

# Social Pillar: strong relationships with local economies

The Social Pillar supports nurturing the growth and wellbeing of our employees and host communities, ensuring they share in our success and enjoy high standards of health, safety and environmental care.



# "#2.85bn spent on social investment in 2020, up 67%."



### **Social standards**

Our Social Pillar centres around how we manage our social impact on stakeholders and the larger society, and how we ensure that we give back to the communities where we operate. In our host communities, we strive to support socioeconomic wellbeing through direct and indirect employment, skills transfer and capacity building, local entrepreneurial development and local vendors and contractors' patronage.

As our management approach, we also invest in social amenities and projects that are beneficial to local communities and improve the overall human capital development index. We believe in developing sustainable local economies and supporting governments in providing access to quality water, education, healthcare and public infrastructure.

# **Social investments**

Our approach to social investment is to partner with the beneficiaries to achieve sustainable progress and development. Our key focus areas include education and skills development, economic empowerment, environmental sustainability, healthcare and infrastructural development. We periodically conduct assessments to identify our community members' actual needs and align our social interventions accordingly, as much as is practicable. Despite the COVID-19 pandemic and the economic challenges that accompanied it, our commitment to supporting socioeconomic development and wellbeing in host communities has been unwavering. In the course of the reporting year, we had a robust social investment portfolio. Highlights of our key initiatives included:

- Donation of ₦41.8 million towards construction Of Ibese Ilaro Papalanto road.
- Donation of Police Patrol Cars to Ogun Security Trust Fund, Ogun, Nigeria.
- Donation of ₩71.4 million worth of Personal Protection Equipment (PPEs) by Dangote Cement Cameroon to the country's Ministry of Public Health to support frontline healthcare workers in the fight against COVID-19.
- Donation of 60 Motor Vehicles to Nigeria Police Force (NPF), Nigeria.
- Donation of COVID-19 relief materials to host communities in Ibese, Gboko, and Obajana.
- Investment of N26.9 million in the construction of Primary School in Puot, Senegal, consisting of six classrooms, an administrative block, and two sanitary blocks.
- Intervention to support members of the keur Massar community and environs affected by heavy flooding during the year. We provided logistical, material and technological support to enable the communities to recover quickly and resume their normal business activities.
- Implementation of Acutherapy Training a youth skill acquisition and empowerment programme for youths in Ibese – Ogun State, Nigeria.
- Commencement of various social investment projects around Ibese host communities such as donation of transformer & electrification at a cost of ₦37.2 million; donation towards community development at a cost of ₦37.6 million; ₦7.5 million water recticulation project donation; among others.
- Disbursement of scholarship funds to beneficiaries in various communities in Kogi State, Nigeria; five communities in Ijebu Igbo, Ogun State, Nigeria; 10 students in higher institutions of learning in Effeche community in Benue State, Nigeria; and four best performing students in Pout, Keur Moussa, Diass and Mont-Rolland, Senegal.
- Support to community for building schools and other projects by Dangote Cement, Ethiopia at a cost of ₩52.6 million.
- Disbursement of scholarship funds to beneficiaries in various communities in Benue State.
- Electrification projects for host communities of (Obajana, Oyo, Iwaa & Apata) worth N6.1 million.
- Implementation of land reclamation and tree planting project in Kogi and Benue state.



### Social investments continued

- Training and support of members of cooperative societies in Kogi State as part of DCP's efforts to create alternative platforms for empowerment and job creation in the state.
- Donation of a brand new Hilux to the Oyo State Road Traffic Management Authority (OYRTMA) by Dangote Cement at Secretariat, Ibadan, Oyo State, Nigeria.
- Sponsorship of broadcasting service, renovation of water sources, purchase of mosquito nets and sanitary pads for Mtwara community members by Dangote Cement, Tanzania.

In 2020, the total amount spent by Dangote Cement Plc on social investments was ¥2.852 billion. A significant 67% of this (¥1.912 billion) was spent on COVID-19 interventions and palliatives in host communities and the larger societies. Our social investment spending in 2020 was 157% higher than in 2019. As a brand committed to the wellbeing of its communities and society, challenging times such as the world experienced in 2020 are the best times to enhance support for key stakeholders and markets.



Donation of 25 police patrol cars to Ogun Security Trust Fund, Ogun, Nigeria



Obajana-Kabba Road (Kogi state) 44 km



L-R: Deputy Managing Director, Dangote Cement Plc, Arvind Pathak; Immediate past Group Managing Director, Dangote Cement Plc, Engr. Joseph Makoju; Executive Secretary/CEO, Ogun Security Trust Fund, Opeyemi Agbaje; Non-Executive Director, Dangote Cement Plc, Emmanuel Ikazoboh; and Group Managing Director, Dangote Cement Plc, Michel Puchercos during the handing over of the cars in Lagos





Dangete Cement Isolation centre, Abesiana



General Manager Community Affairs/Special Duties, Dangote Cement Plant Obajana, Mr. Ade Anlemi presents a cheque from Dangote Cement Plc on Community Micro Credit Scheme to HRH Oba Dr. Frederick DO. Balogun, the Olu of Apata Oworo Kingdom Lokoja LG of Kogi State. Deputy GM, Ademola Adeyemi is on Anlemi's left, while on the right of the Oba is the Elesho of Apata Cheif Ayodele Balogun and the Elder in Council Elder Nathaniel Kabiru in Lokoja, Kogi State



L-R: Executive Chairman, OYRTMA, Dr. Akin Fagbemi; Head of Account, Dangote Cement Ibese Transport, Mr. Hassan Luqman; Senior Transport Managers, Mr. Steven Asoegwu and Mr. Johnson Fagbemi during the donation of a brand new Ambulance to OYRTMA by Dangote Cement at Secretariat, Ibadan, Oyo State

### **Dangote Cement 2020 social investments**

|   |          |          |                     | 2020 percentage of total<br>(for each spending |
|---|----------|----------|---------------------|--|
| Spending category   | 2020     | 2019     | UN SDGs alignment   | category)                                      |
| COVID-19 support and donations                                  | 1,912.03 | —        | 3, 11, 17           | 67.05  |
| Health  | 42.68    | 54.60    | 3, 11, 17           | 1.50   |
| Food and agriculture  | 8.52     | 23.90    | 1, 2, 3, 14, 15     | 0.30   |
| Water/sanitation  | 25.40    | 21.60    | 3, 6                | 0.89   |
| Security and safety   | 323.57   | 30.30    | 3, 11               | 11.35  |
| Environment/climate change                                      | 5.04     | 0.90     | 7, 13, 14, 15       | 0.18   |
| Economic/SME development  | 44.49    | 78.50    | 1, 2, 8, 9          | 1.56   |
| People empowerment  | 5.72     | 7.10     | 1, 2, 8, 10, 11, 17 | 0.20   |
| Infrastructure (electricity, road and drainage)                 | 137.39   | 421.50   | 9, 10, 11           | 4.82   |
| Education and scholarships                                      | 184.02   | 116.10   | 4, 8, 10, 11, 16    | 6.45   |
| Community support and compensations                             | 4.50     | 50.00    | 11, 16              | 0.16   |
| Sports  | 4.08     | 65.20    | 3, 11               | 0.14   |
| Donations, support and grants to host communities               | 76.96    | 112.20   | 1, 11, 16, 17       | 2.70   |
| Donations and grants to government institutions (public sector) | 21.16    | 31.10    | 11, 16, 17          | 0.74   |
| Donations and grants to CSOs/NGOs and                           |          |          |                     |  |
| development bodies  | 55.91    | 42.10    | 17                  | 1.96   |
| Others  | 0.30     | 53.70    | 1, 2, 8, 16, 17     | 0.01   |
| Total expenditure   | 2,852    | 1,108.80 |                     |  |



### Educational, Health and Environmental Interventions in Senegal

Galane is a rural community in Keur Moussa, one of Dangote Cement Senegal's host communities. The village is mainly populated by indigent cattle breeders. Unfortunately, owing to the long distance to the closest school, and inability to pay required fees, several parents pull their children out of school and get them into the cattle breeding business. This leaves a large pool of illiterate youth population, which further worsens gross underdevelopment in the community. As part of its corporate responsibility and sustainability initiatives, Dangote Cement Senegal constructed and donated a fully-equipped school to Galane community. The school named after the late village head, Oumy Ba, offers a new opportunity for children hitherto taken out of school to complete their primary education.



