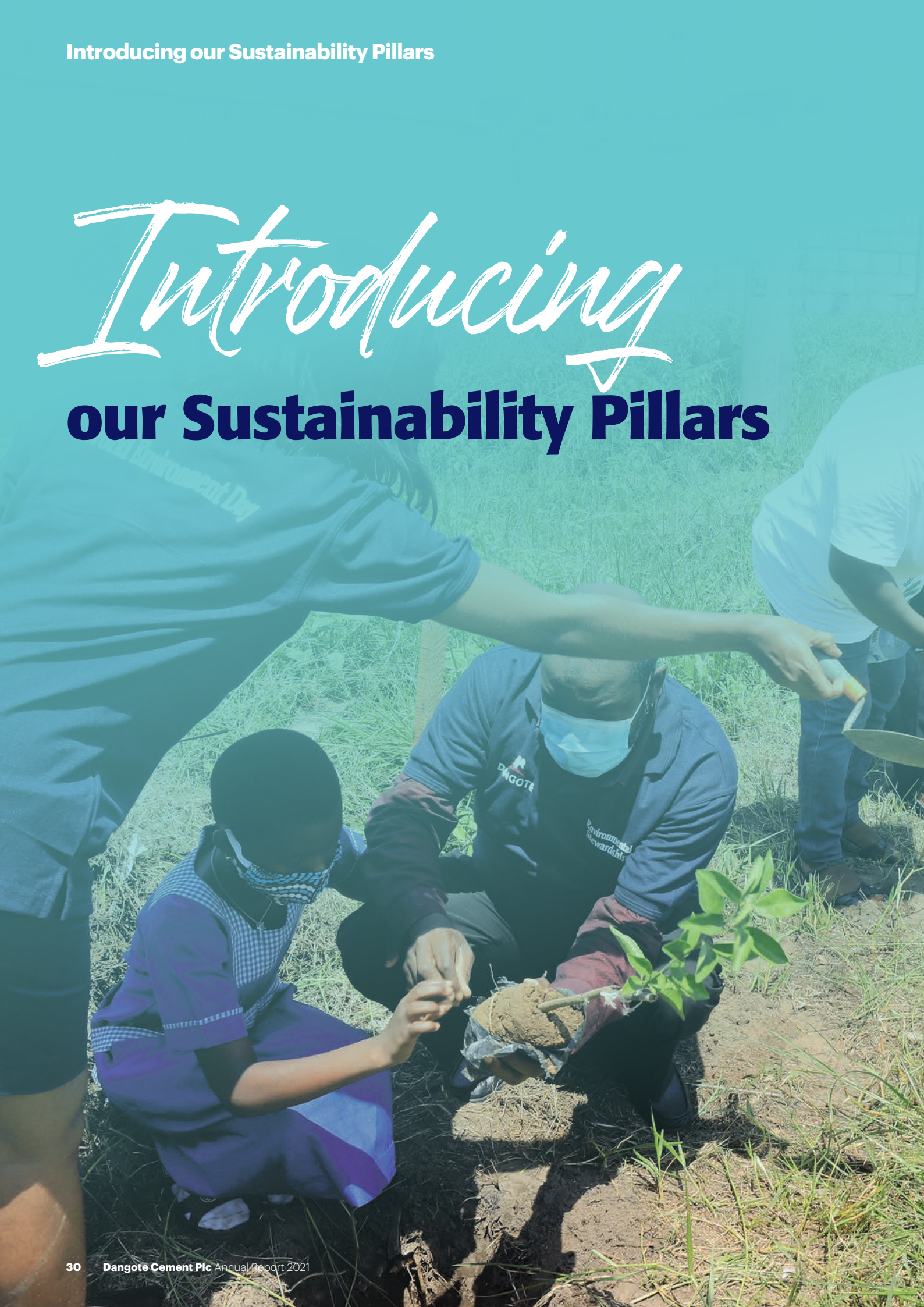


Introducing **our Sustainability Pillars**





Building on our ESG



Environment



Environmental



Operational

Link to the Dangote Pillars

Environment in ESG include our Environmental and Operational Pillars.

Our Environmental Pillar promotes 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.

Our 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.

“CDP upgraded Dangote Cement’s rating to B- for the Company’s commitment to climate change. The CDP rating upgrade clearly illustrates the progress made by Dangote Cement regarding our commitment to transparency and mitigating our CO₂ footprint.”



Social



Social



Economic



Cultural

Link to the Dangote Pillars

Social in ESG include our Social, Economic and Cultural Pillars.

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

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.

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.

“\$2.5 billion spent on social investment across 148 CSR projects in 2021.”



Governance



Institutional



Financial



Economic

Link to the Dangote Pillars

Governance in ESG include our Financial and Institutional Pillars.

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.

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

“27% female Board member representation, with the addition of a new female Board member effective 26th February 2022.”

Sustainability.

the Dangote Way



As the global COVID-19 pandemic forces individuals and companies to adapt to the new normal, Environmental, Social & Governance initiatives have gained the business world's attention as a better way of achieving societal outcomes. Despite these ever-changing circumstances, I am proud to report that 2021 heralded remarkable growth in the sustainability journey of Dangote Cement in Pan-Africa. In 2021, our major thrust was to understand and leverage the ESG factors of the business to drive value.

