

# Corporate Governance Report



## Corporate Governance Report

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# Strong leadership

Fifteen Board members with experience in manufacturing, finance, engineering, business and law.



**Aliko Dangote GCON**  
Chairman

**Date of appointment:**  
4th November 2002

Aliko Dangote is the Chairman of Dangote Cement Plc. He is the founder of Dangote Industries Limited; over which he presides as President and Chairman of the Board. He graduated from the Al-Azhar University, Cairo, Egypt, where he studied Business Studies. He also obtained Honorary Doctorate degrees from Coventry University in the United Kingdom and the University of Ibadan in Nigeria in 2016. He started business in 1978 by trading in commodities, before entering into full scale manufacturing. He is well known for his philanthropic involvement in local and international initiatives to improve healthcare and social wellbeing.

**Key** **A** Audit, Compliance and Risk Management Committee **F** Finance and Investment Committee **T** Technical and Sustainability Committee  
**R** Remuneration, Governance and Nomination Committee **N** No Committee **Chairman**



**Michel Puchercos**  
**Group Managing Director**

**Date of appointment:**  
 1st February 2020

Michel Puchercos was appointed to the Board of Dangote Cement in 2020, as the Group Managing Director. He has more than twenty (20) years' experience in the cement industry, having served in various capacities at Lafarge including as the President & Chief Executive Officer of Lafarge Halla Cement from January 2009 to March 2016, Director of Strategy and Systems at Lafarge Gypsum from September 1998 till March 2003 and also as Chief Executive Officer of Bamburi Cement, Kenya, Hima Cement, Uganda and Chairman, Mbeya Cement, Tanzania from June 2005 till December 2008. He served as the Group Managing Director and Country CEO of Lafarge Africa Plc, a company listed on Premium Board of the Nigerian Stock Exchange, from April 2016 till December 2019. He is a graduate of the Ecole Polytechnique (1976) and the Ecole Nationale du Génie Rural, des Eaux et des Forêts (1981).



**Arvind Pathak**  
**Deputy Group Managing Director**

**Date of appointment:**  
 29th October 2019

Arvind Pathak, immediately prior to his appointment to the Board, was the Chief Operating Officer of Dangote Cement Plc, with more than 36 years' experience in the cement industry. Prior to joining Dangote Cement Plc, he worked at Reliance Cement as CEO from 2008 to 2015. He was previously the Regional CEO of Associated Cement Company Limited. He obtained a degree in Electrical Engineering in 1980 and a postgraduate degree in Industrial Engineering and Management in 1982. He has also been trained in a number of international management colleges and was a Fulbright scholar. He resigned effective 25th February 2021.



**N**  
**Sani Dangote**  
**Non-Executive Director**

**Date of appointment:**  
 22nd July 2005

Sani Dangote is a businessman with more than 30 years' experience in key sectors of the Nigerian economy including manufacturing, agriculture and oil services. He is the Vice President of Dangote Industries Ltd and sits on the board of several other companies. He is also the Deputy Chairman of African Gum Arabic Producers Association, a Fellow of the Nigeria Institute of Shipping and President of the Fertiliser Producers and Suppliers Association. In 2012, he completed the Owner/President Management Programme at the Harvard Business School in the United States of America.



**F T**  
**Olakunle Alake**  
**Non-Executive Director**

**Date of appointment:**  
 22nd July 2005

Olakunle Alake was appointed to the Board of Dangote Cement Plc on 22nd July 2005. He is also the Group Managing Director of Dangote Industries Limited. He was appointed to the Board of Dangote Industries Limited as Executive Director in 2001. He holds a bachelor's degree in Civil Engineering from Obafemi Awolowo University, Ile-Ife and is a Fellow of the Institute of Chartered Accountants of Nigeria. He joined Dangote Industries Limited in 1990, after six years at Pricewaterhouse Coopers. He has held several management positions in Dangote Industries Limited, including Financial Controller and Head of Strategic Services.



**F T**  
**Devakumar V.G. Edwin**  
**Non-Executive Director**

**Date of appointment:**  
 22nd July 2005

Devakumar Edwin was previously the Chief Executive Officer of Dangote Cement Plc, until he resigned as Group CEO on 31st January 2015. Following 14 years spent in industrial management in India, he joined Dangote Industries Limited in 1992 and has since held several managerial positions within the Group. He is a Chartered Engineer, holding graduate and master's degrees in Engineering from the Madras University, India, and holds a postgraduate diploma in Management from IITM, Holland, all obtained in 1978, 1980 and 1986 respectively.



**T**  
**Alhaji Abdu Dantata**  
**Non-Executive Director**

**Date of appointment:**  
 22nd July 2005

Abdu Dantata is the Non-Executive Director both in Dangote Cement Plc and Dangote Industries Ltd. He is also the Chairman of Agad Nigeria Limited, a trading and transportation company operating throughout Nigeria. He is a fellow of the Nigerian Institute of Shipping. He obtained an Executive Programme Certificate in Sales and Marketing from the Kellogg Senior Management School at Northwestern University, Chicago.

## Board of Directors continued



**A R**

### **Ernest Ebi MFR** Independent Non-Executive Director

**Date of appointment:**  
30th January 2014

Ernest Ebi has more than 40 years of banking experience from various leadership positions in Nigeria. He also serves as Chairman of the Board of Directors of Fidelity Bank Plc.

In a very distinguished career within the financial services industry, he went on to serve in leadership positions across a number of banks. In June 1999, he was appointed as a Deputy Governor at the Central Bank of Nigeria where he covered the policy and corporate services portfolios over a ten-year period. He maintained oversight functions over Nigeria's External Reserves, International Economic Relations, Trade & Exchange and Research Department among other responsibilities. He was a key member of the banking sector reform team, especially during the major consolidation process in 2006.

In recognition for his sound professional background and track record of meritorious service, The Federal Government of Nigerian in 2007 awarded him the National Honour of Member of the Order of the Federal Republic (MFR). He sits on the Boards of several blue-chip Companies.



**A T**

### **Dorothy Udeme Ufot – SAN** Independent Non-Executive Director

**Date of appointment:**  
19th April 2016

Dorothy Udeme Ufot has more than 26 years' experience in commercial litigation, having been admitted to the Nigerian Bar in 1989 and then admitted to the Inner Bar as a Senior Advocate of Nigeria (SAN) in April 2009. She also qualified as a Chartered Arbitrator at the Chartered Institute of Arbitrators, London, in 2003. She obtained Bachelor's Degrees in Political Science in 1983 and Law in 1988 from the University of Calabar, Nigeria and the University of Lagos respectively. She also obtained a Master's Degree in Law in 1996 and an Advanced Diploma in Commercial Law Practice from the University of Lagos in 1998. She is an internationally recognised expert in commercial dispute arbitration, and was appointed as a member of the International Chamber of Commerce (ICC)'s International Court of Arbitration, Paris, in 2006. She became one of eight Global Vice-Presidents of the ICC Commission on Arbitration, in 2014.



**A R**

### **Emmanuel Ikazoboh** Independent Non-Executive Director

**Date of appointment:**  
30th January 2014

Emmanuel Ikazoboh has more than 25 years' experience in senior management roles in Nigeria, Côte d'Ivoire, Cameroon and South Africa. He was previously the Chairman of Ecobank, the Pan-African banking group. Previously, he was the Managing Partner for Francophone offices in Côte d'Ivoire and Cameroon and later became the Managing Partner/CEO of Deloitte West and Central Africa, until 2009. He was appointed by the Securities and Exchange Commission (SEC) as an Interim Administrator, to carry out capital market reforms of the Nigerian Stock Exchange (NSE) and the Central Securities Clearing System Plc. (CSCS). He serves on several corporate boards as Chairman or Non-Executive Director. He obtained an MBA in Financial Management and Marketing from Manchester University Business School in 1979. He is a Certified Accountant in the United Kingdom and a fellow of the Institute of Chartered Accountants of Nigeria.



**F**

### **Viswanathan Shankar** Non-Executive Director

**Date of appointment:**  
10th December 2017

Viswanathan Shankar is co-founder and Chief Executive Officer of Gateway Partners, a private equity firm focused on investing in the dynamic growth markets of Africa, Middle East and Asia. He previously served as CEO – Europe, Middle East, Africa and Americas, and member of the global board of Standard Chartered Plc and prior to that, he served as Head of Investment Banking for Asia Pacific at Bank of America. His past appointments in non-executive roles include the boards of the Inland Revenue Authority Singapore; Enterprise Singapore; Majid Al Futtaim Holdings and Vice Chair of the Future of Banking Global Agenda Council of the World Economic Forum. Mr. Shankar is also currently a non-executive director of Gateway Real Estate Africa, Mauritius and Fund for Export Development in Africa, Egypt. He was awarded the Public Service Medal by the government of Singapore in 2014. Mr. Shankar obtained a bachelor's degree in physics from Loyola College, Madras in 1977 and a Masters' degree in Business Administration in 1979 from the Indian Institute of Management, Bangalore.



**F T**

### **Douraid Zaghouani** Non-Executive Director

**Date of appointment:**  
29th April 2015

Douraid Zaghouani was appointed to the Board of Dangote Cement Plc on 29th April 2015 as a Non-Executive Director. Douraid is Chief Operating Officer of Investment Corporation of Dubai (ICD), the principal investment arm of the Government of Dubai. In this role, he is responsible for the efficient operational management of the organisation with the aim of optimising business performance. He joined ICD in 2014 after a distinguished and international career at Xerox in Europe and North America for over 25 years where his most recent position was Corporate Officer and Global President, Channel Partners Operations based in New York, USA. Douraid serves as Chairman of the Board of Dubai Global Connect. He is on the Board of Directors of IHL, International Hotel Investment and of IPMED, Institut de Prospective Economique du Monde Meditteraneen. Douraid is a Civil Engineering from Ecole Nationale des Travaux Publics de l'Etat (France) and is also a graduate in Business Administration - Strategy and Management from ESSEC (Ecole Supérieure des Sciences Economiques et Commerciales) business school in Paris.



**F R T**

### **Sir Michael Davis** Independent Non-Executive Director

**Date of appointment:**  
20th April 2018

Sir Michael Davis is Chairman of Macsteel, a global trading and shipping company. From 2001 to 2013 he was Chief Executive of Xstrata, one of the world's largest global diversified mining and metal companies. Prior to joining Xstrata he was Executive Director and Chief Financial Officer of Billiton Plc. He has extensive capital markets and corporate transaction experience. During his career, he has raised more than \$40 billion from global capital markets and successfully completed more than \$120 billion of corporate transactions including the listing of Billiton on the London Stock Exchange, the merger of BHP and Billiton into the largest diversified mining company in the world and the successful merger of Xstrata and Glencore. Sir Davis obtained a Bachelor of Commerce (Honours) degree from Rhodes University in 1979 and an Honorary Doctorate from Bar Ilan University in 2012.



**A R**

**Cherie Blair CBE, QC**  
Independent Non-Executive Director

**Date of appointment:**  
20th April 2018

Cherie Blair is a leading international lawyer, arbitrator and mediator, a former judge and a committed campaigner for women's rights. She is the Founder of the Cherie Blair Foundation for Women, and the Founder and Chair of Omnia Strategy LLP, an international law firm. She is Chancellor of the Asian University for Women, Chancellor Emeritus of the Liverpool John Moores University and has served in this capacity since 2011. She is also the President of the Loomba Foundation, Honorary Vice President of Barnardo's and Patron of Scope, as well as a number of other charities. She was appointed as an Independent Director on the Board of Groupe Renault from 2015 to 2019. She was awarded a CBE in 2013 for services to women's issues and to charity in the UK and overseas. She graduated with first class honours in 1975 from the London School of Economics. She was called to the Bar of England and Wales in 1976; and was appointed Queen's Counsel in 1995.



**R**

**Berlina Moroole**  
Non-Executive Director

**Date of appointment:**  
24th July 2020

Berlina is the Chief Risk Officer for Rand Mutual Assurance. Prior to joining Rand Mutual Assurance, she held several senior management roles at different companies, including Chief Internal Audit, Risk and Sustainability Officer of Motus Holding Limited, Group Chief Risk Officer, Group Executive for Group Internal Audit Services, Acting Group Executive for Human Capital at Liberty Holding Limited and a trustee member for Liberty Community Trust. She served as a Partner at Deloitte up till 2009. She is an Independent Non-Executive Board Member and member of the Audit and Risk Committee for Emira Property Fund Limited, was previously an Independent Non-Executive Board Member, Chairperson for both the Audit Committee and Social Ethics Committee and a member of the Risk Committee at Assupol Holding and Life; Advisory Audit Committee member for the United Nations Population Fund (UNFPA) and the Board member for the Legal Audit South Africa. Berlina obtained a Bachelor of Commerce Degree from University of North West in South Africa (previously known as University of Bophuthatswana) in 1994, Honours Bachelor of Accounting Science from University of South Africa in 2000 and Berlina qualified as a Chartered Accountant (SA) in 2007. She is a member of the South African Institute of Chartered Accountants (SAICA) and the Institute of Directors in South Africa (IoDSA).