Besides the school project, Dangote Cement Senegal has invested nearly one billion FCFA, which is approximately \$2 million, to improve infrastructure and social amenities in Galane significantly. This sum is, to date, the most significant single social investment made by the Company since its establishment in Senegal. Keur Moussa, which used to be a small underdeveloped village, is now served by a paved road network and has 44 individual housing units that are connected to water and electricity. Owing to social investments by Dangote Cement Senegal, members of the Galane community now have access to a housing complex with shared facilities, which have enhanced their standard of living: a health post, mosque, market, mortuary, sports ground, a park dedicated to the vaccination of livestock, as well as a primary school with fully equipped classrooms.



### **2020 COVID-19 interventions**

Coronavirus may have taken the world by complete surprise at the beginning of 2020. As a brand with well-defined community intervention programmes in place, Dangote Cement was able to quickly mobilise resources to support host communities and employees in the fight against the dreaded pandemic.

#### **COVID-19 initiatives in host communities**

As part of efforts to curb the spread of the pandemic and cushion its economic impact on host community members, Dangote Cement Plants, acting on management's directives, implemented widespread sensitisation and awareness creation programmes on COVID-19 prevention and control.

DCP Obajana Plant initiated a sensitisation campaign in four host communities, namely Oyo, Obajana, Apata and Iwaa. The team engaged the various communities' leadership and residents on the importance of adopting hygiene practices such as frequent handwashing with soap and running water, regular wearing of face masks, social distancing, hand sanitising, and so on as basic ways of curbing the spread of the pandemic. DCP Obajana also took sensitisation initiatives to Babalawo and Ajibawo communities, where awareness banners were distributed to residents and placed in strategic points. The engagements were carried out in English and the local languages of the residents.

Also, DCP Ethiopia engaged in train-the-trainer of school teachers as part of its COVID-19 sensitisation strategy. The aim was to ensure that the teachers cascaded learnings to their fellow teachers, students and neighbours. Other locations such as our DCP Senegal Plant also engaged in awareness campaigns using community radio channels. In Ibese Plant, 30 local healthcare workers were beneficiaries of a training on managing COVID-19 patients. Also, sensitisation campaigns were held in Imasayi, Ijako-Orile and Onigbedu communities of DCP Ibese.

Furthermore, Dangote Cement South Africa conducted workshops with Kopano Community Authority's leadership to empower them with knowledge on how to manage the pandemic effectively. Also, COVID-19 sensitisation initiatives were carried out in schools, such as Dingake Primary School and Swartklip Combined School. The second management directive on combatting the impact of COVID-19 is the provision of palliatives such as food supplies to community members and medical supplies to hospitals and clinics. Donations to host communities included bags of rice, gallons of vegetable oil, and other food items. PPEs such as hand sanitisers, liquid handwashing soap and facemasks were also donated. Donations to community healthcare facilities included medical supplies such as digital infrared thermometers, surgical masks, surgical hand gloves and medications.

For example, in our South African operations, about 600 beneficiaries received donations of hand sanitisers, COVID-19 awareness posters, face masks and social distancing signage in Kopano Community, Dingake School Swartklip Combined School, Lethabong La Bana Day Care Centre, among others.

The third management directive was on support for the vulnerable groups, including women, children, students, orphans, elderly, widows, and the physically challenged in host communities. For instance, in Dangote Cement, Ibese, a total of 300 widows benefitted from the distribution of palliatives. Families who have lost their income sources also benefitted from these initiatives carried out across several Dangote Cement communities.

In all, a total of  $\clubsuit$ 1.912 billion was spent on COVID-19 interventions and programmes in 2020, representing 67% of our total social intervention expenses for the year.

Dangote Cement spent c.\$5.8 million in protecting our people, customers and communities from COVID-19.

Isolation centres, face masks, sanitisers, thermometers and financial support for testing staff were made available.











#### **COVID-19** preventive initiatives for employees

In 2020, Dangote Cement Plc adopted Group-wide COVID-19 prevention and management protocols that proved to be very effective. We aggressively confronted the pandemic across all operations to ensure that our employees are safe from the disease outbreak. These measures include remote working for vulnerable and high risk staff; rotation of duties for staff that work on-site; social distancing in office seating in line with specifications by the World Health Organization (WHO) and disease control agencies in our countries of operation; reduction by as much as 60%, the number of staff conveyed in our staff buses; replacement of physical meetings with virtual meetings; staggering of shifts, lunch hours; among others.

Also, across all operations, provisions were made for isolation rooms where suspected COVID-19 cases are isolated pending confirmation and direct medical intervention. We also made arrangements with specialised private and government hospitals to manage confirmed cases among our employees. Doctors and nurses were engaged for home services and handling of COVID-19 suspected and confirmed cases, as required. Fully equipped ambulances to evacuate COVID-19 suspected cases were also provided in all operations. In addition, required PPEs, such as face masks, were distributed freely to all employees and other users of our facilities. We also ensured that infrared thermometers for checking temperature, hand washing soaps, hand sanitisers and running water for hand washing were provided in all our operations.

Also, daily sensitisations and awareness creation initiatives were implemented in our workplaces, to empower employees with adequate information required to manage the pandemic and protect themselves, their families, colleagues and stakeholders from the virus.

In the year under review, across all operations, a total of 4,306 COVID-19 tests were conducted and 363 were confirmed positive. Sadly, a total of three Dangote Cement employees were fatally impacted by the deadly virus in 2020.

We will continue to build on the proactive approach and very comprehensive and effective measures that we adopted in combatting the deadly virus in 2020, to ensure that our valued employees remain safe and protected from the pandemic, at all times.

#### Dangote Group, ADF and CACOVID responses

Our parent company, Dangote Industries Limited, worked actively with all of its business units to confront the COVID-19 pandemic in the year under review. Through the Aliko Dangote Foundation (ADF), the Dangote Cement Plc donated towards curbing the spread of the deadly virus, providing health-related interventions, and cushioning the pandemic's economic impact on communities and society. The first case of the dreaded virus was reported in Nigeria on 27th February 2020. By 4th March 2020, ADF was the first organisation in Nigeria to donate the sum of ₦200 million to support the government's efforts towards curbing the spread of the disease.

# "The Dangote Way" Social Pillar continued



Alhaji Aliko Dangote, Chairman, Dangote Cement Plc, with support from other private sector leaders, formed the Coalition Against Coronavirus (CACOVID), marshaling commitments and acting fast to boost the country's health infrastructure. A major intervention was the erection of fully-equipped medical tents to house patients and serve as training, testing, isolation and treatment centres. Activating the UN SDG 17, a multi-sectoral platform comprising of high-profile leaders from different sectors was formed. CACOVID aims to:

- Support the Nigerian Government in its efforts to combat Coronavirus in the country.
- Mobilise private sector thought leadership for required and expedited action.
- Effectively utilise the resources pooled by the private sector for required programmes and interventions.
- Provide direct support to boost private and public healthcare capacity to respond to the crisis.
- Increase general public awareness of the existence and management of Coronavirus (COVID-19).

