Dangote Cement Plc
Annual Report and Accounts 2020

Resilience and Growth

Dangote Cement Plc is Sub-Saharan Africa's leading cement company, with operations in 10 African countries.

For our 2020 report, we have combined our Annual Report and our Sustainability Report.

Our Annual Report for 2020 links our financial and non-financial data into a coherent whole that explains the Company's ability to create and sustain value for shareholders.

We believe that sustainable value creation for all our stakeholders will be based on our ability to fully align the cultural, environmental, economic, operational, social, institutional and financial pillars of what we call "The Dangote Way".

Our Response To COVID-19

We proactively deployed all recommended measures to protect the health and wellbeing of our employees, customers, suppliers and communities.

Read more about our response on page 12

Our Export Strategy

Our "export to import" strategy aims to serve West and Central Africa from our Nigerian factories, exporting by sea and making the region cement self-sufficient.

In 2020, we commenced shipping clinker to West and Central Africa via our export terminal.

Read more about our strategy on page 16

"The Dangote Way"

This report is structured around the 7 Sustainability Pillars of "The Dangote Way".

Read more about "The Dangote Way" on page 24

Supporting Africa's Transformation

The partner of choice for those who are building Africa, while creating sustainable value for our stakeholders.

Our values

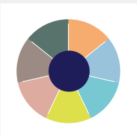
Our values are Service, Leadership, Entrepreneurship and Excellence which are all linked to "The Dangote Way".

Our vision

To be a global leader in cement production, respected for the quality of our products and services and for the way we conduct our business.

Our mission

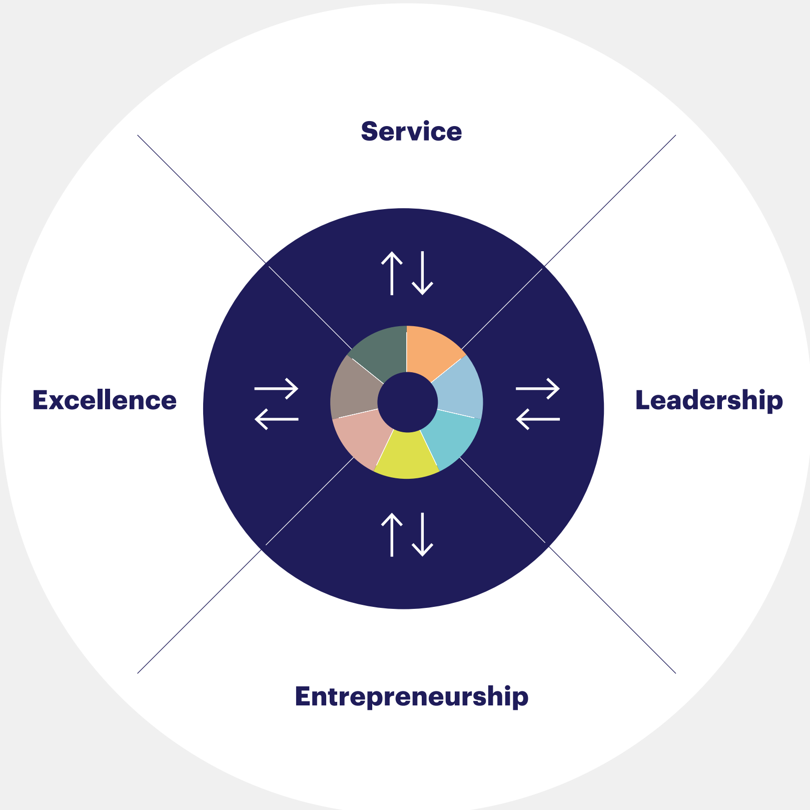
To deliver strong returns to our shareholders by selling high-quality products at affordable prices, backed by excellent customer service.



"The Dangote Way"

Our 7 Dangote Sustainability Pillars collectively reflect the ethos behind "The Dangote Way". These pillars provide the framework in which we have embedded our corporate values and strategic objectives.

Read more about "The Dangote Way" on page 24



8 reasons to invest in Dangote Cement

Dangote Cement has achieved excellent financial performance and growth over the last decade. Our volumes have grown by a compound annual rate of 13% over the last decade, while our EBITDA has increased by a compound annual growth rate of 15% over the same period. We continue to prioritise distributing high returns through dividends. Dangote Cement has paid over ₦1.3 trillion to shareholders over the past 10 years.

Accorded the highest issuer rating by GCR

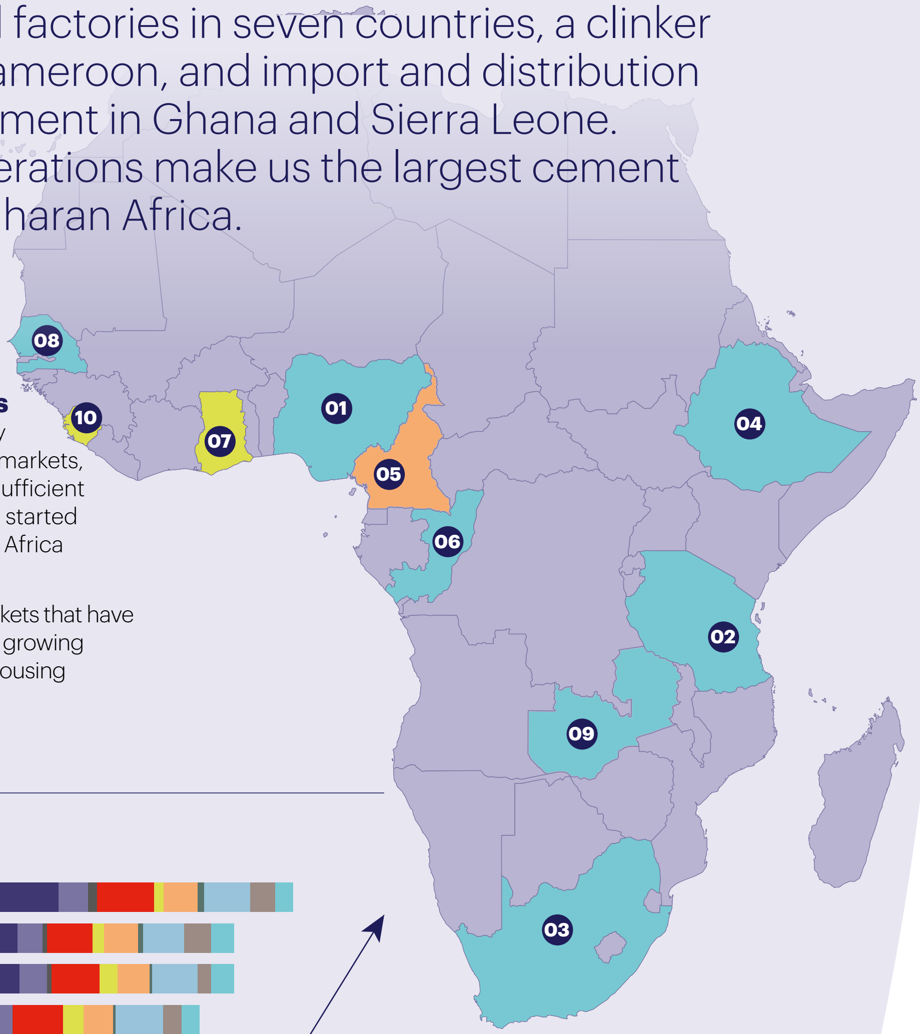
On 30th March 2021, Dangote Cement was upgraded to a long-term issuer rating of AAA (NG) by the Global Credit Ratings, the highest issuer rating accorded by the rating agency.

AAA
rating by GCR

1. **Leading cement producer in diverse African markets with excellent growth prospects**
2. **Industry-leading margins to drive excellent returns and a strong balance sheet, with low net debt**
3. **48.6Mta capacity with modern, efficient factories**
4. **Robust governance with five Independent Directors, 20% female Board representation and six different nationalities**
5. **Export strategy benefits, making West and Central Africa cement and clinker self-sufficient**
6. **Fully committed to sustainable growth that benefits all stakeholders**
7. **One of the largest companies in Sub-Saharan Africa by revenue and market capitalisation**
8. **A unique investment opportunity offering exposure to Sub-Saharan Africa's growth potential**

A Global Leader, Proudly African

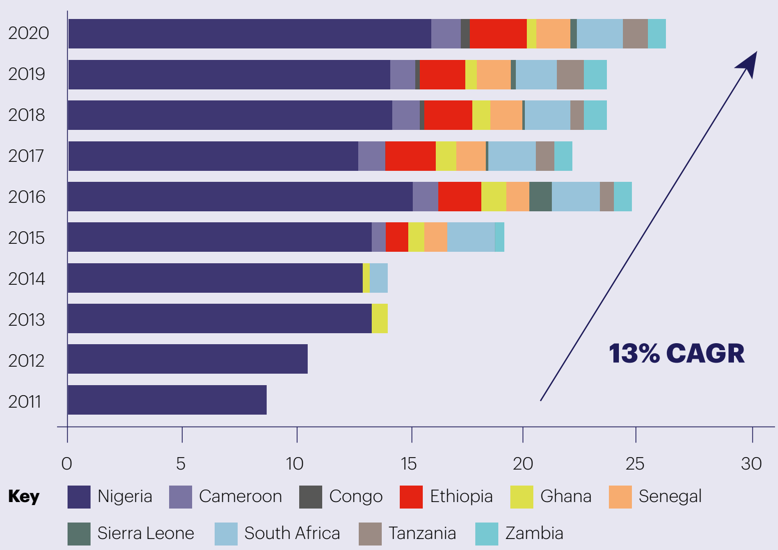
Dangote Cement has production capacity of 48.6 million tonnes per year across 10 countries in Sub-Saharan Africa. We have integrated factories in seven countries, a clinker grinding plant in Cameroon, and import and distribution facilities for bulk cement in Ghana and Sierra Leone. Together, these operations make us the largest cement producer in Sub-Saharan Africa.



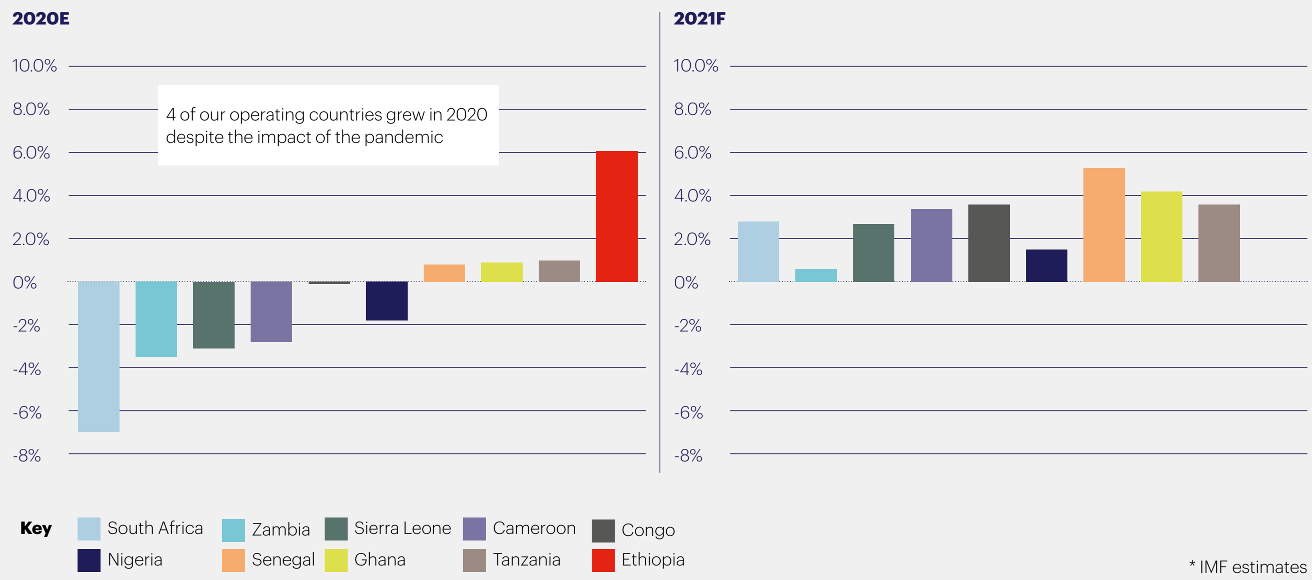
Serving our local economies
Based in Nigeria, we operate in many of Sub-Saharan Africa's key cement markets, helping the continent become self-sufficient in this basic commodity. In 2020, we started shipping clinker to West and Central Africa from Nigeria.

Our regional strategy: We look for markets that have ample limestone, thriving economies, growing populations and a pressing need for housing and infrastructure.

Robust volume growth



GDP growth across our operating environment*



* IMF estimates

01 Nigeria
Estimated market share
Above 60
Capacity
32.3Mta

02 Tanzania
Estimated market share
18%
Capacity
3.0Mta

03 South Africa
Capacity
2.8Mta

04 Ethiopia
Estimated market share
28%
Capacity
2.5Mta

05 Cameroon
Estimated market share
38%
Capacity
1.5Mta

06 Congo
Estimated market share
42%
Capacity
1.5Mta

07 Ghana
Estimated market share
6%
Capacity
1.5Mta

08 Senegal
Estimated market share
23%
Capacity
1.5Mta

09 Zambia
Estimated market share
29%
Capacity
1.5Mta

10 Sierra Leone
Estimated market share
31%
Capacity
0.5Mta

Types of operations
Integrated **Import** **Clinker grinding**

Resilient performance amidst impact of COVID-19

Financial

Revenue
₦1,034.2bn +16.0%

2020	₦1,034.2bn
2019	₦891.7bn
2018	₦901.2bn

EBITDA
₦478.1bn +20.9%

2020	₦478.1bn
2019	₦395.4bn
2018	₦435.3bn

Net debt/EBITDA
0.71x

2020	0.71x
2019	0.58x
2018	0.39x

Cash flow from operations
(before tax and working capital changes)

₦483.5bn +23.2%

2020	₦483.5bn
2019	₦392.3bn
2018	₦424.4bn

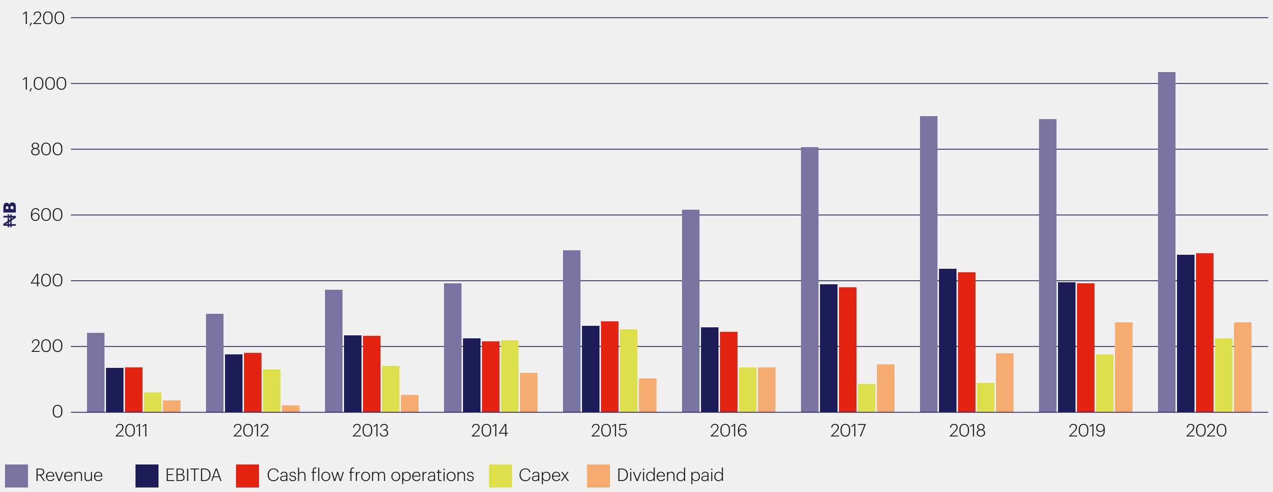
Profit after tax
₦276.1bn +37.7%

2020	₦276.1bn
2019	₦200.5bn
2018	₦390.3bn

Total dividends per share
₦16.00

2020	₦16.00
2019	₦16.00
2018	₦16.00

Outstanding financial performance



Operational

Record Group volume up by 8.6% at 25.7Mt

Nigeria volumes up by 12.9% at 15.9Mt

Commenced clinker shipping from Nigeria to West and Central Africa

3Mta capacity added to Obajana

Commissioned gas fired power plant in Tanzania

Commissioned Apapa and Onne export terminals

Sustainability

$5.8m

spent on protecting our people and communities from COVID-19

"C"

rated by CDP on our carbon disclosure for 2020

Commenced our alternative fuel initiatives which focuses on leveraging the circular economy business model

471

millionaires produced from our National Consumer Promo

20%

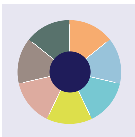
female Board representation from 12.5% in 2019; Diverse Board with six different nationalities

33

schools and 11,833 students engaged with during Sustainability Week

"The Dangote Way"

Read more about "The Dangote Way" on page 24



Creating value – "The Dangote Way"

Dear fellow stakeholders

I am delighted to welcome you to our 12th Annual General Meeting. It is an honour to be here with you today after what has undoubtedly been a challenging year for us all. The crisis surrounding the COVID-19 pandemic has left no one untouched. My thoughts and prayers go out to those who have lost loved ones and have been affected in any way, shape or form. I would also like to extend my deepest thanks to all those who are on the front lines battling this crisis and doing everything they can to keep our society running. The roll-out of the vaccine programme has given us a renewed hope, that soon, life as we once knew it will gradually return.

At Dangote Cement, we are dedicated to protecting and supporting our employees, customers, suppliers, and communities in the face of the pandemic. We have been pragmatic in our approach to ensure the health and safety of our people. As Africa's leading cement manufacturer, we take our role of social responsibility seriously and we have taken deliberate steps to deploy resources to help our communities overcome hardships during these turbulent times. I have been leading the CACOVID initiative, a Nigerian private sector coalition against COVID-19 that was set up at the outset of the pandemic.

2020 was unarguably a difficult year for the business but we demonstrated our resilience, our ability to adapt to change and to overcome challenges. At Dangote Cement, our commitment to building a sustainable business for all stakeholders is unwavering.

The year under review

Despite these challenges, 2020 was a record year for us across the board. I am pleased to announce that Dangote Cement hit the ₦1 trillion mark in terms of revenue. Group revenues were up 16.0% compared to 2019. We recorded Group cement sales of 25.7 million tonnes (Mt) and revenues of ₦1, 034.2 billion. Most notably was our record high EBITDA of ₦478.1 billion, up 20.9% compared to 2019 and our strong profit after tax of ₦276.1 billion up 37.7%.

As a result of this strong performance, the Board has recommended for your approval, a dividend of ₦16.00 per ordinary 50 kobo share. The Board maintains the 2019 dividend of ₦16.00 per share, reinforcing our commitment to maximising shareholder value. If approved at the Annual General Meeting on 26th May 2021, it will be payable to shareholders whose names are on the Company's register at the close of business on 27th April 2021. I am delighted that we have shown our ability to pay a generous dividend to our valued shareholders even in a challenging year. These challenges have not deflected us from our focus on delivering long-term value for shareholders.

Operating performance

In 2020, we commissioned our Apapa and Onne export terminals in Nigeria, and commenced clinker exports to West and Central Africa. The vision for our export strategy is to make West and Central Africa cement and clinker self-sufficient, with Nigeria as the main supplier and exporter. We also remain focused on meeting the demand in Nigeria and as such, we increased our capacity by 3Mt in Obajana. Lastly, we commissioned our gas fired power plant in Tanzania.

Our Nigerian domestic operations sold 15.6Mt, up 14.3% year on year, growing ahead of the market. This strong volume growth was enhanced by our successful innovative national consumer promotion "Bag of Goodies - Season 2", lower rains in the third quarter compared to the previous year and the low interest rate environment driving strong demand for real estate assets and supporting the construction sector. Pan-Africa volumes were up by 4.4% to 10.0Mt despite the various lockdowns and restrictions in 2020. The Pan-African region achieved a record high EBITDA of ₦71.3 billion, up 49.0%, notably supported by strong performance in Ethiopia and Senegal.

Board changes

Along with our focus on strategy, we have also made progress on the effectiveness and diversity of our Board. Ms Berlina Moroole was appointed to the Board of Dangote Cement as a Non-Executive Director effective 24th July 2020. We now have a 20% female Board representation, from 12.5% in 2019, and six different nationalities on our Board. We also have five independent non-executive directors, with three of them chairing our various Board committees.

We bid farewell to our Deputy Group Managing Director and Board member, Mr. Arvind Pathak who resigned effective 25th February 2021. The Board would like to express its appreciation to Mr. Pathak for his commitment and contribution to the Board and wishes him well in his future endeavours.

The Board has approved the confirmation of Mr. Guillaume Moyen as the substantive Group Chief Financial Officer, with effect from 18th March 2021. Mr. Moyen joined Dangote Cement in February 2019 as Group CFO (Operations) and was appointed Acting Group Chief Financial Officer in March 2019. The Board congratulates Guillaume and wishes him every success in his role.

COVID-19 interventions

We set up a Group COVID-19 Task Force Team made up of business units; Health, Safety, Security and Environment (HSSE); and risk management leaders. Our people rose to the challenge, swiftly adapting to working from home whilst maintaining operational performance to meet our commitments to all stakeholders. As the global pandemic spread, protecting the health and safety of our people and the communities in which we operate became an urgent priority. I am proud of the way in which our teams worked collaboratively and resolutely to meet our production targets whilst managing the health of our staff and contractors.

As I touched on earlier, the Private Sector Coalition Against COVID-19 (CACOVID) is an initiative to support the Federal and State Governments of Nigerian in combating the COVID-19 pandemic. CACOVID raised over ₦38 billion in 2020 towards the direct support of the Nigerian public health sector. The funds have also been used for the procurement of essential equipment such as testing supplies and PPEs and the setup of 39 isolation and treatment centres across the country. In addition, the initiative has increased public awareness of the virus, and provided food relief to 1.7 million households and 10 million people across the 774 local government areas.

Aliko Dangote Foundation (ADF), one of the contributors and the Secretariat of CACOVID donated ₦2.5 billion, provided 2 PCR testing laboratories and 40,000 test supplies valued at over USD$1 million, refurbished thermal cameras at all major international airports in Nigeria, donated 16 Ambulances and Rapid Response vehicles to a number of states, and funded technical assistance and research initiatives of the Presidential Taskforce on COVID-19 among other support.

Through the ADF, the Dangote brand has been at the forefront of curbing the spread of the deadly virus, providing health-related interventions, and cushioning the pandemic's economic impact on communities and society.

Sustainability drive

In 2020, our sustainability agenda remained firmly on track. In line with "The Dangote Way" principles of continually fostering best practices in environmental, social and governance performance. We maintained strong Board administration on sustainability issues, leveraging the wealth and diversity of experience, and strong commitment of members of our Board Technical and Sustainability Committee.

As Africa's largest cement manufacturer, we understand our corporate sustainability responsibilities. We are focused on continually improving our social and environmental stewardship, socio-economic well-being, and health and safety of key stakeholders. We are dedicated to ensuring progress in the communities and economies where we carry out our business. We are also committed to fulfilling the United Nations Sustainable

"Our commitment to buiding a sustainable business for all stakeholders is unwavering."

Development Goals and are taking very concrete steps to own and drive these Global Goals in our business operations and across our value chain.

We relish our long membership with the United Nations Global Compact (UNGC). We continue to drive the UNGC's ten sustainability principles, which further strengthen our business performance and sense of responsibility to key stakeholders and the African economies where we operate.

Our drive to support sustainable economic development and human capital advancement is at the heart of our business. We understand that these commitments require us to comply with national and global sustainability standards, principles and guidelines, including the Global Cement and Concrete Association (GCCA); the Nigerian Stock Exchange Sustainability Disclosure Guidelines; the Nigerian Code of Corprate Governance (NCCG); the Securities and Exchange Commission (SEC) Code of Corporate Governance; and similar codes and standards that are applicable in all our African markets.

We are building an enduring brand that is Dangote Cement and we recognise that a strong commitment to sustainable business practices will enable us to achieve this long-term vision.

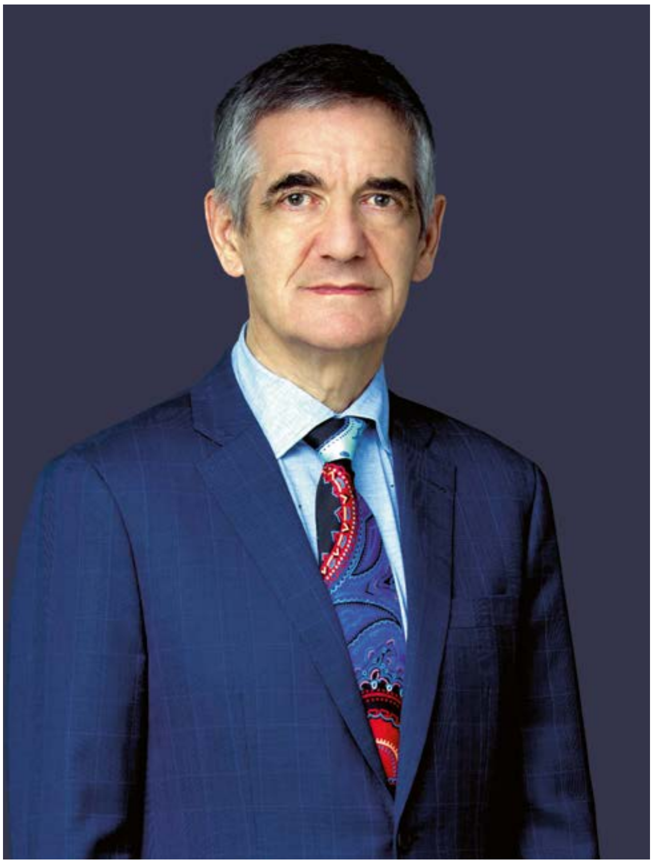
Outlook

I remain very optimistic about the future of Dangote Cement. Our Board is considering all strategic and financial options for the Company. We strive to improve in all areas of our organisation and I wish to pay tribute to all our staff for their constant commitment and effort towards achieving the vision of our Board and Executive team. We will continue to improve our efforts in sustainability by applying 'The Dangote Way' to the 7 Sustainability Pillars of our business culture and operations.

I believe that we will look back on 2020 as a turning point for Dangote Cement. You will recall that only a few years ago, Nigeria was one of the world's largest importers of cement. Dangote Cement has transformed into an exporter of this basic but vital commodity, thanks to the support of our shareholders. In 2021, we are focused on increasing capacity in the Nigerian market and building grinding plants across West and Central Africa to be fed clinker from Nigeria. We welcome The Africa Free Trade Agreement which supports our export strategy and long-term growth in Africa. Dangote Cement is well positioned to capture demand driven by the economic recovery in 2021, as the region recovers from the impact of the pandemic and all our countries of operation return to growth.

I would like to thank our investors, our host governments, our communities and our staff for the support we have received over the course of this challenging but fulfilling year. We are grateful for your continuing faith in our company and look forward to an exciting and productive 2021.

Aliko Dangote
Chairman
18th March 2021



Revenue

₦1,034.2bn +16.0%

Group volumes (including clinker)

25.7Mt +8.6%

"Despite the impact of the COVID-19 pandemic, 2020 was a record year for Dangote Cement across the board."

Q
Congratulations on completing your first year at Dangote Cement. What have been the main highlights for you so far?

A

It has been a very unusual and interesting first year for me and there were several highlights. But most importantly, the World Health Organisation declared the coronavirus outbreak a global pandemic slightly over a month after I joined Dangote Cement. As such, my first few months were spent focusing on protecting our people and communities whilst ensuring business continuity across all our operations.

I am happy to state that despite the impact of the COVID-19 pandemic, 2020 was a record year for Dangote Cement across board. Several firsts made 2020 a productive year such as our maiden clinker shipment, maiden bond issuance and successful buyback programme. We increased our capacity by 3Mt in Nigeria, commissioned our two export terminals and commissioned our gas power plant in Tanzania. All this was achieved whilst we focused on protecting our people, customers, and communities from the impact of the pandemic.

Our maiden bond issuance in April was the largest corporate bond issuance in Nigeria's debt capital market at the time and was oversubscribed. The success of this transaction in the challenging environment illustrated our resilient financial position, investors' confidence in Dangote Cement's strategy, our strong cash generation and solid credit profile. We also completed a successful share buyback programme.

On the operational side, we commissioned our gas-fired power plant in Tanzania following the lifting of air travel restrictions. We also added 3Mt of capacity to our Obajana plant, which will enable us to continue to serve the strong demand in Nigeria and our export markets. The commissioning of our two export terminals was the main highlight for me as we reach our next phase of growth and began fulfilling our export strategy. We made our maiden shipment of clinker from the Apapa terminal in June and exported just under 200Kt to West and Central Africa throughout the remainder of the year.

We are very proud of all these achievements, despite the challenging environment.

Q
What were your biggest challenges in 2020 and how did you manage to overcome them?

A

The biggest challenges were maintaining our customer service excellence and ensuring the highest operational standards whilst keeping everyone safe. We encouraged our staff to work from home when possible. For those working in our offices and factories, we ensured full compliance with regulatory requirements and implemented safety measures such as the use of sanitisers, temperature checks and social distancing.

We closely monitored all markets according to the guidance provided by the authorities in each country. We instituted a Business Continuity Framework, and an Emergency Preparedness and Response Plan to ensure that our operations and supply chains were not hindered.

In some of our markets, specific measures were enforced in the first half of the year. South Africa, Ghana, Congo, and Nigeria experienced full or partial lockdown in most of April. Our other operations had various levels of restrictions and curfews in the "second" quarter. To recover from the impact of these measures, we launched our successful "Bag of Goodies – Season 2" promotion in Nigeria, which enhanced sales volume in the year and allowed DCP to seize a major part of the strong market growth during the 3rd and 4th quarters. Our disciplined cost control and cost reduction measures also enabled us to limit the impact of foreign currencies value erosion on cash cost per tonne across all our territories of operation.

Another challenge we faced was the delay of the commissioning of various industrial equipment due to air travel restrictions. For example, in Tanzania, the commissioning of our captive power plant was delayed to November. However, thanks to good collaboration with our suppliers and the dedication of our project teams, the commissioning was carried out successfully and is expected to support the continuous improvement of the cash costs and overall profitability of the plant.

Therefore, as 2020 was a pandemic year, we inevitably faced challenges, but we still managed to maintain a robust financial and operational performance. We are fortunate to be operating in the building materials sector. Cement remains an essential building material with no viable substitutes.

Q
What has Dangote Cement been doing to help its people during the COVID-19 pandemic?

A
We have been following the guidelines of the World Health Organisation to protect the health and well-being of all our stakeholders and to prevent and reduce adverse effects of the pandemic on our workforce.

Dangote Cement has spent close to $6 million in protecting its people, customers, and communities from COVID-19. Isolation centres, face masks, sanitisers, thermometers and financial support for testing staff were made available. We also donated to the government and health facilities across our 10 countries of operation. To mention a few in Senegal, Dangote Cement donated to the national COVID-19 fund and donated PPE supplies to the communities. In Cameroon, we donated PPEs and thermometers to the Ministry of Public Health and Major hospitals in Douala. In Ethiopia, we donated cash to the government plus PPEs and; our Nigerian operation made cash donations to the government and COVID-19 relief packages to the communities.

Q
What advantages do you anticipate for Dangote Cement from the African Continental Trade Agreement?

A
The African Continental Trade Agreement will support our vision for West and Central Africa to be cement and clinker self-sufficient and support the progression of our competitive position across Africa. It will attract foreign investment in infrastructure development and construction projects, which will in turn lead to growth in the cement industry.

The African Continental Trade Agreement will create a better environment for us to expand our operations in Africa. It is expected to boost intra-African trade, promote industrialisation, and create a larger market for African products. We believe that the African Continental Free Trade Area will ultimately support Dangote Cement strategy to serve African markets which lack limestone and are consequently forced to import cement and clinker.

What was the decision behind the share buyback programme?

A
Dangote Cement is constantly exploring ways of creating value for its shareholders. In addition to our consistent dividend, we have also been pursuing several options such as the share buyback programme to return cash to our shareholders. Our strategy is to make the company more attractive to investors in the near-term and for future long-term growth.

Q
How have your sustainability efforts developed over the year?

A
As a responsible business, we continue to take our triple bottom-line commitments (people, planet, and profit) very seriously. We understand that beyond creating strong return on investment, we have other commitments, which are also very important, including environmental and social stewardship, health and safety and strong corporate governance.

We made tremendous progress in our corporate sustainability journey in 2020 despite the COVID-19 pandemic. We are particularly excited about the rapidly growing awareness across the workforce on why sustainability is a core business mandate, and the role that all levels of employees are required to play in driving the actualisation of our sustainable business objectives.

We have also made good progress in mainstreaming the United Nations' Sustainable Development Goals (SDGs). In the year under review, we officially adopted 7 out of the 17 Global Goals - Goal 4: Quality Education; Goal 8: Decent Work and Economic Growth; Goal 9: Industry, Innovation and Infrastructure; Goal 11: Sustainable Cities and Communities; Goal 12: Responsible Consumption and Production; Goal 13: Climate Action; and Goal 17: Partnerships for the Goals. These priority SDGs have been aligned with our 7 Sustainability Pillars and are being integrated into our operations and strategic business decisions.

From an environmental point of view, we made our second disclosure to the Carbon Disclosure Project. This is a sign that we intend to reach global standards of reporting emissions. We were rated "C" by CDP on our carbon disclosure for 2020. This is one of the highest ratings in Sub-Saharan Africa and a good rating for a cement producer. We have also strengthened our alternative fuel initiative, which focuses on leveraging the circular economy business model and reducing exposure of our cost base to foreign currency fluctuations.

Our successful National Consumer Promo "Bag of Goodies 2" produced 471 millionaires during the year. This enabled us to give back and support our customers during a tough economic year.

Q
What is the outlook for Dangote Cement in 2021?

A
The outlook is very positive, and we anticipate an exciting year ahead. All our countries of operation are expected to return to growth in 2021. The IMF estimates a growth of 3.4% in Sub-Saharan Africa and 2.5% in our home country Nigeria.

We are focused on meeting the demand locally and across Africa. We look forward to the African Continental Trade Agreement supporting our export strategy to West and Central Africa. Africa remains the next major growth market for cement. As the continent's leading cement producer, we are uniquely positioned to meet the strong recovery of the cement market as infrastructure spending increases. The strong demand experienced across the continent in 2020 despite the COVID-19 related challenges confirms the very strong potential of these markets.

I look forward to an exciting and fulfilling 2021 for Dangote Cement.

Responding to COVID-19

At Dangote Cement, the health and safety of our team members, customers, suppliers and communities is a core value. We have proactively deployed all recommended measures and implemented several rigorous protocols in all our operations across the continent.

Responding to COVID-19

From the beginning of the COVID-19 pandemic, we activated our business continuity management processes in line with the Group policy. All employees at the Dangote Cement offices and factories implemented workplace control measures to protect against the spread of COVID-19.

These measures include the use of hand sanitisers, temperature checks, social distancing, smart working and so-on.

24/7

Medical Helpline for staff to address all COVID-19 related issues

Financial

1

Maintaining liquidity

We proactively monitored key dimensions of our operations to prevent and mitigate the adverse effects of the pandemic on the workforce as well as prevent negative financial impacts. We closely controlled our capital expenses, working capital needs and fixed costs to maintain strong and resilient cash positions. To maintain an optimal capital structure, we constantly consider appropriate options – such as our maiden issuance of ₦100 billion series 1 fixed rate five-year bond in April of 2020.

Link to business model

Read more on pages **18 & 19**

1 2 3 4 5 6

Link to strategy

Read more on pages **20 & 21**

1 2 3 4 5

2

Maintaining a strong business

Whilst most of our businesses remained fully operational and continued to supply customers with their needs, in a limited number of markets, such as South Africa, we were required to close our operations in order to comply with Government regulations. In such circumstances, we deployed every effort to work with customers in order to ensure business continuity while ensuring full compliance with local regulations. We remain in a strong position despite the economic downturn owing to COVID-19. Although the second quarter was greatly impacted by lockdowns and restrictions across our operations, we experienced a strong year with 8.6% Group volume growth.

Link to business model

Read more on pages **18 & 19**

1 2 3 4 5 6

Link to strategy

Read more on pages **20 & 21**

1 2 3 4 5

Strategic Report Corporate Governance Financial Statements Supplementary Information

Financial continued

3

Financial impact

As a result of the COVID-19 pandemic, South Africa, Ghana, Congo and Nigeria experienced full or partial lockdown in most of April, which impacted our operations. In the second quarter, we experienced a 3% drop in volumes and 2% drop in EBITDA. However, business levels in May and June showed a marked improvement on those recorded in April. By the second half of the year, we experienced a strong recovery, with the cement market bouncing back and remaining very strong for the remainder of the year.

Link to business model
Read more on pages **18 & 19**
1 2 3 4 5 6

Link to strategy
Read more on pages **20 & 21**
1 2 3 4 5

Non-financial

4

Supporting our communities

We take our role of social responsibility seriously and we have taken deliberate steps to deploy resources to help our communities overcome hardships in this crisis. Dangote Cement has spent $5.8 million in response to COVID-19 to ensure the safety and protection of its people, customers and communities.

CACOVID, an intervention initiative set up by Aliko Dangote to combat COVID-19 in Nigeria, and the Aliko Dangote Foundation (ADF) have raised over ₦38 billion in 2020. The ADF has donated ₦2.5 billion, 16 Ambulances and Rapid Response vehicles across states, whilst 1.7 million households and 10 million people have been fed in 774 Lagos Government Authorities.

Link to business model
Read more on pages **18 & 19**
1 2 3 4 5 6

Link to strategy
Read more on pages **20 & 21**
1 2 3 4 5

5

How we are creating value

The Group has provided isolation centres in our Obajana and Ibese plants, face masks, thermometers, sanitisers, disinfectants and financial support for testing of suspected cases to ensure the protection of staff and customers in all our operations.

Despite the impact of the pandemic, Dangote Cement's financial performance remains strong in Nigeria and Pan-Africa. Furthermore, we paid ₦272.7 billion in dividends to shareholders and completed a successful buyback programme. Lastly, our National Consumer Promo has made 471 millionaires across all states in Nigeria.

Link to business model
Read more on pages **18 & 19**
1 2 3 4 5 6

Link to strategy
Read more on pages **20 & 21**
1 2 3 4 5

Impact of COVID-19

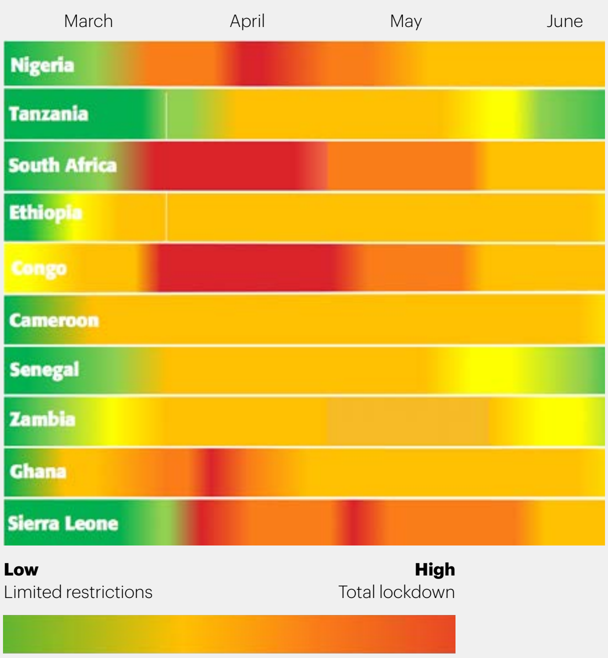
We are focused on adapting to the rapidly evolving way of working and doing business in each market we operate.

The world faced an unprecedented health and economic crisis in 2020. Although the onset of the pandemic was initially delayed in Sub-Saharan Africa, and infection rates were relatively low compared to other parts of the world, there was a resurgence of new cases and repeated outbreaks across the region. Countries acted swiftly to protect their people from the worst of the crisis.

What we did in response to COVID-19

From the beginning of the pandemic, Dangote Cement proactively deployed all recommended measures to protect the health and wellbeing of its employees, customers, suppliers and communities. As such, we implemented several rigorous protocols in all our operations across the continent to support public health policies and ensure the highest level of protection of our stakeholders. We were closely monitoring all markets according to the guidance provided by the authorities in each country.

Restrictions across our operations



"Looking after our people during COVID-19 – Work from home."

All employees at the Dangote Cement offices and factories implemented workplace control measures to protect against the spread of COVID-19, and reduce work related risk and ensure business continuity. These measures include the use of sanitisers, temperature checks, social distancing, smart working and so-on. We also enforced a strict travel restriction for all our staff. We implemented remote working and working from home in line with health and safety measures as well as regulatory compliance.

"I was pleasantly surprised at how my Team and I managed to keep up with all the deliverables and meet tight deadlines. It was quite interesting working with the collaborative tools at our disposal, and thanks to the IT team, we managed to stay connected with each other online. I am pleased and proud to be part of a successful working family at Dangote, where the health and safety of employees and clients remains at the heart of our business."

Mmema, HSSE

Building a rapid action plan

Statement by Group HSSE Director, Massimo Benttanin

Once the World Health Organization (WHO) declared the outbreak of COVID-19 to be a Public Health Emergency, we began the potential outbreak risk identification and notification to the Executive Management of the impending risks.

Subsequently, we set up a Group COVID-19 Task Force Team made up of business units, Health, Safety, Security and Environment (HSSE), and risk management leaders. This then progressed to the development and approval of a detailed risk control prioritisation action plan. Seeing the need for additional support, we identified and engaged a competent Medical Consultant Team (epidemiologists) to oversee our strategy and afford the Group competent advisory in relation to the outbreak management and response plans.

The following key actions were developed, implemented and monitored:

- Rigorous awareness promotion/campaigns and webinars to staff, contractors, customers and local communities.
- Training of key persons (Site Medics, Security, HSE, HR etc.).
- Implementation of use of sanitisers, temperature checks including installation of thermal scanner cameras at our major locations including the manufacturing plants and other operations.
- Development of SOPs (Standard Operating Procedures) and identification of holding areas, isolation areas and quarantine locations.
- Identification and arrangements for designated holding areas and isolation centres and collaboration with suitable private healthcare institutions for critical cases.
- A Group COVID-19 Helpline went live. This functions as a dedicated 24/7 Medical Helpline for staff to address all COVID-19 related issues.
- Coordinated Group-wide COVID-19 testing. The Group COVID-19 Centre ("HQ") facilitated liaison with local authorities and approved private labs for testing arrangements as and when required.
- Finally, a roll out of a suitable and sufficient medical aftercare and support service was provided Group-wide for identified staff. They are monitored virtually and physically depending on specific case requirements or circumstances.
- Daily reporting on the implementation of all action plans and regular management reviews with hands-on Group Executive Management oversight.

Group COVID Centre

The Group COVID Centre was created in June and works on a 24/7 basis. The activities include scheduling staff for tests, coordinating activities at the test centre, releasing test results, monitoring aftercare services provided to staff, monitoring staff admitted at government or privately run isolation centres, engagement with internal and external stakeholders on COVID-19 management and managing the COVID-19 Helpline.

Donations and impact

Dangote Cement has spent $5.8 million in response to COVID-19 to ensure the safety and protection of its people, customers and communities.

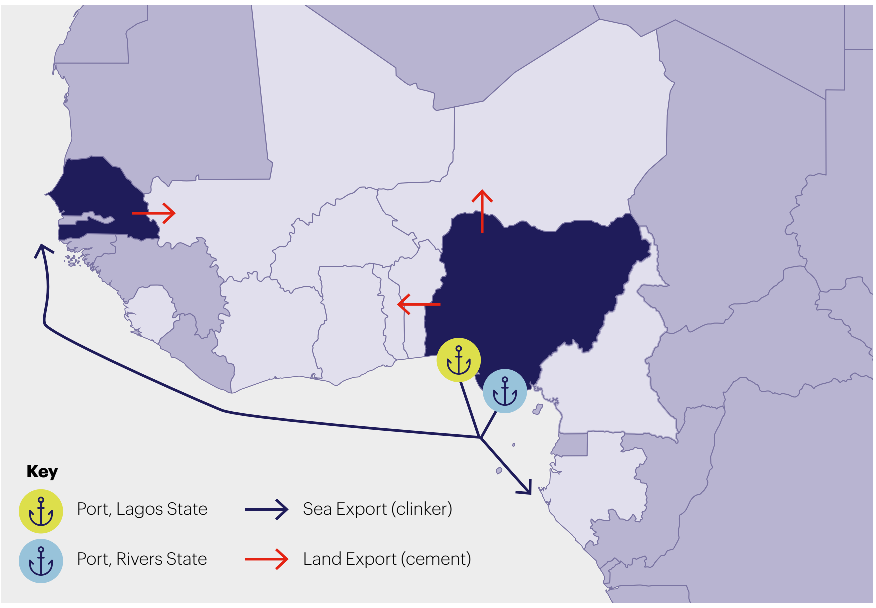
- Zambia donated PPEs to the Ministry of Health and bags of cement for Ndola Central Hospital.
- Cameroon donated PPEs, thermometers etc. to the Ministry of Public Health and major hospitals in Douala.
- Nigeria made donations to the federal governments and donated COVID-19 relief packages to the communities.
- Senegal donated to the national COVID-19 fund. Donated liquid soap, distilled water and rice to communities.
- Ethiopia made donations to the Federal and Local Government plus various donations including face masks, hand sanitisers and water supply.

CACOVID – private sector coalition against COVID-19

Our Chairman, Alhaji Aliko Dangote GCON, has been in the forefront of combatting the COVID-19 pandemic in Nigeria and several African countries. The Private Sector led Coalition Against COVID-19 ("CACOVID") that he conveyed at the outset of the pandemic has so far raised over ₦38 billion in 2020 in support of various medical and social interventions. The Aliko Dangote Foundation contributed ₦2.5 billion to The Aliko Dangote Fund; provided two laboratories and 40,000 test supplies valued at $1 million; refurbished Thermal Cameras at all major International Airports in Nigeria; donated 16 ambulances and several vehicles for COVID-19 rapid responses in Lagos, Kano and Jigawa States. The Foundation has also distributed food palliatives, feeding 1.7 million households across 774 LGAs in Nigeria.

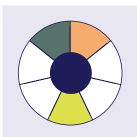
Cementing Africa's economic independence

Our vision is for West and Central Africa to be cement and clinker self-sufficient, with Nigeria the main export hub. Part of our 2020 outlook was to begin exporting clinker from Nigeria to neighbouring countries from our Apapa and Onne ports. We fulfilled this goal and Nigeria has gone from being one of the largest importers of cement, to becoming self-sufficient and now an exporter of cement and clinker.



Our export strategy

- Nigeria has a relative abundance of quality limestone especially in key southern regions near to demand centres and export facilities.
- Absence of limestone in much of West Africa, especially coastal states, forces those countries to import bulk cement or its intermediate product, clinker, usually from Asia and Europe.
- Dangote Cement plans an "export to import" strategy to serve West and Central Africa from Nigerian factories, exporting by sea – making the region cement self-sufficient.
- First clinker shipment from Nigeria to Senegal in June.
- Eight clinker shipments from Nigeria in 2020.



Read more about our strategy on page 20

Benefits of our export strategy

1.
Higher capacity utilisation:
Increase in production due to exports is increasing capacity utilisation in the Nigerian operation and in turn reducing fixed cost per tonne. Additional earnings for the Nigerian operation.

2.
ECOWAS benefit:
African Continental Free Trade Area and ECOWAS advantage will contribute to the improvement of the intra-regional trade and provide duty-free export opportunities to West and Central Africa.

3.
Foreign exchange revenue:
Foreign exchange revenue for the Nigerian operation helps offset foreign exchange risks.

4.
Lower clinker cost for Pan-Africa operation:
Due to proximity to Nigeria versus Asia and Europe.

Long-term

In the long-term, we believe that the African Continental Free Trade Area (AfCFTA) will give Dangote Cement the opportunity to leverage high-quality limestone reserves and production assets to serve African markets still importing cement and clinker. The financial upside of higher fixed costs absorption is expected to continue driving performance increase in Nigeria and abroad in the coming years.

Cement demand in West and Central Africa – a vast opportunity for Dangote Cement

Our vision is for West and Central Africa to become cement and clinker self-sufficient, with Nigeria being the main export hub. This will notably contribute to the improvement of regional trade within the ECOWAS region and beyond with AfCFTA. Nigeria can serve a potential market of 15 countries, 350 million+ people with high-quality and competitively priced clinker. The Global Cement Report estimates that West Africa imported over 18 million tonnes of cement and clinker in 2020.

African countries opened their markets on 1st January 2021 under the continental free trade agreement and duty-free trading of goods and services. AfCFTA is expected to generate a number of benefits to producers, consumers and countries alike. African producers will benefit from access to cheaper inputs and intermediate goods as well as larger market for their products. It is expected to boost intra-African trade, promote industrialisation, create jobs, and improve competitiveness of African industries on the global stage. Dangote Cement welcomes the strong dynamic driven by the AfCFTA which supports our vision for West and Central Africa to be cement and clinker self-sufficient. We make the regional and continental free trade agreements a reality.

2020 exports

Following the commissioning of our Apapa export terminal in June 2020, Dangote Cement's maiden shipment of 27.8Kt of clinker from Nigeria landed in Senegal. We subsequently exported seven clinker vessels to Cameroon in 2020. Accordingly, in 2020 we exported a total of eight clinker vessels to West and Central Africa. We exported 149Kt of cement by road and shipped 197Kt of clinker in 2020. The Company also commissioned the Onne export terminal at the end of 2020.

2020 exports

Opportunities

We plan to serve the region by building our own grinding plants across West and Central Africa in Côte d'Ivoire, Ghana, Liberia, Togo, and Gabon, and supplying them with clinker from our Nigerian factories, therefore eliminating the need for importation of clinker from Asia or Europe. Our 1.5Mta plant in Côte d'Ivoire will be ready in 2022. We also have plans to build an integrated plant in Niger.

Read more about our opportunities and how this aligns with "The Dangote Way" on page 24

Investing in new plants

We increased capacity in Obajana by 3Mta in 2020. In 2021, our 3Mta integrated plant in Okpella, Nigeria will be completed and commissioned; while we expect our 1.5Mta grinding plant in Côte d'Ivoire to be ready in 2022.

Opportunities

- Okpella, Nigeria
- Côte d'Ivoire
- Niger
- Ghana
- Gabon
- Liberia
- Togo

Integrated plant
Grinding plant

How we create value

We aim to create long-term value for all our customers, investors, employees, communities, and suppliers by driving opportunities in new markets.

Input

1. Our people:
Strong commitment to staff development through Dangote Academy's extensive training programme, to create the talent and managers we need to sustain our business.

2. Our investors:
17.0 billion issued shares outstanding with a diverse mix of institutional and retail investors.

3. Our communities:
With operations in 10 African countries, we have a commitment to working with local communities to create jobs, procure local products and services while providing other essential benefits such as roads, water and healthcare.

4. Our assets:
We have modern, efficient and low-cost production plants with proximity to key natural resources.

5. Our customers:
We focus on quality and superior products for all our customers.

6. Our suppliers:
Long-term and constructive partnerships with key suppliers in each market.

How we create value

Market selection and plant procurement

- Proven track record of negotiating good investment incentives
- Financial strength enables us to negotiate discounts on plant procurement
- Innovative plant construction techniques reduce building cost

Quarries and mining

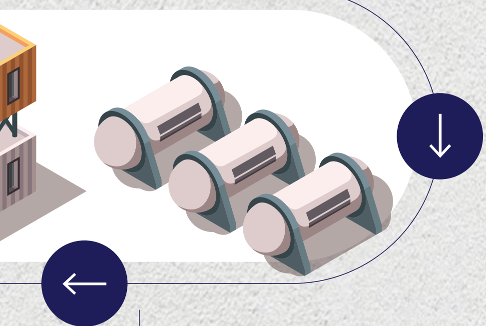
- New mines enable optimal extraction of limestone
- Strong emphasis on quality control before transport of raw materials to factory
- Factories always near mines

Premium product

- Lower cost of production
- Strong focus on quality
- Higher-grade cements serve need for stronger products as building height increases
- Product innovation for specialist needs, e.g., rapid-setting cement for block makers

2021 economic growth post pandemic year
According to the IMF, SSA is expected to grow by 3.4% in 2021. Key drivers of next year's growth will include an improvement in exports and commodity prices as the world economy recovers, along with a recovery in both private consumption and investment.

Production
- Modern, energy-efficient plants reduce costs and improve product quality
- Large size of plants enables significant economies of scale; at 16.3Mta, our Obajana plant alone has more capacity than many African countries
- Plants designed to operate at high standards of environmental care in an increasingly regulated industry
- High degree of automation



Sales and distribution
- Large investment in logistics
- Good relationships with key market dealers
- Rapid loading of trucks using automated systems
- FMCG approach to sales
- Strong assistance programme for resellers

Output

Employee volunteering institutionalised
400+
employees trained on sustainability best practices and acculturation strategies.

Increasing shareholder return
₦478bn in EBITDA
Over **₦1.3 trillion paid to shareholders** in dividends in the last 10 years.

$2.852bn
spent on social investment, up 67% YoY.

Commissioned
3Mta
Obajana line 5.

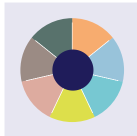
National Consumer Promo has made
471
millionaires across all states in Nigeria.

Spent
₦386bn
on local procurement, up 35% YoY.

Outcomes

"The Dangote Way"

Read more about "The Dangote Way" on page 24



46.2% Group EBITDA margin in 2020
Industry-leading margins to drive excellent returns and strong balance sheet.

48.6Mta capacity across 10 countries
Leading cement producer in diverse regional markets with excellent growth prospects.

Modern plants
Product innovation through strong industry expertise and excellent market knowledge, enabled by modern technology.

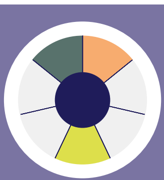
Robust governance
Five independent Board members; 20% female Board members; and six different nationalities.

Sustainable value for shareholders
Fully committed to sustainable growth that benefits all stakeholders.

Our five strategic objectives

To be a global leader in cement production, respected for the quality of our products and services and for the way we conduct our business.

1



Focus on optimising the efficiency of our existing assets, to increase output and lower cost

We aim to be the lowest-cost producer in each market, by increasing output and thereby diluting our fixed costs. This enables us to improve margins, strengthen our balance sheet and increase returns for our shareholders.

Performance

- EBITDA margin of 46.2%
- Record high EBITDA
- Record high volumes in Nigeria and Pan-Africa
- Cost reduction across all plants

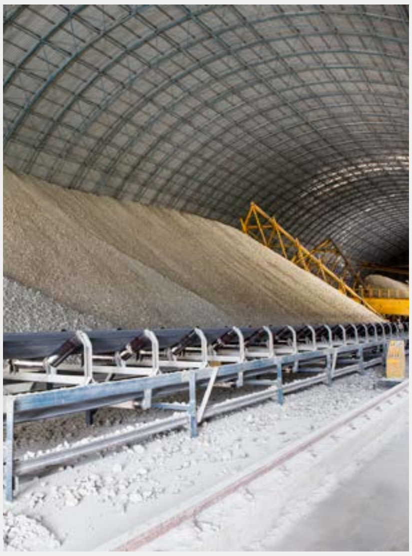
Link to risks

Read more on pages **104 to 111**

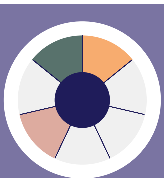
1 2 3

Link to "The Dangote Way"

Read more on pages **24 & 25**



2



Increase our leadership of existing markets and become the number one supplier with at least 30% market share

We aim to increase market share through higher cement production, backed by excellent logistics, marketing and customer service. By doing so, we improve margins as we increase capacity utilisation.

Performance

- Capacity and market leader in five countries including Nigeria
- Ramp up in production to address wider local market demand
- Several plants now close to full capacity utilisation

Link to risks

Read more on pages **104 to 111**

1 2 3

Link to "The Dangote Way"

Read more on pages **24 & 25**

3

Tap into high-value export markets, generating useful foreign currency that we can deploy outside Nigeria

We have not only made Nigeria self-sufficient in cement, but also turned it into a net exporter. In addition, we are exporting cement from countries including Senegal, Cameroon, Congo, Zambia and Tanzania.

Performance

- Apapa and Onne export terminals commissioned
- 197Kt of clinker exported from our Apapa terminal to Senegal and Cameroon
- Commissioned gas fired power plant in Tanzania
- Exploring cement exports via Lekki terminal

Link to risks

Read more on pages **104 to 111**

1 2 3

Link to "The Dangote Way"

Read more on pages **24 & 25**

4

Expand prudently into attractive and high-growth cement markets across Sub-Saharan Africa

We will continue to look for attractive markets characterised by good economic growth, large and growing populations and a small or fragmented cement industry.

Performance

- Constructing additional clinker grinding plants in West and Central Africa to feed from Nigeria
- Completed and commissioned 3Mt Obajana line 5
- 3Mta Okpella plant in Nigeria ready in 2021

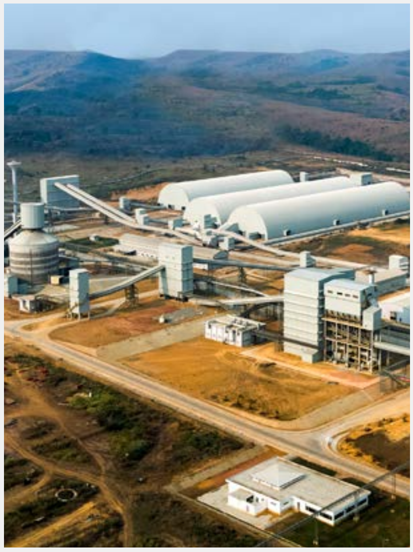
Link to risks

Read more on pages **104 to 111**

1 2 3

Link to "The Dangote Way"

Read more on pages **24 & 25**



5

Adhere to high standards of corporate governance and improve our efforts in sustainability

Strong corporate governance provides reassurance that we are committed to building a sustainable company for the benefit of all our stakeholders and for the environment in which we exist.

Performance

- Group-wide sustainability initiative
- Five independent Board members
- 20% female Board representation
- Six different nationalities

Link to risks

Read more on pages **104 to 111**

1 2 3

Link to "The Dangote Way"

Read more on pages **24 & 25**

Long-term cement demand in Africa

Booming cement demand in Africa as urbanisation increases, demanding more infrastructure, housing, and commercial buildings.

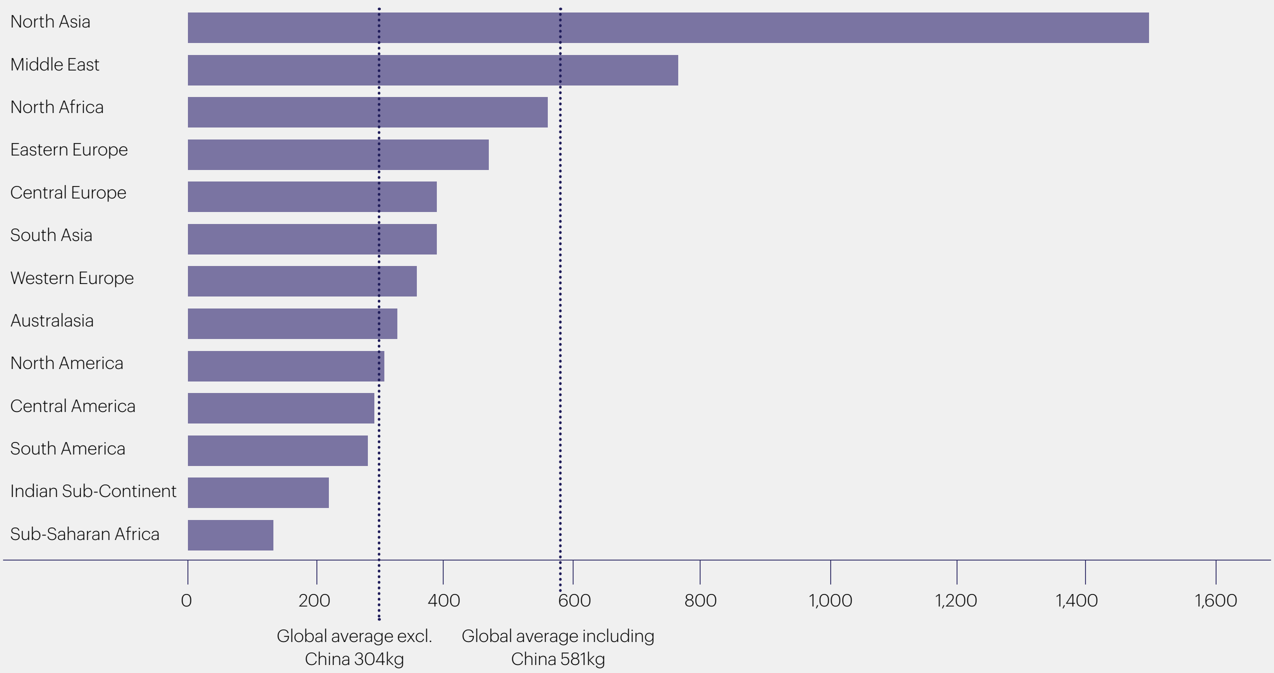
African cement market

Sub-Saharan Africa is home to almost 1.1 billion people and has a population growth of approximately 2.7% per year. The United Nations estimates that by 2050, the region will have a population of more than 2.1 billion.

Per-capita consumption

On a per-capita basis, Sub-Saharan African countries have some of the lowest consumption levels worldwide. As a region, per-capita cement consumption is just 91kg, compared to the global average of 581kg; indicating both the huge potential from the region in the future and the low level of cement consumption at present.

Per-capita cement consumption (kg)



Rapid urbanisation presents significant opportunity

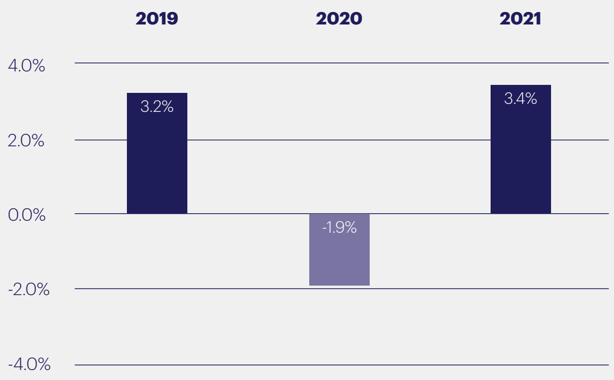
According to the Global Cement Report, cement demand is expected to grow strongly in Sub-Saharan Africa for the following reasons:

- The population is predicted to grow to 2.1 billion people by 2050, according to the UN Population Division, which indicates total market growth even if per-capita consumption remained the same. However, we expect that the per-capita consumption will increase.
- Increasing prosperity, coupled with improved access to banking and finance, will drive housing and infrastructure growth.
- Urbanisation rates are expected to increase such that Sub-Saharan Africa's urbanised population will grow from 360 million in 2015 to 523 million in 2025 and to 1.1 billion by 2050, according to the UN Population Division.
- Sub-Saharan Africa has a low proportion of paved roads and transport infrastructure in general is poor. However, governments are committed to making improvements to roads, railways, ports and airports.
- Economies benefit from the multiplier effects that infrastructure projects have upon GDP, which then feeds back into increased demand for cement. For example, in the creation of logistics hubs on new roads.

