

The Operating Environment...and Trends
Refining our Portfolio...and Reinventing our Future
Financial Value Creation
Delivering Value to Customers...and their Value to Us
Working at Dimo...Enjoyable and Rewarding
Our Business Partners...A Symbiotic Relationship
Regulatory Authorities...Playing by the Rules
Our Community...Live and Let Live
The Environment...Now and for Generations Yet Unborn
Sustainability Performance Objectives in 2012-2013

Working at Dimo...Enjoyable and Rewarding

Mutuality...of care...rewards all

Dimo - Employees

Key Performance Area	Metric	2012/13	2011/12	2010/11	2009/10
Team strength	No. of employees	1,521	1,339	1019	864
Gender distribution	Female employees as a percentage of total employees	10	11	10	9
Age distribution	Percentage of employees below 40 years of age	79	81	76	72
Employee satisfaction	Employee Satisfaction Index (%)	53.46	62.70	54.00	54.00
Knowledge and skills development	Average training hours per employee	16.00	13.52	10.90	10.34
	No. of employees trained on HR policy and procedure with regard to Human Rights as a total training hours (%)	39.00	42.00	53.00	11.60
Employee health & safety	Injuries ratio (%)	1.20	1.60	2.50	0.70

A Forward Looking Note

A key area of focus remains that of increasing the percentage of female employees in the Company. More initiative will be needed in this area if we are to achieve our target of increasing the percentage of female employees as envisaged in our sustainability objectives appearing on pages 50 and 51 We will strive to remain ahead of target, as at present, in regard to training of our employees.

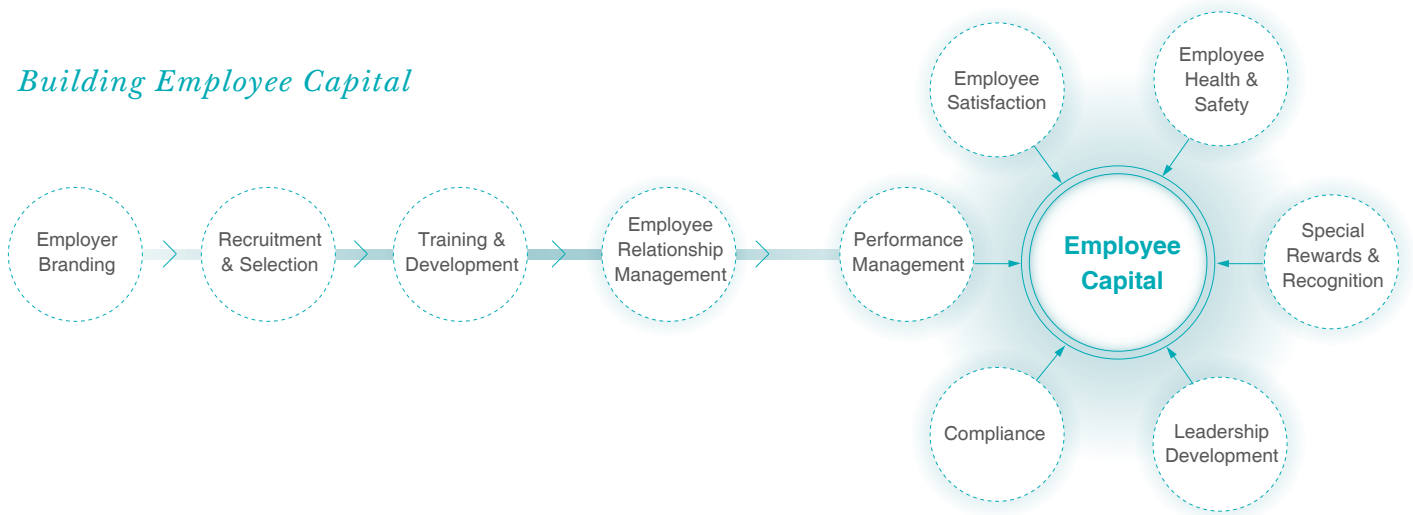
Guiding Philosophy

It is the shared philosophy of Dimo that our tribe...our employees...have to be at their best to deliver value to our customers. We firmly believe that employee engagement is crucial to delivering value. In a way it is an 'Employee First' policy that we advocate. That is why we have 'making work enjoyable and rewarding' as our Employee Value Proposition (EVP). Building employee capital is the key to building other forms of capital.

"Recognised among the Top Ten business entities with HR Best Practices by the Association of Human Resource Professionals; Ranked among the top 15 'Great Places to Work' in Sri Lanka."

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Building Employee Capital



Analysis of Dimo Tribe

Some Key Numbers

Although it is our experience that numbers, by themselves, cannot ‘tell the whole story’ particularly when it comes to dealing with people, their effort, commitment, emotions and more, they *are* useful in mapping what has been accomplished and *vice versa*.

Here then, are some of the key numbers for the year under review.