**Key**

- A** Audit, Compliance and Risk Management Committee
- T** Technical and Sustainability Committee
- T** Finance and Investment Committee
- R** Remuneration, Governance and Nomination Committee
- N** No Committee
- Chairman**



# Executive Committee



## **Michel Puchercos** Group Managing Director/Chief Executive Officer

Michel Puchercos was appointed to the Board of Dangote Cement in 2020, as the Group Managing Director. He has over 20 years' experience in the cement industry, having served in various capacities including President and Chief Executive Officer of Lafarge Halla Cement; Director of Strategy and Systems at Lafarge Gypsum; Chief Executive Officer of Bamburi Cement and Hima Cement; and Chairman of Mbeya Cement in Tanzania. His last appointment was as the Group Managing Director and Country CEO of Lafarge Africa Plc.



## **Arvind Pathak** Deputy Group Managing Director

Arvind Pathak, until his latest appointment, was the COO of Dangote Cement Plc from 2018 to 2019, with more than 36 years' experience in the cement industry. Prior to joining Dangote Cement Plc, he worked at Reliance Cement as CEO from 2008 to 2015. He was previously the Regional CEO of Associated Cement Company Limited. He obtained a degree in Electrical Engineering in 1980 and a postgraduate degree in Industrial Engineering and Management in 1982. He has also been trained in a number of international management colleges and was a Fulbright scholar.

He resigned effective 25th February 2021.



## **Guillaume Moya** Group Chief Financial Officer

Guillaume joined Dangote Cement in February 2019 as Group CFO (Operations) and was appointed Group CFO in March 2021. He is in charge of Finance and IT and has more than 20 years' experience in multi-national industrial and services companies notably operating in emerging and frontier markets. His career cuts across Finance, Risk Management, Internal Control, Audit, IT and Procurement working in senior positions in Manufacturing, Engineering, Oil and Gas, Nuclear Energy, Mining and Consulting sectors notably with the Areva Group, the Ola Energy Group and KPMG. Guillaume is a Chartered Accountant and holds an MBA degree from Columbia Business School.



## **Mahmud Kazaure** Company Secretary and Chief Legal Officer

Mahmud joined Dangote Industries Ltd in 2011 and was subsequently appointed as Company Secretary of DCP in 2013. He has broad legal experience including commercial law, international business and civil litigation as well as contractual and legislative drafting. He is licensed to practice law in Nigeria, in Maryland and New York in the United States of America. He obtained a Bachelor of Laws degree from Ahmadu Bello University, Zaria, in 1986 and was called to the Nigerian Bar in 1987. He also obtained a Master of Comparative Jurisprudence degree from Howard University School of Law, Washington DC, in 1994.



## **Dr. Adenike Fajemirokun** Group Chief Risk Officer

Dr. Adenike Fajemirokun is the Group Chief Risk Officer, leading the Risk Management functions for the Group and overseeing the Company's governance model and Enterprise Risk Programme. She is a renowned Risk Management & Insurance specialist with over 21 years' diverse experience in developing and implementing Risk Management strategies in Financial, Engineering, Manufacturing and other Industries. She served in top management roles at Deutsche Bank AG, UK and Director of the Management Group for leverage finance at the Corporate and investment Bank. Dr. Fajemirokun holds a B.Eng. in Civil, Structural and Fire Engineering and a Ph.D in Risk Informed Engineering, both from the University of Manchester. A Fellow of the Engineering and Physical Sciences Research Council (EPSRC), and Specialist member (SIRM) of the Global Institute of Risk Management.



## **Edward Imoedemhe** Deputy Company Secretary

Edward Imoedemhe is the Deputy Company Secretary/ Legal Adviser of DCP. He joined Dangote Group of companies (DCP) in May 2013. He has since brought his experience to bear in various roles in the Group legal department, including in regulatory and compliance, corporate and company secretarial services, litigation and dispute resolutions and contracts management. He has over 22 years' post-call experience with a Master's Degree in Maritime and Commercial Law. He served as Head Legal & Secretariat in a telecoms firm from 2006 to 2013 and Company Secretary/Legal Adviser in an Oil & Gas/Shipping firm among others, before joining DCP.



### Eunice Sampson Head, Sustainability

Eunice Sampson is Head, Sustainability, Dangote Cement Plc. Before joining Dangote in 2018, she was Head Corporate Sustainability at Zenith Bank Plc, where she put in over 15 years supporting the brand to build a culture of proactive environmental and social risk management while driving GRI Sustainability Reporting. She supported the mainstreaming of Sustainability in Nigerian banking through active role in the Nigerian Sustainable Banking Principles (NSBP) of the CBN. In 2018 and 2019, she was recognised by the SERAs Awards for outstanding contributions to CSR and Sustainability in Nigeria. She holds a Master's Degree in International Relations and is currently a PhD scholar/researcher in Sustainable Development and Diplomacy.



### Jonathan Ogiku MBA, FCA Group Chief Internal Auditor

Jonathan Ogiku is the Group Chief Internal Auditor for Dangote Cement. He holds a Master's Degree (Executive MBA) from Lagos Business School, Pan Atlantic University and is a Fellow of the Institute of Chartered Accountants of Nigeria. Mr. Ogiku started his career with the British American Tobacco (BAT) Company Plc, as a management trainee in 1989 and held various senior roles as Operations Finance Manager, Treasurer and Head of Audit. He is a regular paper presenter at the ICAN MCPE & CPE programmes and a member of the Board of Directors of the Institute of Internal Auditors, Nigeria. Jonathan joined Dangote Cement from BAT eight years ago as General Manager, Internal Audit responsible for Nigerian Operations. He was promoted to Senior General Manager, Group Head Internal Audit and Group Chief Internal Auditor over the years.



### Juan-Carlos Rincon Head of Transport

Juan-Carlos joined Dangote Cement in 2012 and has 24 years' experience in the cement industry, having worked in multi-national cement groups such as Diamante, Cemex, Asamer, and the Austrian engineering consultancy firm Austroplan. He brings to the Group a high degree of managerial knowledge and international experience gained from working in the global cement industry at sites in different countries. He has held senior management positions in different parts of the world, including time as Chief Executive Officer of the Libyan Cement Company, as President of Dalmatia Cement in Croatia, and as Regional Human Resources Director for Cemex in South East Asia.



### Kashinath Bhairappa Director of Projects

Kashinath joined Dangote Cement in February 2001 as a General Manager and was subsequently elevated to Deputy Director of Projects, responsible for looking after Dangote Cement's projects.

He previously worked with different cement manufacturers in India, including BK Birla Group (Cement), Ambuja Cements and Grasim Industries Limited at different levels in project management and execution. He obtained a BA in Mechanical Engineering from Karnataka University, Karnataka State, in 1973.



### Knut Ulvmoen Supply Chain Director

Knut joined Dangote Industries Limited in 1996 as Finance Director. He previously had extensive finance experience in companies including Norcem, Bulkem and Scancem.

As Group Managing Director of Dangote Cement, from 2002 to 2007, he was instrumental in Dangote Cement's transition from importing cement to becoming Nigeria's leading manufacturer. As part of this expansion, he was a key figure in the acquisition of Benue Cement Company and in the development of plans to build the Obajana Cement factory in Kogi State.

In addition to his work in cement, he was also involved in the development of Dangote Industries Limited's flour and sugar operations.



### Massimo Bettanin Health & Safety, Social and Environment Director

Massimo joined Dangote Industries Limited in May 2016 as Group Chief HSSE. He has more than 25 years of experience in a wide range of sustainability, environmental and health & safety management, compliance and performance-related activities and projects. Before joining Dangote, Massimo worked as Senior Partner, in Europe and Africa, at Environmental Resource Management, a leading consulting firm on sustainability. He holds a degree in Economic Science and a postgraduate diploma in Environmental Engineering and Management.





## **Musa Rabiul** **Group Chief Human Resource Officer**

Musa joined Dangote Cement in March 2017 as Group Chief Human Resources Officer. He is a strategic management professional with over 30 years' experience acquired while working for a number of leading companies in the country including the Nigerian National Petroleum Corporation (NNPC). He also worked for Shell Petroleum Development Company, between 1990 and 2008, in various capacities.

He holds a BSc in Economics and an MSc in Economics, with specialisation in Econometrics, both from Ahmadu Bello University, Zaria. He also gained the degree of Doctor of Business Administration at Leeds Beckett University, in the United Kingdom.



## **Oliver Obu** **Group Financial Controller**

Oliver joined Dangote Industries as a management trainee in 2012, specialising in finance. After substantial in-house training he was assigned to Dangote Cement in 2015, as Head of Internal Reporting and Planning and subsequently confirmed as Group Financial Controller in Jan 2021. He is a key member of the Company's Finance team, shaping its internal reporting and planning framework, managing financial controls, and corporate finance engagements. Oliver holds a bachelor's degree in Economics & Statistics from the University of Benin, and an MBA from the Lagos Business School in Nigeria. He is also a member of the Association of Chartered Certified Accountants (ACCA, UK).



## **Dr. Ravi Sood** **Director of Operations, Nigeria**

Ravi was appointed Director of Operations, Nigeria in June 2018. He has over 34 years of success in managing cement manufacturing units in different countries. He was Plant Director Tabuk Cement Co., Saudi Arabia, Technical Director, with Holcim in Eastern Europe and Relation Director with Lafarge, Austria. Previously, he was the Director of Research & Development at Dangote Cement. He holds a PhD in Materials Science from the Indian Institute of Technology, Delhi.



## **Rajesh Kumar Kothari** **Director of Operations, Pan-Africa**

Rajesh joined Dangote Cements as the Director Operations (Pan Africa) in October 2019. He is a competent technical professional with 39 years of wide and varied experience in cement manufacturing process right from "quarry" to "lorry" specially, green and brownfield projects as well as plant maintenance. Rajesh has played a significant role in technical, production and maintenance while working in companies like Shree Digvijay Cement Co. Ltd for 20 years, Saurashtra Chemicals Limited for two years and Ambuja Cements Limited – a flag ship company of Lafarge Holcim for 18 years. He is a qualified Mechanical Engineer B.E. (Mechanical) from Sardar Patel University, W Nagar, Gujarat, India in 1978.



## **Sada Ladan-Baki** **Head, International Trade/Export**

Alhaji Sada Ladan-Baki is a graduate of Economics from Ahmadu Bello University, Zaria, Nigeria. He holds a Masters Degree in Business Administration.

He has about 30 years of experience in public service and fund administration. In 1991, Alhaji Ladan-Baki was appointed the General Manager of NASCON and in 1994 he rose to the position of Managing Director.

He joined the Dangote Group as Executive Director in charge of Logistics and Distribution in 1998. He then took over the responsibility for the Foods Division with the factories producing sugar, flour, semolina, spaghetti, and salt. In 2002, he became the Executive Director, Sales, and Marketing, Salt and Pasta.

He sits on the board of several companies and belongs to many professional associations including the Institute of Logistics and Distribution (Chartered Fellow), Institute of Directors (Chartered Fellow) and the Nigerian Institute of Marketing (Chartered Member).



## **Temilade Aduroja** **Head, Investor Relations**

Temilade Aduroja was appointed Head, Investor relations in February 2020. She is an experienced equity research professional with expertise in Africa Infrastructure and Oil & Gas sectors. She was rated 3rd and 2nd in 2018 and 2019 Finance Mail Sub-Saharan Africa Analyst of the year. She is a finance professional with over 10 years of experience with a demonstrated history of working in the investment banking industry. Temilade is skilled in Capital Markets, Portfolio Management, Corporate Finance and Investments. She has worked at Standard Chartered Bank, Price Waterhouse Coopers, Renaissance Capital, and is joining DCP from Standard Bank Group where she was the Senior Africa Infrastructure and Oil & Gas Equity Analyst.