In continuation of our support of Africa's urbanisation, we ramped up our investment in infrastructural development in 2021 with several construction projects such as roads in Tombel-Doula, Cameroon, the completion of Nigeria's longest rigid pavement, the 43km Obajana-Kabba road located in Kogi State and support for the construction of 300,000 homes under the government's Mass Housing Programme. Our support for industrialisation and entrepreneurship in 2021 was not only demonstrated on a macro scale but also on a micro-scale. We supported the Gateway International Trade Fair, in Ogun state capital, Abeokuta. Similarly, Dangote Cement, Okpella contributed to the creation of the new industrial hub in Edo state, Nigeria. Small and medium scale enterprises in our host communities benefitted through schemes such as the donation of tricycles in Obajana, the Community Youth Empowerment Scheme in Ibese.

Among the various community interventions implemented were scholarships to members of Mbayon community in Benue State, Obajana Kogi State and Ibese Ogun State. Access to health was not left out on our lists, as the Iwaa community in the Lokoja local government area of Kogi State gained a new health facility. Other social investments include borehole facilities, education

infrastructure were built by the Transport Division of the Dangote Cement plants across Pan-African countries. In 2021 the Dangote Sustainability Week adopted the theme of the 76th Session of the UN General Assembly (UNGA 76), which is "Building resilience through hope to recover from COVID-19, rebuild sustainably, respond to the needs of the planet, respect the rights of people". We also marked the United Nations 2021 World Environment Day with the theme "Ecosystem Restoration" by demonstrating our love for the environment through awareness creation and advocacy.

As a member of the Global Cement and Concrete Association (GCCA), we join the collective commitment of the world's leading cement and concrete companies to fully contribute to building the sustainable world of tomorrow. In confirmation of our commitment to climate action and continuous improvement process for reaching sustainability goals in 2021, the Carbon Disclosure Project (CDP) raised the Company's rating from C to B-.

We are pleased that our efforts are being recognised locally and globally but we continue to strive to improve on our environmental, social and governance (ESG) processes. My appreciation goes to our employees, customers, investors, suppliers and communities who have contributed to the sustainability outcome presented in this document. The sustainability section of this report is organised in three main sections of Environmental, Social and Governance (ESG) to reflect our actions and the data supporting our 2021 sustainability performance. I am pleased to share these success stories as well as the learning points on our journey to actualising our 7 Sustainability Pillars ... The Dangote Way. I present to you a report of our modest efforts to support sustainable development in Africa.

"As a member of the Global Cement and Concrete Association (GCCA), we join the collective commitment of the world's leading cement and concrete companies to fully contribute to building the sustainable world of tomorrow."

Igazeuma Okoroba
Head, Sustainability, Dangote Cement

Aligning our Sustainability Pillars with the UN SDGs

Dangote Cement is a member of several global initiatives and alliances. The added value of these alliances is integrated into our strategic 7 Sustainability Pillars, creating benefits for our operations, shareholders and communities. 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 sustainable business.

The Sustainability Pillars include cultural, economic, operational, social, environmental, financial and institutional.

Our sustainability strategy also aligns with the United Nations Sustainable Development Goals (SDGs). The UN SDGs are a call for action to promote prosperity while protecting the planet. Although Dangote Cement pledges commitment to all 17 SDGs, as they all have some degree of connection to our business, the business identifies 7 specific goals which have the greatest potential for lasting impact on our business strategy. Our 7 priority SDGs are aligned with the 7 Sustainability Pillars, also known as “The Dangote Way”.



Our materiality assessment process



The 7 Sustainability Pillars



Financial

Pillar

Achieve sustainable financial health through a business model that delivers strong returns to shareholders, whilst creating value in the economies where we operate, by producing and selling high-quality products at affordable prices, supported by excellent customer service.

SDGs x 7



Institutional

Pillar

Build a world-class institution centred around corporate governance best practices and sustainability principles that promote legal and regulatory compliance, transparency, effective internal controls, risk management and business continuity.

SDGs x 7



Economic

Pillar

Promote inclusive, sustainable economic growth, self-reliance, self-sufficiency and industrialisation across Africa; establishing efficient production facilities and developing resilient local economies in strategic locations and key markets where we play.

SDGs x 7



Cultural

Pillar

Embody our core values in the way we do business, including fostering respect for cultural diversity both in our internal and external relations. To achieve this, we actively encourage teamwork, empowerment, inclusion, equal opportunities, mutual respect, integrity and meritocracy in our organisation.

SDGs x 7



Operational

Pillar

Serve and satisfy our markets by working together with partners to deliver the best products and services to our valued customers and stakeholders through continuous product improvement, new business development, employing state-of-the-art technologies and systems to constantly optimise our product value and cost-efficiencies.

SDGs x 7



Environmental

Pillar

Create sustainable environmental management practices, through a proactive approach to addressing the challenges and opportunities of climate change, while optimising our performance in resource and energy efficiency, water management and emissions.

SDGs x 7



Social

Pillar

Create a learning environment and platform for our employees to grow and achieve their fullest potential, whilst adhering to the highest standards of health and safety. In our host communities, we strive to develop resilient and sustainable prosperity through direct and indirect employment, skills transfer, local entrepreneurial development, social investments and corporate social responsibility best practices.

SDGs x 7



Aligned to the UN Goals



Reporting practice

This report is written in accordance with the requirements of the 2021 GRI Sustainability Reporting Standards disclosures and principles. The Environmental, Social and Governance indicators presented in the report are based on the GRI Sustainability Reporting Standards and the principles of Nigerian Exchange Group's Sustainability Disclosure Guidelines. It covers our performance for the period of 1st January 2021 to 31st December 2021. Due diligence was exercised on the data presented during collation and analysis.

