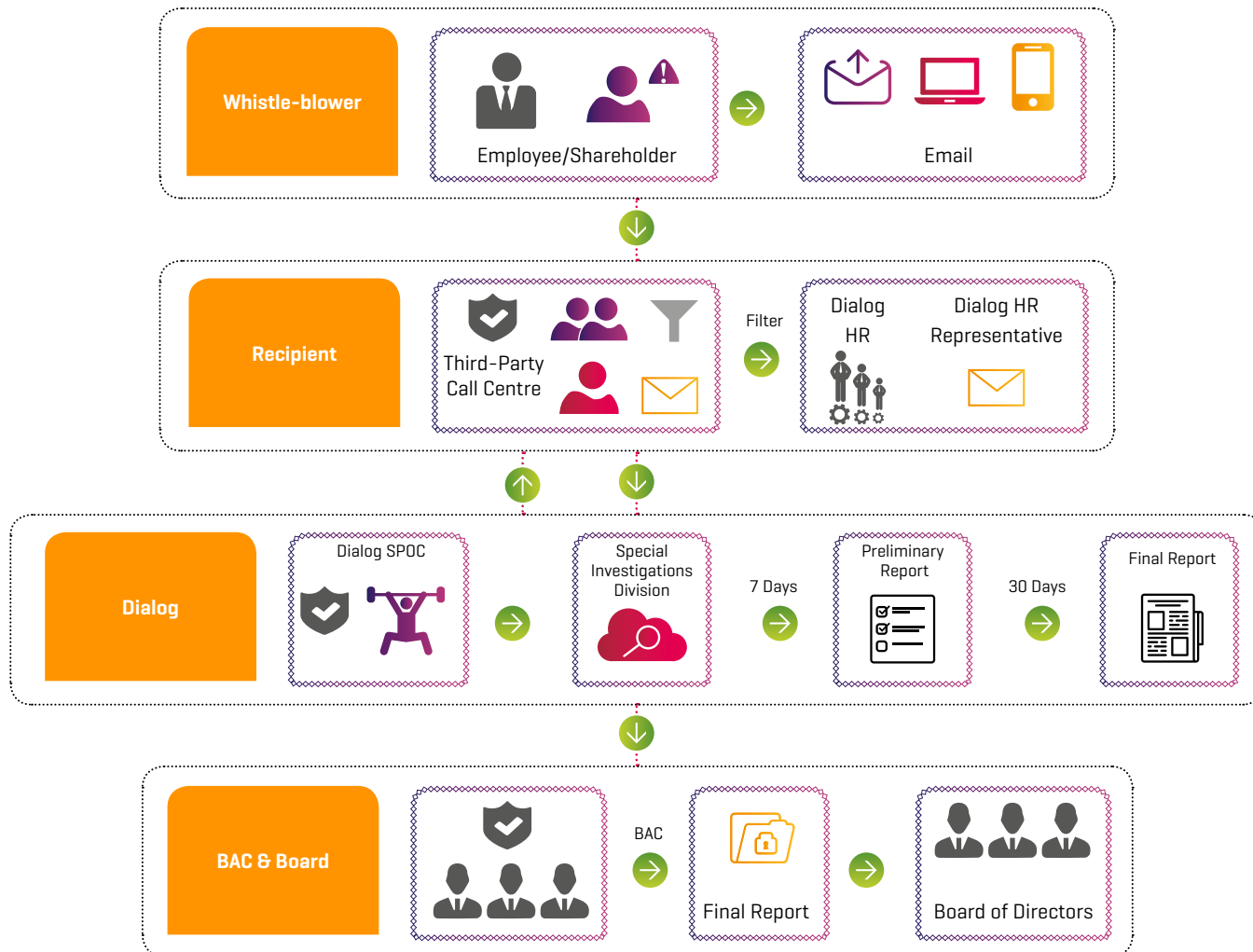
Dialog reports two specific incidents of deviation of internal processes and controls in 2017. Processes where violations took place were identified with corrective actions taken, further to the review and introduction of new, and strengthening of existing internal protocols such as one-time passwords and two-tier verification to improve the security of access to systems.

14. All governance body members received communications on anti-corruption policies and procedures, however no specific training on such was administered during the reporting year.

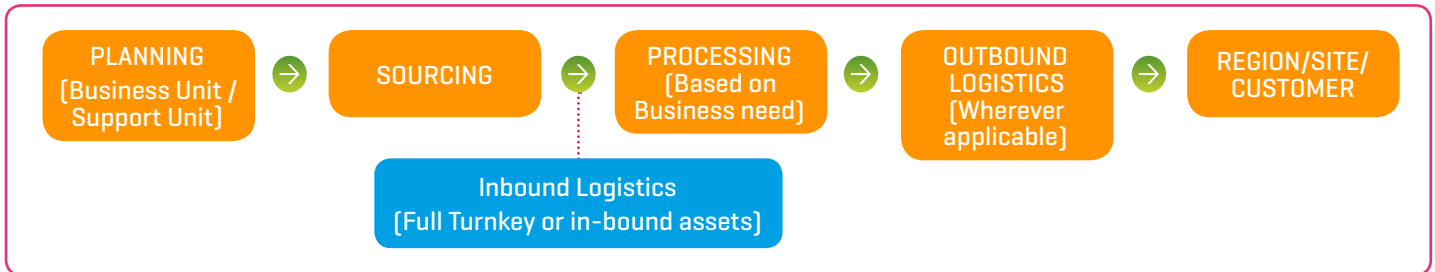


Strengthening Process Management

The whistle blowing process in detail is shown in the following diagram



Responsible Supply Chain



A high-level description of Dialog's supply chain

A key change in Dialog's supplier ecosystem during the reporting period was the strategic carve-out of passive infrastructure under edotco Services Sri Lanka Pvt. Ltd, who possess material importance within Dialog's supply chain due to their significant environmental and geographical footprint and their criticality in allowing for the delivery of Dialog's services.