In 2020, ADF's contributions to CACOVID included the following:

- Raised over ₦30 billion for CACOVID.
- Contributed ₦2.5 billion to CACOVID.
- Donated 16 Ambulances and Rapid Response vehicles across Nigerian states.
- Fed 1.7 million households and 10 million people in 774 LGAs in Nigeria.

These, in addition to contributions from other members of the coalition, have empowered CACOVID to actualise the following:

- The construction of ultra-modern COVID-19 treatment and isolation centres across the country.
- Distribution of ₩23 billion worth of food (palliative) to 10 million Nigerians.
- Supply of millions of testing kits to improve Nigeria's testing capacity.
- Training of Primary health workers to curb Community spread.
- Engagement of 54Gene lab to conduct 1,000 Tests Per Day in Kano (by ADF).
- Distribution of 70,000 loaves of bread per day to the indegenes.
- Contribution of ₩1.5 billion (\$3.8 million) to Nigeria UN COVID-19 Basket Fund (by ADF).
- Donation of beddings and medical equipment to isolation centres across the country.
- Delivery of ₩1.4 billion worth of food palliatives to Lagos, among others.

# Dangote Cement: social investment spending as % of PAT (2018-2020)

| Year | Dangote<br>Cement: 2020<br>Social<br>investment<br>spending<br>₩ million | Percentage<br>Increase (+) or<br>Decrease (-) | Profit After Tax<br>(PAT)<br>₩ million | Social<br>investment<br>spending as %<br>of PAT |
|------|--|---|--|---|
| 2018 | 1,287  | _   | 390,325                                | 0.33%   |
| 2019 | 1,108  | -13.89%                                       | 200,521                                | 0.55%   |
| 2020 | 2,852  | 157.44%                                       | 276,068                                | 1.03%   |

# Growth of Social investment spending as percentage (%) of PAT

|       | 0.33% | 5     |       |       |       |       |
|-------|-------|-------|-------|-------|-------|-------|
|       |       |       | 0.55% |       |       |       |
|       |       |       |       |       |       | 1.03% |
| 0.00% | 0.20% | 0.40% | 0.60% | 0.80% | 1.00% | 1.20% |







Strategic Report

# **DCP South Africa pandemic** response plan





CACOVID donation of palliatives to Lagos State Government in September 2020

# Stakeholder engagement

A key aspect of our commitment to operating responsibly is to develop, maintain and strengthen our relationships with all key stakeholders. We recognise that the geographies and markets we operate are becoming more diverse and complex, with shifting needs, priorities and expectations necessitating that we continuously engage our communities and other stakeholders.

Open communication with stakeholders help them understand our business approach and elicit their feedback on how they believe that we can be better neighbours. We endeavour to build meaningful relationships with them and understand their expectations and aspirations. We develop constructive relationships at local, national, regional and international levels and foster public dialogue in sectors that affect our business.

Internally, stakeholder engagements have started at all levels of our organisation, from employees at our head office and manufacturing sites to senior management in our different functions and departments and our Executive Committee and Board of Directors. Insights gained through these interactions support strategic business decisions, policies and actions.

Our engagements with stakeholders take various forms, including surveys, focus group discussions, town hall meetings, media communications, industry collaborations, public-private partnerships, management retreats, application of our grievance mechanism among others.

# "The Dangote Way" Social Pillar continued



We carried out weekly reviews of all our Plants activities in the different countries to ensure coordination in the support of our employees and communities on the implementation of COVID-19 preventive measures. The review meetings were facilitated by executive member of the DCP.

Every year, and as part of our sustainability reporting practice, we conduct materiality assessments for different categories of stakeholders. Our aim is to gauge the perception of our key stakeholders and understand their interests and concerns about our business. This supports informed decision-making, socioeconomic/environmental performance evaluations and interventions, as well as stakeholder-inclusive ESG performance reporting. The outcome of our materiality assessment for 2020 can be found in the section of this report so-titled.

We introduced self-assessment tool, which helps our Plants to objectively assess their performance with standards required by the Group. We will continue to improve on our engagement practices and leverage opportunities for enhanced interactions, which we are sure would minimise friction with stakeholders and maximise our positive impacts and social licence to operate, making the grievance mechanism very effective would build trust and mitigate risks.

# Stakeholder identification, categorisation and mapping

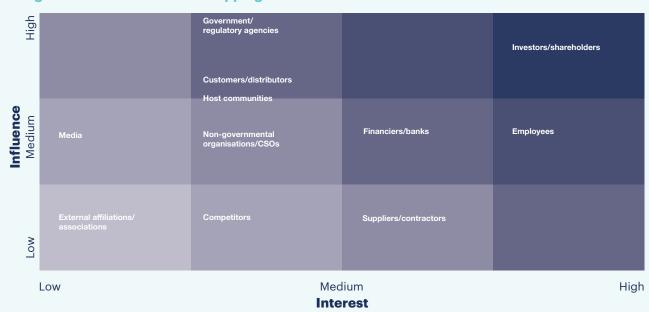
Our stakeholders are a critical part of our business. We, therefore, ensure that they are effectively engaged and kept up-to-date on our business activities, in line with aspects that directly or indirectly concern them. Our key stakeholders include employees, investors and shareholders, customers, regulators and government, supply chain partners, banks and financial institutions, (social) media, and so on. Our corporate responsibility is to ensure that they are meaningfully engaged, in accordance with the interest and the influence that they wield over our business outcomes.

# Dangote Cement Plc's stakeholder categorisation



#### 2020 stakeholder engagement initiatives

As part of our strategic commitment towards improving our Environmental, Social and Governance (ESG) performance, we deployed an automated, third-party technology platform to administer the 2020 ESG survey as our way of guaranteeing data credibility and anonymity of internal and external respondents. To further enhance this exercise's credibility and integrity, an independent sustainability consultant was engaged to review, analyse, and generate our 2020 Materiality Report. Details of this initiative are found in the "2020 Materiality Assessment and Stakeholders' Surveys" section of this report.



