

**ENABLING
EMPOWERING
ENRICHING**



Sustainability Report 2018



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 1. For ease of reference, they are indicated as follows:

GRI

Axiata's 4P approach to Sustainability:



Process Excellence
& Governance



Nuturing People



Beyond Short
Term Profit



Planet & Scoiety

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

About Dialog	ii
About this Report	01
Report Scope and Boundary	01
How We Create Value	03
Chairman's Message	05
Group Chief Executive's Review	07
Targets for Period Under Review	13
Targets for 2019	14
Enabling, Empowering, Enriching	15
Materiality Assessment – 2018	16
Matters of Material Importance	21
Value Chain Mapping	22
Sustainability and Governance	23
Connecting the Unconnected	30
Empowering a Digital Workforce	43
Enriching Stakeholder Value	57
Enabling a Sustainable Future	67
Empowering Process Management	74

GRI Content Index	82
Independent Assurance Statement	91
UNGC Advanced Criteria	95
ISO 26000 Self-Assessment Criteria	96
Assumptions and Calculation Methodologies	97
Abbreviations	99

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.

ABOUT DIALOG

Dialog Axiata Group, a subsidiary of Axiata Group Berhad (Axiata), operates 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 2.5 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 eight 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 seven years consecutively, and has topped Sri Lanka's Corporate Accountability rankings from their inception, for eight cycles in all 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 and endorses the worldwide Sustainable Development Goals (SDGs) which aim to build a sustainable future for all by 2030.

Dialog has been at the forefront of innovation in the mobile industry in Sri Lanka since the late 1990s, 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 13.8 million Sri Lankans, via 2.5G and 3G/3.5G and 4G/4.5G networks.

Dialog Values

Service from the Heart
Create the Future
Champions of Change
Exceptional Performance
Uncompromising Integrity
Responsible Leadership
One Team

Please refer the Dialog Axiata Annual Report 2018 – Dialog Values for a more detailed look at the Company's core values.

ABOUT THIS REPORT

This document is Dialog Axiata PLC's (Dialog) 11th 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 2018¹.

REPORT SCOPE AND BOUNDARY

This Report addresses the twelve material topics identified by the Company and its stakeholders. This report has been prepared in accordance with the GRI Standards: Comprehensive option. The Management approaches and data related to thirteen topic-specific GRI Standards beyond the general disclosures are also disclosed in this report, corresponding to applicable topics found to be of material importance.

This Sustainability Report also serves as Dialog's 11th consecutive Communication of Progress (COP) and 8th consecutive Advanced COP for the United Nations Global Compact's (UNGC) 24 Advanced Criteria under 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 material 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 to the entirety of Dialog's value chain, the output of which is illustrated on page 22. ² In alignment with the Axiata Group Berhad (Axiata) reporting approach, this report references Axiata's 4P approach to Sustainability – Process excellence, Nurturing People, Beyond short-term Profit, and Planet and Society, where applicable.

The reporting boundary for the period spans Dialog's wholly and non-wholly owned subsidiaries excluding associate Companies where Dialog owns a minority stake. In the reporting year, Dialog acquired Colombo Trust Finance PLC, which operates as a non-wholly owned subsidiary. The triple-bottom line performance of subsidiaries is currently not reported on an exhaustive basis. Dialog has committed to strengthening disclosures of non-wholly owned subsidiaries where Dialog is the majority shareholder. Dialog currently reports on the majority of its subsidiaries' economic and environmental performance matrices, and a limited range of human-resources related measures, reflecting the less mature development of early-stage companies in this profile.

As reported in the past year, Dialog's passive network infrastructure was carved out to a third-party service provider, edotco Services Lanka (Pvt) Ltd., a subsidiary of the Axiata Group. edotco provides infrastructure and network services to multiple Sri Lankan mobile network operators. Passive network infrastructure performance is however considered as within Dialog's reporting scope and boundary, as it is highly material in proportion to Dialog's business operations³. The data related to edotco's performance for the reporting year were tracked and are disclosed within this report.

¹ Dialog's most recent (previous) report, the 2017 Sustainability Report, was released in April 2018.

² Please refer page no. 22, for the 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

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

Restatements of previously reported data have been disclosed as footnotes, where present, within each of the respective sections.

Feedback

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

Head – Group Sustainability.

*Dialog Axiata PLC, Level 1, No. 33, Parkland 1, Park Street,
Colombo 00200, Sri Lanka.*

D: +94 777 088 806.

F: +94 11 7 694 343.

E-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 91.

Significant Changes in Locations of Operations in 2018:

While there were no major changes in significant locations of operations in 2018, Dialog worked on a number of space consolidation and optimisation initiatives targeted at achieving energy savings and delivering an 'Agile-ready' modern experience to both employees and customers. The Anuradhapura Technical Service Centre was renovated towards improving operational efficiencies and customer service. The Galle Warehouse Operations depot was relocated in line with the 'Titanium expansion' project. Further, several customer experience centres across the island were refurbished to better meet customer needs.

HOW WE CREATE VALUE

Through its diverse range of products and services, Dialog creates value for over 13 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:

Manufacturers/ Service Providers

SIMs | Recharge Cards | Devices
Network Services | Content
Channel Partner



Regulators/ Distributors

Warehousing | Distribution
Charging and Billing
Transmission Testing | Packaging



Retailers

Sales Channels
Dialog Outlets



Media

Channel Launch | Products
Services | Digital Solutions
Value Added Services



Employees/ Customers

Dialog Outlets | Franchise
Contact Center | Selfcare / Digital
Serving channels



Outsourced Services

Customer Field Support Services
Technical Assistance Centre



Customers

Faulty Devices | End-of Life Cycle
Equipment



Regulators/ Recyclers

Mobile Phones | Accessories
Set-top Boxes | Antennae





Datuk Azzat Kamaludin
Chairman of the Board of Directors

CHAIRMAN'S MESSAGE

I contribute this brief message to Your Company's eleventh successive Sustainability Report with the same pride and sense of accomplishment I invariably feel when reviewing another year's performance. As before, this Report also serves as your Company's eleventh Communication on Progress (COP) in support of the United Nations Global Compact's (UNGC) Ten Principles, and is its eighth Advanced Communication of Progress to the UNGC.

A very welcome trend I can report is the increasing engagement with Sustainability aspects in my Boardroom. While a Board subcommittee oversees more regular governance, the entire Board considers Sustainability and Stakeholder Management as top business priorities, incorporated into discussions on major topics and strategic conversations – not least in annual and long-range planning. This direction is set at the Axiata Group Berhad level as a strategic focus for all its Operating Companies, and I am proud to report that your Company has led throughout.

The period under review was at times extremely challenging for your Company, not to mention many of our stakeholders. It was also a year for renewal and re-imagining, with a wide-ranging Simplification and Digitisation initiative, headed by a new Group Chief Digital Officer, already bringing many cost reductions and bringing the customer closer to our work with greater transparency and interaction. Also, of course, keeping to our evergreen slogan, "The Future.Today", your Company marked many milestones, many firsts, and many leadership positions gained or retained. It is at once inspiring and sobering to note one key statistic that speaks to the central role your Company plays in Sri Lankan lives and enterprises: that its identifiable economic impact approximates 1% of the nation's GDP.

While we seek to "Create the Future", your Company is not immune to the unexpected shocks that no one can anticipate, or judge the severity of. The venerable PEST model for scanning for changes in the external environment – "Political, Economic, Social, Technological" – could not have prepared many for the volatility of the past year. As a technology company, perhaps the least disturbing or unexpected developments were the technological – particularly as we work hard to be those driving such change. Since we do not operate in a vacuum, your Company did all it can to stand by and support the Consumer

during difficult economic times, while seeking to ride through political and economic turbulence. Inflation, and a sharp currency devaluation, hit citizens and businesses alike in 2018. In any regulated industry, what all rational players would ask for is regulatory consistency – and this was sorely lacking in our industry in 2018. The ramifications of such inconsistency upon an industry that has come to underpin much of the economy and transformed lifestyles – are unlikely to be positive.

In the following pages you will read of some of the highlights of the period under review. Always seeking to improve our transparency and accountability, we will also share the pros and cons we have found in, to date, our deepest look back at some of our bigger programmes under the Group Sustainability portfolio. I am happy to note that several new initiatives were launched under the Digital Inclusion, Social Innovation and Core Sustainability banners comprising Dialog's Sustainability portfolio in 2018 – no easy task considering the long time-horizons and ambitious scope of any one initiative, old or new.

At a wider angle, a major, material change to the Dialog Group's structure in 2018 was the incorporation of Digital Realty (Private) Limited. This is a joint venture between Dialog Broadband Networks (Private) Limited (a wholly owned subsidiary of Dialog Axiata PLC) with St. Anthony's Property Developers (Private) Limited ("SAPD") to establish, operate and manage a Data Centre in the Orion City Park in Colombo 9, Sri Lanka. Pursuant thereto, DBN and SAPD signed a Shareholders Agreement on 16 March 2018, wherein DBN will hold a 35% stake in the newly incorporated Digital Realty (Private) Limited, (the company formed to execute the joint venture) with an investment of Rs. 262.5Mn, and SAPD will hold the remaining 65% stake.

In sum, 2018 is another year we can be proud of, for having emerged battered but unbowed, and indeed having made some gains in the face of adversity. Technological change and political-economic calculations will no doubt contribute their share of volatility the coming year. Your Api Dialog team itself is looking inward and seeking to reinvent itself and its roles in a new Digital landscape. The challenges will be many, and rewards hard-won. I am confident however, that you, dear Stakeholder, will stand with us as always, and support and be part of the experience to come.



Supun Weerasinghe
Director/ Group Chief Executive

GROUP CHIEF EXECUTIVE'S REVIEW

It is my pleasure to share this review with our valued stakeholders, showcasing yet another successful year of achievements of your Company. While the Dialog Group continued to consolidate its market leadership, it was not immune to external volatility. Inflationary pressure and a rapid currency devaluation placed great strain on the consumer and the enterprise alike, depressing spending and increasing cost of operations. Particularly in the latter half of 2018, the drop in the value of the Rupee impacted the Group's foreign-exchange-exposed operations, as well as on our finances, as 70% of our debt is denominated in U.S. Dollars. Your Company strongly felt the need for regulatory consistency, and in some cases sought and gained judicial support for such consistency, in the interests of long-term sustainability of the industry.

Sustainable Leadership

Our Vision as a Company remains being the leader in providing multi-sensory connectivity to enrich and empower Sri Lankan lives and enterprises. In the recent years we have accelerated our efforts to simplify and digitise our own operations and offerings, while creating a simpler and smoother experience for customers new or existing, to make the most of powerful digital tools to enhance their lives and livelihoods or businesses.

As a publicly listed company, we of course seek to generate stable performance and growth with transparency and accountability, without compromising long-term performance in pursuit of short-term gains. As a major player in the economy and the value chains we operate in, we strive to be a Responsible Leader – one of our seven core Values. At any time, good or bad, the lens of Sustainability is one that challenges us to take critical stock of our operations and adopt a stance that ensures stability and consolidation today and thus continued profitability and stability in the future.

As with previous Sustainability Reports, this report, compiled under the Global Reporting Initiative's (GRI) framework, also serves as Dialog's Advanced Communication on Progress (CoP) relative to the Ten

Principles of the United Nations Global Compact – the UNGC. Dialog was a founding member of the Global Compact Network of Ceylon (GCNC), the UNGC's local chapter, and continues to play an active role in its decision-making while maintaining the Company's Signatory subscription relationship with the parent UNGC.

Dialog's core Sustainability Performance Management efforts, which you will read more of below and later in this report, align with and contribute to the UNGC Ten Principles just as they harmonise with global best practises. UI-EP itself – interpreted as they are by us, broadly and across our business footprint – indeed encapsulates the core responsibility of business to value and steward the society and environment it operates in.

Similar to our UNGC and GCNC activity, Dialog is also a founding patron member of Biodiversity Sri Lanka – focusing on the interaction between environment and business, maximising the positive and minimising the negative; and a founding member of CSR Sri Lanka – focusing on community investments with a forum of many large local businesses.

An Evolving Risk Landscape

The risks faced by the Company are far different to those we found ourselves preparing for even a few short years ago. Business risks today include Customer Privacy and Cyber Security, which we have prosecuted for several years as a priority topic with its own dedicated team; accelerating technology adoption cycles, which challenge capital budgets with investments having to meet those shortening technology life cycles; cost control as the mature – and biggest – parts of the business have to be treated as commoditised operations, while large investments in ascendant but unproven businesses raise questions of risk among stakeholders; people risk as the business pivots to a footing that could strand the hard-won experience and skills of loyal workforce, requiring re-skilling, reorganising and renewing the frontier spirit that advanced your Company from fourth entrant to market leader within half a decade.

GROUP CHIEF EXECUTIVE'S REVIEW

Regulatory, as well as social and political risks too, require today a different treatment than might have sufficed in the recent past. The country is heading into a likely volatile period in the political cycle, with the accompanying uncertainty and distraction that is likely to bring for both the citizen and the business. Regulatory risks carry a large profile on our risk radar. As industry consolidation and the transition to new, spectrum-hungry technologies, with corresponding investments, take place, the need for an unbiased referee maintaining a level playing field is paramount for the health of the industry and for the best outcome for the consumer.

Despite enjoying the 7th cheapest data and voice rates in the world, the Sri Lankan consumer struggles to make appropriate trade-offs to balance his or her personal budget. With the participation of the GSM Association (GSMA – the global industry association of mobile network operators), your Company has led the advocacy with policymakers for a reduction in the punitive indirect taxation upon mobile network usage. At 37.7% of bill value for voice, and 19.7% for data, these rates are at a multiple of 1.2x (Pakistan, perhaps an outlier) to 6.3x when compared to SAARC countries, and 2.8x to 7.5x for ASEAN.

Our thesis is simple. Information and Communications Technologies are liberating, empowering and raising the productivity of the economy. Impairing their use by burdening customers with heavy taxation will only retard the nation in a race for strategic economic positioning, and hold its citizens back from adapting to and thriving in the new digital economy where reactionary policy can be one of the few factors that can limit the potential of an individual or business.

Environmental risks do not distinguish between whom they threaten, and require a level of forethought and disciplined preparation that are hard to maintain amidst the volatility caused by all other factors. Our energy use, still largely from non-renewable sources, is our largest environmental footprint – and our Achilles Heel, when it comes to cost and reliance on consistent supply. Under my direction your Company has commissioned a comprehensive assessment, transformation and certification process to the ISO 14001 Environmental Management standard. This complex process, which follows on from an assessment initiated several years ago, will provide a framework for managing our environmental footprint while preparing us for new risks. This is doubly important as the spread, if not the mass, of our physical footprint increases as the network transmitter densities required by 5G are greater; as Internet Data Centres and other physical plants increase our material presence – increasing not only our potential impact, but also our vulnerability.

Taking over from where core Business Continuity Management (BCM) processes restore normalcy, the Response in Emergencies and Disasters (RED) protocol – available on every manager's mobile device as an integrated part of our Mobile Device Management system – guides mid-level and operational staff on pre-approvals and escalation paths for critical actions and responses in the national interest in an aftermath of a disaster.

Most compellingly to me, the team that brought you our award-winning Govi Mithuru (Sinhala for Farmer's Friend, Uzhavar Thozhan in Tamil) mobile agriculture (mAgri) platform is to see an ambitious follow-on. Govi Mithuru's 600,000 subscribers for advisory information on 20 crops and the wider smallholder farmer base it targets will be some of the worst-affected by the most immediate effects of climate uncertainty.

Combining our Group Sustainability team's focus on solutions appropriate for the base of the pyramid, with the Company's capabilities in the Internet of Things (IoT) and automation, "Saru" (for "bountiful"), already in pilot testing, will be a solution to enable smallholder farmers to invest, within their capacity, in a risk-reducing climate resilience and crop productivity solution with 12-month-or-less payback – allowing incremental reinvestment to mitigate climate risk as far as possible over time. Having designed for a low-tech, low-investment bracket, it is our belief that Saru will inspire a "trickle-up" where its proven solution mix will be adopted by better-resourced and bigger farmers and plantations.

A Digital Team

The Dialog Digital Jam (DDJ) 2018 took over from and built upon the momentum of the Axiata Digital Jam 2017 in which all Axiata employees took part in a series of digital challenges and learning events. The DDJ 2018 edition saw two weeks of digital-only engagement and the participation of 1,400 employees registering as 280 teams. I am delighted to note that this included 40 teams from outside the central headquarters, implying that front-line and field staff were sufficiently engaged and supported by their leaders to fit the DDJ into their challenging workloads, without affecting response times.

The whole exercise, while meant to fun and energising, also pushed our team to engage with new apps and emerging digital platforms, new ways of approaching different activities to stretch their mental agility, and to spark the vital creativity that will be needed in the digital world.

Our Digital Businesses

In 2018, the Digital Innovation Fund (DIF) was set up as a venture capital funder for Sri Lankan based digital start-ups, backed by Dialog Axiata PLC and managed by BOV Capital. The fund's key objective

is to work with founders building Sri Lankan digital start-ups with the potential to solve problems impacting big markets. DIF will invest on high potential emerging business models before they become mainstream and help them in their initial stages of business growth. In 2018 DIF screened over 70 start ups and invested in three; InsureMe.lk, MyDoctor.lk and Roar.lk with a funding commitment of over LKR 200 million.

Dialog's investments – directly and via DIF – in its own future and the country's digital enabling infrastructure can be broadly categorised as businesses in the spheres of Health, Education and Commerce. The Doc990 platform owned by Digital Health (Pvt) Ltd. is a joint venture partnership between Dialog Axiata PLC, Asiri Group of Hospitals, Nawaloka Group of Hospitals and Ceylon Hospitals (Durdans). This joint venture is the first cross-sector partnership of its kind in Sri Lanka's healthcare industry. Whilst primarily catering to customers directly channelling specialist doctors, Doc990 has expanded its offering to include several complementary services, such as Tele Doctor Service, Medicine to Your Doorstep, Healthcare to Your Doorstep, My Health Records and Lab Reports.

Headstart, Dialog's Digital Education platform, continued its engagements with Government, direct-to-consumer via Guru.lk, content production for corporate customers (similarly to some other businesses, also serving customers competing with Dialog in other sectors), and its Enterprise Learning Solutions. In addition to these engagements, Headstart is also implementing for Dialog the ambitious Nenasa Smart School digital transformation programme. 2018 saw the completion of the first year of engagement with the initial 100 school, and their transition to operating more independently but supported and monitored by Headstart and Dialog. Headstart won 3 awards in year 2018 for its solutions at the National Best Quality Software Awards and the SLT ZeroOne Awards.

Our Digital Commerce businesses and activities occupy a broad spectrum. The 444 location-based booking platform is Sri Lanka's largest booking platform, providing white-labelled and API-based solutions across many industries including wOw.lk, our eCommerce platform.

Our Digital Advertising business has expanded into Display Advertising, Managed Campaigns, Digital Solutioning, Media Publishing and Digital Consultancy, and most recently, Outcome Based Campaigns providing end-to-end digital solutions encompassing the best of data, media and content. This business provides Data Analytics-driven insights and the technological tools and the creative support for over 3,000 leading corporate clients.

Payments businesses include our stored-value Touch cards used in transport and fleet solutions; the Genie ecosystem for financially sophisticated segments, the app serving to digitise their entire wallets; and the eZ Cash mobile money platform.

Outside the few urban centres, inefficient cash transactions still dominate a largely informal rural economy. A large proportion of bank accounts do not translate to expected bank-led financial activity. Despite expanding bank branch and ATM networks, last-mile challenges – including security – inhibit regular use. eZ Cash, our mobile money platform, was created to overcome these challenges for less affluent or digitally native customer, while simplifying lives and businesses. Today the platform, the first in the world to partner more than one mobile operator, counts over 3.3 million registered customers averaging LKR 3 billion worth of transactions a month – the largest in Sri Lanka. It is the 7th out of 276 worldwide mobile money systems to receive the GSM Association's Mobile Money Certification.

In January, we continued our work with the Australian Government's Department of Foreign Affairs and Trade (DFAT) under its Business Partnerships Platform (BPP), to improve financial inclusion by bringing transaction points closer to the customer. The first of 200 eZ Cash Automated Teller Machines (ATMs) for the Northern Province were handed over to selected retailers, with accompanying training and digital literacy programmes. These ATMs can be used not only for eZ Cash transactions across the Dialog, Etisalat and Hutch networks, but can also be used for insurance and bill payments, reducing travel and saving time for customers many kilometres from physical branches.

A Digital Dividend

Dialog's many investments in the community around us pay intangible dividends of equal if not greater value as those we pay out to our investors. One particularly focused initiative in the year under review has been to implement more rigorous evaluations of the impact of activities undertaken under our Group Sustainability agenda, including those of the Dialog Foundation. In this report you will see initial assessments of some of our major programmes. In addition to the four Sustainable Development Goals (SDGs) we had already adopted – Goals 1 (No Poverty), 4 (Quality Education), 9 (Industry, Innovation and Infrastructure), and Goal 13 (Climate Action), in 2018 we adopted Goal 5 (Gender Equality) as a 5th core SDG to be focused upon by the Company.

Our Digital Inclusion activities help unlock the power of the digital world for those who had been left out for whatever reason. These could be disability; social marginalisation or traditional biases leading to under-representation; ignorance of the power of technology to improve

GROUP CHIEF EXECUTIVE'S REVIEW

their lives and livelihoods; or because of market failures or companies failing to account for the triple-bottom-line returns of addressing certain needs or issues. Addressing these gaps will take us the furthest towards our dream of achieving a Digital Sri Lanka.

For its potential to support the most vulnerable in society, I note with pride the launch of the website and Android app known as Yeheli.lk in Sinhala and English, and Thozhi.lk in Tamil. This valuable service brings anonymous, professional advice to young people – though positioned for young women and girls, 40% of questions are from profiles self-identified as male – on a range of issue areas, with professionals available for counselling, legal and medical advice, and able to advise on further actions. Many visitors do not need to pose a fresh question as an answer bank is built up for commonly experienced issues and related questions.

The Ideamart platform for mobile application entrepreneurs placed special emphasis in 2018 upon building and empowering a community of women engineers and entrepreneurs. The initiative concentrated on demystifying the technological aspects of what it takes to become a technology-empowered entrepreneur, welcoming women with any level of technology familiarity. During the period of review more than 1,800 individuals engaged for the first time with the various outreach programmes and competitions – a 3x increase in female participation in the community. For our existing community of female entrepreneurs as well as new entrants we introduced mentoring and dedicated forums to support each other in executing their ideas. In schools, we sponsored ICT days, IoT workshops and the Dialog App Challenge initiated in 2018.

Similarly rewarding to the Dialog family has been the reception to the free, trilingual, customisable Athuru Mithuru Augmentative and Alternative Communication (AAC) app we developed for Android devices. Faced with requests to fund highly specialised, expensive devices often over-engineered for the prospective user (without Sinhala or Tamil support), your Digital Inclusion team took a different approach, having identified the real need as being slightly different. Many users could use the features on far cheaper devices, because their disabilities are not as acute – or because they choose not to spend as much. Those users whose needs required a more rugged device, could then be supported on an individual basis for such needs, while liberating other users from the cost constraint. Finally, by separating the hardware from the software, the team was able to not only localise the experience significantly, but also to allow customisation to each user's environments and preferences, such as phrases, names, objects – all

backed up to the cloud. At a cost of zero rupees, this app provides the experience of much more expensive software, on much cheaper hardware, to a segment where every rupee saved can make a huge difference.

Governance and Transparency

When it comes to a core focus on Sustainability in our operations, I am pleased to note the continuing increase in accountability and transparency within our operations and where we interface with the consumer. Our MyDialog app revamp allows customers to better understand and monitor their usage and spending across all the technologies they use. This is part of a company-wide Simplification and Digitisation initiative which is re-thinking, revamping and re-imagining our activities – and attitudes – from a customer-first standpoint.

More remains to be done from an internal Digital Transformation perspective, but perhaps most exciting is the interest among other stakeholders to leapfrog with our guidance to a Digitised future, by taking advantage of the competencies and experience we are developing today with an inward focus.

21st Century Approaches

Social Innovation – bringing new thinking – and our digital capabilities – to bear on national, even global problems, almost invariably with like-minded partners, describes work that Dialog has done well before the term entered the mainstream. Some of our oldest national projects of any nature, let alone being Community Investments, have combined our strengths with the expertise of our partners.

We proudly count among these the Ratmalana Audiology Centre, a joint initiative with the Ceylon School for Deaf and Blind; The Nenasa Television distance education channels, in partnership with the Ministry of Education; and DEWN – the Disaster and Emergency Warning Network, provided to the Disaster Management Centre of the Ministry of Public Administration and Disaster Management, a joint effort of Microimage Mobile Media (Pvt) Ltd. the University of Moratuwa Mobile Communications Research Lab, and Dialog Axiata PLC.