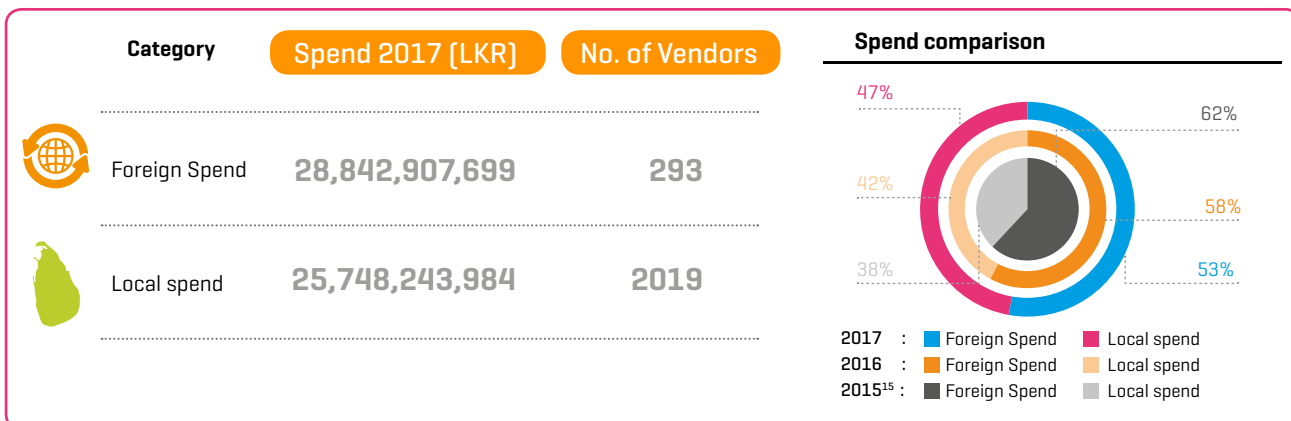
Suppliers are an integral component of our value chain as they play a vital role in delivering Dialog's value proposition to the market. Given Dialog's reputation as an industry leader, we believe it is vital that our suppliers too fall in line with the company's high standards for ethical conduct. Dialog has put in place a Supplier Code of Conduct that sets out guidelines for such matters as labour practices and human rights, health and safety, environmental management, business integrity and ethics, Business Continuity Management, Information Security Management and management systems, payment policy and other social and environmental aspects deemed material to Dialog's business. The code acts as a platform to inculcate the requisite behaviours needed to build sustainable relationships between Dialog and its suppliers.

By agreeing to the Supplier Code of Conduct, all Dialog suppliers are expected to demand similar standards from their subcontractors, partners

and employees and carry out necessary verifications to ensure such alignment.

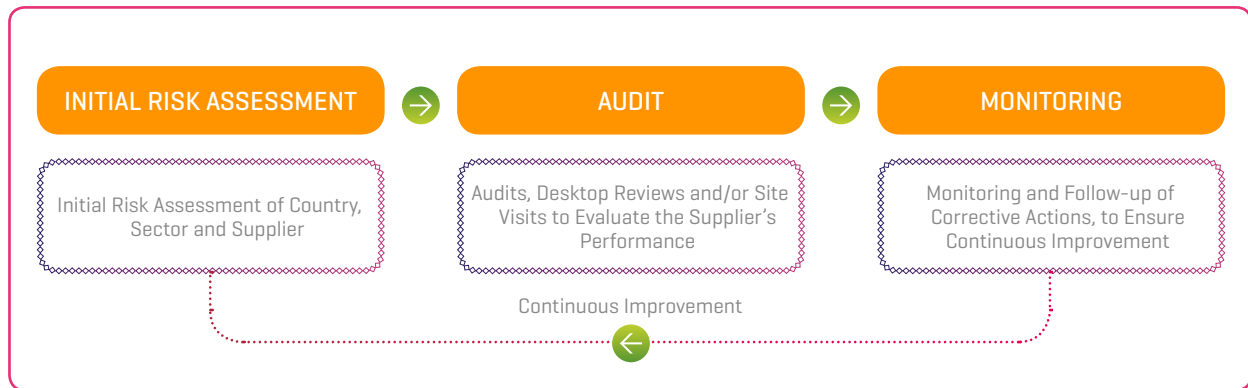
Continuous improvement is at the heart of the organisation's Supply Chain Management [SCM] strategy. Dialog conducts regular on-site assessments to ensure compliance with the Code and work directly with our suppliers to help improve their sustainability performance. Further, Dialog suppliers are subjected to regular performance evaluations to identify and prioritise specific areas of improvement. Based on the results of these assessments, we then work with suppliers to address possible issues and make recommendations for improvement, while additional follow-up assessments and on-site audits are carried out to monitor the performance of high-risk suppliers.

In keeping with Dialog SCM's motto of "Creating Value, Nurturing Partnerships", the SCM unit hosted its inaugural Supplier Forum on the 25th of August 2017, with over 45 key suppliers who maintained long-term relationships with Dialog invited to participate. The purpose of the event was to promote supplier engagement and provide participants with insight into Dialog's roadmaps and expectations for the forthcoming business year.



15. The local and foreign spend values were incorrectly labelled in the 2015 Sustainability Report and have been restated here.

Strengthening Process Management



The management team from Dialog along with Axiata Group shared their roadmaps, challenges and expectations for the forthcoming business year and elaborated on below topics of discussion:

- » Telecommunications Industry Perspective and Dialog Strategy
- » Axiata Group Procurement strategies and expectations
- » Strategic and commercial challenges in the Telecommunications Industry and expectations from our Suppliers
- » Road maps for Digitisation and Technology Strategies in 2018
- » Introduction to the Strategic Supplier Framework and Data Security

As part of Dialog's ongoing sustainable SCM initiatives, a Supplier Engagement Survey was conducted in 2017, covering 129 of Dialog's key suppliers [based on spend]. The aim of the effort was to gain insights regarding:

- » Supplier perceptions of the Company
- » Effectiveness of Dialog's communication with suppliers
- » Ethics and conduct of Dialog & its staff
- » Effectiveness of Dialog's supplier relationship management
- » Process efficiency

An end-to-end digital procurement platform – EzBuy was rolled out in late 2016 to facilitate faster and more efficient outcomes. EzBuy is a dedicated procurement software tool that has enabled the RFP release, clarifications, submissions, negotiations and vendor award processes to be routed through ARIBA, a sourcing platform that creates a visible audit trail of the procurement process.

The EzBuy reverse auction feature acts as a transparent platform for competitive bidding during negotiations for commodity procurements, thus paving the way for time and cost savings. Recent negotiations for the procurement of 128,000 SIM cards was undertaken through the reverse auction platform resulting in Dialog benefitting from significantly lower procurement costs resulting in the ability to fulfill the company's cost rescaling initiatives.

Ongoing efforts to enhance our SCM programme in 2017 also saw the roll out of the facilities supply chain transformation initiative aimed at streamlining supply chain efficiency and strengthening the procurement governance model. This was achieved by reducing the fragmented procurement cycles by consolidating volumes, in turn allowing significant cost reductions across a number of key procurement pillars.

Efficiency improvements made in the office apparatus segment, saw the existing 38 decentralised procurement cycles being consolidated into a seamless procurement model. To complement this, vendor numbers were reduced by 90% to 3 from 163, leading to a 20.10% saving for the segment. Notable savings were reported in security printing [LKR. 80.5 million], and air conditioning [LKR. 6.6 million].

In the fleet management segment, the transformation was aimed at supporting a risk-averse business strategy that would enable Dialog to move away from the dependency on the existing single-vendor model and increase the distribution among a bigger pool of vendors leading to savings of LKR 23.9 million.