#### **Dangote Cement stakeholder mapping**

### How we engaged our different stakeholders in 2020

| Stakeholder   | Engagement method   | Frequency                           | Key topics  |
|---|---|-------------------------------------|---|
| <b>Employees</b><br>The key resource for<br>competitive advantage,<br>innovation, and<br>sustainable growth | Meetings in small groups, one-on-<br>one engagements, notice board,<br>emails, newsletters, sustainability<br>reporting, surveys, awards and<br>recognition, etc.         | As required                         | Career growth and development,<br>compensation and benefits, sustainability<br>performance and reporting, equal opportunities<br>for all employees, skill/knowledge development,<br>health and safety, etc. |
| Vendors, suppliers<br>and contractors<br>Critical component<br>of the value chain                           | Emails, one-on-one engagements, meetings.   | Regular                             | Invoices and payments, products and service<br>quality, health and safety practices, pricing,<br>aftersales support and efficiency, ESG<br>practices, etc.  |
| Distributors<br>and customers<br>Principal source<br>of sustenance  | Emails, one-on-one engagements, meetings, customer service week.  | As required                         | Meeting targets, value creation, ensuring<br>production continuity, credit line, Customer<br>Trucks Empowerment Scheme (CTES),<br>distributors award initiatives.   |
| Host communities<br>Key stakeholders in the<br>business   | One-on-one engagements, town<br>hall meetings, interest group<br>communications, surveys.   | As required                         | Youth employment, social investments,<br>environmental impacts, safety, scholarships,<br>patronage of local vendors and suppliers,<br>impacts on existing infrastructure.                                   |
| <b>Media</b><br>Stakeholders in<br>sustainable<br>development   | Press releases, media parley,<br>sustainability report, annual financial<br>report, conferences.  | As required                         | Governance restructuring, advertisement,<br>public service announcements, social and<br>environmental impacts.  |
| Government/<br>Regulatory agencies<br>Stakeholders in<br>sustainable development                            | Official letters/mails, periodic<br>assessments, compliance filing and<br>reporting, quarterly financial reports,<br>sustainability report.                               | As required                         | Formal notices, applications, policies and regulations, compliance, tax.  |
| <b>Financiers/Banks</b><br>Providers of capital   | Quarterly financial reports,<br>sustainability report, meetings.  | As required                         | Investments opportunities, loan financing, credit negotiations, interest rates.   |
| External affiliations/<br>Associations<br>Stakeholders in<br>sustainable development                        | Letters, meetings, sustainability report, workshops, other fora.  | Monthly,<br>biannually,<br>annually | Memberships subscriptions, partnerships, policy reviews.  |
| Non-governmental<br>organisations/CSOs<br>Stakeholders in<br>sustainable development                        | Quarterly financial reports,<br>sustainability report, meetings,<br>partnerships.   | As required                         | Community development, environmental<br>impacts, social initiatives, partnership for<br>sustainable development.  |
| <b>Labour unions</b><br>Stakeholders in<br>sustainable development  | Meetings, emails, letters,<br>sustainability report.  | As required                         | Labour laws and regulations, productivity,<br>employees' rights and obligations, safe<br>working conditions, compensations and<br>benefits.   |
| <b>Investors/</b><br><b>Shareholders</b><br>Owners and providers of<br>capital                              | Annual General Meeting,<br>Extraordinary General Meetings,<br>investor relations forum, quarterly<br>and annual financial reports,<br>sustainability report, newsletters. | Continuous                          | Quality of leadership, business strategy,<br>financial performance, dividends, corporate<br>governance, Board composition, corporate<br>actions, external reporting, ESG compliance.                        |



### **Engaging our employees**

Besides training and capacity-building sessions, we had active engagements with staff at all levels and at different fora in 2020. Much of the engagements in the year under review were designed to promote occupational health and safety amid a significant global pandemic; provide physical and mental health support as required, and appreciate staff for long and meritorious service to the organisation. Our annual long service award celebration was however, low-key, as we ensured total compliance with COVID-19 safety protocols.

We held weekly COVID-19 awareness sessions and virtual medical consultations for all employees driven by our medical partners and retainership. Mental health support systems were fully activated to assist employees that may have been traumatised by the pandemic or lost loved ones to the deadly virus. Weekly office exercises were also held at the head office to support wellness and overall physical and mental wellbeing.



### **Community engagement**

At Dangote Cement, we are committed to making a positive difference in host communities. One way we do this is by investing in need-based projects and initiatives that benefit the communities while also creating value for our business. But beyond monetary investments is the critical need to establish enduring relationships with these communities, constantly engaging them on issues about our business that could impact them, and building mutual trust and respect.

We adopt a participatory approach to community relations and ensure that we elicit and address their feedbacks. We have community relations officers and managers who engage with these important stakeholders continuously. We listen to their perspectives, concerns and priorities, and take cognizance of these as we make our strategic business decisions. We have developed multiple communication channels with host communities, including periodic face-to-face, town hall meetings that enable us to discuss and agree on issues that are important to both parties. This is not to say that we do not sometimes disagree. When there are contradictory views, we activate mechanisms for resolving them and grievances that they might have about our business operations. We endeavour to maintain an open, honest and continuous engagement with them and their representatives.

Through our employee volunteering platform, we can bond and relate closely with our communities, further strengthening existing relationships. Our annual Sustainability Week and other structured employee/community relations initiatives also offer our staff across all levels the opportunity to participate in impactful community support projects that align with their personal passion and our corporate social responsibility objectives.

#### 2020 materiality assessment and stakeholders' surveys

An intrinsic part of our value creation model is balancing our business interests with those of our key stakeholders. We therefore make concerted efforts to "actively listen" to their views and concerns. In the year under review, we conducted Sustainability Materiality Assessment surveys to gain first-hand insights into the critical issues that our key stakeholders are concerned about in their relationship with us. The surveys covered our operations' different regions and included investors, employees, communities, and supply chain players (suppliers, vendors and contractors). The outcome of the surveys helped us identify the main issues of interest to our stakeholders (a feedback that would enable us to make better-informed business decisions) while also helping us determine the material topics for sustainability reporting purposes.

The 2020 surveys were deployed using an online, cloud-based solution that allowed our stakeholders to respond in real-time to the questionnaires from diverse locations across Dangote Cement operations and using electronic devices such as laptops, tabs and cell phones. The approach was very suitable in a year that was plagued by a major virus pandemic. It allowed for electronic rather than face-to-face engagements, timely completion, guaranteed respondents' anonymity and confidentiality, and also eased the process of data collation and analysis.

Compared to 2018 and 2019, for the first time, we surveyed our supply chain players (suppliers, vendors and contractors) alongside investors, employees and communities, to assess our impacts and the issues that are important to them. The materiality assessment followed a systematic process comprising of five consecutive steps, as shown below:

#### **Materiality assessment process**

Quantitative data collection, control and analysis Identification of material sustainability indicators Prioritisation and ranking of sustainability indicators Preparation of Materiality Matrix Final report, with recommendations and roadmaps

The results of the stakeholder surveys were analysed by an independent sustainability consultant and further reviewed by the Group's in-house sustainability experts, who then formulated targeted interventions for the approval of Executive Management and the Board.

# **Dangote Cement's 2020 materiality matrix**

The topics shown in the materiality matrix table are indicators that have been identified as material by the key stakeholders surveyed in 2020 (investors, communities, employees and supply chain partners). They also reflect indicators that Dangote Cement has identified as material to its business sustainability. In line with the Global Reporting Initiative (GRI) reporting requirements, the identified material topics significantly influence the issues that are disclosed in this report.

### **Dangote Cement Plc 2020 Matrix** ∧ Importance to stakeholders Current valuation Investors' easy ac High Executive pay scheme aligned to shareholder interests Infrastructural development Carbon emissions & climate change Community relations Community relations Corporate Governance Currency/FX factors Environmental Compliance Financial Performance Human Rights Quality of Management team Renewable energy / Alternative fuel Transparency and external reporting nfluence Sustainability reporting Community engagemen Medium Social investment and CSR Macro-economic factors in country of Employee engagement Macro-economic raos operation ESG Risk Profile Environmental Performance Environmental Performance Employee wellbeing and job satisfaction. Circular economy Health and Safety Low Impact on Dangote Cement PLC Low Medium High Interest

### **Investors' survey**

The 2020 investors' survey is in line with our sustainability commitment of regularly eliciting the views of our esteemed investors on our Environmental, Social and Governance (ESG) performance, and also to obtain relevant feedback on how we could improve on our overall business sustainability practices; enhance relationship with our esteemed investors; and continually develop and strengthen mutual benefits for both parties.