Company Performance

The Group's financial performance, while strong, reflected the conditions within which it operated. A strong 2017 performance was followed in Q1 2018 with healthy QoQ and YoY growth in consolidated revenue and EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) for the quarter. Announcements for the 1st half of 2018

reflected similar results. On a full-year basis, as I mentioned before, NPAT was materially affected by a 19.2% drop in the Sri Lanka Rupee (LKR) against the U.D. Dollar (USD) in the period under review. With a full-year NPAT of LKR 7.5 billion and an LKR 30.6 billion capital investment in high-speed broadband and other infrastructure, your Company is proud to note direct and indirect contributions to the state coffers by way of taxes, fees and levies, of LKR 34.1 billion (direct 8.5 billion, indirect 25.6 billion).

Milestones

Several other achievements deserve mention. Dialog Television marked a significant milestone by reaching 1 million Sri Lankan homes. Dialog's Tier III Internet Data Centre was certified LEED Gold by the US Green Building Council, a significant achievement considering the energy-intensive nature of such operations. Finally, Dialog received the 2018 Ookla Speedtest Award based on real user tests, affirming Dialog's position as the fastest connectivity provider.

Powered by its service excellence and commitment to customer-centred innovation, Dialog was voted once again as Sri Lanka's most preferred Telecom Service Provider and Internet Service Provider of the year for the 8th and 7th times, respectively.

Strength in Our Partnerships

2018 bore an unfortunate similarity to 2017 in that it saw the successful closure of one Senehe Siyapatha ("Lotus of Caring") disaster-recovery initiative, but also witnessed a different disaster later in the same year. Families in Matara and Ratnapura districts who lost their homes due to landslides in 2017, received homes constructed with the logistical support of the military forces and financed by subscriber donations tripled by Dialog. The support and facilitation, as in the previous Senehe Siyapatha project, of the Ministry of Disaster Management, the National Building Research Organisation (NBRO), and Sierra Construction Ltd., were once again invaluable.

In late 2018 heavy rains led to severe flooding in the North of the country. Similar to its response in previous natural disasters in 2016 and 2017, Dialog reached out to its subscribers and stakeholders to match their contributions and support those worst affected. Considering the disproportionate impact upon children, Dialog's long-standing support for education, and with the timing of the event, their schooling, Dialog executed its relief by supporting over 15,000 schoolchildren with school items to ease their return to studies. The Sri Lanka Army was the key stakeholder and enabling force behind this effort, dubbed "Senehe Siyapatha 3".

We debuted in 2018 a collection of interviews of alumni of the long-running Dialog Merit Scholarship programme, which has supported aspiring engineers through their university -preparation undergraduate studies. Our valued partners since inception have been the Ministry of Education, in supporting the top performing student in each district at the Ordinary Level examination, during their Advanced Level studies; and the University Grants Commission under the Ministry of Higher Education, in supporting the top-performing students in each district at the Advanced Level examination throughout their undergraduate education. Available in digital form with a highly-limited print run, this publication surveys alumni in different stages of life, the scholarship programme being the common thread. Their stories are worth reading in their own right, but most inspiring to me is their motivation to give back to their country for the opportunities they received – wherever in the world their studies and work have taken them.

Apart from our Community Investments, core Sustainability and Digital Inclusion work, one of Dialog's most ambitious areas of investment has been for many years the arena of Sport. The reporting period saw the continuation of several long-standing relationships such as our support of Football (soccer), one of the most popular sports; Volleyball, the National Sport, immensely popular in rural areas, with the First Asian Volleyball Championship hosted in Sri Lanka, powered by Dialog; and Cricket and Rugby, highly contested at school, club and national levels. The sport of Netball embarked on a new phase of modernity with the first ever all-indoor tournament, the Dialog National Netball Championship 2018, organised by the Netball Federation of Sri Lanka (NFSL). As a sport that is most popular among women, this addition is aligned with our adoption of the Gender Equality Sustainable Development Goal.

In the field of Sport, we are particularly proud of our involvement in the achievements of our sportsmen and women with disabilities. In 2018 we sponsored the National Para Athletics Championships organised by the National Paralympic Committee of Sri Lanka serving also as the selections for the Asian Para Games, and the 21st Army Para Games. At the Asian Para Games Sri Lankan para athletes won 14 medals for their country – four Gold, six Silver and four Bronze, earning the country a rank of 14th overall.

GROUP CHIEF EXECUTIVE'S REVIEW

New Challenges

As we take stock and enter 2019, and, soon after, the third decade of this century, the uncertainties and risks are many. The Api Dialog team must work to re-skill and redeploy in new areas and new businesses, walking away from years of expertise and deep engagement in the operations that brought you connectivity in the first two decades of our existence. The Company will continue to invest aggressively behind novel, often untested business models and technology applications in a borderless world where every start-up, and some giants, could become our competitors overnight. The consolidation in our local market that was anticipated for years, is finally arriving. External events could offer challenges as well as opportunities, for both the consumer and the industry – and probably redefine what “the industry” comes to mean.

The goals that I am at liberty to share, are several. We are building a “MAD” organisation – Modern, Agile, Digital. This organisation, in nimble, smaller units, is designed to push beyond known boundaries, create new businesses and solve new problems for the digital citizen of tomorrow. Dialog has for two decades been known as a leading local mobile telecommunications company. In its third decade, it must build on that cherished brand and business model and become a leading regional Digital Champion.

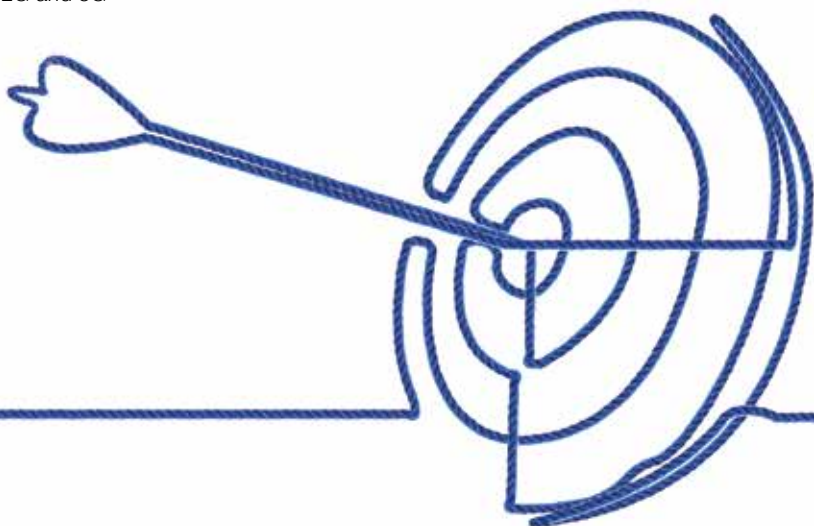
5G technology will require another round of intense capital investment, not too long after our 4G technology came online, possibly even leapfrogging it in some parts of our network. Scarce radio spectrum must be reclaimed and reused, as we coax the long tail of 2G and 3G

subscribers to adopt the superior 4G and 5G technologies – including by making available viable, affordable handsets to enable the switch.

Greater than the low-latency advantages it will bring to consumers, 5G will have its biggest impacts in how it will empower enterprise to succeed in the Fourth Industrial Revolution.

Cybersecurity and data privacy will be the most complex and most important aspect of operations that must not only be routine but also able to adapt to a frenetic rate of change. The threat here will be – and already is – global. Similarly, the competitors we measure ourselves against today are not only telecommunications companies, and they are not only local. Several count their revenues in billions of dollars. Some are so big that even as we seek to compete, we must also selectively collaborate, cooperate, and sometimes even consume their services as we build our own capabilities.

Backed up by my team, and led by the Board with its mix of experience and diverse exposure, I take this opportunity to thank you for being part of Dialog Axiata PLC's journey thus far; and for taking this interest in the Company's performance from a holistic, triple-bottom-line standpoint; and invite you to remain as we write the next volumes of this story.



TARGETS FOR PERIOD UNDER REVIEW

Target No.	Description	Action(s) implemented in Reporting Year	Status Update
1	Cyber Security and Customer Privacy	A documented process for Complaints Management and communication of the process for increased awareness on process for reporting complaints	Completed 
2	Anti-Corruption	<ol style="list-style-type: none"> 1. Carry out refreshers on anti-corruption policies stated in the Employee and Procurement Codes of Conduct 2. Provide an overview to the Board of Directors of the policies and processes governing anti-corruption. 	Partially Completed 
3	Climate Action and Energy Management	<ol style="list-style-type: none"> 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. 	Partially Completed 
4	Occupational Health and Safety	<ol style="list-style-type: none"> 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 across the entire operations of Dialog 	Partially Completed 
5	Employee Well-being	Institutionalise a process for regular reviews of key policies and processes covering key HR areas, including Diversity and Non-Discrimination and Labour practices.	Partially Completed 
6	Company Materiality and Risk Assessments	[Continuation] Consolidate integration of materiality assessments, company risk management processes, and their roles in informing Group and Business Unit strategies.	Carried Forward 

TARGETS FOR 2019

Target No.	Description	Action(s) implemented in Reporting Year
1	Environmental Performance Monitoring (Continuation)	<p>Implementation of improved systems for tracking and reporting energy and resource consumption and waste data across the operations. Prototypes iterated during current reporting cycle – development opportunities to be addressed</p> <p>Assessment of all Generators to better understanding parameters towards NOx calculation</p>
2	Occupational Health and Safety (Continuation)	Perform an assessment of jobs having a high risk for occupational diseases across the entire operations of Dialog
3	Employee Wellbeing	<p>Implement process for regular reviews of key policies and processes covering key HR areas, including Diversity and Non-Discrimination and Labour practices.</p> <p>Create awareness on above-mentioned policies and processes by conducting trainings and refreshers through the Sustainability Academy.</p>
4	Anti-Corruption and Ethical Business Practices (Continuation)	Provide an overview to the Board of Directors of the policies and processes governing anti-corruption
5	Reporting Subsidiaries' Triple-Bottom Line Performance	Extension of current sustainability data management mechanisms to all subsidiaries.
6	Impact Measurement	Extension of Impact Measurement process to cover all newly initiated Community Investment and Digital Impact projects, with measured impact to be report as part of annual process.

ENABLING, EMPOWERING, ENRICHING

Information and Communication Technologies (ICTs) break barriers, whether of distance, speed, scale or cost – or even, cultural and linguistic. They multiply and simplify connections between individuals, between citizens and governments, between businesses and customers, between stakeholders and those who should be held to their account.

Mobile communication technologies, with their astounding growth over the years, proved that, at their most personal and accessible, ICTs do not need to be sold. Citizens and customers, as governments and businesses found out, were not waiting to be liberated – they only hungered for liberating technologies with which to take their destinies into their own hands.

Dialog Axiata PLC has had the privilege of being at the forefront of bringing the most Enabling, Empowering and Enriching technologies to add value to Sri Lankan lives and enterprises, for two decades.

Mobile and fixed broadband technologies have enabled entrepreneurs to start businesses out of their kitchens, drawing rooms, or on their laptops. They have allowed people to enter the workforce who otherwise could not venture far from their homes due to family commitments or concerns about safety – and sometimes finding those jobs via online job boards, followed by an e-mail. ICTs created an entire knowledge industry serving the world from out tiny island, unlocking a marketplace for our intellectual capital magnitudes larger than imagined before. They were vital underpinnings for our globalising industries as our world-class manufacturing companies plugged in to information-driven supply chains. Direct-to-home satellite television had the serendipitous, unintended consequence of fostering an explosion of private media channels and producers, creating value for consumers the competition it brought. Today, Internet Data Centres host hungry start-ups and industry leaders alike, reducing the costs of rapid iteration and scaling of customer-centric services, some of which use previously unimaginable amounts of processor power based on agglomerations of data in described in units hearkening to geographic features in the attempt to describe their immensity.

Digital technologies have empowered citizens, customers, students, voters, leaders and activists. Citizens band together, virtually and then physically, to manage local and national issues without waiting for others to solve their problems – from reporting dengue breeding sites,

to organising shramadanas (self-organised voluntarism) to eradicate them; to reducing waste by encouraging second-hand listings on social media; to raise funds for causes they identify with. Customers can manage their digital profiles and conduct business with service providers at their own convenience, wherever they happen to be, with the fullest access to the information needed to make the best choices for themselves. Pay-as-you-go went from a niche billing preference to an industry revolution – sweeping on and disrupting other industries from insurance to entertainment – because of the radical amount of control it gave customers over their financial allocations. As you read this sentence, Dialog Television and MyTV customers may be tailoring for themselves Cricket World Cup packages, and perhaps using eZ Cash or Genie to pay for them without credit cards or having to visit a customer care centre.

Petabytes of educational and tutorial videos (not to mention funny cat videos and stand-up comedy), how-to-guides, vlogs (video-blogs) and blogs on the most niche topics on the long-tail of interests, at your fingertips. Cookery shows covering every cuisine, every inhabited continent, travel shows on how to get there and wildlife documentaries on what to expect while out on safari – available on demand on whichever screen you happen to be in front of. Educational and mind-stretching games to relieve boredom, dissipate stress, learn something in a fun way – downloadable to or directly playable on your computer or phone. Life-long or remedial learning, or access to world-class university or professional education, are available for all ages at the price point – from zero onwards – they are able to pay. An entire ecosystem of mobile commerce, education, news and information services, paid for by airtime, mobile money, or other methods, come to consumers via the Ideamart platform.

Dialog's evergreen Vision statement has been to lead in the provision of multi-sensory connectivity that empowers and enables Sri Lankan lives and enterprises. From its earliest days of introducing and scaling these enabling and liberating technologies, to realising their true promise by way of services and products that make a daily difference in the lives of 14 million Sri Lankans, your Company has worked tirelessly achieve that reality. Read on for a summary herein of highlights of such efforts most notable during the period under review, as well as comprehensive disclosure of the Company's performance on key metrics of corporate sustainability and accountability.

MATERIALITY ASSESSMENT - 2018

The GRI reporting framework defines Material Issues as issues that the Company and its stakeholders identify being important to them or in their view. 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 2018 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 2018
 - ii. The Group Chief Executive's (GCEO's) Key Performance Indices (KPIs) and Corporate Dashboard outlining business focus for 2019
 - iii. A rating assigned to the level of policy coverage and implementation of best practice across the operations



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.

As input for the 2018 Sustainability reporting cycle, following on from the previous year's dip-stick study – the 2nd part of a two-year comprehensive engagement cycle, the Company 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. The key focus of which was 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 study were matched against the GRI Standards for Reporting, as well as against the previous year's results, and functioned as a key input for the determination of Dialog's Materiality Matrix for 2018.

Prior to this, a high-level strategic review of the material issue areas arising from the previous year's dipstick study was conducted. With the majority of stakeholder groups having been identified and engaged by this methodology, the FY 2018 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 the actions of 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



Customers

Type of Engagement Carried Out

Net Promoter Score Survey across all groups of Customers - Annually

Independent Stakeholder Engagement Survey - Annually

General Stakeholder Concerns

1. Quality Products and Services
2. Affordability of Products and Services
3. Ethical Business practices
4. Quality of Customer Service

Shareholders

Type of Engagement Carried Out

Annual General Meeting of Shareholders - (Held in May 2018)

Investor Forum - Two forums held within the Reporting Year

Earnings call with local and foreign analysts

Regular one-on-one engagements

Overseas roadshows

Local Stock Broker Forums

General Stakeholder Concerns

Dividends

General Public

Type of Engagement Carried Out

Independent Stakeholder Engagement Survey - Annually

General Stakeholder Concerns

1. Quality Products and Services
2. Extent of Social Stewardship activities
3. Quality of Customer Service

Civil Society Organisations

Type of Engagement Carried Out

Project-wise/Regular business-as-usual interactions - Project-wise/Regular business-as-usual interactions

Independent Stakeholder Engagement Survey -Annually

General Stakeholder Concerns

1. Economic Compliance
2. Ethical Business Practices
3. Sustainable Resource Management
4. Affordability of Products and Services



Customers



General Public



Shareholders



Civil Society

Regulators

Type of Engagement Carried Out

Continuous active engagement across multiple divisions

Independent Stakeholder Engagement Survey - Annually

General Stakeholder Concerns

1. Economic Compliance
2. Community Investment
3. Waste Management

Employees

Type of Engagement Carried Out

Employee Engagement Survey conducted by the Axiata Group - Annually

Independent Stakeholder Engagement Survey - Annually

General Stakeholder Concerns

1. Transparency and fairness in recruitment and performance management policies
2. Comfortable workplace environment
3. Adequate learning and development opportunities for all
4. Remuneration

Media

Type of Engagement Carried Out

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

General Stakeholder Concerns

1. Economic Compliance
2. Ethical Business Practices
3. Sustainable Resource Management
4. Affordability of Products and Services

Suppliers

Type of Engagement Carried Out

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

General Stakeholder Concerns

Eco-friendly product design

Retailers/Distributors

Type of Engagement Carried Out

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

General Stakeholder Concerns

1. Customer Data Privacy
2. Accessibility and Affordability of Products and Services issues material to the Stakeholder and Dialog - Annually



Regulators



Suppliers



Employees



Distributors



Media

MANAGING RISK

Dialog firmly believes that Enterprise Risk Management enhances its ability to effectively manage uncertainty. Dialog has thus adopted a systematic approach to respond to the risks that pose a challenge to the day-to-day business operations 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 (ERM) 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.

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 the functional chief officer of their respective business pillar.

For more information on the financial implications and other risks and opportunities for the business due to climate change, please refer the 'Managing Risk' section within the 2017 Sustainability Report at: <https://www.dialog.lk/sustainability-reports>.

Dialog's ERM Process



RISK GOVERNANCE

The leadership for Dialog's ERM process is primarily driven via Dialog's Group Leadership Committee (GLC), made up of all CXOs and chaired by the GCEO. All communication and guidance in managing and governing is pivoted 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

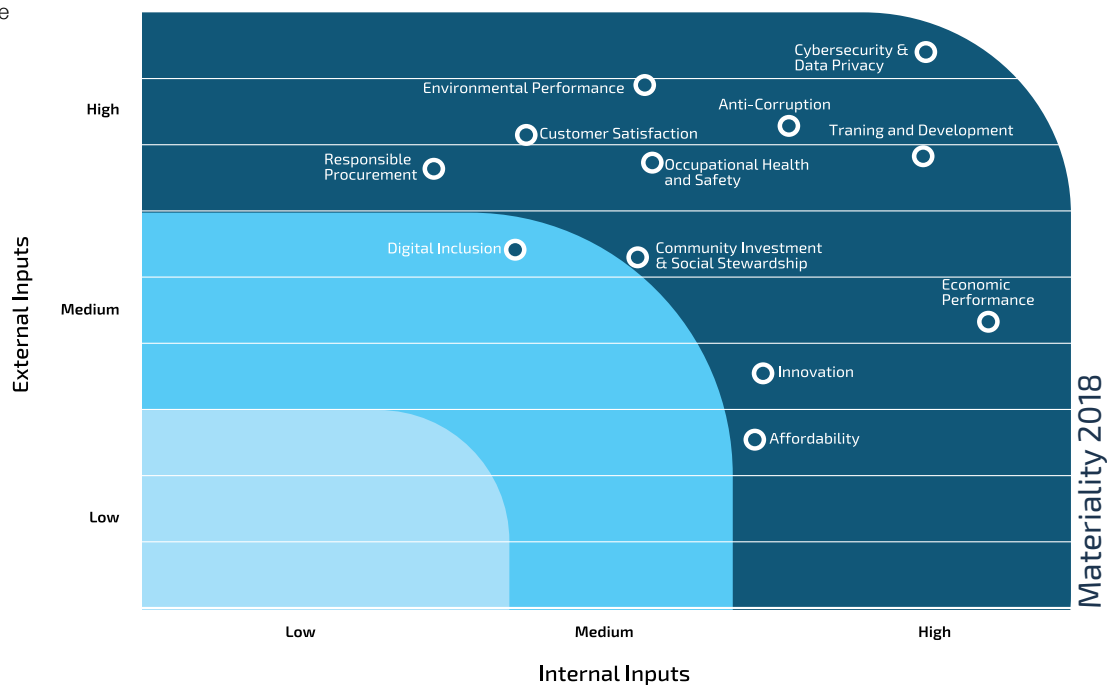
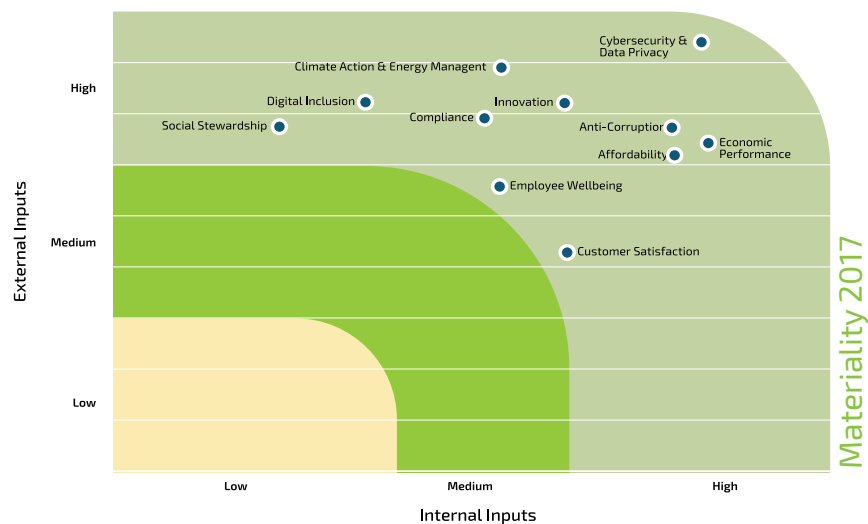
analyses as part of the risk management cycle. The process gives due consideration of stakeholder needs through the inputs provided by cross-functional stakeholder representatives (ERM Champions outlined above under the risk register mechanism).

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.

MATTERS OF MATERIAL IMPORTANCE

However, 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 2018 report focuses on the top twelve most significant issues given below, to provide a concise measure of materiality.

- Cybersecurity and Data Privacy
- Economic Performance
- Anti-Corruption and Ethical Business Practices
- Affordability
- Environmental Performance
- Innovation
- Occupational Health and Safety
- Customer Satisfaction
- Digital Inclusion
- Community Investment and Social Stewardship
- Responsible Procurement
- Employee Competence



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-specific Standard	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	✓	✓	✓		✓	✓	✓		✓			Page 79	
Occupational Health and Safety	Occupational Health and Safety	✓	✓	✓		✓	✓	✓			✓		Page 53	
Innovation	*	o	o	o		o	o	o	o				Page 31	
Affordability	*	o	o	o	o	o	o	o	o	o	o	o	Page 42	
Anti-Corruption and Ethical Business Practices	Anti-Corruption	✓	✓	✓		✓	✓	✓					Page 75	
Digital Inclusion	*	o	o	o	o	o	o		o		o		Page 33	
Employee Competence	Training and Education	✓	✓			✓	✓	✓					Page 48	
Customer Satisfaction	*	o	o			o	o	o	o			o	Page 68	
Economic Performance	Economic Performance	✓	✓	✓			✓	✓		✓	✓	✓	Page 65	
Environmental Performance	Economic Performance	✓			✓	✓	✓	✓	✓	✓	✓		Page 65	
	Energy	✓	✓	✓			✓	✓					Page 69	
	Emissions	✓	✓	✓			✓	✓			✓		Page 69	
Social Stewardship	Indirect Economic Impacts	✓			✓	✓	✓		✓		✓	✓	Page 20	
	Local Communities	✓			✓	✓	✓		✓		✓	✓	Page 59	
Responsible Procurement	Supplier Social Assessment	✓	✓	✓			✓	✓		✓			Page 79	
	Supplier Environmental Assessment	✓	✓	✓			✓	✓		✓			Page 79	

*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. Further the GRI Standard-Specific topics of Environmental Compliance and Socioeconomic compliance were reported on due to the material nature of such topics, and the emphasis placed on adhering to such topics across the Company.

SUSTAINABILITY AND GOVERNANCE

STRATEGIC SUSTAINABILITY APPROACH

Dialog's perspective on sustainability is anchored on its three-pillar approach to sustainable growth. Accordingly, to realise our vision to contribute to the overall well-being of the people of Sri Lanka, Dialog looks "Beyond short-term profit" and strives for "Process Excellence", while investing to "Nurture People" and working for the betterment of the "Planet and Society".

Developing operational strategies for each pillar, we are bound by the guiding principles laid out under Dialog's 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 our 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 2018 Period

The Sustainability KPI dashboards were implemented for the third consecutive year in 2018, with more comprehensive best-practice focused line items assigned to all Chief Officers. The incorporation 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
- 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.

