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Delivering
Shared Value

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GRI A+



“The future heralds a new era for Sri Lanka. Dialog is well placed to play a pivotal role in shaping the future of citizens through the delivery of inclusive and empowering ICTs”

Our 2010 Sustainability Report covers a 12-month period ending 31st December 2010 and illustrates Dialog's conviction that shared value is created and distributed among all material stakeholders of Dialog as a matter of course when Corporate Responsibility/Accountability and Sustainability is integrated, genuinely, into short-term operations and long-term strategic planning. Consequently, the 2010 Sustainability Report captures the Company's social, environmental and economic [i.e. Triple Bottom Line (TBL)] performance against the Global Reporting Initiatives G3 Guidelines¹ and provides a narrative on the organisations rigorous efforts to apply nascent inclusive business models that harness the enabling and pervasive qualities of ICTs in general and mobile in particular.

The 2010 Dialog Sustainability Report stands out as a pioneering publication in Sri Lanka since it reflects our learning's from the first gap analysis carried out against the seven core subjects of the ISO 26000 guideline standard for CSR in the country, conducted by Det Norske Veritas AS. The use of the said ISO Guideline, in unison with the Global Reporting Initiatives (GRI) G3 Guidelines and the AA 1000 Assurance Standard (AS) 2008 enables Dialog to provide its stakeholders and readers comparable information on the nexus between economic, social and environmental performance of the Company over the past three years and to also map pertinent trends across key indicators to ensure that the aspects of materiality, inclusiveness and responsiveness are addressed and factored in a holistic manner.

¹ For full explanations of the indicators or for more information on the GRI, please refer the GRI G3 Sustainability Reporting Guidelines document or visit the GRI website:

Introduction to the 2010 Sustainability Report

Report Scope

Dialog reports its TBL performance across 49 core GRI G3 indicators as well as selected telecommunication sector supplement indicators in this report. The indicators that relate to opportunities and challenges that are most material to the organisation are elaborated in greater detail where required to provide the reader a holistic understanding of the organisation's business footprint vis sustainable development outcomes. Materiality is discussed in greater detail on page 16 in this Report.

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.

Our Report Format

The 2010 Dialog Sustainability Report uses a collection of related GRI indicator clusters in a meaningful way to the organisation, to augment readability. Several GRI standard disclosures are included in the Dialog Axiata Annual Report² and are not duplicated in the body of this Report.

Readers may enhance their judgment on the issues included in this Report by supplementing their understanding through information provided in the Dialog Axiata PLC Annual Report of 2010. The GRI content index found on page 73 of this Report lists the relevant indicators and allows easy navigation to the relevant pages of the two reports that contain details pertaining to the aforesaid disclosure.

As with the previous report the 2010 Report structure follows Dialog's delineation of the term/concept of Corporate Responsibility and is divided into two distinctive sections that reflect our orientation towards sustainability.

The first section provides insight into the Company's core 'Operations' vis performance against TBL indicators and the latter focuses on Dialog's efforts to further 'Sustainable Development' goals (based on the Millennium Development Goals and National Development Goals of Sri Lanka), using its core technology centric competencies and human/knowledge capital resulting in shared value.

The 2010 Sustainability Report, as in the previous years, reiterates Dialog's commitment to address all its legitimate stakeholders and their material issues by providing a balanced and transparent account across all agendas of value and materiality.

² The Dialog Axiata Group Annual Report can be accessed on-line at <http://www.dialog.lk/about/investors/financials/annual-reports/>

Changes from Previous Sustainability Reports

The 2010 Report combines the findings of our gap analysis against the core subjects of the ISO 26000 guideline standard and the GRI Sector supplement for the Telecommunications Industry as new features in addition to customary adherence to the GRI G3 Guidelines and the AA 1000 Assurance Standard 2008. Where assumptions are used about data presented or any restatements of information (from the previous Sustainability Reports issued by the Company) are made, they are clarified in the relevant section of this Report.

Report Application Level

Dialog Axiata PLC's Sustainability Report (hereafter referred to as the Dialog Sustainability Report) is in accordance with the Global Reporting Initiatives G3 Guidelines. This report has been independently verified for GRI G3 Application Level A and assured by Det Norske Veritas AS. The assurance engagement is for type 2 and moderate level as set out in the AA 1000 Assurance Standard 2008. This report should be read along with Dialog Axiata PLC's 2010 Annual Report for a complete representation of GRI core indicator information. This report also serves as Dialog's UN Global Compact Communication on Progress (COP) for the 12 month period ending 31st December 2010.