The report scope and boundary covers all operations of DCP in Nigeria and Pan-Africa including Cameroon, Congo, Ethiopia, Ghana, Senegal, Sierra Leone, South Africa, Tanzania and Zambia. Our approach to Sustainability Reporting is to focus on material issues and activities in line with stakeholder concerns and relevance to our business and society in terms of context, completeness and balance. We strive for optimal accuracy, timeliness, clarity and reliability in the way we communicate.

The sustainability section of the report has been divided into three sections, the Environment, Social and Governance (ESG) sections for easy accessibility to our stakeholders and investors. Though sectionalised, the report underlines the progress of

our performance in all of our sustainability strategic pillars which include, Social, Economic, Environment, Operational, Cultural, Financial and Institutional. As in previous years, we have combined our Annual Report and Sustainability Report in furtherance of our integrated reporting approach.

Based on reporting requirements, we conducted materiality assessment surveys and stakeholder engagement exercises to understand key issues of critical concern to our stakeholders. The issues identified as well as our economic, environmental and social impact determined the material topics in this report. Other local and global sustainability standards referenced in this report include Global Cement and Concrete Association (GCCA) Sustainability Principles and Guidelines, United Nations Global Compact (UNGC) Principles, Sustainable Development Goals (SDGs), Securities & Exchange Commission (SEC) Code of Corporate Governance and the Nigerian Exchange Group (NGX) Sustainability Disclosure Guidelines. This further lends credence to the report and showcases our efforts at adhering to best practices. External assurance was carried out by Deloitte on some indicators using the ISAE 3000 Standards to further add a layer of validation and credibility to the report. The report has been presented for the Content Index – essentials service with GRI service mark obtained.



Operational



Environmental

Environment:

Expressing our care

for the environment and how we address the challenges of climate change. We embed sustainable practices in operations to address the challenges of climate change through energy efficiency, water usage and emissions control.

Environmental standards and material issues

Our Environmental Pillar defines our ways of entrenching environmental sustainability by identifying, measuring and mitigating actual and potential environmental impacts of operations. Our goal is continuous improvement of performance on energy efficiency, waste management, water consumption, greenhouse gas emissions. The business leverages opportunities in environmental stewardship, such as efficiencies in alternative fuel, and the circular economy model.

Dangote Cement is a member of the Global Cement & Concrete Association (GCCA) and subscribes to the GCCA Sustainability Guidelines. The GCCA issues performance enhancement guidelines, gathers and publishes data on the industry's sustainability commitments, and initiates research climate change and energy, social responsibility, environment and nature, circular economy, and health and safety. Alignment with the GCCA supports our plans towards improved business practices and processes for the preservation of air and water quality, as well as efficiency in the utilisation of energy and natural resources. 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 environmental fallouts from our business operations, including dust pollution, CO₂ emission, and so on, we remain committed to continually improving our environmental stewardship.





Our climate response strategy

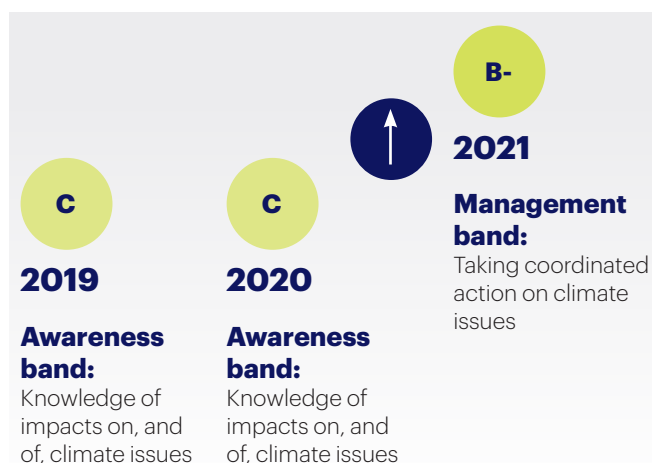
Versatile and long-lasting concrete structures are required for climate-resilient construction. The threats of climate change as outlined in the Paris Agreement of the United Nations Framework Convention on Climate Change (UNFCCC) however makes it imperative for the cement industry to set out its plan for decarbonisation. Dangote Cement acknowledges the challenges of reducing its specific CO₂ emissions, owing to heavy dependence on fossil in limestone-based clinker, where the demand for cement is high in the market. Nonetheless, we have adopted a two-pronged response to climate change: laying a foundation for climate action through a climate risk register and the exploration of alternatives for reducing CO₂. The climate risk register supports the management of associated environmental and financial risk, and recommends implementation of control measures. This is supported by an ESG metrics-based system which assesses current and potential future CO₂ emissions of our operations in 14 plants across Africa. The Company increased financial investment in projects, exploring low-carbon fuels, such as biomass as substitutes for fossil fuels in heating limestone and clay, while remaining open to emerging technologies to support our commitment towards CO₂ reduction.

How we performed on environment: energy, emissions, water and wastes

In the past three years we have disclosed our environmental performance through the Climate Disclosure Project (CDP) and a GRI standards framework. Our third CDP report published in 2021 obtained an improved rating from C to B-. This rating reflects our improvement in governance, risk management processes and disclosures, emissions reduction initiatives, and business strategy.

CDP rating upgraded to B-

- Submission to Carbon Disclosure Project (CDP)
- Rated "B-" by CDP on our carbon disclosure for 2021
- One of the highest ratings in Sub-Saharan Africa and the only Nigerian company rated by CDP
- In 2021 DCP became a CDP supporter



“As a mission-based non-profit that runs the global environmental disclosure system, CDP greatly values the support of Dangote Cement. Action this decade is critical to ensuring that we can limit global warming to 1.5°C and safeguard our planet’s natural resources. Quite simply what is measured can be managed. Through its 2021 disclosure to CDP, Dangote Cement has demonstrated its clear commitment to transparency around its environmental impacts and its strategies for action. This benefits the Company as well as its shareholders, customers and employees alike.”