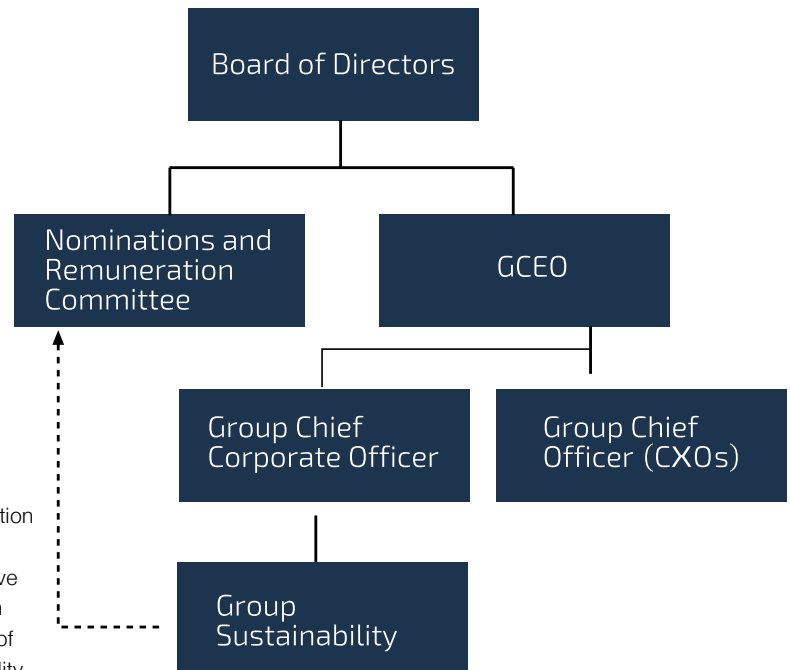
SUSTAINABILITY GOVERNANCE

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. GCEO and GCCoO, along with other CxO's and Senior Management are directly engaged in seeking assurance and take part in management discussions as part of the Annual Assurance process.

Key Governance Highlights for 2018

Quarterly updates were provided to the Nominations and Remuneration Committee (NRC) on the most recent achievements and challenges faced, from a sustainability viewpoint. Further to the Board's extensive review of the Company's Annual Plan and Long-Range Plan (LRP) in late 2016, integrated discussions were carried out on a wide range of Sustainability topics including a segment focused on the Sustainability Function's achievements and plans. Further updates to the LRP were discussed in 2018, and the review process will continue on an annual cycle. 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.

Sustainability was also considered a prominent topic within the Group Senior Management Committee's (GSMC) monthly meetings, in which an annual action plan, drafted based on the findings of Dialog's comprehensive Stakeholder Engagement efforts, was drawn up and closely tracked in subsequent meetings. Further, the quarterly Board Audit Committee meets quarterly to review updates on possible risks/opportunities related to Sustainability Governance procedures and other sustainability performance related topics.



*Group CEO maintains executive-level responsibility for economic, environmental and social topics.

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;
- The institution of a Social Innovation focus;
- Digital Inclusion Outcomes via the 4A's paradigm;







Affiliations

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

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

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

Governance-related disclosures

<div><div><div></div><div>Male</div><div>9</div></div><div><div></div><div>Female</div><div>0</div></div></div> <div>Gender breakdown of the highest governance body:</div>	<div><div><div></div><div>18-25</div><div>0</div></div><div><div></div><div>26-35</div><div>0</div></div><div><div></div><div>36-50</div><div>3</div></div><div><div></div><div>50></div><div>6</div></div></div> <div>Age-wise breakdown of the highest governance body</div>
Governance structure, including committees of the highest governance body. Identify any committees responsible for decision-making on economic, environmental and social impacts.	The Board of Directors is the highest governing body. Committees of the governing body are - 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).

Compensation of the highest governance body and its committees by:

	BOD	BAC	NRC	CIPMC	RPTRC
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	Please refer the Annual Report - Profile of Directors	Please refer the Annual Report - Profile of Directors	Please refer the Annual Report - Profile of Directors	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	Please refer the Annual Report - Profile of Directors	Please refer the Annual Report - Profile of Directors	Please refer the Annual Report - Profile of Directors	Please refer the Annual Report - Profile of Directors
Gender	Male	Male	Male	Male - 4 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 06 nominee directors	None	Major shareholder representation only - by 01 nominee director	Major shareholder representation only - by 01 nominee director	None

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

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:

- 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

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.

All directors appointed to the Board are required to retire and submit themselves for re-election by the shareholders at the AGM immediately succeeding his/her appointment.

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: <ul style="list-style-type: none"> • Cross-board membership • Cross-shareholding with suppliers and other stakeholders • Existence of controlling shareholder • Related party disclosures 	All directors are required to disclose their interest, which is entered in the interest register maintained by the Company required by the Companies Act. The names of Directors who were directly or indirectly interested in a contract or a proposed transaction with the Company or the Group during the year were disclosed by the Directors and updated in their interests register.
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 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. STING Consultants, on the request of Dialog, conducted a specialised refresher on Sustainability for the Board of Directors as part of the Board's continuous training programme.
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
Highest governance body's role in the identification and management of economic, environmental and social impacts, risks, and opportunities. Include the highest governance body's 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. The Board delegates responsibility to management on a per case basis, with respect to due diligence processes.
Report whether stakeholder consultation is used to support the highest governance body's identification and management of economic, environmental and social impacts, risks, and opportunities.	Yes, stakeholder consultations are integrated into the materiality process. Finding and recommendations are shared with the ERM process and presented to the GSMC and incorporated into the Chief Officers' KPIs
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.	<p>The GCEO/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'.</p> <p>Of the concerns taken up for discussion with the Board in 2018, none were deemed 'critical' as per the Board/Company Secretary's definition</p>
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 the introduction of new controls or processes are required to resolve said concerns. If the deviation in controls was found to be minor in nature and does not require the attention of the Board, remedial action may be taken at a lower level, with concerns resolved without the involvement of the Board.

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 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 publicly.

Please refer the Dialog Axiata Annual Report 2018 – Corporate Governance Report for a more detailed look at remuneration within Dialog.

COMPLIANCE

Compliance forms the basis for all decisions and ensures the Company's actions remain sustainable. Given the increasingly complex and highly competitive environment in which Dialog operates, Dialog's 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 Company remains fully compliant with the laws applicable to each core business vertical. The 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 Authority of Sri Lanka (TRCSL), while Dialog Television is governed by the operating license issued by the Ministry of Mass Media. Meanwhile, certain products such as eZ Cash, 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 Standardisation Organisation (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 the Certification Governance, which includes regular monitoring and reporting of issues that may impact the 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. The role of QSPM is to ensure preventive action is put in place to avoid future occurrence. 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 its 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 TRCSL and environmental protection license from the Central Environmental Authority, alongside approvals from relevant local authorities.

Dialog has not identified any non-compliance against, and faced no fines or penalties related to breaches of regulatory, environmental or economic laws and regulations throughout the reporting period. The Company plans to develop a comprehensive legal register covering all aspects of its operations, in compliance with ISO14001 requirements.

Compliance Highlights for 2018

As an initiative to enhance the quality and security posture of Dialog, QSPM facilitated the process to obtain GSMA Mobile Money certification for 'eZ Cash', one of Dialog's premier mobile money services, in October 2018, with Dialog becoming the 7th global operator to be certified. The Certification is based on 8 principles and was obtained through independent assessments of Dialog Axiata's ability to deliver secure and reliable services, and to protect the rights of consumers.

Confirming Dialog's efforts towards combating money laundering and the financing of terrorism, against global industry best practices, the Certification enhances consumer trust, accelerates commercial partnerships, and sets a public bar to which all mobile service providers can aspire to match.

Dialog's Certification Journey					
Certification		Business Segment	Initial certification (Year)	Renewal Cycle no.	Current Validity Period
ISO 9001	Quality Management Systems	Entire Company	1999	These ISO certifications are re-certified every 3 years	Dialog successfully completed the re-certification process, and version upgrade to ISO 9001:2015 (latest version of ISO 9001). The certification is valid up to 27 th May 2021.
ISO 27001	Information Security Management	Internet Data Center	2007		Dialog successfully completed the re-certification process for ISO 27001 (applicable for the Internet Data Center operations). The audit is scheduled to be completed in March 2019. The certification will be valid up to March 2022.
		Group IT	2012		2 nd Jan 2021
		Group Technology	2017		3 rd Dec 2020
Payment Card Industry Data Security Standard Ver 3.2 (PCIDSS)		For 'Genie'	2017	Valid for one-year period from issuance	30 th June 2019

Connecting

THE UNCONNECTED

Though Sri Lanka's mobile connection penetration rate is well over 100% relative to population, disaggregated analysis reveals imbalances. Women, senior citizens, persons with disabilities, less digitally aware or connected populations and the extremely poor have yet to realise and maximise the value they can unlock with digital tools.

INNOVATION

Since its inception, Dialog has prided itself in being at the forefront of innovation in Sri Lanka's mobile services industry. Having blazed the trail from as far back as the late 1990s, Dialog has been largely responsible for bringing the nation's mobile telephony infrastructure on par with the developed world. Over the years, Dialog has used innovation as a platform to bring progress to the nation.

Dialog thus continues to invest in innovation to fast track its digital transformation journey and elevate Dialog's status in the digital telecommunication sphere. The Company's main 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.

"Innovation-first" is the ethos by which Dialog operates and is something that it has imbued in its culture. At a corporate level, the Dialog Innovation Funnel, the Ideation Forum, The-Future-Today Forum, The CXO network, Product Funnel meetings, etc. serve as highly focused think tanks aimed at fuelling the spirit of innovation. Meanwhile, employees too encouraged research to develop 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 Group Prism Network, 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 its innovation model, Dialog has further strengthened its 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 research lab of the University of Moratuwa, which has been instrumental in operationalising many of the Company's IoT 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 freelance innovators and help them develop and eventually monetise their ideas.

In 2018, Dialog strived to further advance its innovation agenda vis-à-vis strategic investments, partnerships and ground-breaking events that underscore Dialog's position as the undisputed leader in digital innovation in Sri Lanka. Many firsts by Dialog featured throughout the year, including among them, the first Artificial Intelligence (AI) based Sri Lankan Personal Voice Service Skill for devices featuring Amazon's Alexa; the first Robotics and AI powered Humanoid Customer Associates in Sri Lanka with Arimac Lanka; breaking ground on the first High Density Data Centre in Sri Lanka with Orion City; the first NB IoT (Narrowband IoT) Hackathon in Sri Lanka with Ideamart; the first 4G Feature Phone in Sri Lanka with Energizer, and the lowest-cost 4G feature phone with MicroMax; the first online media buying platform in Sri Lanka, Adhub.lk, launched by Dialog Television; South Asia's first commercial deployment of eSIM technology; Dialog 4G Home Broadband sponsoring the first Asian Volleyball Championship to be hosted in Sri Lanka; the first PCI DSS (Payment Card Industry Data Security Standard) certified payment app, Genie; An agreement to institute Sri Lanka's first state-of-the-art 5G Innovation Centre by Dialog, Ericsson and the Ministry of Digital Infrastructure; Sri Lanka's first per-day Motor Insurance package from LKR 125 per day; and being among the first seven global operators to receive the GSMA (GSM Association) Mobile Money Certification, and the first 5G pre-commercial transmission trial in Sri Lanka using commercial base stations and end user devices.

While this list already mentions many new and existing partnerships, several partnerships saw deeper engagement, such as with Ericsson, to roll out Cat M1 and NB IoT networks in Sri Lanka, together also winning the "IoT Innovation of the Year" award at the Global Telecoms Awards 2018, as well as the proposed 5G Innovation Centre already mentioned; with Google and Ideamart to host South Asia's largest Google I/O Extended event; with AngelHack Sri Lanka and Ideamart,

INNOVATION

to power the third its annual event; with the Women's Chamber of Industry and Commerce (WCIC) for the second time to power the Woman Entrepreneur of the Year award; with Gamer.lk to stage the second annual Dialog Play Expo, largest E Sports convention of the year; and with SLASSCOM (Sri Lanka Association of Software and Service Companies) to host a Robotics and Coding workshop for children, also becoming SLASSCOM's Exclusive Enterprise Communications Partner.

Amazon Alexa

In line with its continuous efforts to advance technology and consistently provide users with a world-class customer service experience, Dialog launched an Artificial Intelligence (AI) powered personal voice service skill to support its expansive product service framework.

For the first time in Sri Lanka, this service simplifies human interaction with voice and natural language by using Natural Language Processing (NLP), an emerging technology used by Amazon's artificial intelligence. The service is set to revolutionise self-care experience with the addition of a futuristic yet human centred technology platform. The skill will assist users with tasks such as checking bill related information and Dialog TV channel related information.

Along with the ability to assist users with numerous Dialog self-care related tasks, the AI based skill is easily accessible by any customer with Amazon Alexa enabled personal voice assistant devices such as;

- Amazon Echo
- Echo dot
- Amazon Echo Prime
- Echo show

Sri Lanka's first state-of-the-art innovation centre

Dialog, in partnership with Ericsson, world leader in communications technology and services along with the Ministry of Telecommunication, Digital Infrastructure and Foreign Employment, signed a Memorandum of Understanding to establish Sri Lanka's first state-of-the-art 5G Innovation Centre. The first of its kind in the country, the Innovation Centre will encourage Sri Lankans to collaborate and create next generation IoT and ICT innovations and serve the country's digital footprint through strategic partnerships, stimulating entrepreneurship and facilitating a collaborative shared learning environment.

The MoU will explore the possibilities of 5G and IoT enabling various stakeholders such as the community and different verticals to carve out new innovative solutions. On the road to finalising the 5G national agenda and programme implementation by the government, the Innovation Centre aims to improve efficiency, innovation and productivity and create new opportunities for capacity building in emerging 5G technology. The setting up of the 5G Innovation Centre will be underpinned by investments exceeding Rs. 500 million in connectivity, equipment and infrastructure.

The 5G Innovation Centre will link Dialog and Ericsson technology and capabilities with like-minded partners into a single framework for local application developers and content providers. Research and development will be a collaborative effort between local universities together with cooperation from the global sphere. Researchers and entrepreneurs will have the ability to design/develop programmes and prototypes and use the Innovation Centre as a test lab for verification. Further the facility will enable developers, mobile users, academia and eco-system partners to test 5G capabilities and inter-operability on site.

DIGITAL INCLUSION

Two decades ago, Dialog was the fourth entrant into a Sri Lankan mobile telecommunications industry that served an exclusive clientele limited to major urban centres. Unencumbered by the incremental evolution of the market up to that point, able to make audacious moves with an eye on the direction of travel both of technology and of market uptake, Dialog made key strategic decisions that resonate to this day within its organisational DNA.

These included betting on the emergent GSM digital communication technology, which had the potential of radically reducing capital, consumer device, and operational costs relative to existing analogue technologies, over a long time-horizon – longer than most business planning cycles might permit. The choice of GSM also presaged the Company's blue-ocean approach of creating a new consumer category significantly larger than the exclusive, more-easily targeted high-end urban customer. A bigger customer base – but far more widely dispersed than the urban elite. An emergent mobile phone user base beginning to place emphasis on the “mobile” part of “mobile phone”. Supported by the International Finance Corporation (the private-sector focused arm of the World Bank) which recognised the transformative potential of the move, Dialog pushed mobile network coverage far beyond that of any competitor – a highly risky multi-year capital investment. Major trunk routes carrying commerce and human flows, second-tier cities, regional centres, towns, villages. Dialog built it – and the traffic came.

Human capital became more mobile and people could for the first time leave home for jobs, or work further from home, with the confidence that ready communication gave. New business models emerged even as existing businesses reduced turnaround times, increased volumes and scaled up, breaking geographical limitations. Sri Lanka, with its unique mix of favourable time zone, high basic literacy and young, professionally qualified workforce with a neutral English accent, became a key player at the high end of the nascent, globalised, Business Process Outsourcing and Knowledge Process Outsourcing industry. Professional and skilled workers suddenly had access to a wide catchment of potential customers, and were able to better-manage their schedules – and thus smooth their incomes.

This trend, extrapolated, possibly undershot the point we stand at today. The mobile data “dongle” revolution liberated the data

worker and consumer from the ethernet port or Wi-Fi zone – before the smartphone revolution that rendered dongles irrelevant in turn. The list goes on. What has not changed is that while technological improvements have immensely improved the lives of the urban, mainstream citizen, they have arguably had their most meaningful impacts in the remotest regions, with the citizens who, for whatever reason, are still peripheral to what a “mainstream user” is defined as, at any one moment in time.

In those years, Dialog can proudly say that many of its innovations and services have helped close the digital gap and to welcome millions more Sri Lankans into a digitally empowered lifestyle. In this section you will find updates on services that are heirs to this heritage, and seeking to launch the next digital revolutions for the citizens who need them most.

Dialog's Digital Inclusion strategy, pre-dating the SDGs but well aligned with them, focuses on four principles necessary for Digital Inclusion; Accessibility, Affordability, Availability and Applicability. This approach guides Dialog's Digital Inclusion programmes in maintaining their focus on best addressing the needs of the most marginal customer.

Dialog's 4A Framework

Affordability

Focus on radical cost reductions in costs of connection and of staying connected

Availability

Services-from retail to customer care- and connectivity must be available and accessible to marginalised communities

Affinity

Through 'network effects', increase the value to users, thereby causing more members of their social and professional network to come on board

Applicability

Services must provide some direct benefit to customers lives and livelihood if they are to stay relevant

GOVI MITHURU

70% of the population in Sri Lanka lives in rural areas and their main livelihood is agriculture. The majority of farmers own a mobile phone, which they primarily use only for taking voice calls. Lack of access to relevant information has always been a prominent issue in this sector. Govi Mithuru (Farmer's Friend or 'Ulavar Tholan' in Tamil) is a mobile advisory service for farmers with the theme 'Secure crop and Family health' which has been created to address the information gap in this sector.

The service is a result of a partnership between the GSMA and Dialog, working with the Department of Agriculture, Ministries of Agriculture and Health of the Government of Sri Lanka, facilitated CABI South Asia, supported by human-centred design expertise and funded by DFID, the UK's international development agency. The project is part of the mAgri Challenge Fund, an initiative by the GSMA targeting improved livelihoods of small holder farmers in African and South Asian countries using mobile services. Dialog is among the six operators worldwide who successfully completed the application process to win the challenge fund from among all mobile network operators in the 13 countries were eligible for the programme.

The unique feature of this product is that the information provided to farmers are customised per farmer's need (customised by stage of cultivation, location, irrigation type, seed type and other relevant information). Registered farmers receive around 4 to 5 Calls every week with timely information regarding land preparation, sowing, fertiliser management and pest control as well as information on family nutrition and healthy living. The service was launched in October, 2015 with paddy and currently features 20 crops with 2 more to be added by the first quarter of the year 2019. Within its first year more than 200,000 farmers registered with the service. Service can be accessed by dialling the short code 616 on Dialog Sri Lanka's network. Farmers are charged Rs 1+tax per day per crop for daily calls and unlimited access to the 616 Interactive Voice Response (IVR). As with other frontier Digital Inclusion activities undertaken by Dialog, As with many other frontier Digital Inclusion services launched by the business with the support of Dialog's Digital Inclusion-focused Group Sustainability division, the project has presented many new challenges

and opportunities for the organisation to learn and better understand its most challenging markets. This and other services are intended to become gateway, first experiences for underserved segments, helping them unlock the value of Dialog's core services. The participation of partners willing to help reduce risk by contributing resources and expertise, focused on mutually desired outcomes, is key to making programmes of this nature feasible, with the readiness to engage more deeply to better understand hitherto-overlooked segments and design services better suited to them.

The service development process followed a user-centric approach involving in-depth user research and iterative testing, with the involvement of the primary user segment and small-holder farmers. The service utilises the most familiar access channels when it comes to usage of a mobile phone. The service offers useful information contextualised to the start and end of each individual farmer's farming cycle, his/her crop, and other key deterministic dimensions. Farmers can register to the service by simply dialling 616 and following the instructions or through Govi Mithuru agents trained to provide awareness to farmers and help register for the service

Measures

200,000 advisory messages dispatched daily
600,000 subscribers

Results

As per an independent survey carried out for the GSMA and funder DFID, the findings were:

62% of users are 'Power Users'
90% of power users report at least one on-farm change
60% report decreased fertiliser and pesticide use
12% report changes to post harvest and storage

1.8 Million

Smallholder farmers
in Sri Lanka

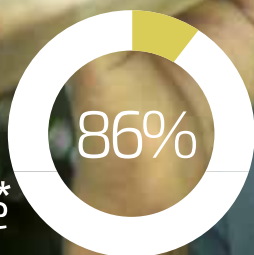


600,000

Govi Mithuru users



Monthly
Active
User Base*



Decreased fertiliser
or pesticide usage
by 60%



- Department of Agriculture, 2018

* Out of the charged user base, 86%
of users have received agri advice through
the service, on a monthly basis

செய்தல் விநியோகம்

செய்தல் விநியோகம்

'SARU'

Agriculture employs 33% of the workforce, and accounts for 44% of land usage. Yet, it contributes to only 9% of Sri Lanka's GDP. Being unable to invest adequately, poor smallholders loath to use unfamiliar new technologies, meaning they face low productivity and low returns. Recent research has gone to show that the Sri Lankan agriculture sector is less efficient than comparable countries.

There exists national concern on an impending food crisis due to the rapid ageing of the local population of farmers due to the unattractiveness to youth of a career in agriculture. This, along with a couple of key factors such as the conversion of fertile land to non-agricultural uses, unsustainable water depletion and land degradation, harvest losses due to increasingly adverse climatic phenomena, pest and disease damage also greatly impacts the cost of production in a country with unemployment below 5%, leading to high fluctuation in prices and thus farmers choosing to grow a limited range of crops.

The best solution is affordable climate-smart, automated, protected agriculture that liberates smallholder farmers from the tyranny of the weather and seasonality. Preliminary research shows potential increases in yields of between 150% - 300% through environment-controlled agriculture systems.

Dialog, in collaboration with the University of Ruhuna, is building the crop parameter related knowledge-bases required for implementing protected agriculture as well as conducting field tests ensure the practicality and applicability of the solution. Low-cost sensors and actuator nodes that are key components of the initiative, are developed in partnership with the University of Moratuwa

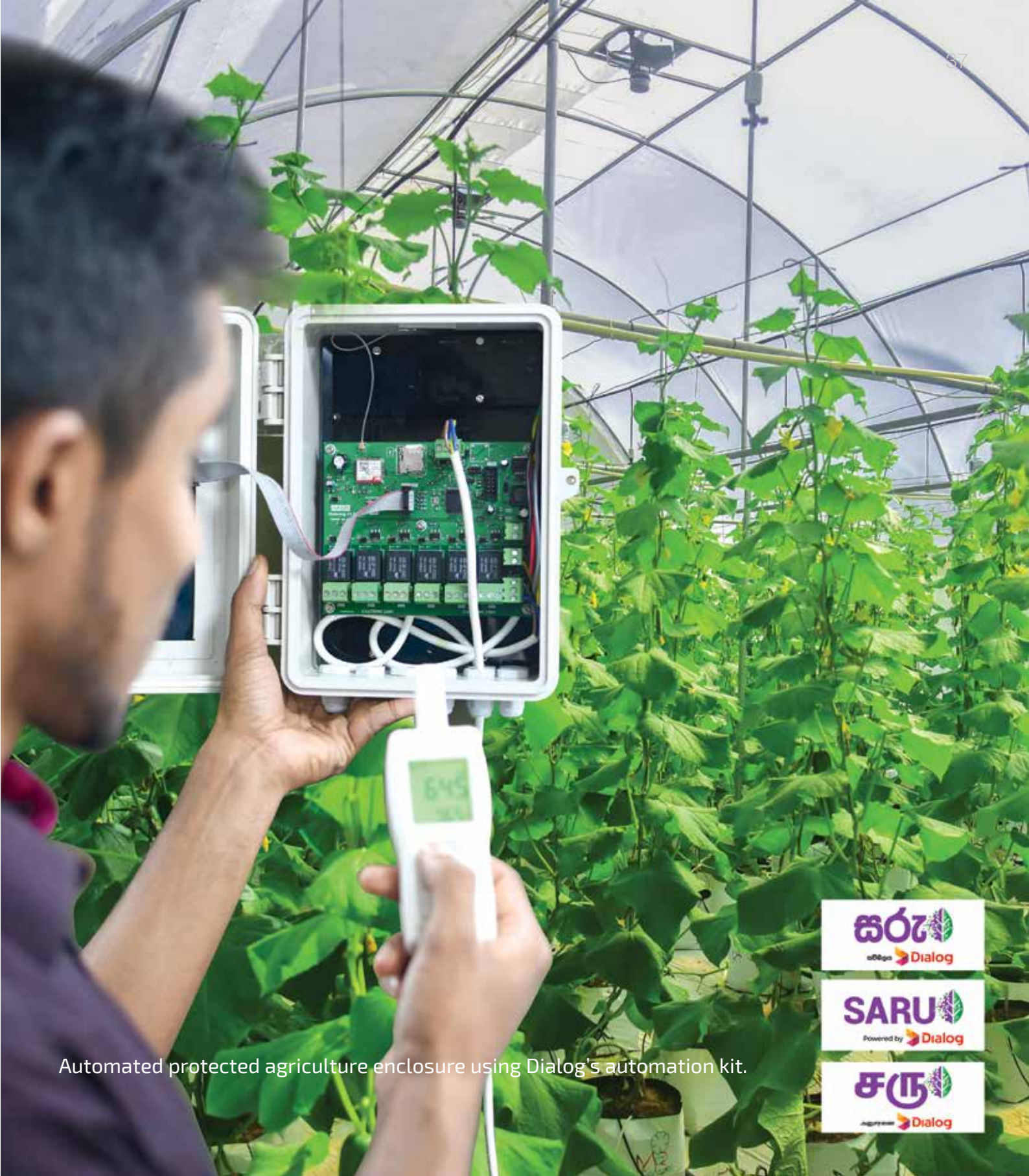
'Saru' uses IoT-based technology inclusive of a network of sensors and actuators allowing farmers to remotely control and monitoring their activities, through their smart phone.

