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Delivering
Shared Value

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A Discourse on Sustainability and Shared Value Creation with the Group Chief Executive



Q1. Dialog has always espoused a credo of creating ‘Shared Value’. How far have you integrated this thinking across the Company?

A1. Dialog’s business orientation sixteen years ago focused on an inclusive business model that was aimed at making the mobile phone a ubiquitous utility for all citizens. This fundamental differentiator and value proposition set us apart from the industry at that time and also propelled us to market leader within a very short period. The phenomenal impact of this transformational business agenda within the community we operate underscored our belief as well as the nascent wisdom that business can do well by doing good. Shared value creation among all legitimate stakeholders provides a foundation to build a sustainable and enabling environment for our organisation to grow with the community. Our 4 A’s credo (affordability, availability, applicability and affinity) enabled Dialog to create value at the base of the economic pyramid as well at the top. This ethos is hardwired across our organisation and permeates every business function across the organisation. We continue to be proactive in this space with this same mind set, the same passion and excitement that motivated us sixteen years ago to ensure that the pervasive qualities of ICTs in general and mobile in particular are made available to as many Sri Lankans as possible.


Q2. Would you agree that your hardwired orientation towards creating ‘Shared Value’ contributed towards Dialog’s Rebound in Profitability this year?

A2. Yes it did. Despite the challenging environment and the resulting downturn in financial results in the past two years we were uncompromising in our purpose. We remained steadfast to our business principles and in 2010 we re-engineered our organisation’s core



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operations in the pursuit of sustainable value creation, whilst leveraging the pervasive attributes of ICTs to leapfrog developmental challenges confronting our country. We were as aggressive in our product development initiatives – in particular those driving inclusion and empowerment at the bottom of the pyramid as we were with respect to our transformational initiatives targeting a platform of sustainable profitability. This holistic delineation of Sustainability enabled Dialog to single-mindedly pursue responsible value creation paradigms. As I alluded to in the 2009 Sustainability Report at Dialog we believe that CR delivered in this way enhances value creation outcomes across all aspects of our business footprint in a more sustainable manner, since it is integral to the ongoing business and receptive to stakeholder interests. In 2010, we further rationalised our altruistic initiatives on the back of adverse macro-economic variables and stringent internal cost optimisation strategies, whilst aggressively pursuing inclusive business agendas that support shared value creation.



Q3. How do you envision this 'orientation' to play a part in the resurgence of our country's future?

A3. The future heralds an exciting chapter in our country's history and Dialog is poised within this era of optimism to ensure it plays a pivotal role in shaping the future of the country and its citizens' lives and livelihoods through the value created resulting from the Company's inclusive commercial operations. Our Corporate Responsibility ethos, within this context, will focus primarily on inclusive business practices that deliver leapfrog routes to development that is sustainable. Our strategic CR focus will therefore continue to draw a strong delineation between philanthropy and integral CR in 2010 and beyond.

Q4. In 2010, you had to downsize your operations, including the employee base, do you see this as a paradox of your organisation's stated corporate responsibility credo?

A4. The decision to offer a voluntary resignation scheme in 2010 was not one we approached lightly. The realignment of the Company to a singularly profitable position required the right sizing of our team in the wake of and in tandem with process improvement and automation. Accordingly, we offered all our permanent employees recourse to opt for a voluntary resignation scheme, by providing a financially beneficial severance solution. Contrary to being a paradox, our core values of care and respect for people were at the heart of our approach during this challenging period and we ensured all staff members were given the support and guidance to seek new opportunities in their respective careers, by way of counselling and career guidance. Adversity defines character and on the back of a very challenging and emotion ridden facet of a sustainability agenda, the Company has emerged stronger and significantly more capable of caring for its employees going forward. I believe that we must apply equal focus to the multiple facets of sustainable development – economic, social and environmental. The 'economic' facet is of particular relevance when it comes to the sustainability of a commercial business operating within a defined economic and competitive order. Economic sustainability needs to be ensured as a pre-requisite for future sustainability. However it is mandatory that where such realignment does touch human beings, the measures adopted are equitable and human centred. These means are in fact those derived from the other dimensions of sustainability which brings the system back into equilibrium and sustainable into the future.

Q5. How have you performed against your stated sustainability targets in 2010?

A5. We made appreciable progress on our stated sustainability targets in 2010, the most significant being the return of our operations to a strong position of profitability thereby delivering on the 'economic development' pillar of our sustainability focus. We are happy to report appreciable progress with respect to our stated sustainability targets in 2010. As alluded to in my 2009 review, we will continue to engage with residual and emerging material issues proactively whilst ensuring, we focus our attention on opportunities and challenges presented to us.



Q6. Corporate Responsibility is an often narrowly defined concept/term – How have you approached the concept and related it to a broader/higher purpose such as Sustainability?

A6. Over the past six years, Dialog's Corporate Responsibility orientation has evolved from its beginnings as a nascent business case scenario into an ideology with the potential to deliver our next wave of growth, signalling that the business case for Corporate Responsibility at Dialog Axiata today is irrefutable. This transition from 'a nice to have' business function to an 'imperative facet of our business credo' means that the evolution of Corporate Responsibility at Dialog is closely linked to our unfeigned desire to create shared value for all stakeholders. This evolutionary transition follows a linear trajectory of maturity and sophistication of the concept of Corporate Responsibility (CR) within the Group. This evolution also follows the cutting edge discourse on the nexus between the organisation's purpose, its stakeholders and society.

Q7. What is the Business Case for you to sign up to the UN Global Compact?

A7. Dialog Axiata released its third Communication on Progress to the United Nations Global Compact in 2010, and reinforced its support to the UN Global Compact Principles and the Millennium Development Goals. We will continue to uphold the ideals of the UN Global Compact and continue to champion the Communications Sector as a member of the United Nations Global Compact Sri Lanka Steering Committee in 2011. We also reaffirmed our support as an active member of the Coalition for HIV AIDS in Sri Lanka as well as for the Mobile Alliance against Child Sexual Abuse, championed by the GSMA during the year. We will continue our allegiance to these movements in 2011.

Q8. What are your triple bottom line priorities and how will you leverage your professed sustainability focus to maximise opportunities for the Company going forward?

A8. Shared value creation is an outcome of pursuing a triple bottom line scorecard. In delivering this ideal a Company is as strong as its weakest link and therefore building capacity and appreciation of the rubric of sustainability across all tiers of the organisation's management team ranks high on the agenda. This ensures that every significant management decision made weighs in material stakeholder impact and value generated from that decision. As I alluded to in my 2009 review, we are unwavering in our conviction that CR professed in this manner will be an integral, sustained and valued component of our strategies designed to consolidate Dialog's profitable operations going forward. We will actively look to scale our nascent inclusive business models, strengthen our partnerships and alliances with like-minded organisations, and drive innovation to deliver human centric interventions via information communication technologies. Our actions will be informed by our stakeholder engagement process and will shape accordingly, our decision-making and operational impact along triple bottom line dimensions. In parallel, we will continue to champion inclusive business agendas and endeavour to deliver shared value to every Sri Lankan.

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