GDP growth across our operations and 2021 forecasts

The Sub-Saharan African region was hit by the twin shock of the COVID-19 pandemic and commodity market decline in 2020. According to the IMF, SSAs GDP contracted by 1.9% in 2020. In 2021, all our countries of operations are estimated to return to growth; with SSA estimated to grow by 3.4%.

SSA GDP growth*



* Using an average of IMF and World Bank estimates

Eight clinker vessels exported out of Nigeria from June 2020

Africa Continental Free Trade Area

The African Continental Free Trade Area (AfCFTA) is a free trade area founded in 2018, with trade commencing as of 1 January 2021. It was created by the African Continental Free Trade Agreement among 55 African Union nations to create a single continent-wide market for goods and services and to promote the movement of goods, services and commodities across the continent. The AfCFTA agreement will create the largest free trade area in the world measured by the number of countries participating. The pact connects 1.3 billion people across 55 countries with a combined gross domestic product (GDP) valued at US$3.4 trillion.

The scope of AfCFTA is large. The agreement will reduce tariffs among member countries and cover policy areas such as trade facilitation and services, as well as regulatory measures such as sanitary standards and technical barriers to trade. Full implementation of the AfCFTA would reshape markets and economies across the region and boost output in the services, manufacturing and natural resources sectors.

Infrastructure investment is a priority

The G20 report highlights urgent need for growth. In July 2018, the Global Infrastructure Hub, a G20 initiative, estimated that US$2.4 trillion of investment was needed for Africa to bring its infrastructure up to global standards by 2040. This includes meeting the UN Sustainable Development Goals of providing universal access to drinking water, sanitation and electricity for a growing population, as well as developing transport and telecommunications infrastructure across the African continent.

"The Dangote Way"

Our 7 Sustainability Pillars support our unique approach to creating a world-class enterprise.

Driven by the goal of achieving the highest level of governance, the 7 Sustainability Pillars are embedded in our corporate culture and guide our approach to building a prosperous and sustainable business.

Building a sustainable business

For the Dangote Group, "Sustainability Thinking" enables us to better balance our economic, social, and environmental priorities while sustaining our financial, operational, and institutional goals, safeguarding the wellbeing of present and future generations, and maintaining a holistic respect for ethical values and local cultures.

Women who benefited from empowerment initiatives during the 2020 Dangote Sustainability Week

409

Communities impacted during Sustainability Week

58

Our 7 key Sustainability Pillars

Dangote Cement's sustainability journey was institutionalised in 2017 with the adoption of the 7 Sustainability Pillars – cultural, economic, operational, social, environmental, financial and institutional. The ethos behind our very organic sustainability culture is one that is rooted in the understanding of all levels of employees and yet driven from the highest level of leadership. The 2017 mandate from the Board and Management was to "operationalise sustainability", and this is what we continuously strive to do. With the adoption of all 7 Pillars, every aspect of our business operations is touched and involved in the agenda to build a sustainable and global brand.

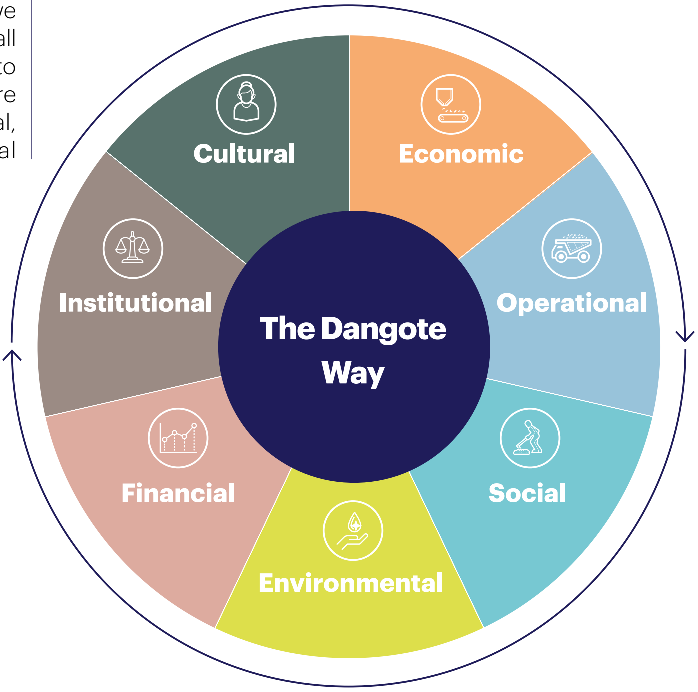
"The Dangote Way": focusing on values and a sustainable future

At Dangote Cement Plc, we understand that businesses have an increasingly important role to play in securing a sustainable future for all. This is why we have channelled our effort towards embedding sustainability principles into our business model, strategy and culture. Our ambition is to drive both financial and non-financial values by continuously innovating, improving processes across our value chain, enhancing partnerships that bring win-wins and exploring new opportunities for our business, while creating socioeconomic value for all key stakeholders and the larger society.

Sustainability is central to our purpose as a business. Our Sustainability strategy is underpinned by seven strategic pillars that demonstrate our commitment to engraining best practices into every aspect and segment of our organisation. The 7 Dangote Sustainability Pillars provide the appropriate framework for embedding and continuously strengthening our corporate values and strategic objectives. This 7-Pillar approach is central to what we call "The Dangote Way", and around which our Financial and Sustainability Report is centred.

"Sustainability Thinking" enables us to better balance our economic, social and environmental priorities, while propelling our financial, operational and institutional goals. Running our business with strong sustainability commitment ensures that we maintain our ethical values and respect for the local cultures in all the markets where we operate. Ultimately, we are positioned to be able to support the wellbeing of the present and future generations. The 7 Dangote Sustainability Pillars are cultural, economic, operational, social, environmental, financial and institutional.

"Our commitment is further demonstrated in the enthusiasm with which we continue to operationalise our 7 Dangote Sustainability Pillars, which collectively reflect the ethos behind 'The Dangote Way'."



Cultural pillar: building a culture of sustainability

The cultural pillar embodies our core values into the way we do business, embracing respect, teamwork, empowerment, inclusion, integrity, learning and meritocracy within our organisation.

"12,709 employees trained for 92,999 hours in 2020."

Cultural standards

Our Cultural Pillar is the foundation upon which our organisational ethos is built. Through this pillar, we ensure that sustainability is embedded in our corporate culture. For us, the Cultural Pillar is an embodiment of ethical business, professionalism, brand loyalty, employee empowerment, mutual respect, inclusion, equal opportunities, and shared value. We strive to ensure that every member of staff across every hierarchy and every operational segment functions in tandem with these guiding principles.

We are committed to a workplace that is inclusive and accommodates the culture of all stakeholders without bias, stereotyping, or discrimination. We encourage and reward teamwork, integrity and meritocracy in our workplace.

We seek to embody our core values in the way we do business, including respect for cultural diversity in our internal and external engagements, and giving back to the societies in which we operate. We are committed to building a workforce of sustainability champions, and positive environmental and socioeconomic impact enthusiasts. We aspire to create a work environment where sustainability is a way of life. We believe that our employees are the driving force of our strategy and our Human Assets Policies are based on the belief that the success of our organisation is directly linked to the quality of our human capital and the success of the individual staff members.

Labour practices

At Dangote Cement we regard our people as our number one asset. Our employees deliver on our product and service excellence promises that we make to our customers and other key stakeholders. Without them, our business success and future growth could be truncated. As such, we have established a working environment where our employees enjoy job security, equality, steady career progression, high level of professional and personal satisfaction, and mutual sense of loyalty and commitment. At the heart of our sustainability drive is the strong commitment to uphold the rights and personal dignity of our employees.

To this end, we have put in place:

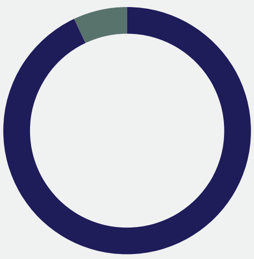
- Policies that align with internationally recognised human rights and labour practices, that promote cordial and harmonious working environment;
- Employment conditions that encourage creativity and full deployment of the capabilities of each employee;
- Training and development initiatives that promote continuous learning, with processes that identify the specific areas of professional development needs of each employee;
- Workplace health and safety policies and practices that ensure that our employees feel safe and protected as they carry out their different functions;
- Equal opportunities, competitive remunerations and the use of performance evaluation tools that ensure transparency and objectivity in our human resource management, and reward management; and
- Internal engagement mechanisms that encourage free flow of communication across all hierarchies and strata within our organisation.

Our workforce

Our workforce comprises of talents of varying ethnicities, nationalities, age grade, professional cadre, gender, work experiences, and so on. We are an equal opportunity player that accords each employee the same chance to thrive and excel in their various duties and roles.

In 2020, we had a staff strength of 11,412 (excluding transport division) comprising of 804 females and 10,608 males. Of this number, 8,240 are permanent employees; 2,853 are temporary employees; while 319 are expatriates. Of the total permanent employees, 730 are female while 7,510 are male, representing 8.86% and 91.14% of female and male employees, respectively.

Gender categorisation of staff

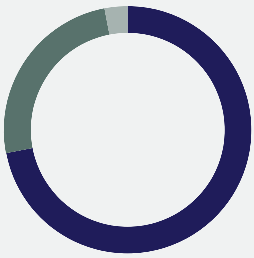


Male	93%
Female	7%

Age categorisation of staff

18–30	1,810
31–50	7,920
51 and above	1,682

Categorisation of employees according to contract



Permanent	73%	Expatriates	2%
Temporary	25%		

Our workforce continued

Also, in the year under review, our Transport division consisted of 7,509 employees, bringing our total staff strength to 18,921.

In terms of age categorisation, of the 11,412 staff, 1,810 were in the 18 to 30 years age group; 7,920 were in the 30 to 50 years category; while 1,682 were above 50 years; representing 15.86%, 69.40%, and 14.74%, respectively. Together, employees between the ages of 18 to 50 constitute a total of 9,730, representing 85.2% of the workforce (excluding Transport division). Of the total number of permanent employees, 7,130 are in Nigerian, South African, Senegalese and Ethiopian operations, out of which 577 (8.09%) are female and 6,553 (91.91%) are male.

Employee growth and turn-over rate

2020 was an eventful year. The COVID-19 pandemic came with unforeseen challenges that disrupted business activities around the world. In Nigeria and other countries where we operate, there were instances of multiple lockdowns that disrupted operations as the continent intensified efforts to curtail the spread of the pandemic. These impacted employee hiring and exits during the year under review.

Despite these challenges, Dangote Cement took concrete steps to ensure that the business met its obligations, and continued to create value for all key stakeholders, including our valued employees.

In the year under review, the total number of new hires was 656, compared to 1,066 in 2019, and representing a 38.46% decrease. Due to internal restructuring implemented in 2020, including redundancies and reassignment of staff to other business units within the Dangote Group, total number of exits of permanent employees was 982, compared to 525 as at 2019, representing a 87.05% rise, year on year.

Meanwhile, our Nigerian operations recorded 416 new hires (permanent employees) and 834 exits in the year under review, indicating 25.4% decrease in new hires and 80.6% rise in exits, respectively, compared to 2019.

2020 new hires and exits in Nigerian operations (permanent employees)

2018		2019		2020	
New hires	Exits	New hires	Exits	New hires	Exits
508	179	558	161	**416**	**834**

Country	2019 new hire*	2020 new hire	2019 exits*	2020 exits
Nigeria – HQ	67	79	45	84
Nigeria – Gboko	1	23	19	105
Nigeria – Ibese	285	103	36	331
Nigeria – Obajana	205	211	61	299
Cameroon	37	10	15	10
Congo	68	30	26	9
Ethiopia	31	35	21	12
Ghana	7	7	137	10
Senegal	31	20	19	11
Sierra Leone	6	7	8	5
South Africa	51	28	37	18
Tanzania	122	64	59	58
Zambia	155	39	42	30
Total	**1,066**	**656**	**525**	**982**

* Excludes transport new hire or exits.

Building a work environment where employees are empowered to thrive

To achieve a thriving business, we believe it is imperative to empower and inspire our employees to consistently give their best. We ensure that our employees share our values and derive a strong sense of purpose and meaning from their work. We also recognise that they seek opportunities for sustainable professional growth and development, while enjoying a work-life balance. We consistently respond to these yearnings, leveraging strategic initiatives and programmes that deliver fit-for-purpose learning experiences across all levels, as well as effective career progression and succession planning that takes account of feedback received from our employees.

We offer benefits and compensation packages that are competitive in our industry and sector and remain committed to investing in our employees with the same passion that they invest in ensuring that we achieve our organisational goals and objectives.

Some of the benefits that we offer our employees include:

- Group life insurance
- Employee spouse group life insurance
- Workmen’s comprehensive insurance
- Comprehensive health care
- Paid annual leave
- Parental leave (maternity and paternity leave)
- Examination leave
- Children education support allowance
- Professional body subscriptions
- Long service awards
- Staff marriage cash present

- Birthday present
- Paid mourning leave
- Wedding cash gifts

We also have policies in place that propel a culture of mutual trust and respect across all cadres of employees and discourage all forms of biases and acts of discrimination. As a member of the United Nations Global Compact (UNGC); and with commitments to several local and international sustainable business principles and standards, we enforce policies that safeguard employees' overall wellbeing and job satisfaction. Some of these policies include Diversity and Inclusion Policy, Harassment Policy, Compensation and Benefits Policy, Compensation and Benefit Policy for Staff on Expatriation, Manpower Planning and Recruitment Policy, Education and Training Policy, Leave Policy, Travel Policy, among others.

Learning and development

We are building a learning culture that is focused on developing and consistently improving on the skills, competences and capacity of our workforce. We consider it essential to offer our employees a variety of resources and opportunities that help them advance their professional and personal development. Our learning and development offerings cover vast focus areas and are provided via on-the-job, classroom and online learning platforms, to both permanent and temporary employees across all cadre, in our Nigerian and Pan African operations. Independent study courses, web-based courses, continuous assessments, intensive workshops, and action-planning courses are included in the offerings. There are training opportunities that are available to all employees, irrespective of functions while others are designed to address specific learning and development outcomes in particular function areas.

Due to the COVID-19 pandemic, much of our trainings in the year under review were done virtually. Our Human Resources and Dangote Academy worked in partnership with departments and functions to ensure that the required training interventions were identified and implemented in line with our overall business goals and objectives.

2020 training numbers

In 2018, Dangote Academy trained 9,915 employees (including transport workers) for a total of 121,552 hours, across Plants and head office operations, with training cost put at ₦137.5 million. Year on year, the number of employees trained increased by 68% in 2019 at 16,656. In four countries of operation (Nigeria, Ethiopia, South Africa and Senegal) costs of employee trainings and capacity building stood at ₦598.5 million in 2019. In 2020, 12,709 employees were trained for 92,999 hours at a cost of ₦504.691 million.

2020 Employee learning and development initiatives with total training spending (by locations)

	Total number of training programmes and spending on employees' training			
	Number of training programmes and initiatives (with mode of training)			
Country	Physical or classroom or on-site	Virtual (online)	Total	Cost of Training ₦
Nigeria – HQ	375	1,375	1,750	189,591,114.85
Nigeria – Gboko	4	165	169	15,961,687.80
Nigeria – Ibese	204	3,181	3,385	32,926,542.57
Nigeria – Obajana	304	1,146	1,450	141,619,279.31
Ethiopia	63	484	547	15,346,711.39
Senegal	33	423	456	20,053,181.49
South Africa	337	641	978	3,009,177.54
Tanzania	95	298	393	29,068,906.75
Cameroon	78	291	369	2,366,928.22
Ghana	30	164	194	175,000.54
Congo	624	698	1,322	44,318,511.56
Sierra Leone	141	690	831	1,911,209.72
Zambia	725	140	865	8,343,160.96
Total	**3,013**	**9,696**	**12,709**	**504,691,412.70**
	23.71%	**76.29%**		

The table below captures the total number of employees trained per employee levels across all our operations in 2020.

Number of employees trained per employee levels in 2020 (by locations)

	Total number of employees trained per employee level								
	Executive/Senior management		Management		Senior/Professional		Junior/Technician		
Country	Men	Women	Men	Women	Men	Women	Men	Women	Total
Nigeria – HQ	15	46	102	319	285	971	2	10	1,750
Nigeria – Gboko	—	8	—	37	9	110	1	4	169
Nigeria – Ibese	—	25	1	268	68	965	8	2,050	3,385
Nigeria – Obajana	—	4	2	111	42	458	17	816	1,450
Ethiopia	2	5	7	67	117	340	1	8	547
Senegal	—	7	8	18	62	342	4	15	456
South Africa	1	18	2	114	37	318	48	440	978
Tanzania	—	1	5	26	37	79	4	241	393
Cameroon	4	29	—	26	25	166	7	112	369
Ghana	—	—	—	55	8	116	—	15	194
Congo	—	10	13	176	112	400	115	496	1,322
Sierra Leone	—	7	2	53	60	331	8	370	831
Zambia	1	10	4	49	26	86	5	684	865
Total	**23**	**170**	**146**	**1,319**	**888**	**4682**	**220**	**5,261**	**12,709**
							Women	**10.05%**	**1,277**
							Men	**89.95%**	**11,432**

Total number of employees' training hours per employee levels in 2020 (by locations)

Country	Executive/Senior management Men	Executive/Senior management Women	Management Men	Management Women	Senior/Professional Men	Senior/Professional Women	Junior/Technician Men	Junior/Technician Women	Total
	Number of training hours provided to employees in 2020 per employee level								
Nigeria – HQ	18	152	262	1,414	2,219	7,682	28	10	11,785
Nigeria – Gboko	—	44	—	95	30	337	4	13	523
Nigeria – Ibese	—	108	1	2,000	317	6,050	33	7,438	15,947
Nigeria – Obajana	—	28	4	500	220	2,639	118	6,570	10,079
Ethiopia	4	40	27	438	406	1,638	2	93	2,648
Senegal	—	47	39	103	313	1,677	7	53	2,239
South Africa	1	37	3	377	903	12,532	571	3,413	17,837
Tanzania	—	1	15	58	92	198	4	400	768
Cameroon	60	218	—	138	207	1,508	66	384	2,581
Ghana	—	—	—	202	40	547	—	20	809
Congo	—	72	156	1,556	952	3,720	1,104	4,736	12,296
Sierra Leone	—	43	64	941	753	4,914	172	3,074	9,961
Zambia	5	64	29	491	569	1,346	78	2,944	5,526
Total	**88**	**854**	**600**	**8,313**	**7,021**	**44,788**	**2,187**	**29,148**	**92,999**
							Women	**10.64%**	**9,896**
							Men	**89.36%**	**83,103**

2020 training and capacity building

2018 Number of employees trained	2018 Training hours	2018 Amount spent	2019 Number of employees trained	2019 Training hours	2019 Amount spent	**2020 Number of employees trained**	**2020 Training hours**	**2020 Amount spent**
9,915	121,552	₦137.5m	16,656	74,880	₦598.5m (4 countries)	**12,709**	**92,999**	**₦504.7m**

Strategic Report
Corporate Governance
Financial Statements
Supplementary Information

2020 Sustainability trainings

Dangote Cement is committed to embedding sustainability practices into the very fabric of its business strategy and operations. We understand that one of the ways we could accomplish this objective is to build the capacity of our employees on sustainability, furnishing them with the requisite knowledge and skills to drive its operationalisation across board. A key approach that we have adopted is to consistently review our training plan as well as its contents to ensure that they align with the needs and expectations of our workforce and sufficiently cover new and emerging trends.

Our sustainability training curriculum in 2020 was strictly need-based, shaped by the feedback that were received from employees as part of our 2019 Stakeholders' Surveys. Dangote Cement staff rated sustainability training as very important in shaping their awareness and understanding of the Company's environmental, social and governance performance. To this end, our 2020 training plan was geared towards improving sustainability awareness, thinking and practices in the workplace.

Despite the COVID-19 pandemic, we executed several of our sustainability trainings and capacity building initiatives planned for 2020. In place of the planned classroom learning, we resorted to virtual, fit-for-purpose trainings using online resources and platforms.

In total, seven sustainability training modules were executed in 2020, in about 1,441 hours. This is lower than the 12 modules and 2,608 training hours achieved in 2019. The decrease in training numbers was due to the COVID-19 lockdown that compelled a rescheduling of some of the trainings earlier planned for the year. However, while in 2019 we trained 249 employees on sustainability principles, best practices and implementation steps and requirements, in 2020, more employees (366 in total) were trained, utilising fewer virtual hours.

Our sustainability training was targeted at the following categories of staff:

1. Sustainability leads in Nigerian and Pan-African operations.
2. Sustainability champions across diverse department/functions.
3. Employee volunteers across Dangote Cement operations.
4. Key Department/Function Heads.
5. Senior and Executive Management.
6. Plant Directors/Country Managers.

Sustainability trainings: 2019–2020

2019			2020		
Training modules	Number of employees trained	Training hours	Training modules	Number of employees trained	Training hours
12	249	2,608	7	366	1,441

2020 sustainability trainings

Seven (7) Training modules executed

Five (5) in-house & two (2) externally facilitated

366 employees trained

1,441 total training hours

Sustainability awareness creation

In May 2020, Dangote Sustainability function in collaboration with Corporate Communications commenced the publication of Dangote Sustainability Tit-bits Weekly along with weekly quiz.

The weekly publication has been a useful tool in sensitising internal stakeholders across Dangote Industries Limited on what sustainability really means; how it relates to our everyday official and personal lives; why it is imperative for business continuity; and the roles that every employee could play in supporting the business' sustainability objectives as well as the actualisation of the United Nations Sustainable Development Goals. It also creates awareness on the daily practical steps that we could take to make the world a better place for us and for future generations.

The publication communicates "sustainability", in simple, practical, everyday language, using real life examples that resonate easily with everyone, towards fostering positive environmental, social and governance actions and culture.

2020 Sustainability Week

As part of its tradition of encouraging and supporting employees to create value and make positive impacts in host communities, Dangote Cement Plc in October and November 2020 marked its annual Sustainability Week across Nigeria and Pan-African operations. The one-week-long event featured several initiatives and programmes that foster social, economic and environmental wellbeing in host communities and markets.

Despite the impacts of the COVID-19 pandemic that slowed down economies and compelled remote working, we executed the Sustainability Week, which was now more expedient in our quest to support host communities during arguably one of the most difficult years in human history. Designed as part of our employee volunteering initiative, the 2020 Sustainability Week became another channel through which we reached out to host communities with COVID-19 sensitisation programmes, awareness creation, and donation of personal protective equipment (PPEs), food, healthcare products and other palliatives.

In our efforts to guarantee the safety of our staff and host communities, fewer employees participated than in the previous year; strict compliance with COVID-19 safety protocols was followed; and there were less face-to-face engagements.

Initiatives and programmes

The 2020 event, aptly captioned "Staying safe together – "The Dangote Way", focused on empowering host communities with the information and resources that they require to stay safe and sustain their wellbeing during very trying times. Activities and initiatives executed included the donation of PPEs to schools, hospitals, women, indigents, churches, mosques, and other identified groups in host communities. The Week was another demonstration of our commitment to positively impacting our host communities and the larger society.

The 2020 Sustainability Week recorded significant and measurable impacts. A total of 1,560 employees volunteered 7,633 hours on 70 initiatives across 13 Dangote Cement operations in 10 African countries. The employee volunteering initiatives cost a total of ₦46,795,802 in cash expenses; equivalent of 65 days of community service and ₦39 million in man-hours calculated at an average hourly salary of the participants, to derive the estimated Value of Volunteer Time (VoVT).

Dangote Sustainability Week (2018–2020)

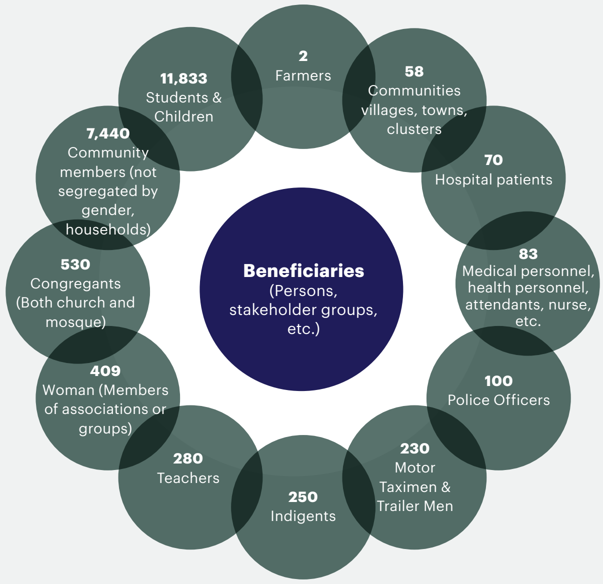
No	Key KPI	2020	2019	2018
1	Employee volunteers	**1,560**	1,676	500
2	Volunteered hours	**7,633**	11,504	3,000
3	Locations	**13**	12	8
4	Countries	**10**	9	6
5	Total number of initiatives	**70**	63	30
6	Beneficiaries of skills acquisition initiatives for women	**409**	100	43

Summary of impacts

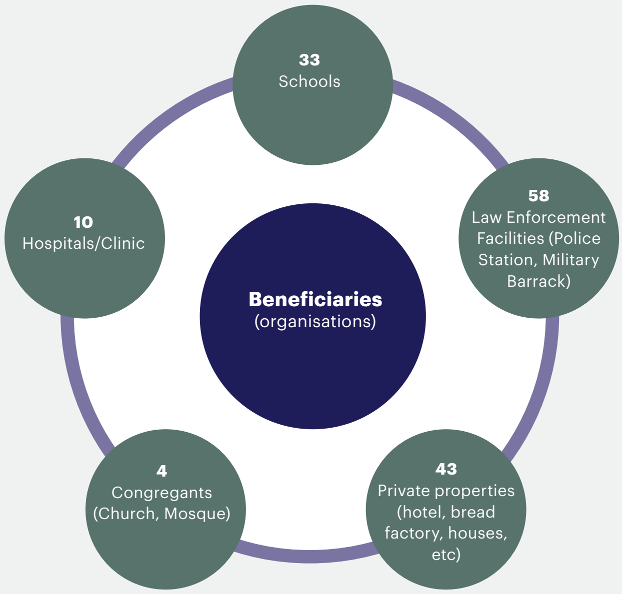
- 1,560 Dangote Cement employees volunteered during the 2020 Sustainability Week across 13 locations in 10 countries.
- 7,633 hours were spent on numerous activities and initiatives by Dangote Cement employees during the week.
- 70 initiatives were carried out by volunteers across 58 communities, involving 70 hospital patients, 83 medical personnel, 100 police officers, 230 taxi and truck drivers, 250 indigents, 280 teachers, 409 women, 530 congregants (churches and mosques), 7,440 community members, 11,833 students and children.
- COVID-19 donations: 26 hand washing stations, 11 hand sanitiser stations (automatic and feet pedaled), 24,884 facemasks, 4,540 bottles of hand sanitisers, 5,640 litres of refillable sanitisers, 3,675 bottles of hand washing soap, 4,677 copies of COVID-19 sensitisation materials, 4,544 branded t-shirts, 60 branded shirts, 230 branded reflective jackets, among others.
- Educational donations: 23 scholarships (school fees, WASSCE registration fees, etc.), 24,170 notebooks and writing pens, 3,120 pencils, 250 sharpeners, 34 school bags, 71 school kits (containing books, copybooks, bags, school uniforms, etc.), dictionaries, mathematical sets, calculators and public address systems were donated to students that participated in various educational support initiatives in Ibese, Congo, Ethiopia, Senegal, Sierra Leone, South Africa and Tanzania.
- Health outreach: 335 mosquito nets and 100 cartons of sanitary pads were donations sponsored medical checkup for 55 persons.
- Food and agriculture: Plantain suckers donated to farmers in our Ibese operation; Dangote combo food packs donated in Head Office (Lagos).
- Environment: Trees were planted during the week to support environmental regeneration and reduce effect of climate change (Cameroon, Congo, and Senegal).
- Skills acquisition: women in host communities were trained on multipurpose liquid soap and herbal black soap making; and empowered with soap production chemicals and complete startup kits in Ibese.
- Road rehabilitation: Grading and filling of two community roads (Ibese and Gboko).
- Rehabilitation of two community boreholes and water sources (Tanzania and Obajana) and 12 community engagement benches (South Africa).
- Over 282 external facilitators and subject matter experts (including medical doctors) supported with the COVID-19 sensitisation initiatives.

"The Dangote Way" Cultural Pillar continued

Sustainability Week Beneficiaries



Sustainability Week Beneficiaries



2020 Dangote Sustainability Week Impact	Alignment with UN SDGs
COVID-19 support & donations	3 GOOD HEALTH AND WELL-BEING
Educational donations	4 QUALITY EDUCATION
Food/agriculture and poverty alleviation donations	1 NO POVERTY; 2 ZERO HUNGER
Economic/SMEs empowerment, skills acquisition and capacity building	4 QUALITY EDUCATION; 8 DECENT WORK AND ECONOMIC GROWTH
Provision of water/sanitation	6 CLEAN WATER AND SANITATION
Women empowerment	5 GENDER EQUALITY
Environmental interventions	13 CLIMATE ACTION; 15 LIFE ON LAND
Infrastructure enhancement	11 SUSTAINABLE CITIES AND COMMUNITIES

Institutionalising employee volunteering

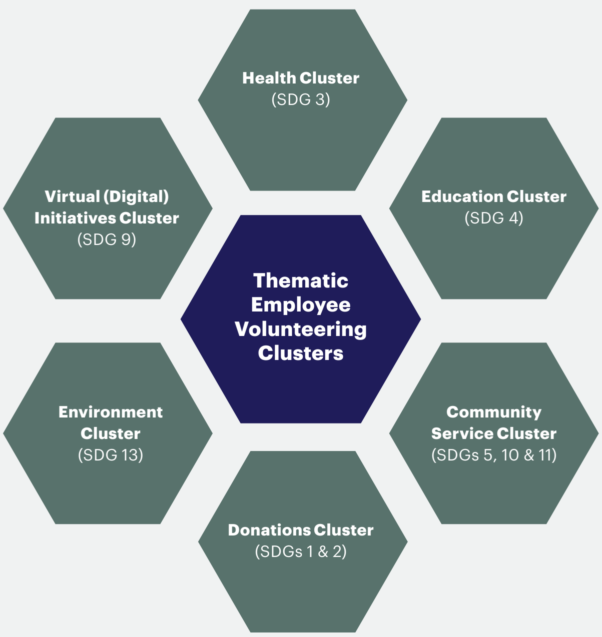
At Dangote Cement Plc, we understand the importance of employee volunteering as a strategy that enables the business and employees to contribute to sustainable development, by supporting local communities in meeting needs that are basic but very important. Volunteering, if effectively managed, supports capacity building; environmental and socioeconomic wellbeing; empowerment of women, children and youths in host communities. Employee volunteering complements our social investments and corporate social responsibility objectives of lifting members of our host communities out of poverty and essentially supporting their human capital development.

In 2020, Dangote Cement Plc institutionalised employee volunteering, backed by approved policy and implementation strategy. Dangote Cement's Employee Volunteering Policy defines the objectives, scope and focus of activities that qualify for volunteering, hours per quarter allocated for volunteering activities, and approved methods for measuring, monitoring, documenting and reporting the impact of employee volunteers. It also outlines the funding criteria for Dangote-specific projects that require the participation of employee volunteers, such as the annual Dangote Sustainability Week.

According to the provisions of the policy, employees are encouraged to volunteer up to six hours per quarter (24 hours per year) from their normal working hours, for approved volunteering activities. These activities are to be selected from six volunteering clusters, covering education, healthcare, community service, environment, etc., in line with the volunteering interests of employees, the specific needs of different host communities, aligned with the UN SDGs.

With this progress, volunteering at Dangote Cement is now well structured, enabling employees to offer their time, skills and capacity freely for community service. The volunteering process is currently being digitised for efficiency, transparency, easy monitoring and impact measurement.

Volunteering Clusters



Health Cluster

- Helping to administer hospital support services to patients, etc. in hospitals
- Cleaning hospitals and cutting overgrown weeds, etc.
- Donation of medical supplies to Health facilities
- Teaching in Health Institutions such as School of Nursing, Medical Health Technology, etc.
- Sponsoring of health awareness jingles on local radio stations
- Donation of blood

Education Cluster

- Providing counselling services in schools
- Mentoring of students in schools
- Teaching/helping persons with special learning needs
- Teaching in schools
- Participating as a judge in school activities such as inter-house sports
- Sponsoring school extra curricula activities such as inter-house/inter-school debates, quiz competitions, Mathematics competitions, English/Spelling competitions, etc.

Virtual (Digital) Activities Cluster

Dangote volunteers with the approval of Corporate communications and Executive Management could partake in some impactful virtual initiatives. For example: Volunteers could donate time and resources to educate (through virtual media) indigent children on key subjects such as English, Mathematics, Economics, Health Science, etc. Other duly approved virtual initiatives that do not require physical contact with beneficiaries.

Community Service Cluster

- Cleaning services at old people's homes
- Cleaning services at orphanages
- Counselling services in orphanages
- Repair of roads
- Repair of community sources of drinking water
- Directing traffic
- Cleaning of markets
- Helping to build facilities in orphanages or old people's homes

Donations Cluster

- Making donations of old clothes to the needy in the community
- Donating food stuff to indigent members of the community
- Donating items such as blankets, walking sticks, eye-glass frames, mosquito nets, etc to old people's homes
- Donating books and educational materials
- Donating boreholes for pipe borne water supply to communities

Environment Cluster

- Environmental awareness and education (recycling, waste management, etc).
- Mentoring and coaching in schools and local communities
- Tree planting/afforestation activities in host communities, schools, etc.
- Enlightenment on prevention of erosion, excessive CO_2 emissions, etc.
- Donation of environmental books and knowledge sharing materials
- Support for Environment Clubs in schools

Employee volunteering activities in 2020

Besides our 2020 Sustainability Week which provides a veritable platform for volunteering, we encourage employees at all levels to volunteer their time and expertise to support our communities and lend a helping hand. To drive this, we organise events that provide opportunities for our employees to volunteer. Across all our locations in Nigeria and Pan-Africa, we have an active pool of over 2,500 employee volunteers who are recognised for their exceptional passion and commitment to support our community development objectives, while also fulfilling their own personal development goals of positively impacting communities.

In the year under review, we initiated several new programmes and enhanced existing ones to better facilitate volunteerism among our employees. In 2020, our employee volunteering activities covered the following key areas:

Education Cluster

Because of the overarching role it plays in socioeconomic and human capital advancement, we have prioritised educational empowerment as a key corporate social responsibility and social investment objective. This priority is reflected in our employee volunteering activities in the year under review. Our staff in different locations volunteered their skills and competences to promote education in host communities. For example, our employees at Dangote Cement Ethiopia donated educational materials including note books, bags, writing materials and other stationeries to five schools in their host communities. A total of 240 students in high schools in Ula Gora, Gatira Nebe, Reji Mokoda and Reji were beneficiaries of the donations that were mostly funded by the volunteers. Furthermore, 486 girls in Lupiya Girls Secondary School were beneficiaries of sanitary and hygiene products donated during Dangote Cement Zambia's employee volunteering initiative in that school. The major objective of this intervention was to reduce girl-child absenteeism from school owing to lack of access to essential sanitary and hygiene materials.

Health Cluster

In the year under review, much of our employee volunteered health interventions were channeled towards supporting host communities in combatting COVID-19 and curbing the spread of the pandemic. Our employees donated COVID-19 personal protective items such as face masks, hand sanitisers, hand washing soaps, hand gloves, among others, to members of host communities. They also carried awareness and sensitisation programmes, as detailed in the "Strategic Report on COVID-19" section of this report. Volunteers in our Zambian operations carried out repairs on Chembo Primary School Borehole, to improve access to clean water and sanitation within the school community, which is also critical in combatting the pandemic.

Environment Cluster

Tree planting was a major volunteering initiative undertaken by Dangote Cement operations in 2020. The aim is to promote afforestation and reforestation, and trigger the carbon sequestration role that trees play in our ecosystem.

Combatting environmental pollution through tree planting (The Ngomene Green Wall Project, Dangote Cement, Senegal)

A key environmental impact of cement production is the emission of gases such as CO_2 and NOx into the atmosphere. Besides combatting these emissions through our adoption of environmentally friendly technologies, Dangote Cement Senegal has adopted a reforestation approach tagged "the Ngomene Green Wall" as part of a well-designed eco-system protection strategy. "The Ngomene Green Wall" is an ambitious tree planting initiative around the Ngomene limestone mine, where 5,000 trees comprising of eucalyptus and meluferats will be planted. A total of 1, 500 trees have so far been planted since the project was launched in July 2020. The green wall is expected to rise between the mine and the immediate host community, and absorb CO_2 emissions released in the cement operations, thus reducing environmental impact. The initiative is designed to regenerate the ecosystem, including the soils and improve air quality.

As part of Dangote Cement Senegal's ecosystem protection strategy, aspirators are used to collect dusts and reinject them in production, instead of allowing them to disperse into the atmosphere. This technology, which is unique in Senegal, makes our operation one of the least polluting cement plants in the continent.

Every year, Dangote Cement Senegal celebrates 5th June, which is World Environment Day, during which employees volunteer to plant trees.

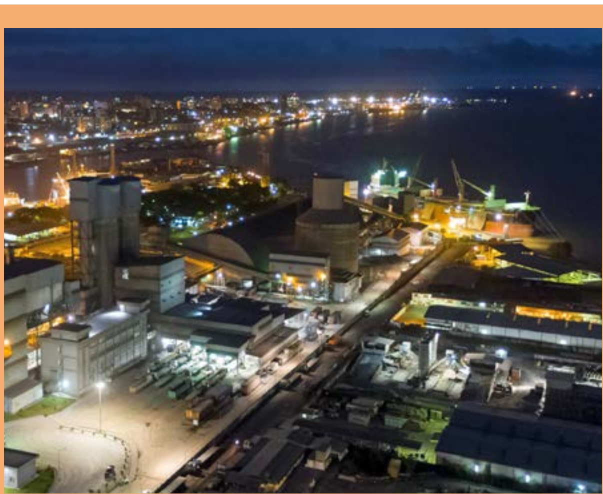
Other employee volunteering activities that held in the course of the reporting year include:

- Employee volunteering for the "match for equality walk" designed to sensitise and create awareness on the need to promote gender equity, as part of the 2020 International Women's Day commemoration in Dangote Cement Zambia.
- Donation of cement to the Zambia Correctional Service for the completion of office blocks.
- Community sensitisation on sustainable water usage and irrigation systems.
- Donation of soap and other sanitary and hygiene products to women in Chiwala Community, Zambia.
- Community road rehabilitation, among others.
- In 2020, 289 volunteers in our Zambian operations gave 1,445 hours to support over 1,500 beneficiaries in host communities through different initiatives and programmes.

Economic Pillar: Contributing to Africa's long-term economic development

The economic pillar promotes inclusive economic benefits, self-reliance and self-sufficiency through the sustainable industrialisation of Africa's key markets for the benefit of all our stakeholders.

"In 2020, we supported 41,018 additional direct, indirect and induced jobs in Nigeria, Ethiopia, Senegal, Tanzania and South Africa."



Economic standards

In line with the principles behind our Economic Pillar, we strive to promote inclusive, sustainable economic growth, self-reliance, self-sufficiency and industrialisation across Africa, by establishing efficient production facilities and developing resilient local economies in strategic locations and key markets.

Our approach to economic sustainability is to invest in growing economies and in tandem, continuously grow our profit. We secure the future of our business by establishing efficient and world-class production facilities and products that support industrialisation in all the economies where we operate.

We ensure that our business activities and model strengthen national productivity, job creation, growth in household incomes as well as GDP growth and economic prosperity. We support our host countries and local communities by developing a value chain that prioritises the patronage of local labour, suppliers, vendors and contractors as our way of building local capacity and content. We maintain transparency and due diligence in the payment of taxes and other statutory remittances to governments and public institutions.

Developing markets

SSA economic growth

2020	(1.9)%
2019	3.2%
2018	3.5%

Nigerian economic growth

2020	(1.8)%
2019	2.2%
2018	1.9%

Nigeria's economy is the largest in Sub-Saharan Africa and also the largest Dangote Cement operation

The 2020 business landscape for Dangote Cement

Sub-Saharan Africa was hit by the double effect of the COVID-19 pandemic and the commodity market decline in 2020. This coupled with inflation and foreign exchange volatility resulted in a challenging year. Most COVID-19 lockdown measures started at the end of March and peaked in April. With the imposition of lockdowns, regional activity dropped sharply during the second quarter of 2020, but with a loosening of containment measures, higher commodity prices, and easing financial conditions, there was recovery in the second half of the year.

According to the International Monetary Fund (IMF), SSA's GDP contracted by 1.9% in 2020. South Africa and Zambia were hit the hardest; growth is estimated to have declined by 7.0% and 3.5%; respectively in 2020. The largest impact of the crisis on growth has been for tourism-dependent economies, while commodity-exporting countries have also been hit hard. Nevertheless, our more diversified countries of operation such as Ghana, Ethiopia, Senegal and Tanzania remained positive in 2020.

In Nigeria, real estate, construction and, consequently, cement demand were notably supported by the low interest rate environment. The sector's performance was also buoyed by a shorter rainy season compared to 2019 as well as the easing of lockdown restrictions.

The IMF predicts growth of 3.4% in 2021, as the region recovers from the impact of the pandemic. Dangote Cement is well positioned to capture demand driven by this economic recovery, as all our countries of operation return to growth. We have already seen a strong recovery across our operations in the second half of 2020 and expect this to continue into 2021.

The 2020 business landscape for Dangote Cement continued

All Dangote Cement's integrated factories are modern, fuel-efficient plants that use the latest technology to produce high-quality cement. This enables us to compete very effectively in a Sub-Saharan cement industry that is fragmented and characterised by smaller-scale operators with older technologies, some even using legacy technologies such as wet-process production, which is highly energy demanding. As a result, we can operate as the lowest-cost producer and support our cement manufacturing with strong investment in marketing and logistics. We avoid competing on price, preferring to offer a better-quality product at the same price as rival offerings. This has enabled us to gain good market shares very quickly when we have entered new markets across the region. By contrast, we strengthened our market leadership in 2020 and believe our strategy will enable us to continue growing and consolidating our position in Sub-Saharan Africa. The opportunity is enormous. The United Nations estimates that the region's population will grow to more than two billion people by 2050, with the urbanised population growing by 800 million over the same time. Providing housing, infrastructure and workplaces for them will be like building Europe and America afresh within Africa. That is a truly exciting opportunity for Dangote Cement and its stakeholders.

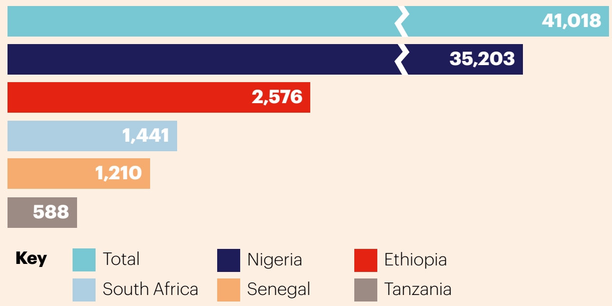
Dangote's contribution to economic development in Africa

Contribution to job creation

As the largest cement manufacturer in Nigeria, and one of the largest employers in Sub-Saharan Africa, we recognise the role of our business as a "force for good" to address the growing rate of poverty and unemployment across the continent. Throughout our operations, we have created jobs for thousands of Nigerians and Africans in nine other countries. Aside from our direct job creation, our activities support thousands of jobs in our supply chain, by way of indirect and induced impacts.

In 2019, our business activities in four countries (Nigeria, Ethiopia, Senegal and South Africa) supported 54,005 jobs (direct, indirect and induced), according to the socioeconomic impact study carried out on our operations by PricewaterhouseCoopers (PwC). In the year under review, we supported over 41,018 additional jobs (direct, indirect and induced, calculated using the Social Accounting multiplier matrix) created in five markets (Nigeria, Ethiopia, Senegal, South Africa and Tanzania) as we continue to create employment opportunities for young Africans through our diversified and vast value chain. In 2020, staff between 18 to 50 years constituted 9,730 or 85.2% of our permanent workforce, indicative of our commitment to supporting government efforts at combatting rising youth unemployment across the continent.

Additional jobs supported (Nigeria, Senegal Ethiopia, South Africa and Tanzania)



The global labour market was disrupted on an unprecedented scale in 2020. According to the International Labour Organisation (ILO) report on "COVID-19 and the world of work", published on 25th January 2021, COVID-19 pandemic and the resulting lockdown caused 114 million people to lose their jobs in the year under review. While there is still a high degree of uncertainty, we hope for a relatively strong economic recovery in 2021 as COVID-19 vaccination programmes take effect in several countries.

2020 employment growth/attrition economic

New Hire	Exits	Attrition Rate (%)
656	982	9

Contributions to household income

The salaries, wages, taxes and dividends that we pay, the local content and entrepreneurs that we patronise, the social investments and CSR projects that we fund, and the foreign exchange that we earn through exports of our products; all of these support socioeconomic wellbeing in our markets, with multiplier effects that foster Africa's sustainable development. The socioeconomic impact assessment study carried out on our 2019 operations shows that our business activities contributed ₦146 billion (direct, indirect and induced) to household income in four out of our 10 markets – Nigeria, Ethiopia, Senegal, and South Africa.

Economic performance

Dangote Cement is the largest publicly listed company in Nigeria and one of only eight members of the Premium Board of the Nigerian Stock Exchange. We ensure strict adherence to best practices in financial management and compliance with relevant laws and regulations in the countries where we carry out our business. Our commitment to high level of financial performance, strong growth and expansion has been unwavering. We are driven by our corporate objective of consistently creating value for our esteemed shareholders and investors through payments of robust return on investments. In all the markets where we operate, we support strong economic growth and sustainable development, while maximising shareholder return. These have earned the Dangote brand a reputation for excellence and sustainable impacts, supporting our emergence as Africa's most respected and prominent business.

Direct, indirect and induced economic value generated and distributed – Gross Value Added (GVA)

	2020 ₦ million	2019 ₦ million	2018 ₦ million	2017 ₦ million
Revenue	**1,034,196**	891,671	901,213	805,582
Employee wages, salaries and benefits	**69,179**	60,603	55,164	47,253
Operating costs*	**591,877**	540,634	520,236	471,207
Dividend paid to shareholders	**272,648**	272,648	178,925	144,844
Social/community investments	**2,852**	1,108	1,287	1,020
Local procurements (all operations)	**385,453**	284,845	239,859	281,461

* excluding administrative expense.

Direct economic value created and distributed

At Dangote Cement, we continue to generate impressive returns for our stakeholders. During the 2020 reporting year, we recorded higher sales volume year on year. Our gross revenue increased by 16.0% from ₦891.7 billion in 2019 to ₦1,034.2 billion in 2020, supported by our 2020 consumer promo in Nigerian operations and strengthened market penetration strategies. In the same vein, our profit after tax in 2020 was ₦276.1 billion as against ₦200.5 billion in 2019. This also led to a 36.9% increase in the earnings per share of ₦16.14, versus ₦11.79 in 2019.

Dividend payment history – shareholders

At Dangote Cement, we pursue a dividend policy that reflects the Company's earnings and cash flow, while maintaining appropriate levels of dividend cover. Our history of dividend payments predates our listing on the Nigerian Stock Exchange in 2010. We have consistently paid dividends over the years, with payments history of ₦7, ₦6, ₦8, ₦8.50, ₦10.5, ₦16 and ₦16.00 per share in 2013, 2014, 2015, 2016, 2017, 2018 and 2019 respectively. In 2020, our proposed dividend payment of ₦16.00 per share ensures that we keep our promise of continuous wealth creation for our valued shareholders.

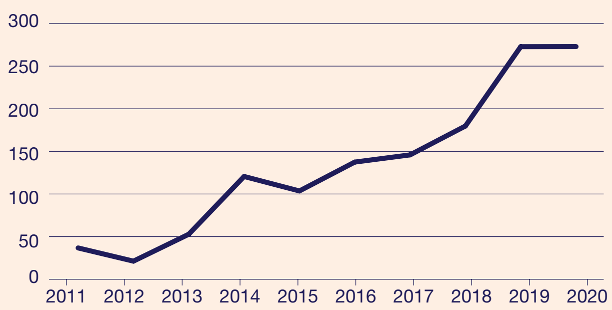
Community investments

As part of our corporate social responsibility, we spent ₦2,852 billion on community investments in 2020, including strategic sponsorships, community projects, donations, charitable gifts, and community affairs expenses. This is a 157.4% increase from the 2019 total spending of ₦1,108 billion. Our detailed community investments in the year under review are disclosed in the social investments section of this report.

Indirect economic impacts

To support sustainable development and the United Nations Sustainable Development Goals (SDGs), we provide quality cement for construction purposes and invest directly in infrastructural projects in host countries. Our value chain activities, spending and business investments boost local industries and create multiplier effects that support poverty alleviation, jobs and improved livelihood. Building mutually beneficial relationships with our stakeholders and enabling local communities' economic prosperity is key to our economic sustainability pillar. Disclosures on our detailed indirect economic impacts are in different sections of this report.

Dividend payment history – shareholders 2013–2020 (₦)



Strategic Report
Corporate Governance
Financial Statements
Supplementary Information

Operational Pillar: Modern, efficient factories producing the highest quality cement

The operational pillar deploys cost-effective, state-of-the-art production and distribution facilities which produce high-quality products that satisfy the needs of local markets.

“Group volumes up 8.6%; Nigerian volumes up 12.9%”

Operational standards

Our Operational Sustainability Pillar defines how we serve and satisfy our markets by working together with partners to deliver the best quality products and services to our valued customers. We also achieve this by leveraging continuous product improvement and innovation, new business development, and employment of state-of-the-art technologies to optimise cost-efficiencies and competitiveness.

For us, driving operational efficiency means maintaining the highest standards in product responsibility, product quality, product information dissemination and labelling, efficient production processes, and service delivery that exceeds our esteemed customers' expectations. We maintain operational standards that align with global best practices in occupational health and safety, making our work environment and project sites safe for all internal and external stakeholders.

To foster operational sustainability, we continuously invest in innovative technologies and processes that promote our goal of utilising available production capital optimally and resourcefully. We are committed to adopting the circular economy business model to ensure operational and cost efficiency, resource consumption minimisation and environmental responsibility. We implement the policy of continuous improvement in our production processes and invest in state-of-the-art production facilities that minimise the negative ecological and social impacts that could result from our business operations.

Our focus on operational sustainability demands that we maximise value to raw materials and local resources, whilst being mindful of health and safety and our impact on the physical environment. We strive to improve efficiency at every stage of the production process, from mining to distribution, and have demonstrated our commitment to innovation by launching new products in our key market, Nigeria. We are exploring ways to improve our use of alternative fuels in our kilns and researching how we can recycle by-products such as fly ash for use as extenders when we grind clinker into cement.

Regional review

Group volumes

+8.6%

2020	25.7Mt
2019	23.7Mt
2018	23.5Mt

Group volumes up 8.6% to 25.7Mta despite significant impact of COVID-19.

Nigerian volumes

+12.9%

2020	15.9Mt
2019	14.1Mt
2018	14.2Mt

Nigeria volumes up 12.9%, supported by robust domestic demand.

Pan-African volumes

+4.4%

2020	10.0Mt
2019	9.6Mt
2018	9.4Mt

Volumes up at 10.0Mt, despite lockdowns and restrictions in 2020. Strong volume growth in Ethiopia, Congo and Cameroon.

Supply chain management

Dangote Cement is a vertically integrated cement company with complete haulage needs that are sourced within the Group to ensure an efficient supply and distribution chain.

We have also nurtured extensive dealers' network in all our markets. In Nigeria for example, the Company maintains excellent relations with all dealers, offering attractive returns on cement sales and ensuring shared prosperity across the chain.

We do not just make cement; we support our supply chain partners to thrive and build their own businesses. In 2020, a total of ₦509.96 billion was spent for local and imported procurements across all operations. In our Nigerian market, procurement spending was ₦295.57 billion, out of which ₦221.23 billion (74.8%) was spent on local products and services. Our distributorship network also grew significantly. The number of retailers and distributors in our Nigerian distribution chain grew year on year by 31% and 43% for each category.

2017–2020 total procurement spending

Procurement per year	2017	2018	2019	2020
Total (Million Naira)	370,521	418,690	434,065	509,964
Local (Million Naira)	281,461	239,859	284,845	385,453
Imported (Million Naira)	89,060	178,831	149,220	124,511

Procurement practices

Our value chain is perhaps the largest in the African cement market. We are constantly improving best procurement practices to build a supply chain that provides win-win opportunities for all stakeholders. We support our SME distributors by investing in their business growth. We enforce transparency in our procurement activities and deliberately prioritise patronage of local businesses. Our procurement practices reflect our operating philosophy and core value of integrity in business operations.

We ensure equal opportunities for all bidders while also encouraging and supporting the best environmental, social and governance standards within our sphere of influence.

Building a sustainable supply chain

As a responsible corporate citizen, Dangote Cement Plc is committed to building a sustainable supply chain to ensure that our procurement activities and engagements with supply chain partners are carried out in an environmentally, socially and economically responsible manner.

We have set the stage for entrenching excellent corporate governance, anti-corruption, healthy competition, human rights protection, environmental responsibility, transparency and accountability, and best health and safety standards across our supply chain for the wellbeing of stakeholders and the larger society. Our supply chain partners will be held accountable for practices contrary to laid down environmental, social and governance laws, regulations and standards. Vendors and contractors that wish to establish or continue a business relationship with Dangote Cement should ensure best sustainability practices and records.

We expect our supply chain partners and their affiliates, employees, subcontractors, agents and other representatives to observe the highest standard of ethics in all activities and operations regarding the supply of goods and services to Dangote Cement Plc. Compliance with environmental, social and governance regulations and best practices will be assessed from time to time. The outcome of such evaluations would determine the vendors and contractors that we choose to continue business relationships with.

Prioritising local content

As part of our corporate responsibility to our countries of operation, we source much of our procurement needs from local markets. It is only in cases where vendors for specific goods and services could not be sourced locally that we resort to importation.

In all operations, total procurement spending has consistently grown in the last four years, from over ₦370 billion in 2017 to ₦418 billion in 2018; and ₦434 billion in 2019. In 2020, our procurement spending stood at ₦509.96 billion. Of this figure, ₦124.51 billion (or 24%) was spent on imported goods and services, while ₦385.45 billion (or 76%) was spent on locally sourced procurements. With this, our local procurement spending in the last three years has consistently grown, from 57% in 2018 and 66% in 2019 to 76% in 2020. Year on year, total procurement spending is up 17.5% relative to 2019, while local procurement spending is up astronomically by 35.3%, from ₦284.8 billion in 2019 to ₦385.4 billion in 2020.

Our local suppliers range from Small and Medium-Scale Enterprises (SMEs) to large multinational companies. Patronising local products and services is our way of boosting local industries and entrepreneurship, supporting a stable local economy, and propelling sustainable growth and development in the African continent.

Interestingly, according to our 2020 vendors and contractors' survey, about 65.2% of the respondents affirmed that Dangote Cement's patronage of their products and services accounts for 81–100% of their total annual financial turnover. This underscores the huge economic impact that Dangote Cement operations and supply chain have on the SME sector and the larger economy in the different markets where it plays. Also, over 81% of the respondents associated the Dangote Cement brand with "positive economic impact," while 55% associated it with "job creation."

Penetrating markets and empowering consumers

With domineering market share in several industries where we do business, we do not take our size and market penetration for granted. We continue to drive the highest standards in product and service offering and endeavour to continually surpass our valued customers' expectations.

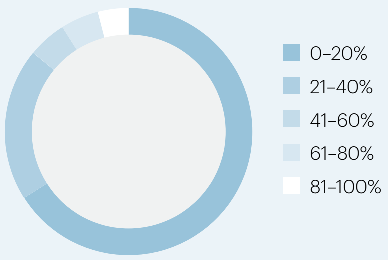
Product quality and market competitiveness

We believe in continuous product improvement and innovation. This is one of our most vital edges in all the markets where we operate. Our research and technology initiatives support our plant operations to ensure robust production processes. We remain focused on product efficiency and market competitiveness. We have an extended value chain – beginning at mining and running through raw materials preparation, clinker burning, cement grinding and production, packaging, and finally delivering to the esteemed customers. While this makes it a seemingly complex business chain, it also offers opportunities for sustainable improvements along the value chain's length. Our key focus areas include higher efficiency in the use of limestone, laterite, and other minerals beneficiation; pollution reduction (dust, noise and other forms of pollutants that come with cement production); optimised limestone and material mix; efficiency in lowering CO_2 generation; efficiency in cement bag loading systems; improving profitability; while producing a higher-quality, stronger brand of cement at a lower cost. Our plants are equipped with cutting-edge technology like Prompt Gamma Neutron Activation Analysis (PGNAA) for online analysis, robotic laboratory, and fully automated central control room system equipped with Human Machine Interface technology (HMI). We have constantly deployed the most advanced machinery at our new plants that improve overall efficiency in cement production.

In many countries where we operate, we significantly support the local economies towards self-sufficiency in cement production. We accompany this with product quality guarantee. We ensure that all our products and services are consistently tested for quality assurance and safety. To drive consistency around product quality and mitigate failures, a "Quality Contract" initiative was introduced between our Sales & Marketing team and the Plants, aimed at routine evaluation and test of cement produced before bagging. This approach guarantees product quality for our valued customers at all times.

The quality and innovativeness that goes into our production and the value that our products create for consumers are the reasons we enjoy strong market share and are the clear market leader in most countries where we play. In our Nigerian operations, we enjoyed over 60% market share in 2020.

2020 Vendors & Contractors' Survey Responses: "Estimated percentage of your annual turnover that is gotten due to your transactions with Dangote Cement Plc"



Marketing and labelling practices

Because growth is essential for business sustainability, we continually plan towards and invest in strategies for becoming one of the world's leading cement companies and retaining our prime position in Africa, which, fortunately, is the next big growth market for cement. Because of this, we will remain focused on approaches for improving our route to market and promotional campaigns that support growth in sales volume. Some of our strategic campaigns in 2020 include the Dangote "Bag of Goodies 2" Consumer Promo, as detailed in the next section.

Product responsibility

We ensure that our products meet the best specifications and standards and add value to our esteemed consumers. We also ensure that our cement is produced following the best manufacturing guidelines and under strict quality control.

Due to its properties, such as high pH value, cement users need to understand the health and safety measures required when using the commodity. We therefore ensure that we comply strictly with requisite marketing, product safety, and labelling regulations.

We adopt practical product information and labelling as part of our "product responsibility" obligations to ensure compliance with regulatory standards and best practices. Our product information and labelling practices go beyond mere aesthetics. It ensures the disclosure of vital information about our product material contents and their portion sizes. We also provide clear instructions on usage, leveraging the CEMBUREAU guidelines on the use of wet cement. These practices allow our customers to make informed choices about the cement they buy and the peace of mind to use our products efficiently.

All relevant safety and disposal information, including local and international standards that govern the labelling and information contained on the packaging of our products, are displayed on the product bags. Endorsed by the Standards Organisation of Nigeria (SON) and fulfilling all regulatory requirements, our labelling strategy is executed with simple marking, using machine-readable symbols (batch code), linking back to actual production details, content, product pack sizes or formatting and easy user application instructions, to achieve best quality results.

As part of our consumer communications practices, labels are directly printed on our cement bags, which are mostly made of polypropylene or paper materials, both of which are easily recycled and reused by end-users.

In all operations, there were no reported incidents of non-compliance with regulations and voluntary codes concerning products and service information and labelling, provision and use, and marketing communications (including advertising, promotion, and sponsorships) during the year under review. In our Nigerian operations, there were also no fines from any of our major regulators, such as the Nigerian Stock Exchange, Securities and Exchange Commission, the Financial Reporting Council of Nigeria, and the Standards Organisation of Nigeria, as at year-end 31st December 2020.

However, there were fines from litigations and court cases brought against our business in the year under review, which we are handling in compliance with applicable laws and regulations. We also incurred fines and penalties of ₦410 million across our Nigeria, Cameroon, Zambia, Ethiopia, Tanzania and Senegal operations, and these were mainly a result of conclusion of various tax assessments carried out by regulators relating to previous years. Our South Africa, Sierra Leone and Ghana operations recorded no penalties and fines.

Customer privacy

Our marketing practices conform to the highest ethical standards, based on transparency, honesty and full disclosure. We respect the privacy rights of our customers who disclose Sensitive Personal Information to the Company as part of business transaction requirements; and we ensure that their information is kept confidential. In all the markets where we operate, we are obliged to comply with and adhere to data protection laws (such as the Nigerian Data Protection Regulation, 2019; South Africa's Protection of Personal Information Act, 2013; Senegal's Cybersecurity and Personal Data Protection Act, 2016; and so on). We ensure compliance with these regulations. We care about how customer data is used and shared, and we place a premium on the trust afforded us by our customers. We utilise the highest standards of data privacy in storing information sourced from our value chain and communicate clearly to our customers the type of data we collect, what they are used for and additional analysis performed on the data if any. No complaints were received regarding any breaches of customer privacy or misuse of personal data in the reporting year. Further details about our privacy and data protection policy can be gotten on our websites:

https://www.dangote.com/privacy-policy/

Customer Service Week

In 2020, we participated in Customer Service Week's global celebration to raise awareness on the need for consistently excellent customer service. We also leverage this Week to appreciate customers for their loyalty to the Dangote Cement brand; and our staff for the unique role they play in ensuring that we keep our promise of excellent service to our dear customers.

The 2020 Customer Service Week with the theme "Dream Team" reflected the importance of teamwork in providing outstanding service to all customers and enabled our staff to reflect on what needs to be done to improve teamwork and quality service delivery.

In 2020, Dangote Cement conducted customer satisfaction survey twice to measure how satisfied our customers are with different aspects of your products and services. The feedback on customers' insights helps us identify unhappy customers, practices and developments that require corrective actions. As a brand committed to consistently exceeding customers' expectations, we take such feedback from our consumers very seriously and act promptly on them as required.

National Consumer Promotion case study

Dangote "Bag of Goodies 2" Consumer Promo 2020
BAG OF GOODIES SEASON 2

"National Consumer Promo has made over 471 millionaires across all states in Nigeria."

On 15th July 2020, Dangote Cement Plc launched the Spell and Win "Bag of Goodies 2" Consumer Promo, a National Consumer Promotion (NCP) approved initiative that was designed to produce nine millionaires daily as a way of rewarding consumers and improving the livelihood of our consumers around Nigeria. The mega promo produced over 14,079,144 beneficiaries (winners); 471 star-prize winners with cash of ₦1,000,000.00 each; and impacted positively on the livelihood of loyal customers across the country. The 2020 consumer promo has been well-timed, empowering our loyal customers financially and helping to mitigate the economic effect of the COVID-19 pandemic.

In addition to supporting sales growth, this promo, served as a palliative for the tough economy and ameliorate challenges through direct appreciation of loyal Dangote Cement customers. The DBOG was unique and the larger Nigerian economy, in a year of unprecedented in economic pressure owing to the COVID-19 outbreak. The Dangote Bag of Goodies promo has been unmatched in the local cement industry both in scale, impact, and reach.