The agriculture 'know-how' for regular operation (i.e. fertiliser application, water management, assessing growth, pest- and disease-identification) will be available at the farmers' fingertips. Real-time roll-outs of rapid updates or interventions to respond to short-term phenomena would potentially lead to significant positive food-security implications across the country.

Main project goals:

- Developing a knowledge base for local crop recommendations and agro-ecological zones
- Develop necessary materials and knowledge for farmer training on new practices
- Developing sensor and actuator kits that are fit-for-need and -conditions, at one-tenth or below the current market price
- Cloud-based data and knowledge management system
- Advisory content for crop management and maintenance





Automated protected agriculture enclosure using Dialog's automation kit.



YEHELI

Yeheli.lk, in Sinhala and English, or Thozhi.lk in Tamil, is Sri Lanka's only personalised, interactive advisory service connecting women with a knowledgeable virtual confidant, developed in partnership with 'Women In Need.' As a free, trilingual online advisory service extended through a web portal and an Android app, Yeheli creates a safe and trusted space to learn and discuss about a range of topics which may be too sensitive to be discussed with family and peers, such as: abuse, sexual health, contraceptives, relationship issues, domestic violence, etc.

Through field research carried out with the Global System for Mobile Communication Association (GSMA) in 2017, it was revealed that one of the key reasons for the evident gender gap in mobile data usage in Sri Lanka is women finding the internet "not relevant" to them. Yeheli/Thozhi is thus a digital intervention to address some of the most pressing issues faced by women due to strict cultural norms, thereby encouraging them to use internet to enhance the quality of their lives.

Key objectives

- Empowering women by creating a platform for women and girls to learn and discuss sensitive topics by connecting anonymously with an expert and thereby addressing one of the most pressing social problems
- Forming a pool of professional volunteers who can be reached via a digital platform
- Creating a library of questions and answers on various different topics relevant to women and girls which will be helpful in data and AI businesses in the future
- Providing relevant and life enhancing services to women, thereby encouraging a steady usage of mobile phone and internet services among women

Simplification through Digitisation

Yeheli provides a digital, anonymous, scalable platform that overcomes constraints to conventional solutions for the need. Simplicity (for the user, expert and administrator) is achieved through carefully designed software, based on extensive UX research. The user can ask questions, in a language they prefer, at the click of a button, whenever they want, through a hand-held device/computer and receive personalised answers to the device itself without having to be physically present in front of an expert.

Where the issues are complex, several experts can contribute to the same question, without having to go to several experts to get their opinions for different aspects of the problem. E.g. – Sexual assault require medical, psychological and legal advice. Experts can use the simple interface created for them to answer the questions at their convenience.

As the number of user queries increase, the system allows recruitment of experts through an online application process. Which will be followed online interviews and training sessions – easy for the experts, saves administration cost and allows swift scalability.

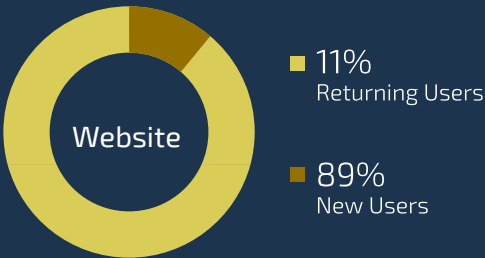
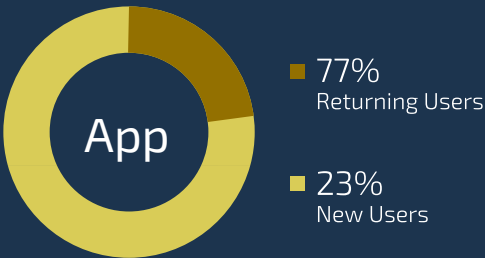
Performance of the experts is measured based on an in-built auditing system and customer ratings. Planned incentives are also automated digital rewards. This saves administration time and cost.

Yeheli/Thozhi has already reaped benefits of simplifications and digitization. The service deployed with only 3 experts and has grown to about 9 experts contributing to the service across several parts of the island.



Categorisation of questions asked	
General Physical Health	29%
Reproductive Health	17%
Mental Health	43%
Social Issues	4%
Lifestyle	11%
Technical	13%

Panel specialisation areas
Doctors
Lawyers
Nurses
Counsellors (experienced in family counselling, drugs and addiction, educational counselling, guidance and career counselling, trauma counselling)
Fitness Instructors



App rating

4.6

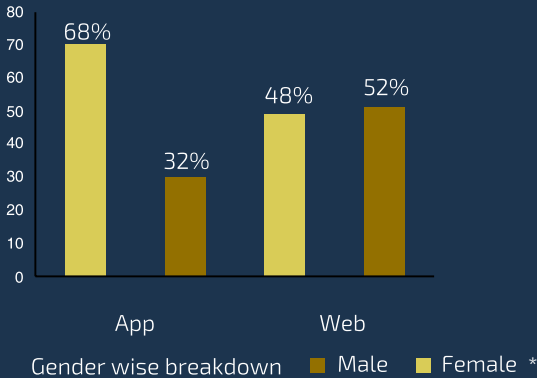
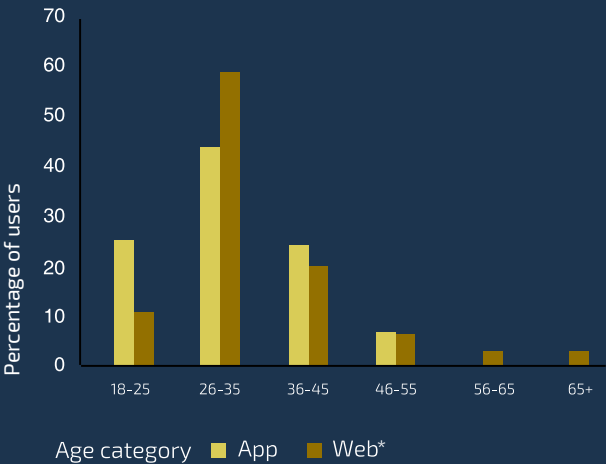


6,488

Users

1,500+

Questions



* BASED ON SELF-IDENTIFIED DATA

FINGER READER

The growth rate of people with visual impairments is increasing, the forecast estimates an increment of 200% by 2050. People with visual impairments face numerous difficulties with existing state-of-the-art technologies including problems with accuracy, mobility, efficiency, cost, and more importantly social marginalisation.

The FingerReader, a device conceptualised and designed by the Massachusetts Institute of Technology and produced at the Augmented Human Lab which was at the time attached to the Singapore University of Technology and Design (the Lab is now attached to the University of Auckland), addresses these challenges through a discreet and reliable wearable accessory that allows users to simply point at products, menus, signs, etc. to perform a recognition and interpretation task and hear the result spoken to them through a headset. This allows users to accomplish a task with the minimal number of steps compared to using other state-of-the-art technologies such as smartphone applications.

Dialog, in line with its efforts to empower traditionally marginalised groups across Sri Lanka using digitally inclusive initiatives, partnered the Augmented Human Lab and the Specialised Training & Disability Resource Centre of the Employers' Federation of Ceylon to conduct a pilot deployment in Sri Lanka in 2018 to understand the specific needs and design opportunities of Sri Lankan visually impaired community and to explore the possibility of a larger-scale FingerReader deployment in Sri Lanka.

Dialog believes that the findings from the pilot deployment will provide the developers with insights to improve the design and functional features to fit the Sri Lankan context, thereby creating a significant impact on how the visually impaired community of Sri Lanka can independently access information on the go.

ATHURU MITHURU

Assisted communication for those in a community who could not speak had for generations consisted entirely of traditional devices and methods such as books, boards, gestures, and symbols. But the advent of the digital age invariably brought about a global demand for analogue assisted communication methods to be converted into software and become readily available online. The challenge was to adapt proven analogue methods to suit various upcoming digital and smart devices and also make them cheaper and easy to use for the general public.

'Athuru Mithuru', a revolutionary Alternative and Augmentative Communication (AAC) application aims to give those without a voice, the ability and independence to communicate with the world around them. The first of its kind in Sri Lanka, the app is available in English, Sinhala and Tamil for absolutely free and gives children and adults affected by speech impediments a voice at the tap of a picture. It is a user-friendly app, enabling caregivers, therapists and

educators to bring out the maximum potential in children while offering independence to its adult users.

Developed based on extensive user experience research, Athuru Mithuru is easy-to-use and customisable. It is also device independent allowing users to change devices with ease, as preferences are stored on an external server and can be used as a backup. The app also allows users to record their own audio and upload pictures that might not be part of the pre-programmed data available on the app, giving them a personalised experience.

The app was launched on 2nd April 2018, parallel to Autism Awareness Day, and reinforces Dialog's commitment to the Global Sustainable Development Goals which aim to build a sustainable future for all by 2030 by reducing inequalities (Goal 10) and focusing on industry, innovation and infrastructure (Goal 9).



A speech therapist using Athuru Mithuru to help a child with a speech impairment to communicate better

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 continued to exhibit an inclusive approach to make its services more mainstream and more accessible to rural populations, the elderly, low-income groups and the differently able; thereby empowering all Sri Lankans to reap the benefits of economic, educational, health and entertainment opportunities that result from connectivity and the provision of sustainable services for all stakeholders. Through stakeholder engagement and various studies conducted across different core business areas, affordability of devices and data services were found to be two of the most notable areas of stakeholder concern.

Dialog has understood that affordability is of paramount importance towards increasing its reach and continues to work towards making its services more affordable in order to reach out to as many Sri Lankans as possible. A study by broadband-focused analyst 'Cable.co.uk' titled 'Worldwide mobile data pricing: The cost of 1GB of mobile data in 230 counties', highlighted that Sri Lanka is home to the 7th cheapest rates, in terms of average price charge per unit data consumption, across the globe. A number of initiatives were thus introduced over the last few years, aimed at ensuring underserved stakeholders have access to essential services – such as mobile micro-insurance: which allows for the breaking down on insurance premiums into more affordable daily payments. Dialog plans on introducing further initiatives over the forthcoming years as part of its commitment to ensuring customer affordability, including the provision of air time loans, and a customised 'small-loan' scheme for all citizens.

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. Testament to its efforts, Dialog was awarded the title of "Sri Lanka's Most Valuable Brand 2019" by Brand Finance, a leading international independent brand valuation consultancy. Dialog was also accorded the title 'Top Telecommunications Brand' for 10 years, by BrandFinance, reaffirming the brand's ethos of consistently enabling a connected future for every Sri Lankan.

Low-cost 4G feature phone with Energizer

Dialog partnered with Energizer, to become the exclusive network partner and 4G partner for the latest range of Energizer 4G devices. The releases by Energizer include Sri Lanka's first 4G feature phone, along with two additional 4G smartphone launches. The partnership will make Dialog the first and only operator in Sri Lanka to launch affordable hard case phones, which showcase maximum durability and an increased life span at affordable prices. The hard case H240 phone combines functionality with affordability and is best suited for users that require the user experience of a 4G enabled device at an affordable price point. Along with fast charge capabilities, the devices ensure users usability for extended periods of time.

Affordable 4G 2-in-1 Tab

Dialog also launched the Octa 10 Series, the first 4G, two-in-one Windows Tab available for Sri Lankan consumers, in collaboration with EWIS – allowing customers to enjoy the functionality of a PC, coupled with the portability of a Tab in one device.

Mobile Money Certification

One of Dialog's key achievements in 2018 was becoming the first provider in Sri Lanka to be granted certification under the GSMA's Mobile Money Certification initiative. Through its premier Mobile Payment Network, eZ Cash, Dialog is amongst the first seven mobile money service providers in the world and the first in Sri Lanka to receive the prestigious certification. eZ Cash connects over 16 million Sri Lankan mobile users with 20,000 merchants and service providers through the country's largest mobile payment and transaction gateway and was named the winner of the "NFC and Mobile Money Award" at the 2015 Global Mobile Awards.

The GSMA Mobile Money Certification is the only global industry best practice to define and promote excellence in the provision of mobile money services and brings safer, transparent, and resilient financial services to millions of mobile money users around the world. The certification also encourages mobile money adoption and advances financial inclusion, giving assurance to potential financial partners that robust controls are in place, facilitating interoperability and encouraging integration into the financial ecosystem. The certification also aims to build trust with regulators and encourage the implementation of appropriate and proportional regulatory standards.



EMPOWERING A DIGITAL WORKFORCE

Dialog's venerable and much-loved internal slogan – “Api Dialog” (we are Dialog), has been joined by a new phrase – “Api Digital” (we are Digital). A ‘MAD’ organisation (Modern, Agile, Digital) is emerging and taking on the challenges of the future.

EMPLOYEE WELL-BEING

Dialog considers its employees to be the key cogs in the system that delivers value to its stakeholders. Dialog ensures the well-being of its employees by providing safe, efficient work places, and by securing the health, safety and livelihoods of employees through its Human-Resources focused activities.

Building up on the 9-pillar transformation strategy introduced in 2017, the Company strengthened its efforts on digital transformation and worked to ensure a seamless digital process with all interactions on Human-Resource matters to be managed digitally. Such processes support the revised organisational structure and lead to improved efficiencies, and enhance the ease with which employees conduct themselves in the workplace. A transactional Net-Promoter Score (NPS) study was conducted to determine employee satisfaction with respect to the transformed HR processes, and to understand better where improvements were required. Towards this, Dialog conducts a comprehensive re-mapping of the employee life-cycle, and worked with external consultants to determine how best to fine tune, improve, and where possible, automate key processes. The newly introduced 'InsureMe' app which manages the internal medical disbursement process is an example of such.

A cross-functional Digital Transformation Committee was initiated and brought together leadership from across the various portfolio's to track and manage all projects part of the Company's digitisation agenda. The committee was supported by the 'Digital Army' – a team of employees who worked to facilitate continuous communication on such digitisation efforts, keeping employees ready and aware and allowing them to proactively work towards similar goals and better communicate digitally. Internal activities designed to increase employee engagement on digital communication such as the 'Digital Jam' – which utilised a top-down approach with Senior Management driving the process, saw such the quantity of engagements rise to never-before-seen levels. One other key activity within the Reporting period was the complete digital transformation of all central HR processes, through the introduction of a cloud-based Human Capital Management (HCM) system. The system allowed for the transformation of processes that were previously managed manually and thus susceptible to human error and other process inefficiencies. The system has led to the phasing out of paper consumption for key

HR processes, with nearly a 50% reduction achieved. This is beneficial from a Business Continuity Management point-of-view as well, as the storage of data on the system eliminates the risk of losing physical files in a disaster.

Dialog also worked hard at implementing an Agile Performance management framework – with changes to the internal systems designed to Key Performance Indicators in a more agile-friendly manner. The rollout of a mobile-version of the system, allowing for constant check-ins and cross-functional progress and performance tracking and management was a key achievement – enabling pools of resources from separate parts of the organisation to work together more fluidly.



Total number of grievances as of the end of most recently completed Performance Review process (2017): 12

Another key achievement was the further strengthening of the newly-introduced professional structure within the Group Information Technology and Group Technology portfolios. Dialog worked closely with an external expert panel to evaluate each of its employee technical skill set, and performing benchmarking exercises against industry best practices on topics such as remuneration.

Priority was also given towards providing a greater number of local employment opportunities, as part of developing Dialog's employee brand. Dialog worked closely with a number of universities around the country to ensure Dialog provided internship opportunities and employment to the cream of talent existing amongst university-leavers.

Providing employees with adequate opportunities for engagement outside of the scope of work to build trust and foster good sentiment across the workforce was achieved through the introduction of the Regional Reach initiative. The initiative involved a fun-day out for over 1000+ employees across different areas of operation, currently based within the individual regional zones. Customised team-building and inter-team engagement-driving activities were conducted, with feedback monitored through the use of QR codes.

The Annual HR assessment of policies and strategy found that the Company's Performance Management and Learning and Development processes saw the greatest improvements across the reporting year. The processes were again benchmarked against international best practices, with an Axiata-wide inter-Operating Company measurement conducted, allowing Dialog to understanding its position in relation to, and to be in-sync with, global and regional best practices.




For more information on Dialog's policies, systems and processes related to Performance Management and Remuneration, please refer the 'Employee Wellbeing' section within the 2017 Sustainability Report at: <https://www.dialog.lk/sustainability-reports>.

Collective Bargaining

No trade unions currently operate among the Dialog team. Team welfare and an alternative engagement channel with leadership are handled by the Staff Welfare committee comprised of employees from different functions and categories. Dialog is a registered member of the Employers' Federation of Ceylon, which 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.

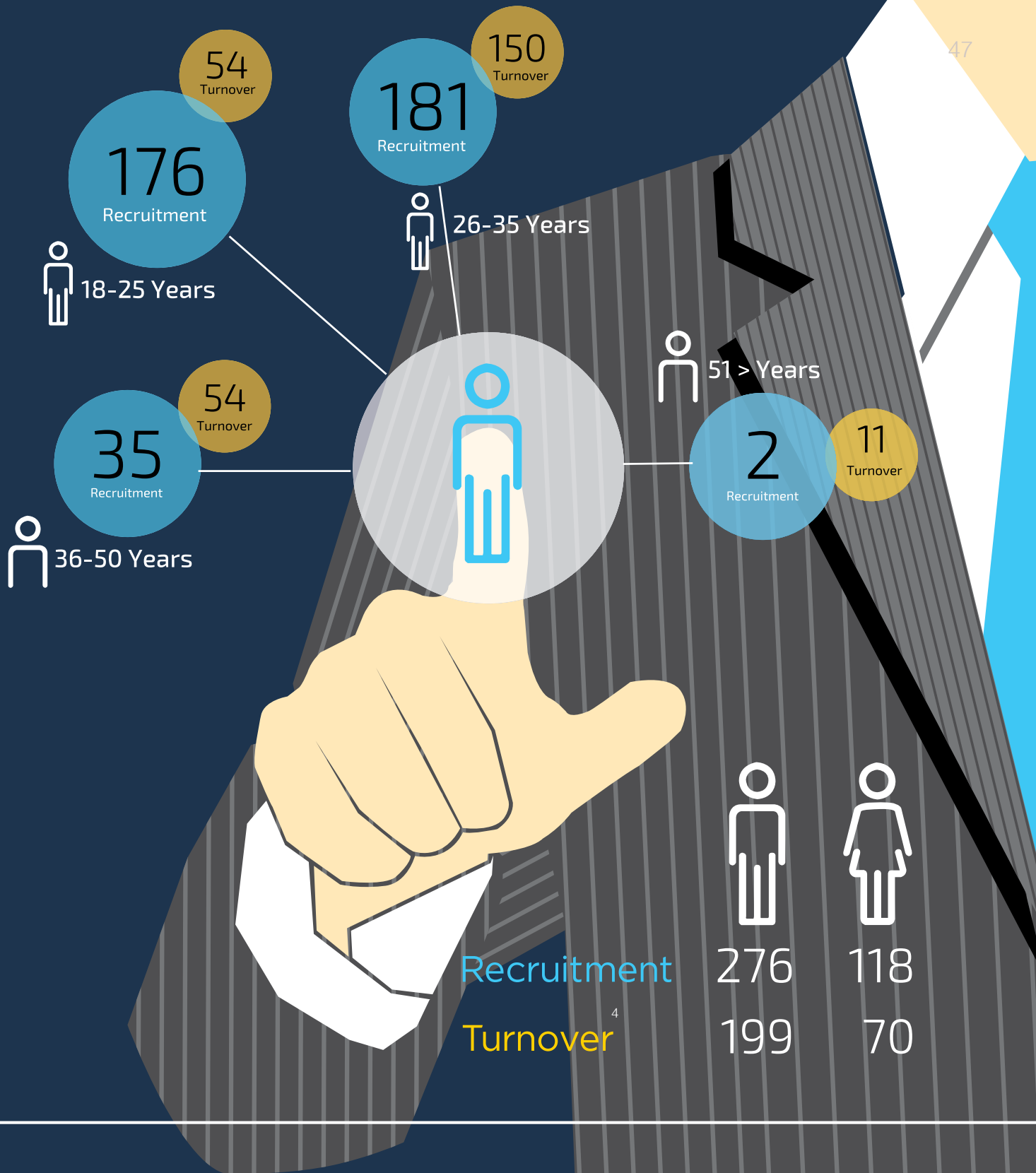
In addition to all of the above, employees may raise such grievances through the whistle-blower process.

EMPOWERING A DIGITAL WORKFORCE

			
Dialog Employees	2,694	768	3,462
Outsourced Employees/ Managed Services*	564	69	633
Outsourced Service Personnel	274	166	440
Interns	58	54	112



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



⁴ Three terminations and seventeen voluntary resignations accepted on disciplinary grounds within the reporting period are also included in this number.

EMPLOYEE COMPETENCE

In an ever-evolving digital landscape, it is important to ensure that a Company's prepares its employees for the various challenges and opportunities one might encounter, and having the adequately equipped with skills required to thrive in such an environment.

Thus, Dialog strived to enhance the digital capabilities of the entirety of the 'Api Dialog' family. Facilitating the change towards a digital era involves the upskilling and re-skilling of employees, which in turn allows for optimal resource utilisation resulting in a highly-motivated workforce that thrives within the current 'Industry 4.0' environment. Such processes were implemented with a mindset of continuous upskilling on management leadership and technical skills, and to strengthen Dialog's position with the 'Digital Telco index'.

The internal transfer policy was revamped to encourage greater internal mobility, while a structured succession plan was rolled out for CXO 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. Dialog worked with external experts to conduct an organisation-wide talent assessment, with the provision of developmental feedback; with increased opportunities to attend international training programs as a result of the clarity on developmental requirements.

Dialog's learning and development focus encompasses provision of training and development opportunities to all permanent employees of the Group's wholly-owned subsidiaries. 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 our employees, Dialog 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. Further, an online dashboard was introduced for efficiently tracking learning and development activities – allowing for setting specific customised targets and/or outcomes against each individual training programme, and for post-training assessments on the efficacy of such trainings.

The increase in the average training hours across all employee categories was due to the use of e-learning mechanisms such as Lynda.com, where employees were provided with access to a plethora of different job-related or personal-development focused trainings, with each employee required to complete a mandatory minimum number of hours (approximately 8 hours of e-learning on average). One other factor was the rolling out of the Sales and Services-focused trainings throughout the year, under the Dialog Academy.