# A culture of strong governance



**“Our governance policies and practices are designed to ensure that our business is conducted in a fair, honest and transparent manner.”**

## Dear shareholders

Distinguished shareholders, Dangote Cement Plc's vision is to be a global leader in cement production, respected for the quality of our goods and services and for the way we conduct our business. At the same time, we are committed to achieving sustainable growth that delivers financial returns and other positive impacts for all our stakeholders. We recognise that there is a strong link between good corporate governance and creation of long-term stakeholders' value and believe it is an essential foundation upon which to build a sustainable future for our Company.

Dangote Cement is the largest public company in Nigeria, with a market capitalisation that is typically around 20% of the total capitalisation of the Nigerian Stock Exchange ("the NSE"). We are listed on the NSE's Premium Board, which we joined as a Founding Member in 2015 and which even now includes just nine companies. It is therefore my pleasure to introduce this Corporate Governance Report for 2020, which sets out the principles by which Dangote Cement is governed. It describes the activities of the Board and its Committees during the year, and shows how these activities are themselves determined by international best practices or by regulations such as the Securities and Exchange Commission's Code of Corporate Governance for Public Companies in Nigeria and the Nigerian Code of Corporate Governance ("the CG Codes").

## Corporate Governance Framework

Our Board of Directors has established a Corporate Governance Framework for the effective governance of the Company. The Framework addresses matters such as the Board's mission, its structure and Committees, the responsibilities of Directors, their independence and remuneration, the role and appraisal of the Group Managing Director and our strategy for Board and Executive succession. The Board regularly reviews developments in corporate governance and updates the Corporate Governance Framework as it deems necessary.

Our governance policies and practices are designed to ensure that our business is conducted in a fair, honest and transparent manner that conforms to the highest ethical standards, enables us to build strong relationships with customers and suppliers, guarantees the welfare of all our employees, takes care of our environment and gives us the opportunity and resources to implement a commendable programme of social investment for the good and continued sustainability of the communities in which we operate.

## The Board of Directors

At the heart of our corporate governance framework is our Board of Directors, which is responsible for the efficient execution of corporate strategy based upon sound principles of corporate governance and for ensuring the overall success of the business. The Board serves as the ultimate decision-making body of the Company, except for those matters reserved to or shared with the shareholders. As Chairman of the Board, it is my responsibility to ensure its effective operation both directly and through its Committees. The roles and responsibilities of the Board and these Committees are clearly documented in the Board and Committee Charters.

The Board is accountable for the Company's activities, strategy, risk management and financial performance as well as the Company's system of corporate governance. Board members act as representatives of the stakeholders and are responsible for establishing policies for corporate management and for safeguarding stakeholder interests. The Board sets the strategic objectives for the Company, determines investment policies, agrees performance criteria and delegates to management the detailed planning and implementation of those objectives and policies with due consideration for the Company's appetite for risk. The Board also monitors compliance with policies against objectives by holding management accountable for its activities through performance reporting and forecast updates.

In addition, the Board receives regular presentations enabling it to explore specific issues and developments in greater detail. The Board also obtains periodic assurance on the integrity of the Company's financial and internal control policies, while seeking to institute better structures for them. The Board Charter sets out guidelines on Board composition, meeting procedures and management of the Board's affairs. Some matters are dealt with exclusively by the Board including approval of financial statements, the Company's business strategy, the annual capital expenditure plan, major capital projects, major changes to the Company's management and control structure, material investments or disposals, risk management strategy, as well as social, environmental and treasury policies.

## Board composition

As at 31st December 2020, the Board was composed of 15 people with skills in manufacturing, finance, engineering, business and law. Between them, they bring a wealth of experience to bear on providing strategic direction for the Company and ensuring its business goals are achieved. As the Chairman of the Board, I am accountable to the Board and act as a direct liaison between the Board and Management of the Company through the Group Managing Director. I provide leadership and am responsible for overall operation and governance of the Board. I manage the business of the Board and set its agenda in consultation with the Group Managing Director and the Company Secretary, with contributions from other Board members. I facilitate and encourage active engagement of Directors, particularly on matters of risk and strategy or other major proposals, by drawing on their skills, knowledge and experience.

The positions of the Chairman and Group Managing Director are separate and held by different individuals in line with the SEC Code and the NCCG Code ("the Corporate Governance Codes"). Michel Puchercos is the Group Managing Director and is responsible for the execution of strategy and the day to day management of the Group, supported by the Executive Committee (ExCo). The Board comprises of myself, the Group Managing Director, five independent Non-Executive Directors and seven Non-Executive Directors. The Non-Executive Directors provide good governance for the Company as they monitor the success of management in delivering the agreed strategy within the risk appetite and control framework set by the Board. The Non-Executive Directors bring a wide range of international experience and expertise to the Board. They occupy or have occupied senior positions in industry, finance or public life and contribute significantly to the Board's decision-making.

We consider that the current Board size is appropriate for the needs of the business in line with Corporate Governance Codes. We believe that the overall composition of the Board is appropriate, except for the ongoing need to improve gender diversity, which is being addressed. This conclusion has been reached having regard to the independence of character and the integrity of our Directors and the collective experience, balance of skills and knowledge they bring to bear in fulfilling their duties.

## Independent Directors

The Board has assessed the independence of the Independent Non-Executive Directors against the criteria set out in the Corporate Governance Codes and has concluded that they are all independent in character and judgement. The Board reviews the independent status of the Independent Non-Executive Directors on an annual basis, in line with the requirements set out in the Corporate Governance Codes. The Independent Non-Executive Directors have consistently provided unbiased and independent views to the Board and ensured that minority shareholders' interests are protected. They have continually contributed to the overall quality and effectiveness of the Board by providing objective inputs to strategic issues and decision-making, while ensuring compliance with applicable statutory rules and regulations.

## The Company Secretary

The Board is supported by Mahmud Kazaure, the General Counsel and Company Secretary, and his Deputy, Edward Imoedemhe. They provide support and guidance to the Directors with respect to their duties, responsibilities and powers. They also ensure compliance with procedures and regulations necessary for the conduct of the affairs of the Board. The Company Secretary and the Deputy Company Secretary act as Secretaries to all the Committees and attend all their meetings.



## Board Committees

The Board governs the Company through the operation of Board Committees, accompanied by effective monitoring and reporting systems. Each Board Committee has specific terms of reference issued by the Board. The terms of reference of the Committees are available on our website. All Committee Chairmen report on the proceedings of their Committee meetings at the Board meetings. The reports of the Board Committee meetings are included in the papers distributed to Board members in advance of the next Board meeting. As at 18th March 2021, the Board has four Committees – the Audit, Compliance and Risk Management Committee, the Finance and Investment Committee, the Technical and Sustainability Committee, and the Remuneration, Governance and Nomination Committee. Detailed reports from these Committees can be found on pages 136 to 148.

## Delegation to management

The Board delegates responsibility for implementing the Company's strategy and for managing the Group to the Group Managing Director, who is supported by the Executive Committee, which he chairs. The profiles of the Executive Committee can be found on pages 118 to 120.

## Board appointments and re-election of Directors

The Board aims to achieve a balance of experience, knowledge and skills amongst its Directors. The Board, through the Remuneration, Governance and Nomination Committee, follows a formal, rigorous and transparent procedure to appoint new Directors. This Committee leads the process in accordance with the Board's appointment policy, utilising defined Board membership criteria while taking into cognisance the existing skills, knowledge and experience of Directors on the Board as well as those of the nominee, including other attributes necessary for the prospective role. When considering the appointment of a new Director, the Board also takes cognisance of current directorships on other Boards so as to avoid potential conflict of interest and ensure that Directors will be able to dedicate the appropriate time and attention to the Company.

The Appointment Policy of the Board is in line with Corporate Governance Codes. Upon appointment, a new Director is issued a letter of appointment that sets out the expected time commitment, tenure, role, responsibilities and powers of the Director. The Company has a defined Tenure Policy in line with the Corporate Governance Codes, which regulates the terms of Directors. A summary of the Tenure Policy is presented below:

- Executive Director: An initial term of five years which may be renewable, subject to satisfactory performance;
- Non-Executive Director: An initial term of three years with additional terms of three years each, subject to satisfactory performance; and
- Independent Non-Executive Director: An initial term of three years with additional terms of three years each, subject to satisfactory performance.

Non-Executive Directors who are 70 or more years of age are disclosed to shareholders at Annual General Meetings in line with the Companies and Allied Matters Act, 2020 (CAMA). All Directors are required to retire by rotation and stand for reappointment at least every three years in compliance with the provisions of CAMA and the Corporate Governance Codes. At the last Annual General Meeting held on 15th June 2020, Viswanathan Shankar, Sir Michael Davis, Cherie Blair, Douraid Zaghouni and Sani Dangote retired by rotation and their re-election was ratified by shareholders. At the 2021 Annual General Meeting, Emmanuel Ikazoboh, Ernest Ebi MFR, Dorothy Ufot SAN, Devakumar V. G. Edwin and Olakunle Alake will retire by rotation and be presented for re-election.

The Board recognises the need to reinforce its effectiveness by injecting new energy, fresh ideas and perspectives. In this regard, we welcomed Berlina Moroole to the Board, who brings extensive experience of audit and risk management. We hope her appointment will be ratified by shareholders at the forthcoming Annual General Meeting. Arvind Pathak, who was the Chief Operating Officer immediately prior to his appointment to the Board, resigned from the Board. We wish him the very best in the future.

## Director induction and development

As Chairman, I am responsible for ensuring that induction and training programmes are provided for Directors based on training needs and gaps identified in consultation with the Director. They are also expected to take responsibility for identifying their individual needs and to take steps to ensure that they are adequately informed about the Group and their responsibilities as Directors. The Board has established an Induction and Training Policy for Directors and they receive periodic trainings and inductions. During the year, the Board also arranged briefings and a Board retreat to assist the Directors in effectively discharging their duties to the Company. In addition, a robust Board development programme was held in December to coincide with the final Board meeting of the year. The Board is confident that all its members have the knowledge, ability and experience to perform the functions required of a director of a listed company.

## Board and Committee meetings

Board and Committee meetings are held in an atmosphere of intellectual honesty of purpose, integrity and mutual respect, requiring reporting of high standards by management and direct, robust and constructive challenge and debate among the Company's Directors. Meeting dates for Board and Committee meetings are agreed in advance for proper scheduling. Notices of meetings and other Board papers are sent to Directors ahead of the meetings. Working with the Company Secretary, I implement an Annual Agenda Plan to assist the Board and its Committees in discharging their roles and responsibilities in line with their charters. This Annual Agenda Plan is a guide to specify the minimum agenda items to be considered by the Board and its Committees at various meetings during the year. Board meetings were well attended with attendance of Directors exceeding two-thirds as required by the Corporate Governance Codes. Details of Directors' attendances at Board and Committee meetings are shown on pages 250–251.