In 2009, Det Norske Veritas AS enumerated their feedback based on their audit findings in their assurance statement on areas that could be improved by Dialog in relation to our TBL management process. The organisation welcomed these suggestions and responded in an affirmative manner and improved its stakeholder engagement process as well as how it responded and measured its engagement. We hope that you enjoy reading this account of Dialog's TBL record for the past 12 months, juxtaposed against key performance metrics drawn from 2009 and 2008 to determine Dialog's commitment and contribution towards shared value creation, responsibly and sustainably.

Report Application Level		C	C+	B	B+	A	A+
Standard Disclosures	G3 Profile Disclosures OUTPUT	Report on: 1.1 2.1 - 2.10 3.1 - 3.8, 3.10 - 3.12 4.1 - 4.4, 4.14 - 4.15	Report Externally Assured	Report on all criteria listed for Level C plus: 1.2 3.9, 3.13 4.5 - 4.13, 4.16 - 4.17		Same as requirement for Level B	
	G3 Management Approach Disclosures OUTPUT	Not Required		Management Approach Disclosures for each Indicator Category	Management Approach Disclosures for each Indicator Category		
	G3 Performance Indicators & Sector Supplement Performance Indicators OUTPUT	Report on a minimum of 10 Performance Indicators, including at least one from each of: Economic, Social and Environmental.		Report on minimum of 20 Performance Indicators, at least one from each of Economic, Environmental, Human Rights, Labour, Society, Product Responsibility.	Report on each core G3 and Sector Supplement* Indicator with due regard to the Materiality Principle by either: a) reporting on the Indicator or b) explaining the reason for its mission.		
		Report Externally Assured		Report Externally Assured		Report Externally Assured	

* Sector supplement in final version.

Diagram 01: GRI application level indicator model

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Our CR ethos will focus primarily on inclusive business practices that deliver leapfrog routes to development that is sustainable

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Corporate Accountability

Dialog topped the country's corporate accountability ratings in 2010, reserving the top spot for the second year running. Sri Lanka's Corporate Accountability ratings were published recently in the country's premier business publication, LMD, and are compiled by Sting Consultants – a specialist sustainability rating and consulting service. The Corporate Accountability ratings evaluate and recognise Sri Lanka's listed companies along multiple sustainable development dimensions, including – but not limited to – measurement and disclosure, identifying impacts, risks and opportunities, stakeholder engagement, management governance, corporate values and policy coverage. Dialog scored 81.15 points over the average of 46, encompassing some of Sri Lanka's largest corporates. The Company excelled in the areas of identifying impacts, risks and opportunities, which measured the level of awareness an entity has of the main impacts of social, economic and environmental sustainability as a result of its operations.