"A block moulder and cement dealer, who was one of the lucky winners of the just concluded Dangote Cement Promo, Mr. Obinna Udebi said the ₦1 million star prize won during the promo has been used to expand his cement and block-moulding business. According to Udebi, his business was only struggling to survive due to the impact of the global COVID-19, but it was rescued by Dangote Cement through the just concluded Mega Promo. He disclosed that, prior to the promo, he was only able to buy 300 bags of cement, "but with ₦1 million, I have been able to increase the numbers of my cement stock from 300 to 600 bags." He said Dangote Cement has helped improve his revenue, as he is now able to deliver cement and blocks to customers within few days as a result of the available funds."

BusinessDay Newspaper 21st December 2020.

The promo produced 471 millionaires plus over 13 million beneficiaries of other prizes including cars, motorcycles, 43" LED TVs, specially created Dangote food packs and millions of cash and telephone airtime. The initiative was also designed to serve as a palliative for the tough economy and ameliorate challenges through direct appreciation of loyal customers. The DBOG was unique and unprecedented in the cement industry both in scale and reach.

Redemption Management:

- Well trained redemption clerks at 200 redemption centres nationally
- Availability of promo items across the redemption centres and prompt payment of star winners

Ravi Sood
Director of Operations, Nigeria

Rajesh Kumar Kothari
Director of Operations, Pan-Africa

Operating review

Strong performance sustained by robust volume growth coupled with cost saving measures.

> **"In 2020, Dangote Cement commenced exporting clinker via shipping from Nigeria to feed grinding plants in West and Central Africa."**

Nigerian operations

Nigeria's economy, like most other economies of the world, was significantly affected by the outbreak of COVID-19 in 2020, with a GDP decline of 1.9%. However, the IMF estimates that the Nigerian economy could grow by 2.5% in 2021.

A full lockdown in Lagos state, Abuja (FCT) and Ogun state was enforced from 31st March 2020 to 4th May 2020 to reduce the spread of COVID-19. As a result, April volumes were heavily impacted and lower than the volumes realised in the same period last year. Other states joined with complete or partial lockdown during April. In May, lockdown eased and cement demand picked up significantly in the second half of the year.

Dangote Cement recorded strong performance not only at the top line but also at the bottom line, owing to our cost saving measures. Despite inflationary pressures and foreign exchange volatility, our disciplined cost control measures enabled us to maintain a relatively flat cash cost per tonne. Our cost control measures include improved plant efficiency, better fuel mix and general overhead optimisation.

The fuel mix in our Nigerian plants include coal, gas and PET coke. We do not import coal in our Nigerian operations but use local coal. In Obajana, we currently use approximately 50% local coal and 50% gas. Local coal usage in our plant in Ibese is approximately 30%, while PET coke is about 10% of our fuel mix. Although Nigeria still relies on high carbon fuel sources, in 2020, we increased corporate focus and strategies for reducing our footprints by committing to the use of alternative fuel sources in our energy mix. We made progress in using alternative fuels in kilns through effective and fit-for-purpose reutilisation of wastes produced in our sites, such as old tyres and packaging materials.

Exports

In 2020, we commissioned both our export terminals in Apapa and Onne. We shipped 197Kt of clinker from Nigeria to West and Central Africa via our Apapa terminal, with our maiden shipment in June. Our Nigerian business has recommenced road exports and in 2020 we exported 149Kt of cement by road.

Our vision is for West and Central Africa to become cement and clinker self-sufficient, with Nigeria being the main export hub. This will notably contribute to the improvement of regional trade within the ECOWAS region and beyond with the African Continental Free Trade Area.

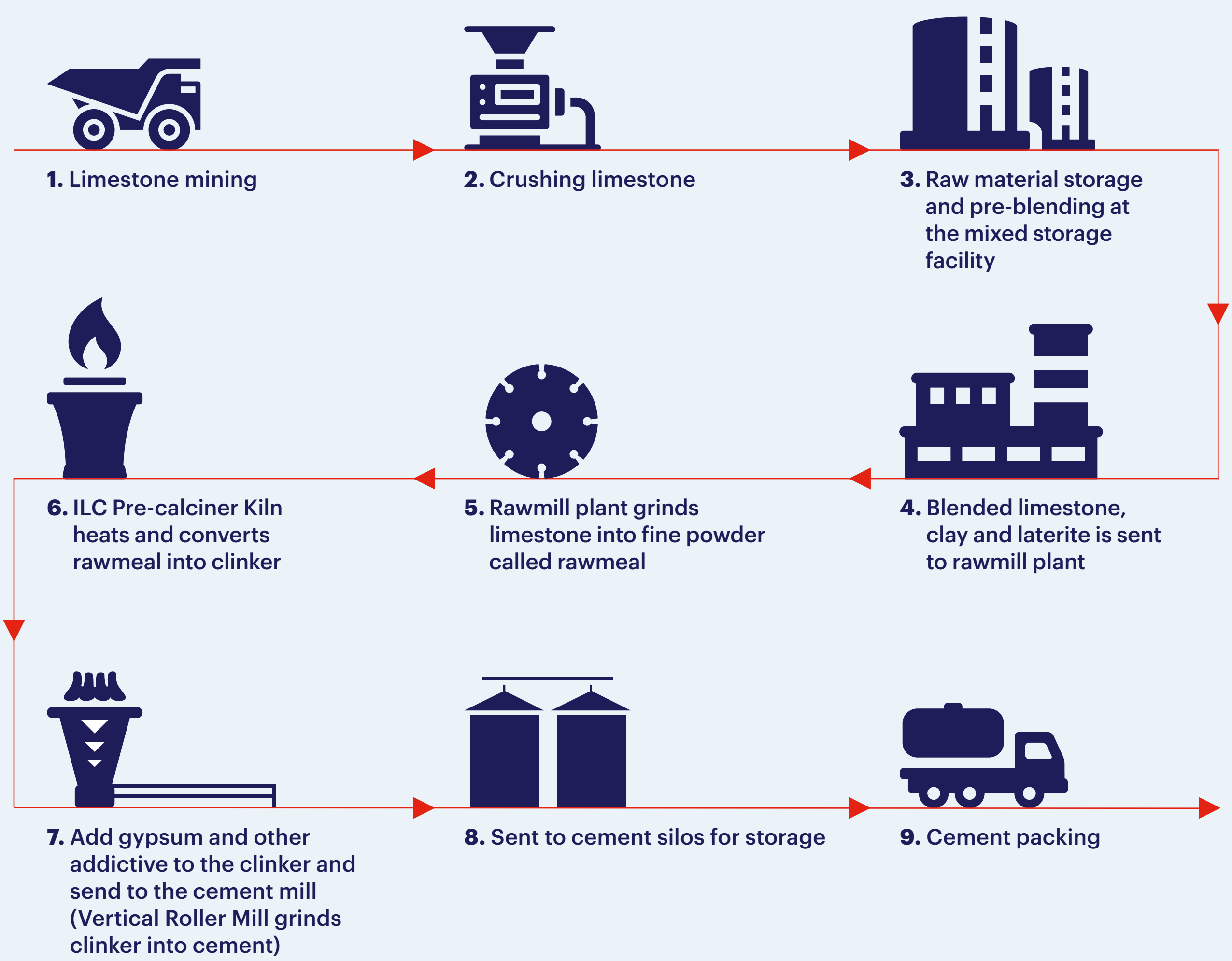
Pan-African operations

In Pan-Africa, most COVID-19 lockdown measures started at the end of March and peaked in April. The response by the authorities varied in nature from specific temporary restrictions in some countries to a complete temporary lockdown for non-essential businesses. Our operations in South Africa, Congo and Ghana were shut down due to full or partial lockdowns in most of April. By early May, lockdown measures had eased, and all our businesses were operational.

The total Pan-African volume represents 38.8% of Group volumes. Sales volumes in Pan-Africa were 10.0Mt in 2020, up 4.4% from 2019, despite the lockdowns and restrictions that were put in place across our operations in the first half of the year.

Pan-African revenues of ₦318.7 billion were 12.7% higher than 2019 and represented 30.8% of total Group revenue. The region achieved a record high EBITDA of ₦71.3 billion (before central costs and eliminations), up 49.0%, supported by strong performance in Ethiopia and Senegal. This represents an EBITDA margin of 22.4% for the full year 2020 versus 16.9% in 2019. The higher profitability was mainly attributable to volume growth and cash cost improvement in seven of our nine Pan-African operations.

Cement value chain



Nigeria

Nigeria is where we began operations more than a decade ago and where we now have three of the largest and most efficient cement plants in Sub-Saharan Africa.

Sales volumes

15.9Mt

2019: 14.1Mt +12.9%

Revenue

₦719.9bn

2019: ₦610.2bn +18.0%

Key statistics	
Demographics	
Population	206.1m
Urbanisation	52%
2020 GDP growth	-1.8%
Market	
Total capacity	50.8Mta
Cement consumption	125kg/person
Total market	25.8Mt
Dangote presence	
Location	Obajana, Ibese, Gboko
Capacity	32.3Mta
Type	Integrated
Kiln fuel	Gas, coal
Power	Gas, diesel

Market

Nigeria is the largest market for cement in Sub-Saharan Africa and a highly attractive production centre, having significant deposits of limestone close to large demand centres and good economic prospects that will enable its population of over 200 million to increase their consumption of cement in the coming decades. Furthermore, Nigeria has local sources of standard and alternative fuel sources, prohibits importation of cement and incentivises exports into neighbouring countries, many of which lack limestone. Therefore, as the largest producer in Nigeria, the whole of the West and Central Africa trading region, which represents over a third of Africa by countries, population and GDP can be considered as our home market.

Performance

Despite the impact of COVID-19, Dangote Cement's Nigerian operations sold 15.9Mt for the full year 2020 compared to 14.1Mt in 2019. This includes both cement and clinker sales and implies a 12.9% growth for the full year 2020. When looking at the domestic sales alone, our Nigerian operation sold 15.6Mt, up 14.3% year on year and resulting in an increase in market share.

Revenues for the Nigerian operations increased by 18.0% to ₦719.9 billion, owing to robust demand in the domestic market. This strong volume growth was enhanced by an increase in real estate investment, our successful innovative national consumer promotion "Bag of Goodies – Season 2" and lower rains in the third quarter compared to the previous year. We recorded a strong EBITDA of ₦421.4 billion at a margin of 58.5%, excluding central costs and eliminations (2019: ₦361.2 billion; 59.2%).

Tanzania

The captive power plant was commissioned in November to power our factory in Mtwara.

Sales volumes

1.1Mt

2019: 1.2Mt -9.25%

Revenue

₦37.9bn

2019: ₦38.5bn -1.6%

Key statistics

Demographics	
Population	58m
Urbanisation	35.2%
2020 GDP growth	1.0%
Market	
Total capacity	11.3Mta
Cement consumption	97kg/person
Total market	5.6Mt
Dangote presence	
Location	Mtwara
Capacity	3.0Mta
Type	Integrated
Kiln fuel	Coal, gas
Power	Gas

Market

Due to its diversified economy, Tanzania's GDP is robust and growing, which is resulting in an increase in major government infrastructure spending and construction projects including roads, railways and airports.

At 3.0Mta, our integrated plant at Mtwara is the largest of Tanzania's 13 cement plants, most of which are located near the coast.

Performance

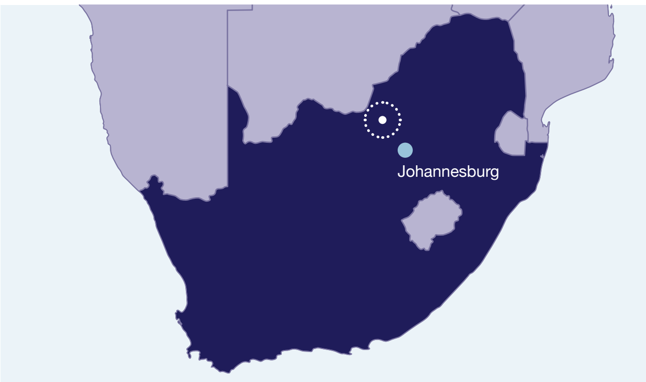
Sales volumes at our 3.0Mta factory at Mtwara were 9% lower than last year at 1.1Mt tonnes, including 81Kt of clinker. We estimate our market share to have been 18% during the period. Production challenges and dispatch limitations reduced daily volumes in the first quarter. The commissioning of the gas power plant occurred in November following the lifting of air travel restrictions.

Living "The Dangote Way"

We are part of the grand infrastructural transformation taking place in Tanzania. We touch millions of lives by providing cement used for construction of housing, railways, roads, airports and other infrastructure critical for Tanzania's continuing economic development. We are committed to the long-term development of the country and will continue to develop and provide quality products that will support rapid urbanisation and infrastructure development.

South Africa

South Africa remains one of Africa's largest markets for cement. Our facilities at Aganang and Delmas can produce up to 2.8Mt per year.



Sales volumes

Cannot be published due to local competition laws

Revenue

₦52.7bn

2019: ₦46.4bn 13%

Key statistics	
Demographics	
Population	59.8m
Urbanisation	67.4%
2020 GDP growth	-7.0%
Market	
Total capacity	22.5Mta
Cement consumption	184kg/person
Total market	11.0Mt
Dangote presence	
Location	Aganang, Delmas
Capacity	2.8Mta
Type	Integrated
Kiln fuel	Coal
Power	Grid

Market

Total national lockdown in South Africa was imposed from 27th March 2020 all through to 3rd May 2020 to mitigate against the rapid spread of COVID-19 infections. The lockdown resulted in zero sales for our South African operations in April.

A series of rescue packages of R50 billion were put in place earlier in 2020 year to support businesses and individuals following the impact of the social distancing measures and lockdown enforced to fight the COVID-19 virus.

As part of the reconstruction and recovery of the South African economy, the government plans to expedite the implementation of at least 50 infrastructure projects with a total investment value of more than R340 billion.

Performance

Dangote Cement South Africa's sales in the first half of the year were down due to the lockdown but we saw a recovery in the second half of the year as restrictions gradually eased. Sales for FY2020 increased by 9.1% year on year, mainly due to a surge in home improvements post-lockdown.

Living "The Dangote Way"

Operating in one of the largest cement markets in Africa, with 66% urbanisation, Dangote Cement South Africa strives to contribute towards industrial growth and economic development of South Africa and making cement accessible and affordable for its population of 57 million. While serving the urban centres, we also aim to ensure inclusiveness by making concerted efforts to serve markets in both suburban and rural areas of the country.

Ethiopia

Ethiopia is an attractive market for cement, with high demand for infrastructure projects, housing and industrial parks.

Sales volumes

2.1Mt

2019: 2.0Mt +8.7%

Revenue

₦58.1bn

2019: ₦53.9bn 7.8%

Key statistics

Demographics	
Population	98.1m
Urbanisation	21.7%
2020 GDP growth	6.1%
Market	
Total capacity	19.5Mta
Cement consumption	77kg/person
Total market	7.6Mt
Dangote presence	
Location	Mugher
Capacity	2.5Mta
Type	Integrated
Kiln fuel	Coal
Power	Grid

Market

We estimate the cement market in Ethiopia to have been 7.6Mt for the full year of 2020, down 3.8% from the same period last year. This was mainly due to a slowdown in the economic activities arising from the overall impacts of COVID-19, lower infrastructure spending, continued challenges around foreign currencies availability and security concerns.

Per-capita consumption in Ethiopia lags behind many African countries at about 77kg per person, suggesting considerable growth potential. While the country seems overserved with 19.5Mta capacity, much of it is ageing, small scale and unable to compete with modern cement production facilities like our 2.5Mta plant at Mugher, particularly given our additional strength and know-how in distribution.

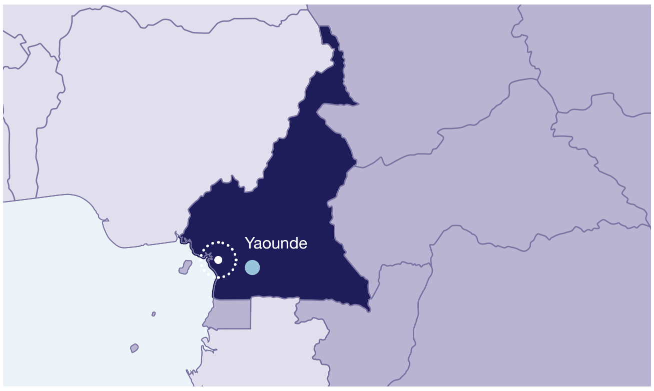
Performance

Sales at our 2.5Mta factory in Mugher were over 2.1Mt in the full year of 2020, up 8.7% year on year. The key driver for the increase in sales is the improved plant performance which resulted in more product being available for the market, owing to less breakdowns and continuous availability of power compared to last year. In addition, our market share increased from 25% to 28%.

We continue to improve our efficiency with a focus on the increased use of local coal and other cheaper alternative fuels. Our production was not affected by the partial lockdown earlier in 2020 due to COVID-19.

Cameroon

Cameroon lacks sufficient limestone for large-scale cement manufacturing, so we import clinker for grinding. We supplied clinker to Cameroon from Nigeria in 2020.



Sales volumes

1.3Mt

2019: 1.1Mt +17.2%

Revenue

₦57.3bn

2019: ₦45.7bn +25.4%

Key statistics

Demographics	
Population	26.14m
Urbanisation	57.6%
2020 GDP growth	-2.8%
Market	
Total capacity	6.2Mta
Cement consumption	134kg/person
Total market	3.5Mta
Dangote presence	
Location	Douala
Capacity	1.5Mta
Type	Grinding
Kiln fuel	n/a
Power	Grid

Market

We estimate the total market for cement in Cameroon to have been just under 3.5Mt in 2020. The main drivers for cement demand during the period were an increase in investment in construction projects, including roads, stadiums and hotels, notably in preparation for the African Nations Championship.

Performance

Despite the drop in oil prices and the impact of COVID-19, fortunately the pandemic did not have a significant impact on the cement industry. However, we have adjusted the way we work in line with government recommendations. Our 1.5Mta clinker grinding facility in Douala sold approximately 1.3Mt of cement in FY 2020, a 17.2% increase compared to FY 2019. We estimate our market share to have been 38% during the period.

Living "The Dangote Way"

We are actively working to help and empower our local communities.

We reclaimed land for the Douala community to celebrate its culture, built a pharmacy for the Batkoe mining community and a town hall for the Tombel mining community, and provided scholarships to help students of the Deido and Batoke communities.

Congo

Our 1.5Mta factory in Mfila can supply almost all the country's needs, reducing its dependence on imported cement and enable it to become an exporter.

Sales volumes

0.4Mt

2019: 0.2Mt

Revenue

₦12.4bn

2019: ₦7.7bn +61%

Key statistics

Demographics	
Population	4.7m
Urbanisation	67.8%
2020 GDP growth	-7.8%
Market	
Total capacity	3.2Mta
Cement consumption	192kg/person
Total market	0.9Mta
Dangote presence	
Location	Mfila
Capacity	1.5Mta
Type	Integrated
Kiln fuel	Coal
Power	Grid

Market

Opened in September 2017, our 1.5Mta Mfila plant is the largest of five plants in the country. It is ideally located to supply the capital, Brazzaville, as well as export markets in the Democratic Republic of Congo and Central African Republic.

The Republic of Congo has a well developed economy that is reflected in its relatively high per-capita consumption of cement, at an estimated 192kg per person. The cement market grew in 2020 due to a surge in the consumer market and the revival of government infrastructure projects and public construction work. We estimate total market sales to have been 935Kt during the period.

Performance

Our 1.5Mta integrated plant in Mfila sold 388Kt of cement, up 59% compared to FY2019. Our domestic volume was 341Kt, up 70% compared to FY2019. In addition, exports were 47Kt for FY 2020. This increased our market share from 28% in FY2019 to 42% in FY2020.

Living "The Dangote Way"

As the country's largest producer, we provide market leadership through innovative pricing and retail strategies as we contribute towards meeting the cement demands of Congo. Not only are we helping the country become self-sufficient in cement, we also plan to increase its exports, benefitting its economy.

Ghana

An important market for cement in West Africa, Ghana lacks sufficient limestone and is obliged to import clinker or bulk cement, which we plan to supply from Nigeria.

Sales volumes

0.4Mt

2019: 0.5Mt -15.8%

Revenue

₦16.9bn

2019: ₦18.3bn -7.7%

Key statistics

Demographics	
Population	30.8m
Urbanisation	57.3%
2020 GDP growth	0.9%
Market	
Total capacity	9.35Mta
Cement consumption	218kg/person
Total market	6.7Mt
Dangote presence	
Location	Tema
Capacity	1.5Mta
Type	Import
Kiln fuel	n/a
Power	Grid

Market

With per-capita consumption of about 218kg per person and total demand of 6.7Mt in 2020, Ghana is an attractive market for cement in West Africa. During the year of 2020, the construction industry and the cement market in Ghana witnessed an increase in demand owing to a rise in government infrastructure projects ahead of the election. Private domestic consumption also continues to grow.

Performance

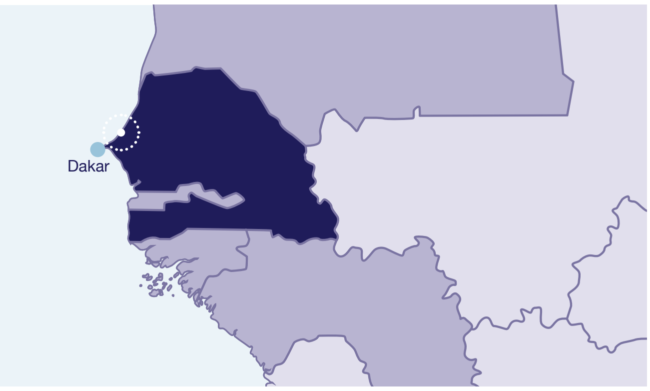
Dangote Cement Ghana sold 422Kt of cement during the period, down 15.8% from the same period last year, owing to strategic intent to focus on profitable markets. Nevertheless, we were able to sell out all stock available due to high demand before and after the country's lockdown and maintained a regional focus and an attractive pricing scheme. Our market share for the year came in at 6%.

Living "The Dangote Way"

We are enhancing our customer handling efficiency by reducing customer waiting and supply time. We will continue on this path to ensure that we create satisfied customers who in turn create other customers for us, through word-of-mouth referrals. Our goal is to increase our market share and reduce the country's reliance on cement and clinker manufactured outside of Africa.

Senegal

Senegal continues to be one of Dangote Cement's best performing markets, where we sell everything we produce.



Sales volumes

1.59Mt

2019: 1.48Mt +7.5%

Revenue

₦46.9bn

2019: ₦38.3bn +22.5%

Key statistics

Demographics	
Population	16.8m
Urbanisation	48.1%
2020 GDP growth	-0.8%
Market	
Total capacity	7.8Mta
Cement consumption	417kg/person
Total market	7.0Mt
Dangote presence	
Location	Pout
Capacity	1.5Mta
Type	Integrated
Kiln fuel	Coal
Power	Coal

Market

Senegal's strong economy makes it an excellent market for cement, with per-capita consumption of about 417kg per person. The cement market remains robust and continues to grow, supported by an expanding middle class, growth in the construction sector and infrastructure projects across the country.

Unlike many countries along the coast of West Africa, Senegal has large reserves of limestone that make it an ideal place from which to export both inland to Mali and to coastal neighbours. Although the market was oversupplied when we entered in 2014, we quickly took significant market share by selling higher quality cement at competitive prices from our 1.5Mta factory in Pout.

We estimate total market sales in Senegal to have been nearly 7.0Mt, including exports, for the full year of 2020.

Performance

Sales from our 1.5Mta plant in Pout increased by 7.5% to 1.59Mt for the full year 2020. We produced slightly more than capacity due to higher additives, de-bottlenecking and clinker imports from Nigeria. Fortunately, our sales volumes were not materially affected by COVID-19 and we have been focusing on better customer service and logistic optimisation. Our market share was estimated at 23% during the period.

Living "The Dangote Way"

Senegalese culture is important to us. We have supported and actively participated in the cultural days of host communities such as Pout, Keur, Moussa, Montrolland and Diass. In addition, we work to help local communities build schools, healthcare centres and roads, and encourage women's empowerment through education. We do these because of our firm belief that a thriving socioeconomic environment is necessary for the country to flourish and for our business to remain sustainable.

Zambia

Our 1.5Mta factory at Ndola sits in the heart of the Copperbelt mining area, with good access to Zambia's major cities and neighbouring countries.

Sales volumes
0.8Mt
2019: 1.0Mt -21%

Revenue
₦26.1bn
2019: ₦24.7bn +5.7%%

Key statistics

Demographics	
Population	18.9m
Urbanisation	44.6%
2020 GDP growth	-3.5%
Market	
Total capacity	4.63Mta
Cement consumption	143kg/person
Total market	2.7Mt
Dangote presence	
Location	Ndola
Capacity	1.5Mta
Type	Integrated
Kiln fuel	Coal
Power	Coal

Market
The subdued state of the cement market in Zambia reflects the country's challenged macro-economic environment.

Our 1.5Mta factory at Ndola is the largest of five plants in the country, able to serve its major demand centres and even export to the DRC. Cement production is centred around two areas, near the capital Lusaka and around Ndola, in the Copperbelt region.

Performance
We estimate the total cement market to have been 2.7Mt for the full year 2020, down approximately 10–15% from 2019. Cement sales at our Ndola factory were down from 981Kt in 2019 to 773Kt in 2020. Our market share came in at 29%.

Living "The Dangote Way"
We continue to maximise the competitive advantage of our business size to lead the industry in environmentally friendly, safe and sustainable cement production practices and operational innovations, such as the conversion of waste materials to fuel in the operation of our kiln. This will help to reduce the plant's carbon footprint.

Sierra Leone

The cement market continues to improve with increased infrastructure spending, more foreign aid being made available and the resumption of building projects in the corporate sector.

Sales volumes

0.3Mt

2019: 0.2Mt +14.6%

Revenue

₦10.3bn

2019: ₦7.9bn +30%

Key statistics

Demographics	
Population	8m
Urbanisation	42.9%
2020 GDP growth	-2.2%
Market	
Total capacity	1.6Mta
Cement consumption	113kg/person
Total market	0.9Mt
Dangote presence	
Location	Freetown
Capacity	0.5Mta
Type	Import
Kiln fuel	n/a
Power	Grid

Market

Sierra Leone consumed about 0.9Mt of cement in 2020. Lacking limestone, Sierra Leone imports cement, with two international grade suppliers including our 0.5Mta import and distribution facility in Freetown.

The COVID-19 pandemic had limited impact on Sierra Leone's cement demand in 2020. Dangote Cement Sierra Leone was able to operate during the country's partial lockdown earlier in the year.

Performance

The cement market continued to improve with increased infrastructure spending, residential construction, increasing foreign aid and the resumption of corporate sector building projects. The Sierra Leonean cement market consumed about 870Kt of cement in the year of 2020. Sales at Dangote Cement's plant increased by 14.6% to 270Kt. Our market share was 31% during the period.

Living "The Dangote Way"

We are working to increase our brand visibility by increasing our points of sale, expanding our markets and establishing our presence in the upper regions of the country, to make our cement more widely available in Sierra Leone's recovering economy.

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

Dangote Cement Isolation centre, Obajana
Dangote Cement Isolation Centre, Ibese

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 D.O. 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 Chief 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

Spending category	2020	2019	UN SDGs alignment	2020 percentage of total (for each spending 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 ₦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.

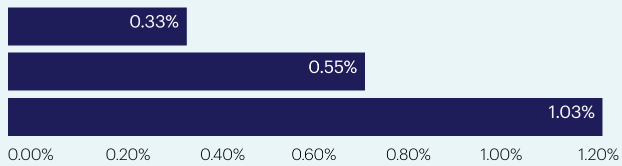
These, in addition to contributions from other members of the coalition, have empowered CACOVID to actualise the following:

- 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 Cement: 2020 Social investment spending ₦ million	Percentage Increase (+) or Decrease (-)	Profit After Tax (PAT) ₦ million	Social investment spending as % 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



DCP South Africa pandemic response plan

In the ongoing coronavirus outbreak, South Africa is the worst-hit country in Africa, accounting for 1,031,161 (37.7%) of the total confirmed cases of 2,728,602 reported by the Africa Centres for Disease Control and Prevention as of 31st December 2020.

As a result, the South African government, like most other countries worldwide, announced measures to contain the spread. Dangote Cement South Africa took proactive steps to protect its employees and host communities from the pandemic. Thus, the Kopano Response Plan was initiated to contain the virus and bring relief and succour to infected persons. Among other things, the plan assigned roles and responsibilities to specific persons to lead the implementation of the required actions, such as identifying appropriate areas to serve as isolation room, ensuring sufficient and continuous supply of PPEs and sanitising liquids, keeping records of all COVID-19 cases and communicating the Pandemic Response Plan (Procedure) to South African Department of Health, among others.

Aspects of the response plan include:

- Preventive measures designed to reduce the risk of spreading the virus among employees and host communities – improved hygiene management; social distancing; medical screening for exposed, vulnerable employees.
- Communication and awareness.
- Disciplinary actions for non-compliance with laid down protocols.
- Documentation and reporting.

As part of the COVID-19 management plan, when there is a proven case of the virus, the infected person immediately goes into isolation or a designated hospital, depending on whether or not they have symptoms. Contact tracing is initiated and managed according to laid down protocols. The COVID-19 Compliance Officer in conjunction with Human Resources and assigned medical personnel will contact the individual daily for symptoms and health status checks.

At the completion of the isolation period, the employee must undergo another test and present a "negative" test result and a medical note issued by a General Practitioner (GP) certifying that he/she is now fit to return to work. When this happens, the employee is given surgical masks to be worn for 21 days while at work. The COVID-19 Compliance Officer is well trained to guide the employee through each of the required steps. A tracker containing all the actions taken in relation to the Pandemic Response Plan is compiled and updated daily, and reported, as required by relevant South African authorities.

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.

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

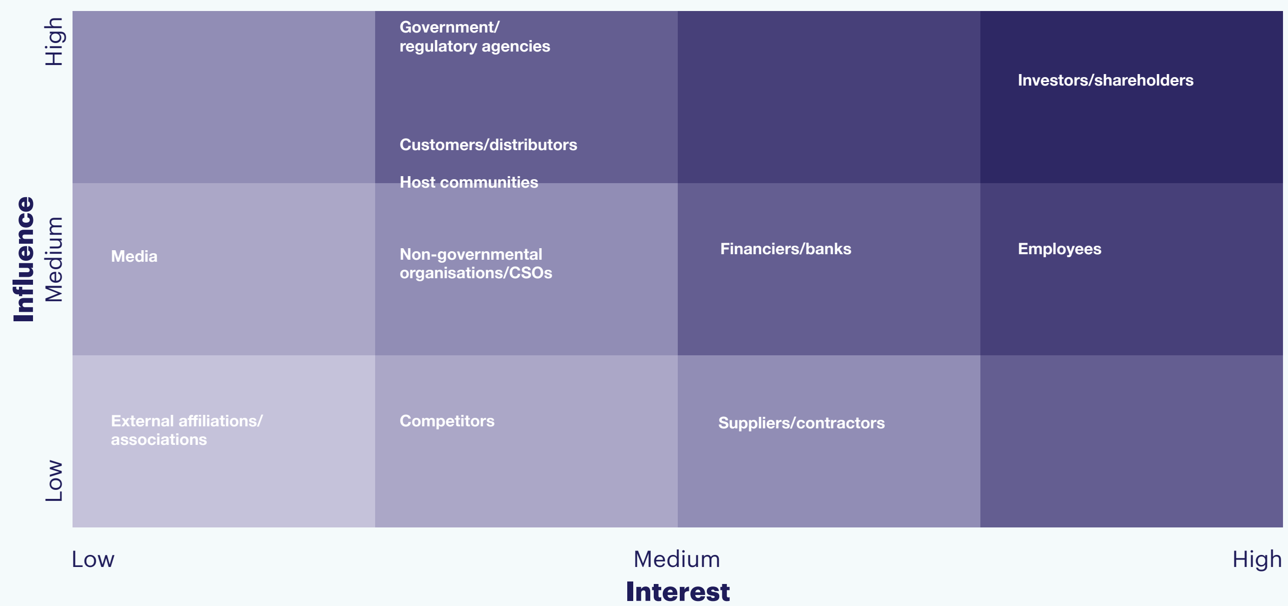
Our stakeholders are a critical part of our business. We, therefore, ensure that they are effectively engaged and kept up-to-date on our business activities, in line with aspects that directly or indirectly concern them. Our key stakeholders include employees, investors and shareholders, customers, regulators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

Influence \ Interest	Low	Medium	High
High	• Executive pay scheme aligned to shareholder interests	• Current valuation • Investors' easy access to management	• Infrastructural development • Business strategy • Carbon emissions & climate change • 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
Medium	• Sustainability reporting • Community engagement	• Anti-corruption policies and practices	• Energy efficiency
Low	• Reputational capital • Impact Investmement • CDP Reporting • Board Diversity • Sustainable Development Goals • Dividend Policy • Founder's Active involvement • Gender Equity • Liquidity of stock in countries of operation	• Social investment and CSR • Macro-economic factors in country of operation • ESG Risk Profile • Environmental Performance • Employee wellbeing and job satisfaction	• Employee engagement • Circular economy • Health and Safety

Impact on Dangote Cement PLC

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.

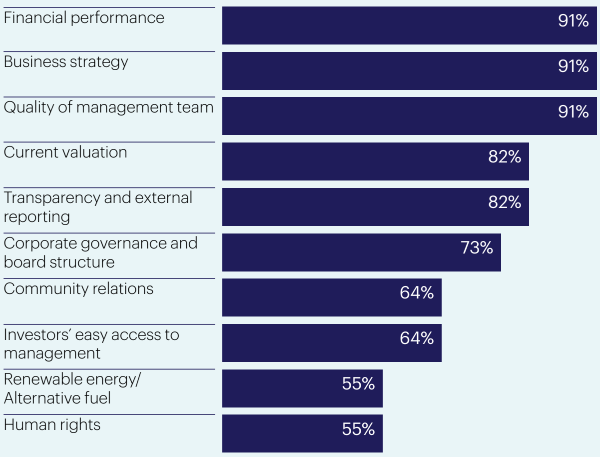
While "business strategy" clearly led the list of top five issues of interest for Dangote Cement investors in 2019; in 2020, financial performance, business strategy and quality of management team scored the same exact points (90.9%) and occupied shared position of importance for our investors. In 2019,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

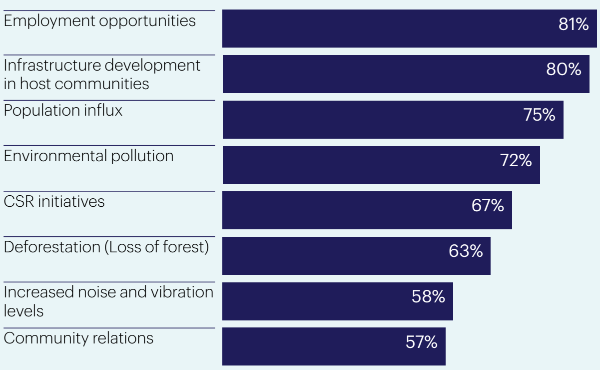


Communities’ survey

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

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.

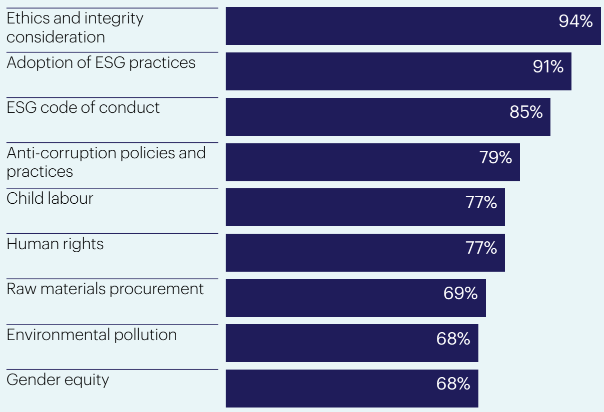
Supply chain partners' survey

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



Community engagements and operational disruptions in 2020 (by locations)

Country	Number of community engagements	Number of social incidents or disruptions	Number of hours lost to social incidents (host communities disruptions or 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 ₦ million	2019 ₦ million	2018 ₦ 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	0.11
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)

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

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;

- 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.

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 all aspects of our operations.

Health and safety awareness and trainings

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

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 awareness sessions were carried out in 2020.

2020 Health, Safety and Environment (HSE) trainings

2020 HSE trainings

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

Summary of Health & Safety performance (2017-2020)

Type of incidents	2017	2018	2019	2020	Percentage Increase(+) or 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.

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.

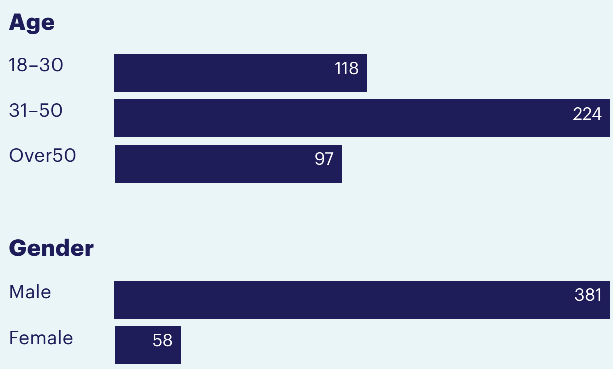
Diversity of leadership

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 Reported grievances	2020 Reported grievances	2020 Grievances 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 Reported in 2019	Number Reported in 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 whistleblowing cases in 2020	Number of cases resolved	Number of 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.

DANGOTE

Sustainability

VOLUME 1 | NO. 13 TIT-BITS WEEKLY MONDAY, AUGUST 17, 2020

Combating Child Labour (i)

What is Child Labour?

Child Labour refers to the exploitation of children through any form of work that deprives them of their childhood, harms their social and mental development and limits educational opportunities.

Without an education or vocational skills, children grow up into adults without the capacity they require to secure employment and means of livelihood, making it more likely that they will send their own underage children to work someday, thereby creating a vicious cycle of poverty.

4 QUALITY EDUCATION 8 DECENT WORK AND ECONOMIC GROWTH 16 PEACE, JUSTICE AND STRONG INSTITUTIONS

SUSTAINABLE DEVELOPMENT GOALS

Child Labour is widespread in several African countries. A joint report issued by the Nigerian Bureau of Statistics in conjunction with UNICEF in 2018, indicates that more than half of Nigeria's 79 million children between the ages of 5 and 17 are victims of Child Labour. It is therefore a serious, widespread and very harmful social crisis.

Child Labour takes many forms, including:

- Street hawking
- Street begging
- Carrying out tedious farm work
- Scavenging garbage dumps for sellable items
- Fighting in armed conflicts
- Commercial sex exploitation
- Working as domestic labour

Child Labour could result in a form of enslavement, family separation and exposure to serious physical, emotional, and mental health hazards. It is often hidden from the eye of the public to avoid sanctions and social stigma. Children from lower social status, migrant groups and those with physical disabilities are particularly vulnerable to the menace of Child Labour .

Photo of the Week

A victim of Child Labour struggles to lift a heavy farm produce. This could come with physical and emotional harm!

Note that Child Labour does not refer to children helping out with family household chores or business, so long as this does not deprive them of education, skills acquisition and psychologically healthy childhood.

Speak out against Child Labour and Abuse whenever you see it being perpetuated.

It is the right thing to do!!

Why do Child Labour persists?
Find out in next week's edition

QUIZ OF THE WEEK

Please click on the link below to give your answer:

https://bit.ly/3aq3vtn

READ MORE ON CHILD LABOUR

- https://connectnigeria.com/articles/2015/05/10-great-quotes-from-famous-people-on-children/
- https://www.pri.org/stories/2018-07-30/child-labor-continues-be-pressing-problem-nigeria-girls-are-especially
- https://www.ilo.org/ipec/facts/lang--en/index.htm
- https://stopchildlabour.org/about-child-labour/https://www.ilo.org/global/topics/dw4sd/themes/child-labour/WCMS_559713/lang--en/index.htm

Publication of Sustainability Department, Dangote Industries Limited. *Designed by* Corporate Communications

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.

Environmental Pillar: Caring for the environment and addressing the challenges of climate change

The Environmental Pillar promotes the taking care of our environment by creating sustainable practices to address the challenges of climate change, optimising our energy efficiency, water usage and emissions control.

"Rated 'C' by CDP on our carbon disclosure for 2020."

Environmental standards

Our Environmental Pillar defines our way of entrenching environmental sustainability by identifying, measuring and mitigating actual and potential negative environmental impacts resulting from our operations. Our goal is to improve our performance on energy efficiency, waste management, water consumption, greenhouse gas emissions, and leverage the opportunities in environmental stewardship, such as efficiencies in alternative fuel, and the medium- to long-term cost efficiencies offered by the circular economy business model.

We seek to improve on our operational efficiencies and optimise our impact on the natural environment while also benefitting from cost reductions. We leverage improved business practices and processes that support host communities' protection, preservation of air and water quality, and efficiency in the utilisation of energy and natural resources.

We strive to adhere to sustainability principles that drive continual improvement in addressing global and local environmental challenges and mitigate the negative impact of climate change.

Our business activities are undertaken with conscious thoughts for our natural environment and the need to consistently enhance our environmental stewardship while also leveraging the opportunities that this presents. While there are negative environmental fallouts from our business operations, including dust pollutions, CO_2 emission, and so on, we remain committed to continually improving our environmental stewardship.

Dangote Cement is a member of the Global Cement & Concrete Association (GCCA) and subscribes to its Sustainability Framework Guidelines. The GCCA issues performance enhancement guidelines, gathers and publishes data recording the industry's sustainability commitments, and initiates research on five key issues that are material for the global cement industry, namely climate change and energy, social responsibility, environment and nature, circular economy, and health and safety.

2020 environmental performance: energy, water, emissions

We constantly disclose our environmental performance through our annual Climate Disclosure Projects (CDPs) and Sustainability Reports. This is to avail our stakeholders (internal and external) and interested parties outside our organisation with information that they require to assess the progress that we are making in our environmental sustainability journey and our continuous improvement commitments. As part of our progress measurement, we published our second CDP report in 2020 as a follow-up to the first edition published in 2019. Our 2020 CDP score (C) is an indication that we are aware of the risks and opportunities in climate change. Though the score is lower than the African regional average of B- and the Cement & Concrete sector average of B, our commitment and progress towards environmental stewardship, continuous improvement on our climate governance, and periodic performance benchmarking with local and global peers, is strong and unrelenting.

We will continue to make concerted effort towards managing our environmental footprints and improving on our CDP scores, including setting realistic targets towards reducing our energy and resource consumption and enhancing air quality within our operational environments.

Across all our locations, total energy consumption in 2020 was 92,515,735 GJ, an increase by 15.68% year on year, relative to 2019. This rise was basically due to a significant increase in production output compared to 2019, as detailed in our production output section of this report. With 71% of total, our Nigerian operations which host the larger part of our total cement production, were the highest energy consumer in the year under review.

Year	Total Energy Consumption (GJ)	Percentage Increase(+) or Decrease(-)
2018	81,246,507	
2019	79,976,174	-1.56%
2020	**92,515,735**	**15.68%**

2020 Total energy consumption (GJ) per location

Country	2019 Total Energy Consumption (GJ)	2020 Total Energy Consumption (GJ)*	Percentage of Total for Each Location
Nigeria – Gboko	63,428	300,722	0.33
Nigeria – Ibese	30,974,227	37,401,426	40.43
Nigeria – Obajana	24,798,884	27,708,443	29.95
Cameroon	316,707	336,180	0.36
Congo	948,846	1,406,697	1.52
Ethiopia	5,735,481	6,001,796	6.49
Ghana	84,709	38,091	0.04
Senegal	5,675,625	6,107,626	6.60
Sierra Leone	128,803	19,264	0.02
South Africa	5,007,105	4,587,838	4.96
Tanzania	5,712,833	4,583,176	4.95
Zambia	529,525	4,024,475	4.35
Total energy consumption (GJ)	**79,976,174**	**92,515,735**	**100**

* Increase in DCP's 2020 total energy consumption is mostly due to higher clinker production in some of our operations. For example, DCP Congo produced 320,600 MT in 2020, compared to 240,322 MT in 2019. However, the thermal energy consumed (Kcal/tonnes of clinker) remained fairly the same, at 733 Kcal/tonnes of clinker in 2019; and 732 Kcal/tonnes of clinker in 2020. Also in Senegal, clinker production was 1,154,852 MT in 2020, compared to 957,533 MT. The same was true for DCP Ethiopia. For Gboko, the plant was not in operation in 2019 but started full operation in the last quarter of 2020.

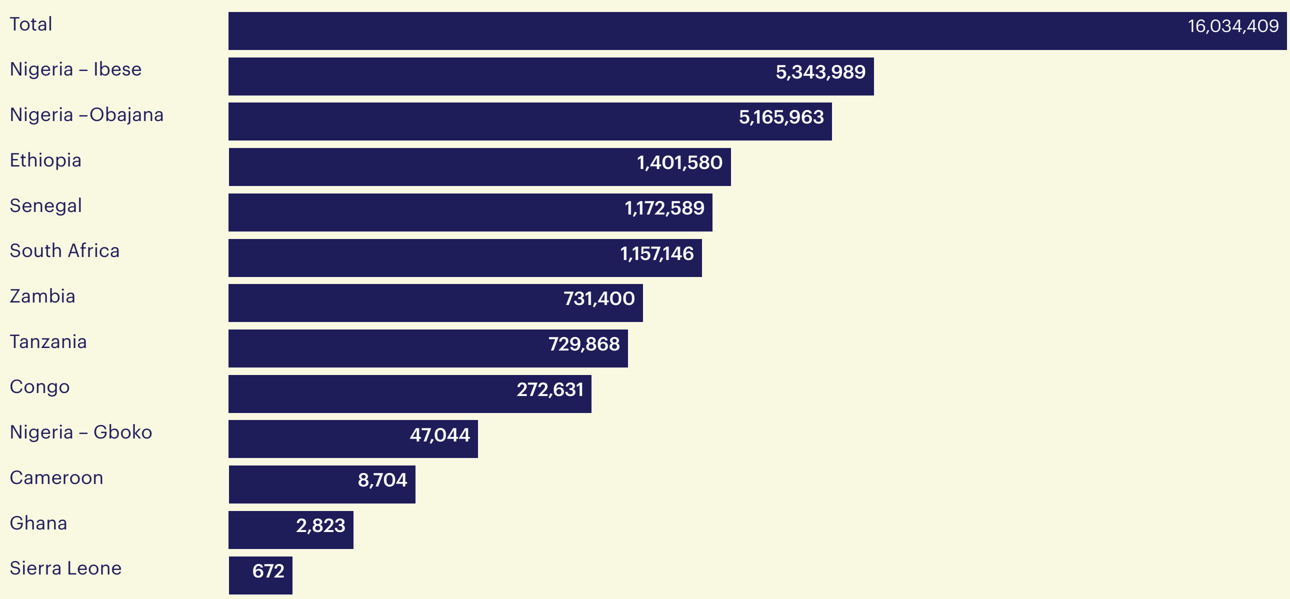
The manufacturing of cement is an energy process industry, with a large proportion of production costs spent on fuel sourcing for kilns operations. Our kilns, like others in the industry, require high energy for the conversion of raw materials such as limestone, laterite and other minerals into clinker in a heat-intensive process known as sintering. Sintering is an energy-intensive process that occurs at about 1,450°C. We acknowledge the fact that the amount of energy consumed cannot be out-rightly reduced. Hence our corporate strategy and commitment are to enhance our investments in alternative fuel sources and energy-saving initiatives, focusing on cleaner energy.

To guide our decision-making process, stimulate continuous improvement initiatives and ensure overall awareness, we collect, review and report monthly on our operational performance in key environmental indicators across all Plants. These Key Performance Indicators (KPIs) include data on Greenhouse Gas (GHG) emissions, Dust, Water, Energy Consumption, Waste, Environmental Incidents, and so on.

In 2019, our total greenhouse gas emissions from cement production activities, resulting from captive power plants and generators, kilns and vehicles used at the quarries and sites (Scope 1) was 14,903,613 (tonnes CO_2). This increased by 7.59% in 2020 to 16,034,409 (tonnes CO_2), due mostly to increased energy consumption as we increased production activities in the year under review.

Our plant in Gboko (Nigeria) resumed operations in 2020. A new line in our Obajana Plant (Obajana Line 5, Nigeria) also began productions in 2020. These had an upward impact on our energy consumption and CO_2 emissions (Scope 1) in the year under review.

2020 total direct CO_2 emissions (tonnes CO_2)*



* Higher clinker production resulted in increased energy consumption in some DCP Plants as explained above, resulting in higher total CO_2 emissions in 2020.

Environmental management and compliance

As the largest cement manufacturer in the African continent, we are committed to maintaining good environmental management standards and strict compliance with all relevant environmental regulations in the countries where we operate. Our commitment is in line with the principle of continuous improvement and protecting the environment for our collective good, particularly at and around our operation sites. We strive to minimise our consumption of energy and natural resources, and the negative environmental impacts our operations create.

In addition to achieving compliance with relevant regulations (i.e., permits, accreditations and licenses), we also sought ISO 14001:2015 EMS certification to provide an external assurance for our existing environmental management systems. We obtained approvals for Environmental & Social Impact Assessment (ESIA); Exploration Licences; as well as executed Environmental Compliance Monitoring.

The geographical spread of our operational plants indicates that we are subject to numerous local, regional and national regulations. We require a total of 263 environmental related permits, accreditations, and approvals to ensure compliance of our operations. We have also put in place a system to track emerging and future regulations which may impact our operations.

We understand the consequences of non-compliance with EMS standards and environmental laws and regulations. We know that non-compliance affects the Company's reputation, erodes shareholders' profit through imposed fines and penalties, affects our relationship with host communities and reduces our social licence to operate. We are committed to complying with all applicable laws and regulations in countries where we operate and ensuring that our operations align with the Group-wide Environmental policies that are designed in line with relevant international best practices on environmental management.

In 2020, there were no material incidents of environmental non-compliance (including fines, penalties, or sanctions) reported in any of our operations.

Operational efficiency

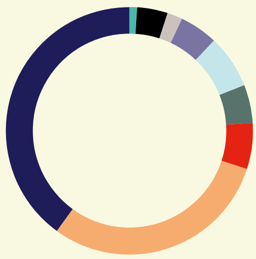
Achieving operational efficiency is one of our key environmental sustainability objectives aimed at reducing operational costs, reducing the consumption of production resources, while also minimising CO_2 emitted from our operational processes. We are implementing ISO 50001 Energy management system at DCP Ibese, Nigeria, as a pilot. This will systematise the effective management of energy in our operations.

We are aware that the production of cement has significant environmental impacts due to the high energy utilisation. Thus, we are committed to enhancing our energy efficiency practices. Despite the prevailing challenges of availability, as much as is practicable we endeavour to utilise natural gas and alternative fuels which are cleaner energy.

We made progress in using alternative fuels in kilns during the year under review through effective and fit-for-purpose reutilisation of wastes produced in our sites, such as old tyres and packaging materials. This is a positive step towards reducing the use of fossil fuels in order to minimise emissions of greenhouse gases and other pollutants. A detailed description of our alternative fuel enhancement project is contained in this report.

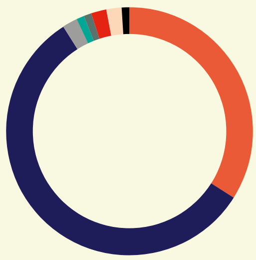
The majority of our plants were built in the last 15 years and designed to be intrinsically efficient by adopting cutting-edge technology in cement production. Innovative technologies in our plants include: (i) vertical roller mills for raw material, coal and cement grinding, which are 40–50% more efficient than traditional ball mills; (ii) pre-heater and pre-calcinate plants which are regarded as the most efficient technology in the cement industry; (iii) mechanical material transport and transfer system equipped only with conveyors and bucket elevators, which are up to 80% more efficient than the traditional pneumatic systems; (iv) major process fans provided with Variable Frequency Drivers (VFD) to vary the ventilation rate based on the actual demand/operating conditions, which can reduce the input power by 40-80% (depending on the % flow rate), compared to more traditional dampers; and so on.

2020 total energy consumption (GJ) = 92,515,735



Nigeria – Gboko	0.33%
Ghana	0.04%
Sierra Leone	0.02%
Cameroon	0.36%
Zambia	4.35%
Congo	1.52%
South Africa	4.96%
Senegal	6.60%
Tanzania	4.95%
Ethiopia	6.49%
Nigeria – Obajana	29.95%
Nigeria – Ibese	40.43%

2020 total energy consumption based on source



Coal	35.17%
Natural gas	57.26%
Diesel	2.39%
Petrol	0.00%
LPFO	0.00%
Electricity	1.85%
Petroleum coke	2.34%
Alternative fuel (waste oil and tyres, carbon black and ultra fine coal)	0.98%

Operational efficiency continued

Also, at Dangote Cement, we use large, modern rotary kilns equipped with 'preheaters' that use exhaust gases from the kiln to heat raw materials as they pass down the pre-heater tower to the kiln. Using these modern heat recycling systems helps reduce time spent in the kiln and the amount of fuel used to convert raw material into clinker, as it guarantees that the raw material is heated to about 900°C before it enters the kiln. This process is good for costs and for the environment, resulting in less CO_2 emissions per ton of clinker and cementitious material produced at Dangote Cement.

Overall, these measures have resulted in operational cost savings and natural resource efficiency in our cement production, compared to traditional and less modern plants.

Dangote Cement is an increasingly environmentally conscious organisation. We do not rely solely on the ultramodern design of our plants. We desire to continuously explore innovative ways to reduce carbon footprints along our entire value chain.

Precautionary approach to environmental management

We take seriously the issue of the Precautionary Principle in our operations. We are committed to investing in innovative technologies, providing adequate responses and putting in place effective methods for dealing with risks and uncertainties in environmental management. We also understand the responsibility of carrying out the required actions to prevent serious and irreversible environmental damage as we carry out our operations, even before such harms can be scientifically demonstrated or economically assessed.

As a result, we are developing and utilising robust environmental management systems that identify, assess and manage the environmental impacts and risks associated with our operations. Our goal is to continually implement good management practices that prevent irreversible impairment to the environment, employees, host communities and the public.

Part of our precautionary approach includes investing in technologies and innovations that would enable us to improve our environmental footprints; conducting comprehensive Environmental & Social Impact Assessment (ESIA) on all new projects and existing ones with significant modifications to identify and mitigate potentially substantial environmental impacts and risks, as required by local regulations, Group policies and international standards.

Our Group environmental management team and external parties (such as Control Authorities, Certification Bodies, etc.) also carry out independent environmental audits on a routine basis to ascertain the site Environmental Management System (EMS) effectiveness and the necessary improvement actions.

Understanding and managing our carbon footprint

The cement manufacturing industry is one of the largest contributors to global warming and climate change due to the large amount of energy utilised and therefore, the carbon dioxide emitted. This occurs most especially during the conversion of limestone ($CaCO_3$), a key natural ingredient, to clinker (CaO), an intermediate component of finished cement and during the combustion of fossil fuels in the kiln and production of electricity to power the plant. However, our plants are mostly designed to be energy efficient using cutting-edge technology in cement production.

Dangote Cement is aware of the harmful effects of greenhouse gas emissions (CO_2, CH_4, NO_2, Fluorinated gases) on the ecosystem and global climate. We try to minimise these impacts by adopting energy efficiency measures such as use of Alternative Fuel.

Governance of climate change-related issues:

Our Board Technical & Sustainability Committee has the responsibility for managing and communicating climate-related issues to the Board, with specific recommendations for action, as may be required. Part of these climate-related recommendations made in 2020 was Dangote Cement's adoption of 7 Priority UN Sustainable Development Goals (SDGs), aimed at improving and tracking our performance in climate-related Global Goals, such as SDGs 11, 12 and 13.

Tree planting campaigns

At Dangote Cement, we understand the critical role that trees play in supporting the fight against carbon emission. Trees are natural sequesters of carbon, and they play the additional role of releasing oxygen into the atmosphere, which is refreshing for humans and the physical environment. Tree planting and reforestation are therefore, some of our key environmental priorities.

In 2020, we increased the numbers of trees planted across our operations to reduce our carbon footprints and negative environmental impacts in host communities. For example, in Dangote Cement Tanzania, a total of 5,045 trees were planted around the Plant location in the year under review, to combat climate change and global warming, leveraging the carbon sink potentials of trees. For example, Sagwan tree with a width of 10–30 cm absorbs 3.70 tonnes of carbon dioxide from the atmosphere in its lifetime; Eucalyptus tree absorbs 2.46 tonnes of carbon dioxide; Neem tree has a CO_2 sequestration capacity of 1.45 tonnes in its lifetime.

In the year under review, over 450,000 trees were planted across six countries of operation, including Nigeria (Gboko, Ibese, Obajana), Congo, Ethiopia, Senegal, Tanzania and Zambia, as part of our 2020 tree planting campaigns.

Opportunities and challenges in climate change

The global cement industry is taking unwavering climate actions, encouraged by changes in policy, technology, and new opportunities to raise profits and cut costs by reducing greenhouse gas emissions. Climate changes and the response actions present risks and opportunities for our organisation, investors and stakeholders. Like our peers, Dangote Cement is making concerted efforts to participate in and stay updated on regulatory frameworks and policies to reduce emissions, climate change, and the impacts on business and the larger society.

There are several emissions mitigation options for cement manufacturers, including energy efficiency improvement, use of recycled and waste materials, deployment of low carbon fuels, and cement processing at lower temperatures. We are committed to integrating these climate change mitigation prospects into our carbon reduction plan and overall sustainability implementation roadmap in the coming years.

We consistently measure and calculate greenhouse gas (GHG) emissions from our operations and keep track of all fallouts from our operations that may have climate consequences. We organise training workshops and programmes geared towards improving how we manage and document our climate-related risks and opportunities. In 2020, we developed our Climate Change Policy to guide how we manage climate related risks and opportunities. From the Climate Change Risk Register developed by our Group HSSE, we are aware that these risks and opportunities can affect our business. The risks attributed to climate changes include physical (environmental), regulatory, financial (such as carbon taxes, offsetting costs, etc.), litigations, and other risk factors that could negatively impact competitiveness.

However, climate change and limits on greenhouse gas (GHG) emissions can also create opportunities, such as creating new technologies and markets. For example, our alternative fuel enhancement project will create an opportunity for diversifying into the evolving "renewable" waste management industry, leveraging on the advantage of energy reduction through efficient kilns and overall decreases in the cost of doing business.

Circular economy

A viable solution to the challenge of rapidly depleting natural resources due to industrialisation and rapid growth in global population and consumption is to move to a circular economy model. Circular economy ensures that resources are maximised for as long as possible through waste re-utilisation and recycling. This reduces overexploitation of the natural environment and its resources and also curbs negative climate changes.

Circular Economy is one of the five key areas of interest of the Global Concrete and Cement Association (GCCA), of which Dangote Cement is a member. Part of the principles of circular economy includes using waste as a resource, harnessing energy from waste and integrating eco-design to manage environmental impacts throughout the life cycle of products, in line with the evolving Extended Producer Responsibility (EPR) model.

The circular economy business approach supports the actualisation of the Sustainable Development Goals (especially SDGs 9, 11, 12, 13, 14 and 15), which are also in line with the global climate action. In 2020, we made remarkable progress in developing short, medium- and long-term plans for enhancing the use of alternative fuels in our kilns, through effective and fit-for-purpose re-utilisation of wastes produced in our sites.

Alternative fuel enhancement project

Although some of our operations still rely on high carbon fuel sources such as petroleum coke, gas and coal, in 2020, we increased corporate focus and strategies for reducing our footprints by committing to the use of alternative fuel sources in our energy mix.

In 2020 we started exploring fully the feasibility of significantly increasing the use of alternative energy in our cement production, through co-processing of wastes. The implementation strategy began with our Nigerian operations, and by the end of the year under review, it was already being replicated across other African operations.

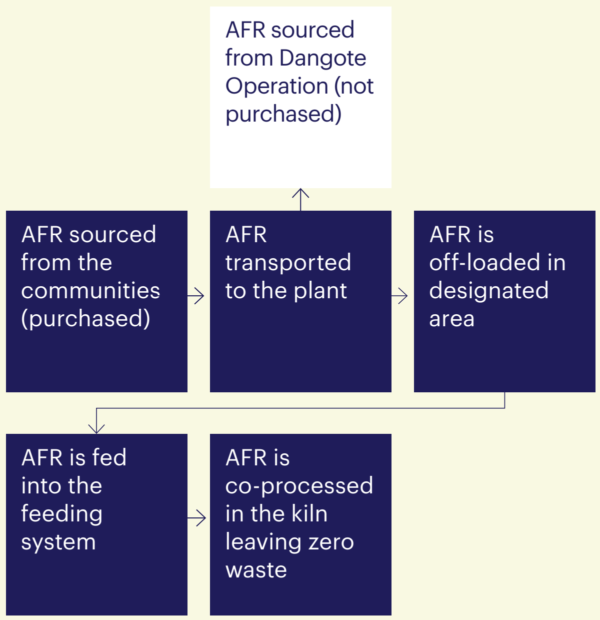
Waste materials that have been identified as viable in the alternative fuel project and are available within a 450km radius of our operations include: saw dusts, agro-waste like palm kernel shells, rice husks, maize cobs, and cashew nutshells , commercial and industrial wastes, refuse-derived fuel (RDF), waste lubricants, polypropylene bags and scrap tyres. We are also considering the feasibility of utilising our cement bags plant rejects and the retrieval and re-utilisation of waste cement bags. Waste materials are currently sourced from nearby Dangote Cement operations sites; municipals close to the Plants; and nearby farms (for agro-wastes).

To effectively execute our alternative fuel project, we have developed an Alternative Fuel (AF) project Charter which entails the roadmap and milestones for the realisation of our AF strategy. Engineering of a modular concept for both short (pneumatic) and long-term (multi-fuel) AF feeding systems (which can be replicated across kilns in our plant operations) have been completed. Equipment are on order and those for our Nigerian plants have started arriving the ports. Various In-house, simple waste feeding systems like feed pumps and/or chutes and pneumatic systems have been developed and installed to maximise co-firing of waste lubricants, and to co-process waste polypropylene bags, carbon black, sawdust, cashew husks, sugarcane bagasse, scrap tyres, non-hazardous plant wastes, and so on.

In 2020, some milestones were recorded, such as alternative fuel sourcing and mapping, equipment/technology identification, ordering process, and installations of in-house AF co-processing systems at some specific sites like Ibese, Obajana, Zambia, Congo, South Africa, Ethiopia and Tanzania. Our ambition is that by end of 2025, alternative fuels will substitute approximately 25% TSR (thermal substitution rate) of fossil fuels currently used in our kilns for the production of clinker. Our focus is to maximise development of biomass and agro-waste streams and encourage local production of Refuse Derived Fuel (RDF).

Below is our current alternative fuel value chain showing the overall approach and process flow.

Dangote Cement alternative fuel value chain



The potential benefits of the project are enormous, such as waste reduction, cost savings, improved environmental quality, operational optimisation, energy efficiency, cleaner energy and better energy mix, stronger return on investments, and reduction in greenhouse gas emissions. However, a few challenges have also been identified and are currently being tackled for effective project execution. They include high expectation from the government (from a revenue drive standpoint); awareness in communities; availability, quality and cost of sourcing alternative fuel materials; seasonality of required resources; logistics, lack of existing waste streams and collection system; and regulatory bottlenecks, such as inadequate national frameworks and standards, penalties and accessing the required government permits.