Dialog however currently has no programmes in place towards facilitating continued employability and the management of career endings resulting from retirement or termination of employment. The need for such programmes will be assessed as part of the Company's annual review on its Learning and Development priorities, with necessary action planned for the following Reporting period if required.

a. The average hours of training that the organisation's employees have undertaken during the reporting period, by:	2018	2017	Change: 2018 vs 2017	2016
• Gender				
Male	40.08	19.24	108.33%	26.00
Female	36.45	12.63	188.57%	21.00
• Employee category				
Senior Management	23.02	15.26	50.86%	16.00
Middle Management	40.25	26.19	53.68%	48.00
Executive	40.44	20.62	96.12%	25.00
Non-Executive	35.59	6.82	421.88%	16.00

Total no. of training hours in 2018 – 135,971

	Hours
a. The type and scope of programs implemented and assistance provided to upgrade employee skills.	
Axiata Development Centre	627
AXIATA China Discovery Expedition	440
INSEAD – Transition to General Management	582
Leadership Lounge with TSJI	100
Corporate Management Development Program - Briefing on Dialog Digitisation and Strategic Direction	46
Creating Sustainable Business Impact	736
Leadership Lounge with Raj Raghavan	45
Management Development Program - Igniting the Power of your Potential	448
War Games 2018	108
Total hours	3,132

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.	224.5
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	87%

Digital Training	Average Man Days on Digital Training: 2.2	Completion of target 8 hours on digital platform: 82%	Total Digital Training Hours: 60,513
------------------	---	---	--------------------------------------



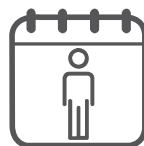
Total number of programmes delivered

4,835



Unique people covered

3,714



Overall average man-days of training (Digital and Non-digital)

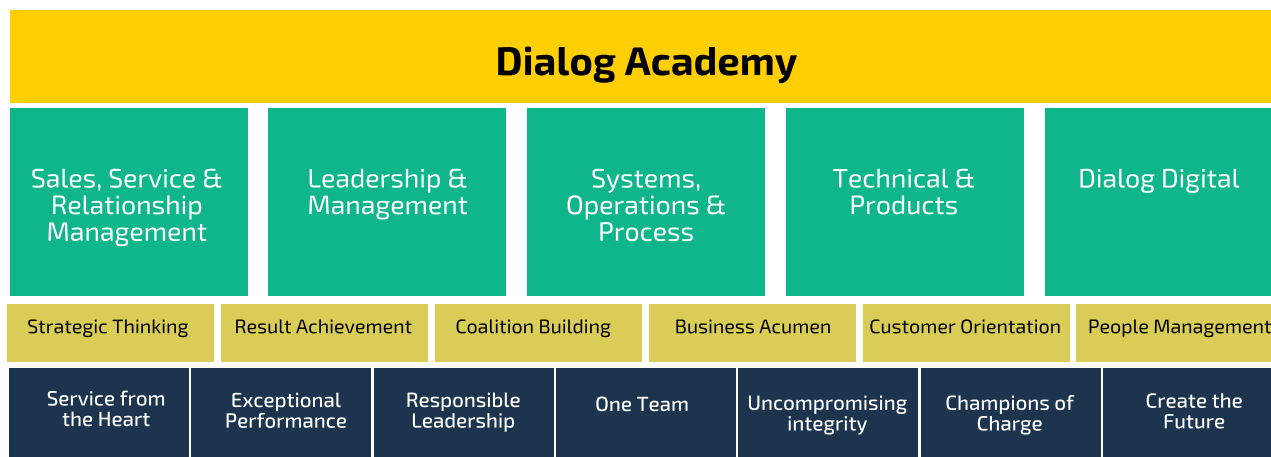
4.94



Average Man-days of training on Lynda.com

2.7

DIALOG ACADEMY



The five-pillar structure of the Dialog Academy

The Dialog Academy, developed in early 2017 in consultation with MTI Consulting (Pvt) Ltd., evolved to address more-pertinent skill gaps and tackle skill-related obstacles and deficiencies on the Company's digital transformation journey.

A fifth-pillar was added to Academy's structure – the Digital pillar – specifically aimed at disbursing knowledge and developing skills related to creating a Digital culture within the organisation, by helping employees apply a digitised thought process when managing their day-to-day tasks and activities. Internal targets were set to convert over 50% of all of the Company's Learning and Development (L&D) activities to those of a digital-format, with over 70% of the organisations cadre to have completed some form of digital learning, in line with the overall transformation of the learning blend: from non-digital to digital. Both targets were met with ~52% of all L&D activities having been converted.

Induction Revamp

The induction programme for newly on-boarded employees was revamped in 2018 to cover a wider range of important internal policies and processes. The new induction programme consists of an Orientation programme covering Learning & Development, Employee Engagement, the Dialog Code of Conduct, Performance Management, Information Security and the Company's benefits programme, with more focus on culture-development. The orientation programme happens bi-weekly in line with the intake dates, and the new programme structure includes a monthly day-long session which includes a welcome address by the GCEO, followed by educational sessions on the Corporate values, Digitisation agenda and individual introductions to the various Portfolios that manage the different aspects of Dialog's operations. A structured 'On-boarding NPS' was introduced to measure the quality and efficiency of the on-boarding process, and induction sessions.

Attendance and Post-training Efficiency Improvements - QR Code for Tracking

Dialog introduced the use of a QR code to capture attendance and post-training evaluation. With the aid of a pre-installed QR code scanner, participants were able to scan the Attendance QR code prior to the commencement of training programmes and mark their attendance. Further, participants could once more scan the code upon completion of such programmes to provide their feedback on the training. This data would then be for extraction and analysis by the Learning & Development team, and was used for the purpose of continuously improving the delivery of trainings. This initiative has aided in increasing process efficiencies, and has contributed to the Company's efforts to reduce paper usage.

e-learning with Lynda

Lynda is one of Axiata's dynamic e-learning initiatives to utilize today's technology for tomorrow's skills. This platform was introduced to Dialog employees in late 2017 for those at Senior Executive-level and above. However, due to the overwhelming demand, the licenses were extended to all Officer and above employees in February 2018. Currently Dialog has a Lynda user base of 3,281.

Company-wide Service Related Training Programmes

1. Creating a Service Culture – SFH Company-wide Programme

As a part of the "Service From My Heart" initiative of enriching and uplifting the internal (colleagues/peers) and external (customers of Dialog) service culture within Dialog, a series of programmes were conducted for all staff below Manager-level.

The programme was developed by Mercury Goldman India, and delivered internally via a Train-the-Trainer programme.
Total Hours: 4,976

2. Customer Field Support Service (CFSS) staff – Service Training Program

A sustainable learning intervention implemented for the CFSS staff employed under the Group Technology portfolio, covering 382 employees in total.

Course objectives were to educate the participants on:

- Inculcating a service mindset whilst identifying potential sales opportunities
- Personal Grooming and Business Etiquette
- Effective Communication and Negotiation skills
- Excellent Customer Services Skills & Techniques
- Handling Customer Complaints
- Selling and closing techniques

Axiata Group Accelerated Development Programme (GADP) Initiatives:

Axiata INSEAD TGM Programme

The Axiata INSEAD 'Transition to General Management' (TGM) programme, held in August at the INSEAD Campus in Singapore, was designed to accelerate the development of Axiata's functional leaders ahead of their progression into general management positions. The end goal was to develop transformational leaders and highly effective general managers who were savvy about digitisation and provide them the skills to effectively lead and manage teams in today's digital age. The key expectation was that participants would leave the program with the confidence and inspiration to catalyse organisation-wide changes, and possess a strong belief that their new capabilities would allow them to meet and overcome the many challenges in a digital ecosystem, having the courage to take decisive action.

'Wargames'

The 'War Games' were challenges devised to test leadership and strategic skills, and to build competencies – allowing individuals to be more prepared towards taking the Company to greater heights. The 2018 edition focused on digital growth and enablement – two factors along with market dynamics are important to consider in developing futuristic strategies moving forward.

Learning Expedition – China

The learning expedition to China organised by the Axiata Group in 2018 was an opportunity for participants to experience first-hand the speed of change, in terms of low-cost, process and technology innovations, that is shaping the world.

By visiting some of the most advanced Chinese companies, participants were able to grasp an external perspective of the changing world. In addition, exposing participants to up-and-coming industry players will sharpen their edge vis-à-vis local and regional competitors. Participants navigate outside of their protected terrain, having challenge their usual perspectives and think out-of-the-box.

A few of the key outcomes of the discovery expedition:

- Developing a clear sense of what is required to grow the business, to take their companies from the local arena to be a key player in the global arena
- Having a better and deeper understanding of entrepreneurial leadership – thinking out-of-the-box to look for business opportunities, refine their strategies and develop new ideas, inspire others to think creatively and motivate them to take on new initiatives
- Gaining insights on how society as a whole is moving towards a digital age and how businesses and individuals can capitalise on such opportunities
- Inspiring employees to take a disruptive approach and venture into new businesses, and towards being more agile and innovative on the path to taking their businesses to the next level
- Building sustainable peer-to-peer networks and relationships for greater synergy.

Customer Service Training Academy

Dialog's Customer Service Training Academy which focuses on competency development and empowering employees to deliver "best in class" service, received the prestigious 'City and Guilds' certification, highlighting its ability to develop Dialog employees across eight key competencies and professional qualifying courses.

OCCUPATIONAL HEALTH AND SAFETY

Dialog places paramount importance on the health and safety of its stakeholders and has adopted an inclusive approach to provide a safe and healthy working environment for all. Safeguarding the health and well-being 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 its 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 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 cross-functional representation from across the entire Dialog workforce.

The Committee's focus for 2018: centred 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.

2018 saw Dialog continue on its journey towards obtaining the OHSAS 18000 Health and Safety Management Systems certification for 6 identified locations – Batticaloa, Wennapuwa, Trincomalee, Badulla and Ratnapura arcades along with the Head Office in Union Place. The locations were audited in June, and certification will be obtained through a phased-out approach, with the entire receiving certification by 2021 – in time for the up-coming mandatory deadline for upgrading to ISO45001 certification. The implementation of OHSAS 18001 was done out of Dialog's voluntary decision to enhance its health and








safety-related protocols and infrastructure to match industry best practices, and not out of any existing legal requirements. Further, the certification was identified as a key mechanism towards resolving health and safety risks across the organisation, highlighted as key risks as part of the existing internal risk assessment mechanism.

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-storey 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 was to identify and respond effectively in order prevent future incidents that may result in lost time.

Dialog also release a comprehensive health and safety audit tool, developed to adhere strictly with OSHAS18001 requirements, for the identification of hazards at all locations. Site-wise audits are conducted annually to judge conformity against the standard. Specific controls were introduced to manage identified gaps, and were reviewed at the end of the year, with further remedial actions presented to the Group Senior Management Committee, ahead of approval for implementation. 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 all Health and Safety representatives were certified for Fire and Emergency Response (National Vocational Qualification Level 2 equivalent) was also introduced. The Company has set a target of having all employees having received such certification by 2021.

The safety equipment procurement process was further streamlined in line with standardised ISO requirements. Further, road safety trainings were introduced for the first time, for all drivers within the Dialog fleet following efforts to reduce road-related accidents and injuries. The Healthy and Safety Committee analysed the type and frequency of incidents, and conducted stakeholder engagement, prior to

HEALTH AND SAFETY PARAMETERS

Dialog  Employees		 ⁵			 Outsourced Employees
	Injury Rate	0.27	0.33	0	0.64
	Absentee Rate	0.29	2.13	3.56	0.98
	Lost-day Rate	2.40	0.05	1.44	0.25
	No. of Fatalities	0	0	0	0
	Occupational Disease Rate	0.00	0.00	0.00	0.00

Percentage of employees covered by OHSAS-aligned system: 100%⁶

No. of high-consequence injuries during the reporting period: 0⁷

⁵ All data reported on Health and Safety applies across Dialog Axiata PLC's operations, confined to Sri Lanka.

⁶ The OHSAS system has been internally audited by the Health and Safety Committee. External audits are planned for when greater maturity of the Health and Safety process has been achieved across a larger cross-section of the Company.

⁷ Dialog currently tracks the incidence of 'major accidents' - those where employees require over 90 days of leave ahead of resuming their operational roles. It was however noted that while certain employees could be classified under this category, all recovered to their previous state and none were left requiring further recovery significantly after the 90-day period.

3-Year comparison

	2018	2017	2016
Injury Rate	0.27	0.10	D.N.A
Lost-day Rate	0.29	0.31	D.N.A
Absentee Rate	2.40	2.25	D.N.A
No. of fatalities	0	1 ⁸	0

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

developing the trainings and introducing relevant controls. In addition to safeguarding their physical safety, Dialog considers the mental and physiological well-being of employees to be of equal importance. Therein, Dialog pro-actively took steps towards introducing wellness programs in the reporting year, encompassing counselling and related services for managing occupational stress, work-life balance and other health issues.

The Company does not specifically classify cases on ill-health and further to assessments, in the telco industry staff are not exposed to risk factors which may lead to occupational ill-health.

Dialog has no active policy/process for individuals to remove themselves from locations deemed to have unacceptable working conditions. Considering its regular review of conditions and efforts towards providing a comfortable work environment, Dialog has not seen the need for implementing such a policy. The Company ensures that a minimum space allocation of between 65 to 70 sq. ft. per employee is maintained across its operations, in line with existing international best practices. There is currently no specific guideline/standard that governs such space allocation in Sri Lanka.

Process for reporting work-related hazards

Further to risk-identification, employees are requested to relay such risks to the Health and Safety Committee for review. Upon completion of the review, if immediate action is required, the Committee liaises with the responsible business units to action the necessary changes. Each individual Health and Safety representative then reviews the actions taken and provides to updates to the Committee on the efficacy of such.

Process for investigating work-related incidents

Firstly, the employee's immediate superior informs the corresponding HR Partner/HR Manager and the divisional Health and Safety Representative of incident and provides an overview of what may have occurred. The Health and Safety Representative that works to determine the criticality of the risk involved within a period of 14 days. Parallel to this, the affected employee is contacted after 4 days to obtain their statement on the incident. The HnS Rep then determines whether any external parties were involved, prior to the continuation of the accident investigation process.

⁸ This fatality did not occur due to any job-related actions or activities. However, it has been recorded as the unfortunate incident occurred within Dialog premises.

REMUNERATION

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. Our 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 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 up to 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 well-being of our people.

Category ⁹	Ratio - 2018 (Female: Male)	Ratio – 2017 (Female: Male)
Non-Executive	1 : 1.61	1 : 0.94
Executive	1 : 1.11	1 : 1.02
Managerial	1 : 1.07	1 : 0.98
Senior Management Level	1 : 0.75	1 : 0.79

Entry level wage: **National minimum wage 1.70 : 1**

Ratio between highest paid individual to and median pay of all other individuals – 95.40 : 1¹⁰

Percentage increase in the highest-paid individuals' compensation from prior year to the reporting year 71.00%

Percentage increase of the median total annual compensation from prior year to the reporting year for 1.91%

Ratio of the of the annual total compensation percentage increase of the highest-paid individual to the median annual total 37.47 : 1¹¹

⁹ 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.

¹⁰ Considered Salary, Statutory payments, Bonus, Fuel, Vehicle allowance, Time based allowances, Medical payments, Housing allowances for this calculation.

¹¹ 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.



DELIVERING STAKEHOLDER VALUE

With a second-order economic footprint comprising 1% of GDP, as the nation's single largest Foreign Direct Investment, as the provider of the enabling infrastructure underpinning major segments of the formal and informal economy and the social fabric, as a Responsible Leader in its industry, and as the service provider to two-thirds of the nation's citizens, Dialog is committed to maximise and deliver Value – on different dimensions, and as interpreted by different stakeholders, on a consistent and sustainable basis.

SUSTAINABLE DEVELOPMENT GOALS

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

Dialog studied 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.

Dialog determined that 5 of the 17 goals would be given most priority in its approach, aligned with hypotheses on how its work best contribute to the realisation of the overall goals 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 following 5 Global goals are Dialog's chosen priority SDGs and hypotheses on how it best contributes to them are as below:



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 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.



Goal 5 – Gender Equality

- Empowering women, making them more connected and safer, as well as providing access to information, services and life-enhancing opportunities including health information, financial services and employment opportunities.

Dialog was endorsed in its decision to support the aforementioned Goals, as its parent company Axiata placed priority on the achievement of Goals 4 and 13, across the Group.

COMMUNITY INVESTMENT AND SOCIAL STEWARDSHIP

Dialog's subscriber base comprises two-thirds of Sri Lanka's total population; its indirect economic footprint comprises 1% of GDP. With this reach of its liberating, empowering technologies, Dialog has the power to not just connect, but reach out to and empower all of its stakeholders for good on a daily basis and particularly in times of adversity.

Dialog has from inception leveraged its technologies and capabilities to create value for stakeholders beyond its corporate boundaries. Some major long-term interventions serving communities across the island range from the focus on providing access to quality education; services and assistive technologies to assist those with impairments in hearing, sight and speech and Disaster Risk Reduction and Recovery.

As part of its commitment to the Sustainable Development Goal framework's commitment to measurable progress, and to attempt to maximise the value it creates, Dialog began implementing reviews of its triple-bottom-line performance at different scales. Having prototyped a tool for enterprise-wide impact measurement, Dialog

is seeking to validate this tool with refreshed data and alternate gauges of performance. At a product and project scope, major Group Sustainability activities have been assessed and reviewed with leadership and project/product owners. A mandatory approval gate regime now governs all proposals for new products and projects, and major changes within the Group Sustainability portfolio – a valuable prototype for future scaling-up of the process and scope.

Dialog's Social Innovation and Community Investment projects in particular are in general, sustained, long-term interventions intended to deliver lasting change for the betterment of the country and its people. To achieve such impact, ownership by stakeholders and leverage best-in-class domain knowledge, 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.

EDUCATION

Dialog Merit Scholarships

Dialog Axiata inducted 54 top performing undergraduates into the coveted 'Dialog Merit Scholarship' scheme on 30th January 2018 at a ceremony held at the Dialog Auditorium. Students who achieved outstanding results at 2014 and 2015 G. C. E. Advanced Level examinations received their certificates, entitling them to a monthly disbursement over the entire course of their undergraduate life, which is generally 48 months for an engineering undergraduate.

The event saw the Vice Chairman of the University Grants Commission – Sri Lanka (UGC) Prof. P. S. M. Gunaratne and Dialog Axiata Group Chief Executive Mr. Supun Weerasinghe sharing valuable thoughts with students. Guest of Honour Mr. Dumindra Ratnayaka, who was the Chairman of the Board of Investments of Sri Lanka at the time, provided the students with an insightful keynote speech, drawing from his own experience as an engineer who rose to the top of the career ladder. The Dialog Merit Scholarship programme recognises top talent in the country, based on the G. C. E. Advanced Level (A/L) and Ordinary Level (O/L) results. In the A/L category, Dialog Merit scholarships

are offered to the all island top performing student, the all island top performing female student as well as the top ranked students from each district, based on the Physical Science stream results. Accordingly, in the O/L category, 30 students comprised of the island's top five students and the students ranked 1st in each district will become eligible for the Dialog Merit scholarship provided that they intend to continue their A/L studies in Physical Science stream. 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, the Ministry of Higher Education and the UGC, where the candidate selection process is carried out by the UGC. Since its inception in 2003, the Dialog Merit Scholarship scheme has offered financial assistance to over 700 bright students through a commitment in excess of Rs. 100 million.

NENASA SMART SCHOOLS

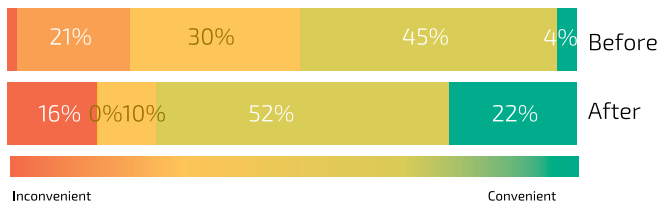
A new initiative that commenced in 2017, the Nenasa Smart Schools project spearheaded by Dialog aspires to transform Sri Lanka's education eco system and to change in the way education is consumed by teachers and students. The Nenasa Smart School initiative highlights Dialog's commitment to develop the 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 to transform 250 schools to 'smart schools' by 2020 through systematic, people-centric transformation of the conventional manual

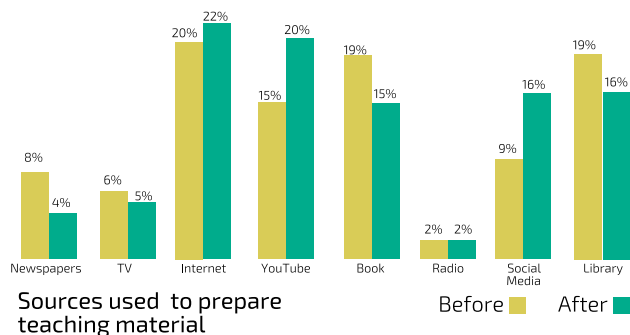
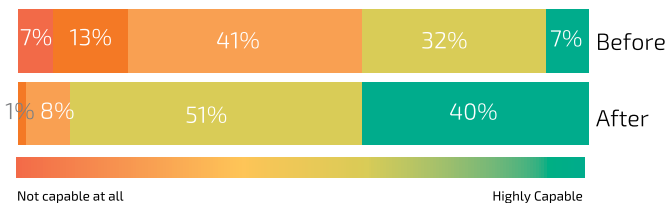
learning process, thereby creating "smart" students and teachers. The first phase of the project, which commenced in November 2017, saw the initiative being rolled out across 100 schools, with train-the-trainer programmes being conducted for nominated ambassador teachers). Ably supported through a follow-up programme, they are then expected to share their knowledge and guide students and colleagues in their respective schools to achieve 'smart schools 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'.

Convenience in accessing information needed to prepare teaching material



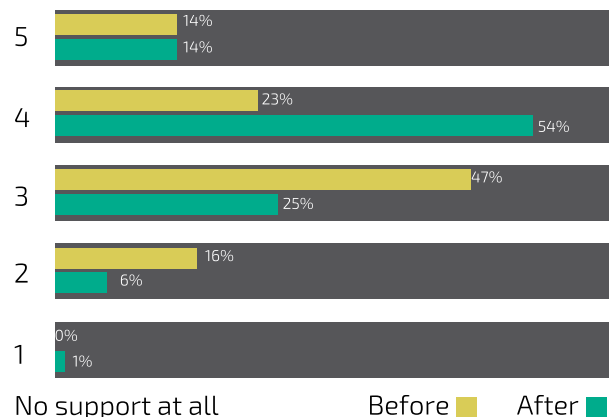
Ability to create interesting digital content



Q Please rate how supportive your teaching environment was in delivering your lesson before and after the Smart Schools programme?

31% improvement post intervention

Extremely Supportive



No support at all

Before

After



Ambassador
teachers

249



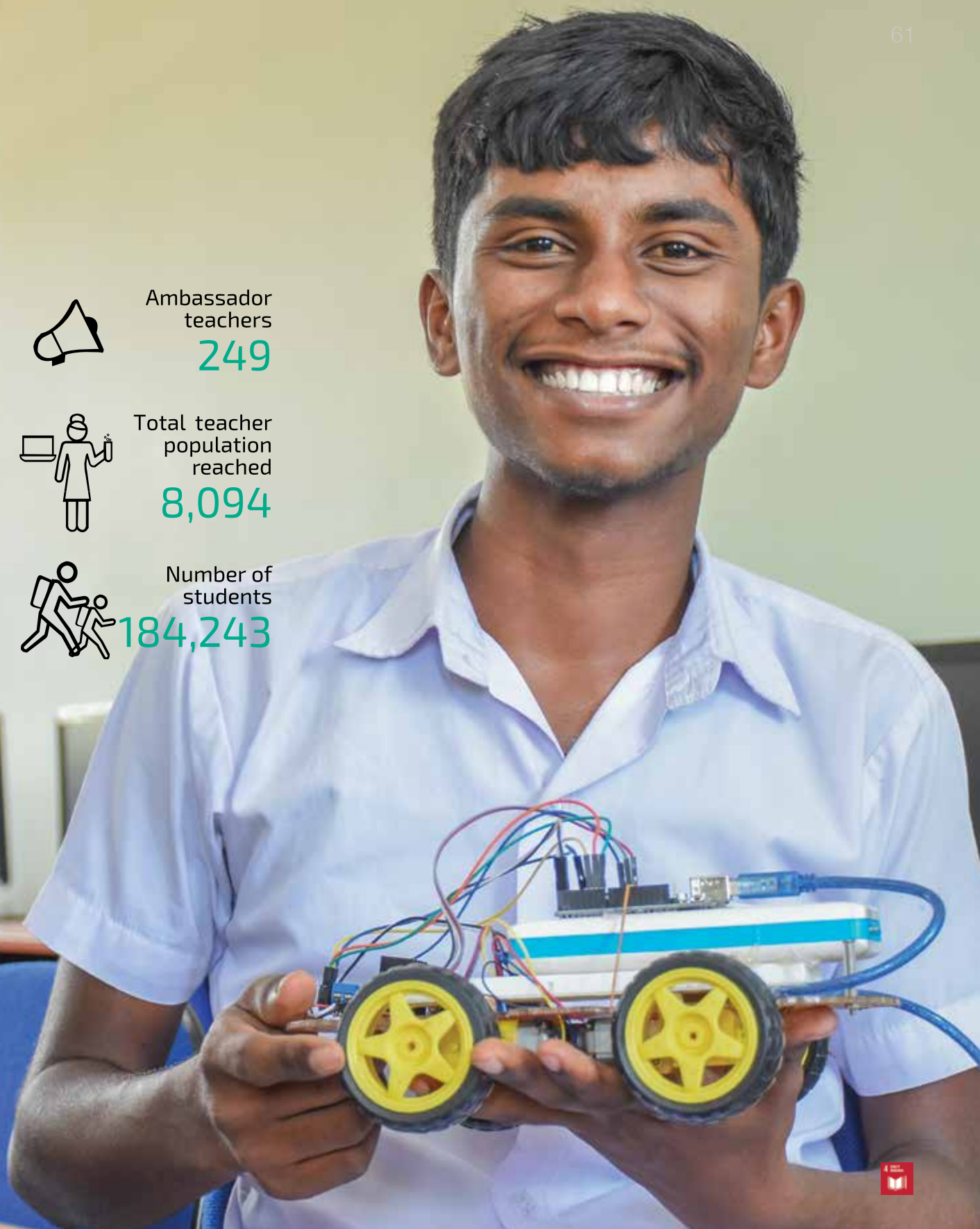
Total teacher
population
reached

8,094



Number of
students

184,243



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 preventable blindness by 2020. In Sri Lanka, the Ministry of Health spearheads the programme and encourages public-private-partnerships to implement sustainable programmes that add value to the National Healthcare System.