While "business strategy" clearly led the list of top five issues of interest for Dangote Cement investors in 2019; in 2020, financial performance, business strategy and quality of management team scored the same exact points (90.9%) and occupied shared position of importance for our investors. In 2019, "quality of management team" occupied the fifth position but is now ranked equally with "business strategy" and "financial performance",

according to 2020 investors' feedback. The reason for these shifts is not far-fetched. It is a reflection of investors' concerns following a turbulent year for global businesses owing to fallouts of the COVID-19 pandemic. More than ever before, quality of the management team is key in driving excellent corporate governance and steering the business to safety and sustainability. "Current valuation", and "transparency and external reporting" complete the top five issues of concern for Dangote Cement investors in 2020.

The impact that the Company's operations have on host communities and the physical environment was also of high interest to investors, as this was seen as an important business sustainability issue. Also, transparency and external reporting, which was among the top five material issues identified, allows investors to assess not just our financial performance but also our ESG practices.



### Investors' survey continued

Of a total of 32 key sustainability indicators, 10 were ranked by Dangote Cement investors as most important, as shown in the graph below:

# 2020 materiality assessment: key areas of interest for DCP investors

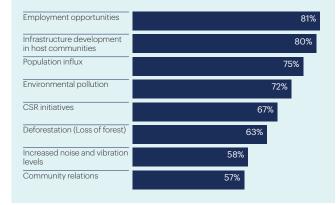


### **Communities' survey**

Our communities host our operations and they provide us a conducive environment to carry out our business activities. They are therefore very important stakeholders. Thus, we engage our host communities regularly through multiple channels including independent surveys. These engagements help us understand the views, interests and priorities of the communities and how best to address their key concerns. Very importantly, the outcome of such engagements helps us plan and make informed decisions on our social investment initiatives and other interventions.

At the end of the 2020 Sustainability Materiality Assessment and Feedback Surveys for communities, a total of 24 key sustainability indicators were identified, and these were later ranked according to the communities' perspectives on importance and impact. The eight (8) highest ranked issues of interest and concern are presented below:

# **2020 materiality assessment: key areas of interest for DCP communities**



According to feedbacks from the 2020 communities survey, the relationship between Dangote Cement Plc and host communities was described by most respondents as "cordial". Despite the few disruptions and grievances recorded during 2020, the communities acknowledged that the presence of Dangote Cement in their neighbourhood has led to increased socioeconomic development and improvements in household income, even though they also believe that the cost of living has risen as a result.

Increased population influx was identified as a negative impact of Dangote Cement operations in some host communities, which according to the feedbacks has resulted in increased environmental and noise pollutions, among others. Our communities also expect us to improve performance on issues that are very important to them, such as creating more employment opportunities and enhancing infrastructural development and social investments. Community relations was also flagged as a high-priority issue.

Dangote Cement has provided direct employment to thousands of indigenes and local residents while also supporting in building employability skills for thousands of others. Our host communities have benefitted from community development projects such as roads, electricity, schools, hospitals, potable water supplies, trainings, and skills acquisition programmes, as well as scholarships for students. However, we will leverage this critical feedback to improve our performance and build win-win relationships with host communities.

#### **Employees' survey**

We administered the 2020 employee survey questionnaires to our internal stakeholders as part of our commitment to actively listening to their views and concerns. In 2020, all DCP operations across 10 countries (Nigeria, Senegal, Tanzania, Cameroon, Ethiopia, Congo, Ghana, Zambia, Sierra Leone and South Africa) participated in the survey. Over 500 employees responded to the survey, a 148% increase compared to 2019.

We obtained valuable employees' views and perceptions on our internal processes and structures, and external relations through this engagement. Among other very important feedback, the survey helped us to understand our employees' opinions on how we could continuously improve employee productivity and satisfaction and attract and retain talented millennials (employees between 18-30 years of age). Furthermore, we were able to assess our employees' views on our contributions to socioeconomic development in the different countries where we operate and our support towards the United Nations SDGs' actualisation. During the 2020 survey, our employees identified 38 key sustainability indicators, out of which thirteen (13) were ranked as key areas of interest and impact, as shown below:

# **2020 materiality assessment – key areas of interest for DCP employees**

| Employee wellbeing and job<br>satisfaction         |     | 87% |
|--|-----|-----|
| Environmental pollution                            | 81  | 1%  |
| Employee human capital<br>development              | 77% |     |
| Environmental compliance                           | 69% |     |
| Waste management                                   | 69% |     |
| Compensation and benefits                          | 68% |     |
| Infrastructural development<br>in host communities | 68% |     |
| Water efficiency compliance                        | 67% |     |
| Compliance with legal and regulatory standards     | 65% |     |
| Educational empowerment in host communities        | 65% |     |
| Financial performance                              | 63% |     |
| Carbon emissions and climate change                | 60% |     |
| Employee training and capacity building            | 57% |     |

For Dangote Cement staff, the key issues of interest as revealed in the 2020 materiality assessment are employee wellbeing and job satisfaction, human capital development, compensation and benefits, employee training and capacity building. They also described sustainability training as important, as it helps them understand the Environmental, Social and Governance (ESG) objectives and non-financial performance of the business. Also, employees situated at the plants/sites consider environmental issues such as environmental pollution, environmental compliance, waste management and water efficiency as very important. Our employees also believe that infrastructural development and educational empowerment in host communities are key external factors that will help us sustain our social licence to operate.

#### Supply chain partners' survey

In 2020, we carried out a materiality assessment on our supply chain partners for the first time to assess their views on our business sustainability performance and how we manage our supply chain relationships. The survey was also designed to obtain feedback on sustainability awareness and practices within our supply chain and determine the areas of business and operational improvements required, leveraging input from this category of stakeholders.

The survey provided us with qualitative and quantitative information required to continuously assess our supply chain management performance and gave very insightful feedback on our supply chain partners' ESG profile.

In all, 27 sustainability indicators were identified, out of which nine were ranked as high priority by our supply chain players (contractors, vendors and suppliers), as shown below:

# 2020 materiality assessment – key areas of interest for DCP supply chain partners

| Ethics and integrity consideration     |     | 94% |
|--|-----|-----|
| Adoption of ESG practices              | 9   | 1%  |
| ESG code of conduct                    | 85% |     |
| Anti-corruption policies and practices | 79% |     |
| Child labour                           | 77% |     |
| Human rights                           | 77% |     |
| Raw materials procurement              | 69% |     |
| Environmental pollution                | 68% |     |
| Gender equity                          | 68% |     |



# Community engagements and operational disruptions in 2020 (by locations)

| Country           | Number of<br>community<br>engagements | Number of social<br>incidents or<br>disruptions | Number of hours<br>lost to social<br>incidents (host<br>communities<br>disruptions or<br>disturbances) |
|-------------------|---------------------------------------|---|--|
| Nigeria – HQ      | 5                                     | _   | _  |
| Nigeria – Gboko   | 23                                    | 1   | _  |
| Nigeria – Ibese   | 37                                    | 6   | 40   |
| Nigeria – Obajana | 80                                    | 2   | _  |
| Cameroon          | 97                                    | _   | _  |
| Congo             | 24                                    | 5   | 20   |
| Ethiopia          | 39                                    | 3   | _  |
| Ghana             | 6                                     | _   | _  |
| Senegal           | 120                                   | 6   | _  |
| Sierra Leone      | 6                                     | _   | _  |
| South Africa      | 81                                    | 4   | —  |
| Tanzania          | 16                                    | 1   | 5  |
| Zambia            | 62                                    | 2   | _  |
| Total             | 596                                   | 30  | 65   |