Dust emissions

Dust emission in cement plants is one of the biggest challenges faced during the cement production cycle. This is because dust emanates from across the production value chain – raw material handling, limestone crushing, kiln processing, clinker production and storage, finished cement grinding and power utilities, cement bagging, and so on. We strive to minimise the release of dust emissions into the atmosphere and ensure compliance with both legal requirements and international standards.

Our kilns have state-of-the-art dust abatement equipment, including baghouse filters and electrostatic precipitators. We also use other suppression methods in the effort to reduce dust emission. We are making huge investments to acquire the best available filter systems and newer technologies.

We carry out maintenance of the baghouse filters and electrostatic precipitators to reduce dust emissions from our operations. We also implement short-term mitigation measures like water sprinkling to reduce the effect of fugitive dusts on our environment.

2020 dust emission (mg/Nm³) per location

Country	2019 Dust Emission (mg/Nm³) Annual average kiln dust emission	2020 Dust Emission (mg/Nm³) Annual average kiln dust emission*	Comments
Nigeria – HQ	—	—	Corporate Centre
Nigeria – Gboko	—	—	No production for most part of 2020; production commenced in Dec 2020
Nigeria – Ibese	39	87	Average of 4 Kilns
Nigeria – Obajana	16	16	Average of 4 Kilns
Cameroon	—	—	No Kiln
Congo	11	17	1 Kiln
Ethiopia	20	56	1 Kiln
Ghana	—	—	No Kiln
Senegal	25	44	1 Kiln
Sierra Leone	—	—	No Kiln
South Africa	24	15	1 Kiln
Tanzania	34	97	1 Kiln
Zambia	21	26	1 Kiln

* In the year under review, DCP Senegal, Ethiopia and Tanzania emitted more dusts than in 2019 owing to faulty bag house and filters, issues which are now being addressed.

Water efficiency management

Cement production is generally regarded as a "dry" process because a relatively low amount of water per unit of the finished product is utilised. However, we know that water is fundamentally a vital resource with a significant impact on lives and livelihood. It is therefore, essential that we continue to drive sustainable water resource management in our operations.

We know that just 2.5% of the earth's water is fresh water and that a significant rise in water demand also accompanies Africa's fast-growing population and urbanisation. Especially now that lack of access to a reliable water supply is reaching unprecedented proportions in many parts of the world, we understand that scarcity of water is a very material global issue.

Although our operations do not require large quantities of water compared to other sectors, we are committed to reducing the amount of freshwater utilised in our business activities. Our efficient water management system involves periodic measurement of operational water footprints and efforts to reduce freshwater withdrawal and consumption through water recycling, rainwater harvesting, and stormwater management.

We understand that our responsible use of water will ensure more availability for the local communities, especially in those characterised by endemic water scarcity.

Dangote Cement's total water consumption in 2020 for all operational locations was 6,789,816 cubic metres (m³); 1.29% lower than the total water consumption of 6,878,752 cubic metres (m³) in 2019.

2020 water efficiency campaign

In 2020 we executed an enterprise-wide water efficiency campaign geared at sensitising our employees, business partners, communities, and so on, on the critical need to preserve water for current and future generations. Over 3,000 of our employees in 10 African countries directly participated in this initiative. Through this initiative, we also supported the UN Sustainable Development Goals 6, 12 and 14 ("clean water and sanitation for all"; "responsible consumption and production"; and "life below water").

The three-month campaign helped identify key water efficiency practices in Dangote Cement operations and the gaps that may require improvements and corrective actions. Three winners emerged based on the defined criteria for the campaign. Dangote Cement Transport division was the overall winner, followed by Cameroon and Ibese Plants in the second and third positions, respectively. Incentives for the winners included Executive Management's recognition; virtual award ceremony presided over by our Group Managing Director, Michel Puchercos; congratulatory letters also signed by him; as well as Group-wide announcement of the achievements, to motivate other locations to continuously improve on their water efficiency practices, including impact measurements and documentation.

2020 Total water consumption/Utilisation (cubic metre) per location (all sources)

Country	2020 Total Water Consumption/ Utilisation (cubic metre) All Sources	2019 Total Water Consumption/ Utilisation (cubic metre) All Sources
Nigeria – Obajana	1,775,330	1,799,869
Nigeria – Ibese	1,415,460	1,723,536
Senegal	1,168,047	1,104,930
Zambia	1,112,820	999,789
Ethiopia	421,654	326,583
South Africa	270,462	251,000
Congo	267,540	224,763
Tanzania	218,902	279,924
Nigeria – Gboko	73,094	87,623
Cameroon	58,937	53,041
Ghana	7,269	27,124
Sierra Leone	301	570
Total	**6,789,816**	**6,878,752**

Total water consumption/Utilisation (cubic metre) based on sources*

Year	Surface water	Groundwater	Rainwater	Municipal water	Quarry	Dam
2019	27.00%	73.00%	0.00%	0.00%	0.00%	0.00%
2020	**0.11%**	**67.38%**	**0.00%**	**9.47%**	**4.30%**	**18.74%**

* In 2019, municipal water, water from quarry and dam were all captured under Surface Water. However, in 2020, we reclassified our sources of water, illustrating why there is a major difference between 2019 and 2020, as shown in this table.

Institutional Pillar: Building a World-Class institution

To build a world-class company based upon strong governance, sustainable growth, transparency, dialogue and compliance with laws and regulations.

“In 2020, Dangote Cement Plc won the SERAS Award for ‘Best Company in Sustainability Reporting’.”

Culture based on ethics and integrity

Dangote Cement has an unwavering commitment to high ethical standards of integrity, honesty, transparency and accountability, equity, fairness, inclusiveness and respect for all individuals. We understand that these are critical for our collective, long-term success and business sustainability. We endeavour to maintain high standards of professionalism and excellence, guided by policies and standards that align with global best practices and corporate governance. We have a Code of Conduct which applies to all employees across our Nigerian and Pan-African operations, as well as authorised representatives and all persons acting on our behalf.

We ensure that these policies’ provisions are communicated using diverse channels, such as our intranet, face-to-face meetings, posters, emails, internal publications, and across digital networks. We foster accountability and transparency in all our dealings with stakeholders. We also endeavour to provide our employees with the resources that they require to drive compliance with regulatory obligations and proactive risk management.

Institutional standards

Our Institutional Pillar supports our drive to build a world-class institution centred around good corporate governance, proactive risk management and sustainability principles that promote legal and regulatory compliance, transparency, integrity, business continuity and purpose driven leadership.

Our approach to corporate governance essentially involves balancing our business interests with those of our key stakeholders, including shareholders, employees, customers, suppliers, financiers, governments, host communities, and so on. By adopting the 7-Pillar approach, we ensure sustainability is ingrained in the way we do business across all departments and functions. Our sustainability vision, goals and objectives are driven by the highest level of governance to convey “tone at the top”, and achieve enterprise-wide buy-in and ownership.

We are building an institution that is governed by values and ethical norms of behaviour and where quality governance is flagged as the driver of corporate performance, not just in financial numbers but also in social and environmental stewardship.

“Our sustainability report has been prepared in accordance with the GRI Standards: Core option, and validated through external assurance.”

ESG Compliance

As a responsible corporate citizen, we understand that our business operations should not be carried out at the expense of our stakeholders’ environmental and social well being.

We operate in compliance with applicable laws and regulations, including the corporate governance code in all the different markets where we operate. We adhere strictly to applicable anti-corruption and anti-competitive behaviour laws.

As an evolving global brand, we are also mindful of our local and international business partners’ social practices and strive to encourage and support environmental, social and governance best practices within our sphere of business influence, including our supply chain.

In line with the principles behind our Institutional Pillar, an important part of our sustainability journey is to continuously strive towards compliance with relevant ESG laws, regulations and guidelines, such as the United Nations Global Compact’s Ten Sustainability Principles; the Nigerian Stock Exchange’s Sustainability Disclosure Guidelines; the SEC Code of Corporate Governance; the Nigerian Code of Corporate Governance; GRI Sustainability Reporting Standards; the sustainability principles and framework of the Global Cement and Concrete Association; and other applicable regulations in the different countries where we operate.

For example, as a prime member of the Premium Board of the Nigerian Stock Exchange, in 2020 we complied with the Exchange’s Sustainability Disclosure Guidelines. We published our Sustainability Report timely and in compliance with the disclosure requirements and presented same to the investing public using the NSE’s “Facts Behind the Sustainability Report” platform during the year under review.

In the year under review, we recorded zero cases of non-compliance (including on ESG regulations) in Nigeria and other Pan-African operations.

Mainstreaming sustainability across all operations

To ensure that we successfully mainstream sustainability across all of our operations, in 2020 we designated Sustainability Leads in all 10 countries and our Transport division. This is a milestone that ensures that sustainability implementation and acculturation has dedicated, responsible parties that are trained, mentored and motivated to do the job.

The Sustainability Leads in Plants and Transport work with the Executive Management and our over 600 Sustainability Champions (the ambassadors and voice of sustainability in their different departments and functions) to execute on each operation’s ESG performance enhancement roadmaps and sustainability initiatives and programmes, in alignment with the Head Office Group Sustainability Function. Together, they are responsible for clearly communicating Dangote Cement’s sustainability objectives, policies, strategies and programmes to colleagues, business partners and other stakeholders in the different locations where we operate.

Virtual Facts Behind the Figures and Sustainability Report hosted by the Nigerian Stock Exchange

Corporate governance

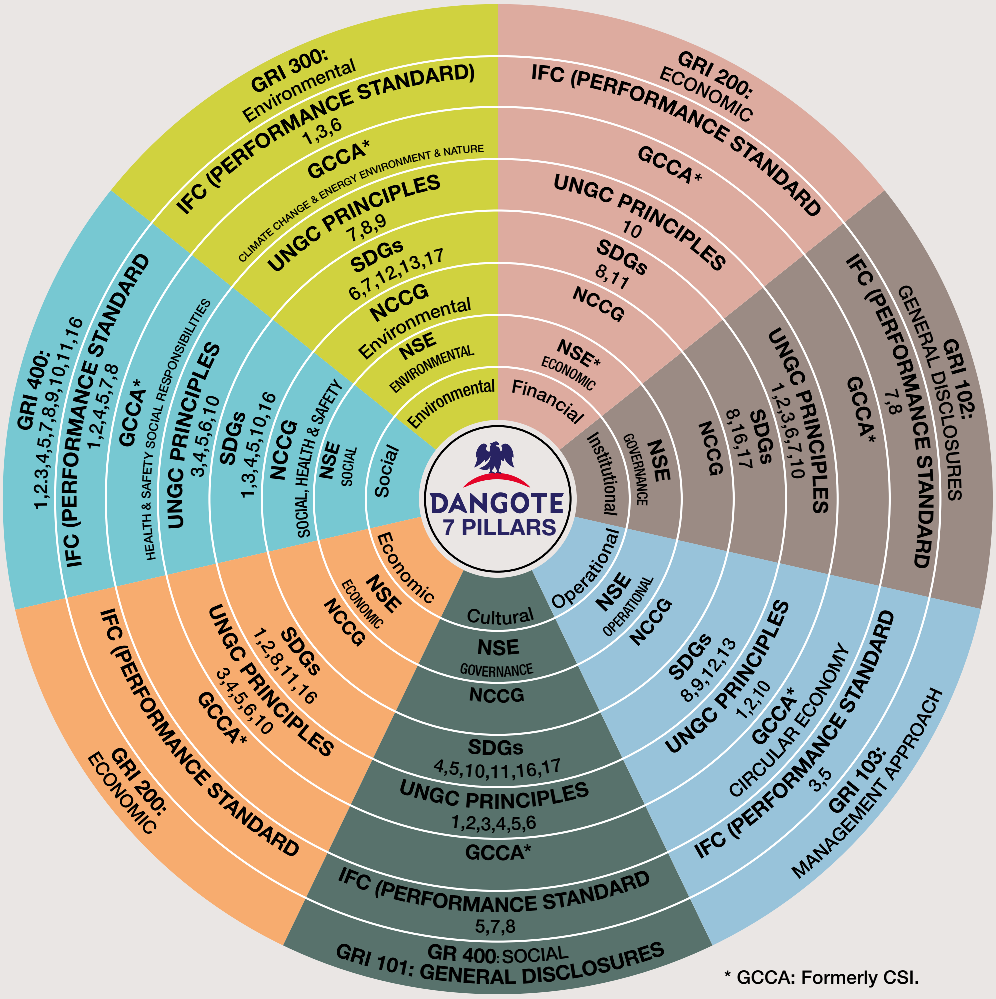
Our sustainability approach

"The Dangote Way" is our unique approach to sustainability acculturation. It is built on the premise that sustainability must be owned and practised at every level of our organisation, especially at the highest levels of institutional governance levels. Sustainability is central to our purpose as a business.

The Dangote 7 Sustainability Pillars

Our Sustainability strategy is underpinned by seven strategic pillars (cultural, economic, operational, social, environmental, financial and institutional) that demonstrate our commitment to engraining best ESG practices into every aspect of our business.

Dangote Cement compliance wheel



* GCCA: Formerly CSI.

GRI – Global Reporting Initiative
IFC – International Financial Corporation

UNGC – United Nations Global Compact
SDG – Sustainable Development Goals

NCCG – Nigerian Code of Corporate Governance
NSE – Nigerian Stock Exchange

Dangote Cement’s priority SDGs

The United Nations Sustainable Development Goals (SDGs) are a set of 17 interlinked goals with 169 targets designed to be a blueprint for achieving a better and more sustainable future for all by 2030. Dangote Cement has been a strong advocate of the SDGs. While we support the actualisation of all 17 Goals, we have however prioritised seven that directly align with our corporate objectives, line of business and sustainability agenda. This way, we hope to make more impactful contributions to the 2030 targets in our different markets.

UN SDG	Targets	Importance/Materiality to DCP
4 QUALITY EDUCATION **Quality Education**	Target 4.4: Substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship. Target 4.6: Ensure that all youth and a substantial proportion of adults, both men and women, achieve literacy and numeracy.	• Quality education, skills, capacity and local entrepreneurship are important for human capital development and economic wellbeing; which increase the purchasing power of Dangote Cement’s (potential) customer base. • Dangote Cement consistently requires skilled manpower in our local markets. • As one of Africa’s largest employers, supporting/ building skills and capacity is our corporate responsibility.
8 DECENT WORK AND ECONOMIC GROWTH **Decent Work and Economic Growth**	Target 8.2: Achieve higher levels of economic productivity through technological upgrading and innovation, including through a focus on high-value added. Target 8.4: Improve resource efficiency in consumption and production and endeavour to decouple economic growth from environmental degradation. Target 8.5: Achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value Target 8.7: Take immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labour.	• Dangote is one of the biggest employers of labour in Nigeria after government and will leverage this status to foster “decent work and economic growth.” • We will foster innovative business models and expansions across Africa and create more “decent” jobs.
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE **Industry, Innovation and Infrastructure**	Target 9.1: Develop quality, reliable, sustainable and resilient infrastructure, including regional and trans-border infrastructure, to support economic development and human wellbeing, with a focus on affordable and equitable access for all. Target 9.2: Promote inclusive and sustainable industrialisation and significantly raise industry’s share of employment and gross domestic product, in line with national circumstances, and double its share in least developed countries.	• Infrastructural development creates good business opportunities for DCP, as cement is a dominant ingredient for building. • Infrastructures, such as good roads and railways, are crucial for DCP’s market expansion and product distribution. • Infrastructural development and industrialisation are crucial for driving sustainable development in our African markets.
11 SUSTAINABLE CITIES AND COMMUNITIES **Sustainable Cities and Communities**	Target 11.1: Ensure access for all to adequate, safe and affordable housing and basic services and upgrade slums. Target 11.6: Reduce the adverse per-capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management.	• Our products foster the building of sustainable cities and communities. • Our waste cement packaging bags could have negative environmental impact by polluting cities and waterways; and we are committed to mitigating this footprint. • As a leading African business, we have a responsibility to foster the emergence of sustainable cities and communities.

UN SDG	Targets	Importance/Materiality to DCP
12 RESPONSIBLE CONSUMPTION AND PRODUCTION **Responsible Consumption and Production**	Target 12.2: Achieve the sustainable management and efficient use of natural resources. Target 12.3: Reduce food losses along production and supply chains, including post-harvest losses. Target 12.5: Substantially reduce waste generation through prevention, reduction, recycling and reuse. Target 12.6: Adopt sustainable practices and integrate sustainability information into the reporting cycle.	• Emissions, pollution, land degradation, deforestation and biodiversity loss are key sustainability issues in cement production. • Consumption of non-renewable resources (limestone, etc); water consumption intensity e.g. in cooling clinker and grinding are material in cement production. • We have a responsibility to foster resource efficiency, responsible consumption and production practices across our value chain, and in the larger societies.
13 CLIMATE ACTION **Climate Action**	Target 13.2: Integrate climate change measures into policies, strategies and planning.	• There is energy consumption intensity in cement production, especially the use of coal. • 89% of CO_2 emission in DCP is from kiln related activities. • Limestone conversion to clinker is energy-intensive (to produce the sticky, binding cement, the limestone must be heated at high temperatures – around 1,500C), resulting in high CO_2 emission. • Emission of greenhouse gases, deforestation, etc., all contribute to climate change. • Environmental stewardship commitments mandate us to support climate action and develop a roadmap for mitigating our climate footprints.
17 PARTNERSHIPS FOR THE GOALS **Responsible Consumption and Production**	Target 17.16: Enhance the Global Partnership for Sustainable Development, complemented by multi-stakeholder partnerships that mobilise and share knowledge, expertise, technology and financial resources, to support the achievement of the Sustainable Development Goals. Target 17.17: Encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnerships.	• Local, national and international partnerships are crucial for advancing the SDGs at all levels, and we are committed to this strategy.

Aligning our sustainability strategy with the SDGs

As a part of Africa's major conglomerate, we have aligned the SDGs with our 7 Sustainability Pillars, and are actively driving aspects of these Goals as part of our environmental, social, operational, governance and business objectives. By aligning our business strategies with the United Nations Sustainable Development Goals, we not only better position our business to respond to the biggest challenges facing our world – from ending extreme poverty to tackling climate change – we also leverage unprecedented opportunities for growth, product and operational innovations, resource and cost efficiencies, and the opportunity to strengthen our reputational capital and social licence to operate.

As 2030 draws closer, and with the increasing pressure from the COVID-19 pandemic, which has destabilised socioeconomic wellbeing in several economies, including Africa, our niche market, we see a strong need to focus on priority SDGs for enhanced effectiveness and impact.

Dangote Cement's Strategic SDG Priorities

The Dangote ESG compliance wheel

Our ESG compliance wheel identifies some of the major national and global sustainability principles and standards we align with. They include:

1. The Nigerian Stock Exchange's Sustainability Disclosure Guidelines
2. The United Nations Sustainable Development Goals
3. SEC – Securities & Exchange Commission (Code of NSE – Nigerian Stock Exchange Corp. Gov.)
4. GRI – Sustainability Reporting Standards
5. IFC – International Finance Corporation
6. NCCG – Nigerian Code of Corporate Governance
7. United Nations Global Compact (UNGC)
8. Global Cement & Concrete Association (GCCA)

Our Reporting Practice

This report covers our material social, environmental and governance issues for the reporting year, covering 1st January to 31st December 2020. It gives our stakeholders an insight into our performance in these areas in the year under review, and the efforts and structures that we are putting in place to continually improve.

This Sustainability Report is written as part of and complements our Annual Financial Report, which primarily covers our financial and economic performance to further our integrated and balanced scorecard reporting approach. Therefore, the annual performance report is written in alignment with, and structured along, our 7 Dangote Sustainability Pillars.

This report's scope and boundary covers our operations in Nigeria and Pan-Africa, including Cameroun, Congo, Ethiopia, Ghana, Senegal, Sierra Leone, South Africa, Tanzania and Zambia. Specific case studies from some of these locations are used in this report to illustrate our ESG practices and priorities.

This report has been prepared in accordance with the GRI Standards: Core option. As part of the reporting process, we carried out extensive stakeholder engagement activities and a materiality assessment survey to determine major concern and interest issues for our key stakeholders. The outcome of this exercise and our economic, environmental and social impact significantly influenced the material topics covered in this report.

This report also serves as our annual communication on progress to the UN Global Compact (UNGC). It therefore adequately covers our progress in integrating its 10 sustainability principles into our business operations. The report also clearly discloses our SDG stewardship and the strides that we are taking in supporting the actualisation of the 17 Global Goals. In the same vein, the report fulfills our requirements to the Nigerian Stock Exchange's Sustainability Disclosure Guidelines, as all key indicators are also fully captured.

We have cross-referenced and benchmarked our reporting against several other local and global sustainability standards, including the Global Cement and Concrete Association (GCCA), Securities & Exchange Commission (SEC) Code of Corporate Governance, and the Nigerian Code of Corporate Governance (NCCG); all of which provide guidance on best practices for driving a sustainable business.

For accuracy, reliability, balance and completeness, the data represented in this report's economic, environmental and social performance sections were collected using the Global Reporting Initiative's (GRI) Disclosures and Principles. Strict internal control and quality checks were exercised during the collation and analysis of applicable data.

To further validate and enhance this report's credibility, a limited external assurance was carried out by Deloitte on some key indicators reported, using the ISAE 3000 Standards, in line with the non-financial reporting assurance principles.

ESG awards and recognitions:

In the year under review, our sustainability performance received several recognitions and accolades, including four notable awards at the Sustainability, Entrepreneurship and Responsibility Awards (SERAs Africa) namely:

- Best Company in Sustainability Reporting
- Best Company in Stakeholder Engagement
- Overall winner (Africa) – First Runner Up
- CSR/Sustainability Professional of the Year – won by our Head of Sustainability (Eunice Sampson).

In 2020, Dangote Cement also won the Nigeria Institute of Public Relations' (NIPR) award for "Best Company in Infrastructure Development" in recognition of its work in building "roads that endure" (concrete roads).

Associations and memberships

We understand that our business cannot continue to thrive in a world where extreme poverty, inequalities, unrests and environmental degradation thrive. To advance our sustainability agenda and create a better world for the present and future generations, we engage in collaborative partnerships with governments, businesses, civil society organisations and global institutions to foster sustainable development.

Among several others, Dangote Cement is a member of the following institutions and associations:

1. Global Cement and Concrete Association
2. United Nations Global Compact (UNGC)
3. World Economic Forum
4. Manufacturers Association of Nigeria (MAN)

Financial Pillar: Delivering strong and sustainable returns to shareholders

The Financial Pillar stands to achieve sustainable financial growth by selling high-quality products at reduced costs, to enable us to deliver strong returns to shareholders.

"Earnings up 37.7% in 2020 compared to 2019."

Financial standard

Our Financial Sustainability Pillar focused on achieving sustainable financial health through a business model that delivers strong returns to shareholders and creates value in the economies where we operate by selling high-quality products at affordable prices, supported by excellent customer service.

As a corporate institution with a diverse pool of investors and shareholders, we are committed to driving our financial performance to ensure optimal return on investments. To achieve this, we ensure that we produce and deliver best quality cement to target markets, at fair and affordable prices. We continually drive strong and sustainable growth and profit and expand our business across the African continent.

As a business that strives to sustain its relevance to the present and future generations, we identify, document, mitigate, measure and monitor material risks and opportunities that the phenomenon of climate change portends for our business and hedge/leverage these risks and opportunities for optimal financial performance.

We believe that by developing a culture of sustainability across our 7 Pillars, which we have adopted as "The Dangote Way", we lower our business risk profile which enables access to new forms of capital and strengthens our global brand.

Revenue up 16.0%

₦1,034.2bn

2020	₦1,034.2bn
2019	₦891.7bn
2018	₦901.2bn

EBITDA up 20.9%

₦478.1bn

2020	₦478.1bn
2019	₦395.4bn
2018	₦435.3bn

Total dividends per share

₦16.00

2020	₦16.00
2019	₦16.00
2018	₦16.00

Responsible tax payment

Responsible tax payment and collection is a mainstream part of our corporate sustainability strategy, and a critical element of our commitment to grow in sustainable and socially inclusive economies. As a responsible corporate citizen, we ensure timely compliance with tax regulations in all the countries where we operate. This commitment enables us to support socioeconomic development in the African continent. By paying our taxes responsibly and transparently, we support government's plans for infrastructural development in our different markets. Through our robust and timely tax payment practices, we also contribute to attaining SDG 11 (Sustainable Cities and Communities). We report annually on our tax payments to governments. This way, we are transparent about how we manage our financial obligations. Tax payments for the period under review are detailed in the annual financial report section of this document.

We believe that by developing a culture of sustainability across our 7 Pillars, which we have adopted as "The Dangote Way", we lower our business risk profile which enables access to new forms of capital and strengthens our global brand.

Delivering sustainable value to our shareholders

Our ability to efficiently seize strong demand coupled with costs discipline led to a robust profit after tax up 37.7% at ₦276.1 billion.

"Dangote Cement's strong issuer ratings by international and regional rating agencies affirms our improving cash generation potential, resilient credit profile and high creditworthiness."

Financial highlights
Summary

	FY 2020 '000 tonnes	FY 2019 '000 tonnes
Volume sold*		
Nigeria	**15,936**	14,119
Pan-Africa	**9,982**	9,564
Inter-company sales	**(198)**	—
Total volume sold	**25,720**	23,683

	FY 2020 ₦'million	FY 2019 ₦'million
Revenues		
Nigeria	**719,945**	610,247
Pan-Africa	**318,681**	282,710
Inter-company sales	**(4,430)**	(1,286)
Total revenues	**1,034,196**	891,671

	FY 2020 ₦'million	FY 2019 ₦'million
Group EBITDA**	**478,122**	395,427
EBITDA margin	**46.2%**	44.3%
Operating profit	**386,734**	299,893
Profit before tax	**373,310**	250,479
Earnings per ordinary share (Naira)	**16.14**	11.79

As at 31st December	FY 2020	FY 2019
Total assets	**2,022,451**	1,742,443
Net debt	**337,275**	227,531

* Volumes include cement and clinker.

** Earnings before interest, taxes, depreciation and amortisation.

Revenue increased by 16.0% from ₦891.7 billion to ₦1,034.2 billion, driven by higher volumes in Nigeria and Pan-Africa.

Volumes sold by our core Nigerian operations was up by 12.9% (2019: 14.12Mt) with increased local sales due to promotion activities and increased real estate demand. Sales to domestic customers in Nigeria increased by 14.3% from 13.6Mt to 15.6Mt with the remaining 0.35Mt being exported volumes.

Full year Pan-African volumes increased by 4.4% from 9.6Mt to 10.0Mt.

Manufacturing and operating costs

	2020 ₦'million	2019 ₦'million
Materials consumed	**134,910**	117,239
Fuel & power consumed	**146,342**	122,851
Royalties	**1,270**	1,817
Salaries and related staff costs	**37,020**	32,955
Depreciation & amortisation	**64,946**	65,254
Plant maintenance costs	**30,706**	28,766
Other production expenses	**15,670**	7,750
(Increase)/decrease in finished goods and work in progress	**7,106**	3,357
Total manufacturing costs	**437,970**	379,989

In general, manufacturing costs increased as a result of higher volumes in Nigeria and Pan-Africa. Nigeria manufacturing costs increased from ₦181.0 billion to ₦225.7 billion (also due to general inflation and foreign exchange impacts on USD denominated expenses). Pan-Africa manufacturing costs increased by 6.7% from ₦199.0 billion to ₦212.2 billion, mainly from strong volume increase in Ethiopia, Senegal and Cameroon.

Consequently, the total Group manufacturing costs increased by 15.2%.

Administration and selling expenses

Year ended	31st December 2020 ₦'million	31st December 2019 ₦'million
Administration and selling costs	**214,246**	214,769

Total selling and administration expenses decreased slightly by 0.2% to ₦214.2 billion. Although the total volumes sold in Nigeria increased, improvement in efficiency and turnaround time led to a slight decrease in haulage costs from ₦70.7 billion to ₦69.8 billion.

The trend was the same in Pan-Africa as haulage costs decreased by 19.9% from ₦36.5 billion to ₦29.2 billion, due to reduction in the use of third-party trucks.

In addition, various promotion schemes were deployed in Nigeria which drove the increase in advertising and promotion costs.

Profitability

Year ended	31st December 2020 ₦'million	31st December 2019 ₦'million
EBITDA	**478,122**	395,427
Depreciation, amortisation and impairment	**91,388**	95,534
Operating profit	**386,734**	299,893

EBITDA by operating region

Year ended	31st December 2020 ₦'million	31st December 2019 ₦'million
Nigeria	**421,417**	361,204
Pan-Africa	**71,313**	47,858
Central costs and inter-company sales	**(14,608)**	(13,635)
Total EBITDA	**478,122**	395,427

Group earnings before interest, tax, depreciation and amortisation (EBITDA) for the year increased by 20.9% to ₦478.1 billion at a margin of 46.2% (2019: ₦395.4 billion, 44.3%) as a result of the increased volumes in both Nigeria and Pan-Africa, the control of production costs and the reduction in selling and distribution costs in the Group.

Excluding eliminations and central costs, Nigerian EBITDA increased by 16.7% in Nigeria, to ₦421.4 billion at a margin of 58.5% (2019: ₦361.2 billion, 59.2%).

Pan-African EBITDA increased by 49.0% to ₦71.3 billion, at 22.4% margin (2019: 16.9%), driven by higher EBITDA margin and stronger profitability in all 10 operations.

Operating profit of ₦386.7 billion was 29.0% higher than the ₦299.9 billion for 2019 at a margin of 37.4% (2019: 33.6%).

Interest and similar income/expense

Year ended	31st December 2020 ₦'million	31st December 2019 ₦'million
Interest income	**13,183**	7,610
Exchange gain/(loss)	**16,631**	(13,481)
Interest expense	**(43,988)**	(44,192)
Net finance income/(cost)	**(14,174)**	(50,063)

Interest income increased mainly due to increased interest earning cash balances.

During the year to December 2020, the Nigerian Naira value against the US Dollar decreased from about ₦365/1US$ to ₦400/1US$. This resulted in net exchange gains from inter-Group assets and liabilities that do not eliminate in full on consolidation in the Nigerian operations.

The effective interest rate on borrowings was 9.67% compared to 10.87% in 2019.

Taxation

Year ended	**31st December 2020 ₦’million**	31st December 2019 ₦’million
Tax (charge)/credit	**(97,242)**	(49,958)

In 2020 the effective tax rate for Nigerian operations was 18.1% representing a mix of non-taxable income for productions lines that were under Pioneer holiday for part of the year and taxable income for production lines out of Pioneer tax exemption. The Group’s effective tax rate was higher at 26.0%, mainly because of Pan-African subsidiaries making losses that reduced the Group’s profit without direct tax benefits for those losses.

The Group’s profit for the year was up 37.7% to ₦276.1 billion (2019: ₦200.5 billion). As a result, earnings per share increased by 36.9% to ₦16.14 (2019: ₦11.79).

Financial position

As at	**31st December 2020 ₦’million**	31st December 2019 ₦’million
Property, plant and equipment	**1,390,687**	1,206,749
Other non-current assets	**77,072**	124,203
Intangible assets	**4,554**	3,663
Total non-current assets	**1,472,313**	1,334,615
Current assets	**404,303**	283,925
Cash and bank balances	**145,835**	123,903
Total assets	**2,022,451**	1,742,443
Non-current liabilities	**142,756**	105,341
Current liabilities*	**505,615**	387,731
Debt	**483,110**	351,434
Total liabilities	**1,131,481**	844,506

* excluding debt.

Non-current assets increased from ₦1,334.6 billion at the end of 2019 to ₦1,472.3 billion at 31st December 2020. This was mainly as a result of additions to Property, plant and equipment which were partially offset by depreciation.

Additions to property, plant and equipment were ₦224.0 billion, of which ₦184.3 billion was spent in Nigeria and ₦39.7 billion in Pan-Africa operations.

There was an increase in advances from customers in Nigeria which resulted in the significant increase in the current liabilities. In addition, payables to contractors also increased.

In 2020, we successfully completed the issuance of ₦100 billion series 1 fixed rate five-year bond at a rate of 12.5%; and ₦150 billion Commercial Paper Notes at attractive rates. Both issuances were oversubscribed, demonstrating our track record of accessing the local debt market.

Movement in net debt

	Cash ₦’million	Debt ₦’million	Net debt ₦’million
As at 31st December 2019	123,903	(351,434)	(227,531)
Cash from operations before working capital changes	483,531	—	483,531
Change in working capital	41,958	—	41,958
Income tax paid	(20,997)	—	(20,997)
Additions to fixed assets	(224,005)	—	(224,005)
Loan to related party	(70,000)	—	(70,000)
Other investing activities	(551)	—	(551)
Change in non-current prepayments and payables	13,635	—	13,635
Net lease payment	6,191	—	6,191
Net interest payment	(39,850)	—	(39,850)
Net loans obtained (repaid)	122,925	(122,925)	—
Dividend paid	(272,693)	—	(272,693)
Other cash and non-cash movements	(18,212)	(8,751)	(26,963)
As at 31st December 2020	145,835	(483,110)	(337,275)

Cash of ₦483.5 billion was generated from operations before changes in working capital. After net movement of ₦51.8 billion in working capital and tax payments of ₦21.0 billion, the net cash flow from operations was ₦511.9 billion.

Financing outflows excluding overdrafts of ₦199.3 billion (2019: ₦295.1 billion) reflected net loans received of ₦122.9 billion, interest paid of ₦48.3 billion and a dividend payment of ₦272.7 billion.

Cash and cash equivalents (net of bank overdrafts used for cash management purposes) increased from ₦112.0 billion at the end of 2019 to ₦141.0 billion at 31st December 2020. With net loans received at ₦122.9 billion and increase in cash balances of ₦21.9 billion, net debt increased by ₦109.7 billion from ₦227.5 at the end of 2019 to ₦337.3 billion at the end of 2020, giving a net debt to EBITDA ratio of 0.71x, reflecting the continuing strong cash generation achieved by the Group.

Capital expenditure by region

	Nigeria ₦'million	Pan-Africa ₦'million	Total ₦'million
Capital expenditure	184,286	39,719	224,005

Capital expenditure was mainly comprised of the construction of new plants in Nigeria and Pan-Africa, the acquisition of distribution trucks in Nigeria as well as improvements in our energy efficiency in Tanzania.

Share buyback

Dangote Cement completed tranche 1 of its buyback programme on 31st of December 2020, buying back 0.24% of its shares outstanding (40,200,000 shares) at an average price of ₦243.02 per share.

Recommended dividend

On 18th March 2021, the Directors recommended to maintain a dividend of ₦16.00 per share for approval at the Annual General Meeting.

Going Concern

The Directors continue to apply the Going Concern principle in the preparation of the Financial Statements. After considering the liquidity position and the availability of resources, the Directors concluded that there are no significant threats to the Group's Going Concern capabilities.

The Directors believe that the current working capital is sufficient for the operations and the Group generates sufficient cash flows to fund its operations. Borrowings are mainly to fund the expansion projects in various African countries.

Guillaume Moyen
Group Chief Financial Officer
18th March 2021

"Dangote Cement completed tranche 1 of its buyback programme on 31st December 2020, buying back 0.24% of its shares outstanding."

Winning with insightful risk management

Interview with the Group Chief Risk Officer

“From a point of consistency, we moderated our market segment expectations with regards to projections, hence we downplayed fiscal spend in stress-testing our assumptions.”

Q

How would you describe the external business environment and its risk impact on the Group’s business during the year 2020?

A

In 2020, we made significant progress as we achieved our budget, in terms of volume and EBITDA (particularly Nigeria), which further established us on a strong financial footing. The business no doubt dealt with some key challenges notably the global outbreak of COVID-19 which the World Health Organization declared a global pandemic on 11th March 2020 and the world is still reeling from its aftermath and ongoing impacts. With increasing spread of the disease across the globe, stringent measures were taken by governments across the world to limit the transmission rate of the virus.

These measures glaringly shattered the support structures of the very core of world economies as global trade collapsed, painting a very gloomy picture of the future for businesses across the globe. The wellbeing of our people – our greatest asset – was significantly threatened by the pandemic, particularly considering the racial depth of our workforce. The key challenge, as with most businesses, was navigating the uncertainties the pandemic posed to the health of our people. It was instructive for us as a company to prioritise managing the mental health of our people whilst we rolled out various initiatives for COVID-19 testing and aftercare for our ailing colleagues during the period.

The IMF predicted a contraction of 3% for 2020, worse than the actuals of 2008–2009 financial crisis. The reality of things is that the global contraction for 2020 is estimated at -3.5%, 0.5% higher than initial predictions. For the Sub-Saharan region where we have our businesses domiciled, the pandemic was somewhat delayed, there were indications that the spread of the virus has been more limited with the exception of South Africa. Despite the aforementioned, the region entered the COVID-19 crisis with significant low fiscal headroom in 2019, with quite a number of African countries at increased risk of debt pains. Towards the end of 2020, most African countries were in a more precarious state than at the beginning of the crisis with increased debt levels, reduced external inflows, stagnant commodity prices (except for crude oil which saw a price leap in December 2020 to $61/barrel) and a highly uncertain outlook.

For our key market – Nigeria, the economic vitals were in the red with sharply deteriorating outlook prompting both S&P Global ratings and Fitch to cut credit rating to junk territories. The collapse in crude prices (all-time low of less than $30/barrel) considering increased production with low demands hindered domestic production. This further battered our FX and fiscal revenues with consistent pressure on the country's reserve and currency. Capital budget performance was not at its best as implementation despite disbursement of up to 50% of 2020 capital budget to agencies of government was restricted considering the pandemic and lockdown efforts to curtail its spread. This necessitated the Executive request for Senate approval of the extension of 2020 capital budget implementation up to March 2021. Much as this was a downside considering the inherent medium- to long-term opportunities for industry players whilst reflecting on the country's infrastructure and housing deficit estimated in Africa at 17 million for housing gap, the retail market last year provided the base for the sales uptick that our business experienced.

Recall that the nation's land borders were closed in August 2019 and remained closed through 2020 with some partial openings at a time. This again, like in 2019, impacted our FX earning strides particularly referencing impacts on our key import requirements and expansionary drives across our existing plants. Fluctuation and increase in FX rates no doubt impacted our EBITDA margins. Our energy cost also went up considering our fuel mix which tilted more towards gas priced in Dollars alongside increased cost of financing our Dollar denominated debts.

Q

How did the business manage these risk impacts?

A

Our response time from when the World Health Organization (WHO) declared the outbreak of COVID-19 a Public Health Emergency was quite commendable. We commenced potential outbreak risk identification with insightful feedback to Executive Management on the inherent risks posed by the pandemic particularly as it affects our people, vendors, and our host communities. We embarked on full-scale awareness promotion/campaign. This we considered critical also considering the mental strain the spread of the virus had. Below are some of our major mitigation steps in managing the risk impacts on our business.

- We launched our Group COVID-19 task team saddled with the responsibility of designing and implementing a detailed risk control prioritisation plan to protect the health and wellbeing of employees, vendors, customers and communities, of course in line with guidance from responsible government agencies.
- We ran a group-wide coordinated COVID-19 testing model and opened Isolation centres ran by medical personnel with competency in managing infectious diseases, also partnering with private medical facilities to manage critical cases.
- We implemented remote working through the activation of our Business Continuity System of priority levels as a basis for staff on-site and remote working whilst recognising the age factor as a key consideration for work on-premise.

With regards to performance and despite the headwinds earlier mentioned, I would say we have been remarkably resilient to what would have been an unpleasant downturn. The IFC review report of the impact of COVID-19 on Cement Industry projected a 3% drop in cement demand year on year including China and a 6.4% year on year drop when China is excluded. Also, according to the IFC, the pandemic impact would be unevenly distributed with some countries more resilient than others. Nigeria no doubt was one of the resilient countries considering the market growth opportunities the industry witnessed during the pandemic year 2020. The huge volumes we sold during the period under review just like last year, was driven by the retail segment of our market.

From a point of consistency, we moderated our market segment expectations with regards to projections, hence we downplayed fiscal spend in stress-testing our assumptions. The outcomes allowed us to put in place a best-fit strategy to take advantage of the opportunities the retail space afforded the industry. Our marketing spend was largely tilted towards further deepening our retail base whilst managing customer concentration risks through dilution of dependency on key distributors. The "spell and win bag of goodies" promo which produced 471 millionaires sought to connect with the final consumers of our product to achieve two things: Reward their shelf loyalty to our brand, and to cushion the impact of COVID-19.

Amidst the significant leap in the demand for cement in our key market Nigeria, we strived to achieve a balance that delivered specific grades of cement tied to customer needs whilst at the same time fulfilling our strategic aspiration of multiple price points for a healthy EBITDA value in line with budget expectations.

Our drive to prioritise our goal to organically generate our FX requirements got a boost, as our export terminal in Apapa became operational and we commenced exporting clinker to some of our grinding plants in Africa by sea. Our much-anticipated upward swing in FX earning capability was realised as we were able to diversify our source of FX inflow beyond export by road. This was one of our business continuity strategies for FX generation. Our key risk indicator dashboard kept the Board Audit, Compliance, and Risk Management Committee up to date with regards to efforts to be self-sufficient in generating our FX requirements. We have also embarked on process improvement initiatives across various fronts for which the dividends will be visible in 2021. For risk management, we embarked on implementing SAP GRC to ensure automation and consistent application of risk management processes across the Group. Details are provided under the caption "Risk Management Initiatives for the year".

"We launched our Group COVID-19 task team saddled with the responsibility of designing and implementing a detailed risk control prioritisation plan to protect the health and wellbeing of employees, vendors, customers and communities."

Improving risk management

Good risk management is essential for the creation of a robust institutional framework that enables us to deliver a long-term and sustainable increase in value for our stakeholders.

The risk management process

We believe the identification and management of risk are central to achieving the corporate purpose of creating long-term shareholder value. Our approach to risk is set out below. The principal aim of DCP's risk management governance structure and internal control systems is to identify, evaluate and manage risks with a view to enhancing the value of shareholders' investments and safeguarding assets.

Our risk management process is disciplined and methodical to ensure value addition and value protection for the Group. The process ensures the appropriate ownership of risk and accountability of all stakeholders in the risk management value chain whilst ensuring collaboration between risk management and process owners across the business. Measurement of risk takes into consideration our risk appetite tolerance limits to avoid misrepresentation of our risk profile.

Risk identification and assessment

We believe that excellent risk management starts with the right conversations to drive better business decisions hence we embed accountability for managing risk into our business structures. Procedures for identifying risks are applied at department, country and group levels. Qualitative and quantitative tools deployed to manage this process effectively across the organisation include the conduct of risk and control self-assessments, monitoring of key risk indicators, and loss incident reports are deployed to manage the process effectively. These processes are supplemented with ad-hoc, on-site assessments or incident assessments when unexpected high risks are envisaged or occur.

Risk measurement and prioritisation

This requires the quantification of the consequences of potential risks or actual risk incidents for the proper understanding of risk taking or risk exposure by relevant stakeholders. Dangote Cement's overall risk rating is based on the severity of impact for damage from specific risk, multiplied by its probability of occurrence.

Risk control and reporting

Following proper identification, quantification and treatment of existing and potential risks, mitigation strategies are recommended, implemented, monitored and reported to the Executive Committee on a monthly basis and to the Board on a quarterly basis. Where necessary, special risk reports are sent to relevant stakeholders on a need-to-know basis. The Board Audit Compliance and Risk Management Committee reviews risk reports and approves the implementation of recommended risk control measures.

Risk monitoring

The Group Risk Management department headed by the Group Chief Risk Officer is responsible for coordinating all the risk management processes implemented across the Group and ensures that risk controls are duly implemented. Where risk controls remain outstanding, the department ensures timely escalation to relevant approving authorities for the required budgetary approvals or control modifications. The risk monitoring process sometimes leads to the identification and assessment of new risks that are then analysed using the process flow previously described.

Three lines of defence

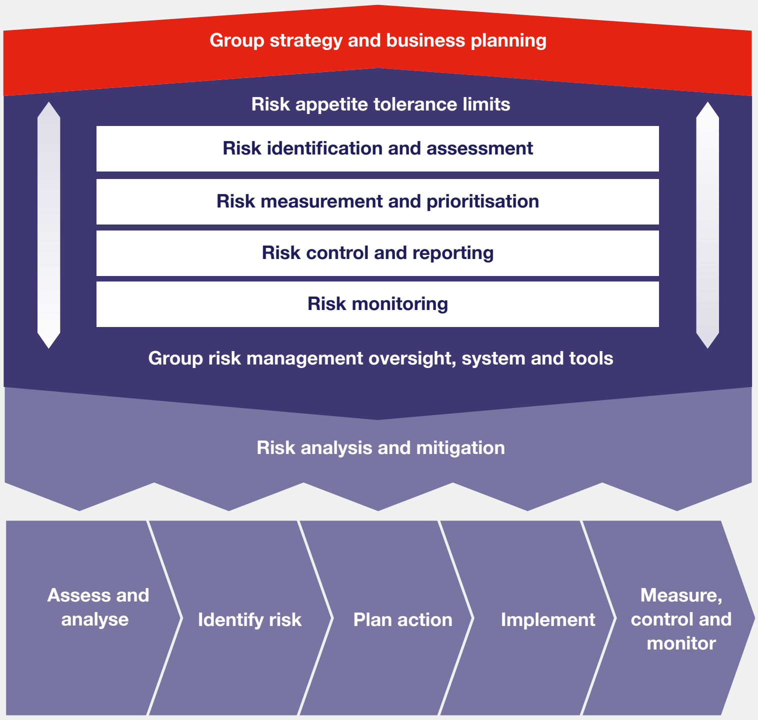
Our risk culture in Dangote Cement is driven by key principles embedded in our Enterprise Risk Management Framework. These principles are built around the Three Lines of Defence:

The First Line of Defence comprises the revenue-generating and customer-facing areas, alongside all associated support functions. The First Line identifies the risks, and sets the policies, standards, and controls, within the criteria set by the Second Line of Defence. It continuously monitors risk positions and reports inherent risks to relevant stakeholders.

The Second Line of Defence comprises risk and compliance employees and both functions oversee the First Line, setting the limits, rules, and constraints, consistent with the risk appetite of the Group. It ensures a holistic approach to risk management and risk reporting.

The Third Line of Defence comprises Internal Audit employees providing independent assurance to the Board and Executive Management. The Legal function does not sit in any of the three lines but supports all three levels of defence and plays a role in overseeing legal risk. The Legal function is also subject to oversight from the Risk and Compliance functions with respect to the management of operational risks.

Risk management process



Together with a governance process through the Board Audit Compliance and Risk Management Committee and Board-level forums of DCP subsidiaries, the main Board of Dangote Cement Plc receives regular information on the risk profile of the Group and has ultimate responsibility for risk appetite and capital plans.

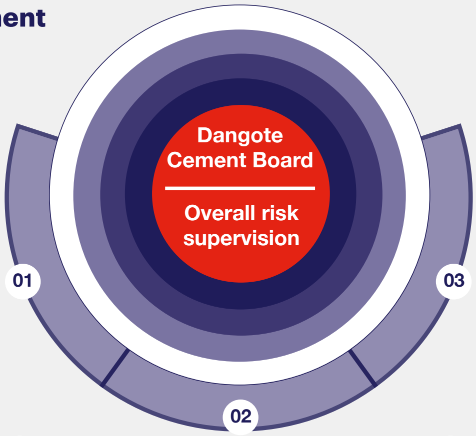
Risk appetite

At Dangote Cement all decisions must balance risk and reward to ensure all activities are economically profitable after due consideration of risk. Dangote Cement's risk appetite is always considered when making such decisions. Our Board has responsibility for determining the level of risk that will be taken. The Board determines the overall strategic direction for the business and, as part of this process, determines the Group's risk appetite.

The risk appetite of the organisation defines the level of risk we are willing to take as a business for the different risk types, whilst considering varying levels of financial and non-financial stress factors. Risk appetite is key for our decision-making process, including business planning, operations, new product reviews and approvals alongside business change initiatives. Following the Board's approval of the risk appetite statement, the year under review saw the Risk Management function commence the process of quantification of the risk appetite statement hinged on converting the Group's qualitative risk appetite statement to a series of metrics hence translating specific value drivers into a series of limits and tolerance levels for different levels of impact classification ranging from Insignificant to Catastrophic. This was however truncated considering the commencement of the implementation of SAP GRC which will cover operationalisation of risk appetite (details provided under Risk management initiatives below).

By applying scale limits across our strategic and operational activities Pan-African wide, we control specific activities that may have material concentration and impact on our business. The management of risk is embedded in each level of our business, with staff being responsible for the understanding and management of these risks. This is carried out by specifying responsibilities according to the Three Lines of Defence with each Line of Defence overseen by responsible personnel thus preserving a strong design, implementation, remediation, monitoring and testing framework focused on independence and robust governance.

Risk management



Risk reporting escalation and treatment

Audit, Compliance and Risk Management Committee
- Approves risk management framework and applicable policies
- Approves methodologies for management of strategic risk
- Approves the Dangote Cement risk management strategy and risk appetite
- Supervises and monitors Dangote Cement's risk appetite

Group Chief Risk Officer
- Group-wide, super-divisional responsibility for management of all risks
- Comprehensive monitoring, analysis and reporting on risk
- Organisation of day to day risk management

Risk Management Function
- Regional Risk Management Nigeria
- Regional Risk Management Pan-Africa

Specialised Risk Sub-Committees
- Ad-hoc committees set up to tackle specific risk issues

01

Board senior management front office
- Promote risk culture and desired risk behaviour in decisions being made
- Ensure macro and micro risk management by limits monitoring for acceptable risk exposures
- Continuously monitor positions and report inherent risks to relevant stakeholders

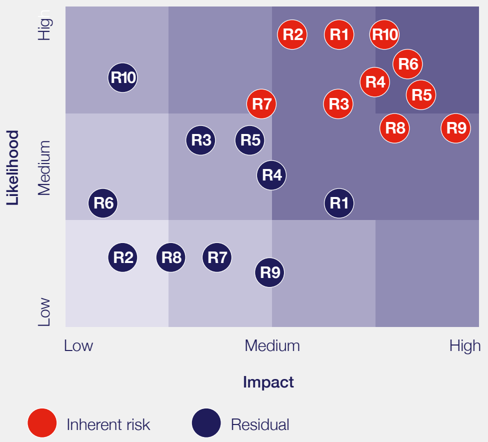
02

Risk Management department
- Understand business dynamics and complexities for apt risk management
- Engage all stakeholders for timely redress of risks identified
- Ensure a holistic approach to risk management and risk reporting

03

Audit
- Understand the business of Dangote Cement and its prevalent or likely risks
- Ensure that business owners and risk management staff identify and control risks in a timely and optimal manner by providing independent oversight on policies and procedures deployed organisation wide

Evidence of principal risks occurrence



- **R1** Staff wellbeing threatened by the CD-19 pandemic
- **R2** Loss of planned production from LC funding delays considering the dearth and cost of FX
- **R3** Risk to DCP's FX generation drive from export considering restriction at Land borders and controlled passage
- **R4** Constraints in the supply of key production inputs due to the Apapa Port truck entry model
- **R5** Fatal accidents involving our fleet
- **R6** Supplier and FX availability risks from coal imports considering restricted supply from own coal mines due to mines structure
- **R7** Risk of loss of market share across some Pan-Africa markets arising from inability to service orders – mainly due to inadequate fleet for dispatches and low production
- **R8** Risk of loss arising from delay/inability to repatriate funds invested in Pan-Africa operations
- **R9** Business needs impacted by data centre infrastructure limiting system availability with financial and data loss
- **R10** Security threat from political instability and banditry across some of our key markets in Sub-Sahara Africa

Risk management initiatives for the Year

Over the years the entrenchment of Risk Management in DCP has enabled strategic planning and decision-making alongside the achievement of set corporate objectives. Nonetheless, it is still considered to be at a Mature stage rather than the Advanced stage required for an organisation of our size. This is because the Risk Management process still employs manual processes for collation and consolidation of data and related information.

The mature stage attests to an entrenched risk aware culture, good governance, ownership and accountability for risk identification and control, and proper deployment and utilisation of risk management tools in managing existing and emerging risk exposures as well timely risk remediation. To ensure we have an Advanced Risk Maturity profile with consistent implementation and interpretation of our Enterprise Risk Management framework, policies, principles and procedures across all its subsidiaries, the Governance, Risk & Compliance module of SAP is being configured for use Group-wide.

With the implementation of the SAP GRC, we would not only progress to an Advanced level of risk maturity but also ensure the automation and consistent application of all Risk Management processes across the Group. This tool would enable the standardisation of our risk management processes in relation to risk identification, assessment, monitoring and reporting functions. This would also ensure predictive risk trends are generated from organic risk loss data and key risk indicators. The tool is expected to be fully implemented in April 2021.

Full implementation of this application will also enable the integration and seamless update of DCP's risk management processes with that of its audit function allowing for full roll out of Risk Based Internal Audit. This feature would further strengthen timely identification, and management of existing and emerging risks relating to key value drivers such as financial, social and environmental concerns in an efficient, timely and therefore value creating or preservative manner.

Principal Risks

Current risk profile

The risk management process facilitates the identification and prioritisation of risks through discussions and workshops with Executive Management and business leaders facilitated by the Risk Management function. During the year, significant risks are reviewed through a bottom-up and top-down process at both the business unit and Group levels to ensure awareness and appropriate prioritisation. A risk that can significantly affect the performance, prospects or reputation of the Group is termed a principal risk and these risks are aligned to the Group's strategic objectives set out on pages 20–21. Details of the Group's principal risks are documented and maintained in the risk register of the business. Each principal risk is reviewed by the Board Audit Compliance and Risk Management Committee quarterly. Our Risk dashboard and principal risks are detailed below.

Principal Risk	Impact	Mitigation
1. Staff wellbeing threatened by the COVID-19 pandemic	• Impacts on productivity levels considering the ease of spread of the virus • Profound effect on mental health • Increased instances of workplace burnout coupled with increased anxiety levels of staff	• Co-ordinated Group-wide COVID-19 testing through liaison with local authorities and approved private laboratory • Rigorous awareness promotion/campaigns • Medical helplines to address all COVID-19 related issues • Mental help counselling sessions through Helplines • Equipped Isolation Centre set-up in our various Plants • Medical aftercare and support services for sick staff
2. Loss of planned production from LC funding delays considering the dearth and cost of FX	• Loss of market share and brand confidence from inability to meet market demands considering capacity share	• Set-up and implementation of Annual FX Allocation Plan • Continuous prioritisation of the funding of critical LCs of production function
3. Risk to DCP's FX generation drive from export considering restriction at Land borders and controlled passage	• Negative impact on the organisation's targets to organically generate its FX requirement for key production input and operational expenses	• Continuous engagement with relevant government agencies followed with prompt document rendition
4. Constraints in the supply of key production inputs due to the Apapa Port truck entry model	• Delay in delivery of key production input and fuel to the Plants with downside being possible loss of production volume and market share	• Facilitation of Inbound trucks into acquired transit parks for prompt entry into Apapa port on call-up • Ongoing engagement with traffic task forces of the Police for ease and prompt entry of Inbound trucks into destination terminals

Principal Risk	Impact	Mitigation
5. Fatal accidents involving our fleet	• Negative impact in our commitments to achieve fatal free accidents • Loss of trust and confidence of our host and transit communities	• Installation of speed limiters on all trucks • Mobile workshop team to work on trucks broken down in transit and reduce accident occurrences due to mechanical failure • Full set up of transport training school to include defensive driving and safety trainers, introduction of in-cabin coaches for new drivers • Introduction of fatigue management modules, health awareness and general wellness
6. Supplier and FX availability risks from coal imports considering restricted supply from own coal mines due to mines structure	• EBITDA margins impacted from increased energy cost considering the use of alternative fuel – gas	• Technical review and investments for capacity utilisation of existing own mines • Opening of new mines • Bridging supply gaps in own mines from third-party mines
7. Loss of market share across some Pan-Africa markets arising from inability to service orders – mainly due to inadequate fleet for dispatches and low production	• Loss of market share and brand loyalty	• Revamp of our transport fleet in key markets to facilitate prompt evacuation of products from our plants • Prioritisation of LC funding for production related imports with regards to spares and raw material inputs
8. Risk of loss arising from delay/inability to repatriate funds invested in Pan-Africa operations	• Exposure of cash at bank to possible devaluation considering unavailability of FX In-country • Impact on DCP Group's strategic plan to source its FX requirement organically	• Increased engagement with central banks of countries of operation for more FX allocation • Possible refinance options to be explored with regards to loan structure change • Review of possible export corridors in neighbouring countries

Principal Risk	Impact	Mitigation
9. Business needs impacted by data centre infrastructure limiting system availability with possible financial and data loss.	• Service interruption with significant impact on mission critical functions (Sales, Logistics/Transport and Depot operations) which depends on the availability of our ERP and ancillary applications	• Conversion to a robust SAP version with significant investments in hard wares
10. Security threat from political instability and banditry across some of our key markets in Sub-Sahara Africa	• Threat to Dangote Cement employees, plant and supply chain • Disruption of our ability to operate in key markets	• Constant monitoring of local security situation • Ongoing work on Dangote Cement Business Continuity and Crises Management Systems • In-country security personnel overseeing people and ensuring physical security is guaranteed

Corporate Governance Report

Corporate Governance Report

Strong leadership

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

N

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.

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 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 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 IHI, International Hotel Investment and of IPEMED, Institut de Prospective Economique du Monde Mediterraneen. Douraid is a Civil Engineer from Ecole Nationale des Travaux Publics de l'Etat (France) and is also a graduate in Business Administration - Strategy and Management from ESSEC (Ecole Superieure des Sciences Economiques et Commerciales) business school in Paris.

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.

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 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 Moyen

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, Bulkcem 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 Rabiu
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.


DANGOTE CEMENT
GENERAL MEETING


DANGOTE CEMENT

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 Zaghouani 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
Appointment of new Directors	• 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.
Share buyback scheme	• The Board considered and approved the share buyback scheme, allowing the Company to purchase its own shares.
Issuance of Naira Bond	• 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.
Review and approval of budget	• The Board reviewed and approved the Budget for the succeeding financial year.
Investor relations	• The Board considered and approved the investor relations calendar for the succeeding financial year.
Board and subsidiary Board meetings	• The Board reviewed and approved Board and Committee Meeting dates for the succeeding financial year.
Approval of financial statements	• The Board reviewed and approved the audited financial statements and submitted the same to the shareholders to approve at the Annual General Meeting.
Approval of dividends	• 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.
Control environment	• The Board received reports on the control environment, and approved recommendations of the Committee towards strengthening the efficacy of the control environment.
Quality/operational efficiency	• The Board reviewed and approved several initiatives to enhance quality and improve operational efficiency in the Company.
Health, Safety, Security and Environment (HSSE)	• The Board reviewed and approved systemic and strategic approaches to improve health, safety, social and environmental matters within the Company and its subsidiaries.
Transport	• The Board reviewed and approved strategic approaches to improve transport operations in the Company.
Quarterly accounts	• The Board reviewed and approved unaudited quarterly accounts of the Company.
Annual General Meeting	• The Board resolved on the date, venue and other modalities for the Annual General Meeting of the Company.
Appointment of External Auditors	• The Board considered and recommended to the shareholders, the appointment of new External Auditors.

Board Policies

Annual Agenda Cycle	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.
Anti-Bribery and Corruption Policy	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: • anti-fraud awareness and communication strategies; • fraud and corruption prevention mechanisms; • fraud and corruption detection mechanisms; • fraud response mechanisms; and • enforcement initiatives and sanction grid. 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.
Board Appointment Policy	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.
Board Development Policy	This policy seeks to institutionalise training and continuous development of the Directors of Dangote Cement.
Board Evaluation Policy	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.
Board remuneration policy	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.
Board Reporting Framework	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.
Board Tenure Policy	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.
Communication Governance Policy	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.
Complaints Management Policy	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.
Conflict of Interest/Related Party Transaction Policy	This provides a framework to identify, disclose and manage actual and perceived conflicts of interest.
Dangote Safety Golden Rule	This describes mandatory safety rules and regulations applicable to all staff, contractors and visitors.

Board Policies continued

Directors' Code of Conduct Policy	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.
Executive Management Remuneration Framework	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.
Group Executive Committee Charter	This Charter governs the operations of the Group Executive Committee (ExCo) of DCP.
Group HSSE Standards: Incident Reporting and Investigation, Performance Reporting and Risk Management	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.
Insider Trading Policy	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. 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.
Subsidiary Governance Framework	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.
Succession Planning Policy	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.
Whistleblowing Policy	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. 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.

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 polices 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

Board, Audit, Risk and Compliance Committee
Members
Ernest Ebi (Chairman)
Dorothy Udeme Ufot
Emmanuel Ikazoboh
Cherie Blair

Full Committee Report on pages 136 to 139.

Finance and Investment Committee
Members
Viswanathan Shankar (Chairman)
Olakunle Alake
Douraid Zaghouani
Sir Michael Davis
Devakumar V.G. Edwin

Full Committee Report on pages 140 to 141.

Technical and Sustainability Committee
Members
Sir Michael Davis (Chairman)
Olakunle Alake
Devakumar V.G. Edwin
Abdu Dantata
Douraid Zaghouani
Dorothy Udeme Ufot

Full Committee Report on pages 142 to 143.

Remuneration and Governance
Members
Emmanuel Ikazoboh (Chairman)
Ernest Ebi
Sir Michael Davis
Cherie Blair
Berlina Moroole

Full Committee Report on pages 144 to 148.

* 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. 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 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.

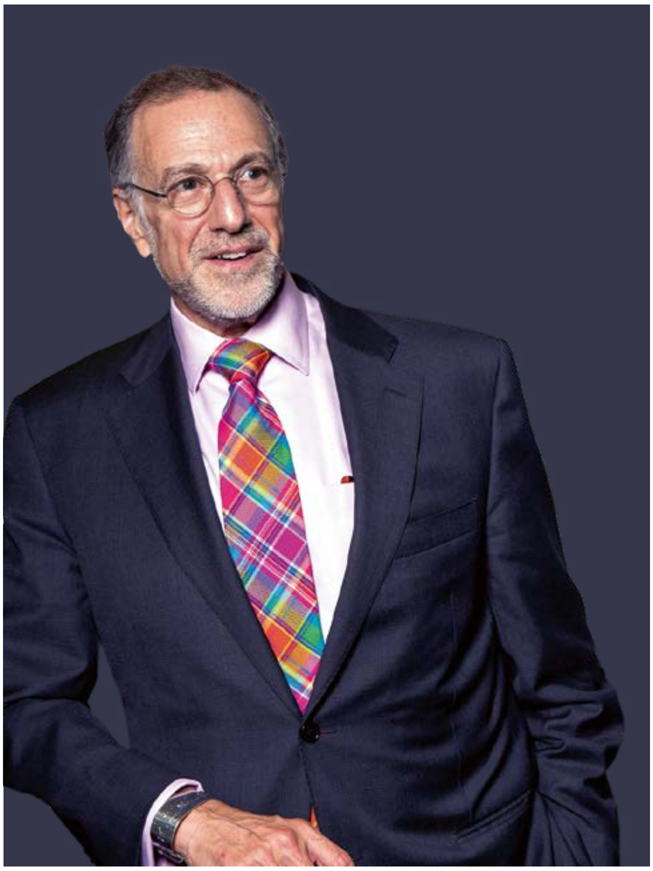
Matters considered by the Committee in 2020 included:

- 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



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

Strategic Report
Corporate Governance
Financial Statements
Supplementary Information

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.