## Key matters considered in 2020

The Board met five times during 2020 and details of key matters discussed at these Board meetings are indicated below:

### Key activities of the Board

Key matters considered	Board activities
<b>Appointment of new Directors</b>	<ul style="list-style-type: none"> <li>The Board, in consideration of its internal processes, policies and best practice, appointed a new Managing Director as well as a Non-Executive Director. The appointments will enhance Board effectiveness as well as progress the Board towards its gender diversity objectives.</li> </ul>
<b>Share buyback scheme</b>	<ul style="list-style-type: none"> <li>The Board considered and approved the share buyback scheme, allowing the Company to purchase its own shares.</li> </ul>
<b>Issuance of Naira Bond</b>	<ul style="list-style-type: none"> <li>The Board considered and approved the issue of ₦100 billion Series 1 Fixed Rate Senior Unsecured Notes under the ₦300 billion Naira Bond programme, which will be used for capital expenditure, working capital and general development.</li> </ul>
<b>Review and approval of budget</b>	<ul style="list-style-type: none"> <li>The Board reviewed and approved the Budget for the succeeding financial year.</li> </ul>
<b>Investor relations</b>	<ul style="list-style-type: none"> <li>The Board considered and approved the investor relations calendar for the succeeding financial year.</li> </ul>
<b>Board and subsidiary Board meetings</b>	<ul style="list-style-type: none"> <li>The Board reviewed and approved Board and Committee Meeting dates for the succeeding financial year.</li> </ul>
<b>Approval of financial statements</b>	<ul style="list-style-type: none"> <li>The Board reviewed and approved the audited financial statements and submitted the same to the shareholders to approve at the Annual General Meeting.</li> </ul>
<b>Approval of dividends</b>	<ul style="list-style-type: none"> <li>The Board proposed a dividend of ₦16 per 50 kobo share for the 2019 financial year, which was approved by shareholders at the Annual General Meeting.</li> </ul>
<b>Control environment</b>	<ul style="list-style-type: none"> <li>The Board received reports on the control environment, and approved recommendations of the Committee towards strengthening the efficacy of the control environment.</li> </ul>
<b>Quality/operational efficiency</b>	<ul style="list-style-type: none"> <li>The Board reviewed and approved several initiatives to enhance quality and improve operational efficiency in the Company.</li> </ul>
<b>Health, Safety, Security and Environment (HSSE)</b>	<ul style="list-style-type: none"> <li>The Board reviewed and approved systemic and strategic approaches to improve health, safety, social and environmental matters within the Company and its subsidiaries.</li> </ul>
<b>Transport</b>	<ul style="list-style-type: none"> <li>The Board reviewed and approved strategic approaches to improve transport operations in the Company.</li> </ul>
<b>Quarterly accounts</b>	<ul style="list-style-type: none"> <li>The Board reviewed and approved unaudited quarterly accounts of the Company.</li> </ul>
<b>Annual General Meeting</b>	<ul style="list-style-type: none"> <li>The Board resolved on the date, venue and other modalities for the Annual General Meeting of the Company.</li> </ul>
<b>Appointment of External Auditors</b>	<ul style="list-style-type: none"> <li>The Board considered and recommended to the shareholders, the appointment of new External Auditors.</li> </ul>



# Chairman's Introduction continued

## Board Policies

<b>Annual Agenda Cycle</b>	This represents the minimum agenda to be considered by the Board and Board Committees at any point in time during the year considering the current information needs of the Board. Additional matters requiring the Board's attention may be added during the year.
<b>Anti-Bribery and Corruption Policy</b>	<p>This sets out the Company's anti-corruption policy and is part of the overall Anti-Fraud Compliance Programme. It aims to align with all relevant codes, laws, policies, etc. designed to prevent and respond to issues of corruption and bribery. The policy demonstrates the Group's zero tolerance for all forms of fraud including but not limited to bribery, corruption, asset misappropriation and financial fraud. The Company has established a robust Anti-Fraud Programme that sets out the following:</p> <ul style="list-style-type: none"> <li>• anti-fraud awareness and communication strategies;</li> <li>• fraud and corruption prevention mechanisms;</li> <li>• fraud and corruption detection mechanisms;</li> <li>• fraud response mechanisms; and</li> <li>• enforcement initiatives and sanction grid.</li> </ul> <p>In addition, the Company has established an Anti-Fraud Management Committee to implement the Anti-Corruption Programme and to report fraud and misconduct-related issues to the Group CEO and the Board Audit, Compliance and Risk Management Committee.</p>
<b>Board Appointment Policy</b>	This policy sets out the standards for the appointment of the Directors and aims to achieve a balance of experience, knowledge, diversity and skills amongst its Directors.
<b>Board Development Policy</b>	This policy seeks to institutionalise training and continuous development of the Directors of Dangote Cement.
<b>Board Evaluation Policy</b>	This policy provides a systematic and ongoing method of assisting Board members in the assessment of the Board's scope of operation, responsibilities and effectiveness.
<b>Board remuneration policy</b>	This policy reflects the Group's desire to sustain long-term value creation for shareholders and aims to attract and retain people with integrity, ability, skill and experience to deliver the Group's strategy.
<b>Board Reporting Framework</b>	This provides guidance on information to be provided by senior management to the Board and Board Committees, to aid the discharging of their roles and responsibilities in line with their respective charters and leading practices, throughout the course of the year.
<b>Board Tenure Policy</b>	This outlines the criteria for ensuring the periodic rotation and appointment of Board members in order to retain valuable skills, maintain continuity of knowledge and experience and introduce people with new ideas and expertise.
<b>Communication Governance Policy</b>	This establishes guidelines for communication of general and price-sensitive information about the Company to the investors, the media, the other stakeholders and the general public in line with any regulatory requirements that may apply to such communication.
<b>Complaints Management Policy</b>	This policy has been designed in line with the requirements of the SEC's Rules Relating to the Complaints Management Framework of the Nigerian Capital Market. It defines a transparent procedure for receiving, responding to, monitoring and resolving complaints and enquiries from shareholders of Dangote Cement Plc in a timely and efficient manner. The policy enables shareholders to direct any complaints or enquiries to the Registrar (Coronation Registrars Limited, 9, Amodu Ojikutu Street, Victoria Island, Lagos, Nigeria; info@Coronationregistrars.com) or to the Company Secretary (Dangote Cement Plc, Union Marble House, 1 Alfred Rewane Road, Ikoyi, Lagos (customercare@dangote.com) depending on the nature of the complaint. It is our policy to acknowledge complaints within 24 hours of receipt and communicate the final resolution to the complainant within 10 business days of receiving the complaint.
<b>Conflict of Interest/Related Party Transaction Policy</b>	This provides a framework to identify, disclose and manage actual and perceived conflicts of interest.
<b>Dangote Safety Golden Rule</b>	This describes mandatory safety rules and regulations applicable to all staff, contractors and visitors.

## Board Policies continued

<b>Directors' Code of Conduct Policy</b>	The Board has adopted a Code of Conduct Policy for Directors. This sets out the standards that each Director is expected to adhere to while conducting his/her fiduciary duties. This Code is intended to focus the Board and each Director on areas of ethical risk, provide guidance to Directors to help them recognise and deal with ethical issues, provide mechanisms to report unethical conduct and help foster a culture of honesty and accountability on the Board. Directors are expected to adhere to this Code while conducting their fiduciary duties.
<b>Executive Management Remuneration Framework</b>	This policy seeks to create a strong link between performance and reward by providing a variable/at risk element of Executive remuneration that focuses on performance over a period of one year. It is designed to encourage and stimulate enhanced performance among Senior Executives so as to increase the short and long-term profitability of DCP.
<b>Group Executive Committee Charter</b>	This Charter governs the operations of the Group Executive Committee (ExCo) of DCP.
<b>Group HSSE Standards: Incident Reporting and Investigation, Performance Reporting and Risk Management</b>	These Standards describe the requirements for reporting, and investigation of health, safety, security and environment (HSSE) incidents. They ensure that DCP monitors and reports on the performance of its HSSE KPIs in order to support the decision-making process of DCP. They also ensure that occupational HSSE-related risks and opportunities are managed in an effective manner, and that the Group adopts a rigorous risk analysis process to make informed and productive decisions.
<b>Insider Trading Policy</b>	<p>DCP is guided by a strong commitment to maintain the integrity of the capital market. The Board has established an Insider Trading Policy designed to prohibit the purchase and sale of Dangote Cement Plc shares or securities on the basis of potentially price-sensitive information that is not yet in the public domain. This is in line with the Investment and Securities Act (ISA) 2007 and the SEC Rules and Regulations.</p> <p>The Insider Trading Policy provides Directors, employees and insiders of DCP with guidelines regarding trading in shares or securities of the Company. The Company issues a "Closed Trading Period" notification to all relevant staff, Directors and entities at least two weeks prior to the anticipated date of a Board meeting where price sensitive information is to be discussed. During that period, Insiders of the Company are required to refrain from all trading activities. This closed period elapses 24 hours after the information is made public in line with the Nigerian Stock Exchange (NSE) rules. Having enquired, we can confirm that all Directors complied with the Insider Trading Policy during all closed periods throughout 2020.</p>
<b>Subsidiary Governance Framework</b>	This articulates the structures and processes that will assist the Board of Directors in the governance and control of subsidiary companies, with the goal of enhancing its shareholder value and achieving the Company's vision, strategic objectives and business goals.
<b>Succession Planning Policy</b>	This policy describes the process of identifying, assessing and developing successors for critical positions in the Company. The focus of this policy is to ensure that highly qualified people are available to fill vacancies at Executive Management level within the Company, as and when needed. It seeks to avoid hasty decision-making or the creation of vacuums when vacancies arise in key management positions.
<b>Whistleblowing Policy</b>	<p>At DCP we continually strive to create a work environment where employees, contract workers, vendors, service providers, customers and other stakeholders have the opportunity to make confidential disclosures on misconduct, irregularities or malpractice, without fear of victimisation and with the assurance that their concerns will be taken seriously, and appropriate action will be taken. In line with the Corporate Governance Codes and international best practice, the Board has established a Whistleblowing Policy to enable stakeholders raise concerns about possible improprieties in financial and other matters without fear of reprisal, provided that such concerns are raised in good faith. Employees and other stakeholders are encouraged to report incidents of misconduct in a confidential manner through the internal reporting channels (i.e. Line Manager, Head of Department and Group CEO) and/or the outsourced Ethics Line.</p> <p>The Board subscribes to an Ethics Line to strengthen confidence in our Whistleblowing Policy. The Board has delegated oversight over whistleblowing to the Audit, Compliance and Risk Management Committee. All matters reported are investigated and reported to the Committee including the actions taken.</p>



## Conflicts of interest and related-party transactions

The Board maintains robust procedures to ensure that related-party transactions and potential conflicts of interest are identified and managed. These procedures include the declaration of interests in other businesses by Directors on appointment to the Board and annual self-certification by all of our Directors. Where it is identified that a related-party relationship exists, the Board agrees specific additional procedures to ensure the effective management of potential conflicts of interest. These procedures have been documented in our Conflict of Interest Policy, which is in line with the Corporate Governance Codes. The Board also receives a quarterly Related-Party Transaction Report showing transactions that have been authorised during the period under review and those proposed for review by the Board. A summary of the related-party transactions during the year is disclosed on pages 239 to 240.

## Review of Governance Framework and policy formulation

The Board ensures continuous review of the Company's Governance Framework, to ensure that the:

1. Governance practices accurately reflect changes to the business and its structure;
2. Risk and assurance processes are an integral part of the Governance Framework; and
3. Governance Framework sets out the Company's values and reflects best governance practices.

Further to these reviews, the Board approves the formulation of policies that are in line with good governance and has taken cognisance of the regulatory and business environment. The Company's approved policies are indicated below:

## Code of Ethics

The Board has formalised a Directors' Code of Ethics, setting out the standards of conduct expected from Directors. To this end, the Directors attest to a Code of Conduct on a yearly basis. To inculcate good ethical conduct, the Company has also established a Code of Conduct for employees, which has been disseminated to all levels of employees through the staff handbook.

## Succession planning

The Board views succession planning as important for business continuity. It is acknowledged that with succession planning, the key job vacancies created due to retirement and resignation would be filled quickly and without any business interruption. To ensure its success, the Board has, in line with the Succession Planning Policy, adopted a Succession Plan to ensure that there are programmes in place to provide for the orderly succession of senior management.

## Board and Directors' evaluation

In line with the provisions of the Corporate Governance Codes and in accordance with the Board Evaluation Policy of the Company, we conduct evaluations of the Board and individual Directors, as well as the Company Secretarial function to help improve their performance. The process is designed to:

1. Enhance individual and Board performance;
2. Highlight the balance of skills, knowledge and experience on the Board;
3. Assist Directors and the Company Secretary to identify and sustain their strengths;
4. Assist in identifying training and developmental needs for Directors and the Company Secretary;
5. Comply with the relevant statutory or regulatory requirement and determine eligibility of Directors to seek re-election;
6. Clarify expectations and duties of the Board and individual Directors; and
7. Demonstrate accountability to shareholders and other stakeholders.

The outcome of evaluations assists the Board in determining future information relevant to Board and Board Committees' composition, responsibilities and operations. The evaluation of the Executive Directors assesses their performance as Directors of the Board, rather than their functional executive responsibilities, against set criteria. Where a deficiency in a Director's performance is identified, an action plan will be developed and implemented for the Director to acquire the necessary skills or develop appropriate behavioural patterns. Upon completion, the results are collated and given to the Chairman, who in turn provides assessment feedback to each Director.

The evaluation provides justification for re-election of Directors. Consequently, the nomination of each Director for re-election occurs after the proper evaluation of the performance of that Director by all other Directors.

## Appointment of the Independent Auditor

In compliance with the provisions of the Securities and Exchange Commission (SEC) Code of Corporate Governance, the Company puts the external audit contract out to tender at least every 10 years. As Deloitte and Ahmed Zakari & Co. ("the Joint Auditors") reached the maximum tenure, a formal tender was carried out jointly by the Statutory Audit Committee and Board Audit, Risk Management and Compliance Committee.