Sonya Bhonsle

Global Head of Value Chains & Regional Director
Corporations, CDP

Energy consumption

The manufacturing of cement is an energy-intensive process, 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 1450°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.

Across all our locations, total energy consumption in 2021 was 101,355,380 GJ, an increase of 9.55% year on year, relative to 2020. This rise was basically due to a significant increase in total production output compared to 2020, the resumption of production from our Gboko plant, and increased output from Obajana and Tanzania, as detailed in our production output section of this report. With 68.51% of the total, our Nigeria operations which host the larger part of our total cement production was the highest energy consumer in the year under review.

Energy consumption continued

Despite the increase in total energy consumption, thermal energy consumed per tonne reduced to 849.18 Kcal/kg in 2021 compared to 894.13 cal/kg in 2020. The energy sources used across DCP's operations come from a very diverse mix of fuels such as Petroleum Coke/Coal mix, Coal, Natural Gas, Diesel, Petrol, LPFO, Electricity and Alternative Fuels (e.g., waste oil, tyres chips, carbon black, ultra-fine coal, biomass, etc.). In 2021, the use of alternative fuel sources increased by 69% accounting for 1.51% of the total fuel mix compared to 0.89% in 2020.

Following this, DCP is working towards a gradual transition aimed at reducing energy consumption in operations while increasing the use of alternative fuel sources and reducing dependence on Petroleum Coke/Coal mix and Coal.

Year	Total energy consumption (GJ)	Percentage increase (+) or decrease (-)
2019	79,976,174	-1.56%
2020	92,515,735	15.68%
2021	101,355,380	9.55%

Efforts on emissions

It is common knowledge that the cement manufacturing industry is one of the hard-to-abate industries due to the amount of energy utilised and the carbon dioxide emitted. Dangote cement plants are however designed using cutting-edge technology to achieve product quality and energy efficiency.

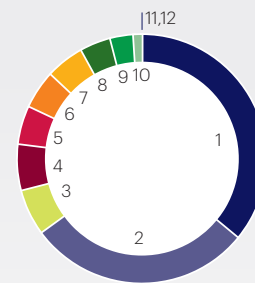
Dangote Cement recognised the effects of greenhouse gas emissions on the ecosystem. The table below shows the direct CO₂ emission per tonne increased slightly in 2021 to 660.57 kg CO₂/ tonne from 648.38kg CO₂/tonne in 2020. As reported previously the Gboko Plant in Nigeria which was previously not operational resumed production in 2021 contributed to increased production output and invariably CO₂ emissions (Scope 1).

Year	Total direct CO ₂ emission / tonne	Percentage increase (+) or decrease (-)
2020	648.38	
2021	660.57	1.9%

Managing our water

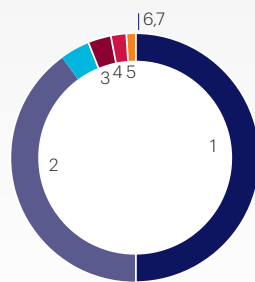
Cement production is generally regarded as a "dry" process because a relatively low amount of water per unit of the finished product is utilised. However, we know that water is fundamentally a vital resource with a significant impact on lives and livelihood. For this reason, Dangote adopts sustainable water resource management in our operations. Total water consumption in 2021 for all operational locations is reported as 8,131,204 cubic metres (m³); 19.8% higher than the consumption of 6,789,816 cubic metres (m³) in 2020. Water consumed per tonne of cement increased slightly by 3.9% to 285m³/tonne in 2021 compared to 274m³/tonne in 2020. Of the total water consumed, ground water, dam and quarry water sources account for the largest percentage by sources at 47.4%, 22.92% and 21.73% respectively while other water sources such as Surface water, Rainwater and Municipal water accounts for the remaining 7.97% cumulatively.

2021 total energy consumption (GJ) = 101,355,380



1. Nigeria – Obajana	32.64%
2. Nigeria-Ibese	30.91%
3. Tanzania	7.14%
4. Senegal	6.04%
5. Ethiopia	5.81%
6. Zambia	5.66%
7. South Africa	5.30%
8. Nigeria – Gboko	4.96%
9. Congo	1.18%
10. Ghana	0.06%
11. Sierra Leone	0.01%
12. Cameroon	0.00%

Percentage based on fuel sources – 2021 total energy consumption (GJ)



1. Natural Gas	51.3%
2. Coal	41.0%
3. Diesel	3.7%
4. Electricity	1.9%
5. Alternative fuel	1.5%
6. Mix	0.6%
7. Petrol	0.0%



Biomass used as alternative fuel

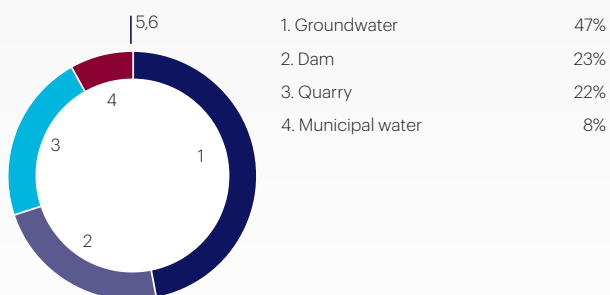
2021 total direct CO₂ emissions (tonnes CO₂) (Scope 1) per location