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
Board training	• 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.
Governance policies	• 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.
Executive and staff compensation	• 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.
Succession planning and manpower planning	• 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.
Talent Management System	• 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.
Performance evaluation	• 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.

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:

	Directors fees and allowances		Sitting allowances		Other allowances		Total	
Name of Director	**2020 ₦'000**	2019 ₦'000	**2020 ₦'000**	2019 ₦'000	**2020 ₦'000**	2019 ₦'000	**2020 ₦'000**	2019 ₦'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**	—
Total	**356,771**	49,000	**84,150**	76,900	**221,400**	488,668	**662,321**	614,568
Executive Directors							**829,130**	226,223
Grand total							**1,491,451**	840,791

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

Financial Statements

Responsibility Statements

Financial Statements

Supplementary information

Report of the Statutory Audit Committee

In accordance with Section 404 (7) of the Companies and Allied Matters Act (CAMA), 2020 and Section 30.4 of the SEC Code, the members of the Statutory Audit Committee of Dangote Cement Plc hereby report as follows:

"We have exercised our statutory functions under Section 404 (7) of the Companies and Allied Matters Act (CAMA), 2020 and we acknowledge the cooperation of the Board, management and staff in the conduct of these responsibilities. After careful consideration of the report of the external auditors, we accepted the report that the Financial Statements give a true and fair view of the state of the Group and Company's financial affairs as at 31st December 2020.

We confirm that:

I. The accounting and reporting policies of the Group and Company are in accordance with legal and regulatory requirements as well as agreed ethical practices.

II. We reviewed the scope and planning of audit requirements and found them adequate.

III. We reviewed the findings on the management letter prepared by the external auditors and found management responses to the findings satisfactory.

IV. The accounting and internal controls system is constantly and effectively being monitored through an effective internal audit function.

V. We made recommendations to the Board on the appointment and remuneration of the external auditors and also reviewed the provision made in the Financial Statements for the remuneration of the external auditors; and

VI. We considered that the external auditors are independent and qualified to perform their duties effectively.

The Committee therefore recommends that the Audited Financial Statements for the year ended 31st December 2020 and the External Auditors' report thereon be presented for adoption at the Annual General Meeting."

Robert Ade-Odiachi
Chairman, Statutory Audit Committee
FRC/2013/ICAN/00000004526

Members of the Statutory Audit Committee:
Robert Ade-Odiachi, Shareholders' Representative
Nicholas Nyamali, Shareholders' Representative
Sheriff Yussuf, Shareholders' Representative
Olakunle Alake, Non-Executive Director
Ernest Ebi, Independent Non-Executive Director
Emmanuel Ikazoboh, Independent Non-Executive Director

Statement of Directors' Responsibilities for the Preparation and Approval of the Financial Statements

For the year ended 31st December 2020

The Directors of Dangote Cement Plc are responsible for the preparation of the consolidated and separate financial statements that present fairly the financial position of the Group and Company as at 31 December 2020, and the results of its operations, cash flows and changes in equity for the year then ended, in compliance with International Financial Reporting Standards ("IFRS") and in the manner required by the Companies and Allied Matters Act (CAMA), 2020 and the Financial Reporting Council of Nigeria Act, 2011.

In preparing the financial statements, the Directors are responsible for:

- properly selecting and applying accounting policies;
- presenting information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- providing additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Group and Company's financial position and financial performance; and
- making an assessment of the Group's and Company's ability to continue as a going concern.

The Directors are responsible for:

- designing, implementing and maintaining an effective and sound system of internal controls throughout the Group and Company;
- maintaining adequate accounting records that are sufficient to show and explain the Group and Company's transactions and disclose with reasonable accuracy at any time, the financial position of the Group and Company, and which enable them to ensure that the financial statements of the Group and Company comply with IFRS;
- maintaining statutory accounting records in compliance with the legislation of Nigeria and IFRS;
- taking such steps as are reasonably available to them to safeguard the assets of the Group and Company; and
- preventing and detecting fraud and other irregularities.

The Directors have assessed the Group's ability to continue as a going concern and have no reason to believe the Group and Company will not remain as a going concern in the year ahead.

The consolidated and separate financial statements of the Group and Company for the year ended 31 December 2020 were approved by the Directors on 18 March 2021.

On behalf of the Directors

Aliko Dangote, GCON
Chairman
FRC/2013/IODN/00000001766

Michel Puchercos
Group Managing Director/Chief Executive Officer
FRC/2017/IODN/00000015919

Statement of Corporate Responsibility for the Financial Statements

For the year ended 31st December 2020

Further to the provisions of section 405 of the Companies and Allied Matters Act, 2020, we hereby certify the financial statements of Dangote Cement Plc for the year ended 31st December 2020 as follows:

a) That we have reviewed the Audited Financial Statements (AFS) of the Group and Company for the year ended 31st December 2020.

b) That the audited financial statements do not contain any untrue statement of material fact or omit to state a material fact which would make the statements misleading.

c) That the audited financial statements and all other financial information included in the statements fairly present, in all material respects, the financial condition and results of operation of the Group and Company as of and for the year ended 31st December 2020.

d) That we have evaluated the effectiveness of the company's internal controls within 90 days prior to the date of Audited Financial Statements (AFS), and certifies that the Group and company's internal controls are effective as of that date;

e) That we have disclosed to the following information to the Group and Company's auditors and audit committee:

   i) there are no significant deficiencies in the design or operation of internal controls which could adversely affect the company's ability to record, process, summarise and report financial data, and has identified for the company's auditors any material weaknesses in internal controls, and

   ii) there are no fraud that involves management or other employees who have a significant role in the company's internal control; and

f) That there were no significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of their evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Aliko Dangote, GCON	**Michel Puchercos**	**Guillaume Moyen**
Chairman, Board of Directors	**Group Chief Executive Officer/GMD**	**Group Chief Finance Officer**
FRC/2013/IODN/00000001766	FRC/2017/IODN/00000015919	FRC/2019/001/00000020239

Certification Pursuant to Section 60 of Investments and Securities Act (ISA) 2007

We have reviewed the consolidated and separate financial statements of Dangote Cement Plc and its subsidiaries (The Group) for the year ended 31st December 2020.

Based on our knowledge, these consolidated and separate financial statements do not:

- contain any untrue statement of a material fact or;
- omit to state a material fact, which would make the statement misleading in light of the circumstances under which such statements were made.

The consolidated and separate financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Group and Company as of, and for the year ended 31st December 2020;

The Directors are responsible for establishing and maintaining internal controls,

We have:

- designed such internal controls to ensure that material information relating to the Group is made known to us by others within the Group, particularly during the year in which this report is being prepared;
- continuously evaluated the effectiveness of the Group and Company's internal controls and reported to the Board's Audit and Risk Management Committee on a quarterly basis;
- disclosed to the Audit Committee, any fraud whether or not material, that involved management or other employees who have significant role in the Group and Company's internal controls.
- identified for the Company's Auditors all significant deficiencies in the design or operation of internal controls which would adversely affect the company's ability to record, process, summarise and report financial data and any material weakness in internal controls.
- identified in the report whether or not there were significant changes in internal controls or other factors that could significantly affect internal controls subsequent to the date of our evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Aliko Dangote, GCON
Chairman, Board of Directors
FRC/2013/IODN/00000001766

Michel Puchercos
Group Chief Executive Officer/GMD
FRC/2017/IODN/00000015919

Guillaume Moyen
Group Chief Finance Officer
FRC/2019/001/00000020239

KPMG

KPMG Professional Services
KPMG Tower
Bishop Aboyade Cole Street
Victoria Island
PMB 40014, Falomo
Lagos

Telephone 234 (1) 271 8955
234 (1) 271 8599
Internet home.kpmg/ng

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Dangote Cement Plc

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated and separate financial statements of Dangote Cement Plc ("the Company") and its subsidiaries (together, "the group"), which comprise:

- the consolidated and separate statements of financial position as at 31 December 2020;
- the consolidated and separate statements of profit or loss;
- the consolidated and separate statements of comprehensive income;
- the consolidated and separate statements of changes in equity;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of the Company and its subsidiaries as at 31 December 2020, and of its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and in the manner required by the Companies and Allied Matters Act (CAMA), 2020 and the Financial Reporting Council of Nigeria Act, 2011.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the consolidated and separate financial statements* section of our report. We are independent of the Group and Company in accordance with International Ethics Standards Board for Accountants *International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code)* together with the ethical requirements that are relevant to our audit of the consolidated and separate financial statements in Nigeria and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. These key audit matters apply to the audit of the consolidated and separate financial statements.

1. Impairment assessment of investment in subsidiaries	
Refer to significant accounting policies (Note 2.3.1) and related disclosures (Note 18) of the consolidated and separate financial statements.	
The key audit matter	**How the matter was addressed in our audit**
As disclosed in Note 18 to the financial statements, the carrying amount of ₦163.8 billion representing the Company's investment in subsidiaries is significant. Some of these subsidiaries are currently loss making and a number of them are dependent on financial support mostly in the form of loans and advances from the parent for their ongoing operations (Note 31). Judgment is required in estimating the recoverable amounts of the investment in subsidiaries. The estimation of recoverable amounts involves making assumptions regarding the future performance of the subsidiaries, inherent uncertainty involved in preparing forecasts and discounted future cash flow projections and determining an appropriate discount rate. The significance of the amounts involved and the uncertainties inherent in estimating the recoverable amount makes this a key audit matter in the separate financial statements.	Our procedures included the following: • we held inquiry sessions with management to understand the process and procedures for the identification of indicators of impairment of investment in subsidiaries. • we assessed the reasonableness of the forecasts presented for the subsidiaries with impairment triggers by comparing them with historical performance. • we checked that the impairment indicators were appropriately identified as at the reporting date based on our knowledge of the business, its operating environment and other information obtained during the audit. • we challenged management's assumptions, judgements and decisions made in the calculation of the recoverable amount by comparing them with historical performance, industry trends and future projections. • we engaged our valuation specialist to test the appropriateness of the discount rates and terminal growth rates used. • we assessed the appropriateness of the classification and disclosure in the financial statements required by IAS 36, including disclosures about sensitivities and major sources of estimation uncertainty.

2. Road Infrastructure Tax Credit	
Refer to related disclosures (Note 14.2) of the consolidated and separate financial statements.	
The key audit matter	**How the matter was addressed in our audit**
The Road Infrastructure Tax Credit Scheme is a public-private partnership intervention that enables private sector companies to construct, repair, and maintain critical road infrastructure in key economic areas in Nigeria. Participants recoup their project costs and get additional benefits under the Scheme by way of tax credits that can be used to settle their company income tax liabilities. As at 31 December 2020, the Company had tax assets of ₦5.51 billion arising from its participation in the *Road Infrastructure*	Our procedures included the following: • we identified accounting considerations inherent in the tax credit scheme by reading the Executive order and reviewing contract documentation relating to the scheme. • we checked costs incurred under the scheme to underlying documentation. • we requested and obtained confirmation from the contractor on the status of the project and percentage of completion at the reporting date. • we recomputed the amount of benefits earned under the scheme and compared with the amounts recorded in the financial statements.

KPMG

Development and Refurbishment Investment Tax Credit ("Road Tax Credit") Scheme created by Executive Order 009 of 2019 of the Federal Government of Nigeria. This is a key audit matter in both the consolidated and separate financial statements due to the novelty of the scheme and the complexity of accounting for costs incurred and benefits earned under the scheme.	• we assessed the appropriateness of the classification and recoverability of costs and benefits not yet utilized against the requirement of the accounting standards and the Executive Order.

3. Provision for site restoration and rehabilitation	
Refer to significant accounting policies (Note 2.29.1) and related disclosures (Note 28) of the consolidated and separate financial statements.	
The key audit matter	**How the matter was addressed in our audit**
As at 31 December 2020, the Company has a long-term provision of ₦5.04 billion (2019: ₦1.95 billion) relating to the estimated cost of site restoration and rehabilitation, in connection with areas mined for raw materials but not yet rehabilitated. The provision is computed based on current cost estimates projected to the end of the life of the mine and discounted to the financial reporting date. At each reporting date the restoration and rehabilitation liabilities are reviewed and re-measured in line with changes in cost estimates based on changes in key inputs such as inflation rates, discount rates, and minable reserves. The provision for site restoration and rehabilitation was identified as a key audit matter in both the consolidated and separate financial statements due to the significant judgements involved in the estimation of key inputs and the inherent estimation uncertainty based on the lifespan of the mines.	Our procedures included the following: • we held inquiry sessions with management to understand the procedures for the identification of relevant restoration and rehabilitation activities included in the Company's computation. • we compared the listing of restoration and rehabilitation activities included in the Company's computation with the activities contained in the Environmental Protection Rehabilitation Plan (EPRP) submitted to the government. • we challenged management on the significant inputs used in the computation of the estimated future restoration costs by comparing the inputs against externally derived data. • we also assessed data on minable reserves and useful lives of the mines against underlying geological information; and • we assessed the adequacy of the disclosures in the financial statements.

Other Matter

The consolidated and separate financial statements of Dangote Cement Plc (the "Company") and its subsidiaries (together, "the Group") for the year ended 31 December 2019 were audited by another auditor who expressed an unmodified opinion on those statements on 26 February 2020.

Other Information

The Directors are responsible for the other information. The other information comprises the, Directors Report, Statement of Directors' Responsibilities Statement of Corporate Responsibility for the Financial Statements, Certification Pursuant to Section 60 of Investment and Securities Act, 2007 and Other National Disclosures which we obtained prior to the date of this auditors' report, but does not include the consolidated and separate financial statements and our auditor's report thereon. Other information also include Corporate information, Chairman's Report and Audit Committee Report, together the "Outstanding reports", which are expected to be made available to us after that date.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Outstanding reports, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of the Directors for the Consolidated and separate Financial Statements

The Directors are responsible for the preparation of consolidated and separate financial statements that give a true and fair view in accordance with IFRSs and in the manner required by the Companies and Allied Matters Act (CAMA), 2020 and the Financial Reporting Council of Nigeria Act, 2011, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group and Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated and separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group and Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group and Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to

KPMG

the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with Board of Directors and Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with Board of Directors and Audit Committee, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Compliance with the requirements of Schedule 5 of the Companies and Allied Matters Act (CAMA), 2020.

i. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.

ii. In our opinion, proper books of account have been kept by the Company, so far as appears from our examination of those books.

iii. The Company's statement of financial position, statement of profit or loss and statement of comprehensive income are in agreement with the books of account.

Signed:

Goodluck C. Obi, FCA
FRC/2012/ICAN/00000000442
For: KPMG Professional Services
Chartered Accountants
23 March 2021
Lagos, Nigeria

Consolidated and Separate Statements of Profit or Loss
For the year ended 31st December 2020

		Group		Company	
	Notes	**Year ended 31/12/20 ₦'million**	Year ended 31/12/19 ₦'million	**Year ended 31/12/20 ₦'million**	Year ended 31/12/19 ₦'million
Revenue	5	**1,034,196**	891,671	**719,945**	610,247
Production cost of sales	7	**(437,970)**	(379,989)	**(225,744)**	(181,009)
Gross profit		**596,226**	511,682	**494,201**	429,238
Administrative expenses	8	**(60,339)**	(54,124)	**(32,289)**	(27,400)
Selling and distribution expenses	9	**(153,719)**	(160,835)	**(112,919)**	(109,325)
Other income	11	**4,754**	2,980	**1,922**	1,247
Impairment of financial assets		**(188)**	190	**(3,318)**	139
Profit from operating activities		**386,734**	299,893	**347,597**	293,899
Finance income	10.1	**29,814**	7,610	**112,031**	47,558
Finance costs	10.2	**(43,988)**	(57,673)	**(28,881)**	(26,037)
Share of profit from associate	18.3	**750**	649	**—**	—
Profit before tax		**373,310**	250,479	**430,747**	315,420
Income tax expense	14.1	**(97,242)**	(49,958)	**(78,138)**	(54,071)
Profit for the year		**276,068**	200,521	**352,609**	261,349
Profit for the year attributable to:					
Owners of the Company		**275,080**	200,935	**352,609**	261,349
Non-controlling interests		**988**	(414)	**—**	—
		276,068	200,521	**352,609**	261,349
Earnings per share, basic and diluted (Naira)	13	**16.14**	11.79	**20.69**	15.34

The accompanying notes and significant accounting policies form an integral part of these consolidated and separate financial statements.

Consolidated and Separate Statements of Comprehensive Income

For the year ended 31st December 2020

	Group		Company	
	Year ended 31/12/20 ₦'million	Year ended 31/12/19 ₦'million	**Year ended 31/12/20 ₦'million**	Year ended 31/12/19 ₦'million
Profit for the year	**276,068**	200,521	**352,609**	261,349
Other comprehensive income, net of income tax:				
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating net investments in foreign operations	**(509)**	(16,412)	**—**	—
Other comprehensive loss for the year, net of tax	**(509)**	(16,412)	**—**	—
Total comprehensive income for the year	**275,559**	184,109	**352,609**	261,349
Total comprehensive income for the year attributable to:				
Owners of the Company	**271,787**	184,304	**352,609**	261,349
Non-controlling interests	**3,772**	(195)	**—**	—
	275,559	184,109	**352,609**	261,349

The accompanying notes and significant accounting policies form an integral part of these consolidated and separate financial statements.

Consolidated and Separate Statements of Financial Position

As at 31st December 2020

	Notes	Group 31/12/20 ₦'million	Group 31/12/19 ₦'million	Company 31/12/20 ₦'million	Company 31/12/19 ₦'million
Assets					
Non-current assets					
Property, plant and equipment	15	**1,390,687**	1,206,749	**551,926**	545,834
Intangible assets	16	**4,554**	3,663	**180**	69
Right of use assets	17	**12,594**	11,956	**1,164**	994
Investments in subsidiaries	18.2	**—**	—	**162,246**	162,071
Investment in associate	18.3	**5,711**	4,961	**1,582**	1,582
Lease receivables	22	**9,846**	11,285	**9,846**	11,285
Deferred tax assets	14.4	**11,708**	44,768	**—**	14,356
Prepayments	19.1	**37,213**	51,233	**19,605**	5,690
Receivables from subsidiaries	31	**—**	—	**815,463**	663,113
Total non-current assets		**1,472,313**	1,334,615	**1,562,012**	1,404,994
Current assets					
Inventories	20	**108,270**	114,806	**54,545**	67,736
Trade and other receivables	21	**35,194**	31,093	**14,829**	12,700
Prepayments and other current assets	19.2	**248,561**	127,042	**405,066**	272,881
Lease receivables	22	**5,249**	4,266	**5,249**	4,266
Current tax assets	14.2	**7,029**	6,718	**5,511**	6,712
Cash and cash equivalents	32.1	**145,835**	123,903	**68,848**	55,787
Total current assets		**550,138**	407,828	**554,048**	420,082
Total assets		**2,022,451**	1,742,443	**2,116,060**	1,825,076
Liabilities					
Current liabilities					
Trade and other payables	25	**349,388**	285,831	**140,245**	130,939
Lease liabilities	33	**2,073**	1,409	**158**	—
Current tax liabilities	14.3	**59,781**	49,932	**58,117**	49,127
Financial liabilities	26	**335,011**	260,631	**258,280**	200,866
Derivatives	26.4	**104**	—	**104**	—
Other current liabilities	27.2	**83,460**	34,083	**81,709**	30,735
Total current liabilities		**829,817**	631,886	**538,613**	411,667
Non-current liabilities					
Deferred tax liabilities	14.4	**122,980**	93,841	**117,762**	89,473
Financial liabilities	26	**158,908**	107,279	**98,577**	39,700
Lease liabilities	33	**7,772**	7,447	**130**	—
Provisions	28	**8,049**	3,684	**5,049**	1,950
Deferred revenue	27.1	**374**	369	**—**	37
Employee benefit obligations	29	**3,581**	—	**3,552**	—
Total non-current liabilities		**301,664**	212,620	**225,070**	131,160
Total liabilities		**1,131,481**	844,506	**763,683**	542,827
Net assets		**890,970**	897,937	**1,352,377**	1,282,249
Equity					
Share capital	23.1	**8,520**	8,520	**8,520**	8,520
Share premium	23.1	**42,430**	42,430	**42,430**	42,430
Treasury Shares	23.3	**(9,833)**	—	**(9,833)**	—
Capital contribution	23.6	**2,877**	2,877	**2,828**	2,828
Currency translation reserve	23.5	**52,681**	55,974	**—**	—
Retained earnings		**779,271**	776,839	**1,308,432**	1,228,471
Equity attributable to owners of the Company		**875,946**	886,640	**1,352,377**	1,282,249
Non-controlling interest		**15,024**	11,297	**—**	—
Total equity		**890,970**	897,937	**1,352,377**	1,282,249
Total equity and liabilities		**2,022,451**	1,742,443	**2,116,060**	1,825,076

The accompanying notes and significant accounting policies form an integral part of these consolidated and separate financial statements.

These financial statements were approved and authorised for issue by the Board of Directors on 18 March, 2021 and were signed on its behalf by:

Aliko Dangote, GCON
Chairman, Board of Directors
FRC/2013/IODN/00000001766

Michel Puchercos
Group Chief Executive Officer/GMD
FRC/2017/IODN/00000015919

Guillaume Moyen
Group Chief Finance Officer
FRC/2019/001/00000020239

Consolidated Statement of Changes in Equity

For the year ended 31st December 2020

Group	Share capital ₦'million	Share premium ₦'million	Treasury shares ₦'million	Retained earnings ₦'million	Currency translation reserve ₦'million	Capital contribution ₦'million	Attributable to the owners of the parent ₦'million	Non-controlling Interests ₦'million	Total equity ₦'million
Balance as at 1st January 2019	8,520	42,430	—	848,695	72,605	2,877	975,127	11,486	986,613
Profit for the year	—	—	—	200,935	—	—	200,935	(414)	200,521
Other comprehensive income for the year, net of tax	—	—	—	—	(16,631)	—	(16,631)	219	(16,412)
Total comprehensive income/(loss) for the year	—	—	—	200,935	(16,631)	—	184,304	(195)	184,109
Dividends paid	—	—	—	(272,648)	—	—	(272,648)	(137)	(272,785)
Effect of changes in subsidiary shareholding	—	—	—	(143)	—	—	(143)	143	—
Balance as at 31st December 2019	8,520	42,430	—	776,839	55,974	2,877	886,640	11,297	897,937
Balance as at 1st January 2020	**8,520**	**42,430**	**—**	**776,839**	**55,974**	**2,877**	**886,640**	**11,297**	**897,937**
Profit for the year	**—**	**—**	**—**	**275,080**	**—**	**—**	**275,080**	**988**	**276,068**
Other comprehensive income for the year, net of tax	**—**	**—**	**—**	**—**	**(3,293)**	**—**	**(3,293)**	**2,784**	**(509)**
Total comprehensive income for the year	**—**	**—**	**—**	**275,080**	**(3,293)**	**—**	**271,787**	**3,772**	**275,559**
Dividends paid	**—**	**—**	**—**	**(272,648)**	**—**	**—**	**(272,648)**	**(45)**	**(272,693)**
Effect of shares buy-back	**—**	**—**	**(9,833)**	**—**	**—**	**—**	**(9,833)**	**—**	**(9,833)**
Balance as at 31st December 2020	**8,520**	**42,430**	**(9,833)**	**779,271**	**52,681**	**2,877**	**875,946**	**15,024**	**890,970**

The accompanying notes and significant accounting policies form an integral part of these consolidated and separate financial statements.

Separate Statement of Changes in Equity
For the year ended 31st December 2020

Company	Share capital ₦'million	Share premium ₦'million	Treasury shares ₦'million	Capital contribution ₦'million	Retained earnings ₦'million	Total equity ₦'million
Balance as at 1st January 2019	8,520	42,430	—	2,828	1,239,770	1,293,548
Profit for the year	—	—	—	—	261,349	261,349
Other comprehensive income for the year, net of tax	—	—	—	—	—	—
Total comprehensive income for the year	—	—	—	—	261,349	261,349
Dividends paid	—	—	—	—	(272,648)	(272,648)
Balance as at 31st December 2019	8,520	42,430	—	2,828	1,228,471	1,282,249
Balance as at 1st January 2020	**8,520**	**42,430**	**—**	**2,828**	**1,228,471**	**1,282,249**
Profit for the year	**—**	**—**	**—**	**—**	**352,609**	**352,609**
Other comprehensive income for the year, net of tax	**—**	**—**	**—**	**—**	**—**	**—**
Total comprehensive income for the year	**—**	**—**	**—**	**—**	**352,609**	**352,609**
Dividends paid	**—**	**—**	**—**	**—**	**(272,648)**	**(272,648)**
Effect of shares buy-back	**—**	**—**	**(9,833)**	**—**	**—**	**(9,833)**
Balance as at 31st December 2020	**8,520**	**42,430**	**(9,833)**	**2,828**	**1,308,432**	**1,352,377**

The accompanying notes and significant accounting policies form an integral part of these consolidated and separate financial statements.

Consolidated and Separate Statements of Cash Flows

For the year ended 31st December 2020

	Notes	Group Year ended 31/12/20 ₦'million	Group Year ended 31/12/19 ₦'million	Company Year ended 31/12/20 ₦'million	Company Year ended 31/12/19 ₦'million
Cash flows from operating activities					
Profit before tax		**373,310**	250,479	**430,747**	315,420
Adjustments for:					
Depreciation & amortisation	15, 16 & 17	**89,538**	95,463	**54,571**	53,454
Write off & impairment of property, plant, equipment and intangible		**1,850**	71	**—**	37
Interest expense	10.2	**43,971**	43,829	**28,881**	25,701
Interest income	10.1	**(13,183)**	(7,610)	**(41,238)**	(36,713)
Net exchange loss/(gain) on borrowings and non—operating assets		**(19,229)**	9,841	**(72,594)**	(12,178)
Derivatives		**104**	—	**104**	—
Share of income from associate	18.3	**(750)**	(649)	**—**	—
Amortisation of deferred revenue	27.1	**(148)**	(227)	**(119)**	(199)
Provisions		**4,365**	931	**3,099**	640
Provision for employee benefits obligations		**3,581**	—	**3,552**	—
Other adjustments		**118**	—	**118**	—
Loss on disposal of property, plant and equipment & right of use		**4**	130	**4**	47
		483,531	392,258	**407,125**	346,209
Changes in working capital:					
Change in inventories		**3,677**	(7,942)	**9,086**	(7,916)
Change in trade and other receivables		**(4,775)**	13,375	**(2,803)**	(1,654)
Change in trade and other payables		**51,446**	69,710	**(2,805)**	38,557
Change in prepayments and other current assets		**(51,519)**	(27,159)	**(42,702)**	(22,600)
Change in other current liabilities		**43,129**	(13,593)	**41,415**	(19,272)
		525,489	426,649	**409,316**	333,324
Change in lease receivables		**7,393**	4,067	**7,393**	4,067
Income tax paid		**(20,997)**	(4,601)	**(18,419)**	(3,907)
Net cash generated from operating activities		**511,885**	426,115	**398,290**	333,484
Cash flows from Investing activities					
Interest received		**8,438**	6,460	**5,035**	2,812
Acquisition of intangible assets	16	**(551)**	(220)	**(142)**	(43)
Additional receivables from subsidiaries		**—**	—	**(73,136)**	(71,236)
Repayment by subsidiaries		**—**	—	**10,760**	13,230
Loan given to parent company		**(70,000)**	—	**(70,000)**	—
Acquisition of investment		**—**	—	**(25)**	—
Acquisition of property, plant and equipment		**(210,370)**	(177,042)	**(71,827)**	(68,982)
Additions to property, plant and equipment	15	**(224,005)**	(174,952)	**(57,095)**	(63,050)
Change in prepayments for property, plant & equipment		**14,452**	10,593	**(13,915)**	(5,690)
Net suppliers' credit repaid		**(817)**	(12,683)	**(817)**	(242)
Net cash used in investing activities		**(272,483)**	(170,802)	**(199,335)**	(124,219)
Cash flows from Financing activities					
Interest paid		**(48,288)**	(34,842)	**(35,339)**	(17,460)
Lease payment		**(1,202)**	(967)	**(585)**	(149)
Dividends paid		**(272,693)**	(272,785)	**(272,648)**	(272,648)
Loans obtained		**500,786**	406,933	**477,406**	402,478
Loans repaid		**(377,861)**	(393,443)	**(354,728)**	(374,679)
Net cash used in financing activities		**(199,258)**	(295,104)	**(185,894)**	(262,458)
Increase/(decrease) in cash and cash equivalents		**40,144**	(39,791)	**13,061**	(53,193)
Cash and cash equivalents at beginning of year		**112,091**	159,026	**55,787**	108,980
Effects of exchange rate changes		**(11,196)**	(7,144)	**—**	—
Cash and cash equivalents at end of year	32.1	**141,039**	112,091	**68,848**	55,787

The accompanying notes and significant accounting policies form an integral part of these consolidated and separate financial statements.

1. General information

Dangote Cement Plc ("the Company") was incorporated in Nigeria as a public limited liability company on 4th November, 1992 and commenced operations in January 2007 under the name Obajana Cement Plc. The name was changed on 14th July 2010 to Dangote Cement Plc.

Its parent company is Dangote Industries Limited ("DIL" or "the Parent Company"). Its ultimate controlling party is Aliko Dangote.

The registered address of the Company is located at 1 Alfred Rewane Road, Ikoyi, Lagos, Nigeria.

The principal activity of the Company and its subsidiaries (together referred to as "the Group") is to operate plants for the preparation, manufacture and distribution of cement and related products. The Company's production activities are currently undertaken at Obajana town in Kogi State, Gboko in Benue State and Ibese in Ogun State; all in Nigeria. Information in respect of the subsidiaries' locations is disclosed in Note 18.

The consolidated financial statements for the year ended 31st December 2020 comprise the results and the financial position of the Company and its subsidiaries (together referred to as "the Group" and individually as "Group entities").

The separate financial statements of the Company for the year ended 31st December 2020 comprise those of the Company only.

2. Significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Statement of compliance

The Group and Company's financial statements for the year ended 31st December 2020 have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IASB"), and interpretations issued by the International Financial Reporting Interpretations Committee of the IASB (together "IFRS") that are effective at 31st December 2020 and requirements of the Companies and Allied Matters Act (CAMA), 2020 and the Financial Reporting Council of Nigeria Act, 2011.

2.2 Basis of preparation

The financial statements have been prepared in accordance with the going concern assumption under the historical cost concept except for the following items:

- Defined benefit obligations: Present value of the obligation.
- Non-derivative financial instruments – initially at fair value and subsequently at amortised cost using effective interest rate.
- Derivative financial instruments – measured at fair value.
- Inventory – lower of cost and net realisable value.
- Lease liabilities- measured at present value of future lease payments.

Historical cost is generally based on the fair value of the consideration given in exchange for assets. "

2.3 Basis of Consolidation

The Group financial statements incorporate the financial statements of the Parent Company and entities controlled by the Company and its subsidiaries made up to 31st December 2020. Control is achieved where the investor; (i) has power over the investee entity (ii) is exposed, or has rights, to variable returns from the investee entity as a result of its involvement, and (iii) can exercise some power over the investee to affect its returns.

The Company reassesses whether or not it still controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group.

Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statement of profit or loss and consolidated statement of comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate. Total comprehensive income of subsidiaries is attributed to the owners' of the Company and to the non-controlling interests even if this results in the non-controlling interest having a deficit balance.

2.3.1 Investments in subsidiaries

In the Company's separate financial statements, investments in subsidiaries are carried at cost less any impairment that has been recognised in profit or loss. The cost of an investment in a subsidiary is the aggregate of:

- the fair value, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the company; plus.
- any costs directly attributable to the purchase of the subsidiary.

Investments in subsidiaries are eliminated on consolidation in the Group financial statements. Management performs an assessment at the end of each reporting period to determine whether there is any indication that the Investment in the subsidiaries may be impaired.

2. Significant accounting policies continued

2.3 Basis of Consolidation continued

2.3.2 Transactions eliminated on consolidation

All intra-group balances and any gain and losses arising from intra-group transactions are eliminated in preparing the consolidated financial statements. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

2.4 Interest in associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with IFRS 5. Under the equity method, an investment in an associate is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate. When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The requirements of IAS 36 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount, Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate or when the investment is classified as held for sale. When the Group retains an interest in the former associate and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with IFRS 9. The difference between the carrying amount of the associate at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate is included in the determination of the gain or loss on disposal of the associate. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate. There is no remeasurement to fair value upon such changes in ownership interests.

When the Group reduces its ownership interest in an associate but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a group entity transacts with an associate of the Group, profits and losses resulting from the transactions with the associate are recognised in the Group's consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

In the separate financial statements for the parent company, investments in associates are recognised at cost less accumulated impairment.

2.5 Non-controlling interest

Non-controlling interest is the equity in a subsidiary or entity controlled by the Company, not attributable, directly or indirectly, to the parent company and is presented separately in the consolidated statement of profit or loss and other comprehensive income and within equity in the consolidated statement of financial position. Non-controlling interests are measured initially at their proportionate share of the acquiree's identifiable net assets at the date of acquisition. Total comprehensive income attributable to non-controlling interests is presented on the line "Non-controlling interests" in the statement of financial position, even if it creates negative non-controlling interests.

2.6 Acquisition of entities under common control

Business combinations arising from transfers of interests in entities that were under the control of the shareholder that controls the Group are accounted for prospectively as at the date that transfer of interest was effected. The assets and liabilities acquired are recognised at the carrying amounts recognised previously in the Group controlling shareholder's consolidated financial statements. The difference between the consideration paid and the net assets acquired is accounted for directly in equity.

2. Significant accounting policies continued

2.7 Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/ permitted by applicable IFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9, or when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

2.8 Revenue

The Group recognises revenue from the sale of cement and related products. Revenue is measured based on the consideration to which the Group expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control of products to the customers.

2.8.1 Sale of cement and related products

The Group sells cement and related producst both to distributors and directly to end user customers through its plants and depots.

For sales of products to the distributors, revenue is recognised when control of the goods has transferred, being when the goods have been delivered to the distributor's location if the agreement is for the Group to deliver. In case of self collection by distributors revenue is recognised when the distributor picks the products from the Group's factories or warehouses. Following delivery by the Group or self collection, the distributor has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility when onselling the goods and bears the risks of obsolescence and loss in relation to the goods. For distributors that buy on credit, a receivable is recognised by the Group when the goods are delivered to the distributor as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due.

For sales of goods to end user customers, revenue is recognised when control of the goods has transferred, being at the point the customer lifts the goods from our factories if it's self collection or at the point at which the goods are delivered if the agreement is for the Group to deliver. Payment for the transaction price is done by the time goods are collected otherwise a receivable is recognised at that point.

2.9 Finance income

Finance income comprises interest income on short-term deposits with banks, interest on leases, dividend income, changes in the fair value of financial instruments at fair value through profit or loss, compensation for time value of money on road infrastructure tax scheme and foreign exchange gains.

Dividend income from investments is recognised in profit and loss when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably).

Interest income on short-term deposits is recognised by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

2.10 Production cost of sales

Production cost of sales represents decreases in economic benefits during the accounting period that are directly or indirectly attributable to manufacturing inventory for sale.

2.11 Finance costs

Finance costs comprise interest expense on borrowings, unwinding of the discount on provision, foreign exchange losses except finance costs that are directly attributable to the acquisition, construction or production of a qualifying asset which are capitalised as part of the related assets, are recognised in profit or loss using the effective interest method.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss in the period in which they are incurred.

However, borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalised as part of the cost of that asset. The capitalisation of borrowing costs commences from the date of incurring of expenditure relating to the qualifying asset and ceases when all the activities necessary to prepare the qualifying asset for its intended use or sale are complete. The interest rate used to determine the amount of capitalised interest cost is the actual interest rate when there is a specific borrowing facility related to construction project or the Group's average borrowing interest rate. Borrowing costs relating to the period after acquisition, construction or production are expensed. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. The borrowing costs capitalised may not exceed the actual interest incurred by the Group.

2. Significant accounting policies continued

2.12 Foreign currency

2.12.1 Functional and presentation currency

These consolidated and separate financial statements are presented in the Nigerian Naira (₦), which is the Company's functional currency. All financial information presented in Naira has been rounded to the nearest million unless where otherwise stated.

2.12.2 Foreign currency transactions

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- exchange differences on transactions entered into in order to hedge certain foreign currency risks; and
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on disposal of the subsidiaries.

2.12.3 Foreign operations

In the Group's consolidated financial statements, all assets and liabilities of Group entities with a functional currency other than the Naira are translated into Naira upon consolidation. On consolidation, assets and liabilities have been translated at the closing rate at the reporting date. Income and expenses have been translated into the Naira at the average rate over the reporting period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used.

Exchange differences are charged/credited to other comprehensive income and recognised in currency translation reserve in equity. The exchange differences arising on the translation are taken directly to a separate component of other comprehensive income"Currency translation differences". On the partial or total disposal of a foreign entity with a loss of control, the related share in the cumulative translation differences recognised in equity is recognised in the consolidated statement of profit or loss.

2.13 Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the assets. Property, plant and machinery under construction are disclosed as capital work-in-progress. The cost of construction recognised includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, including borrowing costs on qualifying assets in accordance with the Group's accounting policy and the estimated costs of dismantling and removing the items and restoring the site on which they are located if the Group has a legal or constructive obligation to do so.

Such assets are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets commences when the assets are ready for their intended use. When parts of an item of property, plant and equipment have different useful lives and are individually significant in relation to total cost of an item, they are accounted for as separate items (major components) of property, plant and equipment.

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefit embodied within the component will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The cost of day to day servicing of the property plant and equipment is recognised in profit or loss as incurred.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

2.13.1 Depreciation

Depreciation is calculated on the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value (except for freehold land and assets under construction). Depreciation is recognised within "Cost of sales" and "Administrative expenses and selling and distribution expenses," depending on the utilisation of the respective assets on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment.

Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term in which case the assets are depreciated over their useful life on the same basis as owned assets. Strategic spare parts with high value and held for commissioning of a new plant or for infrequent maintenance of plants are capitalised and depreciated over the shorter of their useful life and the remaining life of the plant from the date such strategic spare parts are capable of being used for their intended use.

2. Significant accounting policies continued

2.13 Property, plant and equipment continued

2.13.1 Depreciation continued

Major overhaul expenditure, including replacement spares and labour costs, is capitalised and amortised over the average expected life between major overhauls. All other replacement spares and other costs relating to maintenance of plant are charged to profit or loss on consumption or as incurred respectively.

	Useful life (years)
Leasehold land improvement	Over the lease period
Buildings	25 – 50
Plant and machinery	10–25
Power plants	5–25
Cement plants	5–25
Motor vehicles	4–6
Computer hardware	3
Furniture and equipment	5
Aircraft and related components	5–25

The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

2.14 Intangible assets

In accordance with criteria set out in IAS 38 – "Intangible assets", intangible assets are recognised only if identifiable; controlled by the entity because of past events; it is probable that the expected future economic benefits that are attributable to the asset will flow to the Group and the cost of the asset can be measured reliably. Intangible assets primarily include amortizable items such as software, mineral rights, as well as certain development costs that meet the IAS 38 criteria.

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Intangible assets are amortized using the straight-line method over their useful lives ranging from two to seven years. Amortisation expense is recorded in "Cost of sales" and "Selling and distribution expenses" or administrative expenses, based on the function of the underlying assets. The estimated useful lives and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Exploration assets are carried at cost less any impairment losses. All costs, including overhead costs directly associated with the specific project are capitalised. The directors evaluate each project at each period end to determine if the carrying value should be written off. In determining whether expenditure meets the criteria to be capitalised, the directors use information from several sources, depending on the level of exploration.

Purchased exploration and evaluation assets are recognised at the cost of acquisition or at the fair value if purchased as part of a business combination.

Exploration assets are amortised over a period of 30 years in line with the estimates lives of the mines.

Internally-generated intangible assets – research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred. An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

2.14.2 Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

2. Significant accounting policies continued

2.15 Prepayments

Prepayments are non-financial assets which result when payments are made in advance of the receipt of goods and services. They are recognised when the Group expects to receive future economic benefits equivalent to the value of the prepayments. The receipt or consumption of the services results in a reduction in the prepayment and a corresponding increase in expenses or assets for that reporting period.

2.16 Inventories

Inventories are stated at the lower of cost and net realisable value, with appropriate provisions for old and slow moving items. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

Cost is determined as follows:

Raw Materials
Raw Materials which include purchase cost and other costs incurred to bring the materials to their location and condition are valued using a weighted average cost basis.

Work in progress
Cost of work in progress includes cost of raw material, labour, production and attributable overheads based on normal operating capacity. Work in progress is valued using a weighted average cost basis.

Finished goods
Cost is determined using the weighted average method and includes cost of material, labour, production and attributable overheads based on normal operating capacity.

Spare parts and consumables
Spare parts which are expected to be fully utilized in production within the next operating cycle and other consumables are valued at weighted average cost after making allowance for obsolete and damaged stocks.

2.17 Statement of cash flows

The statement of cash flows shows the changes in cash and cash equivalents arising during the period from operating, investing and financing activities. The Group applies the indirect method for the preparation of the statement of cash flows. Changes in statement of financial position items that have not resulted in cash flows such as translation differences, fair value changes and other non-cash items have been adjusted for the purpose of preparing the statement. Dividends paid to ordinary shareholders are included in financing activities. Interest paid is also included in financing activities while interest income is included in investing activities.

2.18 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial instruments are recognised in the consolidated and separate statements of financial position when a member of the Group or the Company becomes a party to the contractual obligations of the instrument. Regular way purchases or sales of financial assets, i.e. purchases or sales under a contract whose terms require delivery of the asset within the time frame established generally by regulation or convention in the marketplace concerned, are accounted for at the trade date.

Initially, financial instruments are recognized at their fair value. Transaction costs directly attributable to the acquisition or issue of financial instruments are recognized in determining the carrying amount except for financial instruments at fair value through profit or loss. For financial instruments classified as Fair Value Through Profit or Loss (FVTPL) transaction costs incurred are recognized in profit or loss. Subsequently, financial assets and liabilities are measured according to the category to which they are assigned. The Group does not make use of the option to designate financial assets or financial liabilities at fair value through profit or loss at inception Fair Value Option).

2. Significant accounting policies continued

2.18 Financial instruments continued

2.18.1 Financial assets

Classification of financial assets

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Group does not have debt instruments that are measured subsequently at fair value through other comprehensive income (FVTOCI).

Despite the foregoing, the Group may make the following irrevocable election/designation at initial recognition of a financial asset:

- the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met; and
- the Group may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

2.18.2 Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

2.19 Cash and cash equivalents

The Group considers all highly liquid unrestricted investments with less than three months maturity from the date of acquisition to be cash equivalents. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows. Term deposit with tenor of 90 days or less are also included in cash and cash equivalents if they are held for short term cash commitments rather than for investment or other purposes.

2.20 Trade and other receivables

The fair value of trade and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. This fair value is determined for disclosure purposes. For short term trade receivables, no disclosure of fair value is presented when the carrying amount is a reasonable approximation of fair value due to the insignificant impact of discounting.

2.21 Equity instruments designated as at FVTOCI

On initial recognition, the Group may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognised by an acquirer in a business combination.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has evidence of a recent actual pattern of short-term profit-taking; or
- it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument.

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the investments revaluation reserve. The cumulative gain or loss is not be reclassified to profit or loss on disposal of the equity investments, instead, it is transferred to retained earnings.

Dividends on these investments in equity instruments are recognised in profit or loss in accordance with IFRS 9, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the 'finance income' line item (note 10) in profit or loss.

2. Significant accounting policies continued

2.22 Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by a member of the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

2.22.1 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs. Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. Equity instruments includes share capital, share premium, currency translation reserve and capital contribution.

2.22.2 Financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at FVTPL.

Financial liabilities measured subsequently at amortised cost

Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held-for-trading, or (iii) designated as at FVTPL, are measured subsequently at amortised cost using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

2.22.3 De-recognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

2.22.4 Offsetting

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.22.5 Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial assets other than purchased or originated credit-impaired financial assets (i.e. assets that are credit-impaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVTOCI. For financial assets other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

For purchased or originated credit-impaired financial assets, the Group recognises interest income by applying the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit-impaired.

Interest income is recognised in profit or loss and is included in the "finance income – interest income" line item (note 10).

2. Significant accounting policies continued

2.23 Trade and other payables

Trade and other payables are recognised when the Group and Company becomes a party to the contractual provisions, and are measured, at initial recognition, at fair value plus transaction costs, if any. They are subsequently measured at amortised cost using the effective interest method. The effective interest rate exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability. If trade and other payables contain a significant financing component, and the effective interest method results in the recognition of interest expense, then it is included in profit or loss in finance costs. Trade and other payables expose the Group and Company to liquidity risk and possibly to interest rate risk.

2.24 Impairment

2.24.1 Financial assets

The Group recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost or at FVTOCI, lease receivables, trade receivables and contract assets, as well as on financial guarantee contracts. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument. The Group always recognises lifetime ECL for trade receivables, contract assets and lease receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate. For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

(i) Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations."

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk for a particular financial instrument, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor, or the length of time or the extent to which the fair value of a financial asset has been less than its amortised cost;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- significant increases in credit risk on other financial instruments of the same debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

(1) The financial instrument has a low risk of default,

(2) The debtor has a strong capacity to meet its contractual cash flow obligations in the near term, and

(3) Adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

2. Significant accounting policies continued

2.24 Impairment continued

2.24.1 Financial assets continued

(i) Significant increase in credit risk continued

The Group considers a financial asset to have low credit risk when the asset has external credit rating of 'investment grade' in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of 'performing'. Performing means that the counterparty has a strong financial position and there is no past due amounts.

For financial guarantee contracts, the date that the Group becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing the financial instrument for impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition of a financial guarantee contracts, the Group considers the changes in the risk that the specified debtor will default on the contract.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

(ii) Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the debtor; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collateral held by the Group).

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

(a) significant financial difficulty of the issuer or the borrower;

(b) a breach of contract, such as a default or past due event (see (ii) above);

(c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;

(d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or

(e) the disappearance of an active market for that financial asset because of financial difficulties."

2.24.2 Non-financial assets

The carrying amounts of the Group's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. For intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated at each reporting date.

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner unless in case where there is sufficient security. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

(v) Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Group's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

2. Significant accounting policies continued

2.24 Impairment

2.24.2 Non-financial assets continued

(v) Measurement and recognition of expected credit losses continued

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate. For a lease receivable, the cash flows used for determining the expected credit losses is consistent with the cash flows used in measuring the lease receivable in accordance with IFRS 16 Leases.

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which simplified approach was used.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognised in other comprehensive income and accumulated in the investment revaluation reserve.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is recognised if the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognized in profit or loss. Impairment losses are reversed when there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. A reversal of an impairment loss is recognised immediately in the Profit or loss.

2.25 Measurement of fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability that market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated and separate financial statements is determined on such a basis, except for leasing transactions that are within the scope of IFRS 16, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 or value in use in IAS 36.

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred Further information about the assumptions made in measuring fair values is included in the following notes: If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. The Group only has assets measured on re-curring basis in each reporting period.

2.25.1 Derivative financial assets and liabilities fair value

Derivatives are initially measured at fair value; any directly attributable transaction costs are recognised in profit or loss as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in profit or loss.

2.26 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

2.26.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in profit or loss because of items of income or expense that are taxable or deductible in future years and items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period. Current tax assets and liabilities are offset only if certain criteria are met.

2. Significant accounting policies continued

2.26 Taxation

2.26.2 Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Deferred tax is not recognized for the following temporary differences: (i) the initial recognition of goodwill, (ii) the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and (iii) differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax assets and liabilities are offset only if certain criteria are met.

2.26.3 Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

2.27 Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates. The total of the government grant is recognised as deferred revenue on the statement of financial position and is recognised in profit or loss over the period the related expenditure is incurred.

Export Expansion Grant (EEG) is recognised upon confirmation of the Group's eligibility by the relevant government departments.

2.28 Employee benefits

2.28.1 Short term employee benefits

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided by the employee. This includes wages, salaries, bonuses, paid annual leave, sick leave and other contributions. These benefits are expensed in the period in which the associated services are rendered by employees of the Group. A liability is recognised for the amount that is expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably. The Group ensures that each employee is paid his/her annual leave entitlement at the end of each reporting period.

2.28.2 Defined contribution plans

The Group operates a defined contribution retirement benefit scheme for its employees. A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The assets of this scheme are held in separate trustee administered funds, which are funded by contributions from both the employee and the Group. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

2. Significant accounting policies continued

2.28 Employee benefits continued

2.28.3 Defined benefit plans

The group operates defined benefit plans for certain qualifying employees. Defined benefit plans define an amount of pension benefit that an employee will receive on retirement, dependent on, years of service and compensation. The liability recognised in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by using actuarial methods of projected unit credit. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation. Where there is no deep market in such bonds, the market rates on government bonds are used. The estimated cost of providing such benefits is charged to the statement of profit or loss on a systematic basis over the employees' working lives. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions (remeasurements) are recognised in other comprehensive income in the period in which they arise and accumulated in retained earnings. Current service cost is included as part of administrative expense and interest cost is included as part of finance cost in the profit or loss.

2.28.4 Other long-term employee benefits (Long service award)

The group provides employees with two (2) Long Service Award Benefits. The benefits are gift items, Ex-Gratia (expressed as a multiple of Monthly Basic Salary), a plaque and certificate. The liability recognised in respect of these awards is computed using actuarial methods (discounted at present value). Any resulting remeasurement gain/loss is recognised in full within other income/administrative expense in the profit or loss. Current service cost is included as part of administrative expense and interest cost is included as part of finance cost in the profit or loss.

2.28.5 Termination benefit

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring. Benefits are expected to be settled wholly within 12 months of the reporting date.

2.29 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

2.29.1 Restoration costs

Environmental expenditure related to existing conditions resulting from past or current operations and from which no current or future benefit is discernible is charged to profit or loss. The Group recognizes its liability on a site-by-site basis when it can be reliably estimated. This liability includes the Group's portion of the total costs and also a portion of other potentially responsible parties' costs when it is probable that they will not be able to satisfy their respective shares of the clean-up obligation. Recoveries of reimbursements are recorded as assets when virtually certain.

The Group has an obligation to restore all quarry sites due to the mining activities in those areas. The provision for the site restoration is determined based on the disturbed areas and is measured at the present value of the expected future cash flows that will be required to perform the site restoration. The estimated future costs for known restoration requirements are determined on a site-by-site basis. The cash flows are discounted at a pre-tax rate that reflects the current market assessments of the time value of money and the risk specific to the site restoration liability. The unwinding of the discount is expensed as incurred and recognised in the statement of profit or loss as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs, timing of future cash flows, or in the discount rate applied, are accounted for in the profit or loss at each statement of financial position date.

2.30 Contingencies

Contingent liabilities are not recognized in the consolidated and separate statements of financial position but are disclosed unless the possibility of any outflow in settlement is remote. A contingent asset is not recognized in the consolidated statement of financial position but disclosed when an inflow of economic benefits is probable.

2.31 Earnings per share

The Group presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of shares outstanding during the period. The weighted average number of ordinary shares outstanding during the period and for all periods presented is adjusted for the issue of bonus shares as if the bonus shares were outstanding at the beginning of earliest period presented.

Diluted earnings per share are computed by dividing adjusted net income available to shareholders of the Company by the weighted average number of common shares outstanding during the year adjusted to include any dilutive potential common shares. The Group does not have any dilutive instruments.

2. Significant accounting policies continued

2.32 Leases

Leases – as a lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the consolidated and separate statements of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the consolidated statement of financial position.

The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has not used this practical expedient. For a contracts that contain a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

2. Significant accounting policies continued

2.32 Leases continued

Leases – as a lessor

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

When a contract includes both lease and non-lease components, the Group applies IFRS 15 to allocate the consideration under the contract to each component.

3 Application of new and revised International Financial Reporting Standards (IFRSs)

3.1 New and revised IFRSs/IFRICs affecting amounts reported and/or disclosures in these financial statements

In the current year, the Group has applied a number of amendments to IFRSs issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting periods that begin on or after 1st January 2020.

Impact of the initial application of Interest Rate Benchmark Reform amendments to IFRS 9 and IFRS 7.

In September 2019, the IASB issued Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7). These amendments modify specific hedge accounting requirements to allow hedge accounting to continue for affected hedges during the period of uncertainty before the hedged items or hedging instruments affected by the current interest rate benchmarks are amended as a result of the on-going interest rate benchmark reforms.

The amendments did not affect the Group's Financial Statements given that it does not apply hedge accounting to its benchmark interest rate exposures.

Impact of the initial application of Covid-19-Related Rent Concessions Amendment to IFRS 16

In May 2020, the IASB issued Covid-19-Related Rent Concessions (Amendment to IFRS 16) that provides practical relief to lessees in accounting for rent concessions occurring as a direct consequence of COVID-19, by introducing a practical expedient to IFRS 16. The practical expedient permits a lessee to elect not to assess whether a COVID- 19-related rent concession is a lease modification. A lessee that makes this election shall account for any change in lease payments resulting from the COVID-19-related rent concession the same way it would account for the change applying IFRS 16 if the change were not a lease modification.

The practical expedient applies only to rent concessions occurring as a direct consequence of COVID-19 and only if all of the following conditions are met:

a) The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;

b) Any reduction in lease payments affects only payments originally due on or before 30th June 2021 (a rent concession meets this condition if it results in reduced lease payments on or before 30th June 2021 and increased lease payments that extend beyond 30th June 2021); and

c) There is no substantive change to other terms and conditions of the lease.

In the current financial year, the Group did not get any rent oncession as a direct resut of Covid-19.

Amendments to References to the Conceptual Framework in IFRS Standards

The Group has adopted the amendments included in Amendments to References to the Conceptual Framework in IFRS Standards for the first time in the current year. The amendments include consequential amendments to affected Standards so that they refer to the new Framework. Not all amendments, however, update those pronouncements with regard to references to and quotes from the Framework so that they refer to the revised Conceptual Framework. Some pronouncements are only updated to indicate which version of the Framework they are referencing to (the IASC Framework adopted by the IASB in 2001, the IASB Framework of 2010, or the new revised Framework of 2018) or to indicate that definitions in the Standard have not been updated with the new definitions developed in the revised Conceptual Framework.

The Standards which are amended are IFRS 2, IFRS 3, IFRS 6, IFRS 14, IAS 1, IAS 8, IAS 34, IAS 37, IAS 38, IFRIC 12, IFRIC 19, IFRIC 20, IFRIC 22, and SIC-32.

The adoption of the amendments has not had any material impact on the disclosures or on the amounts reported in these financial statements.

3 Application of new and revised International Financial Reporting Standards (IFRSs) continued

3.1 New and revised IFRSs/IFRICs affecting amounts reported and/or disclosures in these financial statements continued

Amendments to IFRS 3 Definition of a business

The Group has adopted the amendments to IFRS 3 for the first time in the current year. The amendments clarify that while businesses usually have outputs, outputs are not required for an integrated set of activities and assets to qualify as a business. To be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs.

The amendments remove the assessment of whether market participants are capable of replacing any missing inputs or processes and continuing to produce outputs. The amendments also introduce additional guidance that helps to determine whether a substantive process has been acquired.

The amendments introduce an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business. Under the optional concentration test, the acquired set of activities and assets is not a business if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar assets. The amendments are applied prospectively to all business combinations and asset acquisitions for which the acquisition date is on or after 1st January 2020.

This amendment did not have any impact on the Group's Financial Statements because there was no acquisition.

Amendments to IAS 1 and IAS 8 Definition of material

The Group has adopted the amendments to IAS 1 and IAS 8 for the first time in the current year. The amendments make the definition of material in IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRS Standards. The concept of 'obscuring' material information with immaterial information has been included as part of the new definition.

The threshold for materiality influencing users has been changed from 'could influence' to 'could reasonably be expected to influence'. The definition of material in IAS 8 has been replaced by a reference to the definition of material in IAS 1. In addition, the IASB amended other Standards and the Conceptual Framework that contain a definition of 'material' or refer to the term 'material' to ensure consistency.

This amendment did not have any impact on the Group's Financial Statements.

3.2 New and revised IFRSs in issue but not yet effective

IFRS 17	Insurance Contracts
IFRS 10 and IAS 28 (amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
Amendments to IAS 1	Classification of Liabilities as Current or Non-current
Amendments to IFRS 3	Reference to the Conceptual Framework
Amendments to IAS 16	Property, Plant and Equipment—Proceeds before Intended Use
Amendments to IAS 37	Onerous Contracts – Cost of Fulfilling a Contract
Annual Improvements to IFRS Standards 2018-2020 Cycle	Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IFRS 16 Leases, and IAS 41 Agriculture

The directors do not expect that the adoption of the Standards listed above and detailed below will have a material impact on the financial statements of the Group in future periods, except as stated otherwise below:

IFRS 17 Insurance Contracts

The new Standard establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes IFRS 4 Insurance Contracts. The Standard outlines a General Model, which is modified for insurance contracts with direct participation features, described as the Variable Fee Approach. The General Model is simplified if certain criteria are met by measuring the liability for remaining coverage using the Premium Allocation Approach.The General Model will use current assumptions to estimate the amount, timing and uncertainty of future cash flows and it will explicitly measure the cost of that uncertainty, it takes into account market interest rates and the impact of policyholders' options and guarantees.

The implementation of the Standard is unlikely to bring significant changes entity's processes, systems and financial statements as the Group does not hold insurance contracts.

The Standard is effective for annual reporting periods beginning on or after 1st January 2021, with early application permitted.

IFRS 10 Consolidated Financial Statements and IAS 28 (amendments) Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture. The effective date of the amendments has yet to be set by the IASB; however, earlier application of the amendments is permitted. The directors of the Company anticipate that the application of these amendments may have an impact on the Group's consolidated financial statements in future periods should such transactions arise.

3 Application of new and revised International Financial Reporting Standards (IFRSs) continued

3.1 New and revised IFRSs/IFRICs affecting amounts reported and/or disclosures in these financial statements continued

Amendments to IAS 1 – Classification of Liabilities as Current or Non-current

The amendments to IAS 1 affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

The amendments are applied retrospectively for annual periods beginning on or after 1st January 2023, with early application permitted. This is not expected to have a material impact on the Group Financial Statements.

Amendments to IFRS 3 – Reference to the Conceptual Framework

The amendments update IFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework. They also add to IFRS 3 a requirement that, for obligations within the scope of IAS 37, an acquirer applies IAS 37 to determine whether at the acquisition date a present obligation exists as a result of past events. For a levy that would be within the scope of IFRIC 21 Levies, the acquirer applies IFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date.

Finally, the amendments add an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination.

The amendments are effective for business combinations for which the date of acquisition is on or after the beginning of the first annual period beginning on or after 1st January 2022. Early application is permitted if an entity also applies all other updated references (published together with the updated Conceptual Framework) at the same time or earlier. This may have an impact on the Group Financial Statements if such transactions occur in future

Amendments to IAS 16 – Property, Plant and Equipment—Proceeds before Intended Use

The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced before that asset is available for use, i.e. proceeds while bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Consequently, an entity recognises such sales proceeds and related costs in profit or loss. The entity measures the cost of those items in accordance with IAS 2 Inventories.

The amendments also clarify the meaning of 'testing whether an asset is functioning properly'. IAS 16 now specifies this as assessing whether the technical and physical performance of the asset is such that it is capable of being used in the production or supply of goods or services, for rental to others, or for administrative purposes.

If not presented separately in the statement of comprehensive income, the financial statements shall disclose the amounts of proceeds and cost included in profit or loss that relate to items produced that are not an output of the entity's ordinary activities, and which line item(s) in the statement of comprehensive income include(s) such proceeds and cost.

The amendments are applied retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments.

The entity shall recognise the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented. The Directors anticipate that the amendment will have an impact of the Fiancial Statements if such tranactions occur.

Amendments to IAS 37 – Onerous Contracts—Cost of Fulfilling a Contract

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract consist of both the incremental costs of fulfilling that contract (examples would be direct labour or materials) and an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

The amendments apply to contracts for which the entity has not yet fulfilled all its obligations at the beginning of the annual reporting period in which the entity first applies the amendments. Comparatives are not restated. Instead, the entity shall recognise the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application.

The amendments are effective for annual periods beginning on or after 1st January 2022, with early application permitted. The Directors anticipate that the amendment will have an impact of the Fiancial Statements if such transactions occur.

3 Application of new and revised International Financial Reporting Standards (IFRSs) continued

3.1 New and revised IFRSs/IFRICs affecting amounts reported and/or disclosures in these financial statements continued

Annual Improvements to IFRS Standards 2018–2020 (The Annual Improvements include amendments to four Standards).

IFRS 1 First-time Adoption of International Financial Reporting Standards

The amendment provides additional relief to a subsidiary which becomes a first-time adopter later than its parent in respect of accounting for cumulative translation differences. As a result of the amendment, a subsidiary that uses the exemption in IFRS 1:D16(a) can now also elect to measure cumulative translation differences for all foreign operations at the carrying amount that would be included in the parent's consolidated financial statements, based on the parent's date of transition to IFRS Standards, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. A similar election is available to an associate or joint venture that uses the exemption in IFRS 1:D16(a). The amendment is effective for annual periods beginning on or after 1st January 2022, with early application permitted.

IFRS 9 Financial Instruments

The amendment clarifies that in applying the '10 per cent' test to assess whether to derecognise a financial liability, an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf. The amendment is applied prospectively to modifications and exchanges that occur on or after the date the entity first applies the amendment. The amendment is effective for annual periods beginning on or after 1st January 2022, with early application permitted.

IFRS 16 Leases

The amendment removes the illustration of the reimbursement of leasehold improvements. As the amendment to IFRS 16 only regards an illustrative example, no effective date is stated.

4 Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The management of the Group revises its estimates and assumptions on a regular basis to ensure that they are relevant regarding the past experience and the current economic and political environment. Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. The accounting for certain provisions, certain financial instruments and the disclosure of financial assets, contingent assets and liabilities at the date of the consolidated and separate financial statements is judgmental. The items, subject to judgment, are detailed in the corresponding notes to the consolidated and separate financial statements.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are discussed below:

4.1 Critical accounting judgements

The Group has no critical area of accounting judgements.

4.2 Key sources of estimation uncertainty

4.2.1 Estimated useful lives and residual values of property, plant and equipment

The Group's management determines the estimated useful lives and related depreciation charge for its items of property, plant and equipment on an annual basis. The Group has carried out a review of the residual values and useful lives of property, plant and equipment as at 31st December 2020 and no adjustments done to the remaining useful lives of assets.

4.2.2 Provision for site restoration

Where the Group is legally, contractually or constructively required to restore a site, the estimated costs of site restoration are accrued for at the present value of expected costs to settle the obligation using estimated cash flows and are recognised. The unwinding of the discount is expensed as incurred and recognised in the statement of profit or loss as a finance cost. The estimated future costs of site restoration are reviewed annually and adjusted as appropriate. The estimated future costs for known restoration requirements are determined on a site-by-site basis and are calculated based on the present value of future activities. See further details in Note 28.