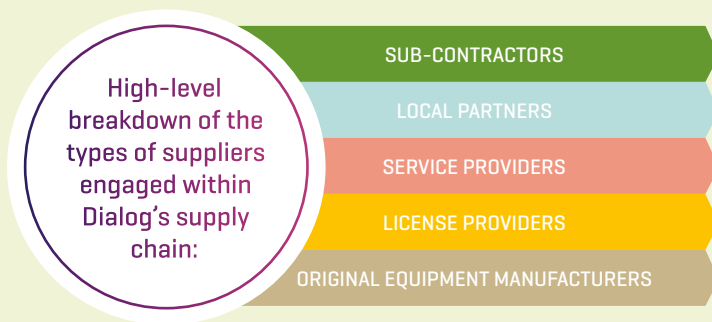
Meanwhile, in an effort to consolidate the end-to-end process and to reduce total cost of the procurement and logistics processes for Dialog TV pre-paid operations, a Full Turn Key [FTK] procurement model was rolled out in 2017, covering the entire Logistics Process from Customs Clearance to Regional Distribution up to Dialog regional warehousing. A highly sustainable procurement model, the FTK process delivered not only cost savings of 3% but multiple operational benefits that directly enhance the customer experience. Automated vendor rationalising, contract compliance monitoring and vendor profiling processes via the ARIBA platform were also used to generate additional cost savings and operational efficiencies for the year.

A new sustainable procurement model was implemented to source the latest fiber access technologies needed for the expansion of the Fibre Network under Dialog's Long-Range Plan. The robust new procurement mechanism includes for the first time, a multi-tiered vendor strategy coupled with comprehensive vendor evaluations and detailed commercial mapping for turnkey vendors, all aimed towards cost rationalisation and increased operational efficiencies.

The launch of “Project Cricket”, witnessed a new regional RFP initiative to source vendors for Access, Transport and Core Network expansion/upgrade pillars of Dialog and sister companies Robi and Ncell, for years 2017 and 2018. A sustainable SCM initiative, Project Cricket offers benefits such as volume-based negotiations, technological standardisation and application of best practices across operating companies as well as structured negotiations through regional key accounts. Further, simple and

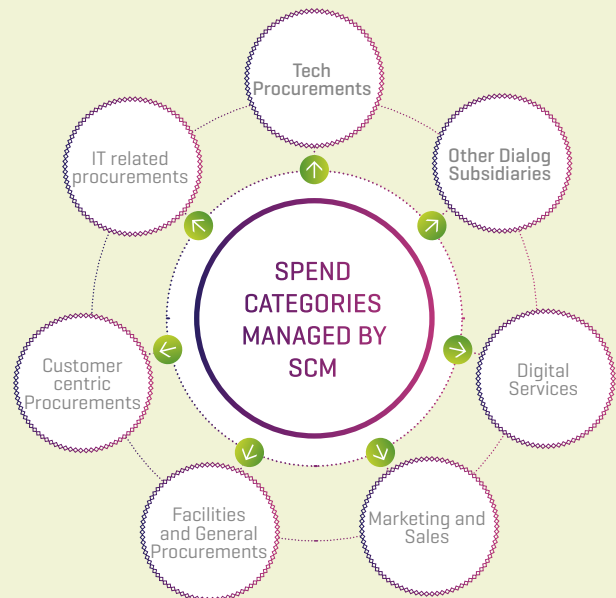
innovative commercial models with single point of pricing, negotiated via Project Cricket will continue to offer multiple operational and commercial benefits in years to come. This wave of negotiations resulted in an effective outcome, which delivered savings amounting to USD 39,432,542 for Dialog for 2017. Cricket savings was a key driver enabling the deployment of additional projects towards data leadership.

Some of the key spend categories and segments across Dialog’s Supply Chain for the reporting period are as follows:



Key characteristics of the supply chain, as specific to our business include:

- » Imported/local equipment [Machine-intensive]
- » Local supplies [Labour-intensive]
- » Software [Download-intensive]
- » General [Admin, Marketing, Trading categorisations – which are a combination of Labour and Machine-intensive]



Disclosures on Supply Chain Management	2017	
a. The number of suppliers subject to impact assessments for labour practices.	74	Based on the number of vendors profiled with Dialog during the period.
b. The number of suppliers identified as having significant actual and potential negative impacts for labour practices.	0	Dialog Vendor Contract Management [VCM] team conducted 20 supplier site visits to check the compliance against the Dialog supplier code of conduct.
c. The significant actual and potential negative impacts for labour practices identified in the supply chain.	0	
d. The percentage of suppliers identified as having significant actual and potential negative impacts for labour practices with which improvements were agreed upon as a result of assessment.	0	
e. The percentage of suppliers identified as having significant actual and potential negative impacts for labour practices with which relationships were terminated as a result of assessment, and why.	0	

GRI Content Index



GRI Standard	Disclosure	Relevant Sections and Page number(s)	Omission	External Assurance Indicate if the Standard Disclosures has been externally assured. If yes, include the page reference for the External Assurance Statement in the Report.
GRI 101: Foundation 2016				
General Disclosures				
GRI 102: General Disclosures 2016	102-01	About Dialog [Page 3], Annual Report - Introduction to the Company		Yes, please refer Independent Assurance Statement on Page 89
	102-02	About Dialog [Page 3], Annual Report - Business and Financial Review		Yes, please refer Independent Assurance Statement on Page 89
	102-03	Annual Report - Corporate Information, Sustainability Report back cover		Yes, please refer Independent Assurance Statement on Page 89
	102-04	About Dialog [Page 3], Annual Report - Business and Financial Review		Yes, please refer Independent Assurance Statement on Page 89
	102-05	About Dialog [Page 3]		Yes, please refer Independent Assurance Statement on Page 89
	102-06	About Dialog [Page 3], Annual Report - Business and Financial Review		Yes, please refer Independent Assurance Statement on Page 89
	102-07	About Dialog [Page 3], Employee Wellbeing [Page 40], Annual Report - Business and Financial Review		Yes, please refer Independent Assurance Statement on Page 89
	102-08	Employee Wellbeing [Page 40]		Yes, please refer Independent Assurance Statement on Page 89
	102-09	About This Report [Page 6], Responsible Supply Chain [Page 79]		Yes, please refer Independent Assurance Statement on Page 89
	102-10	Group Chief Executive's Review [Page 12], About This Report [Page 6], Annual Report - Business and Financial Review		Yes, please refer Independent Assurance Statement on Page 89
	102-11	Climate Action and Energy Management [Page 68]		Yes, please refer Independent Assurance Statement on Page 89
	102-12	Sustainability and Governance [Page 26], About This Report [Page 6]		Yes, please refer Independent Assurance Statement on Page 89
	102-13	Sustainability and Governance [Page 26], Sustainable Development Goals [Page 11], About This Report [Page 6]		Yes, please refer Independent Assurance Statement on Page 89
	102-14	Group Chief Executive's Review [Page 12]		Yes, please refer Independent Assurance Statement on Page 89
	102-15	Group Chief Executive [Page 12], Managing Risk [Page 21]		Yes, please refer Independent Assurance Statement on Page 89
	102-16	What We Stand For [Page 2]		Yes, please refer Independent Assurance Statement on Page 89
	102-17	Group Chief Executive's Review [Page 12], Employee Wellbeing [Page 40], Diversity and non-discrimination [Page 49], Anti-Corruption [Page 77]		Yes, please refer Independent Assurance Statement on Page 89
	102-18	Sustainability and Governance [Page 26], Annual Report - Corporate Governance Report		Yes, please refer Independent Assurance Statement on Page 89