Having signed up for the "Vision 2020" initiative in 2015, Dialog has since then facilitated 22 eye clinics across 10 districts, where over 8,700 people from low-income communities have been screened, with 7,195 or 83% of the individuals screened being provided with spectacles. More than LKR 12 million has been invested for the Vision 2020 initiative.

Supported by the regional sales teams of Dialog, the Group Sustainability division of Dialog Axiata coordinates and organises these Eye Clinic, where a team of certified optometrists conduct comprehensive screenings, following which, prescriptions are collected by the Dialog Team. Based on these prescriptions, Vision 2020 partner opticians prepare spectacles, which are then distributed among the beneficiaries at a separate distribution event. The speciality of this initiative that makes it unique and more beneficial than majority of eye clinics is the fact that the beneficiaries receive custom-made spectacles to suit their specific needs via the V2020 programme and guide patients to eye clinics or eye surgeons to get additional treatment.



18,507
Persons screened



16,995
Pairs of spectacles



9 Districts
covered



23
Screening camps

Year	Investment	Beneficiaries
2016		
(Eye camps)	2.2 Mn	3,330
2016		
At National Eye Hospital	6.2 Mn	9,800
2017	3.9 Mn	4,433
2018	0.9 Mn	944
	13.0 Mn	18,507



Case study Serunuwara



43% First-time
Spectacle Users



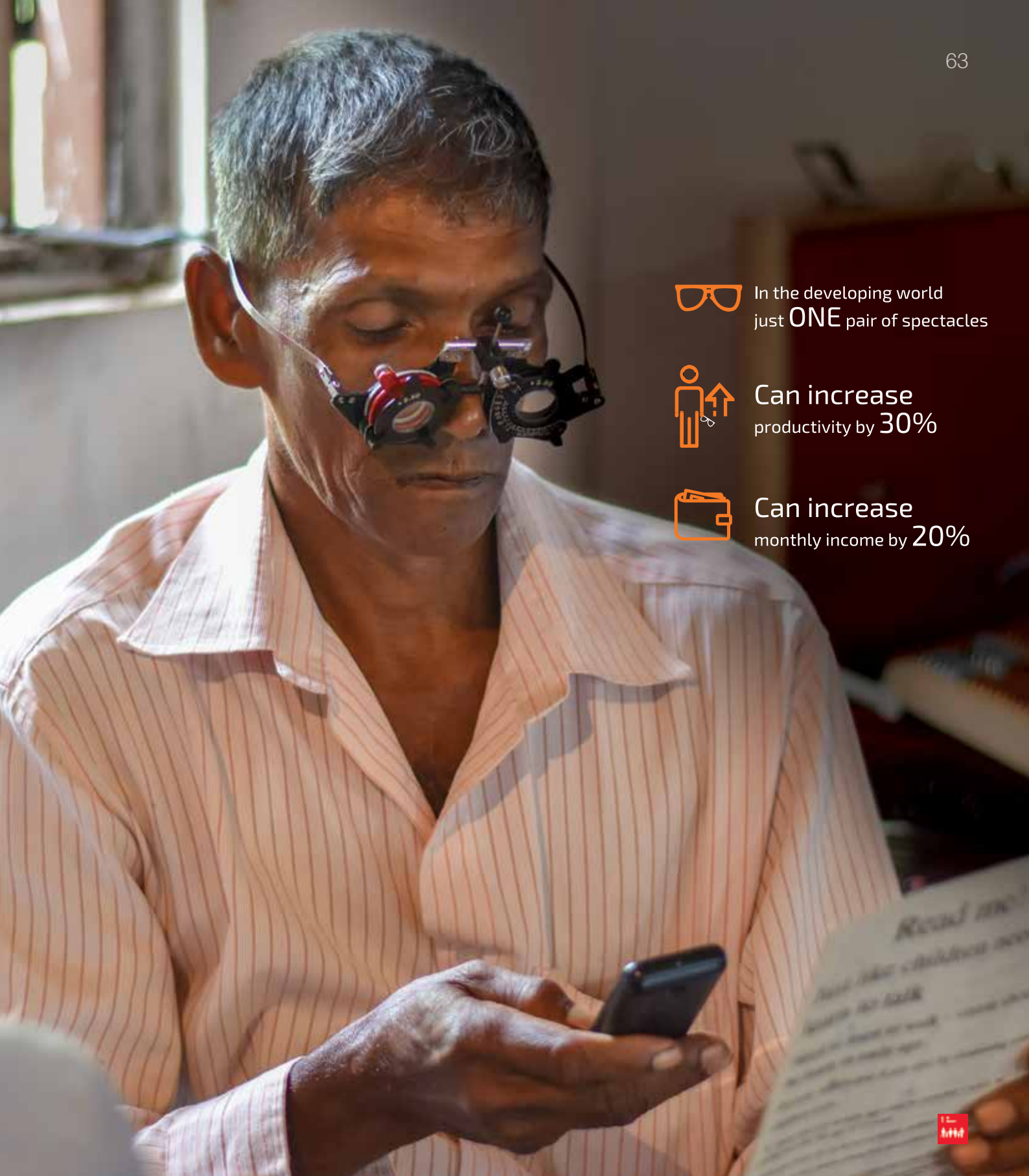
72% Females



63% in Agriculture
Main source of
income is agriculture



83% Household income below
Lkr10,000 (USD 56.67)



In the developing world
just **ONE** pair of spectacles



Can increase
productivity by **30%**







Can increase
monthly income by **20%**

SENEHE SIYAPATHA FUND 3

Dialog, in partnership with the Ministry of Defence, Sri Lanka Army, and Disaster Management Centre, began fund disbursement activities for those affected by flooding in the Northern Province, as part of Phase 3 of the Senehe Siyapatha fund.

Launched in 2016 and continued in 2017, the Senehe Siyapatha fund has been utilised to aid those affected by natural disasters and consist of customer donations via SMS, Star Points and eZ Cash, with each donation being tripled by Dialog.

The latest instalment of the project, starting in late 2018, aims to assist families affected by flooding in the north and in line with this, a total of 15,100 school bags and stationery kits are to be distributed to children in affected families. To begin distribution efforts, 1,140 kits were to be disbursed to students in Kilinochchi and Mullaitivu (838 students from Dharmapuram Central College in Kilinochchi and 302 students from Suthanthirapuram Maha Vidyalaya in Mullaitivu) in early 2019, in the presence of senior officials from all partners.

				
2018 SeneheSiyapatha Fund3	Customer Donation 3.38 Million	Dialog Contribution 15.90 Million	—	Stationery and School Bags Kilinochchi - 8,415 Thunukkai - 1,028 Mulathivu - 5,501 Total quantity 14,944
2017 SeneheSiyapatha Fund2	Customer Donation 16.53 Million	Dialog Contribution 33.47 Million RIL Property PLC 7.50 Million	33 Houses Constructed by Ministry of Defense (Tri-Forces) Deniyaya, Matara District - 8 houses Eheliyagoda, Ratnapura District - 25 houses	
2016 SeneheSiyapatha Fund	Customer Donation 15.00 Million	Dialog Contribution 50.00 Million	30 Houses Constructed by Ministry of Defense (Tri-Forces) Aranayaka - Kegalle	Stationery and School Bags Kilinochchi - 8,415 Thunukkai - 1,028 Mulathivu - 5,501 Total quantity 14,944

RESPONSE IN EMERGENCIES AND DISASTERS (RED)

RED is a set of detailed disaster response protocols that aim to minimise the barriers to a quick response and recovery effort to support the authorities and the public following disaster situations. The first phase of the project, which kicked-off 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. Such SOPs allow for quicker post-disaster/emergency response, serving as a Company's Business Continuity Management framework. Dialog continued to develop and strengthen RED – the detailed disaster management protocols that aimed to minimise the cost of various types of natural disasters on human life, with the second phase of development taking place in the reporting period.



ECONOMIC PERFORMANCE

2018 proved to be yet another challenging year, with intense competition and the significant fluctuations in foreign exchange rates, which significantly impacted 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.

Despite the many hurdles, 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 Rs. 109.2 billion for FY2018, a growth of just under 16% Year-to-Date ("YTD"), underpinned by strong growth across all business segments.

The financial year 2018 was marked by a number of positive gains and changes due to favourable legislative rulings culminating in the reversal of a provision to the value of Rs. 3.7 billion. Dialog continued to transform its operations with digitising processes and business activities as the key focus, and allocated Rs. 2.5 billion towards achieving this.

Group total operating cost grew by a moderate 10% YTD due to significant increases in revenue driven cost and network-related costs. The Group once-more continued its operational and structural Cost Transformation and Rescaling ("CRS") initiatives throughout FY 2018, which led to a significant cost savings of up to Rs. 3.4 billion.

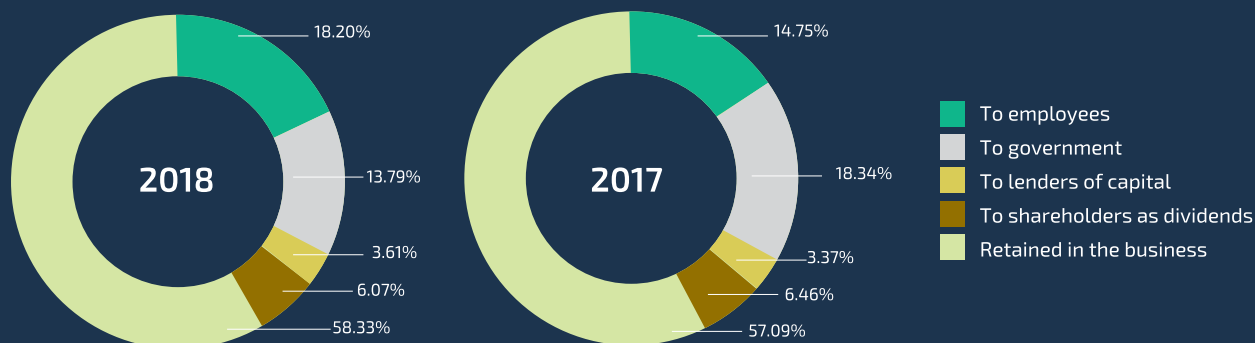
On the back of substantial revenue growth as well as operational efficiencies, Group Earnings Before Interest Tax Depreciation and Amortisation ("EBITDA") for FY 2018 delivered a strong growth of 28% YoY to reach Rs. 43.5 billion. The significant depreciation of the Sri Lankan Rupee against the US dollar – of 19.2% for FY2018 (compared to 2.3% in FY2017) – meant a non-cash translational foreign exchange loss of Rs. 4.7 billion, resulting in 30% YoY decrease in the Group's Net Profit After Tax (NPAT), recorded at Rs. 7.5 billion. However, Post normalisation for the non-cash translational foreign exchange losses, Group NPAT was recorded at Rs. 12.2 billion, which represents a YoY increase of 9%.

The Dialog Group continued to be a significant contributor to state revenues, remitting a total of Rs. 34.1 billion to the Government of Sri Lanka ("GoSL") during the financial year ending 31st December 2018. Total remittances included direct taxes and levies (Rs. 8.5 billion) as well as consumption taxes collected on behalf of the GoSL (Rs. 25.6 billion). Accordingly, capital expenditure was directed in the main towards investments in high-speed broadband infrastructure focused investments for 4G, 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 2018 Dialog Annual Report, chapter 'Business and Financial Review.'

Direct economic value generated (Group)	YTD 2018 (LKR)
• Revenues (Net sales plus revenues from financial investments and sales of assets)	113,253,939,000
Economic value distributed (Group)	77,350,481,674
• Operating costs (Payments to suppliers, non-strategic investments, royalties, and facilitation payments)	51,532,872,357
• Employee wages and benefits (Total monetary outflows for employees (current payments, not future commitments)	11,230,507,000
• Payments to providers of capital (All financial payments made to the providers of the organisation's capital)	5,975,794,000
• Payments to government (Gross taxes)	8,510,654,798
• Community investments (Voluntary contributions and investment of funds in the broader community includes donations)	100,653,519
Economic value retained (calculated as Economic value generated less Economic value distributed) - Investments, equity release, etc.	35,903,457,326

Distribution of value added



For the year ended 31 December	2018	2017
Value added		
Revenue	109,156,685	94,195,890
Provision write back	3,698,280	-
Other operating income	124,624	45,236
Interest income	274,350	244,612
	113,253,939	94,485,738
Cost of materials and services bought in	(51,532,872)	(45,304,479)
Value creation	61,721,067	49,181,259
Distribution of value added		
To employees		
Salaries and other benefits	11,230,507	7,254,108
To government		
Taxes, fees and levies (Note 1)	8,510,655	9,017,746
To lenders of capital		
Interest on borrowings	2,229,656	1,658,003
	2,229,656	1,658,003
To shareholders as dividends		
Dividend to shareholders	3,746,138	3,176,074
	3,746,138	3,176,074
Retained in the business		
Profit retained	10,021,134	9,019,935
Depreciation and amortisation	25,982,977	19,055,394
	36,004,111	28,075,329
	61,721,067	49,181,259



ENABLING A SUSTAINABLE FUTURE

Corporate sustainability can be boiled down to three major questions. Is the business well-governed and conducting business ethically, such that its stakeholders will support it, and it retains its social license to operate? Is the business managed such that its short-term and long-term financial growth and stability are likely? Is the business measuring and managing its impact upon the environment, if not actively seeking to reverse the effects of environmental degradation?

CUSTOMER SATISFACTION

Dialog strongly believes that each and every customer plays a crucial role in our business and thus strives to provide customers with the best service possible to ensure customer satisfaction and cement its position as the leading digital telecommunications service provider in Sri Lanka. Enhancing and nurturing its customers' experience is always a top priority for Dialog. Innovative extension and betterment of network coverage is currently underway, bolstered by significant investment, which has been scaled up.

Dialog's aim is to provide high quality uninterrupted service throughout the country, whilst enhancing the speed of its network and improving its capacity to serve customers more efficiently through digital innovation. Notable efforts in 2018 included the release of a complaint lodging mechanism via digital portals: which enabled Dialog in serving its customers on a customised basis, and the automation of first-contact resolution (FCR) by implementing cutting-edge innovations in big-data analytics.

Dialog's commitment to customers is targeted at providing each customer with a personalised, seamless experience right from the beginning of our customer 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 and consumption through ubiquitous omni-channel life enriching experiences.

The introduction of a revamped complaint-lodging mechanism via digital channels has enhanced Dialog's ability to ensure customers' needs are handled with increased efficiency with over 7,300 complaints lodged digitally across the reporting period. Moreover, the overall NPS with respect to customer complaints improved significantly over the course of the reporting period.

By modifying its customer re-charging process, Dialog was able to eliminate a number of complications and come up with a simplified barcode system which automated the recharge card process and allowed Dialog to step its customer satisfaction game even further to become the best in the field. The introduction of the process has led to a reduction of the rate of complaints by 64%.

Another game-changing innovation was the implementation of a rule-based Model for Automating front-line FCR logs with the aid of big data, machine learning and Hadoop open-source technologies. This resulted in sigma improvements to 6-sigma, with reductions of 10% in the average handling-time (AHT) of complaints and a transactional-NPS improvement by 66 pp. The initiative also resulted in savings to the Company of Rs. 46 Mn p.a. and also resulted in significant improvement of the service levels. By re-examining its complaint governance process and digitising such processes under the organisation's Trouble to Resolve scheme to drive better customer experience we have been able to save a cost of Rs.72.8 Mn this year, by offering better responsive and resolution times with a proposed Central Resolution Centre with real time dashboards and auto segregation complaint flows. Modifying physical infrastructure to more effectively meet customer needs, enhance customer experience and deliver a new digital experience to the masses was a key part of the strategy with the refurbishment and revamping of over 55 Dialog Arcades across the country. Certain locations were equipped to be more accessible to persons with disabilities.

Dialog aims to strengthen its ability at serving customers more efficiently via social media and digital (non-traditional) channels as part of its forward-looking plans. The use of Artificial Intelligence and chatbots to assist in self-help, and the introduction of next-generation kiosks designed specifically to ease customer interactions is testament to how Dialog's vision for service excellence fits within the Company's digitisation vision.

Awards received:

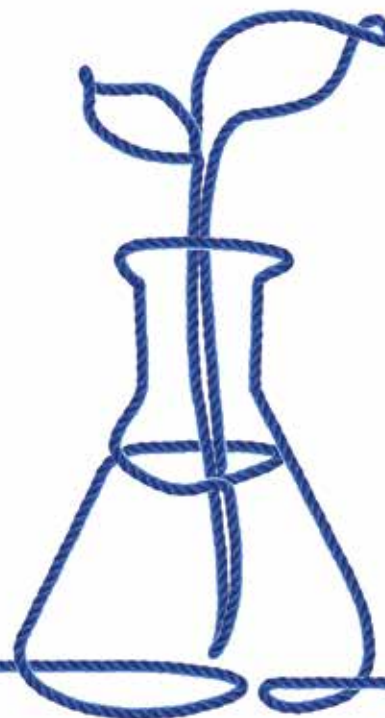
1. CXPA CX Innovation Award USA (Shortlisted for the top 5) - Innovation in Customer Experience Support
2. The 12th edition of The Customer FEST Awards, Taj Lands' End, Mumbai: Best Customer Experience Transformation for 'T2R combined projects in simplification and Digitisation: FCR model and agent consolidated interface
3. Dialog was voted Sri Lanka's most preferred Telecom Service Provider and Internet Service Provider of the year for the 8th and 7th times, respectively.

ENVIRONMENTAL PERFORMANCE

Environmental Performance was found to be among the key material issues of 2018. 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 infra-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 the clutter of tower sites and base stations spanning the country, and reduces the requirement of having to maintain point-to-point radio links within the country, thereby reducing Dialog's overall footprint. This is further supported by the drive towards fiberising the network. Retiring old link hardware during core transport network modernisation has reduced energy and physical footprints, reducing costs directly and indirectly with simplified management.

Dialog implemented a number of different energy-saving initiatives and mechanisms were implemented across 2018. The cutting edge solar-power production system at the Head Office and at a number of tower sites accounted for a saving of up to 1,384.21 GigaJoules of energy, a significant increase on that saved in the preceding Reporting periods. Dialog's strategy for the long-term is to gradually move towards an eco-system 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 pro-longed period. At the point of procurement, by actively working with and imposing upon vendors design efficiency and energy efficiency criteria, Dialog's aim 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 GHG savings of approximately 298.03 tCO₂e over the course of 2018, with rupee savings amounting to over LKR 90 million across all areas of operation. 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 currently undertaking 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 greater promote environmental responsibility and encourage the diffusion of environmentally-friendly technologies implementing sound life-cycle practices.



ENVIRONMENTAL PERFORMANCE

Listed below are some of the key initiatives targeted at reducing Dialog's environmental footprint, 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 – reductions in energy usage leading to cost reductions of over LKR 8 million.
- 2) The company-wide installation of energy efficient inverter Air-conditioning systems – leading to a 5% reduction in energy due to the activity
- 3) 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. This was implemented alongside the introduction of real-time IoT-based monitoring networks.
- 4) Staff awareness sessions by way of presentations, notification emails requesting curtailment of additional use of air conditioners and posters were utilised.
- 5) The elimination of single-use plastic water bottles, Styrofoam cups and plastic lunch sheets at cafeterias and across all locations of operation.
- 6) 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.
- 7) The 'Going Paperless' initiative to reduce paper consumption
- 8) The introduction of the 'Open and Agile' Sustainable workplace concept for two major business areas – facilitating over 350 individuals in specialised workplaces designed to enhance collaboration and productivity, while ensuring employee health and safety, reducing cost and environmental footprint. Involved the fitting of LED lighting, air quality monitoring systems, the conversion of multi-split A/C systems to centralised HVAC systems

Total Energy usage Direct + Indirect 591,461.55 GJ

	Direct (Fuel Usage) GJ	Indirect (Electricity Consumption) GJ
2018	53,716.36	529,904.69
2017	345.06 ¹²	29,913.25
2016	40,810.72	434,564.24

Energy used for transport	Litres	Gallons	GJ
Diesel	436,039.62	95,915.64	13,236.36
Petrol	1,580,900.60	347,750.70	43,468.74
Total			56,705.20

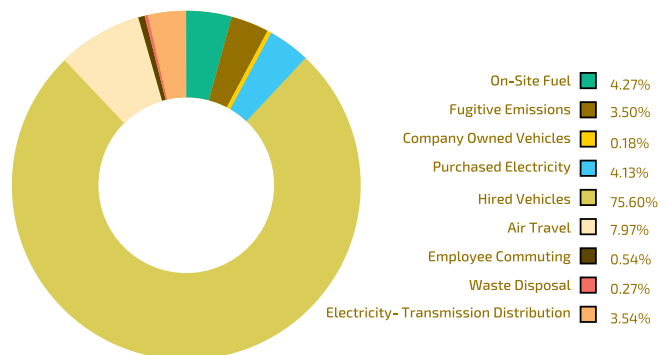
2017- 57,430.93 GJ ¹³

Solar Power Solution

298.03 tCO₂e¹⁴

Emissions Saved

Energy Intensity	2018	2017
Energy Consumption Per Customer (MJ/ Cx)	35.60	2.38
Energy Consumption Per Employee (GJ/Employee)	6.09	0.07
Energy Consumption Per Unit Revenue GJ/ LKR	77.82	2.80
Energy Consumption Per Technical Site GJ/ Technical Site	150.08	-



¹² The Direct Fuel Usage was erroneously stated for 2017 as 312.57GJ, and has now been recalculated and stated as 345.06 GJ due to the use of the correct conversion factor for petrol usage in Generators.

¹³ The total energy related to transport was erroneously stated for 2017 as 61,390.61 GJ, and has now been recalculated and stated as 57,430.93 GJ having noted the use of an incorrect conversion factor for energy consumed due to petrol usage.

¹⁴ Equivalent to amount of purchased electricity/diesel.

OUR CARBON FOOTPRINT

Scope 1 (8,738.30 tCO₂e) 8.03%

196.81



Company
Owned
Vehicles

3,893.38



Fugitive ¹⁵
Emissions

4,648.46



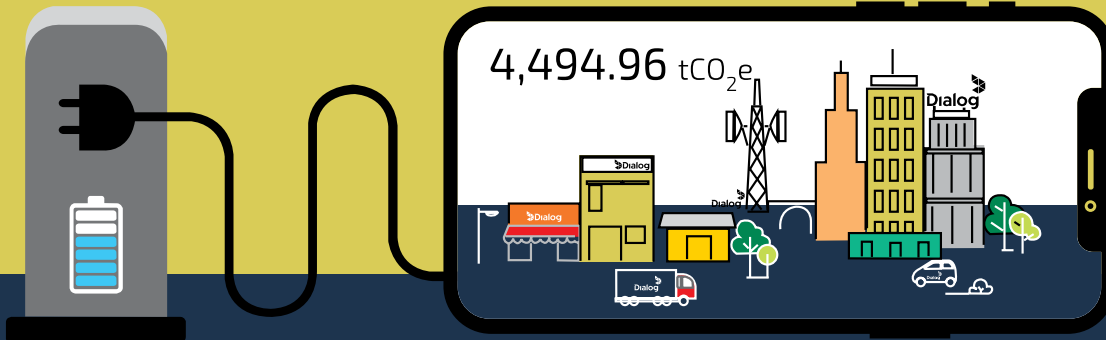
On-site
Energy

0.05



Fire
Extinguishers

Scope 2 (4,494.96 tCO₂e) 4.13% Purchased Electricity - Dialog office locations



Scope 3 (95,644.29 tCO₂e) 87.85%

82,243.25
Purchased Electricity - edotco

	Electricity Transmission & Distribution Losses.....	8,673.82
	Hired Vehicles (Diesel)	582.33
	Air Travel	295.74
	Employee Commuting	3,849.14 ¹⁶
	Waste Disposal	0

¹⁵ R410A and R407C gas usage (Fugitive Emissions) is based on estimate of weight of containers used for refills, not on the actual amount of gas used.

¹⁶ All waste sent for recycling, so the GHG emissions arising due to the disposal of such wastes is zero

EMISSION INTENSITY

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 once again developed its comprehensive Carbon Footprint consisting 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 NOx and SOx emissions arising from Dialog's operations over its lifetime may be attributed to network operations, with primary responsibilities being managed by edotco. Dialog conducted a comprehensive assessment on generators located across its web of base stations, and provide a detailed map of such emissions in the following reporting year.