Total	18,844,221
Nigeria – Obajana	6,181,483
Nigeria – Ibese	5,515,388
Ethiopia	1,388,329
Senegal	1,200,458
Tanzania	1,194,117
South Africa	1,183,920
Nigeria – Gboko	987,363
Zambia	890,664
Congo	286,878
Cameroon	11,240
Ghana	3,763
Sierra Leone	618

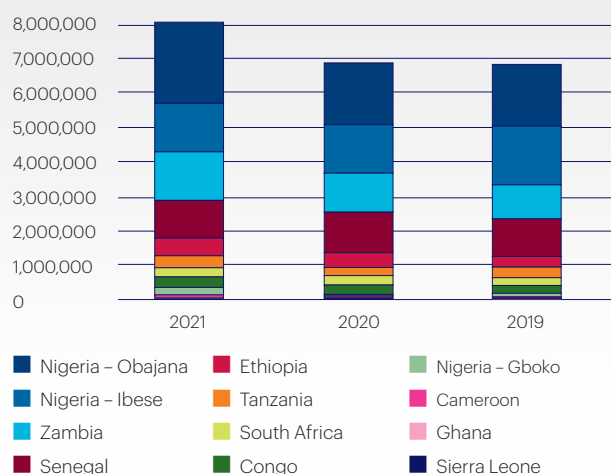
Total water consumption/utilisation (m³)

2021	8,131,204
2020	6,789,816
2019	6,878,752

Percentage based on sources – 2021 total water consumption/utilisation



Total water consumption m³ per location



Protecting the ecosystem of waste

Our waste management practices include activities and actions geared towards managing waste materials produced along our value chain from its generation to its final disposal. This includes the collection, transportation, treatment and recycling, as required. We view waste management from not just regulatory and monitoring perspectives, in line with applicable laws in the countries where we operate but also as our commitment to preserving the ecosystem.

Effective waste management within our plants helps to mitigate potential adverse effects on human health (employees, host communities), the environment, planetary resources and aesthetics. Some of the waste generated is disposed of through waste disposal organisations duly accredited by government regulatory agencies while some are diverted for use in kilns as alternative fuel sources or raw materials.

In 2021, the total non-hazardous and hazardous waste generated across our plants was 8,669 tonnes and 7,717 tonnes respectively.

Waste summary

	2021
Total waste generated (tonnes)	
All types	16,386
Non-hazardous waste	8,669
Hazardous waste	7,717

“Thermal energy consumed per tonne reduced to 849.18 Kcal/kg in 2021 compared to 894.13 cal/kg in 2020.”



On guard for continuous improvement

As the largest cement manufacturer in the African continent and due to the geographical spread of our operational plants, we are subject to numerous local, regional and national environmental management and compliance regulations. Aside from being a regulatory requirement, we are committed to maintaining good environmental management standards and 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 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 2021, we obtained a total of 297 environmental related permits, accreditations and approvals to ensure compliance with our operations. In the year we recorded no material incidents of environmental non-compliance (including fines, penalties, or sanctions) reported in our operations.

In addition to achieving compliance with relevant regulations (i.e., permits, accreditations and licences), we obtained for some plants ISO 14001:2015 EMS certification to provide an external assurance for existing environmental management systems. We also obtained approvals for Environmental & Social Impact Assessment (ESIA); Exploration Licences; as well as executed Environmental Compliance Monitoring. We understand the consequences of non-compliance with EMS standards and environmental laws threatens shareholders' earnings and affects our relationship with host communities.

From efficiency to operational transformation

Due to rising input costs and growth prospects of the business in 2021, the Company adopted a plant operational transformational approach. This approach aimed to offset the continual increase in input costs and minimise the producing cost through optimised operations. Our strategy for incorporating modern processing techniques to achieve greater operational efficiency relied on improving capacity utilisation, energy savings, improved environment, use of by-products, wastes, alternative raw materials and fuel as well as meeting market requirements in terms of quality.

Achieving improved operational efficiency is one of our key environmental sustainability objectives, aimed at reducing operational costs and consumption of production resources, while also minimising CO₂ emitted from our operational processes. This will systematise the effective management of energy in our operations.

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 Drives (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.

Also, at Dangote Cement, we use large, modern rotary kilns equipped with “pre-heaters” 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 the 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 the environment, resulting in less CO₂ emissions per tonne 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.



A precautionary approach to environmental management

As part of our precautionary measures, new projects and/or any significant modification of existing plant, were preceded by a comprehensive Environmental & Social Impact Assessment (ESIA) to identify and mitigate potentially significant environmental impacts and risks that are involved, as required by local regulations and Group policies and international standards.

With regards to 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.

Structured and independent environmental audits by our Group environmental management team and external parties (such as Control Authorities, Certification Bodies, etc.) are carried out on a routine basis to ascertain the site Environmental Management System (EMS) effectiveness and the necessary improvement actions. We recognise the importance of managing the environmental impacts resulting from our activities and investing in technologies and innovations that would enable us to improve our environmental footprints.