GRI Standard	Disclosure	Relevant Sections and Page number(s)	Omission	External Assurance Indicate if the Standard Disclosures has been externally assured. If yes, include the page reference for the External Assurance Statement in the Report.
	102-19	Sustainability and Governance [Page 26], Annual Report - Corporate Governance Report		Yes, please refer Independent Assurance Statement on Page 89
	102-20	Sustainability and Governance [Page 26]		Yes, please refer Independent Assurance Statement on Page 89
	102-21	Review by Group Chief Executive [Page 12], Sustainability and Governance [Page 26]		Yes, please refer Independent Assurance Statement on Page 89
	102-22	Sustainability and Governance [Page 26], Annual Report - Corporate Governance Report		Yes, please refer Independent Assurance Statement on Page 89
	102-23	Sustainability and Governance [Page 26], Annual Report - Corporate Governance Report		Yes, please refer Independent Assurance Statement on Page 89
	102-24	Sustainability and Governance [Page 26]		Yes, please refer Independent Assurance Statement on Page 89
	102-25	Sustainability and Governance [Page 26], Annual Report - Corporate Governance Report		Yes, please refer Independent Assurance Statement on Page 89
	102-26	Sustainability and Governance [Page 26], Annual Report - Corporate Governance Report		Yes, please refer Independent Assurance Statement on Page 89
	102-27	Sustainability and Governance [Page 26]		Yes, please refer Independent Assurance Statement on Page 89
	102-28	Sustainability and Governance [Page 26]		Yes, please refer Independent Assurance Statement on Page 89
	102-29	Sustainability and Governance [Page 26]		Yes, please refer Independent Assurance Statement on Page 89
	102-30	Sustainability and Governance [Page 26], Managing Risk [Page 21]		Yes, please refer Independent Assurance Statement on Page 89
	102-31	Sustainability and Governance [Page 26]		Yes, please refer Independent Assurance Statement on Page 89
	102-32	Group Chief Executive's Review [Page 12], Sustainability and Governance [Page 26]		Yes, please refer Independent Assurance Statement on Page 89
	102-33	Sustainability and Governance [Page 26]		Yes, please refer Independent Assurance Statement on Page 89
	102-34	Sustainability and Governance [Page 26]		Yes, please refer Independent Assurance Statement on Page 89
	102-35	Sustainability and Governance [Page 26]		Yes, please refer Independent Assurance Statement on Page 89
	102-36	Remuneration [Page 50]		Yes, please refer Independent Assurance Statement on Page 89
	102-37	Remuneration [Page 50]		Yes, please refer Independent Assurance Statement on Page 89
	102-38	Remuneration [Page 50]		Yes, please refer Independent Assurance Statement on Page 89
	102-39	Remuneration [Page 50]		Yes, please refer Independent Assurance Statement on Page 89

GRI Content Index

GRI Standard	Disclosure	Relevant Sections and Page number(s)	Omission	External Assurance Indicate if the Standard Disclosures has been externally assured. If yes, include the page reference for the External Assurance Statement in the Report.
	102-40	Stakeholder Engagement and Materiality [Page 19], Value Chain Mapping [Page 25]		Yes, please refer Independent Assurance Statement on Page 89
	102-41	Employee Wellbeing [Page 40]		Yes, please refer Independent Assurance Statement on Page 89
	102-42	Stakeholder Engagement and Materiality [Page 19]		Yes, please refer Independent Assurance Statement on Page 89
	102-43	Stakeholder Engagement and Materiality [Page 19], Value Chain Mapping [Page 25]		Yes, please refer Independent Assurance Statement on Page 89
	102-44	Stakeholder Engagement and Materiality [Page 19]		Yes, please refer Independent Assurance Statement on Page 89
	102-45	About This Report [Page 6], Annual Report - Business and Financial Review		Yes, please refer Independent Assurance Statement on Page 89
	102-46	About This Report [Page 6], Stakeholder Engagement and Materiality [Page 19]		Yes, please refer Independent Assurance Statement on Page 89
	102-47	Matters of Material Importance [Page 23], Value Chain Mapping [Page 25]		Yes, please refer Independent Assurance Statement on Page 89
	102-48	About This Report [Page 6]		Yes, please refer Independent Assurance Statement on Page 89
	102-49	About This Report [Page 6]		Yes, please refer Independent Assurance Statement on Page 89
	102-50	About This Report [Page 6]		Yes, please refer Independent Assurance Statement on Page 89
	102-51	About This Report [Page 6]		Yes, please refer Independent Assurance Statement on Page 89
	102-52	About This Report [Page 6]		Yes, please refer Independent Assurance Statement on Page 89
	102-53	About This Report [Page 6]		Yes, please refer Independent Assurance Statement on Page 89
	102-54	About This Report [Page 6]		Yes, please refer Independent Assurance Statement on Page 89
	102-55	GRI Content Index [Page 82]		Yes, please refer Independent Assurance Statement on Page 89
	102-56	About This Report [Page 6], Independent Assurance Statement [Page 89]		Yes, please refer Independent Assurance Statement on Page 89
Material Topics				
Economic Performance				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundaries	Group Chief Executive's Review [Page 12], Economic Performance [Page 54]		Yes, please refer Independent Assurance Statement on Page 89
	103-2 The management approach and its components	Group Chief Executive's Review [Page 12], Economic Performance [Page 54]		Yes, please refer Independent Assurance Statement on Page 89
	103-3 Evaluation of the Management Approach	Annual Report 2017 – Business and Financial Review		Yes, please refer Independent Assurance Statement on Page 89

GRI Standard	Disclosure	Relevant Sections and Page number(s)	Omission	External Assurance Indicate if the Standard Disclosures has been externally assured. If yes, include the page reference for the External Assurance Statement in the Report.
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Economic Performance [Page 54]		Yes, please refer Independent Assurance Statement on Page 89
	201-2 Financial implications and other risks and opportunities due to climate change	Managing Risk [Page 21], Climate Action and Energy Management [Page 68].		Yes, please refer Independent Assurance Statement on Page 89
	201-3 Defined benefit plan obligations and other retirement plans	Annual Report – Notes to the Financial Statements		Yes, please refer Independent Assurance Statement on Page 89
	201-4 Financial assistance received from the government	Annual Report – Notes to the Financial Statements		Yes, please refer Independent Assurance Statement on Page 89
Indirect Economic Impacts				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundaries	Social Stewardship [Page 57], Group Chief Executive's Review [Page 12], Digital Inclusion [Page 35]		Yes, please refer Independent Assurance Statement on Page 89
	103-2 The management approach and its components	Social Stewardship [Page 57], Group Chief Executive's Review [Page 12], Digital Inclusion [Page 35]		Yes, please refer Independent Assurance Statement on Page 89
	103-3 Evaluation of the Management Approach	Social Stewardship [Page 57]		Yes, please refer Independent Assurance Statement on Page 89
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	Social Stewardship [Page 57]		Yes, please refer Independent Assurance Statement on Page 89
	203-2 Significant indirect economic impacts	Digital Inclusion [Page 35]		Yes, please refer Independent Assurance Statement on Page 89
Anti-Corruption				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundaries	Anti-Corruption [Page 77]		Yes, please refer Independent Assurance Statement on Page 89
	103-2 The management approach and its components	Anti-Corruption [Page 77]		Yes, please refer Independent Assurance Statement on Page 89
	103-3 Evaluation of the Management Approach	Anti-Corruption [Page 77]		Yes, please refer Independent Assurance Statement on Page 89
GRI 205: Anti-Corruption 2016	205-1 Operations assessed for risks related to corruption	Managing Risk [Page 21]		Yes, please refer Independent Assurance Statement on Page 89
	205-2 Communication and training about anti-corruption policies and procedures	Anti-Corruption [Page 77]		Yes, please refer Independent Assurance Statement on Page 89
	205-3 Confirmed incidents of corruption and actions taken	Anti-Corruption [Page 77]		Yes, please refer Independent Assurance Statement on Page 89
Energy				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundaries	Climate Action and Energy Management [Page 68]		Yes, please refer Independent Assurance Statement on Page 89
	103-2 The management approach and its components	Climate Action and Energy Management [Page 68]		Yes, please refer Independent Assurance Statement on Page 89
	103-3 Evaluation of the Management Approach	Climate Action and Energy Management [Page 68]		Yes, please refer Independent Assurance Statement on Page 89