4.2.3 Uncertain tax treatments

Significant estimates are required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

4.2.4 Measurement of ECL allowance

The Group assesses its trade receivables for impairment at the end of each reporting period. In determining whether an impairment should be recorded in profit or loss, the Group makes significant assumptions in line with the expected credit loss model of IFRS 9 in determining the weighted average loss rate. See further details in Note 21.

4.2.5 Provisions and Contingencies

The Group makes judgements in recognition and measurement of provisions and contingencies especially relating to key assumptions about the likelihood and magnitude of an outflow of resources. See note 35.

4 Critical accounting judgements and key sources of estimation uncertainty continued

4.2 Key sources of estimation uncertainty continued

4.2.6 Employee benefit obligations

The cost of the defined benefit plans and the present value of retirement benefit obligations and long service awards are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and changes in inflation rates. Due to the complexities involved in the valuation and its long-term nature, these obligations are highly sensitive to changes in assumptions. All assumptions are reviewed at each reporting date. The parameter most subject to change is the discount rate. In determining the appropriate discount rate, management considers market yield on federal government bond in currencies consistent with the currencies of the post-employment benefit obligation and extrapolated as needed along the yield curve to correspond with the expected term of the defined benefit obligation. Further information is provided in Note 29.

4.2.7 Impairment of investment in subsidiaries

Management estimates the recoverable amount of the Investment in subsidiaries by assessing the value in use. Estimating the recoverable amount involves a number of assumptions, judgements and estimates regarding various inputs.

4.2.7 Deferred tax asset

Recognition of deferred tax asset: assumptions about the availability of future taxable profit against which tax losses carried forward can be utilised.

5. Revenue (tonnes)

	Group		Company	
	2020 '000 tonnes	2019 '000 tonnes	**2020 '000 tonnes**	2019 '000 tonnes
Cement production and bagging capacity (for the year)	**48,550**	45,550	**29,250**	29,250
Production volume*	**24,730**	22,809	**15,529**	14,119
Trade cement purchase*	**658**	516	**460**	—
Decrease/(increase) in stock*	**332**	358	**(53)**	—
Sales volume*	**25,720**	23,683	**15,936**	14,119

* Includes both cement and clinker volumes.

Decrease/(increase) in stocks refers to the difference between the opening and closing stocks for the year.

	Group		Company	
	Year ended 31/12/2020 ₦'million	Year ended 31/12/2019 ₦'million	**Year ended 31/12/2020 ₦'million**	Year ended 31/12/2019 ₦'million
Revenue from contracts with customers				
Revenue from sales of cement and clinker	**1,032,594**	889,359	**719,945**	610,247
Revenue from sales of other products	**1,602**	2,312	**—**	—
	1,034,196	891,671	**719,945**	610,247

Revenue after adjusting intra-group sales as shown above are from external customers.

5.1 Information about major customers

Included in revenue arising from direct sales of cement of ₦1,032.6 billion (2019: ₦889.4 billion) is revenue of approximately ₦34.3 billion (2019: ₦29.09 billion) which arose from sales to the Group's largest customer.

No single customer contributed 10% or more to the Group's revenue for both 2020 and 2019 financial years.

6 Segment information

6.1 Products and services from which reportable segments derive their revenue

The Executive Management Committee is the Company's Chief Operating Decision Maker. Management has determined operating segments based on the information reported and reviewed by the Executive Management Committee for the purposes of allocating resources and assessing performance. The Executive Management Committee reviews internal management reports on at least a quarterly basis. These internal reports are prepared on the same basis as the accompanying consolidated and separate financial statements.

Segment information is presented in respect of the Group's reportable segments. For management purposes, the Group is organised into business units by geographical areas in which the Company operates. The Group has 2 reportable segments based on location of the principal operations as follows:

- Nigeria
- Pan Africa

Pan Africa consists of all operations outside Nigeria.

6 Segment information continued

6.2 Segment revenue and results

The following is an analysis of the Group's revenue, results, assets and liabilities by reportable segment. Performance is measured based on segment sales revenue, earnings before interest, tax, depreciation and amortisation (EBITDA) and profit from operating activities, as included in the internal management reports that are reviewed by the Executive Management Committee. Segment revenue and operating profit are used to measure performance as management believes that such information is the most relevant in evaluating results of certain segments relative to other entities that operate within the industry.

	2020				
Segment results	**Nigeria ₦'million**	**Pan Africa ₦'million**	**Central administrative costs ₦'million**	**Eliminations ₦'million**	**Total ₦'million**
Revenue	**719,945**	**318,681**	**—**	**(4,430)**	**1,034,196**
EBITDA*	**421,417**	**71,313**	**(17,000)**	**2,392**	**478,122**
Depreciation, amortisation,write off and Impairment	**54,605**	**36,803**	**—**	**(20)**	**91,388**
Operating profit	**366,812**	**34,510**	**(17,000)**	**2,412**	**386,734**
Other income	**1,922**	**2,832**	**—**	**—**	**4,754**
Finance income	**111,134**	**25,112**	**—**	**(106,432)**	**29,814**
Finance costs	**29,490**	**44,198**	**—**	**(29,700)**	**43,988**
Income tax expense	**(78,138)**	**(19,104)**	**—**	**—**	**(97,242)**
Profit/(loss) after tax	**370,317**	**(81,120)**	**(17,000)**	**3,871**	**276,068**

* Represents earnings before interest, taxes, depreciation, amortisation and impairment.

Segment assets and liabilities					
Non-current assets	**1,789,626**	**689,668**	**—**	**(1,006,981)**	**1,472,313**
Current assets	**565,909**	**210,812**	**—**	**(226,583)**	**550,138**
Total assets	**2,355,535**	**900,480**	**—**	**(1,233,564)**	**2,022,451**
Segment liabilities	**1,004,656**	**1,168,038**	**—**	**(1,041,213)**	**1,131,481**
Net additions to non-current assets, excluding deferred tax	**282,238**	**45,219**	**—**	**(156,699)**	**170,758**

	2019				
Segment results	Nigeria ₦'million	Pan Africa ₦'million	Central administrative costs ₦'million	Eliminations ₦'million	Total ₦'million
Revenue	610,247	282,710	—	(1,286)	891,671
EBITDA*	361,204	47,858	(13,635)	—	395,427
Depreciation, amortisation, write off and Impairment	53,491	43,835	—	(1,792)	95,534
Operating profit	307,713	4,023	(13,635)	1,792	299,893
Other Income	1,247	1,733	—	—	2,980
Finance income	47,558	3,648	—	(43,596)	7,610
Finance costs	26,037	97,077	—	(65,441)	57,673
Profit/(loss) after tax	275,154	(85,293)	(13,635)	24,295	200,521

* Represents earnings before interest, taxes, share of profit from associate, depreciation, amortisation & impairment.

Segment assets and liabilities					
Non-current assets	1,521,744	663,153	—	(850,282)	1,334,615
Current assets	420,081	180,599	—	(192,852)	407,828
Total assets	1,941,825	843,752	—	(1,043,134)	1,742,443
Segment liabilities	661,452	1,035,922	—	(852,868)	844,506
Net additions to non-current assets, excluding deferred tax	192,461	(25,970)	—	(101,647)	64,844

The accounting policies of the reportable segments are the same as the Group's accounting policies described in Note 2. Each segment bears its administrative costs and there are no allocations from central administration. This is the measure reported to the Chief Operating Decision Maker for the purposes of resource allocation and assessment of segment performance. Group financing (including finance income and finance costs) and income taxes are managed at an individual company level.

6. Segment information continued

6.2 Segment revenue and results continued

A reconciliation of earnings before interest, tax, depreciation and amortisation (EBITDA) is presented below:

	Year ended 31/12/2020 ₦'million	Year ended 31/12/2019 ₦'million
EBITDA	**478,122**	395,427
Depreciation and amortisation and impairment	**(91,388)**	(95,534)
Profit from operating activities	**386,734**	299,893
Finance income	**29,814**	7,610
Finance cost	**(43,988)**	(57,673)
Share of profit from associates	**750**	649
Profit before tax	**373,310**	250,479
Income tax credit/(expense)	**(97,242)**	(49,958)
Profit after tax	**276,068**	200,521

Non current assets by country excluding deferred tax

	2020 ₦'million	2019 ₦'million
Nigeria	**1,789,626**	1,507,388
South Africa	**71,951**	62,513
Senegal	**92,694**	81,317
Zambia	**45,000**	62,486
Ethiopia	**62,256**	72,646
Tanzania	**169,836**	160,216
Congo	**102,711**	93,459
Cameroon	**49,018**	40,582
Ghana	**15,855**	12,263
Sierra Leone	**15,472**	14,974
Cote d'ivoire	**49,393**	28,232

Significant revenue by country (external customers)

Nigeria	**719,945**	610,247
Ghana	**16,942**	18,335
South Africa	**52,698**	46,372
Ethiopia	**58,066**	53,891
Zambia	**26,149**	24,670
Tanzania	**37,885**	38,539
Senegal	**46,932**	38,304
Cameroon	**57,270**	45,675
Sierra Leone	**10,297**	7,880
Congo	**12,440**	7,658

Revenues are attributed to individual countries based on the geographical location of external customers.

6. Segment information continued

6.3 Eliminations and adjustments

Elimination and adjustments relate to the following:

- Profit/(loss) after tax of ₦3.87 billion (2019: ₦24.3 billion) is due to elimination of interest on inter-company loan, trading activities and exchange differences reclassified to other comprehensive income.
- Non-current assets of ₦1,007 billion (2019: ₦850.3 billion) is due to the elimination of investment in subsidiaries with the parent's share of their equity and non current inter-company payable and receivable balances.
- Current assets of ₦226.6 billion (2019: ₦192.9 billion) is due to the elimination of current inter-company payable and receivable balances.
- Total liabilities of ₦1,041.2 billion (2019: ₦852.9 billion) are due to the elimination of inter-company due to and due from subsidiaries.
- Finance income of ₦106.4 billion (2019: ₦43.6 billion) and finance cost of ₦29.7 billion (2019: ₦65.4 billion) is due to the elimination of interest on inter-company loan and exchange differences reclassified to other comprehensive income.
- Revenue of ₦4.4 billion (2019: ₦1.3 billion) represents sales by the Nigeria region to the Pan Africa regions while 2019 amount represents sales between entities within the Pan Africa region.

In addition to the depreciation and amortisation reported above, a sum of ₦1.8 billion (2019: ₦71 million) in the financial statements represents write off in respect of property, plant and equipment in Pan Africa.

7. Production cost of sales

	Group		Company	
	Year ended 31/12/2020 ₦'million	Year ended 31/12/2019 ₦'million	**Year ended 31/12/2020 ₦'million**	Year ended 31/12/2019 ₦'million
Material consumed	**134,910**	117,239	**51,070**	40,308
Fuel & power consumed	**146,342**	122,851	**85,611**	69,901
Royalty*	**1,270**	1,817	**636**	712
Salaries and related staff costs	**37,020**	32,955	**21,038**	17,605
Depreciation & amortisation	**64,946**	65,254	**38,387**	36,593
Plant maintenance	**30,706**	28,766	**16,867**	10,954
Other production expenses	**15,670**	7,750	**7,406**	4,042
Decrease in finished goods and work in progress	**7,106**	3,357	**4,729**	894
	437,970	379,989	**225,744**	181,009

* Royalty payable is charged based on volume of extraction made during the year.

8. Administrative expenses

	Group		Company	
	Year ended 31/12/2020 ₦'million	Year ended 31/12/2019 ₦'million	**Year ended 31/12/2020 ₦'million**	Year ended 31/12/2019 ₦'million
Salaries and related staff costs	**16,086**	12,853	**9,920**	6,797
Corporate social responsibility	**3,793**	2,572	**3,381**	2,185
Management fee (refer to (a) below)	**5,311**	3,997	**5,311**	3,997
Depreciation and amortisation	**6,235**	6,359	**2,369**	2,377
Auditors' remuneration (refer to (b) below)	**695**	561	**420**	319
Directors' remuneration	**1,491**	841	**1,478**	822
Rent, rate and insurance	**5,211**	6,578	**2,379**	1,756
Repairs and maintenance	**1,372**	1,637	**1,025**	1,297
Travel expenses	**2,107**	2,445	**993**	973
Bank charges	**2,296**	1,948	**943**	569
Professional and consultancy fees	**2,878**	2,607	**1,342**	1,456
Security expenses	**2,015**	1,523	**908**	633
Janitorial and Office Cleaning	**1,064**	1,004	**699**	588
General administrative expenses	**3,097**	5,974	**629**	2,479
Others*	**3,861**	3,154	**492**	1,115
Impairment of non-financial assets	**2,827**	71	**—**	37
	60,339	54,124	**32,289**	27,400

* The amounts of others reported in 2019 have been broken out into Security expenses and Janitorial and Office Cleaning to aid understandability and comparability.

8. Administrative expenses continued

(a) The management fee is charged by Dangote Industries Limited for management and corporate services provided to Dangote Cement Plc. It is an apportionment of DIL shared-service cost to DCP plus mark-up.

(b) Auditors' remuneration is detailed in the table below:

	Group		Company	
	Year ended 31/12/2020 ₦'million	Year ended 31/12/2019 ₦'million	Year ended 31/12/2020 ₦'million	Year ended 31/12/2019 ₦'million
Audit fees	524	476	249	255
Non audit fees:				
Limited review of quarterly financial statements*	8	45	8	24
Sustainability and controls review*	—	40	—	40
Techical support services	113	—	113	—
Regulatory compliance and advisory services	50	—	50	—
	695	561	420	319

* This was paid to the joint external auditors, Deloitte & Touche for 2019 and KPMG for 2020.

Other employee-related disclosures

	Group		Company	
	Year ended 31/12/2020 ₦'million	Year ended 31/12/2019 ₦'million	Year ended 31/12/2020 ₦'million	Year ended 31/12/2019 ₦'million
Aggregate payroll costs:				
Wages, salaries and staff welfare	69,179	60,603	43,164	35,653
Pension costs	3,073	2,181	1,251	1,259
	72,252	62,784	44,415	36,912

	Group		Company	
	Number	Number	Number	Number
Full time employees remunerated at higher rate excluding allowances:				
Up to ₦250,000	5,965	7,389	5,331	7,107
₦250,001 – ₦500,000	2,662	3,755	2,372	3,274
₦500,001 – ₦750,000	1,042	785	935	541
₦750,001 – ₦1,000,000	2,844	2,069	2,754	1,965
₦1,000,001 – ₦1,250,000	518	918	424	780
₦1,250,001 – ₦1,500,000	273	345	230	279
₦1,500,001 – ₦2,000,000	376	588	315	484
₦2,000,001 and above	1,798	965	408	547
	15,478	16,814	12,769	14,977

The average number of full time employees employed during the year excluding Directors was as follows:

	Group		Company	
	Number	Number	Number	Number
Management	576	509	362	386
Non-management	15,623	15,736	13,125	14,023
	16,199	16,245	13,487	14,409

8. Administrative expenses continued

Chairman's and Directors' remuneration

	Group		Company	
	Year ended 31/12/2020 ₦'million	Year ended 31/12/2019 ₦'million	Year ended 31/12/2020 ₦'million	Year ended 31/12/2019 ₦'million
Directors' remuneration comprises:				
Emoluments	1,491	841	1,478	822
	1,491	841	1,478	822
Chairman	49	49	49	49
Highest paid Director	448	109	448	109

Number of Directors whose emoluments were within the following ranges:

₦–₦	2020 Number	2019 Number	2020 Number	2019 Number
1 – 20,000,000	3	—	3	—
Above 20,000,000	13	15	13	15
	16	15	16	15

9. Selling and distribution expenses

	Group		Company	
	Year ended 31/12/20 ₦'million	Year ended 31/12/19 ₦'million	Year ended 31/12/20 ₦'million	Year ended 31/12/19 ₦'million
Salaries and related staff costs	19,146	16,976	13,457	12,510
Depreciation	18,357	23,850	13,815	14,484
Advertisement and promotion	12,178	8,597	11,187	7,822
Haulage expenses	98,954	107,176	69,757	70,725
Others	5,084	4,236	4,703	3,784
	153,719	160,835	112,919	109,325

10. Finance income and finance costs

	Group		Company	
	Year ended 31/12/20 ₦'million	Year ended 31/12/19 ₦'million	Year ended 31/12/20 ₦'million	Year ended 31/12/19 ₦'million
Finance income				
Interest income	13,183	7,610	41,238	36,713
Others –foreign exchange gain	16,631	—	70,793	10,845
	29,814	7,610	112,031	47,558
Finance costs				
Interest expenses*	46,002	46,399	29,888	25,701
Less: amounts included in the cost of qualifying assets (Note 15)	(2,031)	(2,570)	(1,007)	—
	43,971	43,829	28,881	25,701
Foreign exchange loss	—	13,481	—	—
Other finance costs	17	363	—	336
	43,988	57,673	28,881	26,037

* The average effective interest rate on funds borrowed generally is 9.67% and 8.52% per annum for Group and Company respectively. (2019: 10.87% per annum for Group and 10.68% per annum for Company).

All interest income and interest costs are from financial instrument measured at amortised cost.

The amount of Interest expenses reported in 2019 have been broken out into amounts included in the cost of qualifying assets to aid comparability.

10. Finance income and finance costs continued

The schedule below shows the exchange rates presented in one unit of foreign currency to Naira for the significant currencies used in the group:

	Group		Company	
	Average rate	Year end rate	Average rate	Year end rate
Currency				
South African Rand to Naira	21.9525	26.0800	21.2258	21.7100
Central Africa Franc to Naira	0.6734	0.7468	0.6171	0.6241
Ethiopian Birr to Naira	10.9592	10.0171	12.4157	11.4671
Zambian Kwacha to Naira	20.8126	18.9371	27.9562	26.0036
Tanzanian Shilling to Naira	0.1664	0.1730	0.1571	0.1590
Ghanaian Cedi to Naira	67.3897	68.9036	67.3690	64.1039
United States dollar to Naira	384.6475	400.3300	361.8400	364.7000

11. Other income

	Group		Company	
	Year ended 31/12/20 ₦'million	Year ended 31/12/19 ₦'million	**Year ended 31/12/20 ₦'million**	Year ended 31/12/19 ₦'million
Insurance claims	**1,321**	610	**1,148**	126
Government grant	**148**	227	**119**	199
Sundry income	**3,285**	2,143	**655**	922
	4,754	2,980	**1,922**	1,247

12. Profit before tax

Profit before tax includes the following charges:

	Group		Company	
	Year ended 31/12/20 ₦'million	Year ended 31/12/19 ₦'million	**Year ended 31/12/20 ₦'million**	Year ended 31/12/19 ₦'million
Depreciation of property, plant and equipment and right of use asset	**89,225**	94,896	**54,540**	53,432
Amortisation of intangible assets	**313**	567	**31**	22
Auditors' remuneration	**695**	561	**420**	319
Employee benefits expenses	**72,252**	62,784	**44,415**	36,912
Loss on disposal of property, plant and equipment	**4**	130	**4**	47
Lease rental expenses	**985**	1,577	**246**	373
Directors emoluments	**1,491**	841	**1,478**	822
Write off of non financial assets	**1,850**	71	**—**	37
Foreign exchange gain/(loss)	**16,631**	(13,481)	**70,793**	10,845
Management service fee	**5,311**	3,997	**5,311**	3,997

13. Earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic and diluted earnings per share are as follows:

	Group		Company	
	Year ended 31/12/20 ₦'million	Year ended 31/12/19 ₦'million	**Year ended 31/12/20 ₦'million**	Year ended 31/12/19 ₦'million
Profit for the year attributable to owners of the Company	**275,080**	200,935	**352,609**	261,349
Weighted average number of ordinary shares for the purposes of basic and diluted earnings per share	**17,040**	17,041	**17,040**	17,041
Basic and diluted earnings per share (Naira)	**16.14**	11.79	**20.69**	15.34

14. Income taxes

14.1 Income tax recognised in profit or loss

	Group		Company	
	Year ended 31/12/20 ₦'million	Year ended 31/12/19 ₦'million	**Year ended 31/12/20 ₦'million**	Year ended 31/12/19 ₦'million
Current tax				
Current tax	**(58,353)**	(48,466)	**(55,781)**	(47,013)
Changes in estimates related to prior year	**20,288**	2,587	**20,288**	2,587
	(38,065)	(45,879)	**(35,493)**	(44,426)
Deferred tax				
Origination and reversal of temporary differences	**(38,889)**	(5,876)	**(22,357)**	(11,442)
Previously unrecognised temporary difference relating to prior year	**(20,288)**	1,797	**(20,288)**	1,797
	(59,177)	(4,079)	**(42,645)**	(9,645)
Total income tax expense recognised in the current year	**(97,242)**	(49,958)	**(78,138)**	(54,071)

The income tax expense for the year can be reconciled to the accounting profit as follows:

	Group		Company	
	Year ended 31/12/20 ₦'million	Year ended 31/12/19 ₦'million	**Year ended 31/12/20 ₦'million**	Year ended 31/12/19 ₦'million
Profit before tax	**373,310**	250,479	**430,747**	315,420
Income tax expense calculated at 30% (2019: 30%)	**(111,993)**	(75,144)	**(129,224)**	(94,626)
Education tax	**(7,426)**	(4,464)	**(7,426)**	(4,464)
Effect of tax holiday and income that is exempt from taxation	**18,934**	58,434	**15,057**	58,273
Effect of expenses that are not deductible in determining taxable profit	**(497)**	(180)	**(248)**	(172)
Effect of previously recognised temporary difference now derecognised as deferred tax assets.	**(13,533)**	1,770	**—**	—
Effect of deferred tax not recognised on net investment exchange gains	**17,800**	4,515	**16,897**	1,753
Effect of prior year over provision	**20,288**	4,384	**20,288**	4,384
Effect of Investment Allowance	**6,080**	417	**6,080**	417
Effect of income taxed at different rates	**1,823**	241	**1,823**	241
Effect of Commencement rule	**—**	(20,617)	**—**	(20,617)
Effect of unused tax losses and offsets not recognised as deferred tax assets	**(28,028)**	(21,697)	**—**	—
Effect of different tax rates of subsidiaries operating in other jurisdictions	**801**	1,439	**—**	—
Other	**(1,491)**	944	**(1,385)**	740
Income tax expense recognised in profit or loss	**(97,242)**	(49,958)	**(78,138)**	(54,071)

The income tax rate of 30% was used for the company income tax computation as established by the tax legislation of Nigeria effective in 2020 and 2019. The income tax rate in South Africa is 28%, in Cameroon, 38.5% and 35% in Zambia.

14.2 Current tax assets

	Group		Company	
	31/12/20 ₦'million	31/12/19 ₦'million	**31/12/20 ₦'million**	31/12/19 ₦'million
Balance at beginning of the year	**6,718**	6,213	**6,712**	6,211
Charge for the year	**(10)**	7	**—**	—
Payments during the year	**1,664**	(48)	**—**	—
Road infrastructure tax credit	**5,511**	501	**5,511**	501
Tax credit utilised to offset current tax payable	**(6,712)**	—	**(6,712)**	—
Effect of currency exchange difference	**(142)**	45	**—**	—
Balance at the end of the year	**7,029**	6,718	**5,511**	6,712

14. Income taxes continued

14.3 Current tax liabilities

	Group 31/12/20 ₦'million	Group 31/12/19 ₦'million	Company 31/12/20 ₦'million	Company 31/12/19 ₦'million
Balance at beginning of the year	49,932	9,223	49,127	8,608
Charge for the year	38,055	45,886	35,493	44,426
Payments during the year	(19,333)	(4,649)	(18,419)	(3,907)
Witholding tax credit and grant utilized	(1,372)	—	(1,372)	—
Tax credit utilised to offset current tax liabilities	(6,712)	—	(6,712)	—
Effect of currency exchange difference	(789)	(528)	—	—
Balance at the end of the year	59,781	49,932	58,117	49,127

14.4 Deferred tax balance

	Group 31/12/20 ₦'million	Group 31/12/19 ₦'million	Company 31/12/20 ₦'million	Company 31/12/19 ₦'million
Deferred tax assets	11,708	44,768	—	14,356
Deferred tax liabilities	(122,980)	(93,841)	(117,762)	(89,473)
Net deferred tax assets/(liabilities)	(111,272)	(49,073)	(117,762)	(75,117)

Group

2020	Opening balance ₦'million	Recognised in profit or loss ₦'million	Effect of currency translation ₦'million	Net closing balance ₦'million	Deferred tax assets ₦'million	Differed tax liabilities ₦'million
Deferred tax assets /(liabilities) in relation to:						
Property, plant & equipment	(91,805)	(44,284)	1,811	(134,278)	—	(138,901)
Unrealised exchange gains	(14,215)	(4,988)	(87)	(19,290)	927	(14,411)
Employee benefits	—	1,066	—	1,066	1,066	—
Provision	9,233	(3,401)	(1,738)	4,094	4,431	—
Tax losses	47,714	(7,221)	(3,008)	37,485	35,965	—
Right of use assets	—	(349)	—	(349)	—	(349)
Deferred tax assets/(liabilities) before set-off				(111,272)	42,389	(153,661)
Set-off of tax					(30,681)	30,681
Net tax assets/liabilities	(49,073)	(59,177)	(3,022)	(111,272)	11,708	(122,980)

2019	Opening balance ₦'million	Recognised in profit or loss ₦'million	Effect of currency translation ₦'million	Net closing balance ₦'million	Deferred tax assets ₦'million	Differed tax liabilities ₦'million
Deferred tax assets/(liabilities) in relation to:						
Property, plant & equipment	(55,161)	(34,562)	(2,082)	(91,805)	—	(96,429)
Unrealised exchange gains	(7,777)	(5,004)	(1,434)	(14,215)	3,432	(11,841)
Provision	390	8,856	(13)	9,233	9,576	(6)
Tax losses	19,820	26,631	1,263	47,714	46,390	(195)
Deferred tax assets/(liabilities) before set-off					59,398	(108,471)
Set-off of tax					(14,630)	14,630
Net tax assets/liabilities	(42,728)	(4,079)	(2,266)	(49,073)	44,768	(93,841)

14. Income taxes continued

14.4 Deferred tax balance continued

Company

2020	Net opening balance ₦'million	Recognised in profit or loss ₦'million	Net closing balance ₦'million
Deferred tax liabilities in relation to:			
Property, plant & equipment	(64,558)	(41,390)	(105,948)
Unrealised exchange gains	(11,841)	(2,571)	(14,412)
Employee benefits obligations	—	1,066	1,066
Provision	1,282	599	1,881
Right of use assets	—	(349)	(349)
	(75,117)	(42,645)	(117,762)

2019	Net opening balance ₦'million	Recognised in profit or loss ₦'million	Net closing balance ₦'million
Deferred tax assets/(liabilities) in relation to:			
Property, plant & equipment	(57,516)	(7,042)	(64,558)
Unrealised exchange gains	(8,658)	(3,183)	(11,841)
Provision	702	580	1,282
	(65,472)	(9,645)	(75,117)

Tax authorities in various jurisdictions where the Group operates in, reserve the right to audit the tax charges for the financial year ended 31 December 2020 and prior years. In cases where tax audits have been carried out and additional charges levied, the Group has responded to the tax authorities challenging the technical merits and made a provision it considers appropriate in line with the technical merits of issues raised by tax authorities.

Deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax assets have been recognised are attributable to the following:

	Group		Company	
	31/12/20 ₦'million	31/12/19 ₦'million	31/12/20 ₦'million	31/12/19 ₦'million
Tax losses	77,295	48,918	—	—
Deductible temporary differences	(5,558)	8,795	—	—
	71,737	57,713	—	—

The unrecognised tax credits will expire as follows:

	Group		Company	
	31/12/20 ₦'million	31/12/19 ₦'million	31/12/20 ₦'million	31/12/19 ₦'million
Year 1	2,981	3,926	—	—
Year 2	12,549	1,629	—	—
Year 3	6,420	1,740	—	—
Year 4	10,186	—	—	—
Year 5	—	—	—	—
After year 5	—	—	—	—
No expiry date	39,601	50,418	—	—
	71,737	57,713	—	—

Deferred tax liability amounting to ₦34.7 billion (2019: ₦29.2 billion) for both Group and Company was not recognised in this financial statements. This relates to exchange on inter-company loans classified as part of the net investment in subsidiaries.

15. Property, plant and equipment

15.1 The Group

	Leasehold improvements and buildings ₦'million	Plant and machinery ₦'million	Motor vehicles ₦'million	Aircraft ₦'million	Furniture & equipment ₦'million	Capital work-in-progress ₦'million	Total ₦'million
Cost							
At 1st January 2019	229,359	1,059,518	167,520	4,028	10,425	120,113	1,590,963
Additions	1,557	4,353	5,996	—	293	162,753	174,952
Reclassifications	(3,077)	13,001	40,183	—	810	(50,917)	—
Transfers (Note 15.1.1)	—	(351)	—	—	—	(27,690)	(28,041)
Disposal	—	(67)	(770)	—	—	—	(837)
Write-off	—	—	—	—	(1)	(70)	(71)
Effect of foreign currency exchange rates differences	(3,510)	(18,373)	(5,091)	—	(113)	(24)	(27,111)
Balance at 31st December 2019	224,329	1,058,081	207,838	4,028	11,414	204,165	1,709,855
Reclassification (Note 15.1.2)	—	—	10,537	—	—	(10,537)	—
Restated balance at 1st January 2020	**224,329**	**1,058,081**	**218,375**	**4,028**	**11,414**	**193,628**	**1,709,855**
Additions	**1,640**	**50,232**	**1,975**	**—**	**583**	**169,575**	**224,005**
Reclassifications	**18,265**	**58,488**	**25,642**	**—**	**626**	**(103,021)**	**—**
Transfers (Note 15.1.1)	**—**	**(85)**	**—**	**—**	**—**	**472**	**387**
Disposal	**—**	**(63)**	**(7,098)**	**—**	**—**	**—**	**(7,161)**
Write-off	**(255)**	**—**	**(18)**	**—**	**(6)**	**(88)**	**(367)**
Effect of foreign currency exchange rates differences	**18,020**	**26,568**	**3,371**	**—**	**527**	**8,740**	**57,226**
Balance at 31st December 2020	**261,999**	**1,193,221**	**242,247**	**4,028**	**13,144**	**269,306**	**1,983,945**
Accumulated depreciation and impairment							
At 1st January 2019	33,964	257,769	120,770	1,923	4,673	—	419,099
Depreciation expense	8,635	50,015	32,882	403	1,233	—	93,168
Transfers (Note 15.1.1)	—	59	—	—	—	—	59
Disposal	—	(20)	(770)	—	—	—	(790)
Effect of foreign currency exchange rates differences	(612)	(3,784)	(3,982)	—	(52)	—	(8,430)
Balance at 31st December 2019	41,987	304,039	148,900	2,326	5,854	—	503,106
At 1st January 2020	**41,987**	**304,039**	**148,900**	**2,326**	**5,854**	**—**	**503,106**
Depreciation expense	**9,189**	**49,391**	**27,132**	**403**	**1,359**	**—**	**87,474**
Transfers (Note 15.1.1)	**—**	**172**	**—**	**—**	**—**	**—**	**172**
Disposal	**—**	**(63)**	**(7,094)**	**—**	**—**	**—**	**(7,157)**
Write off	**(255)**	**—**	**100**	**—**	**(4)**	**—**	**(159)**
Effect of foreign currency exchange rates differences	**2,672**	**5,893**	**1,033**	**—**	**224**	**—**	**9,822**
Balance at 31st December 2019	**53,593**	**359,432**	**170,071**	**2,729**	**7,433**	**—**	**593,258**
Carrying amounts							
At 1st January 2019	195,395	801,749	46,750	2,105	5,752	120,113	1,171,864
Restated balance at 31st December 2019	182,342	754,042	69,475	1,702	5,560	193,628	1,206,749
At 31st December 2020	**208,406**	**833,789**	**72,176**	**1,299**	**5,711**	**269,306**	**1,390,687**

15.1.1 Represent amount transferred to/from non current prepayment, inventories, vendor's account and exploration assets.

15.1.2 Opening balances of motor vehicles and capital work in progress(CWIP) were reclassified to recognise movement from CWIP to motor vehicles in 2019.

15.1.3 Borrowing cost capitalised to property, plant and equipment for the Group was ₦2.03 billion (2019: ₦2.57) calculated at an average interest rate of 7.5%.

15. Property, plant and equipment continued

15.2 The Company

	Leasehold improvements and buildings ₦'million	Plant and machinery ₦'million	Motor vehicles ₦'million	Aircraft ₦'million	Furniture & equipment ₦'million	Capital work-in-progress ₦'million	Total ₦'million
Cost							
At 1st January 2019	51,430	620,308	91,899	4,028	3,501	42,491	813,657
Additions	—	2,161	2,966	—	14	57,909	63,050
Reclassifications	857	12,718	40,175	—	609	(54,359)	—
Transfers (Note 15.2.1)	—	—	—	—	—	(288)	(288)
Disposal	—	(67)	(770)	—	—	—	(837)
Write-off	—	—	—	—	—	(37)	(37)
Balance at 31st December 2019	52,287	635,120	134,270	4,028	4,124	45,716	875,545
Reclassification (Note 15.2.3)	—	—	10,537	—	—	(10,537)	—
Restated balance at 1st January 2020	**52,287**	**635,120**	**144,807**	**4,028**	**4,124**	**35,179**	**875,545**
Additions	**—**	**786**	**722**	**—**	**30**	**55,557**	**57,095**
Reclassifications	**18,056**	**7,211**	**25,379**	**—**	**398**	**(51,044)**	**—**
Transfers (Note 15.2.1)	**—**	**(554)**	**—**	**—**	**—**	**3,392**	**2,838**
Disposal	**—**	**(63)**	**(6,206)**	**—**	**—**	**—**	**(6,269)**
Balance at 31st December 2020	**70,343**	**642,500**	**164,702**	**4,028**	**4,552**	**43,084**	**929,209**
Accumulated depreciation							
Balance at 1st January 2019	13,626	180,678	79,346	1,923	2,150	—	277,723
Depreciation expense	2,084	29,284	20,394	403	613	—	52,778
Disposal	—	(20)	(770)	—	—	—	(790)
Balance at 31st December 2019	15,710	209,942	98,970	2,326	2,763	—	329,711
At 1st January 2020	**15,710**	**209,942**	**98,970**	**2,326**	**2,763**	**—**	**329,711**
Depreciation expense	**2,382**	**29,700**	**20,667**	**403**	**685**	**—**	**53,837**
Disposal	**—**	**(63)**	**(6,202)**	**—**	**—**	**—**	**(6,265)**
Balance at 31st December 2019	**18,092**	**239,579**	**113,435**	**2,729**	**3,448**	**—**	**377,283**
Carrying amounts							
At 1st January 2019	37,804	439,630	12,553	2,105	1,351	42,491	535,934
Restated balance at 31st December 2019	36,577	425,178	45,837	1,702	1,361	35,179	545,834
At 31st December 2020	**52,251**	**402,921**	**51,267**	**1,299**	**1,104**	**43,084**	**551,926**

15.2.1 Represents amount transferred to and from vendor's account and inventory.

15.2.2 During the reporting year, no item of property, plant and equipment was temporarily idle.

15.1.3 Opening balances of motor vehicles and capital work in progress(CWIP) were reclass to rcognsise movement from CWIP to motor vehicles in 2019.

15.1.4 Borrowing cost capitalised to property, plant and equipment for the Group was ₦1.0 billion (2019: Nil) calculated at an average interest rate of 6.4%.

15.2.5 Some borrowings are secured by a debenture on all the fixed and floating assets (Note 26).

15.3 Capital work in progress

Capital work in progress comprises amounts incurred with respect to Leasehold improvements and buildings, Plant and machinery, Motor vehicles as well as Furniture and equipment during the year.

	Group		Company	
	Year ended 31/12/20 ₦'million	Year ended 31/12/19 ₦'million	**Year ended 31/12/20 ₦'million**	Year ended 31/12/19 ₦'million
Closing capital work in progress is analysed as follows:				
Leasehold improvements and buildings	**9,039**	9,978	**8,180**	8,470
Plant and machinery	**243,488**	170,698	**18,720**	14,486
Motor vehicles	**15,407**	22,256	**14,828**	21,719
Furniture & equipment	**1,372**	1,233	**1,356**	1,041
	269,306	204,165	**43,084**	45,716

16. Intangible assets

16.1 The Group

	Computer software ₦'million	Exploration assets ₦'million	Total ₦'million
Cost			
Balance at 1st January 2019	4,740	4,345	9,085
Additions	103	117	220
Transfers (Note 16.1.1)	—	(1,991)	(1,991)
Effect of foreign currency exchange rates differences	(194)	(47)	(241)
Balance at 31st December 2019	4,649	2,424	7,073
At 1st January 2020	**4,649**	**2,424**	**7,073**
Additions	**253**	**298**	**551**
Transfers (Note 16.1.1)	**—**	**851**	**851**
Write off	**(36)**	**(1,606)**	**(1,642)**
Effect of foreign currency exchange rates differences	**505**	**1,358**	**1,863**
Balance at 31st December 2020	**5,371**	**3,325**	**8,696**
Amortisation			
At 1st January 2019	2,893	223	3,116
Amortisation expense	464	103	567
Transfers (Note 16.1.1)	—	(238)	(238)
Effect of foreign currency exchange rates differences	(27)	(8)	(35)
Balance at 31st December 2019	3,330	80	3,410
At 1st January 2020	**3,330**	**80**	**3,410**
Amortisation expense	**253**	**60**	**313**
Transfers (Note 16.1.1)	**—**	**(143)**	**(143)**
Effect of foreign currency exchange rates differences	**297**	**265**	**562**
Balance at 31st December 2019	**3,880**	**262**	**4,142**
Carrying amounts			
At 1st January 2019	1,847	4,122	5,969
At 31st December 2019	1,319	2,344	3,663
At 31st December 2020	**1,491**	**3,063**	**4,554**

Intangible assets (computer software) represent software which have useful life of four years and amortised on a straight line basis over these years.

Amortisation of intangible assets is included in note 7 and note 8.

There are no development expenditure capitalised as internally generated intangible asset.

16.1.1 Represent assets transferred to property plant and equipment from exploration assets.

16. Intangible assets continued

16.2 The Company

	Computer software ₦'million	Total ₦'million
Cost		
Balance at 1st January 2019	1,354	1,354
Additions	43	43
Balance at 31st December 2019	1,397	1,397
At 1st January 2020	**1,397**	**1,397**
Additions	**142**	**142**
Balance at 31st December 2020	**1,539**	**1,539**
Amortisation		
At 1st January 2019	1,306	1,306
Amortisation expense	22	22
Balance at 31st December 2019	1,328	1,328
At 1st January 2020	**1,328**	**1,328**
Amortisation expense	**31**	**31**
Balance at 31st December 2020	**1,359**	**1,359**
Carrying amounts		
At 1st January 2019	48	48
At 31st December 2019	69	69
At 31st December 2020	**180**	**180**

Intangible assets (computer software) represent software which have useful life of four years and amortized on a straight line basis over these years.

Amortisation of intangible assets is included in note 7 and note 8.

There are no development expenditure capitalised as internally generated intangible asset.

17 Right of use assets

	Group		Company	
	Year ended 31/12/20 ₦'million	Year ended 31/12/19 ₦'million	**Year ended 31/12/20 ₦'million**	Year ended 31/12/19 ₦'million
Amounts recognised in profit or loss				
Depreciation expense on right-of-use assets	**1,751**	1,728	**703**	654
Interest expense on lease liabilities	**654**	985	**27**	—
Expense relating to short-term leases	**331**	592	**219**	373

At 31st December 2020, the Group is committed to ₦1.06 billion (2019: ₦536.95 million) for short-term leases.

All payments for lease are fixed.

The total cash outflow for leases amount to ₦1.96 billion (2019: ₦1.95 billion)

17 Right of use assets continued

17.1 The Group

	Land and buildings ₦'million	Plant and machinery ₦'million	Motor vehicles ₦'million	Total ₦'million
Cost				
Recognised on 1st January 2019	9,131	283	1,129	10,543
Additions	386	86	90	562
Transfers (Note 17.1.1)	3,082	—	—	3,082
Disposal	—	(72)	(98)	(170)
Effect of foreign currency exchange rates differences	(270)	7	26	(237)
Balance at 31st December 2019	12,329	304	1,147	13,780
At 1st January 2020	**12,329**	**304**	**1,147**	**13,780**
Additions	**993**	**613**	**37**	**1,643**
Transfers (Note 17.1.1)	**(48)**	**—**	**—**	**(48)**
Effect of foreign currency exchange rates differences	**634**	**177**	**238**	**1,049**
Balance at 31st December 2020	**13,908**	**1,094**	**1,422**	**16,424**
Accumulated depreciation				
At 1st January 2019	—	—	—	—
Depreciation expense	1,135	204	389	1,728
Transfers (Note 17.1.1)	196	—	—	196
Disposal	—	(72)	(15)	(87)
Effect of foreign currency exchange rates differences	(25)	3	9	(13)
Balance at 31st December 2019	1,306	135	383	1,824
At 1st January 2020	**1,306**	**135**	**383**	**1,824**
Depreciation expense	**1,241**	**257**	**253**	**1,751**
Effect of foreign currency exchange rates differences	**54**	**76**	**125**	**255**
Balance at 31st December 2020	**2,601**	**468**	**761**	**3,830**
Carrying amounts:				
At 1st January 2019	9,131	283	1,129	10,543
At 31st December 2019	11,023	169	764	11,956
At 31st December 2020	**11,307**	**626**	**661**	**12,594**

The Group leases several assets including cement depots, residential apartments, trucks, trailers, fleet vehicles, forklifts and land. The average lease term is 18.9 years (2019: 20.4 years).

Approximately 38 (2019: 7) of the leases for the Group expired in the current financial year. The expired contracts were replaced by new leases for similar underlying assets.

17.1.1 Represents amount of operating lease reclassed to property, plants and equipment.

17 Right of use assets continued

17.2 The Company

	Land and buildings ₦'million	Plant and machinery ₦'million	Motor vehicles ₦'million	Total ₦'million
Cost				
Recognised on 1st January 2019	1,499	—	—	1,499
Additions	149	—	—	149
Balance at 31st December 2019	1,648	—	—	1,648
At 1st January 2020	**1,648**	**—**	**—**	**1,648**
Additions	**873**	**—**	**—**	**873**
Balance at 31st December 2020	**2,521**	**—**	**—**	**2,521**
Accumulated depreciation				
At 1st January 2019	—	—	—	—
Depreciation expense	654	—	—	654
Balance at 31st December 2019	654	—	—	654
At 1st January 2020	**654**	**—**	**—**	**654**
Depreciation expense	**703**	**—**	**—**	**703**
Balance at 31st December 2020	**1,357**	**—**	**—**	**1,357**
Carrying amounts:				
At 1st January 2019	1,499	—	—	1,499
At 31st December 2019	994	—	—	994
At 31st December 2020	**1,164**	**—**	**—**	**1,164**

The Company leases several assets including cement depots, residential apartments. The average lease term is 2.66 years (2019: 2.83 years).

Approximately 33 of the 69 (2019: 4 of the 55) leases expired in the current financial year. The expired contracts were replaced by new leases for similar underlying assets. This resulted in additions to right-of-use assets of ₦873 million (2019: ₦149.09 million).

18. Information regarding subsidiaries and associate

18.1 Subsidiaries

Details of the Group's subsidiaries at the end of the reporting period are as follows:

Direct subsidiaries	Principal activity	Place of incorporation and operation	Proportion of ownership or voting power held by the Group 31/12/20	31/12/19
Dangote Cement South Africa (Pty) Limited	Cement production	South Africa	**64.00%**	64.00%
Dangote Industries (Ethiopia) Plc	Cement production	Ethiopia	**99.97%**	99.97%
Dangote Cement Zambia Limited	Cement production	Zambia	**99.96%**	99.96%
Dangote Cement Senegal S.A	Cement production	Senegal	**99.99%**	99.99%
Dangote Cement Cameroun S.A	Cement Grinding	Cameroun	**99.97%**	99.97%
Dangote Mines Limited, Tanzania	Cement production	Tanzania	**99.70%**	99.70%
Dangote Cement Congo S.A	Cement production	Congo	**100.00%**	100.00%
Dangote Cement (Sierra Leone) Limited	Bagging and distribution of cement	Sierra Leone	**99.60%**	99.60%
Dangote Cement Cote D'Ivoire S.A	Cement Grinding	Cote D'Ivoire	**80.00%**	80.00%
Dangote Industries Gabon S.A	Cement Grinding	Gabon	**80.00%**	80.00%
Dangote Cement Ghana Limited	Bagging and distribution of cement	Ghana	**100.00%**	100.00%
Dangote Cement – Liberia Ltd.	Bagging and distribution of cement	Liberia	**100.00%**	100.00%
Dangote Cement Burkina Faso S.A	Selling and distribution of cement	Burkina Faso	**95.00%**	95.00%
Dangote Cement Chad S.A	Selling and distribution of cement	Chad	**95.00%**	95.00%
Dangote Cement Mali S.A	Selling and distribution of cement	Mali	**95.00%**	95.00%
Dangote Cement Niger SARL	Selling and distribution of cement	Niger	**95.00%**	95.00%
Dangote Industries Benin S.A	Selling and distribution of cement	Benin	**98.00%**	98.00%
Dangote Cement Togo S.A	Selling and distribution of cement	Togo	**90.00%**	90.00%
Dangote Cement Kenya Limited	Cement production	Kenya	**90.00%**	90.00%
Dangote Quarries Kenya Limited	Limestone mining	Kenya	**90.00%**	90.00%
Dangote Cement Madagascar Limited	Cement production	Madagascar	**95.00%**	95.00%
Dangote Quarries Mozambique Limitada	Cement production	Mozambique	**95.00%**	95.00%
Dangote Cement Nepal Pvt. Limited	Cement production	Nepal	**100.00%**	100.00%
Dangote Zimbabwe Holdings (Private) Limited	Investment holding	Zimbabwe	**90.00%**	90.00%
Dangote Cement Zimbabwe (Private) Limited	Cement production	Zimbabwe	**90.00%**	90.00%
Dangote Energy Zimbabwe (Private) Limited	Power production	Zimbabwe	**90.00%**	90.00%
Dangote Mining Zimbabwe (Private) Limited	Coal production	Zimbabwe	**90.00%**	90.00%
Dangote Cement Guinea SA	Cement production	Guinea	**95.00%**	95.00%
Cimenterie Obajana Sprl- D.R. Congo	Cement production	D.R. Congo	**98.00%**	98.00%
Itori Cement Plc.	Cement production	Nigeria	**99.00%**	99.00%
Okpella Cement Plc.	Cement production	Nigeria	**99.00%**	99.00%
Dangote Takoradi Cement Production Limited	Cement Grinding	Ghana	**99.00%**	99.00%
Dangote Cement Yaounde	Cement Grinding	Cameroun	**90.00%**	90.00%
Dangote Cement Congo D.R. S.A	Cement production	D.R. Congo	**99.00%**	99.00%
DCP Cement Limited	Cement production	Nigeria	**90.00%**	90.00%
Dangote Cement Limited, Tanzania	Cement production	Tanzania	**99.70%**	99.70%
Dangote Contracting Services Limited, Tanzania	Contracting Services	Tanzania	**99.70%**	99.70%
Dangote Mining Niger S.A	Limestone mining	Niger	**88.00%**	88.00%
Dangote Ceramics Limited	Manufacturing of ceramics products	Nigeria	**99.00%**	99.00%

18. Information regarding subsidiaries and associate continued

18.1 Subsidiaries continued

Name of subsidiary	Principal activity	Place of incorporation and operation	Proportion of ownership or voting power held by the Group	
			31/12/20	31/12/19
Indirect subsidiaries				
Dangote Cement South Africa (Pty) Limited subsidiaries				
Sephaku Development (Pty) Ltd	Mining right holder	South Africa	**85.00%**	85.00%
Sephaku Delmas Properties (Pty) Ltd	Investment property	South Africa	**100.00%**	100.00%
Blue Waves Properties 198 (Pty) Ltd	Exploration	South Africa	**100.00%**	100.00%
Sephaku Enterprise Development (Pty) Ltd	Cement production	South Africa	**100.00%**	100.00%
Dangote Dwaalboom mining (Pty) Ltd	Investment property	South Africa	**100.00%**	100.00%
Benificial Ingenuity (Pty) Limited	Investment holding	South Africa	**80.00%**	80.00%
Benificial Ingenuity (Pty) Limited Subsidiary		South Africa	**80.00%**	
Sephaku Limestone and Exploration (Pty) Ltd	Exploration	South Africa	**52.00%**	52.00%
Dangote Cement Zambia Limited				
Dangote Quarries (Zambia) Limited	Limestone mining	Zambia	**99.997%**	99.997%
Dangote Fuels Zambia Limited	Selling and Distribution of Fuels	Zambia	**99.00%**	99.00%
Dangote Cement Nepal Pvt. Limited subsidiary				
Birat Cement Pvt. Limited	Cement production and distribution	Nepal	**100.00%**	100.00%

18.2 Investments in subsidiaries

	Group		Company	
	31/12/20 ₦'million	31/12/19 ₦'million	31/12/20 ₦'million	31/12/19 ₦'million
Dangote Cement South Africa (Pty) Limited	—	—	27,922	27,922
Dangote Industries (Ethiopia) Plc	—	—	40,036	40,036
Dangote Cement Zambia Limited	—	—	106	106
Dangote Cement Senegal S.A	—	—	64,782	64,782
Dangote Cement Cameroun S.A	—	—	15,160	15,160
Dangote Cement Ghana Limited	—	—	135	—
Dangote Mines Limited, Tanzania	—	—	13,851	13,851
Dangote Cement Congo S.A	—	—	3	3
Dangote Cement (Sierra Leone) Limited	—	—	18	18
Dangote Cement Cote D'Ivoire S.A	—	—	16	16
Dangote Industries Gabon S.A	—	—	31	6
Dangote Cement Burkina faso SA	—	—	3	3
Dangote Cement Chad SA	—	—	3	3
Dangote Cement Mali SA	—	—	3	3
Dangote Cement Niger SARL	—	—	7	5
Dangote Industries Benin S.A.	—	—	3	3
Dangote Cement Togo S.A.	—	—	5	5
Dangote Takoradi Cement Production Limited	—	—	141	141
Dangote Cement Madagascar Limited	—	—	2	2
Dangote Cement Congo D.R. S.A	—	—	6	6
Itori Cement Plc.	—	—	1	—
Okpella Cement Plc.	—	—	1	—
DCP Cement Limited	—	—	1	—
Dangote Ceramics Limited	—	—	10	—
Dangote Mining Niger S.A	—	—	—	—
Dangote Cement – Liberia Ltd.	—	—	—	—
Dangote Cement Kenya Limited	—	—	—	—
Dangote Quarries Kenya Limited	—	—	—	—
Dangote Quarries Mozambique Limitada	—	—	—	—
Dangote Cement Nepal Pvt. Ltd.	—	—	—	—
Dangote Zimbabwe Holdings (Private) Limited	—	—	—	—
Dangote Cement Zimbabwe (Private) Limited	—	—	—	—
Dangote Energy Zimbabwe (Private) Limited	—	—	—	—
Dangote Mining Zimbabwe (Private) Limited	—	—	—	—
Dangote Cement Guinea SA	—	—	—	—
Cimenterie Obajana Sprl- D.R. Congo	—	—	—	—
Dangote Cement Yaounde	—	—	—	—
Dangote Cement Limited, Tanzania	—	—	—	—
Dangote Contracting Services Limited, Tanzania	—	—	—	—
	—	—	162,246	162,071

18.3 Investment in associate

	Group		Company	
	31/12/20 ₦'million	31/12/19 ₦'million	31/12/20 ₦'million	31/12/19 ₦'million
Societe des Ciments d'Onigbolo	1,582	1,582	1,582	1,582
Accumulated share of profit	3,379	2,730	—	—
	4,961	4,312	1,582	1,582
Current year share of profit	750	649	—	—
	5,711	4,961	1,582	1,582

The Group holds 43% of the voting rights in Societe des Ciments d' Onigbolo, a cement producing company incorporated in the Republic of Benin.

18. Information regarding subsidiaries and associate continued

18.4 Composition of the Group

Information about the composition of the Group at the end of the reporting year is as follows:

Principal activity	Place of incorporation and operation	Number of wholly owned subsidiaries 2020	2019
Cement production	Congo	1	1
Bagging and distribution of cement	Liberia	1	1
Selling and distribution of cement	Senegal	—	1
Bagging and distribution of cement	Ghana	1	1
Cement production	Nepal	1	1

Principal activity	Place of incorporation and operation	Number of non-wholly owned subsidiaries 2020	2019
Cement production	South Africa	1	1
Cement production	Ethiopia	1	1
Cement production	Zambia	1	1
Cement production	Senegal	1	1
Cement Grinding	Cameroun	2	2
Cement production	Tanzania	2	2
Contracting Services	Tanzania	1	1
Bagging and distribution of cement	Sierra Leone	1	1
Bagging and distribution of cement	Cote D'Ivoire	1	1
Cement Grinding	Gabon	1	1
Selling and distribution of cement	Burkina Faso	1	1
Selling and distribution of cement	Chad	1	1
Selling and distribution of cement	Mali	1	1
Selling and distribution of cement	Niger	1	1
Limestone mining	Niger	1	1
Limestone mining	Kenya	1	1
Cement production	Kenya	1	1
Cement production	Madagascar	1	1
Selling and distribution of cement	Benin	1	1
Selling and distribution of cement	Togo	1	1
Cement production	Mozambique	1	1
Holding company	Zimbabwe	1	1
Cement production	Zimbabwe	1	1
Power production	Zimbabwe	1	1
Coal production	Zimbabwe	1	1
Cement production	Guinea	1	1
Cement production	D.R. Congo	2	2
Cement production	Nigeria	3	3
Cement Grinding	Ghana	1	1
Manufacturing of ceramics products	Nigeria	1	1

18.5 Details of non-wholly owned subsidiaries that have material non-controlling interests

The table below shows details of non-wholly owned subsidiary of the Group that has material non-controlling interests:

Name of subsidiary	Place of incorporation and principal place of business	Proportion of ownership interests and voting rights held by non-controlling interests 2020 %	2019 %	Profit/(loss) allocated to non-controlling interests 2020 ₦'million	2019 ₦'million	Accumulated non-controlling interests 2020 ₦'million	2019 ₦'million
Dangote Cement South Africa (Pty) Limited	South Africa	36.00%	36.00%	24	—	15,640	12,450

18.6 Change in the Group's ownership interest in a subsidiary

There are no changes to the Company's shareholding during the year. Also, no entity was incorporated.

18.7 Significant restriction

There are no significant restrictions on the Company's or its subsidiaries' ability to access or use its assets to settle the liabilities of the Group.

18. Information regarding subsidiaries and associate continued
18.8
Summarised below is the financial information in respect of the Group's subsidiaries that have material non-controlling interests. Information below represent amounts before intragroup eliminations.

	Dangote Cement South Africa (Pty) Limited	
	2020 ₦'million	2019 ₦'million
Information in respect of the financial position of the subsidiaries		
Current assets	**25,947**	22,431
Non-current assets	**79,151**	68,889
Current liabilities	**36,215**	32,318
Non-current liabilities	**20,197**	22,029
Equity attributable to owners of the Company	**48,617**	36,882
Non-controlling interests	**68**	91
Information in respect of the profit and loss and other comprehensive income		
Revenue	**52,698**	46,372
Expenses	**(51,184)**	(47,022)
Tax credit	**(629)**	651
Profit for the year	**885**	1
Profit attributable to owners of the Company	**861**	1
Profit attributable to the non-controlling interests	**24**	—
Profit for the year	**885**	1
Other comprehensive income	**—**	—
Total comprehensive income for the year	**885**	1
Total comprehensive income attributable to owners of the Company	**861**	1
Total comprehensive income attributable to the non-controlling interests	**24**	—
Total comprehensive income for the year	**885**	1
Information in respect of the cash flows of the Subsidiary		
Dividends paid to non-controlling interests	**(45)**	(137)
Net cash inflow from operating activities	**5,686**	9,146
Net cash inflow from investing activities	**102**	722
Net cash (outflow) from financing activities	**(6,231)**	(10,053)
Net cash outflow	**(443)**	(185)

19. Prepayments
19.1 Non-current

	Group		Company	
	31/12/20 ₦'million	31/12/19 ₦'million	**31/12/20 ₦'million**	31/12/19 ₦'million
Advance to contractors	**22,608**	51,233	**5,000**	5,690
Prepayment for road infrastructure tax credit	**14,605**	—	**14,605**	—
Total non-current prepayments	**37,213**	51,233	**19,605**	5,690

19. Prepayments continued

19.2 Prepayments and other current assets

	Group		Company	
	31/12/20 ₦'million	31/12/19 ₦'million	31/12/20 ₦'million	31/12/19 ₦'million
Advance to contractors	17,728	12,999	1,942	3,916
Advance payment to suppliers	34,862	15,045	27,021	10,194
Rent, rates and insurance	2,339	3,058	971	831
Prepayment for road infrastructure tax credit	8,418	—	8,418	—
Total current prepayments and other assets	**63,347**	31,102	**38,352**	14,941
Due from related parties – current (Note 31)				
Parent company	8,522	7,141	8,522	7,141
Loans to parent company	70,000	—	70,000	—
Entities controlled by the parent company	106,657	88,759	101,345	83,435
Affiliates and associates of parent company	35	40	—	—
Subsidiaries	—	—	186,847	167,364
Total current receivables from related parties	**185,214**	95,940	**366,714**	257,940
Prepayments and other current assets	**248,561**	127,042	**405,066**	272,881

Non-current advances to contractors represent various advances made to contractors for the construction of plants while current advances to contractors represent various advances made for the purchase of AGO, coal and other materials which were not received at the year end.

20. Inventories

	Group		Company	
	31/12/20 ₦'million	31/12/19 ₦'million	31/12/20 ₦'million	31/12/19 ₦'million
Finished product	5,887	7,793	3,203	5,601
Work-in-progress	8,929	14,129	2,005	4,336
Raw materials	5,434	7,656	2,188	3,203
Packaging materials	4,165	4,564	1,152	1,892
Consumables	12,834	10,762	8,090	8,115
Fuel	6,219	9,676	3,453	6,399
Spare parts	58,727	55,093	31,843	35,170
Goods in transit	6,075	5,133	2,611	3,020
	108,270	114,806	**54,545**	67,736

The cost of inventories recognised as an expense during the year was ₦243.43 billion and ₦90.75 billion (2019: ₦195.01 billion and ₦68.72 billion) in the consolidated and separate financial statements respectively.

The amount recognised as inventories obsolescence during the year was ₦4.5 million (2019: nil) for Group and nil for Company.

The amount recognised as inventories write back during the year was Nil (2019: Nil) for Group and Company.

Some borrowings are secured by a debenture on all the fixed and floating assets (Note 26).

21. Trade and other receivables

	Group		Company	
	31/12/20 ₦'million	31/12/19 ₦'million	31/12/20 ₦'million	31/12/19 ₦'million
Trade receivables	15,496	13,979	5,108	6,369
Impairment allowance on trade receivables	(1,344)	(1,156)	(1,082)	(1,133)
	14,152	12,823	4,026	5,236
Staff loans and advances	1,952	1,948	1,527	1,508
Value added tax receivables	2,630	2,859	—	—
Receivables from registrar	1,143	1,092	1,143	1,092
Other receivables	15,317	12,371	8,133	4,864
Total trade and other receivables	**35,194**	31,093	**14,829**	12,700

21. Trade and other receivables continued

Of the trade receivables balance at the end of the year in the consolidated and separate financial statements, ₦930 million (2019: ₦591.0 million) represents the biggerest trade receivable balance due from a single customer at both the Group and Company level. There are no customers who represent more than 10% of the total balance of trade receivables of the Group after impairment.

The amount of other receivables reported in 2019 has been broken out into value added tax receivables and other receivables to aid understandability and comparability.

The Group always measures the loss allowance for trade receivables at an amount equal to lifetime ECL. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date. The Group has recognised a loss allowance of 100% against all receivables over 720 days past due, except where there is adequate security, because historical experience has indicated that these receivables are generally not recoverable.

Movement in impairment loss allowance of ₦188 million relates to additional provision made during the year for the Group and ₦51.6 million relates to reversal of provision for the Company.

There has been no change in the estimation techniques or significant assumptions made during the current reporting year.

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the trade receivables are over two years past due, except where there is adequate security. None of the trade receivables that have been written off is subject to enforcement activities.

Trade receivables are considered to be past due when they exceed the credit period granted.

The following table details the risk profile of trade receivables based on the Group's provision matrix. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished between the Group's different customer base.

	Group					
31/12/20	**Not past due ₦'million**	**<30 ₦'million**	**31–60 ₦'million**	**61–90 ₦'million**	**>90 ₦'million**	**Total ₦'million**
Expected credit loss rate	**3.0%**	**2.4%**	**0.1%**	**3.1%**	**41.6%**	
Estimated total gross carrying amount at default	**8,744**	**3,732**	**325**	**341**	**2,354**	**15,496**
Lifetime ECL	**262**	**90**	**—**	**11**	**981**	**1,344**
31/12/19	Not past due ₦'million	<30 ₦'million	31–60 ₦'million	61–90 ₦'million	>90 ₦'million	Total ₦'million
Expected credit loss rate	0.2%	0.7%	0.2%	0.0%	76.6%	
Estimated total gross carrying amount at default	9,311	2,123	1,082	7	1,456	13,979
Lifetime ECL	22	16	2	—	1,116	1,156

	Company					
31/12/20	**Not past due ₦'million**	**<30 ₦'million**	**31–60 ₦'million**	**61–90 ₦'million**	**>90 ₦'million**	**Total ₦'million**
Expected credit loss rate	**0.0%**	**3.5%**	**0.2%**	**6.0%**	**47.0%**	
Estimated total gross carrying amount at default	**91**	**2,623**	**137**	**174**	**2,083**	**5,108**
Lifetime ECL	**—**	**91**	**—**	**10**	**981**	**1,082**
31/12/19	Not past due ₦'million	<30 ₦'million	31–60 ₦'million	61–90 ₦'million	>90 ₦'million	Total ₦'million
Expected credit loss rate	0.0%	2.0%	0.6%	0.0%	75.3%	
Estimated total gross carrying amount at default	3,789	784	313	—	1,483	6,369
Lifetime ECL	—	16	2	—	1,115	1,133

Strategic Report
Corporate Governance
Financial Statements
Supplementary Information

22. Lease receivables

Leasing arrangements

Amounts receivable under finance leases:

	Group/Company			
	Minimum lease payments		Present value of minimum lease payment	
	31/12/20 ₦'million	31/12/19 ₦'million	**31/12/20 ₦'million**	31/12/19 ₦'million
Year 1	**6,919**	5,967	**5,249**	4,266
Year 2	**7,043**	5,967	**3,216**	4,904
Year 3	**4,141**	3,026	**3,065**	2,694
Year 4	**3,340**	2,179	**3,209**	3,687
Year 5	**952**	—	**356**	—
	22,395	17,139	**15,095**	15,551
Less: unearned finance income	**(7,301)**	(1,588)	**—**	—
Present value of minimum lease payments receivable	**15,094**	15,551	**15,095**	15,551
Allowance for uncollectible lease payments	**—**	—	**—**	—
Net investment in the lease	**15,094**	15,551	**15,095**	15,551
Analysed as follows:				
Recoverable within 12 months	**6,919**	5,967	**5,249**	4,266
Recoverable after 12 months	**15,476**	11,172	**9,846**	11,285
	22,395	17,139	**15,095**	15,551

The Group entered into finance lease arrangement for some of its trucks. All leases are denominated in Naira. The average term of finance leases entered into is 4.17 years (2019: 4.17 years).