The tender process commenced with requests for proposals, and subsequently, evaluation activities including interviews and site visits of each bidder. Proposals were evaluated on a "fee blind" basis against several criteria including audit quality, cultural and corporate fit, use of technology, gender balance, industry sector experience, size and geographical presence, as well as the extent and nature of existing non-audit services provided to the Company. Following the evaluation, three firms were shortlisted to make final presentations, after which the Joint Committee recommended KPMG's appointment to the Board, which in turn made the same recommendation to the shareholders. This appointment was approved by the shareholders at the Company's Annual General Meeting on 15th June 2020, with effect from the financial year ending 31st December 2020. On behalf of the Board, I commend the Joint Auditors for their significant contributions over the years.

## Shareholder engagement

As a Board of a Premium-listed company on the Nigerian Stock Exchange, our Board attaches considerable importance to open dialogue and constructive relationships with shareholders and other stakeholders. We have a dedicated Investor Relations team that reports to the Group Chief Financial Officer. The team is responsible for building and maintaining long-term relationships with institutional investors and equity research analysts, as well as with private investors. In addition, it provides feedback to the Board on market perceptions of the Company. Extensive communication with investors, brokers and equity research analysts is conducted, through quarterly results calls, one-to-one meetings, group meetings, site visits, investor roadshows and participation in investor conferences. As Chairman, I also had meetings with institutional investors to discuss matters of mutual interest.

## Annual General Meeting

The Annual General Meeting of the Company is the principal opportunity for the Board to meet shareholders and for me, as the Chairman, to give a progress report on the Company's activities during the year, and provide clarifications on issues raised by shareholders. We encourage shareholders to take advantage of this opportunity to engage with our Board and senior management. Shareholders have the right to ask questions at the Annual General Meeting, or by submitting them in writing to the Company Secretary no later than 24 hours before the start of the AGM.

The Notice of Annual General Meeting is sent to all our shareholders, together with explanatory notes or a circular on items of special business, at least 21 working days before the AGM is held. It is the Company's practice to propose separate resolutions on each substantially separate issue, including a resolution relating to the Report and Accounts. This is with the exception to matters where CAMA allows more than one item to be decided by a single resolution. The Chairmen of the various Committees and I are also available to answer shareholders' questions during formal proceedings of the Annual General Meeting.

I hope this 2020 Annual Report, which outlines the work of our Board and its Committees during the year, will be interesting and informative to you as co-owners of the Company.



**Aliko Dangote**

Chairman

18th March 2021

# Board Roles and Activities



**Aliko Dangote** GCON  
**Chairman**  
Attendance  
●●●●●●



**Michel Puchercos**  
**Group Managing Director**  
Attendance  
●●●●●●



**Arvind Pathak**  
**Deputy Group Managing Director**  
Attendance  
●●●●●●



**Sani Dangote**  
**Non-Executive Director**  
Attendance\*  
●●●●●●



**Olakunle Alake**  
**Non-Executive Director**  
Attendance  
●●●●●●



**Devakumar Edwin**  
**Non-Executive Director**  
Attendance  
●●●●●●



**Abdu Dantata**  
**Non-Executive Director**  
Attendance  
●●●●●●



**Ernest Ebi MFR**  
**Independent Non-Executive Director**  
Attendance  
●●●●●●



**Emmanuel Ikazoboh**  
**Independent Non-Executive Director**  
Attendance  
●●●●●●



**Douraid Zaghouani**  
**Non-Executive Director**  
Attendance  
●●●●●●



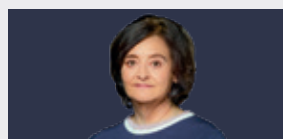
**Dorothy Udeme Ufot** SAN  
**Independent Non-Executive Director**  
Attendance  
●●●●●●



**Viswanathan Shankar**  
**Non-Executive Director**  
Attendance  
●●●●●●



**Sir Michael Davis**  
**Independent Non-Executive Director**  
Attendance  
●●●●●●



**Cherie Blair CBE, QC**  
**Independent Non-Executive Director**  
Attendance  
●●●●●●



**Berlina Moroole**  
**Non-Executive Director**  
Attendance  
○●●●●●

**Key**  
● Present ● Apology  
○ Not a member

**Board meetings**  
were held on the following dates:  
25/02/20, 21/05/20, 23/07/20,  
05/11/20, 12/12/20

## Board Committees



\* Absence due to ill-health.





**Mahmud Kazaure**  
Company Secretary and Chief Legal Officer



**Edward Imoedemhe**  
Deputy Company Secretary

## Report of the Directors

The Directors of Dangote Cement Plc present the Consolidated and Separate Financial Statements for the year ended 31st December 2020. The Directors have considered all the matters brought before them in the financial year under review and are satisfied that the Directors' Report represents a fair, balanced and realistic view of events.

## Legal form

Obajana Cement Plc., subsequently renamed Dangote Cement Plc by virtue of a special resolution dated 14th July 2010, was incorporated in Nigeria as a public limited company on 4th November 1992 and commenced operations in January 2007. Dangote Cement Plc listed its shares on the Nigerian Stock Exchange ("the Exchange") on 26th October 2010 and it has a market capitalisation of almost ₦4 trillion.

## Principal activities

The Company was incorporated for the purpose of establishing operational factories for the preparation, manufacture, sale and distribution of cement and related products. Our operational activities are undertaken at various plants in Nigeria and through our subsidiaries across Africa. Details of our production, grinding and import facilities in Africa can be found in note 18 of the Financial Statements.

## Subsequent events

Other than those disclosed in note 37 of the Financial Statements, there were no other events after the reporting date which could have had a material effect on the financial position of the Group as at 31st December 2020 which have not been adequately provided for in the Financial Statements.

## Directors' responsibilities

The Directors are responsible for the preparation of the financial statements, which they confirm gives a true and fair view of the state of affairs of the Company and of the profit or loss for that period. The financial statements comply with the provisions of the Companies and Allied Matters Act (CAMA), 2020. In so doing they ensure that they act in accordance with the Directors' responsibilities outlined below:

1. The Board is charged with ensuring that appropriate values, ethics and behaviours for the conduct of the Company are agreed and that appropriate procedures and policies are in place to ensure that these are implemented effectively. The Board ensures leadership through effective oversight and review. Supported by its Committees, the Board sets the Company's strategic direction and aims to deliver a sustainable increase in shareholder value over the longer term.
2. The Board ensures that proper accounting records are maintained, that accounting policies are used and consistently applied and that appropriate financial statements are prepared on the going concern basis, in conformity with applicable law and standards. Most of this responsibility is delegated to the Finance and Investment Committee.
3. The Board ensures that adequate internal control procedures are established to safeguard the assets of the Company and to present and detect fraud and other irregularities. It also oversees the implementation of appropriate risk assessment systems and processes to identify, manage and mitigate the principal risks of the Company's business. Much of this work is delegated to the Audit, Risk and Compliance Committee.

## Directors' responsibilities continued

4. The Board reviews the remuneration framework, performance criteria and succession planning at Board and Executive Management level. It also oversees the Group's human resources strategy including the organisational and compensation structures. Much of these responsibilities are delegated to the Remuneration, Governance and Nomination Committee.
5. The Board reviews the structure of the Board and develops governance policies in line with regulatory requirements and international best practice. Much of this responsibility is delegated to the Remuneration, Governance and Nomination Committee.
6. The Board ensures that the technical and operational aspects of the business are conducted efficiently and with regard to global best practices. It assesses the feasibility of proposed new projects and ensures that the operational, technical, production, sustainability and staffing aspects of our plants are adequate, comply with local and international laws and are aligned with our business goals. It is also responsible for overseeing new technical and development programmes within the business. Many of these responsibilities are delegated to the Technical and Sustainability Committee.
7. As part of the annual review of the effectiveness of its Committees, the Board has considered the qualifications, expertise and experience of the members and is satisfied that all the Committee members bring a wide range and depth of knowledge and skill, and that they will effectively discharge their duties. The Company Secretary is the Secretary to each Committee.

## Results for the year

- Group revenue increased by 16% to ₦1,034 billion (2019: ₦891.7 billion).
- Company revenue increased by 18% to ₦720 billion (2019: ₦610.2 billion)
- Group net profit increased by 38% to ₦276.1 billion (2019: ₦200.5 billion).
- Company net profit increased by 35% to ₦352.6 billion (2019: ₦261.3 billion).
- Group earnings per share increased by 37% to ₦16.14 (2019: ₦11.79).
- Company earnings per share increased by 35% to ₦20.69 (2019: ₦15.34).

## Dividends

The Directors pursue a dividend policy that reflects the Company's earnings and cash flow, while maintaining appropriate levels of dividend cover. They consider the capital needed to fund the Company's operations and expansion plans. For the 2020 financial year, the Directors are pleased to recommend a dividend of ₦16.00 per ordinary 50 kobo share (2019: ₦16.00).

If the dividend recommended by the Directors is approved by the shareholders at the Annual General Meeting, dividends will be paid to the shareholders whose names are registered in the Company's Register of Members at the close of business on the Qualification Date. The Board considers that the proposed dividend level is appropriate and is in line with the Company's strategic growth objectives.

## Unclaimed dividends

The total amount of unclaimed dividends outstanding as at 31st December 2020 is ₦4.0 billion (2019: ₦3.5 billion). A list of unclaimed dividends is available on the Company's website at [www.dangotecement.com](http://www.dangotecement.com). The Company notes that some dividend warrants have either remained unclaimed, are yet to be presented for payment by shareholders, or have been returned to the Company for revalidation. Therefore, all shareholders with "unclaimed share certificates" or "unclaimed dividends" should address their claim(s) to the registrars, Coronation Registrars Ltd, at [eforms@coronationregistrars.com](mailto:eforms@coronationregistrars.com) or 9, Amodu Ojikutu Street, Victoria Island, Lagos, Nigeria. Members are encouraged to notify the registrars or the Company Secretary of any changes in address or other relevant information.

## Directors

As at 18th March 2021, Dangote Cement Plc had 14 Directors; all of whom held office as at the year ended 31st December 2020. Engr. Joe Makoju retired on 31st January 2020, and Arvind Pathak resigned on 25th February 2021, while Michel Puchercos was appointed as the Group Managing Director on 1st February 2020 and Berlina Moroole was appointed as a Non-Executive Director on 24th July 2020. The appointment, removal or reappointment of Directors is governed by the Company's Articles of Association, the Companies and Allied Matters Act (CAMA), 2020 as well as relevant Board and governance policies. These documents also set out the rights and obligations of Directors.

## Directors' interests

In accordance with the Companies and Allied Matters Act (CAMA), 2020, the Directors' direct and indirect interests in the issued share capital of the Company are recorded in the Register of Members and stated below:

S/N	Shareholder	As at 31st December 2019 Units	As at 30th December 2020 Units	As at 18th March 2021 Units
1a	Aliko Dangote	27,642,637	27,642,637	27,642,637
1b	(Indirect: Aliko Dangote) Dangote Industries Ltd.	14,612,796,970	14,621,387,610	14,621,387,610
2	Sani Dangote	—	—	—
3	Olakunle Alake	6,931,702	8,000,000	8,000,000
4	Abdu Dantata	8,680	8,680	8,680
5	Devakumar Edwin	5,000,000	6,000,000	6,000,000
6	Ernest Ebi	100,000	100,000	100,000
7a	Emmanuel Ikazoboh	—	—	—
7b	(Indirect: Emmanuel Ikazoboh) ARM Nom: Osigbeme Enterprises Limited	98,149	98,149	98,149
8a	Douraid Zaghouani	—	—	—
8b	(Indirect: Douraid Zaghouani) Investment Corporation of Dubai	243,540,000	243,540,000	243,540,000
9a	Viswanathan Shankar	—	—	—
9b	(Indirect: Viswanathan Shankar) GW Grey, Pte Ltd	128,560,764	128,560,764	128,560,764
10	Dorothy Udeme Ufot	—	—	—
11	Sir Michael Davis	—	—	—
12	Cherie Blair	—	—	—
13	Arvind Pathak	—	—	—
14	Michel Puchercos	—	—	—
15	Berlina Moroole	—	—	—
16	Joseph Makoju	11,000	11,000	11,000

## Conflicts of interest

The Company also applies a Conflict of Interest Policy developed in accordance with international best practice, as well as the Corporate Governance Codes.

## Powers of Directors

Subject to the Articles of Association of Dangote Cement Plc, prevailing legislation and any directions given by special resolution, the business and affairs of the Company are managed by the Directors, who in utmost good faith exercise all such powers for and on behalf of the Company.