GRI Content Index

GRI Standard	Disclosure	Relevant Sections and Page number(s)	Omission	External Assurance Indicate if the Standard Disclosures has been externally assured. If yes, include the page reference for the External Assurance Statement in the Report.
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	Climate Action and Energy Management [Page 68]		Yes, please refer Independent Assurance Statement on Page 89
	302-2 Energy consumption outside of the organisation	Climate Action and Energy Management [Page 68]		Yes, please refer Independent Assurance Statement on Page 89
	302-3 Energy intensity	Climate Action and Energy Management [Page 68]		Yes, please refer Independent Assurance Statement on Page 89
	302-4 Reduction of energy consumption	Climate Action and Energy Management [Page 68]		Yes, please refer Independent Assurance Statement on Page 89
	302-5 Reductions in energy requirements of products and services	Not applicable.		
Emissions				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundaries	Climate Action and Energy Management [Page 68]		Yes, please refer Independent Assurance Statement on Page 89
	103-2 The management approach and its components	Climate Action and Energy Management [Page 68]		Yes, please refer Independent Assurance Statement on Page 89
	103-3 Evaluation of the Management Approach	Climate Action and Energy Management [Page 68]		Yes, please refer Independent Assurance Statement on Page 89
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Climate Action and Energy Management [Page 68]		Yes, please refer Independent Assurance Statement on Page 89
	305-2 Energy indirect (Scope 2) GHG emissions	Climate Action and Energy Management [Page 68]		Yes, please refer Independent Assurance Statement on Page 89
	305-3 Other indirect (Scope 3) GHG emissions	Climate Action and Energy Management [Page 68]		Yes, please refer Independent Assurance Statement on Page 89
	305-4 GHG emissions intensity	Climate Action and Energy Management [Page 68]		Yes, please refer Independent Assurance Statement on Page 89
	305-5 Reduction of GHG emissions	Climate Action and Energy Management [Page 68]		Yes, please refer Independent Assurance Statement on Page 89
	305-6 Emissions of ozone-depleting substances (ODS)	Not applicable.		
	305-7 Nitrogen oxides (NOx), sulphur oxides (SOx), and other significant air emissions	Climate Action and Energy Management [Page 68]		Yes, please refer Independent Assurance Statement on Page 89
Environmental Compliance				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundaries	Group Chief Executive's Review [Page 12], Compliance [Page 75]		Yes, please refer Independent Assurance Statement on Page 89
	103-2 The management approach and its components	Group Chief Executive's Review [Page 12], Compliance [Page 75]		Yes, please refer Independent Assurance Statement on Page 89
	103-3 Evaluation of the Management Approach	Compliance [Page 75]		Yes, please refer Independent Assurance Statement on Page 89
GRI 307: Environmental Compliance 2016	307-1 Non-compliance with environmental laws and regulations	Compliance [Page 75]		Yes, please refer Independent Assurance Statement on Page 89

GRI Standard	Disclosure	Relevant Sections and Page number(s)	Omission	External Assurance Indicate if the Standard Disclosures has been externally assured. If yes, include the page reference for the External Assurance Statement in the Report.
Occupational Health and Safety				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundaries	Occupational Health and Safety [Page 47]		Yes, please refer Independent Assurance Statement on Page 89
	103-2 The management approach and its components	Occupational Health and Safety [Page 47]		Yes, please refer Independent Assurance Statement on Page 89
	103-3 Evaluation of the Management Approach	Occupational Health and Safety [Page 47]		Yes, please refer Independent Assurance Statement on Page 89
GRI 403: Occupational Health and Safety 2016	403-1 Workers representation in formal joint management-worker health and safety committees	Occupational Health and Safety [Page 47]		Yes, please refer Independent Assurance Statement on Page 89
	403-2 Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	Occupational Health and Safety [Page 47]		Yes, please refer Independent Assurance Statement on Page 89
	403-3 Workers with high incidence or high risk of diseases related to their occupation	Occupational Health and Safety [Page 47]		Yes, please refer Independent Assurance Statement on Page 89
	403-4 Health and safety topics covered in formal agreements with trade unions	Employee Wellbeing [Page 40]		Yes, please refer Independent Assurance Statement on Page 89
Training and Education				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundaries	Employee Competence [Page 44]		Yes, please refer Independent Assurance Statement on Page 89
	103-2 The management approach and its components	Employee Competence [Page 44]		Yes, please refer Independent Assurance Statement on Page 89
	103-3 Evaluation of the Management Approach	Employee Competence [Page 44]		Yes, please refer Independent Assurance Statement on Page 89
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Employee Competence [Page 44]		Yes, please refer Independent Assurance Statement on Page 89
	404-2 Programs for upgrading employee skills and transition assistance programs	Employee Competence [Page 44]		Yes, please refer Independent Assurance Statement on Page 89
	404-3 Percentage of employees receiving regular performance and career development reviews	Performance Management [Page 51]		Yes, please refer Independent Assurance Statement on Page 89