Sustainability...
is an imperative
facet of our business

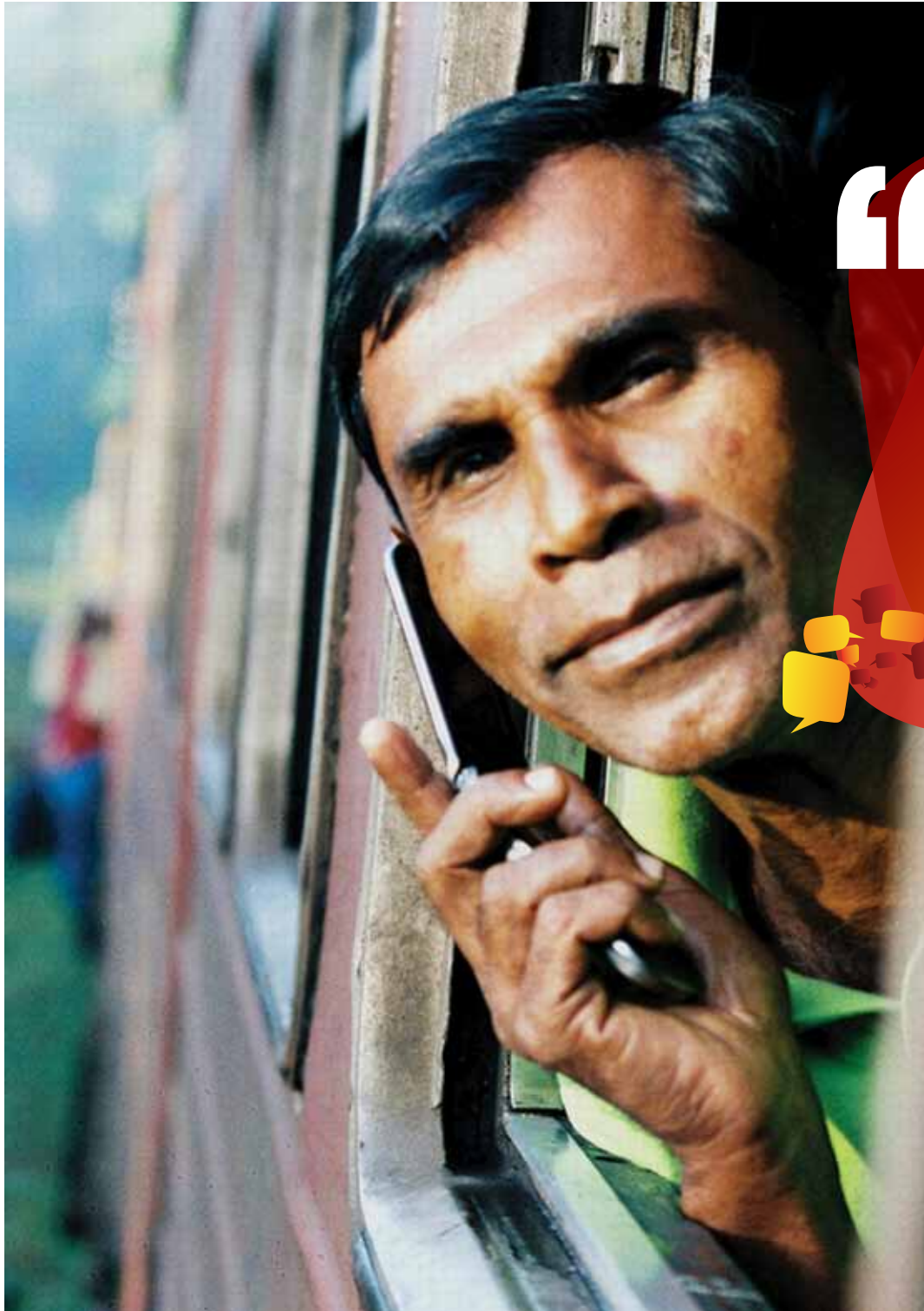
Our Commitment to Transparency

This publication marks a beachhead in Sri Lanka's Sustainability Reporting uptake by virtue of becoming the Country's first GRI Checked A+ Report that is also independently benchmarked against the nascent ISO 26000 guideline standard for CR which provides comfort regarding the underlying processes and systems within the organisation to seize sustainability related opportunities and respond to risks arising as a course of our core business operations.

For more information please visit:


 www.dialog.lk/home/responsibility

Further information to that provided within the scope of this Report on Dialog Axiata's CR thrust. Additional information from external websites on assurance standards are used in this Report.



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Shared value creation is an
outcome of pursuing a triple
bottom line scorecard

Our Report Boundary

The 2010 Dialog Axiata Sustainability Report and Annual Report cover the performance of Dialog Axiata PLC (hereinafter referred to as the 'Company') and the Dialog Axiata Group (hereinafter referred to as the 'Group') derived from a consolidation of Company performance with those of its subsidiaries Dialog Broadband Networks (Private) Ltd. (DBN), and Dialog Television (Private) Ltd. (DTV), for the 12-month period ending 31st December 2010. The Report Boundary also includes our significant suppliers and captures the work we have done to engage with them on issues of materiality and accountability.

(Photo credit: Roshan Wedagamage)

Stakeholder Engagement

Dialog continued to engage proactively with all of its legitimate stakeholders in 2010 and made every effort to understand our stakeholders' views in order to consistently improve our operations and deliver sustainable shared value in the communities we operate. The Group deployed purpose designed stakeholder engagement programmes throughout the year in addition to enabling a myriad of channels, both formal and informal, to encourage dialogue and understanding between the Group and its stakeholders.

The Group based its purpose designed engagement programmes on the areas of our business impact that were deemed material during the past engagement process as alluded to in our previous Sustainability Report. The findings from the 2010 engagement process therefore provided the organisation with an independent and lucid measure of our progress in terms of addressing material issues and also surfaced new risks and opportunities for the Group. The Enhanced Engagement model alluded to in our previous report was further reinforced by an independent research study called 'A study on Dialog's Sustainability Performance' that delved in to key sustainability pressure points to identify and group the broad issues raised by stakeholders, which were later prioritised using Dialog's materiality matrix formula.