Managing our carbon footprint

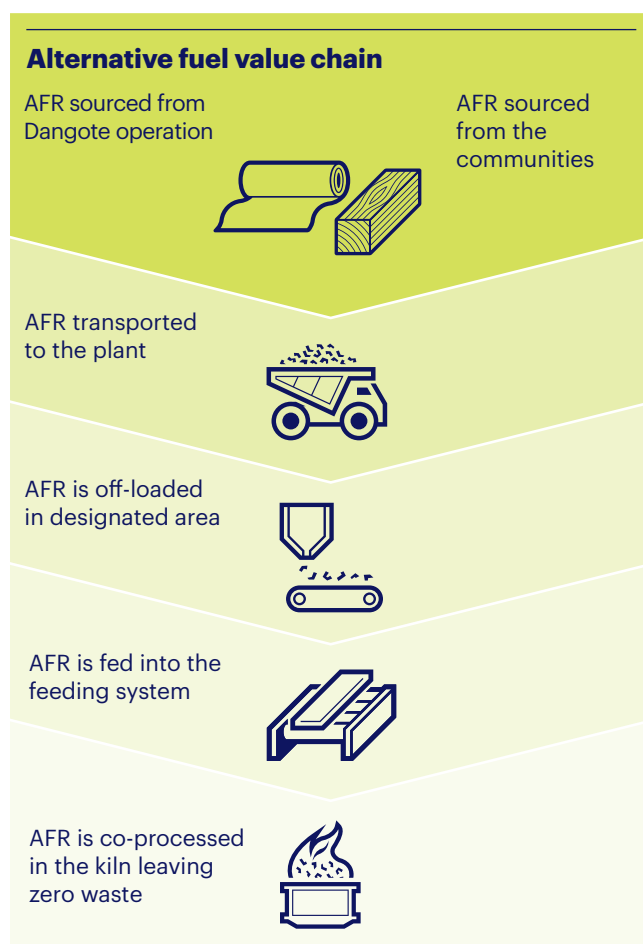
Climate change is one of the major challenges of society in the 21st century and Dangote cement has a role to play in meeting this challenge. The Company commits to improving its carbon footprint by following guidelines for monitoring and reporting processes using applicable protocols considered most relevant for the cement industry. In 2021, CO₂ data integrity has improved, evident in improved CDP rating from C to B-.

As part of actions to combat climate change, world leaders, policymakers, stakeholders, climate advocates gathered for COP26 in November 2021. At the event, the GCCA made a start on engagements from the launch of her Concrete Future Roadmap for Net Zero Concrete. Dangote Cement's participation in the GCCA event "From Global Commitment to Local Action" aimed to understand the roadmap, align with other members on the decarbonisation mission and drive local action to secure positive policy support in countries of operation.



Harnessing alternative fuels for circular economy

The co-processing of alternative fuels in cement manufacturing to replace fossil fuels is a long-standing contribution of the business towards a circular economy. In 2021, a permit to co-process alternative fuel in kilns was obtained for all plants except Ethiopia, which is an on-going effort. Following this, full mapping of waste materials was done in Nigeria and Pan-Africa plants. Sensitisation and capacity building for Plant personnel was also critical for improving the uptake of waste for alternative fuel. The Company co-processed 89,000 tonnes of waste in kilns that could have ended up in landfills. As additional feeding equipment was being procured and installed across sites, host communities are targeted in the sourcing of wastes. This provides an important service to communities in making beneficial use of a range of society's waste and by-products. The Company is well on track to improve thermal substitution rate (TSR) through the installation of equipment as a way of strengthening Plant waste management resources.





AF Feeding system arriving
Ibese and Obajana



Focus on alternative fuel project

Circular economy model

We have increased corporate focus and strategy by committing to the use of alternative fuel sources in our energy mix.

Waste type

We are exploring fully the feasibility of increasing the use of alternative energy in our cement production, through co-processing of wastes such as: agro wastes, waste lubricants, tyre derived fuels, sawdust, packaging materials

Benefits

- Lower CO₂ emission
- Alternative energy sourced from environment reduces cost and supports local economies
- Lower dependence on foreign currencies
- Sustainable waste management

Alternative Fuel Project

So far this year, DCP's plants are installing AF equipment (Mechanical Multi-Fuel systems) that can process diverse types of wastes:

- Thermal substitution rate is estimated at 2.6% for FY 2021 vs. 1.7% in FY 2020
- DCP co-processed 89,000 tonnes of waste in 2021, an increase of 60% over 2020

Wastes co-processed include:

- 1 Waste lubricants
- 2 Biomass/Agro wastes (Rice Husks, Palm kernel shells, peanuts shell, Cashew Nut shell, Coffee Husk, Sawdust)
- 3 Industrial wastes (Paper waste, waste plastics)
- 4 Scrap tires
- 5 Fly ash



Dangote Cement Tanzania launches the first CNG trucking station in East Africa

Dangote Cement Tanzania has paved the way by successfully launching its first CNG station on 5th March 2021 at its cement plant in Mtwara. The CNG station, with a capacity of 5,000 standard cubic metres per hour (equivalent to 5,000 litres of AGO) will be used to provide clean, safe and lower cost fuel to its 250 trucks. The trucks were converted to run on two fuels at the same time, AGO and CNG. The station's capacity will be sufficient to support the Company's future fuel strategy including the use of 100% CNG for trucks on major dedicated routes.

This station will optimise efficiency through cost-effectiveness and increased sustainability practices. With lengthy cement delivery distances, the implementation of CNG fuel is a critical element to maximising cost-effectiveness. The use of CNG can cut fuel costs up to 40% in addition to a substantial 15% reduction in tail-pipe CO₂ emissions for dual-fuel trucks. This is a profitable and more sustainable practice in the industry.

“We are very proud of our CNG station, it is very reliable.”

Engr. Baba Abdullahi
stated during the launch

The first CNG stations has been deployed in Nigeria and the business is expanding the project across the African continent.