#### Dangote Cement's 2020 social investment spending

| Country           | 2020<br><b>N</b> million | 2019<br>₦ million | 2018<br><b>N</b> million |
|-------------------|--------------------------|-------------------|--------------------------|
| Nigeria           | 2,507.51                 | 811.82            | 1,045.97                 |
| Cameroon          | 74.66                    | 8.58              | 40.41                    |
| Congo             | 3.98                     | 0.64              | —                        |
| Ethiopia          | 107.40                   | 83.25             | 55.86                    |
| Ghana             | _                        | _                 | —                        |
| Senegal           | 126.20                   | 156.34            | 119.66                   |
| Sierra Leone      | _                        | 0.58              | _                        |
| South Africa      | 16.67                    | 29.71             | O.11                     |
| Tanzania          | 2.48                     | 7.07              | 20.10                    |
| Zambia            | 12.87                    | 8.76              | 5.61                     |
| Niger             | _                        | 2.05              | _                        |
| Total expenditure | 2,852                    | 1,108.81          | 1,287.73                 |

### **Anti-corruption**

At Dangote Cement, we recognise that corruption is a systemic issue that undermines social and economic development and with a propensity to destabilise the business environment. As such, we do not tolerate bribery and corruption in any form, whether subtle or overt. Our zero-tolerance for corruption is clearly spelled out in our Anti-bribery and Corruption Policy, which is binding on our employees at all levels, as well as our supply chain partners, and players across our value chain. We ensure that our employees are conversant with the provisions of this policy by creating continuous awareness and leveraging staff onboarding and other strategic employee engagement sessions to communicate acceptable practices and the consequences for non-compliance.

In the year under review, we conducted fraud and risk management trainings for staff in our internal audit department to equip them with the knowledge required to function effectively in their roles. Utilising approved transparency processes, we implemented audits across all plants. We also implemented audits on all plant. utilising approved transparency processes. In the year under review, 30 cases of corruption were identified, reported and investigated, accordingly. All offenders were dealt with in accordance with company policies and regulatory requirements in our various markets. Some disciplinary actions taken include warning letters, queries, suspension and outright termination. Where required, legal steps were taken against persons found culpable of bribery and corruption, while some others are reported to the appropriate authorities.

#### Bribery and corruption cases in 2020 (by location)

| Total             | 30   | 25   | 20   |
|-------------------|------|------|------|
| Zambia            | 1    | 4    | 5    |
| Tanzania          | 5    | 2    | 2    |
| South Africa      | —    | 2    | —    |
| Sierra Leone      | 1    | —    | _    |
| Senegal           | 3    | 2    | _    |
| Ghana             | 2    | 5    | 4    |
| Ethiopia          | 4    | 1    | _    |
| Congo             | 4    | 3    | _    |
| Cameroon          | 4    | 2    | 4    |
| Nigeria – Obajana | 2    | —    | 1    |
| Nigeria – Ibese   | 1    | 4    | 2    |
| Nigeria – Gboko   | 1    | _    | 2    |
| Nigeria – HQ      | 2    | _    | _    |
| Country           | 2020 | 2019 | 2018 |
|                   |      |      | · ·  |

We remain committed to ensuring that our business practices and processes are transparent, in accordance with our core values and in compliance with global sustainability principles and standards, including the UN Global Compact principles on human rights, labour, environment, and anti-corruption.

### **Health and safety performance**

We regard occupational and community health and safety as fundamental to our business sustainability. Our commitment to safeguarding the health and safety of our internal and external stakeholders is firm and unwavering. We continuously endeavour to identify all threats to health, safety and wellbeing in our operations and commit the necessary human and material resources for implementing corrective actions and continuous improvement.

Our ultimate goal is to attain zero accidents and fatalities in our business operations and across our entire value chain. This is why in 2020, we declared health and safety as the business' number one priority. To enable us to achieve our 100% safety objective, we have developed a comprehensive Health and Safety Improvement Plan in all our operations and are taking far-reaching performance enhancement steps.

#### Safety improvement initiatives in 2020

- We are promoting a culture in which all Dangote Cement employees accept responsibility for collectively driving health and safety best practices;
- We are building the required skills and capacity that promote health and safety consciousness and best practices in the workplace, our communities and the larger society;
- We are improving compliance with relevant laws and regulations and implementing applicable standards, including ISO 45001:2018 (Occupational Health & Safety); among others;

**Supplementary Information** 

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- We are building a work environment where our employees feel safe, secure and motivated to give their best without fear of reprimand. Our employees are encouraged to stop unsafe work and intervene when unsafe and non-compliant situations are observed;
- We are continually training and enforcing safe system of work on use of operational tools and plant equipment and the compulsory use of Personal Protective Equipment (PPE);
- We are enhancing our distribution logistics management system to ensure that our operational vehicles are maintained in line with manufacturers' specifications;
- We are actively listening to our employees, including drivers, addressing their concerns and motivating them to champion safe driving culture across all Dangote Cement operations;
- We are deploying Behavioural Based Safety Programmes (BBS) to address risk behaviours observed and enhancing improvement in our safety culture by embedding safety in the hearts and minds of our employees and contractors;
- We are training our drivers on safe driving techniques and are enforcing a consequence management system that compels drivers' to comply with all safe-driving rules, policies and guidelines. We have put structures in place that recognise and reward compliance and hand out sanctions for non-compliance;
- We are improving electronic tracking and monitoring of our vehicles and drivers for compliance with laid down rules and guidelines and are also conducting random drugs and alcohol tests across all locations pre and post trip and also while on the road, to ensure that drivers are not driving under the influence of alcohol and or drugs;
- We are also enforcing compliance with the Dangote 15 Safety Golden Rules and are regularly auditing our health and safety performance in all locations and operations.

In the year under review, we continually created awareness on our 15 Safety Golden Rules. We noted an increase in compliance with the Rules compared to the previous year. Employees are encouraged to report all health and safety risks and incidents and are empowered to stop any unsafe act.

Summary of Health & Safety performance (2017-2020)

| Type of incidents                               | 2017       | 2018       | 2019       | 2020       | Increase(+) or<br>Decrease(-) |
|---|------------|------------|------------|------------|-------------------------------|
| Total Number of Work Hours                      | 28,117,655 | 28,888,151 | 28,489,399 | 29,828,480 | 5%                            |
| Total Number of Near Misses                     | 10,567     | 22,852     | 17,385     | 11,523     | -34%                          |
| Total Number of First Aid Injuries              | 339        | 220        | 322        | 306        | -5%                           |
| Total Number of Medical Treatment               | 98         | 73         | 50         | 55         | 10%                           |
| Total Number of Lost Time Injuries (LTI)        | 47         | 22         | 25         | 25         | 0%                            |
| Total Number of Fatalities                      | 2          | 4          | 2          | 7          | 250%                          |
| Total Number of Staff Trained on HSE            | 9,574      | 17,008     | 23,804     | 15,757     | -34%                          |
| Total Number of Hours for Staff Training on HSE | 44,666     | 105,086    | 85,905     | 86,664     | 1%                            |

We will continue to upgrade our internal processes to foster a safe working environment and align our health and safety practices with local and global best standards.

awareness sessions were carried out in 2020.
2020 Health, Safety and Environment (HSE) trainings

| 2020 Health, Safety and Environment (HSE) training | 5 |
|--|---|
| 2020 HSE trainings                                 |   |

Our Board Technical and Sustainability Committee is intensifying

oversight on safety issues. It has mandated continuous

improvement actions that should be taken to mitigate safety risks

In response to the COVID-19 pandemic, we implemented several

trainings in the year under review, to build employee awareness

and capacity on managing the disease outbreak. Staying safe

during the pandemic was a recurring theme in several of our 2020

trainings which were mostly conducted virtually. We also issued

the "10 commandments on high risk activities," designed to ensure that our employees understand the practices to imbibe and the