GRI Content Index

GRI Standard	Disclosure	Relevant Sections and Page number(s)	Omission	External Assurance Indicate if the Standard Disclosures has been externally assured. If yes, include the page reference for the External Assurance Statement in the Report.
Diversity and Equal Opportunity				
<i>GRI 103: Management Approach 2016</i>	103-1 Explanation of the material topic and its Boundaries	Diversity and Non-Discrimination [Page 49]		Yes, please refer Independent Assurance Statement on Page 89
	103-2 The management approach and its components	Diversity and Non-Discrimination [Page 49]		Yes, please refer Independent Assurance Statement on Page 89
	103-3 Evaluation of the Management Approach	Diversity and Non-Discrimination [Page 49]		Yes, please refer Independent Assurance Statement on Page 89
<i>GRI 405: Diversity and Equal Opportunity 2016</i>	405-1 Diversity of governance bodies and employees	Sustainability and Governance [Page 26]		Yes, please refer Independent Assurance Statement on Page 89
	404-2 Ratio of basic salary and remuneration of women to men	Remuneration [Page 50]		Yes, please refer Independent Assurance Statement on Page 89
Non-discrimination				
<i>GRI 103: Management Approach 2016</i>	103-1 Explanation of the material topic and its Boundaries	Diversity and Non-Discrimination [Page 49]		Yes, please refer Independent Assurance Statement on Page 89
	103-2 The management approach and its components	Diversity and Non-Discrimination [Page 49]		Yes, please refer Independent Assurance Statement on Page 89
	103-3 Evaluation of the Management Approach	Diversity and Non-Discrimination [Page 49]		Yes, please refer Independent Assurance Statement on Page 89
<i>GRI 406: Non-discrimination 2016</i>	406-1 Incidents of discrimination and corrective actions taken	Diversity and Non-Discrimination [Page 49]		Yes, please refer Independent Assurance Statement on Page 89
Customer privacy				
<i>GRI 103: Management Approach 2016</i>	103-1 Explanation of the material topic and its Boundaries	Cyber Security and Data Privacy [Page 74]		Yes, please refer Independent Assurance Statement on Page 89
	103-2 The management approach and its components	Cyber Security and Data Privacy [Page 74]		Yes, please refer Independent Assurance Statement on Page 89
	103-3 Evaluation of the Management Approach	Cyber Security and Data Privacy [Page 74]		Yes, please refer Independent Assurance Statement on Page 89
<i>GRI 418: Customer privacy 2016</i>	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Cyber Security and Data Privacy [Page 74]		Yes, please refer Independent Assurance Statement on Page 89
Socioeconomic Compliance				
<i>GRI 103: Management Approach 2016</i>	103-1 Explanation of the material topic and its Boundaries	Compliance [Page 75]		Yes, please refer Independent Assurance Statement on Page 89
	103-2 The management approach and its components	Group Chief Executive's Review [Page 12]		Yes, please refer Independent Assurance Statement on Page 89
	103-3 Evaluation of the Management Approach	Compliance [Page 75]		Yes, please refer Independent Assurance Statement on Page 89
<i>GRI 419: Socioeconomic Compliance 2016</i>	419-1 Non-compliance with laws and regulations in the social and economic area	Compliance [Page 75]		Yes, please refer Independent Assurance Statement on Page 89

Independent Assurance Statement

Scope and Approach

DNV GL represented by DNV GL Business Assurance Lanka (Private) Limited has been commissioned by the management of Dialog Axiata PLC ('Dialog' or 'the Company') to carry out an independent assurance engagement (Type 2, Moderate level) for the sustainability performance related to its identified material topics and reported in Dialog's Sustainability Report 2017 ('the Report') in its printed format for the financial year ending 31st December 2017. The sustainability disclosures in this Report are prepared by the Company, based on the Global Reporting Initiative ('GRI') Sustainability Reporting Standards 2016 ('GRI Standards') and its Comprehensive option of reporting.

The intended user of this assurance statement is the Management of Dialog ('the Management'). We performed our work using AccountAbility's AA1000 Assurance Standard 2008 [AA1000 AS] and DNV GL's assurance methodology VeriSustain™¹. VeriSustain is based on our professional experience, international assurance best practices including the International Standard on Assurance Engagements 3000 (ISAE 3000) Revised* and the GRI Guidelines. Our assurance engagement was planned and carried out in February 2018 – March 2018.

The reporting boundaries of sustainability performance are based on a materiality assessment carried out by Dialog covering internal and external impacts of identified issues for its operations in Sri Lanka, and is as set out in the Report in 'Report Scope and Boundary' in the section 'About the Report'.

We planned and performed our work to obtain the evidence we considered necessary to provide a basis for our assurance opinion and the process did not involve engagement with external stakeholders.

Responsibilities of the Management of Dialog and of the Assurance Providers

The Management of Dialog has the sole responsibility for the preparation of the Report as well as the processes for collecting, analyzing and reporting the information presented in the Report. In performing our assurance work, our responsibility is to the Management; however, our statement represents our independent opinion and is intended to inform the outcome of our assurance to the Dialog's stakeholders.

DNV GL provides a range of other services to Dialog, none of which in our opinion, constitute a conflict of interest with this assurance work.

DNV GL's assurance engagements are based on the assumption that the data and information provided by the client to us as part of our review have been provided in good faith. We were not involved in the preparation of any statements or data included in the Report except for this Assurance Statement. DNV GL expressly disclaims any liability or co-responsibility for any decision a person or an entity may make – investment or otherwise – based on this Assurance Statement.

Basis of our Opinion

A multi-disciplinary team of sustainability and assurance specialists performed work at Dialog's Head Office and we undertook the following activities:

- Review of Dialog's approach to stakeholder engagement and materiality determination process and the outcome as stated in this Report. However, we did not have any direct engagement with external stakeholders;
- Interviews with selected senior managers responsible for management of sustainability issues and review of selected evidence to support issues discussed. We were free to choose interviewees and interviewed those with overall responsibility to deliver the Company's sustainability objectives;
- Visits to the operations at Dialog Broadband Networks office and the Head Office in Colombo, Sri Lanka, to review processes and systems in context to site level sustainability data and implementation of sustainability strategies;
- Review of supporting evidence related to qualitative and quantitative disclosures within the Report;
- Review of the processes for gathering and consolidating the specified performance data and, for a sample, checking the approach towards data consolidation. The reported data on economic performance and other financial data such as expenditure towards Corporate Social Responsibility [CSR] are based on audited financial statements issued by the Company's statutory auditors;
- An independent assessment of the Report against the GRI Standards: Comprehensive option of reporting.

¹ The VeriSustain protocol is available on www.dnvgi.com

* Assurance Engagements other than Audits or Reviews of Historical Financial Information.

During the assurance process, we did not come across limitations to the scope of the agreed assurance engagement.

Opinion

On the basis of the verification undertaken, nothing has come to our attention to suggest that the Report does not properly describe Dialog's adherence to the GRI Standards: Comprehensive option of reporting including the GRI 102: General Disclosures 2016, GRI 103: Management Approach 2016 and disclosures related to the following GRI Standards which have been chosen by Dialog to bring out its performance against its identified material topics:

- GRI 201: Economic Performance 2016 – 201-1, 201-2, 201-3, 201-4;
- GRI 203: Indirect Economic Impacts 2016 – 203-1, 203-2;
- GRI 205: Anti-corruption 2016 – 205-1, 205-2, 205-3;
- GRI 302: Energy 2016 – 302-1, 302-2, 302-3, 302-4;
- GRI 305: Emissions 2016 – 305-1, 305-2, 305-3, 305-4, 305-5, 305-7;
- GRI 307: Environmental Compliance 2016 – 307-1;
- GRI 403: Occupational Health and Safety 2016 – 403-1, 403-2, 403-3, 403-4;
- GRI 404: Training and Education 2016 – 404-1, 404-2, 404-3;
- GRI 405: Diversity and Equal Opportunity 2016 – 405-1;
- GRI 406: Non-discrimination 2016 – 406-1;
- GRI 418: Customer Privacy 2016 – 418-1;
- GRI 419: Socioeconomic Compliance 2016 – 419-1.