Controlling our dust emissions

Dust emanates across the entire 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. Dangote Cement kilns have been provided with state-of-the-art dust abatement equipment, including bag house filters and electrostatic precipitators. The state-of-the-art design combined with routine control and preventive maintenance allows us to effectively control our dust emissions and maintain the average dust emissions at the stacks in a range well below the typical regulatory threshold limits of the countries where we operate.

Compared to 2020, the dust emission in 2021 from some of our plants reduced as a result of improved routine maintenance and installation of a new dust abatement system. The dust emissions from our Ibese, Ethiopia, Senegal and Tanzania plants reduced year on year while other locations emitted more specks of dust in 2021 compared to 2020 owing to faulty bag house and filters issues which are now being addressed.

2021 dust emission (mg/Nm³) per location

Country	2019 dust emission (mg/Nm ³)	2020 dust emission (mg/Nm ³)	2021 dust emission (mg/Nm ³)	Number of kilns
Nigeria – HQ	—	—	—	Corporate Centre
Nigeria – Gboko	—	—	—	2
Nigeria – Ibese	39	87	60	4
Nigeria – Obajana	16	16	22	5
Nigeria – Okpella	—	—	—	The new operation, still under construction
Cameroon	—	—	—	No kiln
Congo	11	17	23	1
Ethiopia	20	56	23	1
Ghana	—	—	—	No kiln
Senegal	25	44	39	1
Sierra Leone	—	—	—	No kiln
South Africa	24	15	30	1
Tanzania	34	97	96	1
Zambia	21	26	72	1



Implementing efficient water management system

Water is fundamentally a local resource and its sustainable management requires an understanding of the specific context and drivers in each location. We know that just 2.5% of the earth's water is freshwater and that a significant rise in water demand also accompanies Africa's fast-growing population and urbanisation. Water is gradually running out in several regions around the world due to the scourge of climate change leading to dry up in some regions, rain pattern and frequency distortion, and insufficient rainfall that has resulted in severe water scarcity with heightening socio-economic crisis.

Although our operations do not require large quantities of water in comparison with other sectors, we are committed to reducing the amount of freshwater utilised in our business activities. On an operational basis, our efficient water management system involves periodically measuring our operational water footprint and making effort at reducing freshwater withdrawal and consumption through water recycling and storm water management. We understand that our responsible use of water will ensure more availability for the local communities, especially in those regions that are characterised by endemic water scarcity.

Rehabilitation of quarries and biodiversity

The first step in cement production, the extraction of raw materials from the earth's crust – inevitably has an impact on the surrounding natural and social environment. However, these impacts can be successfully mitigated through the development and implementation of a quarry rehabilitation plan which can contribute to bringing significant environmental and social benefits to the environment around operations. At Dangote Cement, we understand that companies that minimise ecological footprint and ensure the preservation of the natural capital as well as the welfare of host communities are more sustainable and give a competitive advantage.

To minimise impacts of quarry activities in 2021, Dangote developed a quarry rehabilitation plan that would address stakeholder expectations and be aligned with, or leverage from, the stakeholder view, experience, culture and customs. Through the partnerships, resourcing and engagement of stakeholders, a monitoring plan is developed ensuring the documentation and measurement of progress and performance against the objectives.

In 2021, we increased the numbers of trees planted across our operations to reduce our carbon footprints and negative environmental impacts in host communities. Over 510,636 trees were planted across 9 countries of operation, including Nigeria (Gboko, Ibese), Congo, Ethiopia, Ghana, Senegal, South Africa, Tanzania, and Zambia, accounting for an increase of over 41,000 trees from the previous year. The tree planting campaigns are part of our biodiversity restoration and measures towards combatting Climate Change and global warming, leveraging the carbon sink potentials of trees.

A carbon sequestration initiative:
Eucalyptus trees planted around the
mines and coal shed of Dangote Zambia



Social



Economic



Cultural

Social:

Committed to social responsibility

At the core of our sustainability practice is our commitment to social responsibility. We are aware of the cost of doing business and the impact our activities generate on our stakeholders.

Our goal is to foster transformational change by minimising negative impacts, proffering solutions to social issues, anticipating risks, creating sustainable value for our stakeholders, strengthening our brand and ensuring operational continuity through the maintenance of our social licence to operate.



Creating sustainable impact in host communities

Our efforts to deliver sustainable and inclusive outcomes have seen us maintain strong partnerships with our different categories of stakeholders including our host communities. Through mutual collaboration, we develop strategic initiatives that align with our business priorities and meet the needs of our host communities. In the year under review, our social investment initiatives cut across education, health, economic empowerment, infrastructural support to host communities, environmental sustainability initiatives among others. We also had employee volunteering initiatives in our host communities. The table below gives a summary of social investment spending per project category. Also, we have left a lasting footprint in our host communities year upon year as reflected in our continuous social investment spending. We had a total social investment spend of ₦2.49 billion. No political contribution was made.



2021 social investment

Spending category	Cost of project (million Naira)			UN SDGs alignment	2021s percentage of total (for each spending category)
	2021	2020	2019		
COVID-19 support and donations	1,500.00	1,912.03	—	3, 11, 17	60.24
Health	69.68	42.68	54.60	3, 11, 17	2.80
Food and agriculture	82.50	8.52	23.90	1, 2, 3, 14, 15	3.31
Water/sanitation	24.57	25.40	21.60	3, 6	0.99
Security and safety	12.07	323.57	30.30	3, 11	0.48
Environment/climate change	0.66	5.04	0.90	7, 13, 14, 15	0.03
Economic/SME development	18.88	44.49	78.50	1, 2, 8, 9	0.76
People empowerment	38.00	5.72	7.10	1, 2, 8, 10, 11, 17	1.53
Infrastructure (electricity, road and drainage)	255.31	137.39	421.50	9, 10, 11	10.25
Education and scholarships	185.53	184.02	116.10	4, 8, 10, 11, 16	7.45
Community development levy, compensation & studies	6.81	4.50	50.00	11, 16	0.27
Sports	4.41	4.08	65.20	3, 11	0.18
Donations, support and grants to host communities	149.01	76.96	112.20	1, 11, 16, 17	5.98
Donations and grants to government	54.29	21.16	31.10	11, 16, 17	2.18
Donations and grants to CSOs/NGOs and development bodies	88.41	55.91	42.10	17	3.55
Others	—	0.30	53.70	1, 2, 8, 16, 17	0.00
Total expenditure	2,490	2,852	1,108.80		