Dialog's total emissions for the year 2017 (Scope 1, Scope 2 and Scope 3) amounted to 110,289.24 tCO₂e. Scope 1 emissions totalled to 8,738.30 tCO₂e (7.92%), and Scope 3 emissions amounted to 101,550.94 tCO₂e (92.08%). None of the activities fell under Scope 2.

6.73 kgCO₂e /Cx
Emissions
Per Customer

14.71
tCO₂e /Mn LKR
Emissions
Per Unit Revenue

24.32
tCO₂e /Employee
Emissions
Per Employee

32.93
tCO₂e /Mn LKR
Emissions
Per Technical site

RESOURCE CONSUMPTION AND WASTE MANAGEMENT

Dialog strived towards creating internal and external awareness on the amount of resources consumed by its billing process, and encouraged the use of e-bills so as to mitigate the negative environmental impact as much as possible. The total paper consumption across the reporting year amounted to 217.70 tonnes, with savings of over 159.47 tonnes of paper due to the implementation of e-bills – a significant increase in savings compared to 2017 – approximately 87.20%.

Waste

	2018	2017	2016
Paper Waste (tonnes)	25.11	46.53	37.52
Newspapers (tonnes)	0	0.28	0.72
Cardboard (tonnes)	0	0	0.51



Tyres (tonnes)

1.85



E-Waste (tonnes)

572.58

Water

	Water used per employee	Total Water Usage
2018	13.66 m ³	69,959.00 m ³ *
2017	13.29 m ³	56,470.00 m ³

*2.80% increase compared to previous reporting period



ENHANCING PROCESS MANAGEMENT

The drive for market dominance can at no time violate ethics and good business practises – embodied in the core, atomic Values of Uncompromising Integrity and Exceptional Performance (UI-EP). Integrity and customer orientation also guide a zero-tolerance response to violations of privacy, and a comprehensive systems and data security regime extending to customer applications.

ANTI-CORRUPTION AND ETHICAL BUSINESS PRACTICES

The Axiata Group, Dialog's principal shareholder, operates and invests in technology companies across the South Asian and South East Asian regions, diverse in their activities, approaches, compositions and cultures. However, Axiata requires of all employees at these companies, strict adherence to one unifying code – "UI-EP". UI-EP, standing for Uncompromising Integrity and Exceptional Performance, captures a very Asian awareness of and comfort with a duality: the potential tension between consistently delivering the highest results – while never compromising the principles all Axiata employees are held to. As Dialog has done, each Axiata operating company has adopted its own unique style in expressing its beliefs and aspirations – but all built upon the platform of UI-EP.

Thus, 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. And 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 life-cycle, from recruitment, compensation and remuneration, performance management, employee development planning, and career progression to eventual retirement. Further, our core values (Service from the Heart, Create the Future, Champions of Change, Exceptional Performance, Uncompromising Integrity, Responsible Leadership, One Team) are imbued into all HR policies and practices.

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 and 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 its 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 business relationships 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.

Further to its efforts in 2017, Dialog worked towards strengthening all internal controls and reporting systems in place for monitoring performance against relevant anti-corruption policies and procedures. Similar to the previous reporting year, due diligence was carried out on existing processes to determine their appropriateness, adequacy and effectiveness - based on the results of the bi-annual internal audit - with recommendations for improvement being submitted to Management for approval.

Dialog's Whistleblower Policy is designed to facilitate the reporting of alleged improper activity, include matters relating to bribery and corruption. The policy provides strict guidelines for reporting improper conduct and the process for managing allegations, thus ensuring the process is contained within the Company. Dialog's revamped process, launched in 2017, which works with a third-party agency such as KPMG, to better ensure the anonymity and confidentiality of the whistleblower, continued to act as the central point through which stakeholders could report such improper activities. Whistleblowers have the capability of speaking straight to CxOs and the CEO himself within one year of the submission of the whistleblowing report.

For the period of 2018, no incidents of corruption were reported specifically through whistleblower mechanism. Complaints and incidents reported via other existing channels were successfully investigated and appropriate remedial action was taken.

The whistleblowing process



All such incidents were reported to the Board Audit Committee, which in turn briefed the entire of Board on any significant issues raised, and possible risks/opportunities arising from such complaints. Dialog completed a mass internal and external awareness campaign to educate all key stakeholders on the process. 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 CEO. Further to this, Dialog provided a similar overview on anti-corruption to its Board of Directors in the reporting period. All governance body members received communications on anti-corruption policies and procedures, however no specific training on such was administered during the reporting year.

Dialog reports 13 confirmed incidents of deviation of internal processes and controls in 2018. 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, two-tier verification to improve the security of access to systems.

The year under review saw the termination of one employee, and 12 voluntary resignations on disciplinary grounds, related to deviations of internal process controls.

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.

Number of hours spent on UI-EP/anti-corruption briefings at inductions across the year 18 hours

- UI-EP: 6 hours,
- Anti-corruption: 12 hours

CYBER SECURITY AND DATA PRIVACY

As technology continues to evolve and reach new heights, empowering Dialog's products and services and having a significant impact on the activities that encompass customers' day-to-day lives, the challenge to ensure safety of customers information, while combating the increased vulnerability to security breaches is one of great importance to Dialog. Cyber-attacks, which increase in number and severity each year, have the ability to greatly destroy the trust between Dialog and its customers – leading to financial loss and a damage to the Company's reputation. Further, the Global Risk Report by the World Economic Forum, for the year 2018 highlighted 'Cyber attacks' as one of the top three risks worldwide, in terms of likelihood and in the top six in terms of impact.

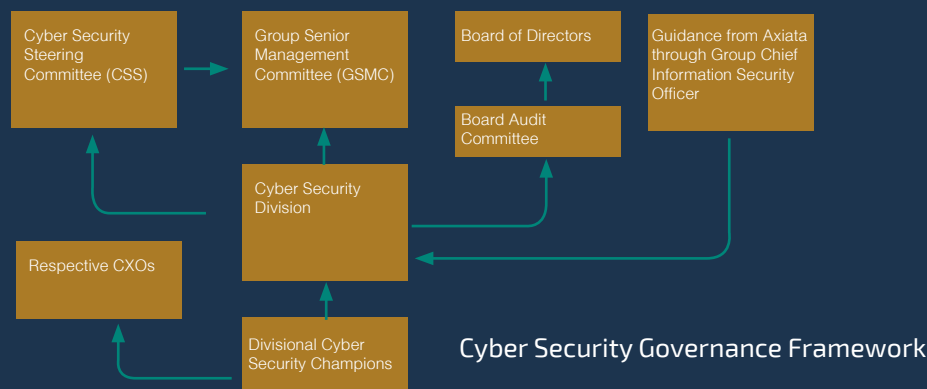
To address this and ensure that it earns customers' trust while mitigating the impact of such risks to its customers, Dialog maintains a robust Data Privacy policy developed in accordance with BS (British Standard) 10012. The policy spells out how Dialog collects and manages customers' information, reaffirming 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.

The Group Chief Information Security Officer (GCISO) assumes the responsibilities as the Group Head of Privacy in order to develop a common cybersecurity discipline and governance across all operating companies of the parent company of Dialog, Axiata recently, appointed a Group Privacy Officer given the increasingly critical nature of data privacy and protection, thereby maintaining responsibility for the aforementioned channel. The Group also initiated the formation of a central Security Operations Centre, responsible for overseeing the security of group-wide processes.

The maturity of Cyber Security governance systems and processes is uniformly tested across all OpCos of the Axiata group in line with industry best practice frameworks. Further, the Group has worked together to define key targets for improvement and have set Chief Officer/Executive-level KPIs to manage progress.

All Cyber Security matters come under the purview of Dialog's Cyber Security Division. In line with its commitment to adopt global best practices, the Cyber Security Division follows the ISO 27001:2013 (to which all IT, internet data centre and telecommunications services are compliant with) and the NIST (National Institute of Standards and Technology) 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 CoBIT standard and the NIST Cybersecurity Framework on a periodic basis. Direction from Axiata's Cyber Security Steering Committee further enhances Dialog's Cyber Security framework.

The formation of Dialog's very own Cyber Security steering committee in 2018 was another step forward in enhancing security – with monthly meetings involving key executives within Dialog and senior representatives from the parent company, Axiata. Further, the introduction of an Inter-Operating Company competition where such operating companies would work to compromise each other's systems, discover vulnerabilities and propose applicable remediation methods was greatly successful at enhancing the maturity of and strengthening Dialog's Cyber Security protocols. Some key initiatives tied into these efforts were the conduct of red-teaming activities, bug bounty programs and the employment of specialist penetration testers to detect vulnerabilities existing within critical systems, and ensure strengthened protection of customer data.



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 cognisance of the external risk universe, (global and regional) 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 divisions' Research and Development 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. A key outcome was the evaluation of 3rd and 4th party risks related to information security.

To promote accountability and risk ownership, information Security SPOCs (Single Points of Contact) have been appointed to ensure key business pillars (HR, SCM, 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. Dialog worked towards strengthening its Cyber Security governance through the evolution of processes and policies to secure information across all platforms - APIs, mobile applications, web applications and all products offered to customers. The security of products and services is tested pre-launch and thereafter on a periodic basis, further to the conduct of vulnerability assessments throughout the product life-cycles. Dialog also implements a system of technical alerts which are issued to ensure that asset owners are hyper vigilant and cognisant of possible breaches and work towards preventing such during periods of technical vulnerability, prior to a respective patch being installed.

These formal procedures are further supported by a strong internal culture where employees understand the importance of privacy and security risks and continue to manage them. Dialog focused on training and developing employees to ensure awareness and understanding of

the existence of and management of Cyber Security risks – once again governed by top-to-bottom KPIs.

For more information on Dialog's policies, systems and processes to manage Cyber Security and Data Privacy, please refer the 2017 Sustainability Report at: <https://www.dialog.lk/sustainability-reports>. As evidenced from the Group's focus on digital privacy and trust, given the nature of its business, customer information security and data privacy were two of the most highly material to Dialog in 2018⁷. 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 the 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 2018	194	0
Identified Leaks (further to two-tier investigation)	0	0

	2018	2017	2016
Total Complaints investigated in relation to breaches of customer privacy (%)	0.0012	0.0018	0.0026

RESPONSIBLE PROCUREMENT

Category	Number of vendors	PO spend 2018 (LKR)	3- Year percentage comparison		
			2018	2017	2016
Foreign Spend	328	35,622,202,716	54%	53%	58%
Local Spend	2,097	29,800,655,350	46%	47%	42%
Grand Total	2,425	65,422,858,066	100%		

Suppliers form an integral part of Dialog's value chain and play a vital role in delivering Dialog's value proposition to the market. Due to Dialog's reputation as an industry leader it is vital that its suppliers too fall in line with the company's high standards for ethical conduct. Dialog has thus strictly implemented a Code of Conduct (CoC) that reflects the guiding principles expected to be complied by all suppliers, such as labour practices and human rights, health and safety, environmental management, business integrity and ethics, 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 CoC, all Dialog suppliers are expected to demand similar standards from their subcontractors/ partners/ employees and carry out necessary verifications to ensure alignment. Capturing the latest developments and strategies of the Company, version 3.0 of the Supplier CoC was published in July 2018.

The latest edition includes the following additions/amendments that place focus on:

- Dialog's Corporate Values
- The representation and experience of the suppliers
- Business Continuity Management requirements
- Vendor pre-qualification ahead of Requests for Quotations / Requests for Proposals

The latest edition has been shared with the top 90% of the suppliers (total spend) for recertification to ensure compliance to the governing principles.

At the heart of Dialog's Supply Chain Management (SCM) strategy is a focus on continuous improvement, and as such SCM regular site assessments to ensure compliance with the code and works directly

with its suppliers to help improve their sustainability performance. Further, all Dialog suppliers are subjected to regular performance evaluations to identify and prioritise specific areas of improvement. Based on the results of these assessments, Dialog then works 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.

Supplier & Employee Engagement Surveys 2017/2018

As an ongoing initiative, two online surveys were carried out during 2018 by Supply Chain Management amongst 134 of Dialog's key suppliers and employees of Dialog (Assistant Manager and above).

The Supplier Engagement Survey covered following areas to gain further insights to serve suppliers better and to build sustainable relationships:

- Supplier perceptions of the Company
- Effectiveness of Dialog's communication with supplier
- Ethics and conduct of Dialog and its staff
- Effectiveness of Dialog's supplier relationship management
- Process efficiencies and areas for improvement

The employee engagement survey was carried out with the objective of gaining feedback on SCM operations in terms of achieving business goals and to identify and improvement areas. The following was covered in the employee engagement survey:

- Employee awareness on the Dialog procurement process and policies
- Efficiency of the procurement process and policies
- Professionalism and effectiveness of SCM staff
- Shopping cart to Purchase Order (PO) process (SAP and EzBuy)

SCM Quick Reference Guide

The Procurement Policy and guidelines of all supply chain operations at Dialog are outlined within a SCM Quick Reference Guide (QRG). This is an internally published document where any employee can refer for guidance in finalising a procurement. The third version of the QRG was published in September 2018, with the objective of updating procurement policies and guidelines in line with management expectations and strategies. The document acts a key point-of-reference for all employees when participating in any supply chain-related activities.

Supplier Awareness Session 2018

In August of 2018, an awareness session was hosted by Dialog's SCM team, where over 25 key suppliers who engaged with Dialog over the period of 2017 to 2018, were invited to participate in this event. Suppliers play a vital role in the end to end supply chain of the organisation, is such it is essential that suppliers are well informed of the initiatives at Dialog designed to deliver value creation for its shareholders. The objective of the awareness session was to communicate with key suppliers on the following aspects in line with the strategies established by the management team at Dialog:

- Information Security Governance Framework
- Business Continuity Management
- Sustainability Strategy
- Grievance handling - Whistle Blower Policy

Project Cricket – Second Innings

2018 was yet another challenging year with Dialog embarking on a larger cost-reduction drive amidst significant macro-economic pressures. Following an aggressive wave of negotiations in 2017, there was minimal room for further commercial optimisation. This exercise, the “Second Innings”, was initiated as a step towards “Strategic Excellence”, which will be a continuous journey.

The “Second Innings” resolved a budget deficit of LKR 2.1 billion (USD 13.1 million) faced in 2018 achieving 100% savings target. All equipment and technology procured through this project has been ‘future-proofed’ and has enabled Dialog to invest further on high capacity sites.

Consolidated along with this project, a further LKR 500 million (USD 3.1 million) was saved through Online Charging System (OCS) expansions in 2018.

The exercise centred around the introduction of simplified commercial models which offered both operational and commercial benefits for the company over the years to come.

Microsoft Commercial Model Revamp

For the first time across the Axiata Group, commercial negotiations with Microsoft were carried out at a regional level. The engagement extended to involve the entire group to secure maximum level discounting, based on license consolidation. Axiata approved for the procurement to be completed centrally through Dialog in coordination with Local Service Providers, as the discount level received is higher and towards avoiding the impact of withholding tax when contracting with foreign parties.

A tier- based license model was designed to optimise the cost savings by matching the functionality with user requirements and thereby support to achieve cost reductions to the company. A new process was defined to identify the user categories from the recruitment stage itself.

Transport Aggregation Layer Modernisation – 2018

Another key milestone in 2018, was the Transport Aggregation Layer Modernisation project carried out towards negotiating and finalising a modernised scope of a critical segment within Dialog's Transport Aggregation Network.

The key objectives of the project were:

- Building a future proof, Agile and Modernised Network
- Commercial optimisation of the BAU operation as well as for the future potential investment
- Locking the price optimisation achieved to minimise future commercial risk

The project was carried out as a joint effort by the SCM team and the Group Technology portfolio and involved a thorough phase-based approach from the formulation and design of future network scopes to inviting potential vendors for their offers and getting them involved in fine-tuning the scope and negotiating with them for the best offer

from both technical and commercial viewpoints. This allowed for the achievement of more benefits to Dialog with respect to rates and Annual Maintenance Charge standardisation across other related contracts. The project was a major success story and led to the implementation of a fully modernised network, while achieving significant cost savings of above USD 7.5 Mn, over the next 5 years.

For a high-level breakdown of Dialog's supply chain, and more information on the types of suppliers engaged with, the key spend-categories and the characteristics specific to Dialog's business operations and requirements, please refer the 2017 Sustainability Report at: <https://www.dialog.lk/sustainability-reports>.

Requirement	2018	
Percentage of new suppliers that were screened using social and environmental criteria	100%	
Number of suppliers assessed for social and environmental and social impacts	128	Based on the number of vendors profiled during the period
Number of suppliers identified as having significant actual and potential negative social and environmental impacts	0	
Significant actual and potential negative social and environmental impacts identified in the supply chain	0	Dialog VCM team conducted 25 supplier site visits to check the compliance against the Dialog supplier Code of Conduct
Percentage of suppliers identified as having significant actual and potential negative social and environmental impacts with which improvements were agreed upon as a result of assessment.	0%	
Percentage of suppliers identified as having significant actual and potential negative social and environmental impacts with which relationships were terminated as a result of assessment, and why.	0%	

GRI CONTENT INDEX



For the Materiality Disclosures Service, GRI Services reviewed that the GRI content index is clearly presented and the references for Disclosures 102-40 to 102-49 align with the appropriate sections in the body of the report.

				External Assurance
GRI Standard	Disclosure	Sections and Page number(s)	Omission	If yes, include the page reference for the External Assurance Statement in the Report.
GRI 101: Foundation 2016				
GRI 102: General Disclosures 2016				
	102-1	About Dialog (Page ii), Annual Report - Introduction to the Company		Yes, please refer Independent Assurance Statement on Page 91
	102-2	About Dialog (Page ii), Annual Report - Business and Financial Review		Yes, please refer Independent Assurance Statement on Page 91
	102-3	Annual Report - Corporate Information, Sustainability Report back cover		Yes, please refer Independent Assurance Statement on Page 91
	102-4	About Dialog (Page ii), Annual Report – Business and Financial Review		Yes, please refer Independent Assurance Statement on Page 91
	102-5	About Dialog (Page ii)		Yes, please refer Independent Assurance Statement on Page 91
	102-6	About Dialog (Page ii), Annual Report – Business and Financial Review		Yes, please refer Independent Assurance Statement on Page 91
	102-7	About Dialog (Page ii), Employee Wellbeing (Page 44), Annual Report - Business and Financial Review		Yes, please refer Independent Assurance Statement on Page 91
	102-8	Employee Wellbeing (Page 44)		Yes, please refer Independent Assurance Statement on Page 91
	102-9	About this Report (Page 1), Responsible Procurement (Page 79)		Yes, please refer Independent Assurance Statement on Page 91
	102-10	Group Chief Executive's Review (Page 7), Report Scope and Boundary (Page 1), Annual Report - Business and Financial Review		Yes, please refer Independent Assurance Statement on Page 91
	102-11	Environmental Performance (Page 69)		Yes, please refer Independent Assurance Statement on Page 91
	102-12	Sustainability and Governance (Page 23), Report Scope and Boundary (Page 1)		Yes, please refer Independent Assurance Statement on Page 91
	102-13	Sustainability and Governance (Page 23), Sustainable Development Goals (Page 58), About this Report (Page 1)		Yes, please refer Independent Assurance Statement on Page 91
	102-14	Group Chief Executive's Review (Page 7)		Yes, please refer Independent Assurance Statement on Page 91

102-15	Group Chief Executive's Review (Page 7), Managing Risk (Page 20)	Yes, please refer Independent Assurance Statement on Page 91
102-16	About Dialog (Page ii), Group Chief Executive's Review (Page 7), Annual Report - Dialog Values	Yes, please refer Independent Assurance Statement on Page 91
102-17	Group Chief Executive's Review (Page 7), Employee Wellbeing (Page 44), Anti- Corruption (Page 75)	Yes, please refer Independent Assurance Statement on Page 91
102-18	Sustainability and Governance (Page 23), Annual Report – Corporate Governance Report	Yes, please refer Independent Assurance Statement on Page 91
102-19	Sustainability and Governance (Page 23), Annual Report - Corporate Governance Report	Yes, please refer Independent Assurance Statement on Page 91
102-20	Sustainability and Governance (Page 23)	Yes, please refer Independent Assurance Statement on Page 91
102-21	Group Chief Executive's Review (Page 7), Sustainability and Governance (Page 23)	Yes, please refer Independent Assurance Statement on Page 91
102-22	Sustainability and Governance (Page 23), Annual Report - Corporate Governance Report	Yes, please refer Independent Assurance Statement on Page 91
102-23	Sustainability and Governance (Page 23), Annual Report - Corporate Governance Report	Yes, please refer Independent Assurance Statement on Page 91
102-24	Sustainability and Governance (Page 23)	Yes, please refer Independent Assurance Statement on Page 91
102-25	Sustainability and Governance (Page 23), Annual Report - Corporate Governance Report	Yes, please refer Independent Assurance Statement on Page 91
102-26	Sustainability and Governance (Page 23), Annual Report - Corporate Governance Report	Yes, please refer Independent Assurance Statement on Page 91
102-27	Sustainability and Governance (Page 23)	Yes, please refer Independent Assurance Statement on Page 91
102-28	Sustainability and Governance (Page 23)	Yes, please refer Independent Assurance Statement on Page 91
102-29	Sustainability and Governance (Page 23)	Yes, please refer Independent Assurance Statement on Page 91
102-30	Sustainability and Governance (Page 23), Managing Risk (Page 20)	Yes, please refer Independent Assurance Statement on Page 91
102-31	Sustainability and Governance (Page 23)	Yes, please refer Independent Assurance Statement on Page 91
102-32	Group Chief Executive's Review (Page 7), Sustainability and Governance (Page 23)	Yes, please refer Independent Assurance Statement on Page 91
102-33	Sustainability and Governance (Page 23)	Yes, please refer Independent Assurance Statement on Page 91
102-34	Sustainability and Governance (Page 23)	Yes, please refer Independent Assurance Statement on Page 91

GRI CONTENT INDEX

102-35	Sustainability and Governance (Page 23)	Yes, please refer Independent Assurance Statement on Page 91
102-36	Remuneration (Page 56)	Yes, please refer Independent Assurance Statement on Page 91
102-37	Remuneration (Page 56)	Yes, please refer Independent Assurance Statement on Page 91
102-38	Remuneration (Page 56)	Yes, please refer Independent Assurance Statement on Page 91
102-39	Remuneration (Page 56)	Yes, please refer Independent Assurance Statement on Page 91
102-40	Stakeholder Engagement (Page 17), Value Chain Mapping (Page 22)	Yes, please refer Independent Assurance Statement on Page 91
102-41	Employee Wellbeing (Page 45)	Yes, please refer Independent Assurance Statement on Page 91
102-42	Stakeholder Engagement (Page 17)	Yes, please refer Independent Assurance Statement on Page 91
102-43	Stakeholder Engagement (Page 17), Value Chain Mapping (Page 22)	Yes, please refer Independent Assurance Statement on Page 91
102-44	Stakeholder Engagement (Page 17)	Yes, please refer Independent Assurance Statement on Page 91
102-45	Report Scope and Boundary (Page 1), Annual Report - Business and Financial Review	Yes, please refer Independent Assurance Statement on Page 91
102-46	About this Report (Page 1), Materiality Assessment (Page 16)	Yes, please refer Independent Assurance Statement on Page 91
102-47	Matters of Material Importance (Page 21), Value Chain Mapping (Page 22)	Yes, please refer Independent Assurance Statement on Page 91
102-48	Report Scope and Boundary (Page 1)	Yes, please refer Independent Assurance Statement on Page 91
102-49	Report Scope and Boundary (Page 1)	Yes, please refer Independent Assurance Statement on Page 91
102-50	Report Scope and Boundary (Page 1)	Yes, please refer Independent Assurance Statement on Page 91
102-51	Report Scope and Boundary (Page 1)	Yes, please refer Independent Assurance Statement on Page 90
102-52	Report Scope and Boundary (Page 1)	Yes, please refer Independent Assurance Statement on Page 91
102-53	Report Scope and Boundary (Page 1)	Yes, please refer Independent Assurance Statement on Page 91
102-54	Report Scope and Boundary (Page 1)	Yes, please refer Independent Assurance Statement on Page 91
102-55	GRI Content Index (Page 82)	Yes, please refer Independent Assurance Statement on Page 91
102-56	Report Scope and Boundary (Page 1), Independent Assurance Statement (Page 91)	Yes, please refer Independent Assurance Statement on Page 91