** Indicators 302-5 and 305-6 have been indicated as being not applicable to the Company.*

Observations

Without affecting our assurance opinion, we also provide the following observations. We have evaluated the Report's adherence to the following principles on a scale of 'Good', 'Acceptable' and 'Needs Improvement':

Materiality

The process of determining the issues that is most relevant to an organization and its stakeholders.

The process of materiality assessment has taken into account key issues arising from across Dialog's value chain and inputs from an independent 'Sustainability Stakeholder Engagement Survey' to identify and report on impacts related to eleven (11) identified material issues. The process has also considered sustainability context and views of stakeholders. In our opinion, the level at which the Report adheres to this principle is 'Good'.

Inclusivity

The participation of stakeholders in developing and achieving an accountable and strategic response to Sustainability.

The Company has formal and informal processes in place for engaging with key stakeholders and identifying, and responding to their significant concerns. The formal mechanisms include the annual 'Sustainability Stakeholder Engagement Survey' for arriving at key sustainability issues material to Dialog and for inclusion into its Report. In our opinion, the level at which the Report adheres to this principle is 'Good'.

Responsiveness

The extent to which an organization responds to stakeholder issues.

The commitment of Dialog's Board and top management towards key sustainability issues and its governance was evident through the Company's policies and business strategies. Key stakeholder concerns are well responded to through Dialog's policies, governance mechanisms, management approaches and strategies which have been described within the Report for identified material topics. In our opinion, the level at which the Report adheres to this principle is **'Acceptable'**.

Reliability

The accuracy and comparability of information presented in the report, as well as the quality of underlying data management systems.

The majority of data and information verified at Head Office and Dialog Broadband Networks Office were found to be fairly accurate; the sample data and information verified as part of assurance was found to be reliable. Some of the data inaccuracies identified during the verification process were found to be attributable to transcription, interpretation and aggregation errors and have been communicated for correction. In our opinion, the level at which the Report adheres to this principle is **'Good'**.

Specific Evaluation of the Information on Sustainability Performance

We consider the methodology and process for gathering information developed by Dialog for its sustainability performance reporting to be appropriate, and the qualitative and quantitative data included in the Report was found to be identifiable and traceable. The personnel responsible for each material topic were able to demonstrate the origin and interpretation of the data and its reliability. We observed that the Report presents a faithful description of the reported sustainability activities for the reporting period.

Additional Principles as per DNV GL VeriSustain

Completeness

How much of all the information that has been identified as material to the organisation and its stakeholders is reported.

The Report has fairly brought out the economic, environmental and social disclosures against the GRI Standards: Comprehensive option for reporting its sustainability performance, which includes performance indicators, management approaches and systems related to identified material topics and for the identified reporting boundary, that is, its wholly and non-wholly owned subsidiaries. Dialog has shown enough commitment towards collating and bringing out quantitative disclosures related to significant suppliers [e.g. edotco], and economic and social performance related to its non-wholly owned subsidiaries, in future reporting periods. In our opinion, the level at which the Report adheres to this principle is **'Acceptable'**.

Neutrality

The extent to which a report provides a balanced account of an organization's performance, delivered in a neutral tone.

The disclosures related to sustainability issues and performances are presented in a neutral tone, in terms of content and presentation along with key concerns and challenges faced during the period. In our opinion, the level at which the Report adheres to the principle of Neutrality is **'Good'**.

Opportunities for Improvement

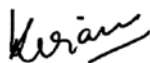
The following is an excerpt from the observations and opportunities for improvement reported to the Management and are not considered for drawing our conclusions on the Report; however, they are generally consistent with the Management's objectives:

- A management process needs to be documented and established to effectively track and monitor occupational hazards and incidents across Dialog's operations.
- Dialog Axiata has effectively implemented Information Security management systems as per ISO27001, it would be worthwhile to design checks and balances to deal with customer privacy issues including potential concerns related to data security and data breaches to further strengthen mitigate frontier risks.
- Awareness and engagement sessions related to material topics such as anti-corruption and human rights may be carried out for key personnel in Dialog on a more frequent basis.

For DNV GL AS



Rathika de Silva
Country Head
DNV GL Business Assurance Lanka Private Limited,
Colombo, Sri Lanka.



Kiran Radhakrishnan
Lead Verifier
DNV GL Business Assurance India Private Limited,
India



Prasun Kundu
Assurance Reviewer
DNV GL Business Assurance India Private Limited,
India.

4th April 2018, Colombo, Sri Lanka.



AA1000
Licensed Assurance Provider
000-10

UNGC Communication on Progress

Criterion	Description	Relevant Sections
Strategy, Governance and Engagement		
1	Key aspects of the company's high-level sustainability strategy in line with Global Compact principles	Group Chief Executive's Review, Sustainability and Governance
2	Effective decision-making processes and systems of governance for corporate sustainability	Sustainability and Governance
3	Engagement with all important stakeholders	Stakeholder Engagement and Materiality
UN Goals and Issues		
4	Actions taken in support of broader UN goals and issues	Group Chief Executive's Review, Sustainable Development Goals, Digital Inclusion, Social Stewardship
Human Rights Implementation		
5	Robust commitments, strategies or policies in the area of human rights	Employee Wellbeing, Sustainability and Governance
6	Effective management systems to integrate the human rights principles	Employee Wellbeing, Strengthening Process Management, Responsible Supply Chain
7	Effective monitoring and evaluation mechanisms of human rights integration	Employee Wellbeing
8	Key outcomes of human rights integration	Employee Wellbeing, Responsible Supply Chain
Labour Principles Implementation		
9	Robust commitments, strategies or policies in the area of labour	Employee Wellbeing
10	Effective management systems to integrate the labour principles	Employee Wellbeing
11	Effective monitoring and evaluation mechanisms of labour principles integration	Employee Wellbeing
12	Key outcomes of the labour principles	Employee Wellbeing
Environmental Stewardship Implementation		
13	Robust commitments, strategies or policies in the area of environmental stewardship	Group Chief Executive's Review, Climate Action and Energy Management
14	Effective management systems to integrate the environmental principles	Climate Action and Energy Management
15	Effective monitoring and evaluation mechanisms for environmental stewardship	Climate Action and Energy Management
16	Key outcomes of integration of the environmental principles	Climate Action and Energy Management
Anti-Corruption Implementation		
17	Robust commitments, strategies or policies in the area of anti-corruption	Anti-corruption
18	Effective management systems to integrate the anti-corruption principle	Employee Wellbeing, Anti-corruption, Responsible Supply Chain
19	Effective monitoring and evaluation mechanisms for the integration of anti-corruption	Employee Wellbeing, Anti-corruption, Responsible Supply Chain, Sustainability Targets
20	Key outcomes of integration of the anti-corruption principle	Employee Wellbeing, Anti-corruption, Sustainability Targets
Value Chain Implementation		
21	Describes implementation of the Global Compact principles in the value chain	Value Chain Mapping, Responsible Supply Chain
Transparency and Verification		
22	Information on the company's profile and context of operation	About Dialog
23	High standards of transparency and disclosure	About this Report
24	The COP is independently verified by a credible third-party.	Independent Assurance Statement