During the year, we also executed trainings on understanding the origin and nature of critical incidents and high potential near

misses. Root Cause Analyses (RCA) were carried out on all critical

incidents and high potential near misses to broaden the practical

understanding of key function owners on safety and incidents

management. These learnings and implementation of corrective/

preventive actions are designed to ensure that such incidents are

not recorded again in our operations. In addition, safety town hall

meetings were conducted by our Executive Management in

Dangote Cement locations to emphasise the need to work safely

and comply with laid down rules. In line with our zero accidents and fatalities agenda, a total of 385 health and safety trainings and

Health and safety awareness and trainings

actions to take to stay safe and protected from the virus.

in all aspects of our operations.

| Number of training programmes, activities or |        |
|--|--------|
| initiatives (based on training mode)         | 385    |
| Physical or classroom or on-site             | 345    |
| Virtual (online)                             | 40     |
| Total number of employees trained on HSE     | 15,757 |
| Total number of HSE training hours           | 86,664 |



### **Diversity and equal opportunity**

At Dangote Cement, we are committed to building a diverse and inclusive workforce where all employees enjoy equal opportunities. We pride ourselves on creating a work environment that values and utilises employees' contributions and experiences from a range of very diverse backgrounds. We strive to ensure that all individuals are treated fairly, with respect and equal access to opportunities and required resources.

We understand diversity to be the range of human differences, including but not limited to race, ethnicity, gender, orientation, age, social class, physical ability or attributes, religious beliefs, culture, nationality, political inclinations, and so on. We make deliberate efforts to support diversity and inclusion in our business activities. Our recruitment policy fosters staff's employment from a diverse pool of talents because we understand that a diverse and competent workforce further strengthens our competitiveness, creativity and productivity. We aim to create an inclusive organisation where all employees, despite their diversity, are treated with dignity and are empowered to reach their full potential.

In 2020, our workforce consisted of persons of diverse age groups, ethnicity, nationality, religion, political affiliation, and so on. We celebrate our unity in diversity and work together with the sole aim of advancing organisational goals and objectives. In the year under review, our youthful, vibrant and visionary employees below the age of 30 years represented 15.8% of our total workforce, while our mature and experienced employees between 30 and 50 years of age accounted for 69.4% of our workforce. To ensure that we maintain a resource pool of knowledge, experience and intellectual diversity, we have 14.7% of our employees aged 50 years and above.

In the year under review, a total of 10 employees in our Nigerian operations had physical disabilities. All our employees living with disabilities are treated with respect and dignity, and they enjoy equal opportunities with every other staff member. They are adequately supported with the tools and convenient environment that they require to deliver efficiently on their jobs.

Our vendor selection process considers diverse supplier groups in the same vein, each with their unique perspectives, skills and competencies. In our community relations, we encourage inclusive engagements. We interact with and give equal attention to all stakeholder groups, including youths, women, elderly, widows, persons living with disabilities, men, and so on.

We continuously look for new ways to embrace diversity and remove barriers to inclusiveness and multiplicity of our workforce's ideas and competencies. Over the years, we have made progress in increasing our employee diversity and we will continue to focus on building a workplace where multiplicity is harnessed for enhanced business performance.

#### **Diversity of leadership**

The Dangote Cement Plc, (the Company) leadership team comprises of experienced and knowledgeable individuals of different ethnicity, nationalities, religion, gender, race, age groups and cultures, each bringing their unique personalities and perspectives and creating a stimulating working environment.

During 2020, Dangote Cement Plc. had a cumulative total of 15 Directors (12 were male while 3 were female). Engr. Joseph Makoju retired as the Group Managing Director on 31st January 2020, while Michel Puchercos was appointed as the Group Managing Director on 1st February 2020. Berlina Moroole was appointed as a Non-Executive Director on 24th July 2020, while Arvind Pathak resigned on 25th February 2021. In 2020, we had a total of 15 board members. Of this number, 12 were male while 3 were female, representing 80% and 20% respectively. At the senior management level, we had a total of 439 personnel, out of which 381 were male, and 58 were female, representing 86.8% and 13.2%, respectively. Also, 118 senior staff are within the 18-30 years' age category; 224 are within the 31-50-years age category, while 97 senior staff are over 50 years, representing 27%, 51% and 22%, respectively. In our Nigerian operations, a total of 15 persons make up our Executive Management committee team, consisting of 13 male and 2 female, and representing 86.7% and 13.3%, respectively. Five of our Executive Management team members are within the age range of 30 to 50, while 10 are over 50 years, representing 33.3% and 66.7%, respectively.

We note the significant gap that still exists in our gender representation. The Company is taking concrete steps towards increasing female representation, especially in leadership positions. We are already beginning to see some improvements in this regard. In 2020, female Board membership increased year on year, from 14% as at 2019 to 20%.

# Senior management breakdown by age and gender





#### **Non-discrimination**

At Dangote Cement, we are committed to maintaining a work environment where all individuals are treated with dignity and respect. Every individual has the right to work in a professional environment where they are certain that they will not be stereotyped or discriminated against. We prohibit discriminatory practices and harassment in our workplace. We frown at any form of bias and prejudice in our recruitments, assignments, transfers, promotions, compensations, benefits, working conditions, among others. We enforce non-discrimination at all levels and across all Dangote Cement operations. We also encourage our employees to report all cases and incidents of discrimination, regardless of the offender's identity or position. Such reports are appropriately investigated and addressed in line with laid down policies and standards.

We have a non-discrimination policy that clearly stipulates that all employees can work in an environment free from unlawful harassment, discrimination and retaliation. We remain committed to ensuring that all staff are familiar with these policy provisions and are aware that any violation or cases of non-compliance will be thoroughly investigated and sanctioned, as appropriate. In the year under review, there were no discrimination cases recorded in any of our operations in Nigeria and Pan-Africa.

### **Grievance mechanism** and whistleblowing

As an organisation that is committed to ethical and responsible business practices, we foster mutual trust and respect between us and our stakeholders. One of the ways that we achieve this is by providing access to an effective grievance mechanism procedure. We understand grievances to be expressions by stakeholders of discontent or dissatisfaction regarding any of our policies, activities, processes, practices, products, services or our management of business relationships.

We have an established grievance process through which we attend to inquiries, claims, concerns and complaints from internal and external stakeholders, including the communities in which we operate. The essence is to identify and mitigate negative business impacts and provide a channel through which affected persons could come forward to express their grievances without fear of retaliation or negative consequences. An effective grievance mechanism enables our organisation to receive, review and address complaints before they escalate into full-blown conflicts.

All complaints received via our grievance mechanism channels are registered and investigated, in line with our standard procedures. When appropriate, our Compliance team informs the complainant of the steps that will be taken to address their concerns, including, if necessary, escalation steps. In 2020, a total of 157 grievances were received in all of our locations. Out of this number, 104 were successfully resolved and closed while 53 cases are still being addressed.