## Supplier payment policy

It is the practice of the Company to agree and clearly communicate the terms of payment as part of the agreements negotiated with suppliers and then to pay according to those terms based upon receipt of an accurate invoice. Trade creditor days for the year ended 31st December 2020 were 47 days on average for the Group (2019: 61 days) and 63 days for the Company (2019: 67 days).

## Property, plant and equipment

Information relating to changes in property, plant and equipment is disclosed in note 15 of the Financial Statements.

## Donations

Sponsorship and charitable donations amounted to ₦2.9 billion (2019: ₦1.1 billion) for the Group and ₦2.5 billion (2019: ₦0.8 billion) for the Company. Details of donations are found on pages 247 to 249.

## Sustainability

Dangote Cement Plc is committed to complying with, and exceeding where practicable, the provisions of all applicable legislation, regulations and codes of practice. We integrate sustainability considerations into all our business decisions; ensure that our staff, clients and suppliers are fully aware of our Sustainability Policy and are committed to implementing and improving it.



## Corporate governance and investor relations

During the 2020 financial year, the Company complied with the NSE Rules and has not been fined by the FRC, SEC nor NSE for any contraventions. Dangote Cement Plc has emerged as a multi-national manufacturing enterprise, promoting regional integration and providing growth and employment opportunities for African economies through the utilisation of Africa's natural resources by Africans and for Africans.

The Company pursues an active programme of investor relations with investor meetings and earnings calls throughout the year. Our website contains substantial information about the Company's performance and strategy.

## Employees

Dangote Cement Plc operates a policy of non-discrimination and considers all applications for employment equitably. Based on the Company's policy, an effort is made to ensure that the most qualified person is recruited for the position, irrespective of religion, ethnic group, physical condition or state of origin. Where existing employees become disabled, it is the policy, wherever practicable, to provide continuing employment under similar, or if required and possible adjusted, terms and conditions and to provide training as appropriate.

We review our employment policies in line with the strategic objectives of our business. Key employees are recruited to add value to the Company and ensure high performance based on clearly defined performance indices. Employees are provided with information about the Company through the Corporate Communications Department, which publishes information on our website and internally.

## Retirement benefits

The Company operates a group life policy as well as a contributory pension scheme for its employees in Nigeria, in line with the provisions of the Pension Reform Act 2014. The scheme is funded through employees' and employer's contributions in the ratio of 8% and 10% of the total emoluments of the employee, as prescribed by the Act.

## Health, safety at work and welfare of employees

Dangote Cement Plc recognises the importance of safeguarding the health and safety of its workforce, including its contractors, and manages the impact on the environment resulting from its activities, thereby building constructive and sustainable relationships with stakeholders based on trust and respect. The Company is therefore committed to:

1. Complying with all laws and regulations applicable in its operating environment;
2. Identifying, measuring and understanding the health, safety, environmental and social impact and risks of its operations, and implementing long-term and sustainable solutions towards mitigating impact; and
3. Continuously seeking innovative ways to improve its health, safety and environmental performance.

Safety and environment workshops are organised with a broad focus on good housekeeping to ensure a good and safe working environment. Fire prevention and firefighting equipment is installed in strategic locations in the offices and plants. The Company provides adequate personal protective equipment (PPE) and other critical safety equipment and has a system to monitor compliance. The Company also ensures that adequate safety clauses are included in the contracts to which it is a party. The Company has developed several Health, Safety, Security and Environment (HSSE) policies, established the 15 HSSE Golden Rules and implemented a suitable incentive scheme to reward good HSSE practice across the Group.

This is because we believe that protection and care of the environment is essential to the sustainability and growth of the Company in the long-term. The Company continues to place a premium on its human capital development. We value the welfare of our employees and contractors and this fact will ensure the improved efficiency of the business and help to maintain its strategic advantage over its competition. During 2020, employees attended numerous local and international training and development programmes to improve their HSSE knowledge and skills.

## Training and development

Dangote Cement Plc is committed to the support of development of all its staff. The key purpose is to facilitate personal and professional development enabling individuals and groups to achieve their full potential at work. The Company recognises that its success is linked to the contribution, commitment and achievements of individual members of staff, working individually and in teams or groups. Training programmes are offered at the Dangote Academy for staff across the Group, with facilitation from professionals and other training experts. In addition to skill acquisition, the training programmes enable staff to develop the interpersonal skills needed to succeed in the workplace. The courses are designed to help staff in the performance of their designated roles and to help them to fulfil their potential.

## Identification of staff development needs

An assessment of the skills of individuals, when they are appointed to a new role, will lead naturally to the identification of their need for training and development, related to duties that they are to perform. In addition, staff training and development needs may be identified in a variety of ways, e.g. by skills audit, by feedback and by staff performance appraisal. It is our policy that all staff have at least one annual performance review a year, with their head of department or line manager, at which time, training and development needs will be assessed and ways of meeting these will be identified, and an appropriate timescale agreed.

## Research and innovation

With rapid urbanisation and population growth in Africa, the Company realises that meeting housing and infrastructure needs will be a challenge. We are constantly looking for new product solutions that will respond to these construction challenges.

## Capital structure

The Company has one class of ordinary shares, which reflect the total value of the share capital. Each ordinary share carries the right to one vote at the Company's Annual General Meeting. The percentage shareholding and transfer of shares are governed by the Company's Articles of Association and relevant regulation. There are no restrictions with respect thereto. The Articles of Association may be amended by special resolution approved by the shareholders.

## Substantial interest in shares

All shares other than treasury shares and shares held by Dangote Industries Limited (85.8%) and Aliko Dangote (0.16%) are considered to be free float shares. Aliko Dangote is the ultimate owner of Dangote Industries Limited. All issued shares are fully paid and no additional shares were issued in 2020. As at 31st December 2020 and also at 18th March 2021, Dangote Industries Limited, as well as Stanbic IBTC Nominees Nigeria Ltd held more than 5% of the issued share capital of the Company, as detailed below. Aside from Dangote Industries Limited and Stanbic IBTC Nominees Nigeria Limited no other individual(s) or entity(s) hold(s) 5% and above of the Company's shares.

Date	Details	Dangote Industries Ltd.	Stanbic IBTC Nominees Ltd
As at 31st December 2019	Units	14,612,796,970	1,088,693,589
	%	85.75	6.39
As at 30th December 2020	Units	14,621,387,610	974,097,274
	%	85.8	5.72
As at 18th March 2021	Units	14,621,387,610	961,038,528
	%	85.8	5.64

## Share Buy-Back Programme

The execution of the Share Buy-Back Programme was approved by the Company's shareholders at the Extraordinary General Meeting which was held on 21st January, 2020. This Programme, which involves the Company's buy-back of up to 10% of its issued shares, will be effected in tranches. Following the conclusion of Tranche I, the total number of residual issued and fully paid outstanding shares of DCP amounts to 17,000,307,404. Execution of this Tranche I did not have any material impact on the Company's financial position. Further details are as follows:

Commencement Date:	30th December 2020
Completion Date:	31st December 2020
Mode:	Open Market on The Nigerian Stock Exchange
Total Number of Shares Repurchased:	40,200,000, representing 0.24% of the Company's issued and fully paid ordinary shares
Total Value of Shares Repurchased:	₦9,769,478,307.80
Average Price:	₦243.02

## Independent auditors

In compliance with the provisions of the Corporate Governance Codes, the Company puts the external audit contract out to tender at least every 10 years. In accordance with Section 401(2) of the Companies and Allied Matters Act (CAMA), 2020 KPMG Professional Services was appointed by the Directors during the year under review to replace Deloitte & Touche & Ahmed Zakari & Co. as external auditors. KPMG Professional Services, having satisfied the relevant corporate governance rules on their tenure in office, have indicated their willingness to continue in office as auditors to the Company. A resolution will be proposed to authorise the Directors to fix their remuneration.

By the Order of the Board of Directors.



### Edward Imoedemhe

Deputy Company Secretary

FRC/2021/002/00000022594

Registered Office

Union Marble House,

1, Alfred Rewane Road,

P. O. Box 40032,

Falomo, Ikoyi, Lagos.

Dated 18th March 2021

# Audit Compliance and Risk Management Report



**Ernest Ebi MFR**  
Independent Non-Executive Director

Members	Meetings attended (eligible to attend)
Ernest Ebi	● ● ● ●
Dorothy Udeme Ufot	● ● ● ●
Emmanuel Ikazoboh	● ● ● ●
Cherie Blair	● ● ● ●
● Present   ● Apology	

## Introduction

I am pleased to present to you the 2020 report of the Audit, Compliance and Risk Management Committee. The Board is ultimately accountable for the risk management process, system of internal control and monitoring compliance with applicable laws and regulations. These functions have been delegated to the Audit, Compliance and Risk Management Committee, in accordance with the Company's corporate governance framework and as more particularly set forth in the Committee Charter. The Board has satisfied itself that the members of the Committee have substantial qualifications and experience of accounting, risk and corporate financial management, legal, governance and compliance and internal control management. This surpasses the requirement of the Corporate Governance Codes, which requires that at least one member of the Committee should have financial experience.

## Composition and membership

As an Independent Non-Executive Director, I serve as the Chairman of the Committee. Some members of our Senior and Executive Management teams were invited to meetings to provide information on directives given by the Committee. These include the Group MD, Group DMD, Group CFO, Head of Internal Audit, Group Chief Risk Officer, Company Secretary, Deputy Company Secretary and Compliance Managers. The Committee met four times in 2020 and its composition and attendance are stated on page 251. Biographical details of each member of the Committee, including relevant qualifications and experience, are set out on pages 114 to 117 of this report.

## Roles and responsibilities

The roles and responsibilities of the Committee are set out in its Charter, which is reviewed periodically by the Committee, taking into account relevant legislation and recommended best practice. The Committee has oversight over the Audit, Compliance and Risk Management functions and receives separate reports from each of these functions. Each quarter, the Committee submits to the Board of Directors a report of activities of the Committee, which considers the activities for the review period, evaluation of the adequacy of its Charter and an assessment of the Committee's performance; the report is prepared in accordance with its Charter. The Committee's main responsibilities include:

- oversight of the activities of the Group Internal Audit function including the appointment and evaluation of the Group Head of Internal Audit, approval of the Internal Audit Plan and review of Internal Audit reports;
- reviewing the independence, scope and effectiveness of the Internal Audit function and ensuring cooperation between statutory auditors and the Group Internal Audit function;
- oversight of the execution of risk management framework and recommending to the Board for approval, the Company's risk appetite, risk framework and policies;
- reviewing, with the Company's Legal Counsel, any legal matter that could have significant impact on the Company's operations;
- overseeing the Company's compliance programme and adherence to the Code of Business Ethics; and
- establishing a whistleblowing mechanism and monitor implementation.



## Risk management

### Introduction

The Risk Management function of the Group supports the Board of Directors, the Executive Committee and management of all subsidiaries in the Group in identifying and analysing the Company's overall risk exposure. It does this through its bespoke Enterprise Risk Management Framework, which is governed by the Board and driven by a specialist team that takes a formalised approach to risk management across all our operations. Risks identified are managed systematically to ensure proper control of all risks to which the Company is exposed.

The Group defines risks as events that portend any consequence of uncertainty in the attainment of its business objectives, which may result in an opportunity or a threat. The risk appetite statements define the quantum of risk that the Group is willing to accept in pursuit of its strategic goals. For proper analysis, risk incidents are mainly grouped under business and strategic risk, operational risk, financial risk, market risk, liquidity risk, business continuity risk and reputational risk.

The outlook for effective risk management involves proper analysis of the Group's business activities to identify short, medium and long-term risks. Identified risks are then assessed, and controlled with close monitoring of the implementation of recommended controls by the Group's Risk Management department. Insurance solutions are instituted as a key method of risk treatment. The risk landscape of the Group is derived through risk assessments and deployment of other risk identification tools that cover all strategic, internal and external business activities of the Group. These risk management tools are utilised at all levels and within all subsidiaries of the Group.

### Risk review of 2020

At its meetings, the Committee reviewed risk management reports on all risk exposures. Based on this oversight on the Group's risk management implementation during the year, the Committee made recommendations to the Board on the nature and extent of the risks it was willing to take to achieve its strategic goals. Some key decisions reached by the Committee are outlined below:

- **Operational risk:** The Committee reviewed principal risks, mitigating actions, tolerance limits through the key risk indicator dashboard and approved remedial actions required.
- **Credit risk:** The Committee gave directives to develop policies for ensuring optimal mix in the ratio of secured exposures to clean credit exposures.
- **Transport risk:** The Committee approved the review of transport strategy, process, structure, and technology.
- **Audit and risk relationship:** The Committee reviewed the role of the Risk Management and Audit functions as they pertain to risk assessment and their input for preparing internal audit plans.