During the year, the Group recognised interest income on lease receivables of ₦2.42 billion (2019: ₦1.15 billion).

Unguaranteed residual values of assets leased under finance leases at the end of the reporting year are estimated at nil.

The average effective interest rate implicit in the contracts is 9.06% (2019: 14%) per annum.

The Directors of the Company estimate the loss allowance on finance lease receivables at the end of the reporting year at an amount equal to lifetime ECL. Taking into account the historical default experience and the future prospects of the industries in which the leasees operate, together with the value of collateral held over these finance lease receivables, the directors consider that no finance lease receivables is impaired.

The table below shows the aged analysis of the finance lease receivables.

	Group/Company					
31/12/20	**Not past due ₦'million**	**<30 ₦'million**	**31–60 ₦'million**	**61–90 ₦'million**	**>90 ₦'million**	**Total ₦'million**
Estimated total gross carrying amount at default	**15,030**	**12**	**3**	**2**	**48**	**15,095**
31/12/19	Not past due ₦'million	<30 ₦'million	31–60 ₦'million	61–90 ₦'million	>90 ₦'million	Total ₦'million
Estimated total gross carrying amount at default	15,320	145	31	8	47	15,551

23. Share capital

23.1

	Group/Company	
	31/12/20 ₦'million	31/12/19 ₦'million
Issued and fully paid		
Share capital 17,040,507,404 (2019: 17,040,507,404) ordinary shares of ₦0.5 each	**8,520**	8,520
Share premium	**42,430**	42,430

23.2

Authorised share capital as at reporting dates represents 20,000,000,000 units of ordinary shares of ₦0.5 each. Out of the total units of issued and fully paid share capital, 40,200,000 units are held by the Company.

Fully paid ordinary shares carry one vote per fully paid up share and a right to dividends when declared and approved.

23.3 Treasury shares

On the 31st December 2020, the Company embarked on a share buy-back programme, buying back 40,200,000 units of its shares at a total cost of ₦9.8 billion which included the par value of the shares and additional premium paid on it. At 31st December 2020, the Company held 40,200,000 (2019: Nil) of its own shares.

23.4 Securities trading policy

The Board has established an Insider Trading Policy designed to prohibit dealing in 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 Rules of the NSE, the Investment and Securities Act (ISA) 2007 and the SEC Rules and Regulations. Having enquired, we can confirm that all Directors complied with the Insider Trading Policy during the period under review. We also confirm that the free float of the Company is in compliance with the NSE's free float requirements, as its value is above the threshold of forty billion Naira as mandated by the NSE.

23.5 Currency translation reserve

Exchange difference relating to the translation of the results and net investments of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e Currency Units) are recognised directly in other comprehensive income and accumulated in the foreign currency translation reserve. Exchange differences previously accumulated in the foreign currency translation reserve are reclassified to profit or loss on the disposal of foreign operations.

23.6 Capital contribution

A subordinated loan was obtained by the Company from the immediate parent, Dangote Industries Limited in 2010. The interest on the long-term portion was waived for 2011. Given the favourable terms at which the Company secured the loan, an amount of ₦2.8 billion which is the difference between the fair value of the loan on initial recognition and the amount received, has been recognised as a capital contribution.

24 Dividend

On 15th June 2020, a dividend of ₦16.00. per share (total dividend ₦272.6 billion) was approved by shareholders to be paid to holders of fully paid ordinary shares in relation to 2019 financial year.

In respect of the current year, the Directors proposed a dividend of ₦16.00 per share. This dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these consolidated and separate financial statements.

25. Trade and other payables

	Group		Company	
	31/12/20 ₦'million	31/12/19 ₦'million	**31/12/20 ₦'million**	31/12/19 ₦'million
Trade payables	**56,168**	63,277	**38,676**	33,443
Payable to contractors	**123,099**	73,910	**12,270**	21,270
Value added tax	**7,635**	3,797	**4,760**	1,690
Withholding tax payable	**22,898**	16,071	**1,981**	246
Staff pension (Note 29.1)	**722**	393	**15**	8
Advances from customers	**69,193**	59,107	**49,745**	48,040
Dividend payables	**4,013**	3,500	**4,013**	3,500
Suppliers' credit	**2,859**	3,314	**2,859**	3,314
Accruals	**62,801**	62,462	**25,926**	19,428
Total trade and other payables	**349,388**	285,831	**140,245**	130,939

The average credit period on purchases of goods is 47days and 63 days (2019: 61 days and 67 days) for Group and Company respectively. Normally, no interest is charged on trade payables. The Group has financial risk management policies in place to ensure that all payables are paid in line with the pre-agreed credit terms.

Where necessary, comparative figures have been reclassified to conform with changes in presentation in the current year. Management believes that the current presentation provides the most relevant and reliable presentation of assets and liabilities in the statement of financial position. Please see Note 21.

26. Financial liabilities

	Group		Company	
	31/12/20 ₦'million	31/12/19 ₦'million	31/12/20 ₦'million	31/12/19 ₦'million
Unsecured borrowings at amortised cost				
Loans from Dangote Industries Limited	—	37,006	—	37,006
Bulk Commodities loans	**23,515**	19,588	**1,322**	1,204
Loans from Dangote Oil & Gas	**32,905**	29,736	**32,905**	29,736
Bond (Note 26.1)	**98,423**	—	**98,423**	—
Commercial papers (Note 26.3)	**110,970**	137,505	**110,970**	137,505
	265,813	223,835	**243,620**	205,451
Secured borrowings at amortised cost				
Power intervention loan (Note 26.2)	**2,238**	5,320	**2,238**	5,320
Bank loans	**215,059**	122,279	**103,771**	14,759
	217,297	127,599	**106,009**	20,079
Total borrowings at 31st December	**483,110**	351,434	**349,629**	225,530
Long-term portion of loans and borrowings	**158,908**	107,279	**98,577**	39,700
Current portion repayable in one year and shown under current liabilities	**319,406**	232,343	**251,052**	185,830
Overdraft balances	**4,796**	11,812	—	—
Short-term portion	**324,202**	244,155	**251,052**	185,830
Interest payable	**10,809**	16,476	**7,228**	15,036
Financial liabilities (short term)	**335,011**	260,631	**258,280**	200,866

26.1 The Company issued its series 1 Naira bond with a value of ₦100 billion and a coupon rate of 12.5% during the year. The tenure is for 5 years to mature in April 2025.

26.2 In 2011 and 2012, the Bank of Industry through Guaranty Trust Bank Plc and Access Bank Plc granted the Company the sum of ₦24.5 billion long-term loan repayable over 10 years at an all-in annual interest rate of 7% for part financing or refinancing the construction cost of the power plants at the Company's factories under the Power and Aviation Intervention Fund. The loan had a moratorium of 12 months. Given the concessionary terms at which the Company secured the loan, it is considered to incorporate a government grant. Using prevailing market interest rates for an equivalent loan of 12.5%, the fair value of the loan is estimated at ₦20.7 billion. The difference of ₦3.8 billion between the gross proceeds and the fair value of the loan is the benefit derived from the low interest loan and is recognised as deferred revenue. The facility is secured by a debenture on all fixed and floating assets of the Company to be shared pari passu with existing lenders. During the year, the rate was reduced to 5% because of COVID-19.

26.3 Commercial paper was issued under a programme with a maximum face value of ₦150 billion. The tenure is between 90 days and 270 days with discount ranging from 4.0% to 8.0%.

26.4 The Company entered into foreign currency swap which is carried at fair value. The amount represents a liability arising from the foreign currency swap arrangement.

26. Financial liabilities continued

	Currency	Nominal interest rate	Maturity	Group 31/12/20 ₦'million	Group 31/12/19 ₦'million
Bank overdrafts			On demand	**4,796**	11,812
Other borrowings					
Other loans from Parent Company	Naira	10.0%	2020	**—**	37,006
Loan from Bulk Commodities Inc.	USD	6.0% – 8.0%	On demand & 2021	**23,515**	19,588
Loans from Dangote Oil & Gas	Naira	7.0%	On demand	**32,905**	29,736
Power intervention loan	Naira	5.0%	07 & 12/2021	**2,238**	5,320
Commercial paper	Naira	4.0% – 8.0%	2021	**110,970**	137,505
Bond	Naira	12.5%	04/2025	**98,423**	—
Short term loans from Banks	USD	7.0%	2020	**138,107**	21,744
Standard Chartered	USD	7.5%	2022	**19,611**	29,783
Long-term bank loans	CFA	7.25% – 8.5%	2025	**25,630**	29,154
Nedbank/Standard Bank Loan	Rands	JIBAR + 4%	11/2022	**26,915**	29,786
				478,314	339,622
Total borrowings at 31st December				**483,110**	351,434

	Currency	Nominal interest rate	Maturity	Company 31/12/20 ₦'million	Company 31/12/19 ₦'million
Loans from Parent Company	Naira	10.0%	2020	**—**	37,006
Loan from Bulk Commodities Inc.	USD	6.0%	On demand	**1,322**	1,204
Loans from Dangote Oil & Gas	Naira	7.0%	On demand	**32,905**	29,736
Power intervention loan	Naira	7.0%	07 & 12/2021	**2,238**	5,320
Commercial paper	Naira	4.0% – 8.0%	2021	**110,970**	137,505
Bond	Naira	12.5%	04/2025	**98,423**	—
Short term loans from Banks	USD	7.0%	2020	**103,771**	14,759
Total borrowings at 31st December				**349,629**	225,530

The maturity profiles of borrowings are as follows:

	Group 31/12/20 ₦'million	Group 31/12/19 ₦'million	Company 31/12/20 ₦'million	Company 31/12/19 ₦'million
Due within one month	**13,432**	26,434	**406**	14,469
Due from one to three months	**90,727**	142,296	**82,250**	122,745
Due from three to twelve months	**220,043**	75,425	**168,396**	48,616
Total current portion repayable in one year	**324,202**	244,155	**251,052**	185,830
Due in the second year	**26,198**	82,343	**154**	39,364
Due in the third year	**25,640**	18,307	**—**	336
Due in the fourth year	**100,580**	1,965	**98,423**	—
Due in the fifth year and further	**6,490**	4,664	**—**	—
Total long—term portion of loans and borrowings	**158,908**	107,279	**107,279**	39,700
Total	**483,110**	351,434	**349,629**	225,530

26. Financial liabilities continued

The table below details changes in the liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group and Company's consolidated and separate statement of cash flows as cash flows from financing activities.

	Group				
	31/12/19 ₦'million	Financing cash flows ₦'million	Exchange gains/(losses) ₦'million	Others ₦'million	**31/12/20 ₦'million**
Loans from Dangote Industries Limited	37,006	(36,097)	(909)	—	**—**
Bulk Commodities loans	19,588	1,956	1,971	—	**23,515**
Loans from Dangote Oil & Gas	29,736	3,137	32	—	**32,905**
Power intervention loan	5,320	(2,625)	—	(457)	**2,238**
Commercial papers	137,505	(26,535)	—	—	**110,970**
Bond	—	98,423	—	—	**98,423**
Bank loans	110,467	84,666	15,130	—	**210,263**
	339,622	122,925	16,224	(457)	**478,314**

	Company				
	31/12/19 ₦'million	Financing cash flows ₦'million	Exchange gains/(losses) ₦'million	Others ₦'million	**31/12/20 ₦'million**
Loans from Dangote Industries Limited	37,006	(36,097)	(909)	—	**—**
Bulk Commodities loans	1,204	—	118	—	**1,322**
Loans from Dangote Oil & Gas	29,736	3,137	32	—	**32,905**
Power intervention loan	5,320	(2,625)	—	(457)	**2,238**
Commercial papers	137,505	(26,535)	—	—	**110,970**
Bond	—	98,423	—	—	**98,423**
Bank loans	14,759	86,375	2,637	—	**103,771**
	225,530	122,678	1,878	(457)	**349,629**

	Group				
	31/12/18 ₦'million	Financing cash flows ₦'million	Exchange gains/(losses) ₦'million	Others ₦'million	31/12/19 ₦'million
Loans from Dangote Industries Limited	56,956	(19,962)	12	—	37,006
Bulk Commodities loans	17,765	2,553	(730)	—	19,588
Loans from Dangote Oil & Gas	42,776	(12,724)	(316)	—	29,736
Power intervention loan	7,838	(2,626)	—	108	5,320
Commercial papers	79,273	58,232	—	—	137,505
Bank loans	122,823	(11,983)	(373)	—	110,467
	327,431	13,490	(1,407)	108	339,622

	Company				
	31/12/18 ₦'million	Financing cash flows ₦'million	Exchange gains/(losses) ₦'million	Others ₦'million	31/12/19 ₦'million
Loans from Dangote Industries Limited	56,956	(19,962)	12	—	37,006
Bulk Commodities loans	1,184	—	20	—	1,204
Loans from Dangote Oil & Gas	42,776	(12,724)	(316)	—	29,736
Power intervention loan	7,838	(2,626)	—	108	5,320
Commercial papers	79,273	58,232	—	—	137,505
Bank loans	10,218	4,879	(338)	—	14,759
	198,245	27,799	(622)	108	225,530

27. Deferred revenue and other current liabilities

27.1. Deferred revenue

	Group		Company	
	31/12/20 ₦'million	31/12/19 ₦'million	31/12/20 ₦'million	31/12/19 ₦'million
Deferred revenue arising from government grant (refer to (a) below	444	516	37	156
	444	516	37	156
Current (Note 27.2)	70	147	37	119
Non-current	374	369	—	37
	444	516	37	156

a) The deferred revenue mainly arises as a result of the benefits received from government. The income recognised in current year was recorded in other income line.

Movement in deferred revenue

	Group		Company	
	31/12/20 ₦'million	31/12/19 ₦'million	31/12/20 ₦'million	31/12/19 ₦'million
At 1st January	516	741	156	355
Additions during the year	—	—	—	—
	516	741	156	355
Released to profit and loss account (Other income)	(148)	(227)	(119)	(199)
Effect of foreign exchange differences	76	2	—	—
Closing balance	444	516	37	156

27.2 Other current liabilities

	Group		Company	
	31/12/20 ₦'million	31/12/19 ₦'million	31/12/20 ₦'million	31/12/19 ₦'million
Current portion of deferred revenue (note 27.1)	70	147	37	119
Due to related parties – current (note 31)				
Entities controlled by the parent company	50,387	4,161	42,513	1,086
Affiliates and associates of parent company	33,003	29,775	23,272	16,959
Subsidiaries	—	—	15,887	12,571
Total current payables to related parties	83,390	33,936	81,672	30,616
Other current liabilities	83,460	34,083	81,709	30,735

28. Provisions

	Group		Company	
	31/12/20 ₦'million	31/12/19 ₦'million	31/12/20 ₦'million	31/12/19 ₦'million
Site restoration cost	6,913	2,869	5,049	1,950
	6,913	2,869	5,049	1,950

	Group					
	2020			2019		
	Restoration ₦'million	Others ₦'million	Total ₦'million	Restoration ₦'million	Others ₦'million	Total ₦'million
Balance at beginning of the year	2,869	815	3,684	2,150	603	2,753
Effect of foreign exchange differences	274	43	317	(41)	(77)	(118)
Provisions made during the year	2,793	278	3,071	417	289	706
Transfer from short term	717	—	717	—	—	—
Unwinding of discount	260	—	260	343	—	343
Balance at the end of the year	6,913	1,136	8,049	2,869	815	3,684

28. Provisions continued

	Company					
	2020			2019		
	Restoration ₦'million	Others ₦'million	Total ₦'million	Restoration ₦'million	Others ₦'million	Total ₦'million
Balance at beginning of the year	**1,950**	**—**	**1,950**	1,310	—	1,310
Provisions made during the year	**2,865**	**—**	**2,865**	304	—	304
Unwinding of discount	**234**	**—**	**234**	336	—	336
Balance at the end of the year	**5,049**	**—**	**5,049**	1,950	—	1,950

The Group's obligations are to settle environmental restoration and dismantling/decommissioning cost of property, plant and equipment when the Group has a legal or constructive obligation to do so. The expenditure is expected to be utilised at the end of the useful lives of the mines.

The provision for site restoration represents an estimate of the costs involved in restoring production sites at the end of the expected life of the quarries. The provision is an estimate based on reclamation closure expert valuation and management's re-assessment. It is expected that the restoration cost will happen over a period of time for the Group and Company. The long-term inflation and discount rates used in the estimate for Nigerian entities were 10.7% and 11.4%.

29. Employee benefits

29.1 Defined contribution plans

	Group		Company	
	31/12/20 ₦'million	31/12/19 ₦'million	31/12/20 ₦'million	31/12/19 ₦'million
Balance at beginning of the year	**393**	461	**8**	7
Provision for the year	**3,073**	2,181	**1,251**	1,259
Payments during the year	**(2,744)**	(2,249)	**(1,244)**	(1,258)
Balance at the end of the year	**722**	393	**15**	8

29.2 Employee benefit obligations

The Group operates an unfunded defined benefit plan (long service award) for qualifying employees of the Group. Under the plan, the employees are entitled to benefits such as gift items, Ex-Gratia (expressed as a multiple of Monthly Basic Salary), a plaque and certificate on attainment of a specific number of years in service. The most recent actuarial valuations of the present value of the defined benefit obligation were carried out as at 31st December 2020 by Ernst & Young Nigeria (FRC registration number: FRC/2012/NAS/00000000738) The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

The plan typically exposes the Group to actuarial risks such as; investment risk, interest rate risk, longevity risk and salary risk.

Interest rate risk A decrease in the bond interest rate will increase the plan liability

Longevity risk The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants during their employment. An increase in the life expectancy of the plan participants will increase the plan's liability

Salary risk The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The principal assumptions used for the purposes of the actuarial valuations for Group and Company were as follows:.

	Company	
	31/12/20 %	31/12/19 %
Discount rate(s)	**8.00**	—
Expected rate(s) of salary increase	**12.00**	—
Inflation rate	**12.00**	—

29. Employee benefits continued

29.2 Employee benefit obligations continued

Movements in the present value of the defined benefit obligation are as follows:

	Group		Company	
	31/12/20 ₦'million	31/12/19 ₦'million	31/12/20 ₦'million	31/12/19 ₦'million
At 1st January	—	—	—	—
Current service cost	2,683	—	2,655	—
Interest cost	294	—	291	—
Remeasurement (gains)/losses	—	—	—	—
Actuarial losses/(gains)	736	—	736	—
Curtailment	—	—	—	—
Benefits paid	(132)	—	(130)	—
At 31st December	**3,581**	—	**3,552**	—

The actual return on plan assets in 2020 was nil (2019: nil).

Amounts recognised in profit or loss in respect of these defined benefit plans are as follows.

	Group		Company	
	31/12/20 ₦'million	31/12/19 ₦'million	31/12/20 ₦'million	31/12/19 ₦'million
Current service cost	2,683	—	2,655	—
Net Interest expense	294	—	291	—
	2,977	—	2,946	—

The amount included in the consolidated and separate statements of financial position arising from the entity's obligation in respect of its defined benefit plans is as follows.

	Group		Company	
	31/12/20 ₦'million	31/12/19 ₦'million	31/12/20 ₦'million	31/12/19 ₦'million
Present value of defined benefit obligations	3,581	—	3,552	—
Net liability arising from defined benefit obligation	**3,581**	—	**3,552**	—

- If the discount rate is 100 basis points higher (lower), the defined benefit obligation at 31st December 2020 would decrease by ₦3.2 billion (increase by ₦3.9 billion).
- If the expected salary growth increases (decreases) by 1%, the defined benefit obligation as at 31st December 2020 would increase by ₦3.8 billion (decrease by ₦3.3 billion).
- If the assumed mortality age is rated up (down) by one year, the defined benefit obligation as at 31st December 2020 would increase by ₦3.5 billion (decrease by ₦3.6 billion).

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

In presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the statement of financial position.

30. Financial instruments

30.1 Capital management

The Group manages its capital to ensure that the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the Group consists of net debt (borrowings as detailed in note 26 offset by cash and cash equivalents) and equity of the Group (comprising issued capital, reserves, retained earnings and non-controlling interests as detailed below.

	Group		Company	
	31/12/20 ₦'million	31/12/19 ₦'million	31/12/20 ₦'million	31/12/19 ₦'million
Net debt	337,275	227,531	280,781	169,743
Equity	890,970	897,937	1,352,377	1,282,249

The Finance committee reviews the capital structure of the Group on a quarterly basis. As part of this review, the committee considers the cost of capital and the risks associated with each class of capital. The Group endeavours to maintain an optimum mix of net debt to equity ratio which provides benefits of trading on equity without exposing the Group to any undue long-term liquidity risk. The Group manages its capital structure and makes adjustments to it in the light of changes in economic conditions. To maintain the capital or adjust the capital structure, the Group may adjust the dividend payment to shareholders, issue new and/or bonus shares, or raise debts in favourable market conditions.

30. Financial instruments continued

30.1 Capital management continued

30.1.1 Debt to equity ratio

The net debt to equity ratio as on 31st December 2020 is 37% (2019: 25%).

The debt to equity ratio at the end of the reporting year was as follows:

	Group		Company	
	31/12/20 ₦'million	31/12/19 ₦'million	**31/12/20 ₦'million**	31/12/19 ₦'million
Financial debt (Note 26)	**483,110**	351,434	**349,629**	225,530
Cash and bank balances (Note 32.1)	**145,835**	123,903	**68,848**	55,787
Net debt	**337,275**	227,531	**280,781**	169,743
Equity	**890,970**	897,937	**1,352,377**	1,282,249
Net debt/equity ratio	**0.38**	0.25	**0.21**	0.13

30.2 Categories of financial instruments

	Group					
31/12/20	**Amortised cost ₦'million**	**FVTPL ₦'million**	**FVTOCI ₦'million**	**Total financial ₦'million**	**Non-financial ₦'million**	**Total ₦'million**
Assets						
Property, plant and equipment	—	—	—	—	1,390,687	1,390,687
Intangible assets	—	—	—	—	4,554	4,554
Right of use assets	—	—	—	—	12,594	12,594
Investments in subsidiaries	—	—	—	—	—	—
Investment in associate	—	—	—	—	5,711	5,711
Lease receivables	15,095	—	—	15,095	—	15,095
Deferred tax asset	—	—	—	—	11,708	11,708
Prepayments for property, plant & equipment	—	—	—	—	37,213	37,213
Inventories	—	—	—	—	108,270	108,270
Trade and other receivables	32,564	—	—	32,564	2,630	35,194
Prepayments and other current assets	185,214	—	—	185,214	63,347	248,561
Current tax assets	—	—	—	—	7,029	7,029
Cash and cash equivalents	145,835	—	—	145,835	—	145,835
	378,708	—	—	378,708	1,643,743	2,022,451
Liabilities						
Trade and other payables	249,662	—	—	249,662	99,726	349,388
Current tax liabilities	—	—	—	—	59,781	59,781
Financial liabilities	493,919	—	—	493,919	—	493,919
Other current liabilities	83,390	—	—	83,390	70	83,460
Lease liabilities	9,845	—	—	9,845	—	9,845
Derivatives	—	104	—	104	—	104
Deferred tax liabilities	—	—	—	—	122,980	122,980
Provisions	—	—	—	—	8,049	8,049
Employees benefits obligations	3,581	—	—	3,581	—	3,581
Deferred revenue	—	—	—	—	374	374
Total liabilities	840,397	104	—	840,501	290,980	1,131,481

30. Financial instruments continued

30.2 Categories of financial instruments continued

31/12/19	Amortised cost ₦'million	FVTPL ₦'million	FVTOCI ₦'million	Total financial ₦'million	Non-financial ₦'million	Total ₦'million
	Group					
Assets						
Property, plant and equipment	—	—	—	—	1,206,749	1,206,749
Intangible assets	—	—	—	—	3,663	3,663
Right of use assets	—	—	—	—	11,956	11,956
Investment in associate	—	—	—	—	4,961	4,961
Lease receivables	15,551	—	—	15,551	—	15,551
Deferred tax asset	—	—	—	—	44,768	44,768
Prepayments for property, plant & equipment	—	—	—	—	51,233	51,233
Inventories	—	—	—	—	114,806	114,806
Trade and other receivables	28,234	—	—	28,234	2,859	31,093
Prepayments and other current assets	95,940	—	—	95,940	31,102	127,042
Current tax assets	—	—	—	—	6,718	6,718
Cash and cash equivalents	123,903	—	—	123,903	—	123,903
	263,628	—	—	263,628	1,478,815	1,742,443
Liabilities						
Trade and other payables	203,356	—	—	203,356	78,975	285,831
Current tax liabilities	—	—	—	—	49,932	49,932
Financial liabilities	367,910	—	—	367,910	—	367,910
Other current liabilities	33,936	—	—	33,936	147	34,083
Lease liabilities	8,856	—	—	8,856	—	8,856
Deferred tax liabilities	—	—	—	—	93,841	93,841
Provisions	—	—	—	—	3,684	3,684
Deferred revenue	—	—	—	—	369	369
Long-term payables	—	—	—	—	—	—
Total liabilities	614,058	—	—	614,058	226,948	844,506

30. Financial Instruments continued

30.2 Categories of financial instruments continued

	Company					
31/12/20	Amortised cost ₦'million	FVTPL ₦'million	FVTOCI ₦'million	Total financial ₦'million	Non-financial ₦'million	Total ₦'million
Assets						
Property, plant and equipment	—	—	—	—	551,926	551,926
Intangible assets	—	—	—	—	180	180
Right of use assets	—	—	—	—	1,164	1,164
Investments in subsidiaries	—	—	—	—	162,246	162,246
Investment in associate	—	—	—	—	1,582	1,582
Lease receivables	15,095	—	—	15,095	—	15,095
Deferred tax asset	—	—	—	—	—	—
Prepayments for property, plant & equipment	—	—	—	—	19,605	19,605
Receivables from subsidiaries	815,463	—	—	815,463	—	815,463
Inventories	—	—	—	—	54,545	54,545
Trade and other receivables	14,829	—	—	14,829	—	14,829
Prepayments and other current assets	366,714	—	—	366,714	38,352	405,066
Current tax assets	—	—	—	—	5,511	5,511
Cash and cash equivalents	68,848	—	—	68,848	—	68,848
		—	—			
	1,280,949	—	—	1,280,949	835,111	2,116,060
Liabilities						
Trade and other payables	83,759	—	—	83,759	56,486	140,245
Current tax liabilities	—	—	—	—	58,117	58,117
Financial liabilities	356,857	—	—	356,857	—	356,857
Other current liabilities	81,672	—	—	81,672	37	81,709
Lease liabilities	288	—	—	288	—	288
Derivatives	—	104	—	104	—	104
Deferred tax liabilities	—	—	—	—	117,762	117,762
Provisions	—	—	—	—	5,049	5,049
Employees benefits obligations	3,552	—	—	3,552	—	3,552
Total liabilities	526,128	104	—	526,232	237,451	763,683

30. Financial instruments continued
30.2 Categories of financial instruments continued

31/12/19	Company Amortised cost ₦'million	FVTPL ₦'million	FVTOCI ₦'million	Total financial ₦'million	Non-financial ₦'million	Total ₦'million
Assets						
Property, plant and equipment	—	—	—	—	545,834	545,834
Intangible assets	—	—	—	—	69	69
Right of use assets	—	—	—	—	994	994
Investments in subsidiaries	—	—	—	—	162,071	162,071
Investment in associate	—	—	—	—	1,582	1,582
Lease receivables	15,551	—	—	15,551	—	15,551
Deferred tax asset	—	—	—	—	14,356	14,356
Prepayments for property, plant & equipment	—	—	—	—	5,690	5,690
Receivables from subsidiaries	663,113	—	—	663,113	—	663,113
Inventories	—	—	—	—	67,736	67,736
Trade and other receivables	12,700	—	—	12,700	—	12,700
Prepayments and other current assets	257,940	—	—	257,940	14,941	272,881
Cash and cash equivalents	55,787	—	—	55,787	—	55,787
	1,005,091	—	—	1,005,091	813,273	1,818,364
Liabilities						
Trade and other payables	80,963	—	—	80,963	49,976	130,939
Current tax liabilities	—	—	—	—	49,127	49,127
Financial liabilities	240,566	—	—	240,566	—	240,566
Other current liabilities	30,616	—	—	30,616	119	30,735
Deferred tax liabilities	—	—	—	—	89,473	89,473
Provisions	—	—	—	—	1,950	1,950
Deferred revenue	—	—	—	—	37	37
Total liabilities	352,145	—	—	352,145	190,682	542,827

30.3 Financial risk management objectives
The Group's Corporate Treasury function provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group and analyses exposures by degree and magnitude of risks. These risks include market risk, credit risk, and liquidity risk.

30.4 Market risk
The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates (Note 30.5.1) and interest rates (Note 30.7.2).

30. Financial instruments continued

30.5 Foreign currency risk management

The Group undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Income is primarily earned in local currency for most of the locations with a significant portion of capital expenditure being in foreign currency. The Group manages foreign currency by monitoring our financial position in each country we operate with the aim of having assets and liabilities denominated in the functional currency as much as possible. The effective closing rate as at 31st December 2020 is ₦400.33/ US Dollar (2019: ₦364.70/US Dollar). The carrying amounts of the Group and Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting year are as follows.

	Group			
	Liabilities		Assets	
	31/12/20 ₦'million	31/12/19 ₦'million	31/12/20 ₦'million	31/12/19 ₦'million
US Dollars	272,741	156,448	3,015	9,442

	Company			
	Liabilities		Assets	
	31/12/20 ₦'million	31/12/19 ₦'million	31/12/20 ₦'million	31/12/19 ₦'million
US Dollars	219,630	100,005	992,840	783,520

30.5.1 Foreign currency sensitivity analysis

The Group is mainly exposed to US Dollars.

The following table details the Group and Company's sensitivity to a 15% (2019:15%) increase and decrease in the Naira against the US Dollar. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 15% change in foreign currency rates. The sensitivity analysis includes external loans as well as loans to foreign operations within the Group where the denomination of the loan is in a currency other than the functional currency of the lender or the borrower. A positive number below indicates an increase in profit or equity for a 15% change in the exchange rates. A negative number below indicates a decrease in profit or equity for a 15% change in the exchange rates.

	Group		Company	
	31/12/20 ₦'million	31/12/19 ₦'million	31/12/20 ₦'million	31/12/19 ₦'million
Effect on Profit or loss/Equity for a 15% (2019:15%) appreciation	28,321	15,436	(81,187)	(71,769)
Effect on Profit or loss/Equity for a 15% (2019:15%) depreciation	(28,321)	(15,436)	81,187	71,769

This is mainly attributable to the exposure outstanding on US dollar receivables and payables at the end of the reporting period.

30.6 Credit risk management

Credit risk refers to the risk that counterparties will default on their contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties.

The Group's and Company's business is predominantly on a cash basis. Revolving credits are granted to major distributors and very large corporate customers and these are payable within 30 days. Stringent credit control is exercised over the granting of credit, this is done through the review and approval by executive management based on the recommendation of the credit control group.

Credits to major distributors are covered by bank guarantee with an average credit period of no more than 15 days.

For very large corporate customers, clean credits are granted based on previous business relationships and positive credit worthiness which is performed on an on-going basis. These credits are usually payable at no more than 30 days.

The Group and the Company do not have significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The Group defines counterparties as related entities with similar characteristics.

Trade receivables consist of a large number of customers, spread across diverse geographical areas. On-going credit evaluation is performed on the financial condition of accounts receivable.

The credit risk on liquid funds financial instruments is limited because the counterparties are banks with high credit-ratings assigned by credit-rating agencies.

30. Financial instruments continued

30.6 Credit risk management continued

30.6.1 Exposure to credit risk

The tables below detail the credit quality of the Group's financial assets as well as the Group's maximum exposure to credit risk by credit risk rating grades.

31/12/20	Notes	Group External credit rating	Internal rating	12 months or lifetime ECL	Gross carrying amount ₦'million	Allowance ₦'million	Net carrying amount ₦'million
Lease receivables	22	N/A	ii	Lifetime ECL	15,095	—	15,095
Trade and other receivables	21	N/A	ii	Lifetime ECL	33,908	(1,344)	32,564
Prepayments and other current assets	19.2	N/A	Performing	Lifetime ECL	185,214	—	185,214
Cash and cash equivalents	32.1	i	i	i	145,835	—	145,835
Total					380,052	(1,344)	378,708

31/12/19	Notes	Group External credit rating	Internal rating	12 months or lifetime ECL	Gross carrying amount ₦'million	Allowance ₦'million	Net carrying amount ₦'million
Lease receivables	22	N/A	ii	Lifetime ECL	15,551	—	15,551
Trade and other receivables*	21	N/A	ii	Lifetime ECL	29,390	(1,156)	28,234
Prepayments and other current assets	19.2	N/A	Performing	Lifetime ECL	95,940	—	95,940
Cash and cash equivalents	32.1	i	i	i	123,903	—	123,903
Total					264,784	(1,156)	263,628

* Included in trade and other receivables is a portion of non financial asset now properly classified.

31/12/20	Notes	Company External credit rating	Internal rating	12 months or lifetime ECL	Gross carrying amount ₦'million	Allowance ₦'million	Net carrying amount ₦'million
Lease receivables	22	N/A	ii	Lifetime ECL	15,095	—	15,095
Receivables from subsidiaries	31	N/A	ii	Lifetime ECL	815,463	—	815,463
Trade and other receivables	21	N/A	ii	Lifetime ECL	15,911	(1,082)	14,829
Prepayments and other current assets	19.2	N/A	Performing	Lifetime ECL	366,714	—	366,714
Cash and bank balances	32.1	i	i	i	68,848	—	68,848
Total					1,282,031	(1,082)	1,280,949

31/12/19	Notes	Company External credit rating	Internal rating	12 months or lifetime ECL	Gross carrying amount ₦'million	Allowance ₦'million	Net carrying amount ₦'million
Lease receivables	22	N/A	ii	Lifetime ECL	15,551	—	15,551
Receivables from subsidiaries	31	N/A	ii	Lifetime ECL	663,113	—	663,113
Trade and other receivables	21	N/A	ii	Lifetime ECL	13,833	(1,133)	12,700
Prepayments and other current assets	19.2	N/A	Performing	Lifetime ECL	257,940	—	257,940
Cash and bank balances	32.1	i	i	i	55,787	—	55,787
Total					1,006,224	(1,133)	1,005,091

(i) All bank balances are assessed to have low credit risk at each reporting date as they are held with reputable banking institutions with good credit rating by rating agencies.

(ii) For finance leases and trade receivables, the simplified approach to measure the loss allowance at lifetime ECL has been applied.

30. Financial instruments continued

30.7 Liquidity risk management

The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans, debentures and preference shares. The Group has access to sufficient sources of funds directly from external sources as well as from the Group's parent.

30.7.1 Liquidity maturity table

The following tables detail the Group and Company's remaining contractual maturity for its financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay. The tables below include both interest and principal cash flows for the Group.

	Gross carrying amount ₦'million	Group <1 month ₦'million	1– 3 months ₦'million	3 months–1 year ₦'million	>1 year ₦'million
As at 31st December 2020					
Trade and other payables	**249,662**	**242,790**	**—**	**2,859**	**—**
Financial liabilities	**493,919**	**15,751**	**95,725**	**233,612**	**205,855**
Lease liabilities	**9,845**	**—**	**—**	**2,073**	**7,772**
Other current liabilities	**83,390**	**83,390**	**—**	**—**	**—**
Derivatives	**104**	**—**	**104**	**—**	**—**
Total	**836,920**	**341,931**	**95,829**	**238,544**	**213,627**

	Gross carrying amount ₦'million	Group <1 month ₦'million	1– 3 months ₦'million	3 months–1 year ₦'million	>1 year ₦'million
As at 31st December 2019					
Trade and other payables	203,356	200,042	—	3,314	—
Financial liabilities	367,910	28,802	153,722	90,370	112,779
Lease liabilities	8,856	—	—	1,409	7,447
Other current liabilities	33,936	33,936	—	—	—
Total	614,058	262,780	153,722	95,093	120,226

	Gross carrying amount ₦'million	Company <1 month ₦'million	1– 3 months ₦'million	3 months–1 year ₦'million	>1 year ₦'million
As at 31st December 2020					
Trade and other payables	**83,759**	**76,887**	**—**	**2,859**	**—**
Financial liabilities	**356,857**	**2,048**	**85,987**	**177,169**	**140,249**
Other current liabilities	**81,672**	**81,672**	**—**	**—**	**—**
Lease liabilities	**288**	**—**	**—**	**158**	**130**
Derivatives	**104**	**—**	**104**	**—**	**—**
Total	**522,680**	**160,607**	**86,091**	**180,186**	**140,379**

	Gross carrying amount ₦'million	Company <1 month ₦'million	1– 3 months ₦'million	3 months–1 year ₦'million	>1 year ₦'million
As at 31st December 2019					
Trade and other payables	77,463	74,149	—	3,314	—
Financial liabilities	240,566	16,157	131,832	57,940	39,759
Other current liabilities	30,616	30,616	—	—	—
Total	348,645	120,922	131,832	61,254	39,759

The Company guaranteed all the loans in the subsidiaries amounting to ₦111.3 billion (2019: ₦107.5 billion).

30. Financial instruments continued

30.7 Liquidity risk management continued

30.7.2 Interest Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to the changes in market interest rates. The Group maintains a centralised treasury department and Group borrowing is done in order to obtain lower interest rates. The Group negotiates long-term credit facilities to reduce the risk associated with high cost of borrowing. The Group is exposed to interest rate risk because it borrows funds at both fixed and floating interest rates. The sensitivity analysis below have been determined based on the exposure to interest rates for borrowings at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. 100 basis points (BP) increase or decrease are used when reporting LIBOR risk internally to key management personnel and these represent management's assessment of the reasonably possible change in interest rates. Please refer to note 26 for interest rates of financial instruments.

The following sensitivity analysis has been prepared using a sensitivity rate which is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates. All other variables remain constant. The sensitivity analysis includes only financial instruments exposed to interest rate risk which were recognised at the reporting date. No changes were made to the methods and assumptions used in the preparation of the sensitivity analysis compared to the previous reporting period. The following table details the sensitivity to a 1% (2019: 1%) increase or decrease in interest rates.

	Group		Company	
	31/12/20 ₦'million	31/12/19 ₦'million	**31/12/20 ₦'million**	31/12/19 ₦'million
Effect on Profit or loss/Equity for a 1% (2019:1%) increase in rate	**(1,213)**	(934)	**2,270**	2,466
Effect on Profit or loss/Equity for a 1% (2019:1%) decrease in rate	**1,213**	934	**(2,270)**	(2,466)

30.7.3 Fair valuation of financial assets and liabilities

The carrying amount of trade and other receivables, cash and cash equivalents and amounts due from and to related parties as well as trade payables, other payables approximate their fair values because of the short-term nature of these instruments and, for trade and other receivables, because of the fact that any loss from recoverability is reflected in an impairment loss. The fair values of financial debt approximate the carrying amount as the loans are pegged to market rates and reset when rates change.

Fair value hierarchy

Financial instruments in Level 1

The fair value of financial instruments traded in active markets (quoted equity) is based on quoted market prices at the reporting date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

The quoted market price used for quoted equity investment held by the Company is the bid price at the reporting date. These instruments are included in level 1. There were no transfers between levels during the year.

Financial instruments in Level 2

The fair value of financial instruments that are not traded in an active market (loans and borrowings) is determined by using discounted cash flow valuation techniques. This valuation technique maximize the use of observable market data by using the market related interest rate for discounting the contractual cash flows. There are no significant unobservable inputs. There were no transfers between levels during the year. The basis of measurement has remained the same between current and prior years.

The fair value of future and forward exchange contracts is determined using quoted forward exchange rates at the reporting date and present value calculations based on high credit quality yield curves in the respective currencies.

Financial instruments in Level 3

The valuation model is based on market multiples derived from quoted prices of companies comparable to the investee and the expected revenue and EBITDA of the investee. The estimate is adjusted for the effect of non-marketability of the equity securities. The valuation model considers the present value of expected payment, discounted using a risk-adjusted discount rate.

Except for bond as shown in table below, the carrying amount of trade and other receivables, cash and cash equivalents, lease receivables, lease liabilities and amounts due from and to related parties as well as trade payables, other payables approximate their fair values because of the short-term nature of these instruments and, for trade and other receivables, because of the fact that any loss from recoverability is reflected in an impairment loss. The fair values of financial debt approximate the carrying amount as the loans are pegged to market rates and reset when rates change.

The Group has a derivative which is categorised as level 3 financial instrument.

	Group				Company			
	31/12/20 Fair value ₦'million	**31/12/20 Carry amount ₦'million**	31/12/19 Fair value ₦'million	31/12/19 Carry amount ₦'million	**31/12/20 Fair value ₦'million**	**31/12/20 Carry amount ₦'million**	31/12/19 Fair value ₦'million	31/12/19 Carry amount ₦'million
Bond	**114,000**	**98,423**	—	—	**114,000**	**98,423**	—	—

31. Related-party transactions

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation. Details of transactions between the Group and Company, and other related parties are disclosed below.

The Group and the Company, in the normal course of business, sells to and buys from other business enterprises that fall within the definition of a 'related party' contained in International Accounting Standard 24. These transactions mainly comprise purchases, sales, finance costs, finance income and management fees paid to shareholders. The companies in the Group also provide funds to and receive funds from each other as and when required for working capital financing and capital projects.

31.1 Trading transactions

During the year, Group entities entered into the following trading transactions with related parties that are not members of the Group:

	Sale of goods		Purchases of goods	
	31/12/20 ₦'million	31/12/19 ₦'million	**31/12/20 ₦'million**	31/12/19 ₦'million
Parent company	**—**	—	**—**	—
Entities controlled by the parent company	**15,194**	20,673	**123,707**	139,324
Affiliates and associates of the parent company	**—**	—	**43,049**	24,863

During the year, the Company entered into the following trading transactions with related parties:

	Sale of goods		Purchases of goods	
	31/12/20 ₦'million	31/12/19 ₦'million	**31/12/20 ₦'million**	31/12/19 ₦'million
Parent company	**—**	—	**—**	—
Entities controlled by the parent company	**15,194**	20,673	**115,650**	112,301
Affiliates and associates of the parent company	**—**	—	**10,649**	6,516
Subsidiaries	**5,056**	—	**11,125**	—

In addition to sales and purchases of goods, the Company charged interest amounting to ₦31.5 billion (2019: ₦32.8 billion) on loans granted to subsidiaries. This interest is eliminated on consolidation.

Also during the year, the Parent company charged the Group a total interest of ₦487.7 million (2019: ₦6.9 billion), being the cost of borrowing to finance capital projects and other operational expenses. In the same vein, the Group charged the Parent company a total interest of ₦1.69 billion (2019:nil).

In addition to the above, Dangote Industries Limited performed certain administrative services for the Company, for which a management fee of ₦5.3 billion (2019: ₦4.0 billion) was charged, being an allocation of costs incurred by relevant administrative departments.

During the year, DIL provided some guarantees to the Company on behalf of certain third parties and indemnity in the event of a liability crystallising. These are done in the normal course of business.

Balances at year end are unsecured and settlement occurs in cash.

The following balances were outstanding at the end of the reporting year:

	Group			
	Amounts owed by related parties		Amounts owed to related parties	
	31/12/20 ₦'million	31/12/19 ₦'million	**31/12/20 ₦'million**	31/12/19 ₦'million
Current				
Parent company	**8,522**	7,141	**—**	—
Loans to parent company	**70,000**	—	**—**	—
Entities controlled by the parent company	**106,657**	88,759	**50,387**	4,161
Affiliates and associates of parent company	**35**	40	**33,003**	29,775
	185,214	95,940	**83,390**	33,936

	Company			
	Amounts owed by related parties		Amounts owed to related parties	
	31/12/20 ₦'million	31/12/19 ₦'million	**31/12/20 ₦'million**	31/12/19 ₦'million
Non-current				
Entities controlled by the Company	**815,463**	663,113	**—**	—

31. Related-party transactions continued

31.1 Trading transactions continued

The above balances represents expenditures on projects in African countries. These are not likely to be repaid within the next twelve months and have been classified under non-current assets.

In 2020, amount totalling ₦3.4 billion (2019: Nil) was impaired from loan receivables from subsidiaries by the Company. This has been included within provision for doubtful debt and bad debt expense for the year ended 31st December 2020.

The Group management has continued to show its intention to provide financial support to its subsidiaries and to assist, when necessary, any subsidiary to obtain financial support in the future and does not envisage any material risk as a result of this. Interest charged to the subsidiaries on the advances extended to them during the year was between 5% to 11%.

During the year, the Company provided support services to its subsidiaries of ₦73.1 billion (2019: ₦71.2 billion) for capital development and/or for operational purposes. Assistance rendered was always in the form of funds transferred to them for the normal running of their operations or on their behalf to vendors/contractors for settlement of commitments.

	Company			
	Amounts owed by related parties		Amounts owed to related parties	
	31/12/20 ₦'million	31/12/19 ₦'million	**31/12/20 ₦'million**	31/12/19 ₦'million
Current				
Parent company	**8,522**	7,141	**—**	—
Loans to parent company	**70,000**	—	**—**	—
Entities controlled by the parent company	**101,345**	83,435	**42,513**	1,086
Affiliates and associates of the parent company	**—**	—	**23,272**	16,959
Subsidiaries	**186,847**	167,364	**15,887**	12,571
	366,714	257,940	**81,672**	30,616

31.2 Loans from related parties

	Group		Company	
	31/12/20 ₦'million	31/12/19 ₦'million	**31/12/20 ₦'million**	31/12/19 ₦'million
Affiliates and associates of the parent company	**23,515**	19,588	**1,322**	1,204
Entities controlled by the parent company	**32,905**	29,736	**32,905**	29,736
Loans from parent company	**—**	37,006	**—**	37,006

31.3 Compensation of key management personnel

The remuneration of directors who are the members of key management personnel during the year was as follows:

	Group		Company	
	31/12/20 ₦'million	31/12/19 ₦'million	**31/12/20 ₦'million**	31/12/19 ₦'million
Short-term benefits	**1,491**	841	**1,478**	822
	1,491	841	**1,478**	822

32. Supplemental cash flow disclosures

32.1 Cash and cash equivalents

	Group		Company	
	31/12/20 ₦'million	31/12/19 ₦'million	**31/12/20 ₦'million**	31/12/19 ₦'million
Cash and bank balances	**115,871**	84,142	**48,492**	30,001
Short term deposits	**29,964**	39,761	**20,356**	25,786
Cash and cash equivalents excluding bank overdrafts	**145,835**	123,903	**68,848**	55,787
Bank overdrafts used for cash management purposes (note 26)	**(4,796)**	(11,812)	**—**	—
Cash and cash equivalents	**141,039**	112,091	**68,848**	55,787

Cash and cash equivalents include restricted cash of ₦3.83 billion for Group and ₦3.49 billion for Company (2019: ₦4.02 billion for Group and Company) on letters of credit for the acquisition of inventories and property, plant and equipment and Debt service reserve account.

33. Lease liabilities

	Group		Company	
	31/12/20 ₦'million	31/12/19 ₦'million	31/12/20 ₦'million	31/12/19 ₦'million
Maturity analysis				
Year 1	1,811	1,472	158	—
Year 2	2,592	1,316	92	—
Year 3	1,236	1,190	—	—
Year 4	1,160	1,132	38	—
Year 5	905	911	—	—
Later than 5 years	44,200	42,507	—	—
	51,904	48,528	288	—
Less unearned interest	(42,059)	(39,672)	—	—
	9,845	8,856	288	—
Analysed as				
Current	2,073	1,409	158	—
Non- Current	7,772	7,447	130	—
	9,845	8,856	288	—

34. Commitments for expenditure

	Group		Company	
	31/12/20 ₦'million	31/12/19 ₦'million	31/12/20 ₦'million	31/12/19 ₦'million
Commitments for the acquisition of property, plant and equipment	127,665	124,253	21,137	8,023

35. Contingent liabilities

The Group and Company are engaged in law suits that have arisen in the normal course of business. The contingent liabilities in respect of pending litigation and other claims amounted to ₦117.5 billion and ₦93.2 billion for the Group and Company respectively (2019: ₦76.3 billion and ₦74.1 billion for Group and Company respectively). The Directors are of the opinion that it is not probable that an outflow of resources embodying economic benefits will be required to settle these obligations and accordingly no provision has been made in the financial statements.

36. Significant events during the year

From the beginning of the COVID-19 pandemic, we have proactively deployed recommended measures to protect the health and well-being of our employees, customers, suppliers and communities. As such, we have implemented several rigorous protocols in our operations across the continent. We are closely monitoring all markets according to the guidance provided by the Authorities in each country.

In March 2020, the Nigerian government imposed restrictions on economic activities and movement of people in some of the States in the country in order to control the spread of the COVID 19 virus. The temporary restrictions were eased and is expected that the Government of Nigeria will continue to assess the risk associated with the COVID 19 pandemic and adapt responses accordingly. Our plants continued to operate during this period and the volumes sold for the 2020 Financial year exceeds the volumes sold during the comparable period in 2019. Sales volumes during the second half of the year 2020 were much higher than the volumes sold during the comparable period for 2019 but we witnessed a reduction in sales volumes for the second quarter of 2020 compared to the same period for 2019.

In our Pan Africa operations, the response by the authorities of these countries varied in nature from specific temporary restrictions in some countries to a complete temporary lockdown for businesses that are not considered as part of the essential services. This notably resulted in total shutdown of our plants in South Africa, Congo and Ghana for a period of time. The restrictions in most countries were revised during the second quarter with our plants restarting production. The restrictions resulted in reduced volumes for the countries that had temporary full lockdown during the second quarter but like Nigeria, we witnessed a rebound during the third quarter with the full year volumes for 2020 exceeding the volumes for 2019.

Authorities appear to be continuously assessing the spread of the virus and amending these temporary restrictions accordingly.

We have considered the impact of the restrictions across the jurisdictions we operate in and concluded that the business will remain a Going Concern in the foreseeable future and the consolidated and separate financial statements have been prepared on a Going Concern basis. The Directors have also concluded that no material adjustments are required on the assets and liabilities as a result of the COVID impact.

37. Subsequent events

On 18 March 2021, a dividend of ₦16.00 per share was proposed by the directors for approval at the Annual General Meeting. There were no events after the reporting date that could have had a material effect on the consolidated and separate financial statements that have not been provided for or disclosed in these financial statements.

Five-Year Financial Summary – Other National Disclosure

Group balance sheet

Balance sheet	2020 ₦'million	2019 ₦'million	2018 ₦'million	2017 ₦'million	2016 ₦'million
Assets/liabilities					
Property, plant and equipment	**1,390,687**	1,206,749	1,171,864	1,192,140	1,155,711
Intangible assets	**4,554**	3,663	5,969	6,355	4,145
Right of use assets	**12,594**	11,956	—	—	—
Investments	**5,711**	4,961	4,312	3,749	1,582
Non current prepayments	**37,213**	51,233	36,383	16,101	13,196
Lease receivables	**9,846**	11,285	6,475	6,614	—
Net current liabilities	**(279,679)**	(224,058)	(66,668)	(110,177)	(222,629)
Deferred taxation assets/(liabilities)	**(111,272)**	(49,073)	(42,728)	(86,273)	(51,856)
Long-term debts	**(158,908)**	(107,279)	(125,725)	(242,894)	(152,475)
Long-term payables	**—**	—	—	—	(17,730)
Employee benefits obligations	**(3,581)**	—	—	—	—
Other non-current liabilities	**(16,195)**	(11,500)	(3,269)	(4,255)	(4,416)
Net assets	**890,970**	897,937	986,613	781,360	725,528
Capital and reserves					
Share capital	**8,520**	8,520	8,520	8,520	8,520
Share premium	**42,430**	42,430	42,430	42,430	42,430
Capital Contribution	**2,877**	2,877	2,877	2,877	2,877
Treasury shares	**(9,833)**	—	—	—	—
Currency Translation Reserve	**52,681**	55,974	72,605	75,441	78,964
Revenue reserve	**779,271**	776,839	848,695	639,462	605,662
Non controlling interest	**15,024**	11,297	11,486	12,630	(12,925)
	890,970	897,937	986,613	781,360	725,528
Turnover, profit or loss account					
Turnover	**1,034,196**	891,671	901,213	805,582	615,103
Profit before taxation	**373,310**	250,479	300,806	289,590	180,929
Taxation	**(97,242)**	(49,958)	89,519	(85,342)	(38,071)
Profit after taxation	**276,068**	200,521	390,325	204,248	142,858
Per share data (Naira):					
Earnings (basic and diluted)	**16.14**	11.79	22.83	11.65	8.78
Net assets	**52.29**	52.69	57.90	45.85	42.58

Earnings per share are based on profit after taxation and the weighted average number of issued and fully paid ordinary shares at the end of each financial year.

Net assets per share are based on net assets and the weighted average number of issued and fully paid ordinary shares at the end of each financial year.

Five-Year Financial Summary – Other National Disclosure
continued

Company balance sheet

	2020 ₦'million	2019 ₦'million	2018 ₦'million	2017 ₦'million	2016 ₦'million
Assets/(liabilities)					
Property, plant and equipment	**551,926**	545,834	535,934	549,962	569,017
Intangible assets	**180**	69	48	37	113
Right of use	**1,164**	994	—	—	—
Investments	**163,828**	163,653	163,653	163,539	80,255
Receivables from subsidiaries	**986,423**	817,906	715,561	594,783	601,871
Prepayments for property, plant & equipment	**19,605**	5,690	—	1,600	—
Lease receivables	**9,846**	11,285	6,475	6,614	—
Net current asset/(liabilities)	**(155,525)**	(146,378)	983	(56,078)	(210,171)
Deferred taxation (liabilities)/assets	**(117,762)**	(75,117)	(65,472)	(109,817)	(70,741)
Long-term debts	**(98,577)**	(39,700)	(62,168)	(157,195)	(86,182)
Employee benefits obligations	**(3,552)**	—	—	—	—
Other non-current liabilities	**(5,179)**	(1,987)	(1,466)	(2,428)	(2,931)
Net assets	**1,352,377**	1,282,249	1,293,548	991,017	881,231
Capital and reserves					
Share capital	**8,520**	8,520	8,520	8,520	8,520
Share premium	**42,430**	42,430	42,430	42,430	42,430
Capital contribution	**2,828**	2,828	2,828	2,828	2,828
Treasury shares	**(9,833)**	—	—	—	—
Revenue reserve	**1,308,432**	1,228,471	1,239,770	937,239	827,453
	1,352,377	1,282,249	1,293,548	991,017	881,231
Turnover, profit or loss account					
Turnover	**719,945**	610,247	618,301	552,364	426,129
Profit before taxation	**430,747**	315,420	392,223	342,153	355,016
Taxation	**(78,138)**	(54,071)	89,233	(87,523)	(48,765)
Profit after taxation	**352,609**	261,349	481,456	254,630	306,251
Per share data (Naira):					
Earnings (basic and diluted)	**20.69**	15.34	28.25	14.94	17.97
Net assets	**79.36**	75.25	75.91	58.16	51.71

Earnings per share are based on profit after taxation and the weighted average number of issued and fully paid ordinary shares at the end of each financial year.

Net assets per share are based on net assets and the weighted average number of issued and fully paid ordinary shares at the end of each financial year.

Statement of Value Added – Other National Disclosure

	Group				Company			
	2020 ₦'million	**%**	2019 ₦'million	%	**2020 ₦'million**	**%**	2019 ₦'million	%
Sales	**1,034,196**		891,671		**719,945**		610,247	
Finance income	**29,814**		7,610		**112,031**		47,558	
Other income	**4,754**		2,980		**1,922**		1,247	
	1,068,764		902,261		**833,898**		659,052	
Bought-in materials and services:								
– Imported	**(124,511)**		(149,220)		**(74,340)**		(83,110)	
– Local	**(385,453)**		(284,845)		**(221,232)**		(142,322)	
Value added	**558,800**	**100**	468,196	100	**538,326**	**100**	433,620	100
Applied as follows:								
To pay employees:								
Salaries, wages and other benefits	**72,252**	**13**	62,784	14	**44,415**	**8**	36,912	9
To pay government:								
Current taxation	**38,065**	**7**	45,879	10	**35,493**	**7**	44,426	10
Deferred taxation	**38,889**	**7**	5,876	1	**22,357**	**4**	11,442	3
To pay providers of capital:								
Finance charges	**43,988**	**8**	57,673	12	**28,881**	**5**	26,037	6
To provide for maintenance of fixed assets:								
– Depreciation	**89,225**	**16**	94,896	20	**54,540**	**10**	53,432	12
– Amortisation	**313**	**—**	567	—	**31**	**—**	22	—
Retained in the Group:								
– Non-controlling interest	**988**	**—**	(414)	—	**—**	**—**	—	—
– Profit and loss account	**275,080**	**49**	200,935	43	**352,609**	**66**	261,349	60
	558,800	**100**	468,196	100	**538,326**	**100**	433,620	100

Value added represents the additional wealth which the Group and company have been able to create by its own and its employees' efforts. The statement shows the allocation of that wealth to employees, government, providers of finance, and that retained for future creation of more wealth.

Share Capital History

	Authorised		Issued and fully paid		Consideration/remarks
Date	Increase	Cumulative	Increase	Cumulative	Cash/bonus/others
1992	500,000,000	210,000,000	210,000,000	210,000,000	Cash
2001	—	500,000,000	290,000,000	500,000,000	Cash
2010	9,500,000,000	10,000,000,000	7,000,000,000	7,500,000,000	Bonus
2010	—	—	245,685,1840	7,745,685,184	Share exchange (merger)
2011	—	10,000,000,000	—	7,745,685,184	No change
2012	—	10,000,000,000	774,568,57	8,520,253,702	Bonus
2013	—	10,000,000,000	—	8,520,253,702	No change
2014	—	10,000,000,000	—	8,520,253,702	No change
2015	—	10,000,000,000	—	8,520,253,702	No change
2016	—	10,000,000,000	—	8,520,253,702	No change
2017	—	10,000,000,000	—	8,520,253,702	No change
2018	—	10,000,000,000	—	8,520,253,702	No change
2019	—	10,000,000,000	—	8,520,253,702	No change
2020	—	10,000,000,000	—	8,520,253,702	No change

Shareholding Range Analysis

Range analysis as at 31st December 2020

Holding pattern (range)	No. of shareholders	% of shareholders	No. of shares held	% of shares held
1–1,000	30,721	73.17	10,413,829	0.06
1,001–5,000	8,297	19.76	16,642,510	0.10
5,001–10,000	1,262	3.01	8,994,576	0.05
10,001–50,000	1,110	2.64	23,069,889	0.14
50,001–100,000	180	0.43	12,983,996	0.08
100,001–500,000	230	0.55	52,655,029	0.31
500,001–1,000,000	60	0.14	45,528,146	0.27
1,000,001–5,000,000	91	0.22	212,436,068	1.25
5,000,001–10,000,000	10	0.02	78,717,527	0.46
10,000,001–100,000,000,000	27	0.06	16,579,065,834	97.29
Total	**41,988**	**100.00**	**17,040,507,404**	**100.00**

GRI Content Index

For the Materiality Disclosure Service, GRI Services review that the GRI content index is clearly presented and the references for Disclosures 102-40 to 102-49 align with appropriate sections in the body of the report.