The stakeholder segments studied for the purpose of reporting included: Customers, Employees, Shareholders, Regulators and Government, Business Partners, Communities, NGOs, Media and Pressure Groups as well as Opinion Leaders (comprising Professionals and Academics) to lend their voice on behalf of the wider community. The independent research agency provided an opportunity for an unbiased representation of information, from both internal and external stakeholders, thereby ensuring that the information is impartial and fair. This played a part in avoiding any bias that could have arisen had Dialog Axiata representation been present during the interactions.

The study was conducted in accordance with the AA 1000 AS (2008) assurance standard and AA 1000 Stakeholder Engagement Standard (AA 1000 SES) in order to be compliant with the globally accepted Global Reporting Initiative (GRI) framework, which provides the basis for this Sustainability Report. The findings of the research were shared with key decision makers of the senior leadership team and the CR Group Leadership Committee. The findings provided insightful stakeholder perspectives that contributed to determining the most material issues that the Group should focus strategically in terms of CR practice in 2010 and 2011, thereby ensuring legitimate stakeholder perceptions are included in Dialog's Sustainability agenda.

Market research requirements consisting of strategic understanding, idea development, mix evaluation, market activation and market monitoring provided the basis for identification and selection of stakeholders consulted for market research purposes. In 2010, Dialog also carried out a special internal stakeholder engagement with employees on the backdrop of the 2010 voluntary resignation scheme, as part of a Group wide employee satisfaction survey. This survey was also conducted by an independent external agency and had no internal bias in the entire process. Internally the Group's intranet was revamped with useful polling tools and blogs to engage employees on pertinent issues and to foster Group wide discussion and engagement.

In addition to the aforementioned stakeholder engagement carried out, the Group also engages with stakeholders across our value chain such as investors, dealers and distributors in our supply chain, other corporate entities, customers and public organisations in a formal manner. The table below indicates the type of engagement carried out during the 2010 period and underscores the breadth and depth of our engagement programmes.

Information on surveys conducted by Dialog Axiata to gain precise insight into customer perceptions of our service levels is covered under PR5, in the Product stewardship section of this Report. Further details pertaining to engagement with investors can be found in the Corporate Governance section of the Annual Report.

In 2010, we also saw the emergence of a new and powerful media to engage stakeholders in virtual space via social media networks. The mobility and accessibility of social networks allows stakeholders to provide real time feedback and express their views thereby making this form of engagement intimate and personalised. Dialog maintains a corporate profile on popular social networks and has a dedicated moderator to communicate and respond to a large group of stakeholders. Social media is set to revolutionise the way people interact and we hope to leverage on this phenomena to ensure we proactively work with stakeholders through this channel. The enabling and pervasive nature of the mobile phone ensures that stakeholders now have a powerful media to communicate with our organisation, leading to greater transparency and trust.

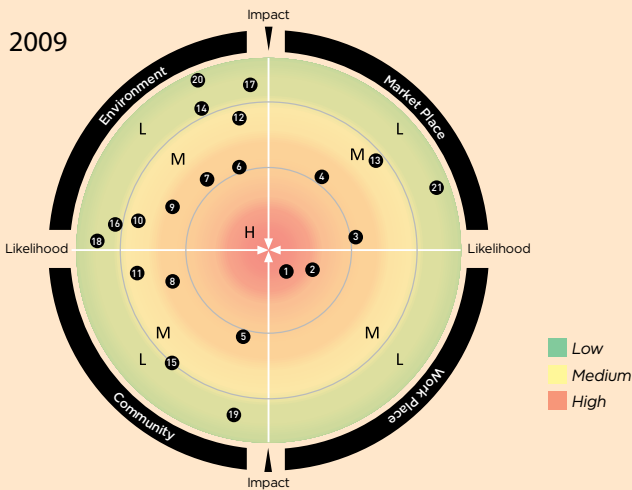
Formal Stakeholder Engagement in 2010		
Type of Stakeholders	Sub-categories	Engagement/Research conducted in 2010
Customers	Retail Customers, Corporate Customers	Brand Health Track – ATP (Advance Tracking Programme)
		Customer Satisfaction Survey (DBN and Mobile)
		Study on Dialog’s Sustainable Performance
Shareholders and Investors	Axiata	AGM, Investor forum (quarterly), One on one engagement (call) with Shareholders
	Other Shareholders	
Workforce	Employees (2500+)	Independent Study on Dialog’s Sustainable Performance
		Independent Employee Survey conducted by Axiata Group through Towers Watson.
Other stakeholders	Government and Regulatory	Independent Study on Dialog’s Sustainable Performance
	Distributors and Retail Network	Trade Needs, Trends & Satisfaction Tracking Study
	Other Telecom Operators	
Media	Media	Media Feedback via Daily Media Tracker
Communities	–	Independent Study on Dialog’s Sustainable Performance