## Compliance

The Board monitors the Company's compliance with applicable laws and standards, through the Committee. In recent years, monitoring the compliance of business processes with relevant regulations, processes, and rules has evolved as a major concern, and the Compliance function monitors business processes to identify possible compliance violations and predict occurrence of future violations in a way that will prevent sanctions for the Group.

There are Compliance Managers, whose primary function is to oversee statutory and governance compliance in every facet of the Company's operations, both in Nigeria and other countries where we operate. The Committee includes "Compliance Update" as a standing agenda item during its meetings and receives periodic updates on the level of compliance with all applicable regulatory requirements and its impact on the compliance risk profile of the Company. The Committee also reviews reports received from the regulators and evaluates the nature and effectiveness of action plans implemented to address identified regulatory compliance issues.

The Compliance function is guided by the Compliance Charter, which amongst others seeks to establish and implement compliance management practices which contribute to sound and responsible business practices and integrity of the products and services delivered; and incorporate these principles in the day to day operations of the Group's businesses in all the operating countries.

## Compliance objectives/functions

- a. Embed and encourage compliance with laws, regulations, business principles, rules of conduct, and established good business practices in every aspect of the Company's affairs (e.g. governance, strategy, people, processes, policies, culture, communication);
- b. Establish and maintain effective compliance and control systems, including compliance risk assessment, mitigation, monitoring and reporting;
- c. Provide timely advice on relevant changes in the compliance environment;
- d. Promote integrity of the Group, its businesses and its employees;
- e. Reports on compliance matters that warrant the attention of the subsidiary Company Management Board. Such reports include any exceeded compliance risk tolerance levels and unacceptable business practices;
- f. Monitor progress of compliance risk mitigating actions and other compliance risk management issues until they are resolved;
- g. Submit an annual Compliance Appraisal Plan (CAP) to the Board Audit, Compliance and Risk Management Committee for approval; and periodically update the CAP as necessary;
- h. Work with the process owners to document an annual monitoring plan;
- i. Create a process including tools for tracking and managing actions;
- j. Create a process including tools for the recording, reporting and managing of compliance issues;
- k. Incorporate lessons learned into the components of the Compliance Programme and annual plan;
- l. Ensure resolution of, or escalation to the Subsidiary Management Board, Executive Management Team and the Committee on unaddressed or overdue issues;
- m. Institute internal arrangements to ensure that all statutory and governance duties are adequately discharged in a timely manner;
- n. Coordinate the provision of information to regulatory organisations, ensuring they are timely, appropriate and present an effective image of the Company;
- o. Ensuring compliance with all corporate governance requirements and rules of appropriate regulatory authorities, particularly the FRC, SEC, NSE and CAC; and
- p. Ensure development, review, dissemination and communication of all governance policies and processes required by the regulators.

## Compliance appraisal

The Compliance function is executed through periodic appraisals. During appraisal visits, one-on-one meetings are held with the management of the subsidiary companies or the operating plants, or depots with a view to understanding their operational challenges and proffering solutions.

## Policy formulation

Policy formulation, review and implementation is an integral part of the Compliance function. We have internal policies and charters that regulate facets of the Company's activities, ranging from production, sales, finance, human resources, communications, internal controls, corporate social responsibility functions etc. Details of the Board and Governance policies can be found on pages 126 to 127.

## Internal audit

The Internal Audit function is responsible for providing assurance to management, the Committee, and the Board on the adequacy and effectiveness of risk management, governance and internal control systems in the Company. The Board has documented the authority, scope, accountability and responsibility of the Internal Audit function in the Internal Audit Charter. The function operates independently of management and has full access to all functions, records, property and personnel in the Group. Dangote Cement Plc's Internal Audit function consists of the Group Internal Audit team, led by the Group Head Internal Audit, and regional and country audit functions that operate in each of the Company's principal areas of business throughout its operations in Africa.

The regional and country functions are centrally directed by the Group Internal Audit team. The country Internal Audit functions are jointly accountable to local senior management and regional heads of Internal Audit. They also have direct access and accountability to local audit committees and the Group Head of Internal Audit. The Internal Audit function's approach to its activities is centred on the Company's Enterprise Risk Management (ERM) Framework and a Risk-Based Audit Approach, both of which complement how we undertake risk management. This approach provides assurance that the processes that manage risks to a level considered acceptable by the Board, are working effectively and efficiently, whilst focusing on key processes and controls.

The Group Internal Audit function uses a standardised Group-wide internal audit methodology which is in compliance with the International Standards for the Professional Practice of Internal Auditing of the Institute of Internal Auditors. It operates a formal quality assurance and effectiveness programme. Following a risk-based approach, the Internal Audit function presents the annual internal audit plan for the consideration, review and approval of the Board, based on recommendation of the Committee. The internal audit plan sets out the scope of work to be performed over a period and also defines the approximate resources necessary to accomplish the scope of the internal audit activities.

Internal Audit reviews, based on the approved plan for the year, generally include provision of assurance over financial, operational, IT and transformation programme activities which are performed by teams of appropriately qualified employees, as well as third parties who are appointed from time to time. The Group Head of Internal Audit, who reports to the Board Audit and Risk Management Committee and administratively to the Group MD, has direct right of access to, and regular meetings with, me and prepares formal reports on the consolidated activities and key findings of the Group Internal Audit function for each Committee meeting. The Committee also has unrestricted access to all internal audit reports.

### Whistleblowing mechanism

All employees and stakeholders have the opportunity to make confidential disclosures about suspected impropriety or wrongdoing. The Anti-Fraud Committee reviews the appropriateness of method and level of investigation. The Anti-Fraud Committee is made up of the Chief Executive Officer, Chief Financial Officer, Chief Legal Officer, Head of Internal Audit, Chief Human Resources Officer and the Chief Risk Officer. The Committee reviews the Group's whistleblowing arrangements each year to assess whether they remain effective, is notified of all material disclosures made through the whistleblowing arrangements and receives reports on the results of investigations and actions taken. The Internal Audit function performs necessary investigations on relevant items, recommends sanctions in line with Dangote Cement Plc's policies and provides recommendations for strengthening anti-fraud controls.

The Audit, Compliance and Risk Management Committee has satisfied itself that proper and satisfactory internal controls remain in place to identify and contain business risks, and that the Company's business, and that of its subsidiaries, is being conducted in a proper and economically sound manner. I am confident that the Committee, supported by senior management, has carried out its duties effectively and to a high standard in 2020. In 2021, we will continue to enhance our processes in line with leading practices.



**Ernest Ebi MFR**

**Chairman of the Audit, Compliance  
and Risk Management Committee**

18th March 2021



# Finance and Investment Committee Report



**Viswanathan Shankar**  
Non-Executive Director

Members	Meetings attended (eligible to attend)
Viswanathan Shankar	● ● ● ● ● ● ● ●
Olakunle Alake	● ● ● ● ● ● ● ●
Douraid Zaghouani	● ● ● ● ● ● ● ●
Sir Michael Davis	● ● ● ● ● ● ● ●
Devakumar V.G. Edwin	● ● ● ● ● ● ● ●

● Present    ● Apology

## Introduction

I am pleased to introduce the report of the Finance and Investment Committee for the 2020 financial year. We have continued to maintain the highest standards of governance, while striving to ensure efficiency amidst the challenges in our operating environment. The Finance and Investment Committee (FIC) assists the Board in fulfilling its oversight responsibilities in areas such as the integrity of financial reporting, management of internal controls, treasury, investments, financial risks, capital restructuring, corporate finance strategy, and other related matters.

The Committee receives its insight into the challenges and goals of the Group from the financial and business targets set by the Board. It reviews how the Company progresses towards achieving those targets, receiving regular updates from Executive and senior management staff on operational and financial issues across the Group.

## Roles and responsibilities

The Committee's main roles and responsibilities are to assist the Board in fulfilling its oversight responsibilities by advising the Board on matters relating to:

- The Group's capital structure and the corporate finance strategy, including the issuance of equity and debt securities, general financing plans, debt ratings, share repurchase philosophy and strategy, and the Company's dividend policy;
- (In consultation with the independent auditors and the internal auditors), all financial statement presentations, as well as the integrity of the Company's financial reporting processes and controls;
- Treasury operations, investment strategies, banking and cash management arrangements and financial risk management;
- Major investments, or similar transactions and the policies and processes of the Company related thereto;
- Critical accounting policies and practices to be used by the Company, as well as any major issues arising thereof; and
- Any major issues as to the adequacy of the Company's internal controls and any special audit steps adopted in light of material control deficiencies.

## Composition and attendance

The Committee met six times in 2020 and its composition and attendance are stated on page 251. Biographical details of each member of the Committee, including relevant qualifications and experience, are set out on pages 114 to 117 of this report. Some members of senior and Executive Management are invited to attend meetings to provide any necessary information, as well as updates on directives requested by the Committee. As Chairman of the Committee, I regularly hold private meetings with the Group Chief Financial Officer, and members of the senior management team, prior to the Committee meeting to better understand issues and any areas of concern and to allow sufficient time for meaningful discussion in the Committee meeting itself.

Matters considered by the Committee in 2020 included:

- approval of the share buyback programme;
- pricing strategy and impact on revenue and profits;
- tax impact and tax exemption status of entities within the Group, and total tax liability of the Group;
- review of organic and inorganic expansion plans;
- review of the carrying amount of Group assets including any potential impairment loss to be recognised during the year; and
- review of various funding plans including issuance of Bond and Commercial Papers.

The Committee also recommended the financial strategy and areas of focus to the Board, and determined that it was appropriate to adopt the going concern basis for the preparation of the financial statements. It identified the current national threat level and satisfied itself as to the Company's level of preparedness and areas for improvement for the 2020 financial year.

Having reviewed the composition and activities of the Committee, I am satisfied that the Committee, working closely with senior management and the independent auditors, has carried out its duties effectively and to a high standard in 2020. Going forward, we will continue to focus on the effectiveness of the finance function and ensure adequate protection of the Company's financial assets.



**Viswanathan Shankar**

**Non-Executive Director**

18th March 2021

# Technical and Sustainability Committee Report



**Sir Michael Davis**  
Independent Non-Executive Director

Members	Meetings attended (eligible to attend)
Sir Michael Davis	● ● ● ●
Olakunle Alake	● ● ● ●
DVG Edwin	● ● ● ●
Abdu Dantata	● ● ● ●
Douraid Zaghouani	● ● ● ●
Dorothy Udeme Ufot	● ● ● ●
● Present    ● Apology	

## Introduction

The Technical and Sustainability Committee of the Board of Dangote Cement Plc assists the Board and has an oversight function over matters related to the construction, expansion of capacity, maintenance and operation of plants and sustainability of the Group's operations. It is an independent role with accountability to the Board. It does not assume the functions of management, which remain the responsibility of the Chief Executive Officer and other Senior Executives. The Committee met four times in 2020 and its composition and attendance are stated on page 251. Biographical details of each member of the Committee, including relevant qualifications and experience, are set out on pages 114 to 117 of this report. Members of the Executive Management team are always in attendance at Committee meetings in order to provide necessary information, support the Committee and give status updates on decisions from previous meetings.

## Responsibilities

The Committee assists the Board in fulfilling its oversight responsibilities regarding the following:

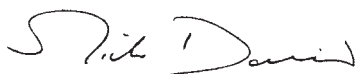
- reviewing project feasibility to determine and consider viability of planned expansion projects in Nigeria and elsewhere;
- reviewing the technical scope of plant projects including risk assessment and the Quality Management Plan and make recommendations to the Board as to needs or issues arising therefrom; reviewing the status of projects according to agreed scope, schedule, project milestones and KPIs, and where there are delays or variations, probe management to understand root causes and mitigate against such in the future;
- reviewing safety, health and environmental performance and improvement plans;
- reviewing operational, staffing and commissioning readiness plans including projects not under the Group's direct control;
- monitoring the production budget, standards, raw material supplies, energy and key performance indicators per plant;
- reviewing asset/plant care policy and performance (preventative/breakdown, unit and plant reliability/availability and costs);
- ensuring effective technical, research and development programmes to enable continuing innovation and improvement across the Group; and
- overseeing the development and implementation of corporate social responsibility and community programmes in plants and business locations where we operate in Nigeria and throughout the rest of Africa.