In 2012, the Dimo Group spent Rs. 1,657 mn (2011/12 - Rs. 1,372 mn) on salaries and wages, defined contribution plan costs (EPF, ETF), medical, retirement benefit costs (retiring gratuity) and training expenses.

The total workforce strength as at 31st March 2013 stood at 1,521, an increase of 13.5% over the 1,339 employees who were in our cadre the previous year.

Diversity amongst our workforce is encouraged.

Recruiting and Retaining the Best

It is right and proper, we feel, that all worthwhile endeavour should spring from our conviction. In this case, it may best be summed-up in the words ‘the best’. Our portfolio consists of the best brands in the world and we seek the best people to care for them.

A transparent recruitment process is in place at Dimo. It is also free of any type of bias. We do give priority to organic growth. If the expected qualifications and competencies are matched, preference is given to existing staff to fill the vacancies that arise. This allows internal candidates every opportunity to advance in their careers.



Mohan Pandithage
Non-Executive Director

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Gladwin Peiris
Executive Director

Where we need to recruit externally, the Company takes several strategic measures. These include participating at trade and youth fairs where we have opportunity to 'head hunt' required talent, doing the same with talented young engineering professionals who attend our Career Guidance Days at the Universities of Moratuwa and Peradeniya. Also, course followers at DATS (Dimo Auto Training School), NAITA (National Apprentice and Industrial Training Authority) and other vocational trainees who undergo training with us have an opportunity to join our permanent cadre dependent on our recruitment needs.

We are an equal opportunity employer. To date we have recruited 10 female employees who work at our automobile workshop - a hitherto 'male bastion'.

An important aspect of retaining staff with the Company is training and development.

Employee training and development needs are mapped according to job and career advancement potential in relation to the Company's own development and progress. This is an inclusive process that makes full use of the performance evaluation system.

A training calendar is formulated and all training imparted is assessed for effectiveness through participants' feedback as well as the Company's own evaluation process. Training opportunities are provided both locally (from internal and external sources) and overseas.

Dimo fosters the learning habit. Job-related educational expenses and subscriptions for membership in professional bodies are reimbursed by the Company in a bid to promote knowledge acquisition and personal development.

For the year in review, 233 employees underwent external (local) training whilst, 94 underwent overseas training, all of which was funded by the Company.

Facilitating Great Employee Relationships

Great relationships are built on trust and openness amongst other factors. At Dimo, it matters not if you spend the majority of your day in jacket or overalls...in the Board room or the shop floor. There's a lot of listening, meeting, discussing, analysing and more that goes on across the many channels of communication that Dimo has in place across the Group.

Several channels of communication are open, two ways, to facilitate and nurture great employee relationships.

Once a month, the Employees' Council meets - this is an open forum where employees discuss their concerns with top management - including the Chairman/MD, CEO of the Company. All Executive Directors, General Managers, Business Unit Managers and a representative from each business unit participate at these meetings. Minutes of the meetings are posted on the Company's intranet and can be viewed by any employee.

A unique programme, Working @ Dimo, provides an opportunity for employees to express their views, experiences and feelings for/of the Company. Each week an employee is given the opportunity to publish his/her work-related experience on the intranet.

—○ **Working at Dimo...Enjoyable and Rewarding**

HR Clinics is a scheme where HR personnel visit staff at their location of work to initiate dialogue on any issue/ concern that needs speedy resolution. During the year, 10 (9 - 2011/12) HR clinics were conducted.

This same climate envelops our grievance handling system. Once lodged, the Company ensures that a response is given to the employee within a period of 10 working days. A total of 26 issues were lodged during the year under review.

Review and Reward...Among the Best

Fairness and honesty are qualities we employ generously, when we set about performance reviews, remuneration and other benefits for staff.

The 'Employee of the Year' or the 'Dimo Star' was rewarded with a TATA Nano.

Review systems are properly constituted and conducted whilst remuneration packages are consistently maintained at least on par with industry standards, if not above them. In fact Dimo offers much more than the minimum salary levels prescribed by law.

Performance based incentive schemes are in place and super performers are duly rewarded.

Longevity of service is given special recognition and treated as a milestone for the employee concerned.

In terms of benefits, the Dimo Tribe is entitled to a comprehensive medical scheme and an equally comprehensive welfare regime.

How Satisfied Are Employees at Dimo?

It's a critical question and one whose response we map diligently. We take great pains to ensure employees have a great experience working at Dimo and we are acutely aware of our responsibilities in this regard.

The Company commissions independent third party surveys to ascertain employees' views on a gamut of subjects.

The survey carried out for the year under review, attracted a response rate of 90.86%. The overall satisfaction index achieved was 53.46%, which was lower than the previous year's figure of 62.69%.

Of course, there would be no enterprise if not for our next focus group...



Ranjan Seevaratnam
Independent Non-Executive
Director