Table 01: Dialog’s rigorous stakeholder engagement programme in 2010

Materiality and Responsiveness

The issues covered in the report are the most material issues to Dialog Axiata in the context of sustainability and delivery of shared value.

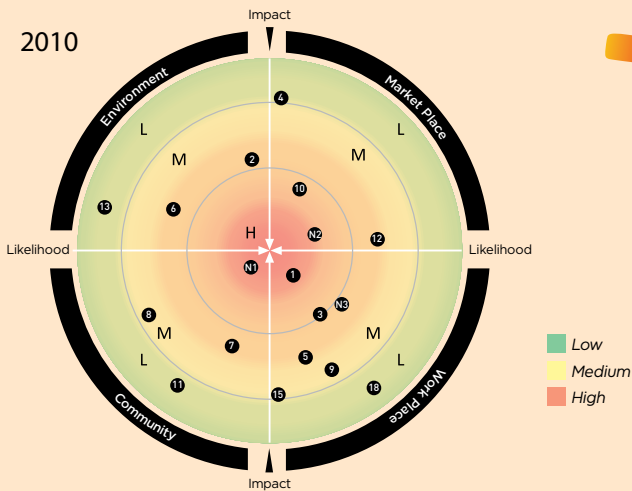
Fundamentals such as short-term risks to the Group, impact on strategic objectives, impact on stakeholders, proximity to best practices and effect on social norms were used to determine materiality, in accordance with the AA 1000 Stakeholder Engagement Standard (AA 1000 SES). The issues that surfaced during the various stakeholder engagement



Shown above is the Materiality Diagram from the SR of 2009: The material issues highlighted are shown in the diagram and each number depicts the issue. The relevant GRI indicator clusters which addresses these issues are listed below:

1.	EC3, LA2, LA6, LA7, LA8, LA10, LA14	(Pg 31, 32, 30)
2.	PR3, PR6, PR5	(Pg 22, 21)
3.	LA1, LA2, LA13, LA14, SO4, HR4	(Pg 29, 31, 30, 34)
4.	SO1, EN11, EN12, IO7, IO8	(Pg 27, 26)
5.	EN1, EN26, PR5	(Pg 21, 24)
6.	PR3, PR6, PR5	(Pg 22, 21)
7.	EN3, EN4, EN5, EN7	(Pg 24, 25)
8.	PR5	(Pg 21)
9.	EN1	(Pg 21)
10.	EC8, EC9, SO5	(Pg 37, 27, 28)
11.	IO4, IO5, IO6	(Pg 22)
12.	EN22, EN26	(Pg 25, 24)

sessions were distilled based on the above mentioned parameters and are reflected fairly in this Report based on likelihood and impact across four dimensions. In order to ensure that an impartial and sound representation of the Group's triple bottom line performance is reflected in this report the materiality determination is applied to also influence the extent to which an issue is discussed. Diagram 01 illustrates the selection of material issues and methodology of giving prominence to associated standard disclosures in this Report.



Shown above is the Materiality Diagram of 2010. This depicts the issues mentioned in 2009 and their fluctuation in Materiality. Three new issues have surfaced while 6 previous indicators are no longer material. The page numbers in which the indicators are elaborated are given below:

13.	EN11, EN12	(Pg 26)
14.	EC1, EC4, EC6, EC7	(Pg 36, 35, 29/AR)
15.	EC8, SO5, PR6	(Pg 37, 27, 28)
16.	EN28, PR9, SO8, SO7, PR7	(Pg 35, 36, 21)
17.	SO1, EN11, EN12	(Pg 27, 26)
18.	EN26	(Pg 24)
19.	EN16, EN17	(Pg 25)
20.	PR6	(Pg 21)
21.	EN1	(Pg 21)
N1	EC1, EC3, IO1, PA5	(Pg 35/AR)
N2	EC8, EC9, PA1, PA5	(Pg 37, 27)
N3	SO2, SO4, HR4	(Pg 34)

Diagram 02: Materiality rating



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