The reports of the Committee are presented to the Board after each Committee meeting, providing the Board with summaries of discussions and its recommendations for the consideration of the Board. In the financial year ended 31st December 2020, the Committee held four meetings.

**Focus for 2021**

In 2021, the Committee will continue to strive to discharge its mandate, and will aim to ensure that:

- operational efficiencies and plant optimisation initiatives are implemented across operations to achieve cost savings;
- production targets across the Group are met;
- health, safety and environment policies are enforced and monitored across the Group;
- sustainability strategy and policies are implemented and monitored across the Group; and
- transport and transport safety initiatives are implemented and monitored across the Group.

**Sir Michael Davis**

Chairman of the Technical and Sustainability Committee

18th March 2021



# Remuneration, Governance and Nomination Committee Report



**Emmanuel Ikazoboh**  
Independent Non-Executive Director

Members	Meetings attended (eligible to attend)
Emmanuel Ikazoboh	● ● ● ●
Ernest Ebi	● ● ● ●
Sir Michael Davis	● ● ● ●
Cherie Blair	● ● ● ●
Berlina Moroole	○ ○ ○ ●

Present
  Apology
  Not a member

## Introduction

I am pleased to introduce the report of the Remuneration, Governance and Nomination Committee. In this report, we provide an overview of the principles, policy and practices regulating remuneration at DCP, with emphasis on remuneration of Directors and the Executive Committee. The information contained herein has been approved by the Board on recommendation of the Remuneration, Governance and Nomination Committee.

## Focus

Our remuneration system aims to remunerate personnel commensurately with their areas of activity and responsibility and in compliance with applicable law. The adequate combination of non-performance-related and performance-related components of remuneration is designed to create an incentive to secure the Group's long-term success. The fixed component of remuneration is paid as a base salary; the variable components are intended to reflect, clearly and directly, the joint performance of the members of the Board of Management as a whole, as well as the long-term performance of the Group, taking cognisance of interests of various shareholders and stakeholders. This report will explain how the remuneration policy is aligned with the short-term objectives and long-term strategy, as well as remuneration for the financial year under review.

## Our approach to remuneration

DCP has a remuneration policy that regulates remuneration of Directors and members of the Executive Committee. This policy conforms to the Company's strategy of rewarding people in a fair, transparent and competitive manner, according to their levels of performance (against pre-determined targets), skill set, competences and responsibility. This enforces our remuneration principles that aim to:

- Attract and retain people with integrity, ability, skill and experience to deliver the Group's strategy;
- Retain the services of existing competent Directors and senior management, as well as attract quality to the Company;
- Ensure that remuneration levels are fair, transparent and do not discriminate;
- Recognise and encourage exceptional and value-adding performance;
- Motivate Directors to pursue and promote balance between the short-term and long-term growth of the Group while maximising shareholders' returns;
- Ensure that remuneration arrangements are equitable, transparent, well communicated and easily understood, aligned with the interest of shareholders and adequately disclosed;
- Align individual rewards with the Company's performance, the interests of its shareholders, and a prudent approach to risk management; and
- Promote compliance with global regulatory trends and governance requirements, with an emphasis on long-term sustainability.

DCP policy defines a transparent procedure for encouraging and stimulating enhanced performance in a way that will increase profitability and sustainability of the Company. It provides challenging but achievable goals to drive towards the vision and strategy of the Company, focuses on increased accountability through providing clarity around what is measured and how (weightings against performance categories), and emphasises the way that business should be conducted by incorporating Executive leadership and corporate values into the performance management process. This is consistent with the Corporate Governance Codes.

Our policy also ensures that Senior Executives' remuneration is linked to Group and individual performance in line with the Corporate Governance Codes. The Remuneration, Governance and Nomination Committee has been charged with the responsibility of leading the process for determining the remuneration of Senior Executives and Non-Executive Directors. The Committee will continue to monitor the remuneration policy's alignment with the Group's business priorities and objectives, whilst ensuring that the remuneration framework continues to motivate, reward and retain our senior management in order to deliver the Company's strategy in the most effective manner.

### Composition of the Committee

The Board has satisfied itself that members of the Committee have the requisite knowledge, skill and experience to function effectively. The Committee met four times in 2020 and its composition and attendance are stated on page 251. Biographical details of each member of the Committee, including relevant qualifications and experience are set out on pages 114 to 117 of this report. In compliance with the Corporate Governance Codes, only Non-Executive Directors are involved in decisions regarding the remuneration of the Group Chief Executive Officer. The Corporate Governance Codes requires the Remuneration Committee to consist only of Non-Executive Directors. I serve as the Chairman of the Committee by virtue of my position as an Independent Non-Executive Director.

The Group CEO, Group CFO, Group Chief Human Resources Officer and Company Secretary are regularly consulted and are in attendance at the Committee meetings when required to provide information.

### Roles and responsibilities

The principal role of the Remuneration, Governance and Nomination Committee is to assist the Board in the matters described in the table on page 146. Generally, the Committee is responsible for satisfying itself, on behalf of the Board of Directors, that the Company's leadership development, talent planning, organisational structure and compensation strategies, plans, policies and practices are internally aligned and consistent with the sustainable achievement of the Company's business objectives, the prudent management of its operations and risks including regulatory oversight as required, and adherence to its processes, policies, procedures and controls. The responsibilities include:

- Establish the criteria for Board and Board Committee memberships, review candidates' qualifications and any potential conflicts of interest, assess the contribution of current Directors in connection with their re-nomination and make recommendations to the Board;
- Prepare a job specification for the Chairman's position, including an assessment of time commitment required of the candidate;
- Periodically evaluate the skills, knowledge and experience required of the Board; and
- Make recommendations on experience required by Board committee members, committee appointments and removal, operating structure, reporting and other committee operational matters.

# Remuneration, Governance and Nomination Committee Report continued

## Responsibilities of the Remuneration, Governance and Nomination Committee

### Remuneration

- Make recommendations on the amount and structure of the remuneration of the Chairman and Non-Executive Directors of the Board to ensure that remuneration is fair and competitive
- Ensure that the Group's remuneration policy and structure is fair and enough to attract and retain high-calibre staff to the Group
- Recommend to the Board, the terms, conditions and remuneration of Senior Executives including performance incentives
- Ensure proper disclosure of Directors' remuneration to the shareholders
- Provide input to the Annual Report of the Company in respect of Directors' compensation

### Performance management

- Review and agree, at the beginning of the year, the Key Performance Indicators (KPIs) for the Group CEO and Senior Executives
- Assess performance of the Group CEO against the agreed KPIs and provide feedback thereon
- Ratify the performance appraisal of Senior Executives on the recommendation of the Group CEO
- Ensure that the performance and effectiveness of individual Directors, Board and Board Committees are reviewed annually

### Human resources

- Ensure that succession policies and plans exist for the positions of Chairman, Chief Executive Officer, Executive Directors and the Managing Directors of subsidiary companies
- Periodically review and make recommendations to the Board on the Group's organisational structure and any changes thereto
- Periodically review and make recommendations on the Group's key human resource policies
- Periodically review and make recommendations on recruitment, promotion and disciplinary actions for senior management staff

### Governance

- Periodically recommend the preparation and adoption of the Board governance policies in line with regulatory compliance and best practice
- Periodically review existing policies in line with changes in the regulatory and governance environment and make recommendations to the Board for amendments thereto
- Ensure that the Board conducts a Board evaluation on an annual basis
- Review the performance and effectiveness of the subsidiary company Boards on an annual basis where applicable

## Committee activities during 2020

During the year under review, the Remuneration, Governance and Nomination Committee considered the matters detailed below:

Key matters considered	Committee actions
<b>Board training</b>	<ul style="list-style-type: none"> <li>The Committee reviewed and approved the proposal of training for Directors recommending both local training by Institute of Directors and international training anchored by Lagos Business School and TAC Economics to improve the capacity of the Board. The Committee also resolved to recommend the need to ensure annual Board and Director training to enable them keep abreast of trends and best practice in Directorship.</li> </ul>
<b>Governance policies</b>	<ul style="list-style-type: none"> <li>The Committee noted the need to review existing governance policies and charters in line with regulatory requirements and changes and approved compilation and review of all Board Charters and policies.</li> </ul>
<b>Executive and staff compensation</b>	<ul style="list-style-type: none"> <li>The Committee reviewed and considered the report presented by Management of the comparative analysis of the salary structure against industry peers with a view to make the compensation structure more competitive and attractive to people with the requisite skill sets. The Committee considered implementation of an individual performance bonus and other staff incentives subject to satisfactory performance.</li> </ul>
<b>Succession planning and manpower planning</b>	<ul style="list-style-type: none"> <li>The Committee resolved to implement succession planning initiatives that will enable the Company to recruit superior employees, develop their knowledge, skills, and abilities, and prepare them for advancement and/or promotion into ever more challenging roles within the Group.</li> </ul>
<b>Talent Management System</b>	<ul style="list-style-type: none"> <li>The Committee reviewed the Talent Management System that attracts and develops young talented professionals who will serve as a pool for future growth and staff retention.</li> </ul>
<b>Performance evaluation</b>	<ul style="list-style-type: none"> <li>The Committee carried out the performance evaluation of the GMD/CEO and members of the Executive Committee for the preceding year, and agreed the KPIs for the forthcoming year.</li> </ul>



# Remuneration, Governance and Nomination Committee Report continued

## Annual performance incentive, 2020

In accordance with the Group remuneration policy set out in this report, incentives awarded to the Group CEO and Senior Executives are based on the performance of the Group and on their individual performance. At the beginning of the year, the Committee set operational targets consisting of several KPIs covering both financial and non-financial measures of performance for the Group CEO and Senior Executives. The Committee agreed that it was necessary to award performance incentives, having reviewed the Group's performance and the performance of the executive team against the overall performance of the Group in 2020 and the KPIs set at the beginning of the year.

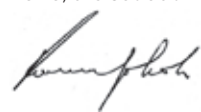
## Directors' emolument for 2020

The proposed fees for Directors will be presented to shareholders during the Annual General Meeting for their consideration. In line with Corporate Governance Codes, the Board has fixed the remuneration of Directors, as indicated for the shareholders' approval. Details of the remuneration paid to Directors in 2020 are as follows:

Name of Director	Directors fees and allowances		Sitting allowances		Other allowances		Total	
	2020 N'000	2019 N'000	2020 N'000	2019 N'000	2020 N'000	2019 N'000	2020 N'000	2019 N'000
Aliko Dangote	26,600	5,000	3,000	2,900	19,400	41,168	49,000	49,068
Sani Dangote	25,600	4,000	1,700	1,850	19,400	39,810	46,700	45,660
Olakunle Alake	25,600	4,000	12,450	13,150	19,400	39,810	57,450	56,960
Abdu Dantata	25,600	4,000	4,400	5,300	19,400	39,810	49,400	49,110
Sir Michael Davis	37,345	4,000	7,850	5,700	19,400	48,860	64,595	58,560
Ernest Ebi	40,400	4,000	9,500	8,800	19,400	48,835	69,300	61,635
Emmanuel Ikazoboh	40,400	4,000	11,000	9,150	19,400	48,835	70,800	61,985
Devakumar V.G. Edwin	25,600	4,000	8,900	11,550	19,400	36,200	53,900	51,750
Douraid Zaghouani	37,345	4,000	5,900	5,150	19,400	48,860	62,645	58,010
Viswanathan Shankar	—	4,000	5,150	3,200	4,000	3,610	9,150	10,810
Dorothy Udeme Ufot	25,600	4,000	6,500	6,050	19,400	44,010	51,500	54,060
Cherie Blair	37,345	4,000	6,250	4,100	19,400	48,860	62,995	56,960
Berlina Moorole	9,336	—	1,550	—	4,000	—	14,886	—
<b>Total</b>	<b>356,771</b>	<b>49,000</b>	<b>84,150</b>	<b>76,900</b>	<b>221,400</b>	<b>488,668</b>	<b>662,321</b>	<b>614,568</b>
<b>Executive Directors</b>							<b>829,130</b>	<b>226,223</b>
<b>Grand total</b>							<b>1,491,451</b>	<b>840,791</b>

## Directors' interests

The interests in the ordinary shares of the Company, of Directors who held office during the period 1st January 2020 to 31st December 2020, are set out in the Report of the Directors on page 133.



### Emmanuel Ikazoboh

Chairman of the Remuneration, Governance and Nomination Committee

18th March 2021