### **Reported grievances in 2020 (by location)**

| Country           | 2019<br>Reported<br>grievances | 2020<br>Reported<br>grievances | 2020<br>Grievances<br>closed | % of total |
|-------------------|--------------------------------|--------------------------------|------------------------------|------------|
| Nigeria – HQ      | _                              | _                              | _                            | _          |
| Nigeria – Gboko   | 11                             | 7                              | 2                            | 4.46       |
| Nigeria – Ibese   | 12                             | 19                             | 10                           | 12.10      |
| Nigeria – Obajana | 11                             | 10                             | 9                            | 6.37       |
| Cameroon          | 5                              | 7                              | 3                            | 4.46       |
| Congo             | 5                              | 3                              | 1                            | 1.91       |
| Ethiopia          | 6                              | 12                             | 8                            | 7.64       |
| Ghana             | _                              | _                              | _                            | _          |
| Senegal           | 4                              | 8                              | 3                            | 5.10       |
| Sierra Leone      | _                              | _                              | _                            | _          |
| South Africa      | 28                             | 58                             | 42                           | 36.94      |
| Tanzania          | 1                              | _                              | _                            | _          |
| Zambia            | 15                             | 33                             | 26                           | 21.02      |
| Total             | 98                             | 157                            | 104                          |            |

### 2020 grievances by types

| Category                        | Number<br>Reported in<br>2019 | Number<br>Reported in<br>2020 |
|---------------------------------|-------------------------------|-------------------------------|
| Environmental impact and safety | 5                             | 29                            |
| Delays in implementing social   |                               |                               |
| investment projects             | 5                             | —                             |
| Resettlement issues             | 6                             | —                             |
| Land access                     | 9                             | 28                            |
| Unresolved commitments          | 10                            | 1                             |
| Local business opportunities    | 12                            | 15                            |
| Compensation                    | 16                            | 10                            |
| Employment                      | 31                            | 40                            |
| Others                          | 4                             | 34                            |
| Total                           | 98                            | 157                           |

To mitigate instances of community grievances, we understand the need to engage continuously. Should they have grievances to report, we ensure that stakeholders in communities have access to our company representatives and key decision-makers as the need arises. Where issues cannot be redressed at the community level, they are escalated to the regional office or headquarters for timely and mutually agreed resolution.

Aside from the 2021 materiality assessment survey, there were several other channels of engagement with host communities in the year under review. This was further necessitated by the COVID-19 pandemic and the need to strengthen support for our communities, and also as we strived to address grievances and operational disruptions that surfaced in some business locations. In all, we held a total of 596 community engagement sessions in 2020. All complaints were painstakingly looked into and addressed in line with the standard procedures.

On whistleblowing, when there are breaches or genuine threats of violations of our Code of Conduct, policies and standards, employees and other stakeholders are encouraged to utilise our whistleblowing portal to report such incidents. We have a formal, transparent mechanism for whistleblowing, which is accessible to our stakeholders. To ensure objectivity and gain users' confidence in the process, our whistleblowing platform is independently managed by one of the big four consulting firms, Deloitte. As part of the process, concerns can be raised on an anonymous basis. The confidentiality of the whistleblowers is respected and their identities are only shared where it is necessary for addressing the concerns raised or as required by law. Retaliation against any employee, contractor or third party who reports a concern in good faith is prohibited.

Our whistleblowing and grievance mechanism processes are clearly communicated to employees through the staff handbook which is available on the Company's intranet.

In host communities, we endeavour to keep communication open between our business and community members, who are also encouraged to report infractions using our whistleblowing mechanism. Anonymity is guaranteed, as required by the whistleblower.

In the year under review, 30 whistleblowing cases were recorded. 80% of these cases have been scrutinized and resolved while 20% are still being investigated.



### 2020 Whistleblowing cases (by location)

| Country           | Number of<br>whistleblowing<br>cases in 2020 | Number of<br>cases resolved | Number of<br>cases ongoing |
|-------------------|--|-----------------------------|----------------------------|
| Nigeria – HQ      | 2  | 1                           | 1                          |
| Nigeria – Gboko   | 1  | 1                           | _                          |
| Nigeria – Ibese   | 1  | —                           | 1                          |
| Nigeria – Obajana | 2  | 2                           | _                          |
| Cameroon          | 4  | 4                           | _                          |
| Congo             | 4  | 4                           | _                          |
| Ethiopia          | 4  | 1                           | 3                          |
| Ghana             | 2  | 2                           | —                          |
| Senegal           | 3  | 3                           | —                          |
| Sierra Leone      | 1  | —                           | 1                          |
| South Africa      | —  | —                           | _                          |
| Tanzania          | 5  | 5                           | —                          |
| Zambia            | 1  | 1                           | _                          |
| Total             | 30   | 24                          | 6                          |

# **Freedom of association and collective bargaining**

We recognise that effective worker organisation and representation can play a valuable role in building a positive business environment. As such, we respect the fundamental right of workers to freedom of association, to form organisations of their own choice, to join trade unions, and to bargain collectively for their wages and other benefits. This is in line with our adherence to the core principles of the International Labour Organisation and the United Nations Global Compact (UNGC), to which we are a signatory. We do not discriminate or penalise workers because of their membership or affiliation with a trade union, as long as it is permissible by law in the countries or locations of our operations.

We maintain an open line of communication with employee unions and leadership on subjects of mutual interests to ensure that decisions taken are in both parties' best interest. We remain committed to entrenching best practices in collective bargaining for all categories of employees.

# Number of employees covered by collective bargaining agreements)

| Country      | 2018 | 2019 | 2020  |
|--------------|------|------|-------|
| Ethiopia     | 420  | 378  | 376   |
| Ghana        | —    | 126  | 197   |
| Senegal      | 120  | 170  | 245   |
| South Africa | 190  | 164  | 266   |
| Total        | 730  | 838  | 1,084 |

# Child labour, forced or compulsory labour

We have zero-tolerance for child labour in all its forms, not only because of the direct harm caused to children involved but also because of the negative multiplier effect it has on society. We periodically conduct due diligence on our operations to check for instances of child labour, and to ensure that all our operations are free from such incidents. Also, we will not enter into a business partnership with vendors and contractors who have a track record of using child labour. Our code of conduct for supply chain partners clearly prohibits the use of child labour.

As a way of creating awareness on child labour, in the year under review, we published a four-part series on child labour tagged "combatting child labour" in our weekly sustainability publication that is circulated across all Dangote operations. In 2020, we had zero instances of child labour in our operations. We remain committed to adhering to all local and global regulations that protect the rights of children.

Also, we have stringent standards against forced and compulsory labour. Our anti-forced labour policy espouses our stance on any form of modern slavery, servitude or human trafficking. We implement policies and procedures that ensure that this practice does not occur anywhere in our supply or value chain. We found no cases of forced or compulsory labour in our operations in 2020.



### Human rights assessment

At Dangote Cement Plc, we understand the importance of human rights and the key role that businesses could play in enforcing human rights protection. We support the principles set out in the articles of the United Nations' Universal Declaration of Human Rights and the International Labour Organisation's Core Labour Principles, as well as the United Nations Global Compact principles on human rights. We are aware that the business and human rights agenda is continuously evolving. We keep ourselves abreast of trends and align our human rights practices with global best procedures, irrespective of enforcement weaknesses that may exist in markets where we operate.

We are committed to building knowledge and awareness on human rights across our value chain. This commitment is reflected in our Code of Business Conduct which covers all of our operations. Our whistleblowing platform and grievance mechanism processes provide avenues for aggrieved persons to channel their complaints on human rights violations for investigation and redress.

We recognise that human rights violations could occur anywhere along the value chain. This may relate to labour rights, children's rights, women's rights, rights of persons with disabilities, poor health and safety standards, impacts on local communities, and so on. Our code of conduct that guides supply chain relationships upholds human rights practices in our supply chain. We have laid down standards that guide acceptable norms of behaviour on human rights issues. We also have a Group human rights policy that clearly defines responsibilities for upholding best practices on human rights in all Dangote operations.

There were no reported cases of violation of human rights in any of our business operations in the year under review. We will continue to monitor and audit compliance with our human rights policies and standards.