ISO 26000 Self-Assessment Criteria

Core Subject	Sub Category	Relevant Sections
Human Rights 	Due diligence	Sustainability and Governance
	Human rights risk situations	Responsible Supply Chain
	Avoidance of Complicity	Employee Wellbeing
	Resolving grievances	Diversity and Non-Discrimination, Employee Wellbeing
	Discrimination and vulnerable groups	Diversity and Non-Discrimination
	Civil and political rights	-
	Economic, Social and Cultural Rights	Diversity and Non-Discrimination
	Fundamental principles and rights at work	Employee Wellbeing
Labour Practice 	Employment and employment relationships	Employee Wellbeing
	Conditions of work and social protection	Employee Wellbeing
	Social dialogue	Employee Wellbeing
	Health and safety at work	Occupational Health and Safety
	Human development and training in the workplace	Employee Competence
The Environment 	Prevention of pollution	Climate Action and Energy Management
	Sustainable resource use	Climate Action and Energy Management
	Climate change mitigation and adaptation	Climate Action and Energy Management
	Protection of the environment, biodiversity and restoration of natural habitats	Climate Action and Energy Management
Fair Operating Practice 	Anti-corruption	Anti-corruption
	Responsible political involvement	Group Chief Executive's Review
	Fair competition	Group Chief Executive's Review, Compliance
	Promoting social responsibility in the value chain	Responsible Supply Chain
	Respect for property rights	-
Consumer Issues 	Fair marketing, factual and unbiased information and fair contractual practices	Group Chief Executive's Review, Compliance
	Protecting consumers' health and safety	Compliance
	Sustainable consumption	Group Chief Executive's Review, Compliance
	Consumer service, support, complaint and dispute resolution	Customer Satisfaction
	Consumer data protection and privacy	Cyber Security and Data Privacy
	Access to essential services	-
	Education and awareness	-
Community Involvement and Development 	Community involvement	Digital Inclusion, Social Stewardship
	Education and culture	Social Stewardship
	Employment creation and skills development	Digital Inclusion,
	Technology development and access	Digital Inclusion, Social Stewardship
	Wealth and income creation	Digital Inclusion,
	Health	Social Stewardship
	Social Investment	Social Stewardship

Appendix

Assumptions and Calculation Methodologies

Occupational Health and Safety

Injury Rate

$$\frac{\text{No. of Occupational Injuries}}{\text{No. of Working Hours}} \times 200,000$$

Occupational Disease Rate

$$\frac{\text{No. of Occupational Diseases}}{\text{No. of Working Hours}} \times 200,000$$

Lost-day Rate

$$\frac{[\text{No. of Lost Days} + 220] \times 8.5}{\text{No. of Working Hours}}$$

Absentee Rate

$$\frac{\text{No. of Absentee Days} \times 8.5}{\text{No. of Working Hours}}$$

Climate Action and Energy Management

Conversion of Fuel Usage in Litres to Gallons:

$$\frac{\text{Amount in Litres}}{4.54607446469973}$$

Conversion of Fuel Usage in Gallons to GigaJoules:

$$\frac{\text{Amount in Gallons}}{7.2463768115942}$$

Conversion of Electricity Usage from kWh to GigaJoules:

$$\text{Amount in GJ} \times 1,000 \times 3,600$$

Emissions Calculations [for each emission source/ activity]

$$\text{Total Emissions} = \text{Unit Measurement of Activity} \times \text{Individual Emission Factor}$$

Abbreviations

2G	Second Generation Network Technologies	ICT	Information and Communications Technology
3G	Third Generation Network Technologies	IDC	Internet Data Center
4G	Fourth Generation Network Technologies	IoT	Internet of Things
4G LTE	Fourth Generation – Long Term Evolution Technologies	ISO	International Organisation for Standardisation
AC	Air Conditioning	ITI	Industrial Technology Institute
AGM	Annual General Meeting	IVR	Interactive Voice Response
API	Application Programming Interface	Kg	Kilograms
BAC	Board Audit Committee	KPI	Key Performance Indicator
BI	Business Intelligence	kWh	Kilowatt-hour
BOD	Board of Directors	LKR	Sri Lankan Rupee
BBG	Bay of Bengal Gateway	LPWA	Low Power Wide Area
BCM	Business Continuity Management	MJ	Mega Joules
CIPMC	Capital Investment and Procurement Management Committee	MOE	Ministry of Education
CoC	Code of Conduct	MOU	Memorandum of Understanding
CDMA	Code Division Multiple Access	NB-IoT	Narrowband Internet of Things
CMDP	Corporate Management Development Programme	NBRO	National Building Research Organisation
CMMI	Capability Maturity Model Integration	NBT	Nation Building Tax
CO ₂	Carbon dioxide	NPAT	Net Profit After Tax
CRS	Cost Rescaling	NPS	Net Promoter Score
CSTA	Customer Service Training Academy	NRC	Nominations and Remuneration Committee
CXO	Chief Officer	NVC	Net Value Creation
DEFRA	Department for Environment, Food and Rural Affairs	OBD	On-Board Diagnostic
DFAT	Department of Foreign Affairs and Trade of Australia	OSS	Operating Support System
DFID	Department for International Development of the UK	OTT	Over-the-top
DTV	Dialog Television	PCMM	People Capability Maturity Model
DVN	Dialog Volunteer Network	PPE	Personal Protective Equipment
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortisation	PR	Performance Review
ERM	Enterprise Risk Management	PWDs	Persons with Disabilities
FTK	Full Turn Key	QSPM	Quality Systems and Process Management
FY	Fiscal Year	R-401A	Chlorodifluoromethane
GADP	Group Accelerated Development Programme	rNPS	Relative Net Promoter Score
GCEO	Group Chief Executive Officer	RPTRC	Related Party Transactions Review Committee
GCCoO	Group Chief Corporate Officer	SCM	Supply Chain Management
G.C.E A/L	General Certification of Examination, Advanced Level	SDG	Sustainable Development Goal
G.C.E O/L	General Certification of Examination, Ordinary Level	SMS	Short Message Service
GHG	Greenhouse Gas	tCO ₂ e	tonnes of Carbon dioxide equivalents
GJ	Giga Joules	tNPS	Transactional Net Promoter Score
GLC	Group Leadership Committee	TRCSL	Telecommunications Regulatory Commission of Sri Lanka
GMDP	General Management Development Programme	TTT	Train-The-Trainer
GRI	Global Reporting Initiative	TWT	Teaching With Technology
GSMA	Global System for Mobile Communication Association	UNGC	United Nations Global Compact
GSMC	Group Senior Management Committee	USD	United States Dollar
HR	Human Resources	VAS	Value Added Service
HRIS	Human Resources Information System	VAT	Value Added Tax
HRM	Human Resources Manager	WDO	Women Development Officers
HRP	Human Resources Partner	YTD	Year-to-Date



The mark of responsible forestry

This report is printed on 'FSC™' certified materials sourced
from responsible forestry and other controlled sources

Designed & produced by

emagewise

Digital Plates & Printing by Aitken Spence Printing & Packaging (Pvt) Ltd



475, Union Place, Colombo 02, Sri Lanka
+94 777 678 700 www.dialog.lk

 twitter.com/dialoglk  facebook.com/dialog.lk