GRI MATERIALITY DISCLOSURES SERVICE 2021

GRI Standard	Disclosure	Disclosure title	SDGS	UNGC	NSE	Page number(s) and/or direct answer(s)
RULES AND BASIS FOR REPORTING						
GRI 101: Foundation 2016		Rules and basis for reporting				
ORGANIZATIONAL PROFILE						
GRI 102: General Disclosures 2016	102-1	Name of the organization				Front cover page, Inner cover page
	102-2	Activities, brands, products and services				4-5,
	102-3	Location of headquarters				4-5, 246
	102-4	Location of operations				4-5, 50-61
	102-5	Ownership and legal form				246, 122-130
	102-6	Markets served				4-5, 50-61
	102-7	Scale of the organisation				4-5, 50-61
	102-8	Information on employees and other workers				26-28
	102-9	Description of the supply chain	Goal 9 & Goal 12			43-46
	102-10	Significant changes to the organisation and its supply chain				43-46
	102-11	Explanation of whether and how the precautionary approach or principle is addressed by the organisation		Environment: Principle 7		86
	102-12	Externally developed economic, environmental, and social statements, principles, or other initiatives adopted or endorsed by the organisation			Social, Environment	24-25, 83, 96
	102-13	Membership in associations and organisations				93-97
	102-14	Statement from senior management				8-11, 122-130
	102-15	Key impacts, risk, and opportunities				104-111
ETHICS AND INTEGRITY						
GRI 102: General Disclosures 2016	102-16	Values, principles, standards and norms of behaviour.	Goal 16			2
	102-17	Mechanisms for advice and concerns about ethics				90-92, 122-130
GOVERNANCE						
GRI 102: General Disclosures 2016	102-18	Governance structure			Governance	114-150
	102-19	Delegating authority				114-150
	102-20	Executive-level responsibility for economic, environmental and social topics	Goal 3			114-150
	102-21	Consulting stakeholders on economic, environmental, and social topics				69-76, 128
	102-22	Composition of the highest governance body and its committees	Goal 16			123, 130
	102-23	Chair of the highest governance body	Goal 16			122-130
	102-24	Nominating and selecting the highest governance body	Goal 5 & Goal 16			122-135
	102-25	Conflicts of interest	Goal 16			122-124, 144-148
	102-26	Role of highest governance body in setting purpose, values and strategy			Governance	122-135
	102-27	Collective knowledge of highest governance body				122-130
	102-28	Evaluating the highest governance body's performance				122-130
	102-29	Identifying and managing economic, environmental, and social impacts	Goal 16			122-135
	102-30	Effectiveness of risk management processes				104-111
	102-31	Review of economic, environmental, and social topics				122-135
	102-32	Highest governance body's role in sustainability reporting			Governance	77, 86, 130, 142-143
	102-33	Communicating critical concerns				69-71, 79-80
	102-34	Nature and total number of critical concerns				69-71, 79-80
	102-35	Remuneration policies				125-130, 144-148
	102-36	Process for determining remuneration				125-130, 144-148
	102-37	Stakeholders' involvement in remuneration				69-75, 125-130, 144-148

GRI Content Index continued

GRI Standard	Disclosure	Disclosure title	SDGS	UNGC	NSE	Page number(s) and/or direct answer(s)
STAKEHOLDER ENGAGEMENT						
GRI 102: General Disclosures 2016	102-40	List of stakeholder groups engaged by the reporting organisation				69-76
	102-41	Employees under collective agreements				80
	102-42	Basis for identification and selection of stakeholders involved by the organisation				69-75
	102-43	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group				69-75
	102-44	Key topics and concerns raised by stakeholders and the organization's response, also through their reporting				69-75
REPORTING PRACTICE						
GRI 102: General Disclosures 2016	102-45	Entities included in the consolidated financial statement				98-103,
	102-46	Process for defining the report content				69-76, 90-91, 97
	102-47	Identified important topics				69-76, 90-91, 97
	102-48	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement and their impact (e.g., mergers, acquisitions, change of base years/ periods, nature of business, measurement methods)				No restatements
	102-49	Significant changes from the previous report regarding the scope, reach or measurement methods employed in the report				No changes
	102–50	Reporting period				97
	102-51	Date of most recent previous report (if any)				2019
	102-52	Reporting cycle				Annual, 97
	102-53	Contact data				246
	102-54	Indication of whether the report was compiled as per the GRI Standard in the Core or Comprehensive option				97
	102-55	GRI Index				229-234
	102-56	Policy and current practice with regard to seeking external assurance for the report				97, 235-238
TOPIC INDICATIONS: GRI 200: ECONOMIC STANDARD SERIES 2016						
ECONOMIC PERFORMANCE						
GRI 103: Management Approach 2016	103-1	Explanation of topics identified as significant, with an indication of their restriction				38-41
	103-2	Management approach and its elements				38-41
	103-3	Assessment of management approach				38-41
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed (including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments)	Goal 1, Goal 2, Goal 8, Goal 11,		Economic	38-41
TAX PAYMENT						
GRI 103: Management Approach 2016	103-1	Explanation of topics identified as significant, with an indication of their restriction				38-41
	103-2	Management approach and its elements				38-41
	103-3	Assessment of management approach				38-41
GRI 207: Tax 2019	207-1	Approach to Tax				38-41, 98-103
	207-2	Tax, governance, control, and risk management				38-41, 98-103, 140-141
	207-3	Stakeholder engagement and management of concerns related to tax				71
	207-4	Country-by-country reporting				98-103

GRI Standard	Disclosure	Disclosure title	SDGS	UNGC	NSE	Page number(s) and/or direct answer(s)
INDIRECT ECONOMIC IMPACTS						
GRI 103: Management Approach 2016	103-1	Explanation of topics identified as significant, with an indication of their restriction				38-41
	103-2	Management approach and its elements				38-41
	103-3	Assessment of management approach				38-41
GRI 203: Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported	Goal 9			38-41
	203-2	Significant indirect economic impacts	Goal 1, Goal 3, Goal 8, Goal 10		Economic, Social	38-41
PROCUREMENT PRACTICES						
GRI 103: Management Approach 2016	103-1	Explanation of topics identified as significant, with an indication of their restriction				44-45
	103-2	Management approach and its elements				44-45
	103-3	Assessment of management approach				44-45
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	Goal 12			44-45
ANTI-CORRUPTION						
GRI 103: Management Approach 2016	103-1	Explanation of topics identified as significant, with an indication of their restriction				76
	103-2	Management approach and its elements				76
	103-3	Assessment of management approach				76
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	Goal 16	Anti-corruption: P10		76
	205-2	Communication and training about anti-corruption policies and procedures	Goal 16	Anti-corruption: P10		76
ANTI-COMPETITIVE BEHAVIOR						
GRI 103: Management Approach 2016	103-1	Explanation of topics identified as significant, with an indication of their restriction				45-47, 79-80, 90-92
	103-2	Management approach and its elements				45-47, 79-80, 90-92
	103-3	Assessment of management approach				45-47, 79-80, 90-92
GRI 206: Anti-competitive Behavior 2016	206-1	Legal actions for anti-competitive behaviour, anti-trust and monopoly practices	Goal 16	Anti-corruption: P10		76
TOPIC INDICATIONS GRI 300: ENVIRONMENTAL STANDARDS SERIES						
MATERIALS						
GRI 103: Management Approach 2016	103-1	Explanation of topics identified as significant, with an indication of their restriction				82-83
	103-2	Management approach and its elements				82-83
	103-3	Assessment of management approach				82-83
GRI 301: Materials 2016	301-1	Materials used by weight or volume	Goal 6			84-86
	301-2	Recycled input materials used	Goal 6 & Goal 9			84-86
ENERGY						
GRI 103: Management Approach 2016	103-1	Explanation of topics identified as significant, with an indication of their restriction				82-83, 85-86
	103-2	Management approach and its elements				82-83, 85-86
	103-3	Assessment of management approach				82-83, 85-86
GRI 302: Energy 2016	302-1	Energy consumption within the organisation	Goal 7			82-83, 85-86
WATER AND EFFLUENTS						
GRI 103: Management Approach 2016	103-1	Explanation of topics identified as significant, with an indication of their restriction				88-89
	103-2	Management approach and its elements				88-89
	103-3	Assessment of management approach				88-89
GRI 303-1: Management Approach 2018	303-1	Interactions with water as a shared resource				88-89
GRI 303-2: Management Approach 2018	303-2	Management of water discharge-related impacts				88-89

GRI Standard	Disclosure	Disclosure title	SDGS	UNGC	NSE	Page number(s) and/or direct answer(s)
GRI 303: Water and Effluents 2018	303-5	Water consumption	Goal 6	Environment: P8		88-89
EMISSIONS						
GRI 103: Management Approach 2016	103-1	Explanation of topics identified as significant, with an indication of their restriction				82-85
	103-2	Management approach and its elements				82-85
	103-3	Assessment of management approach				82-85
GRI 305: Emissions 2016	305-1	Total direct greenhouse gas emissions by weight	Goal 13		Environment	82-85
ENVIRONMENTAL COMPLIANCE						
GRI 103: Management Approach 2016	103-1	Explanation of topics identified as significant, with an indication of their restriction				85
	103-2	Management approach and its elements				85
	103-3	Assessment of management approach				85
GRI 307: Environmental Compliance 2016	307-1	Non-compliance with environmental laws and regulations	Goal 16			85
SUPPLIER ENVIRONMENTAL ASSESSMENT						
GRI 103: Management Approach 2016	103-1	Explanation of topics identified as significant, with an indication of their restriction				44-45
	103-2	Management approach and its elements				44-45
	103-3	Assessment of management approach				44-45
GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers screened using environmental criteria	Goal 13, Goal 14, Goal 15, Goal 17	Environment: P7	Environment	44-45
TOPIC INDICATIONS GRI 400: SOCIAL STANDARDS SERIES						
EMPLOYMENT						
GRI 103: Management Approach 2016	103-1	Explanation of topics identified as significant, with an indication of their restriction				26-28
	103-2	Management approach and its elements				26-28
	103-3	Assessment of management approach				26-28
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	Goal 8		Social	26-28
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Goal 8		Social	26-28
	401-3	Parental Leave				26-28
OCCUPATIONAL HEALTH AND SAFETY						
GRI 103: Management Approach 2018	103-1	Explanation of topics identified as significant, with an indication of their restriction				76-77
	103-2	Management approach and its elements				76-77
	103-3	Assessment of management approach				76-77
GRI 403-1: Management Approach 2018	403-1	Occupational health and safety management system				76-77
GRI 403-2: Management Approach 2018	403-2	Hazard identification, risk assessment, and incident investigation				76-77
GRI 403-3: Management Approach 2018	403-3	Occupational health services				76-77
GRI 403-4: Management Approach 2018	403-4	Worker participation, consultation, and communication on occupational health and safety				76-77
GRI 403-5: Management Approach 2018	403-5	Worker training on occupational health and safety				76-77
GRI 403-6: Management Approach 2018	403-6	Promotion of worker health				76-77
GRI 403-7: Management Approach 2018	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships				76-77

GRI Standard	Disclosure	Disclosure title	SDGS	UNGC	NSE	Page number(s) and/or direct answer(s)
GRI 403: Occupational Health and Safety 2018	403-9	Work-related injuries	Goal 8			76-77
	403-10	Work-related ill health	Goal 8			76-77
TRAINING AND EDUCATION						
GRI 103: Management Approach 2016	103-1	Explanation of topics identified as significant, with an indication of their restriction				29-32
	103-2	Management approach and its elements				29-32
	103-3	Assessment of management approach				29-32
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	Goal 8			29-32
	404-2	Programs for upgrading employee skills and transition assistance programs	Goal 8			29-32
DIVERSITY AND EQUAL OPPORTUNITY						
GRI 103: Management Approach 2016	103-1	Explanation of topics identified as significant, with an indication of their restriction				78
	103-2	Management approach and its elements				78
	103-3	Assessment of management approach				78
GRI 405: Diversity and Equal Opportunity 2016	405-1	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, and other indicators of diversity	Goal 5	Labour: P6		78
NON-DISCRIMINATION						
GRI 103: Management Approach 2016	103-1	Explanation of topics identified as significant, with an indication of their restriction				78-79
	103-2	Management approach and its elements				78-79
	103-3	Assessment of management approach				78-79
GRI 406: Non-discrimination 2016	406-1	Total number of incidents of discrimination and corrective actions taken	Goal 5, Goal 8, Goal 16	Labour: P6		78-79
FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING						
GRI 103: Management Approach 2016	103-1	Explanation of topics identified as significant, with an indication of their restriction				80
	103-2	Management approach and its elements				80
	103-3	Assessment of management approach				80
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Goal 8			80
CHILD LABOR						
GRI 103: Management Approach 2016	103-1	Explanation of topics identified as significant, with an indication of their restriction				80
	103-2	Management approach and its elements				80
	103-3	Assessment of management approach				80
GRI 408: Child Labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labour	Goal 8	Labour: P5		80
FORCED OR COMPULSORY LABOR						
GRI 103: Management Approach 2016	103-1	Explanation of topics identified as significant, with an indication of their restriction				80
	103-2	Management approach and its elements				80
	103-3	Assessment of management approach				80
GRI 409: Forced or Compulsory Labor 2016	409-1	Operations and suppliers at significant risk for incidents of compulsory labour	Goal 8	Labour: P4		80
HUMAN RIGHTS ASSESSMENT						
GRI 103: Management Approach 2016	103-1	Explanation of topics identified as significant, with an indication of their restriction				81
	103-2	Management approach and its elements				81
	103-3	Assessment of management approach				81
GRI 412: Human Rights Assessment 2016	412-2	Employee training on human rights policies or procedures	Goal 8			81
LOCAL COMMUNITIES						

GRI Content Index continued

GRI Standard	Disclosure	Disclosure title	SDGS	UNGC	NSE	Page number(s) and/or direct answer(s)
GRI 103: Management Approach 2016	103-1	Explanation of topics identified as significant, with an indication of their restriction				62-69
	103-2	Management approach and its elements				62-69
	103-3	Assessment of management approach				62-69
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	Goal 3, Goal 4, Goal 5, Goal 6, Goal 7, Goal 17			62-69
SUPPLIER SOCIAL ASSESSMENT						
GRI 103: Management Approach 2016	103-1	Explanation of topics identified as significant, with an indication of their restriction				44-45
	103-2	Management approach and its elements				44-45
	103-3	Assessment of management approach				44-45
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria			Social	No data available
PUBLIC POLICY						
GRI 103: Management Approach 2016	103-1	Explanation of topics identified as significant, with an indication of their restriction				38-41
	103-2	Management approach and its elements				38-41
	103-3	Assessment of management approach				38-41
GRI 415: Public Policy 2016	415-1	Political contributions	Goal 16			No contribution from the government
CUSTOMER HEALTH AND SAFETY						
GRI 103: Management Approach 2016	103-1	Explanation of topics identified as significant, with an indication of their restriction				45-47
	103-2	Management approach and its elements				45-47
	103-3	Assessment of management approach				45-47
GRI 416: Customer Health and Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories	Goal 3, Goal 12			45-47
	416-2	Incidents of non-compliance concerning the health and safety concerning the health and safety impacts of products and services	Goal 3, Goal 12			No case of incidents of non-compliance
MARKETING AND LABELING						
GRI 103: Management Approach 2016	103-1	Explanation of topics identified as significant, with an indication of their restriction				45-47
	103-2	Management approach and its elements				45-47
	103-3	Assessment of management approach				45-47
GRI 417: Marketing and Labeling 2016	417-1	Requirements for product and service information and labeling	Goal 12		Social	45-47
	417-2	Incidents of non-compliance concerning product and service information and labeling	Goal 12			45-47
	417-3	Incidents of non-compliance concerning marketing communications				45-47
CUSTOMER PRIVACY						
GRI 103: Management Approach 2016	103-1	Explanation of topics identified as significant, with an indication of their restriction				47
	103-2	Management approach and its elements				47
	103-3	Assessment of management approach				47
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Goal 16			47
SOCIO-ECONOMIC COMPLIANCE						
GRI 103: Management Approach 2016	103-1	Explanation of topics identified as significant, with an indication of their restriction				90-92, 66-67
	103-2	Management approach and its elements				90-92
	103-3	Assessment of management approach				90-92
GRI 419: Socioeconomic Compliance 2016	419-1	Non-compliance with laws and regulations in the social and economic area				90-92, 46-47

External Assurance Statement Report

Deloitte.

Independent Assurance Statement

By Deloitte Nigeria to the Directors of Dangote Cement PLC.

The Board of Directors of Dangote Cement PLC ("the Company") commissioned Deloitte to conduct an independent limited assurance engagement in respect of Selected Sustainability Information presented in the Company's Sustainability Report for the year ended 31st December 2020 (the "Report").

Our Conclusion

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis of our conclusion. Based on the results of our limited assurance procedures, nothing has come to our attention that causes us to believe that the Selected Sustainability Information for the year ended 31 December 2020 is not fairly stated, accurate and complete and has not been prepared, in all material respects, in accordance with the Reporting Criteria.

This conclusion relates only the Selected information.

Independence and Quality Control

We have complied with the International Federation of Accountants' (IFAC) Code of Ethics for Professional Accountants, which includes comprehensive independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. As independent auditors, we have not taken part in any financial, commercial, governance and ownership positions which might affect, or be perceived to affect, our independence and impartiality, and from any involvement in the preparation of the report.

Our engagement was conducted by a multi-disciplinary team of environmental, social, governance, economic and assurance specialists with extensive experience in sustainability reporting and assurance.

Subject Matter and Selected Sustainability Information

The subject matter of our engagement and the limited assurance that we have provided are contained in the Selected Sustainability Information in the Report as contained below:

7 Dangote Sustainability Pillars	Selected Sustainability Information (as documented in the 2020 Sustainability Report)	Criteria	Page Number
Institutional	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 they are conversant with the provisions of this Policy by creating continuous awareness and leveraging staff onboarding and other strategic engagement sessions to communicate acceptable practices and the consequences for non-compliance.	GRI 205-2	76
	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. In the year under review, 30 cases of corruption were identified, reported and investigated, accordingly.	GRI 205-3	76
	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.	GRI 102-43 GRI 102-44	79
	In the year under review, 30 whistle blowing cases were recorded. 80% of these cases have been scrutinized and resolved while 20% are still being investigated.	GRI 102-44	79
	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).	GRI 102-40 GRI 102-43 GRI 102-44	72
	In 2020, Dangote Cement Plc institutionalised employee volunteering, backed by approved policy and implementation strategy. Dangote Cement's Employee Volunteering Policy defines the objectivities, scope and focus of activities that qualify for volunteering, hours per quarter allocated for volunteering activities and approved methods for measuring, monitoring, documenting and reporting the impact of employee volunteers.	GRI 102-43	35
	To ensure that we successfully mainstream sustainability across all of our operations, in 2020 we designated Sustainability Leads in all 10 countries and our Transport division.		92

Deloitte.

Subject Matter and Selected Sustainability Information continued

7 Dangote Sustainability Pillars	Selected Sustainability Information (as documented in the 2020 Sustainability Report)	Criteria	Page Number
Cultural	In 2020, we had a staff strength of 11,412 (excluding Transport division), comprising of 10,608 males and 804 females. Of this number, 8,240 are permanent employees; 2,853 are temporary employees; while 319 are expatriates. Of the total permanent employees, 730 are female while 7,510 are male, representing 8.86% and 91.14% of female and male employees, respectively.	GRI 102-8 GRI 405-1	27
	Together, employees between the ages of 18 to 50 constitute a total of 9,730, representing 85.2% of the workforce (excluding Transport division).	GRI 405-1	28
	In the year under review, the total number of new hires was 656, compared to 1,066 in 2019, and representing a 38.46% decrease. Due to internal restructuring implemented in 2020, including redundancies and reassignment of staff to other business units within the Dangote Group, total number of exits of permanent employees was 982, compared to 525 as at 2019, representing a 87.05% rise, year-on-year.	GRI 401-1	28
	In 2020, 12,708 employees were trained for 92,999 hours, at a cost of N504.5 million.	GRI 404-1	29
	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 to 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 males and 2 females, and representing 86.7% and 13.3%, respectively.	GRI 405-1	78
	In the year under review, there were no discrimination cases recorded in any of our operations in Nigeria and Pan-Africa.	GRI 406-1	79
Operational	In 2020, our procurement spending stood at ₦509.96 billion. Of this figure, ₦124.51 billion (or 24%) was spent on imported goods and services, while ₦385.45 billion (or 76%) was spent on locally sourced procurements.	GRI 204-1	44
	Our distributorship network also grew significantly. The number of retailers and distributors in our Nigerian distribution chain grew year-on-year by 31% and 43% for each category.	GRI 102-9	43
	In line with our zero accidents and fatalities agenda, a total of 385 health and safety trainings and awareness sessions were carried out in 2020.	GRI 403-5	77

7 Dangote Sustainability Pillars	Selected Sustainability Information (as documented in the 2020 Sustainability Report)	Criteria	Page Number
Social	In 2020, the total amount spent by Dangote Cement Plc on social investments was ₦2.854 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.	GRI 102-12 GRI 413-1	64
	A total of 1,560 employees volunteered 7,633 hours on 70 initiatives across 13 Dangote Cement operations in 10 African countries. The employee volunteering initiatives cost a total of ₦46.79 million in cash expenses; equivalent of 65 days of community service and N39million in man-hour calculated at average hourly salary of the participants, to derive the estimated Value of Volunteer Time (VoVT).	GRI 413-1	33
	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.	GRI 102-44	79
Environmental	Across all our locations, total energy consumption in 2020 was 92,515,735 GJ, an increase by 15.68% year-on-year, relative to 2019.	GRI 302-1	83
	We collect, review and report monthly on our operational performance in key environmental indicators across all Plants. These Key Performance Indicators (KPIs) include data on Greenhouse Gas (GHG) emissions, Dust, Water, Energy Consumption, Waste, Environmental Incidents, and so on.	GRI 307-1	84
	In 2019, our total greenhouse gas emissions from cement production activities, resulting from captive power plants and generators, kilns and vehicles used at the quarries and sites (Scope 1) was 14,903,613 (tonnes CO2). This increased by 7.59% in 2020 to 16,034,409 (tonnes CO2), due mostly to increased energy consumption as we increased production activities in the year under review.	GRI 305-1	84
	Dangote Cement's total water consumption in 2020 for all operational locations was 6,789,816 cubic meters (m^3); 1.29% lower than the total water consumption of 6,878,752 cubic meters (m^3) in 2019.	GRI 303-5	88
	In 2020, we executed an enterprise-wide water efficiency campaign geared at sensitising our employees, business partners, communities, and so on, on the critical need to preserve water for current and future generations.	GRI 303-1 GRI 303-2	89
	In addition to achieving compliance with relevant regulations (i.e., permits, accreditations and licenses), we also sought ISO 14001:2015 EMS certification to provide an external assurance for our existing environmental management systems. We obtained approvals for Environmental & Social Impact Assessment (ESIA); Exploration Licences; as well as executed Environmental Compliance Monitoring.	GRI 102-11	85
	In 2020, there were no material incidents of environmental non-compliance (including fines, penalties, or sanctions) reported in our operations.	GRI 307-1	85

Basis of our Work and Level of Assurance

We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 issued by the International Auditing and Assurance Standards Board. This standard requires that we comply with ethical requirements and that we plan and perform the assurance engagement to obtain limited assurance on the Selected Sustainability Information as per the terms of our engagement. Our work included; interviews (virtual), examination, on a test basis, of evidence relevant to the Selected Sustainability Information.

Deloitte.

Limitations

Inherent limitations exist in all assurance engagements due to the selective enquiry of the information being examined. Therefore, error or non-compliance may occur and not be detected. Additionally, non-financial information, such as that included in the 2020 Dangote Cement Sustainability Report, is subject to more inherent limitations than financial information, given their nature and the methods adopted in determining, calculating, and sampling or estimating such information. Our work has been undertaken so that we might state to Dangote those matters we are required to in this report and for no other purpose. Our work did not include physical inspections of any of Dangote Cement's operating assets or any other activity outside the agreed scope.

While we acknowledge that this report will be published on the Dangote Cement's website, it is the responsibility of Dangote Cement to maintain the website. The work that we carried out does not involve consideration of the maintenance and integrity of that website and, therefore, we accept no responsibility for any changes that may have occurred to this 2020 report, since they were initially presented on the website.

Scope of Work

We have provided independent limited assurance, in accordance with the International Standard for Assurance Engagements ("ISAE") 3000 (Revised), on selected sustainability information for the financial year ended 31 December 2020. The selected sustainability information is reported in the 2020 Sustainability Report, and the 2020 Annual Report and Accounts of Dangote Cement PLC, published in hard prints and on the Dangote Cement website (dangotecement.com).

We are required to plan and perform our work in our bid to identify risks of material misstatement of the Selected Information. We obtained all vital information and explanations that we considered necessary to provide us with sufficient and concrete evidence on which to base our conclusion in respect of the Selected Sustainability Information.

Our limited assurance procedures primarily comprised of:

- Discussions with the Company's staff primarily responsible for matters on sustainability
- Interviews with primary process owners (key management staff) across departments including Sustainability, Human Resources, Learning & Development, Legal, Finance, Health and Safety, Environment, Sales and Marketing, Procurement, Internal Audit, Social Performance/Community Affairs/CSR
- Sighting of factsheets, data sheets and other evidence from primary process owners
- Study of the key controls put in place by the Directors over the Selected Sustainability Information
- Reviews of documented policies, reports and supporting information for relevant Directors assertions
- Close examination of the sustainability report in relation to the findings from this sustainability assurance exercise and making recommendations
- Considerations of the disclosure and presentation of the Selected Sustainability Information.

The procedures selected depend on our judgment, including the assessment of the risk of material misstatement of the Selected Sustainability Information, whether due to fraud or error. In making those risk assessments, we considered internal control relevant to the Company's preparation of the "Selected Sustainability Information" in order to design procedures that are appropriate in the circumstances.

Respective Responsibilities of the Board of Directors and Deloitte

The Directors of Dangote Cement are responsible for the preparation of the sustainability information and statements contained within the 2020 Dangote Sustainability Report. It is responsible for selecting appropriate KPIs with which to describe the entity's performance and establishing and maintaining appropriate performance management and internal control systems from which the reported information is derived.

Deloitte's responsibility is to independently express conclusions on the selected information as defined within the scope of work above to Dangote Cement in accordance with our letter of engagement. We permit disclosure of this report for the year ended 31 December 2020, to enable the directors to demonstrate they have discharged their governance as well as respond to their responsibilities by obtaining an independent assurance report in connection with the Selected Sustainability Information.

To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the directors as a body and the Company for our work or this report except where terms are expressly agreed and with our prior consent in writing.

20 April 2021
Bernard Orji
Partner, Deloitte & Touche

Related-Party Transactions

AG Dangote Construction Limited	The entity buys cement from Dangote Cement and is an affiliate of DCP.
Amaras Nigeria Limited	The entity buys cement from Dangote Cement and is guaranteed by Sani Dangote, a Director of Dangote Cement Plc.
Bluestar shipping Ltd	The entity engages in clearing of bulk materials and imported capital goods.
Borkir International Co. ltd	Dangote Cement Plc purchased compressed gas from this entity. The entity is related to Sani Dangote, a Director of Dangote Cement Plc
Bulk Commodities International Inc./ Bulk Commodities International Dubai	The entity, which is an affiliate of DCP, procures gypsum, coal, clinker, bulk cement and spare parts for Dangote Cement.
DANCOM Technologies Limited	The entity, which is an affiliate of DCP, provides internet services and IT support to Dangote Cement.
Dangote Agro Sacks Limited	Dangote Agro Sacks produces bags for Dangote Cement and also purchased cement from the Company during the year. Dangote Cement also shares one of its power plants with this entity.
Dangote Coal Limited	Dangote Cement buys coal from this entity, which is an affiliate of DCP.
Dangote Fertiliser Limited	Dangote Cement purchases LPFO and AGO in bulk and on behalf of DFL. Dangote Cement is reimbursed for expenses incurred on its behalf.
Dangote Global Services	This entity, which is an affiliate of DCP, assists Dangote Cement in importing parts.
Dangote Granite Mine Ltd.	The entity buys cement from Dangote Cement and is an affiliate of Dangote Cement Plc.
Dangote Industries Limited	Dangote Industries Limited is the major shareholder of Dangote Cement. It provides short-term financing and manages Dangote Cement expatriates' salaries and receives management fees for its services.
Dangote Nasarawa Sugar	The entity buys cement from Dangote Cement and is an affiliate of Dangote Cement Plc.
Dangote Nigeria limited	The entity engages in clearing of bulk materials and imported capital goods.
Dangote Oil & Gas	This entity, which is an affiliate of DCP, imports AGO and LPFO on behalf of Dangote Cement.
Dangote Oil Refinery	Dangote Cement is reimbursed for expenses incurred on behalf of this entity, which is an affiliate of Dangote Industries Limited.
Dangote Packaging Material Plc.	Dangote Cement paid some expenses on behalf of some subsidiaries and affiliates of DIL, including this entity. Dangote Cement is reimbursed for expenses incurred on behalf of this entity.
Dangote Pasta Limited	Dangote Cement purchases LPFO in bulk and on behalf of some subsidiaries/ affiliates of DIL, including this entity. Dangote Cement is reimbursed for expenses incurred on behalf of this entity.
Dangote Rice Ltd.	The entity buys cement from Dangote Cement and is an affiliate of Dangote Cement Plc.
Dangote Sino Truck West Africa	Dangote Cement Plc purchased Trucks from this entity which is related to Dangote Industries Limited (DIL)
Dangote Sugar Refinery Plc.	Dangote Cement purchases LPFO in bulk and on behalf of DSR Plc. Dangote Cement is reimbursed for expenses incurred on behalf of DSR.
DANSA Foods Limited	Dangote Cement purchased products from this entity for sales promotion. The entity is related to Sani Dangote, a Director of Dangote Cement.
Ecobank	The bank provides loans and other banking services to Dangote Cement. Emmanuel Ikazoboh, a Non-Executive Director of Dangote Cement, is the Chairman of Ecobank.

Fidelity Bank	The bank provides loans and other banking services to Dangote Cement. Ernest Ebi, a Non-Executive Director of Dangote Cement, is also the Chairman of Fidelity Bank.
Greenview Development Nigeria Limited	This entity, which is an affiliate of DIL, assists Dangote Cement with procurement, clearing of bulk materials, imported goods and spares.
Integrated Steel Limited	Dangote Cement purchases AGO in bulk and on behalf of some subsidiaries/ affiliates of DIL, including this entity. Dangote Cement is repaid for expenses incurred on its behalf.
Kura Holdings	This company, which is an affiliate of Dangote Industries Limited, provides travel agency services to Dangote Cement.
MHF Properties	This company, which is an affiliate of Dangote Industries, provides accommodation and property services to Dangote Cement.
NASCON Allied Industries Plc	Dangote Cement purchases AGO in bulk and on behalf of this entity. In addition, Dangote Cement purchases trucks and earthen salt on behalf of this entity for which it is reimbursed.
Savannah Sugar	Dangote Cement is reimbursed for payments for duties on equipment and terminal charges on behalf of this entity. The entity is controlled by Dangote Sugar Refinery Plc.

Compliance with SEC Disclosure Requirements

Overview

At Dangote Cement Plc, we aspire to maintain high standards of corporate governance, both at Board level and throughout the Company. Increasingly, good governance includes the consideration of our impact on society and the environment and whether we are operating in a sustainable way. We aim to comply with, and exceed where practicable, all applicable legislation, regulations and codes of practice as they relate to sustainable operations. We will integrate sustainability considerations into all our business decisions and ensure that our staff, clients and suppliers are fully aware of our Sustainability Policy.

We are committed to implementing and improving the Sustainability Policy across all office and site activities. In commitment to this, we aimed to comply with the provisions of the SEC's Code of Corporate Governance ("the Code"), and all other applicable Codes throughout the year, and will progressively act in accordance with the Code's sustainability provisions highlighted in Sections 28 and 32 respectively. Compliance by the Company with each principle and provision of the Code on sustainability issues is set out below.

Requirement of the SEC Code of Corporate Governance for Public Companies	Dangote Cement compliance statement
Dangote Cement should pay adequate attention to the interests of its stakeholders such as its employees, its host community, the consumers and the general public. Dangote Cement should demonstrate sensitivity to Nigeria's social and cultural diversity and should as much as possible promote strategic national interests as well as national ethos and values without compromising global aspirations where applicable.	• We recognise our commitment to our employees and workforce. As a result, we strive to respect the dignity of our employees and their rights to decent working conditions. • We aim to have community stakeholder engagement plans in place which will allow us to implement our journey towards sustainable development.
Dangote should recognise corruption as a major threat to business and to national development and therefore as a sustainability issue for businesses in Nigeria. Companies, boards and individual directors must commit themselves to transparent dealings and to the establishment of a culture of integrity and zero tolerance for corruption and corrupt practices.	• Dangote Cement is committed to fighting bribery and corruption in all high-risk countries in which we operate. • We have an Anti-Bribery and Anti-Corruption Policy which is part of the overall Anti-Fraud Compliance Programme. It aims to align with all relevant acts, codes, laws, guidelines and policies designed to prevent, detect and respond to issues of corruption and bribery. • The policy demonstrates the Company's zero tolerance for all forms of fraud including but not limited to bribery, corruption, asset misappropriation and financial statement fraud. • Details of this have been included in the Corporate Governance Report of the Annual Report.
The Board of Dangote Cement should report annually on the nature and extent of its social, ethical, safety, health and environmental policies and practices.	• The Board of Directors is committed to promoting sustainability. Concern for the environment and promoting a broader sustainability agenda are integral to the Company's professional activities and the management of the organisation. • We have provided details of our sustainability efforts throughout this Annual Report.
Disclosure of Dangote Cement's business principles and codes of practice and efforts towards implementation of the same.	• These are outlined in the Corporate Governance report of this Annual Report.

Overview continued

Requirement of the SEC Code of Corporate Governance for Public Companies	Dangote Cement compliance statement
Description of workplace accidents, fatalities and occupational and safety incidents against objectives and targets and a suitable explanation where appropriate.	• The Company continuously strives to improve its operations to ensure a safe working environment. Safety and environment workshops are organised for all senior employees with a broad focus on good housekeeping to ensure a good and safe working environment. Firefighting and prevention equipment are installed in strategic locations in the offices and plants. • We place health and safety at the centre of everything we do. Our aim is zero harm, and we act to improve the health of employees, contractors, third parties and communities. Our target is to achieve zero accidents. • The workplace accidents monitoring and reporting we have include: i. lost-time accidents; and ii. fatal accidents. • In line with Company policy, any accident or injury sustained by any employee in the course of executing his/her work must be reported immediately to his/her immediate supervisor, who will ensure that appropriate medical attention is given to such an employee. • All employees are expected to abide by the Company's Safety Policy which emphasises that employees must make use of the protective equipment provided for their use during the working hours. • Employees are not allowed to operate any machine/equipment unless they have been trained to do so and have been authorised by their supervisor.
Disclose Dangote Cement's policies, plans and strategy of addressing and managing the impact of HIV/AIDS, malaria and other serious diseases on the Company's employees and their families.	• We have a policy on HIV/AIDS, which will be applicable and implemented across the Company and all subsidiaries. • We do not discriminate against staff with HIV/AIDS or any other ill health. Periodic medical tests are conducted on staff and all ailing staff are treated in the Company's in-plant medical clinic or referred to Company-retained hospitals. They are allowed to return to their duties as soon as they are fit in line with a medical report.
Application, in Dangote Cement's operations, of options with the most benefit or least damage to the environment, particularly for companies operating in disadvantaged regions or in regions with delicate ecology in order to minimise the environmental impact of the Company's operations.	• We will ensure that the adverse impact of our operations is minimal on the environment. • Our plants are designed to perform at better than European standards of emissions, dust control and noise abatement. • We believe our focus on environmental care will bring advantages as African countries increasingly impose stronger regulations to protect the environment, thus obliging other operators to invest more in pollution control.
The nature and extent of employment equity and gender policies and practices, especially as they relate to the executive level opportunities.	• We are developing a gender-balanced and inclusive work environment where diverse talent can thrive and contribute to superior business results. • There is gender employment equity in the Company especially at the executive level. There are no discriminatory gender policies and practices. • In line with Company policy, the organisation has equal regard for all its employees irrespective of race, colour, religion, sex or ethnic background. • Suitability for the job position or advancement in the organisation shall be based purely on qualification and merit, job knowledge, relevant experience, analytical/practical skills, good conduct and character, sincerity, hardworking nature and leadership qualities amongst other relevant requirements.

Overview continued

Requirement of the SEC Code of Corporate Governance for Public Companies	Dangote Cement compliance statement
Information on the number and diversity of staff, training initiatives, employee development and the associated financial investment.	• We believe in unity in diversity and accordingly we seek to employ and retain the best human resources irrespective of disability, gender, race, ethnic origin or religion. We strive to provide employees with an atmosphere that promotes their productivity and develops their potential. • We will champion diversity in our sector and we want to promote equality and diversity at Dangote Cement. • Some of the Company's staff training initiatives embarked upon include: management and soft skills programmes, functional and non-technical skills, employee induction, IT skills, technical skills, health, safety and environment amongst others. • We are continuing with our business transformation initiatives, with the HR team carrying out a series of organisational development programmes to ensure the achievement of these initiatives. • We have embarked on a series of programmes that will ensure that our talent pool is adequately developed and retained and also ensure that we attract the best calibre of people. • The Dangote Academy was established in 2010 to provide training in technical and management skills for employees and people wishing to join the Dangote Group of companies. • Key initiatives include the Graduate Engineers Training Scheme (GETS), the Vocational Training Scheme (VTS) and the Junior Technician Scheme (JTS).
Disclosure on the conditions and opportunities created for physically challenged persons or disadvantaged individuals.	• There Company does not discriminate against physically challenged persons where they prove capable of carrying out the required tasks. • There are some physically challenged persons currently in the employment of the Company.
The nature and extent of Dangote Cement's social investment policy.	• We regard the provision of social investment and charitable donations as an important part of our strategy to maintain good relationships with communities and other stakeholders in all of its operating locations across Africa. • Some of our initiatives are conducted directly by the Company and its staff, some in collaboration with third parties and other organisations, while others are managed by the Aliko Dangote Foundation, which is a non-commercial and charitable organisation that focuses on empowerment, education, health and disaster relief on behalf of all companies in the Dangote Group.
Disclosure on Dangote Cement's policies on corruption and related issues and the extent of the compliance with the policies and the Company's Code of Ethics.	• This has been reported above and in the Corporate Governance Report.

Notice of Annual General Meeting

Notice is hereby given that the 12th Annual General Meeting (AGM) of Dangote Cement Plc will hold on Wednesday, 26th May 2021, at Eko Hotel and Suites, Victoria Island, Lagos at 11.00 a.m. to transact the following business:

Ordinary Business

1. To receive the Audited Financial Statements for the year ended 31st December 2020 and the reports of the Directors, Auditors and Audit Committee thereon.
2. To declare a dividend.
3. To elect/re-elect Directors.
4. To authorise the Directors to fix the remuneration of the auditors.
5. To elect shareholders' representatives of the Statutory Audit Committee.
6. To disclose the remuneration of managers.

Special Business

To consider, and if thought fit, pass the following ordinary resolutions of the Company:

7. To fix the remuneration of the Directors.
8. To renew the Share Buyback Programme established pursuant to the resolution of the Company dated 22nd January, 2020, on such terms and conditions and within such timelines as the Board may determine subject to obtaining requisite regulatory approvals.

Notes:

A. **Preparation:** In view of the COVID-19 pandemic, the Company has taken various steps to ensure the safety of attendees, as well as compliance with stated guidelines. These include the provision of sanitisers, masks and gloves at the venue, as well as the checking of temperatures and ensuring social distancing between attendees.

B. **Proxies:** Attendance at the AGM shall only be by proxy in view of the COVID-19 pandemic and in compliance with regulatory approvals to hold the meeting by proxy. A proxy form is attached to the Annual Report. A member has the right to appoint a proxy/proxies from the list below to attend and vote instead of him; the proxy/proxies need not be a member(s) of the Company. All instruments of proxy must be deposited at the registered office of the Company at 1, Alfred Rewane Road, Ikoyi, Lagos (or dcp.legal@dangote.com) or the office of the Registrars, Coronation Registrars Ltd, at 9 Amodu Ojikutu Street, Victoria Island, Lagos (or eforms@coronationregistrars.com) not later than 48 hours before the time for holding the meeting. All instruments of proxy shall be at the Company's expense. A member entitled to attend and vote at the AGM is advised to select from the following proxies, to attend and vote in his stead:

   1. Alhaji Aliko Dangote, GCON
   2. Mr. Olakunle Alake
   3. Mr. Emmanuel Ikazoboh
   4. Mr. Michel Puchercos
   5. Sir Sunny Nwosu
   6. Dr. Umar Farouk
   7. Mr. Nornah Awoh
   8. Mrs. Bisi Bakare

C. **Closure of Register of Members:** Notice is hereby given that the Register of Members and the Transfer Books of the Company will be closed on 28th April 2021.

D. **Payment of Dividend:** If the dividend recommended by the Directors is approved by the Shareholders at the Annual General Meeting, dividends will be paid by 27th May 2021 to the shareholders whose names are registered in the Company's Register of Members at the close of business on 27th April 2021. A list of unclaimed dividends is available on the Company's website at www.dangotecement.com. Shareholders with "unclaimed share certificates" or "unclaimed dividends" should address their claim(s) to the registrars, Coronation Registrars Ltd, at eforms@coronationregistrars.com or 9, Amodu Ojikutu Street, Victoria Island, Lagos, Nigeria.

E. **E-Dividend Registration:** Notice is hereby given to all shareholders to open bank accounts, stockbroking accounts and CSCS accounts for the purpose of receiving dividend payments electronically. A detachable E-Mandate activation form is included in the Annual Report to enable shareholders to provide their details to the Registrar.

F. **Nomination to the Audit Committee:** In accordance with the Companies and Allied Matters Act, 2020, a shareholder may nominate another shareholder for appointment as a member of the Audit Committee by giving notice to the Company Secretary at least 21 days before the Annual General Meeting.

G. **Rights of Securities holders to ask questions:** Securities holders have a right to ask questions not only at the Annual General Meeting, but also in writing prior to the meeting. Questions should be submitted to the Company Secretary at the Company's registered office up to two days before the date of the Annual General Meeting.

H. **Streaming:** The Annual General Meeting will be streamed live from our website (http://www.dangotecement.com) and our YouTube channel (https://www.youtube.com/dangotegroup).

I. **Share Buy-Back Programme:** The Company established a share buy-back programme for the repurchase of up to 10% of its total issued shares from its shareholders (the "Programme"). However, the COVID-19 pandemic made it challenging to fully implement the Programme as planned. With the stabilization of the stock market and improvement in economic conditions, the Board of Directors has decided that it is in the best interest of the Company and its shareholders to undertake further tranches of the Programme.

By the Order of the Board of Directors.

Mahmud Kazaure
Company Secretary

Registered Office
Union Marble House,
1 Alfred Rewane Road,
Ikoyi, Lagos.

Dated 18th March 2021

Directors and Professional Advisers

Directors

Aliko Dangote, GCON	Chairman
Engr. Joseph Makoju Mni, OFR	Group Managing Director (retired on 31st January 2020)
Michel Puchercos	Group Managing Director (appointed on 1st February 2020)
Arvind Pathak	Deputy Group Managing Director (resigned on 25th February 2021)
Ernest Ebi MFR	Independent Non-Executive Director
Emmanuel Ikazoboh	Independent Non-Executive Director
Dorothy Udeme Ufot, SAN	Independent Non-Executive Director
Sir Michael Davis	Independent Non-Executive Director
Cherie Blair, CBE, QC	Independent Non-Executive Director
Sani Dangote	Non-Executive Director
Olakunle Alake	Non-Executive Director
Abdu Dantata	Non-Executive Director
Devakumar Edwin	Non-Executive Director
Douraid Zaghouani	Non-Executive Director
Viswanathan Shankar	Non-Executive Director
Berlina Moroole	Non-Executive Director (appointed 24th July 2020)

Company Secretary/legal adviser
Mahmud Kazaure

Auditors
KPMG Professional Services

Principal Bankers
Access Bank Plc.
First Bank of Nigeria Plc.
Guaranty Trust Bank Plc.
Zenith Bank Plc.
United Bank for Africa Plc.

Primary Legal Advisers
Banwo & Ighodalo
Olaniwun Ajayi & Co.
Fola Sowemimo & Co.

Corporate Information

Capital market information

Dangote Cement Plc is listed on the Premium Board of the Nigerian Stock Exchange (NSE).

Each share carries one voting right

NSE Ticker Symbol	DANGCEM
Bloomberg Code	DANGCEM:NL
Reuters Code	DANGCEM: LG
Date Listed	26th October 2010
Market Capitalisation	₦3,881,827,586,631 as at 18th March 2021
Issued Shares	17,040,507,404 as at 18th March 2021 (40,200,000 are held as treasury shares)
Free Float	₦535,620,936,365 (i.e. 13.8%) as at 18th March 2021

Registration information

RC Number	208767
Date of Incorporation	4th November 1992

Registered office

Union Marble House
customercare@dangote.com
1 Alfred Rewane Road
P.O. Box 40032
Falomo, Ikoyi
Lagos, Nigeria

Registrars

Coronation Registrars Limited
info@coronationregistrars.com
eforms@coronationregistrars.com
9, Amodu Ojikutu Street
Victoria Island
Lagos, Nigeria

For enquiries, please contact:

Corporate Communications

Anthony Chiejina
corporate.communications@dangote.com

Investor Relations

Temilade Aduroja
investorrelationsdangotecement@dangote.com

Donations

Beneficiary name/purpose	Amount ₦
South Africa	
Bakery support for Verdwaal Bakery	461,003
Donations of supplies to community	356,827
Donations of COVID-19 supplies	689,309
New Venture Creation (NVC) stipends allowance support	708,846
Transportation support	1,475,208
Transportation support for Tlhomame Trading	12,979,049
Cameroon	
Covid-19 donation to government	71,426,688
Donation to bereaved families	3,232,221
Senegal	
Ramadan basket donations authorities	11,420,513
Ramadan donations (Sugar and Rice) to villagers	15,421,396
Tabaski donation of rams to villagers and authorities	8,821,269
Education sponsorships plus kits for schools	6,220,511
COVID-19 donations to Communities	7,642,855
Religious & Women associations	1,313,090
Donations and grants to government COVID-19 fund	6,733,793
Donations of cement	814,482
Construction of Niakhip school for the community	1,558,672
Construction of Pout Maternity	1,151,479
Construction of Fouloum Centre of Health	2,999,350
Construction of classroom in Diass	14,342,979
Primary School, Pout	26,935,172
Health Centre Keur Moussa	20,828,881
Zambia	
Covid-19 materials donation to government	11,603,284
Financial support for resettlement of victims	1,270,862
Tanzania	
Support for a Sports team – Mtwara	665,595
Donation for Msanga Mkuu Festival	133,119
Sponsorship of broadcasting service for Mtwara community	133,119
Donation for National registration in Mtwara	105,929
Renovation of water sources	476,066
Purchase of mosquito nets and sanitary pads for Mtwara community	244,606
Food supports for families affected by floods	718,010
Ethiopia	
Donations to Federal & Regional Government to support COVID 19 prevention	54,795,777
Support to community for building schools and other projects	52,603,946
Congo	
Donations towards COP3 Event	673,379
Support towards labour for community work	168,345
Support extended to the family of Mr.. Nsihou Nsakala	3,137,948
Nigeria	
Donation towards Mbayion Development fund	1,500,000
Donation to paramount ruler of Oworoland & host community for Eid -el Kabir festival	600,000
Donation in support of Gboko traditional rulers and community	2,740,000
Donation in support of Obajana host community traditional rulers	10,120,000
Donation of COVID-19 relief materials to Gboko host community	71,800
Donation of COVID-19 relief materials to Ibese host community	3,939,550
Donation of Christmas Gift to Obajana host Community	400,000
Donation of 500 bed Space to University of Lagos (UNILAG) alumni association	35,000,000
Financial support to Zariagi Community	200,000
Donation of Christmas gift to traditional rulers	3,158,000
Donation of COVID-19 relief materials to Oyo, Iwaa, Apata and Obajana communities	1,000,000
Donation of COVID-19 relief materials to Obajana host community	4,130,500

Beneficiary name/purpose	Amount ₦
Nigeria continued	
Donation of customised polo T-shirt & bags to Ibese host community	1,190,000
Donation towards electrification for host communities of (Obajana, Oyo, Iwaa & Apata)	6,160,000
Donation of food items to quarry women at Gboko	400,000
Donation of 60 Motor Vehicles to Nigeria Police Force (NPF)	323,291,579
Donation of relief material items to Ibese host community Youth Leadership	950,000
Donation of relief materials to Ibese host community	90,000
Donation of relief materials to the aged & widows in Ibese Community	957,000
Donation of transformer & electrification of host communities	37,177,721
Donation of waste bricks & raw mill reject for palliative road repair to Ibese host community	953,000
Donation of welfare packages to security personnel at Ibese host community	282,000
Donation to Kenny Health Centre	7,500,000
Donation To Oba Of Obajana traditional ruler	171,000
Donation towards 6th Quadrennial delegates conference National Union of Chemical foot ware Rubber Leather and Non-Metallic products employees.	350,000
Donation towards Construction Of Ibese Ilaro Papalanto road	41,813,200
Donation towards construction of Ibese/Abeokuta Ibara road	125,000
Donation towards construction of palace of Olu Of Ilaro	152,875
Donation towards economic trees & others valuables at Obajana	1,147,915
Donation towards 3rd AGM of Manufacturer Association of Nigeria (MAN) export group	5,000,000
Donation towards acutherapy training and empowerment to Ibese host community Youth	1,330,500
Donation towards advertising and publishing of CSR projects for Ibese host community	300,000
Donation towards burial of Olu Imasayi	2,000,000
Donation towards burial support for Baale, Balogun of Ibese	250,000
Donation towards business development support to Olu Of Ilaro	1,360,000
Donation towards Chemical and Non-metallic Products Senior Staff Association of Nigeria 25th Annual National Seminar	250,000
Donation towards community development for Ibese community	37,630,000
Donation towards community survey revalidation at Ibese	240,000
Donation towards completion of Police Intelligence Hotel, Share, Ilorin, Kwara State	19,661,780
Donation towards concrete flooring of compound palace of Olu of Ilaro	6,420,750
Donation towards construction of dedicated 33Kw overhead feeder & installation Of 1.25 33Kwa Injection substation at Obajana	21,525,000
Donation towards construction of fence at Ajibawo clinic Ibese	209,085
Donation towards constructions and drilling of classroom block borehole and road drainage in Ilaro	17,328,110
Donation towards constructions of toilet at Wasinmi Imasayi	132,734
Donation towards Covid-19 of the Federal Government of Nigeria.	1,750,000,000
Donation towards CSR Projects at Oyo, Iwaa and Apata Communities in Obajana	125,000
Donation towards Easter ceremony to Gboko host community	1,518,000
Donation towards end-of-the year gift 2019 to stakeholders In Ibese	1,017,400
Donation towards end-of-the year gift to host community of Eleme Onne Elekahia	1,450,000
Donation towards end-of-the year gift to Ibese host community	1,017,400
Donation towards end-of-the year gift to Kindred heads of Mbayion host community	194,000
Donation towards end-of-the year gift to Lagos state host community	752,500
Donation towards farm crop assessment at Obajana mines	100,000
Donation towards fencing/Landscaping of Ajibawo Health Centre Ibese	2,888,473
Donation towards funding of project and scholarship award for the host community in Ibese	394,100
Donation towards grading of Ibese bypass	160,000
Donation towards Ileya Festival to Ibese host community	1,820,000
Donation towards Iwaa Community Development Fund	312,500
Donation towards medical bill of Ibese youth	200,000
Donation towards meeting with Ilaro youth for the environment	490,000
Donation towards Obajana community development fund	5,192,000
Donation towards Obajana community traditional rulers	1,785,000
Donation towards palace upkeep of Adele Ibese community	200,000
Donation towards palliative repair of Union junction in Obajana	312,000
Donation towards palliative of road repair work at K junction in Obajana	1,012,000
Donation towards planting of trees at Ibese community	2,392,000

Beneficiary name/purpose	Amount ₦
Nigeria continued	
Donation towards purchase of Hilux for Oyo State road traffic management authority	9,500,000
Donation towards renovation of classroom building for Oyo, Iwaa Obajana & Apata Communities	6,347,295
Donation towards repairs of damaged properties of Saint Peter Anglican Primary School	280,000
Donation towards research on Women Health Study Forum	200,000
Donation towards road fixing in Ankpa	78,000
Donation towards support Oyo traditional rulers stipends	100,000
Donation towards take off grants for Igbootu multi-purpose society	4,000,000
Donation towards take off grants for the completion of Iwaa clinic	5,000,000
Donation towards the medical bill of Oba Gbadebo Oni, Olu Of Imasayi	960,000
Donation towards the support Gboko community traditional rulers stipends	2,746,000
Donation towards the take off grant of Ifo Apata Community	4,000,000
Donation towards water reticulation project at Ibese	7,460,355
Donation towards youths empowerment at Ibese	262,000
Financial support for newly constructed Health Centre at Babalawo/Kajola Ibese community	300,000
Financial assistance given to Prince Nongo	40,000
Financial assistance in respect of sustainability quiz at Water Eff Camp for winners Prizes	487,500
Financial assistance to an indigene of Gboko	3,000
Financial support for Late Sachia children's school fees	177,850
Financial Support For 2020 Sustainability Project at Ibese	994,400
Financial support to meet teachers' salaries in Gboko	16,217,616
Financial support for farmers in Iwaa community	7,000,000
Financial support for medical bills of High Chief Tajudeen Alamu Mulero	200,000
Financial support for Oyo, Iwaa and Apata communities in Obajana	245,000
Financial support to Chief Alh. Nosiru Akinlade	100,000
Financial support to Chief Henry Idowu	50,000
Financial support to Hamar Total care Foundation	5,000,000
Financial support to Ibese Council of Baales	500,000
Financial support to market women in Iwaa community	2,000,000
Support to schools for sustainability week Obajana host community	360,000
Scholarship grant ifo Apata community 2020/2021	1,500,000
Scholarship grant Ifo Iwaa community 2020/2021	3,500,000
Scholarship grant Ifo Obajana community 2020/2021	1,500,000
Scholarship grant Ifo Oyo community 2020/2021	3,500,000
Scholarship Payment to Ibese Host Community Student	10,375,000
Sponsorship ifo Nehemiah Atule's children school fees at Gboko	35,600
Sponsorship of 48th AGM of Manufacturer Association of Nigeria (MAN)	20,000,000
Sponsorship of 2020 Ijako-Orile Day Celebration	250,000
Sponsorship of annual Traffic Compliance and Enforcement 2020 conference of Ogun State	250,000
Sponsorship of Association of Resident Doctors	300,000
Sponsorship of Eld El Kabir in ifo Muslim Association, Ogun State	500,000
Sponsorship of football tournament at Ibese host community	1,302,100
Sponsorship of Inter-house sport United African Methodist Eleja Ibese	200,000
Sponsorship of Ogun State children Christmas	500,000
Sponsorship of Oronna Ilaro festival	10,000,000
Sponsorship of year 2020 World Food Day	400,000
Support to Obajana host community on electricity expense	560,000
Sponsorship of Ibadan Polo brand act 2020	1,909,000
Sponsorship of 14th Western zonal Institute of Chartered Accountants Of Nigeria (ICAN) annual conference	1,280,000
Sponsorship of Proshare journal (PROSHARE ECONOMY)	1,500,000
Sponsorship of anniversary & Annual General Meeting ifo Ifesowapo cement dealer association	1,000,000
	2,851,775,763

Board and Committee Meeting Dates and Attendance

Board meetings – Directors

Director	Board	Board meeting 25/02/20	21/05/20	23/07/20	05/11/20	12/12/20
Aliko Dangote GCON	Chairman	✓	✓	✓	✓	✓
Arvind Pathak	DMD	✓	✓	✓	✓	✓
Michel Puchercos	GMD	✓	✓	✓	✓	✓
Cherie Blair CBE QC	INED	✓	✓	✓	✓	✓
Dorothy Ufot SAN	INED	✓	✓	✓	✓	✓
Emmanuel Ikazoboh	INED	✓	✓	✓	✓	✓
Ernest Ebi MFR	INED	✓	✓	✓	✓	✓
Sir Michael Davis	INED	✓	✓	✓	✓	✓
Abdu Dantata	NED	✓	✓	✓	✓	✓
Berlina Moroole	NED	N/A	N/A	N/A	✓	✓
Devakumar V. G. Edwin	NED	✓	✓	✓	✓	✓
Douraid Zaghouani	NED	✓	✓	✓	✓	✓
Olakunle Alake	NED	✓	✓	✓	✓	✓
Sani Dangote	NED	●	●	●	✓	✓
Viswanathan Shankar	NED	✓	✓	✓	✓	✓

✓ = present. ● = absence due to ill-health. ✗ = apology. N/A = not a member.

Board Finance and Investment Committee

Director	Meeting attendance					
	24/02/20	20/05/20	22/07/20	04/11/20	16/11/20	12/12/20
Viswanathan Shankar	✓	✓	✓	✓	✓	✓
Olakunle Alake	✓	✓	✓	✓	✓	✓
Douraid Zaghouani	✗	✓	✓	✓	✓	✓
Sir Michael Davis	✓	✓	✓	✓	✓	✓
Devakumar V.G. Edwin	✓	✓	✓	✓	✓	✓

Board Audit, Risk and Compliance Committee

Director	Meeting attendance			
	24/02/20	20/05/20	22/07/20	19/10/20
Ernest Ebi	✓	✓	✓	✓
Dorothy Udeme Ufot	✓	✓	✓	✓
Emmanuel Ikazoboh	✓	✓	✓	✓
Cherie Blair	✓	✓	✓	✓

Board Remuneration, Governance and Nomination Committee

Director	Meeting attendance			
	24/02/20	20/05/20	22/07/20	19/10/20
Emmanuel Ikazoboh	✓	✓	✓	✓
Ernest Ebi	✓	✓	✓	✓
Sir Michael Davis	✓	✓	✓	✓
Cherie Blair	✓	✓	✓	✓
Berlina Moroole	N/A	N/A	N/A	✓

Board Technical and Sustainability Committee

Director	Meeting attendance			
	24/02/20	20/05/20	22/07/20	19/10/20
Olakunle Alake	✓	✓	✓	✓
Devakumar V.G. Edwin	✓	✓	✓	✓
Abdu Dantata	✓	✓	✓	✓
Douraid Zaghouani	✗	✓	✓	✓
Sir Michael Davis	✓	✓	✓	✓
Dorothy Udeme Ufot	✓	✓	✓	✓

Statutory Audit Committee

Director	Meeting attendance			
	24/02/20	20/05/20	22/07/20	04/11/20
Olakunle Alake	✓	✗	✓	✓
Emmanuel Ikazoboh	✓	✓	✓	✓
Ernest Ebi	✓	✓	✓	✓
Robert Ade-Odiachi	✓	✓	✓	✓
Nicholas Nyamali	✓	✓	✓	✓
Sheriff M. Yussuf	✗	✓	✓	✓

✓ = present. ● = absence due to ill-health. ✗ = apology. N/A = not a member.

Names of Top 20 Distributors

Position	Company name
1.	A G T Business Ventures
2.	A.F. Raf. Progressive Vent.
3.	Chico Trust Ventures
4.	Chinedu & Son Inv. Nig. Ltd.
5.	D. C. Okika Nig Ltd
6.	Gilbert Igweka Global Concept
7.	Ibukun Oluwa Enterprises
8.	Jimi Larry Ventures Ltd.
9.	Kabiru Isah Ahmed Nig. Ltd.
10.	Kazab Heritage Limited
11.	Kelex Mega Investment Ltd
12.	Kemson Gop Nig Ltd
13.	Lafenax Nig Ltd
14.	Moray Unique
15.	Nwa Ado Resources Nig. Enterprises
16.	Ogiemwonyi Godwin Nig Enterprises
17.	Raybale Nig. Ltd
18.	Tadop Global Services
19.	Twins Faja Enterprises
20.	Umar Tanko Abdullahi Ventures

CORONATION

E-MANDATE ACTIVATION FORM

INSTRUCTION
Please complete all sections of this form to make it eligible for processing and return to the address below.
The completed form can also be submitted through any Access Bank Plc nearest to you.
This service costs *N150.00* per approved mandate per company.

The Registrar,
Coronation Registrars Limited RC 126257
9 Amodu Ojikutu Street, Off Saka Tinubu,
Victoria Island, P.M.B 12753 Lagos, Nigeria.

Website: www.coronationregistrars.com
E-mail: info@coronationregistrars.com

For enquiries, please call 012 272 570 or send e-mail to customercare@coronationregistrars.com

ONLY CLEARING BANKS ARE ACCEPTABLE

Coronation Registrars Limited hereby disclaims liability or responsibility for errors/omissions/misstatements in any document transmitted electronically.

AFFIX CURRENT PASSPORT PHOTOGRAPH
(to be stamped by bankers)

Please write your name at the back of your passport photograph

SHAREHOLDER ACCOUNT INFORMATION

I\We hereby request that henceforth, all my\our Dividend Payment(s) due to me\us from my\our holdings in all the companies at the right hand column be credited directly to my\our bank detailed below:

Bank Verification No.

Bank Name

Bank Account No.

Account Opening Date D D M M Y Y Y Y

SHAREHOLDER ACCOUNT INFORMATION

Surname/ Company Name

First Name

Other Name(s)

Address

City | State | Country

Previous Address (if any)

CHN (if any)

Mobile Telephone 1 | Mobile Telephone 2

E-mail

Signature(s)

Joint/ Company Signatories

Company Seal (if applicable)

Kindly tick & quote your shareholder account no. in the box below:

√	NAME OF COMPANY	SHAREHOLDER No.
	Access Bank PLC	
	Access Bank Bond	
	Access Bank Green Bond	
	Afrinvest WA Ltd – NIDF	
	AIICO Insurance PLC	
	AIICO Money Market Fund	
	Airtel Africa PLC	
	Air Liquide Nigeria PLC	
	Caverton Offshore Support Group	
	ChapelHill Denham – NIDF, NREIT	
	Coronation Asset Management Limited	
	Coronation Insurance Plc (formerly Wapic Insurance)	
	First Ally Asset Management	
	Dangote Cement Bond	
	Dangote Cement PLC	
	FirstTrust Mortgage Bank PLC	
	FSDH Asset Management Limited	
	Food Emporium International Limited	
	Gombe State Government	
	IHS Nigeria PLC	
	Lagos State Government	
	Lead Asset Management Limited	
	McNichols Consolidated PLC	
	Mixta Real Estate Bond	
	MTN Nigeria Communication PLC	
	NASD PLC	
	NDEP PLC	
	NIPCO PLC	
	Red Star Express PLC	
	SFS Capital Nigeria Limited	
	STACO Insurance PLC	
	Three Points Industries Limited	

Coronation Registrars Limited | 9 Amodu Ojikutu, VI | 012 272 570 | +234 816 288 1632 | info@coronationregistrars.com | www.coronationregistrars.com

Proxy Form

DANGOTE CEMENT

Dangote Cement Plc RC: 208767: Proxy Form

The twelfth Annual General Meeting (AGM) of Dangote Cement Plc will be held on Wednesday, 26th May 2021 at Eko Hotels & Suites, Victoria Island, Lagos, at 11.00 a.m.

I/We ....

(Name of Shareholder in block letters)

Being a shareholder of Dangote Cement Plc hereby appoint Alhaji Aliko Dangote, GCON or failing him, Mr. Olakunle Alake or failing him, Mr. Emmanuel Ikazoboh or failing him, Mr. Michel Puchercos or failing him, Sir Sunny Nwosu or failing him, Dr. Umar Farouk or failing him, Mr. Nornah Awoh or failing him, Mrs. Bisi Bakare as my/our Proxy to act and vote for me/us on my/our behalf at the twelfth Annual General Meeting to be held on Wednesday, 26th May 2021, and at any adjournment thereof.

Shareholder's signature .... Date ....

I/We desire this proxy to be used in favour of/or against the resolution as indicated alongside:

	Ordinary business	For	Against	Abstain
1.	To receive the audited financial statements for the year ended 31st December 2020 and the reports of the Directors, auditors and Audit Committee			
2.	To declare a dividend			
3.	To re-elect or appoint Directors as follows:			
3.1.	To re-elect Mr. Emmanuel Ikazoboh as a Director, who is retiring by rotation			
3.2.	To re-elect Mrs. Dorothy Ufot SAN as a Director, who is retiring by rotation			
3.3.	To re-elect Mr. Devakumar V. G. Edwin as a Director, who is retiring by rotation			
3.4.	To re-elect Mr. Ernest Ebi MFR as a Director, who is retiring by rotation			
3.5.	To re-elect Mr. Olakunle Alake as a Director, who is retiring by rotation			
3.6.	To appoint Ms. Berlina Moroole as a Director			
4.	To authorise the Directors to fix the remuneration of the Auditors			
5.	To elect shareholders' representatives of the Statutory Audit Committee			
	Special business	**For**	**Against**	**Abstain**
6.	To approve the remuneration of Directors			
7.	To renew the Share Buyback Programme established pursuant to the resolution of the Company dated 22nd January 2020.			

Notes:

A. In view of the COVID-19 pandemic, attendance at the AGM shall only be by proxy. A proxy form is included in the Annual Report. A member has the right to appoint a proxy/proxies from one of the persons named in the proxy form, who have been authorised to act as proxy by the Company, to attend and vote instead of him. All instruments of proxy must be deposited at the registered office of the Company at 1 Alfred Rewane Road, Ikoyi Lagos (or dcp.legal@dangote.com) or the office of the registrars, Coronation Registrars Ltd, at 9 Amodu Ojikutu Street, Victoria Island, Lagos, (or eforms@coronationregistrars.com), not later than 48 hours before the time for holding the meeting.

B. In the case of joint shareholders, any of them may complete the form, but the names of all joint shareholders must be stated.

C. If the shareholder is a corporation, this form must be executed under its common seal or under the hand of a duly authorised officer or attorney.

D. The proxy must produce the admission slip along with the notice of the meeting to gain entrance to the meeting.

E. It is a legal requirement that all instruments of proxy to be used for the purpose of voting by any person entitled to vote at any meeting of shareholders must bear the appropriate stamp duty from the Stamp Duties Office (not adhesive postage stamps). All instruments of proxy shall be stamped at the Company's expense.

F. Please indicate with an "X" in the appropriate column, how you wish your votes to be cast on the resolutions set out above. Unless otherwise instructed, the Proxy will vote or abstain from voting at his/her discretion.

Before posting this form, please tear off this admission card and retain it for admission to the meeting.

Admission slip

12th Annual General Meeting of Dangote Cement Plc to be held at Eko Hotels & Suites, Victoria Island, Lagos on Wednesday, 26th May 2021, at 11.00 a.m.

Shareholder's name:

Shareholder's address:

Number of shares held:

The Registrar,
Coronation Registrars Limited
9, Amodu Ojikutu Street,
Victoria Island,
Lagos, Nigeria

Dangote Cement Plc
Union Marble House
1 Alfred Rewane Road,
PMB 40032, Falomo Ikoyi,
Lagos, NIGERIA