Material Topics			
Economic Performance			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundaries	Review of Group Chief Executive (Page 7), Economic Performance (Page 65)	Yes, please refer Independent Assurance Statement on Page 91
	103-2 The management approach and its components	Review of Group Chief Executive (Page 7), Economic Performance (Page 65)	Yes, please refer Independent Assurance Statement on Page 91
	103-3 Evaluation of the Management Approach	Annual Report 2017 – Business and Financial Review	Yes, please refer Independent Assurance Statement on Page 91
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Economic Performance (Page 65)	Yes, please refer Independent Assurance Statement on Page 91
	201-2 Financial implications and other risks and opportunities due to climate change	Managing Risk (Page 20)	Yes, please refer Independent Assurance Statement on Page 91
	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 91
	201-4 Financial assistance received from the government	Annual Report – Notes to the Financial Statements	Yes, please refer Independent Assurance Statement on Page 91
Indirect Economic Impacts			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundaries	Community Investment and Social Stewardship (Page 59), Group Chief Executive's Review (Page 7), Digital Inclusion (Page 33)	Yes, please refer Independent Assurance Statement on Page 91
	103-2 The management approach and its components	Community Investment and Social Stewardship (Page 59), Group Chief Executive's Review (Page 7), Digital Inclusion (Page 33)	Yes, please refer Independent Assurance Statement on Page 91
	103-3 Evaluation of the Management Approach	Community Investment and Social Stewardship (Page 59)	Yes, please refer Independent Assurance Statement on Page 91
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	Community Investment and Social Stewardship (Page 59)	Yes, please refer Independent Assurance Statement on Page 91
	203-2 Significant indirect economic impacts	Digital Inclusion (Page 33)	Yes, please refer Independent Assurance Statement on Page 91
Anti-Corruption			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundaries	Anti-Corruption (Page 75)	Yes, please refer Independent Assurance Statement on Page 91
	103-2 The management approach and its components	Anti-Corruption (Page 75)	Yes, please refer Independent Assurance Statement on Page 91
	103-3 Evaluation of the Management Approach	Anti-Corruption (Page 75)	Yes, please refer Independent Assurance Statement on Page 91

GRI CONTENT INDEX

GRI 205: Anti-Corruption 2016	205-1 Operations assessed for risks related to corruption	Anti-Corruption (Page 75)	Yes, please refer Independent Assurance Statement on Page 91
	205-2 Communication and training about anti-corruption policies and procedures	Anti-Corruption (Page 75)	Yes, please refer Independent Assurance Statement on Page 91
	205-3 Confirmed incidents of corruption and actions taken	Anti-Corruption (Page 75)	Yes, please refer Independent Assurance Statement on Page 91
Energy			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundaries	Environmental Performance (Page 69)	Yes, please refer Independent Assurance Statement on Page 91
	103-2 The management approach and its components	Environmental Performance (Page 69)	Yes, please refer Independent Assurance Statement on Page 91
	103-3 Evaluation of the Management Approach	Environmental Performance (Page 69)	Yes, please refer Independent Assurance Statement on Page 91
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	Environmental Performance (Page 69)	Yes, please refer Independent Assurance Statement on Page 91
GRI 302: Energy 2016	302-2 Energy consumption outside of the organisation	Environmental Performance (Page 69)	Yes, please refer Independent Assurance Statement on Page 91
	302-3 Energy intensity	Environmental Performance (Page 69)	Yes, please refer Independent Assurance Statement on Page 91
	302-4 Reduction of energy consumption	Environmental Performance (Page 69)	Yes, please refer Independent Assurance Statement on Page 91
	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	Environmental Performance (Page 69)	Yes, please refer Independent Assurance Statement on Page 91
	103-2 The management approach and its components	Environmental Performance (Page 69)	Yes, please refer Independent Assurance Statement on Page 91
	103-3 Evaluation of the Management Approach	Environmental Performance (Page 69)	Yes, please refer Independent Assurance Statement on Page 91

GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Environmental Performance (Page 69)	Yes, please refer Independent Assurance Statement on Page 91
	305-2 Energy indirect (Scope 2) GHG emissions	Environmental Performance (Page 69)	Yes, please refer Independent Assurance Statement on Page 91
	305-3 Other indirect (Scope 3) GHG emissions	Environmental Performance (Page 69)	Yes, please refer Independent Assurance Statement on Page 91
	305-4 GHG emissions intensity	Environmental Performance (Page 69)	Yes, please refer Independent Assurance Statement on Page 91
	305-5 Reduction of GHG emissions	Environmental Performance (Page 69)	Yes, please refer Independent Assurance Statement on Page 91
	305-6 Emissions of ozone-depleting substances (ODS)	Not applicable.	
	305-7 Nitrogen oxides (NOx), sulphur oxides (SOx), and other significant air emissions	Environmental Performance (Page 69)	Yes, please refer Independent Assurance Statement on Page 91

Environmental Compliance

GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundaries	Group Chief Executive's Review (Page 7), Compliance (Page 28)	Yes, please refer Independent Assurance Statement on Page 91
	103-2 The management approach and its components	Group Chief Executive's Review (Page 7), Compliance (Page 28)	Yes, please refer Independent Assurance Statement on Page 91
	103-3 Evaluation of the Management Approach	Compliance (Page 28)	Yes, please refer Independent Assurance Statement on Page 91
GRI 307: Environmental Compliance 2016	307-1 Non-compliance with environmental laws and regulations Occupational Health and Safety	Compliance (Page 28)	Yes, please refer Independent Assurance Statement on Page 91

Supplier Environmental Assessment

GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundaries	Responsible Procurement (Page 79)	Yes, please refer Independent Assurance Statement on Page 91
	103-2 The management approach and its components	Responsible Procurement (Page 79)	Yes, please refer Independent Assurance Statement on Page 91
	103-3 Evaluation of the Management Approach	Responsible Procurement (Page 79)	Yes, please refer Independent Assurance Statement on Page 91

GRI CONTENT INDEX

GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Responsible Procurement (Page 79)	Yes, please refer Independent Assurance Statement on Page 91
	308-2 Negative environmental impacts in the supply chain and actions taken	Responsible Procurement (Page 79)	Yes, please refer Independent Assurance Statement on Page 91
Occupational Health and Safety			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundaries	Occupational Health and Safety (Page 53)	Yes, please refer Independent Assurance Statement on Page 91
	103-2 The management approach and its components	Occupational Health and Safety (Page 53)	Yes, please refer Independent Assurance Statement on Page 91
	103-3 Evaluation of the Management Approach	Occupational Health and Safety (Page 53)	Yes, please refer Independent Assurance Statement on Page 91
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Occupational Health and Safety (Page 53)	Yes, please refer Independent Assurance Statement on Page 91
	403-2 Hazard identification, risk assessment, and incident investigation	Occupational Health and Safety (Page 53)	Yes, please refer Independent Assurance Statement on Page 91
	403-3 Occupational health services	Occupational Health and Safety (Page 53)	Yes, please refer Independent Assurance Statement on Page 91
	403-4 Worker participation, consultation, and communication on occupational health and safety	Occupational Health and Safety (Page 53)	Yes, please refer Independent Assurance Statement on Page 91
	403-5 Worker training on occupational health and safety	Occupational Health and Safety (Page 53)	Yes, please refer Independent Assurance Statement on Page 91
	403-6 Promotion of worker health	Occupational Health and Safety (Page 53)	Yes, please refer Independent Assurance Statement on Page 91
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational Health and Safety (Page 53)	Yes, please refer Independent Assurance Statement on Page 91

	403-8 Workers covered by an occupational health and safety management system	Occupational Health and Safety (Page 53)	Yes, please refer Independent Assurance Statement on Page 91
	403-9 Work-related injuries	Occupational Health and Safety (Page 53)	Yes, please refer Independent Assurance Statement on Page 91
	403-10 Work-related ill health	Occupational Health and Safety (Page 53)	Yes, please refer Independent Assurance Statement on Page 91
Training and Education			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundaries	Employee Competence (Page 48)	Yes, please refer Independent Assurance Statement on Page 91
	103-2 The management approach and its components	Employee Competence (Page 48)	Yes, please refer Independent Assurance Statement on Page 91
	103-3 Evaluation of the Management Approach	Employee Competence (Page 48)	Yes, please refer Independent Assurance Statement on Page 91
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Employee Competence (Page 48)	Yes, please refer Independent Assurance Statement on Page 91
	404-2 Programs for upgrading employee skills and transition assistance programs	Employee Competence (Page 48)	Yes, please refer Independent Assurance Statement on Page 91
	404-3 Percentage of employees receiving regular performance and career development reviews	Employee Wellbeing (Page 44)	Yes, please refer Independent Assurance Statement on Page 91
Local Communities			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundaries	Group Chief Executive's Review (Page 7)	Yes, please refer Independent Assurance Statement on Page 91
	103-2 The management approach and its components	Group Chief Executive's Review (Page 7)	Yes, please refer Independent Assurance Statement on Page 91
	103-3 Evaluation of the Management Approach	Community Investment and Social Stewardship (Page 59), Digital Inclusion (Page 33)	Yes, please refer Independent Assurance Statement on Page 91
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Community Investment and Social Stewardship (Page 59)	Yes, please refer Independent Assurance Statement on Page 91
	413-2 Operations with significant actual and potential negative impacts on local communities	Community Investment and Social Stewardship (Page 59)	Yes, please refer Independent Assurance Statement on Page 91

GRI CONTENT INDEX

Supplier Social Assessment			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundaries	Responsible Procurement (Page 79)	Yes, please refer Independent Assurance Statement on Page 91
	103-2 The management approach and its components	Responsible Procurement (Page 79)	Yes, please refer Independent Assurance Statement on Page 91
	103-3 Evaluation of the Management Approach	Responsible Procurement (Page 79)	Yes, please refer Independent Assurance Statement on Page 91
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Responsible Procurement (Page 79)	Yes, please refer Independent Assurance Statement on Page 91
Customer privacy			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundaries	Cybersecurity and Data Privacy (Page 77)	Yes, please refer Independent Assurance Statement on Page 91
	103-2 The management approach and its components	Cybersecurity and Data Privacy (Page 77)	Yes, please refer Independent Assurance Statement on Page 91
	103-3 Evaluation of the Management Approach	Cybersecurity and Data Privacy (Page 77)	Yes, please refer Independent Assurance Statement on Page 91
GRI 418: Customer privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Cybersecurity and Data Privacy (Page 77)	Yes, please refer Independent Assurance Statement on Page 91
Socioeconomic Compliance			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundaries	Compliance (Page 28)	Yes, please refer Independent Assurance Statement on Page 91
	103-2 The management approach and its components	Group Chief Executive's Review (Page 7)	Yes, please refer Independent Assurance Statement on Page 91
	103-3 Evaluation of the Management Approach	Compliance (Page 28)	Yes, please refer Independent Assurance Statement on Page 91
GRI 419: Socio-economic Compliance 2016	419-1 Non-compliance with laws and regulations in the social and economic area	Compliance (Page 28)	Yes, please refer Independent Assurance Statement on Page 91

Independent Assurance Statement

Scope and Approach

DNV GL represented by DNV GL Business Assurance Lanka Private Limited ('DNV GL') was engaged by the management of Dialog Axiata PLC ('Dialog' or 'the Company', Company Registration Number PQ 38) to undertake an independent assurance for the sustainability performance related to its identified material topics and reported in Dialog's Sustainability Report 2018 ('the Report') in its printed format for the financial year ending 31st December 2018. The Report is prepared based on the Global Reporting Initiative (GRI) Standards 2016 and its 'Comprehensive' option of reporting. The intended user of this Assurance Statement is the management of the Company. Our assurance engagement was planned and carried out in November 2018 – June 2019, for the financial year ending 31st December 2018.

We performed our work using AccountAbility's AA1000 Assurance Standard 2008 (AA1000AS) with Type 2, Moderate level and DNV GL's assurance methodology VeriSustain^{TM1}, which is based on our professional experience, international assurance best practices including International Standard on Assurance Engagements 3000 (ISAE 3000) Revised* and the GRI's Principles for Defining Report Content and Quality.

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. In doing so, we evaluated the qualitative and quantitative disclosures presented in the Report, together with Dialog's procedures for how the data was measured, recorded and reported.

The reporting topic boundaries of sustainability performance are based on the materiality assessment carried out by Dialog covering internal and external impacts of identified topics for its operations in Sri Lanka and is as set out in the Report in the section "About the Report".

We understand that the reported data on economic performance, and other financial data within the Report are based on financial disclosures and data which has been subjected to a separate independent statutory audit process and is not included in our scope of work.

Responsibilities of the Management of Dialog and of the Assurance Provider

The Management of the Company has the sole accountability for the preparation of the Report and are responsible for all information disclosed in the Report as well as the processes for collecting, analysing and reporting the information. In performing 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 stakeholders of Dialog.

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 was not involved in the preparation of any statement or data included in the Report except for this Assurance Statement.

DNV GL's assurance engagements are based on the assumption that the data and information provided by the Company to us as part of our review have been provided in good faith and free from any misstatements. DNV GL expressly disclaims any liability or co-responsibility for any decision a person or an entity may make based on this Assurance Statement.

¹ The VeriSustain protocol is available on request from www.dnvgl.com

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

A multi-disciplinary team of sustainability and assurance specialists performed work at Dialog's operations at Colombo, Sri Lanka. We adopted a risk-based approach, i.e. we concentrated our verification efforts on the issues of high material relevance to Company and its key stakeholders. We undertook the following activities:

- Reviewed the Company's approach to stakeholder engagement and its materiality determination process and the outcome as stated in this Report;
- Examined and reviewed documents, data and other information made available by the Company related to disclosures;
- Conducted in-person interviews with top and senior management team of Company and other representatives, including data owners and decision-makers from different divisions and functions of the Company to validate the disclosures. We were free to choose interviewees and interviewed those with overall responsibility to deliver the Company's sustainability objectives;
- Site visits to the Dialog Broadband Networks office and the Head Office in Colombo, Sri Lanka, to review processes and systems for preparing site level sustainability data and implementation of sustainability strategies;
- Performed sample-based reviews of the mechanisms for implementing the Company's sustainability related policies, as described in the Report. Performed sample-based checks of the processes for generating, gathering and managing the quantitative data and qualitative information included in the Report.
- An independent assessment of the Report against the GRI Standards: Comprehensive option of reporting.

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 that causes us to believe 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 308: Supplier Environmental Assessment 2016 – 308-1, 308-2;
- GRI 403: Occupational Health and Safety 2018 – 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-8, 403-9, 403-10;
- GRI 404: Training and Education 2016 – 404-1, 404-2, 404-3;
- GRI 413: Local Communities 2016 – 413-1, 413-2;
- GRI 414: Supplier Social Assessment 2016 – 414-1;
- 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:

Materiality

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

The Report brings out Dialog's process of materiality assessment and identifying material issues. The materiality determination exercise carried out by Dialog involved face-to-face interviews, quantitative online surveys, and benchmarking exercises with various stakeholders, as well as inputs from the Company's enterprise risk matrix and the Group Chief Executive's Key Performance Indices. Dialog's materiality matrix was derived by matching the inputs from these processes against GRI Standards as well as a comparison with the result from the previous years' exercise. The company has thus identified and reported on impacts related to its twelve (12) most significant material issues. Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Materiality.

Inclusivity

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

Dialog has commissioned a comprehensive, independent two-part stakeholder study. The Report content draws upon the outcomes of stakeholder engagement processes used by Dialog as part of its business, and as required by the legal and institutional framework in which it operates. The outcomes of the stakeholder engagement processes that inform decisions towards formulating the Company's sustainability strategy are consistent with the material topics included in the Report. Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Inclusivity.

Responsiveness

The extent to which an organisation responds to stakeholder issues

Dialog has policies, management approaches and strategies in place to monitor and respond to feedback from significant holders on key material issues, and this is adequately brought out within the Report. Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Responsiveness; however the Company may further set and disclose medium and long-term targets for all identified material topics and align these targets to the five (5) Sustainable Development Goals identified by Dialog.

Reliability

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

Most of the data and information verified at Dialog's Head Office and the 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. These identified errors were communicated and subsequently corrections made in the reported data and information. Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Reliability.

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. The reporting boundary for the period includes Dialog's wholly and non-wholly owned subsidiaries and excludes associate companies where Dialog owns a minority stake. Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Completeness; however Dialog may further strengthen on the completeness of its reporting by identifying and reporting on social topics which are material to non-wholly owned subsidiaries.

Neutrality

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

The Report provides a balanced account of the Company's performance on identified sustainability issues, in terms of content and presentation, reflecting both positive and negative aspects of performance. Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Neutrality.

For and on behalf of DNV GL AS

 <p>Kiran Radhakrishnan Lead Verifier DNV GL Business Assurance India Private Limited, India</p>	 <p>Vadakepatth Nandkumar Assurance Reviewer DNV GL Business Assurance India Private Limited, India.</p>
--	---

28th June 2019, Colombo, Sri Lanka



AA1000
Licensed Assurance Provider
000-10

DNV GL Business Assurance Lanka (Private) Limited is part of DNV GL – Business Assurance, a global provider of certification, verification, assessment and training services, helping customers to build sustainable business performance. www.dnvgl.com

UNGC ADVANCED CRITERIA

CRITERION	DESCRIPTION	RELEVANT SECTIONS IN THE REPORT
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, Community Investment and 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 Procurement
7	Effective monitoring and evaluation mechanisms of human rights integration	Employee Wellbeing
8	Key outcomes of human rights integration	Employee Wellbeing, Responsible Procurement
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, Environmental Performance
14	Effective management systems to integrate the environmental principles	Environmental Performance
15	Effective monitoring and evaluation mechanisms for environmental stewardship	Environmental Performance
16	Key outcomes of integration of the environmental principles	Environmental Performance
Anti-Corruption Implementation		
17	Robust commitments, strategies or policies in the area of anti-corruption	Anti-corruption and Ethical Business Practices
18	Effective management systems to integrate the anti-corruption principle	Employee Wellbeing, Anti-corruption and Ethical Business Practices, Responsible Procurement
19	Effective monitoring and evaluation mechanisms for the integration of anti-corruption	Employee Wellbeing, Anti-corruption and Ethical Business Practices, Responsible Procurement, Employee Competence
20	Key outcomes of integration of the anti-corruption principle	Employee Wellbeing, Anti-corruption and Ethical Business Practices, Employee Competence
Value Chain Implementation		
21	Describes implementation of the Global Compact principles in the value chain	Value Chain Mapping, Responsible Procurement
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	
Human Rights	Due diligence	Sustainability and Governance
	Human rights risk situations	-
	Avoidance of Complicity	Employee Wellbeing
	Resolving grievances	Anti-corruption and Ethical Business Practices
	Discrimination and vulnerable groups	Anti-corruption and Ethical Business Practices
	Civil and political rights	-
	Economic, Social and Cultural Rights	-
	Fundamental principles and rights at work	Employee Wellbeing
Labour Practice	Employment and employment relationships	Employee Wellbeing
	Conditions of work and social protection	Employee Wellbeing, Occupational Health and Safety
	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	Environmental Performance
	Sustainable resource use	Environmental Performance
	Climate change mitigation and adaptation	Environmental Performance
	Protection of the environment, biodiversity and restoration of natural habitats	Environmental Performance
Fair Operating Practice	Anti-corruption	Anti-Corruption and Ethical Business Practices
	Responsible political involvement	Group Chief Executive's Review
	Fair competition	Group Chief Executive's Review, Anti-corruption and Ethical Business Practices
	Promoting social responsibility in the value chain	Responsible Procurement
	Respect for property rights	-
Consumer Issues	Fair marketing, factual and unbiased information and fair contractual practices	Group Chief Executive's Review, Sustainability and Governance
	Protecting consumers' health and safety	Sustainability and Governance
	Sustainable consumption	Group Chief Executive's Review, Digital Inclusion, Affordability
	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, Community Investment and Social Stewardship
	Education and culture	Community Investment and Social Stewardship
	Employment creation and skills development	Digital Inclusion, Community Investment and Social Stewardship
	Technology development and access	Digital Inclusion, Community Investment and Social Stewardship
	Wealth and income creation	Digital Inclusion
	Health	Digital Inclusion, Community Investment and Social Stewardship
	Social Investment	Digital Inclusion, Community Investment and Social Stewardship

ASSUMPTIONS AND CALCULATION METHODOLOGIES

OCCUPATIONAL HEALTH AND SAFETY

Recordable Work-related Injury Rate

$$\frac{(\text{No. of recordable work-related injuries})}{(\text{No. of hours worked})} \times 200,000$$

Occupational Disease Rate

$$\frac{(\text{No. of occupational diseases})}{(\text{No. of hours worked})} \times 200,000$$

Lost-day Rate

$$\frac{(\text{No. of lost days} + 220) \times 8.5}{(\text{No. of hours worked})}$$

Absentee Rate

$$\frac{\text{No. of absentee days} \times 8.5}{(\text{No. of hours worked})}$$

Rate of fatalities as a result of work-related injury

$$\frac{(\text{No. of fatalities as a result of work-related injury})}{(\text{No. of hours worked})} \times 200,000$$

Rate of high- consequence work-related injuries (excluding fatalities)

$$\frac{(\text{No. of high-consequence work-related injuries})}{(\text{No. of hours worked})} \times 200,000$$

Rate of fatalities as a result of work-related injury

$$\frac{(\text{No. of fatalities as a result of work-related injury})}{(\text{No. of hours worked})} \times 200,000$$

ENVIRONMENTAL PERFORMANCE

Conversion of Fuel Usage (Petrol and Diesel) in Litres to Gallons:

(Amount in Litres)

4.54607446469973

Conversion of Fuel Usage (Petrol) in Gallons to GigaJoules:

(Amount in Gallons)

8

Conversion of Fuel Usage (Diesel) in Gallons to GigaJoules:

(Amount in Gallons)

7.2463768115942

Conversion of Electricity Usage from kWh to GigaJoules:

Amount in kWh x 1,000 x 3,600

1,000,000,000

Emissions Calculations – GHG, NO_x and SO_x (for each emission source/ activity)

Total Emissions = Unit Measurement of Activity x 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
AHT	Average Handling Time	Kg	Kilograms
API	Application Programming Interface	KPI	Key Performance Indicator
BAC	Board Audit Committee	kWh	Kilowatt-hour
BI	Business Intelligence	L&D	Leading and Development
BOD	Board of Directors	LKR	Sri Lankan Rupee
BCM	Business Continuity Management	LPWA	Low Power Wide Area
CIPMC	Capital Investment and Procurement Management Committee	MJ	Mega Joules
CoC	Code of Conduct	MOE	Ministry of Education
CDMA	Code-Division Multiple Access	MoU	Memorandum of Understanding
CMDP	Corporate Management Development Programme	NB-IoT	Narrowband Internet of Things
CMMI	Capability Maturity Model Integration	NBRO	National Building Research Organisation
CO ₂	Carbon dioxide	NBT	Nations Building Tax
CRS	Cost Rescaling	NPAT	Net Profit After Tax
CSTA	Customer Service Training Academy	NPS	Net Promoter Score
CXO	Chief Officer	NRC	Nominations and Remuneration Committee
DEFRA	Department for Environment, Food and Rural Affairs, United Kingdom	OBD	On-Board Diagnostic
DFAT	Department of Foreign Affairs and Trade	OSS	Operating Support System
DFID	Department for International Development of the UK	OTT	Over-the-top
DTV	Dialog Television	PCIDSS	Payment Card Industry Data Security Standard Ver 3.2
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortisation	PCMM	People Capability Maturity Model
ERM	Enterprise Risk Management	PPE	Personal Protective Equipment
FTK	Full Turn Key	PR	Performance Review
FY	Fiscal Year	PWDs	Persons with Disabilities
GADP	Group Accelerate Development Programme	QSPM	Quality Systems and Process Management
GCEO	Group Chief Executive Officer	R-22	Chlorodifluoromethane
GCCoO	Group Chief Corporate Officer	R-401A	Refrigerant mixture of difluoromethane and pentafluoroethane
G.C.E A/L	General Certification of Examination, Advanced Level	rNPS	relative Net Promoter Score
G.C.E O/L	General Certification of Examination, Ordinary Level	RPTRC	Related Party Transactions Review Committee
GHG	Greenhouse Gas	SCM	Supply Chain Management
GJ	Giga Joules	SDG	Sustainable Development Goal
GLC	Group Leadership Committee	SMS	Short Message Service
GRI	Global Reporting Initiative	tCO ₂ e	tonnes of Carbon dioxide equivalents
GSMA	Global System for Mobile Communication Association	tNPS	Transactional Net Promoter Score
GSMC	Group Senior Management Committee	TRCSL	Telecommunications Registry Commission of Sri Lanka
HCM	Human Capital Management system	UNGC	United Nations Global Compact
HR	Human Resources	USD	United States Dollar
HRIS	Human Resources Information System	VAS	Value Added Service
HRM	Human Resources Manager	VAT	Value Added Tax
HRP	Human Resources Partner	YTD	Year-to-Date
		YoY	Year-on-Year



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



**ENABLING
EMPOWERING
ENRICHING**

Dialog Axiata PLC
475, Union Place, Colombo 0200, Sri Lanka
+94 777 678 700 | www.dialog.lk