Total social investment spending (=N=M)

2021	2,490.117
2020	2,852.00
2019	1,108.81
2018	1,287.731



Educational intervention for Sant Yalla Community Pout – Senegal

Sant Yalla is a close-knit community in the southern part of Pout Senegal. It is a growing demography with an estimated 40,000 inhabitants. The community until October 2021 had no school for elementary school children. The five existing elementary schools are all located in the northern part of the municipality. To get to school, the children in the district had to contend with high-density roads with heavy vehicular traffic thereby exposing the children to the danger of accidents.

Dangote Cement Senegal privy of the situation set out to build the community an elementary school. During the 2021 Sustainability Week, the staff of Dangote Cement unveiled the brand new school which costs 47.5 million FCFA (Approximately \$80,000). The school has six classrooms fully equipped with desks, an administrative block and two sanitary blocks. The opening of this school is a real relief for the new district of Sant Yallah, which is facing significant demographic and geographical expansion.

“I am very grateful to Dangote Cement Senegal for this very important achievement. We want quality education. We have to fight against the surplus of students in the classrooms and this requires the construction of new classrooms.”

Moustapha Sarr,
the outgoing Mayor of the commune

Tackling COVID-19 in host communities

In 2021, we ramped up our fight against COVID-19 through several initiatives in the host communities of our different plants in Nigeria and Pan-Africa. Activities ranged from supporting host community health centres with COVID-19 PPEs, direct PPE donations to host community members and more importantly, increasing vaccination drive and ensuring that eligible members of our host community are vaccinated. We also held enlightenment campaigns targeted at demystifying the myths, fear and misinformation surrounding vaccination. Our South African plant, for example, partnered their host communities’ Department of Health to drive this campaign. Through a partnership with relevant government health agencies, we ensured that a sizable number of our host community members were vaccinated. A total amount of ₦1.5 billion was spent on COVID-19 in 2021.

Empowering our employees

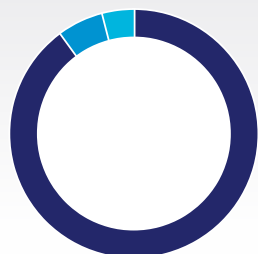
At Dangote, our employees form the building block of all our accomplishments. Our efforts are channelled towards creating a workforce environment in which they are enabled to work to the best of their abilities and to unleash their full potential for the benefit of all. As such, we have established initiatives that enable them to improve their health and wellbeing both on and off our office premises, build their capacity to empower them to effectively deliver on their duties and maintain a work culture where diversity and inclusion are valued, discrimination strongly discouraged and rights of employees accorded a premium position.

Our employee profile

We have a diverse workforce that comprises professionals of different nationalities, races, gender, age grade, educational level, religion, political affiliations, etc. spread across all our locations in Nigeria and Pan-Africa. We believe that our diverse pool of talents comes with an overarching advantage with regards to the diversity of opinion, experiences and knowledge which creates an atmosphere for intellectual stimulation and growth.

For the reporting year 2021, our total staff strength was 9,508 (this figure excludes the transport division). Of this number, 8,726 are males and 782 are females. Also, of the total 9,508 staff, 8,530 are permanent employees; 571 are temporary employees; while 407 are expatriates. Out of the total permanent employees, 714 are females while 7,816 are males, representing 8% and 92% of female and male employees, respectively. Also, in the year under review, our transport division consisted of 10,053 employees, bringing our total staff strength to 19,561. In terms of age categorisation, of the 9,508 staff, (excluding transport) 1,039 were in the 18 to 30 years age group; 6,766 were in the 30 to 50 years category; while 1,703 were above 50 years; representing 10.92%, 71.1%, and 17.9%, respectively. Together, employees between the ages of 18 to 50 constitute a total of 7,805, representing 82.1% of the workforce (excluding the transport division). Of the total number of permanent employees, 7,867 are in Nigerian, South African, Senegal and Ethiopian operations, out of which 608 (7.7%) are female and 7,259 (92.2%) are male of the total population in the four countries.

Categorisation of employees by contract



1. Permanent	90% (8,530)
2. Temporary	6% (571)
3. Expatriates	4% (407)

Age categorisation of employees

18-30	1,089
31-50	6,766
50 and above	1,703

Employee growth and turnover rate

In 2021, the total number of new hires was 1,303, compared to 656 in 2020 and 1,066 in 2019, representing a 98.6% increase from 2020.

The total number of exits was 407 compared to 982 in 2020 and 525 in 2019 representing a 58.6% decrease from 2020.



Growth and attrition (by location) – year on year Comparison

Country	2019 new hire*	2020 new hire	2021 new hire	2019 exits*	2020 exits	2021 exits
Nigeria – HQ	67	79	49	45	84	33
Nigeria – Gboko	1	23	402	19	105	11
Nigeria – Ibese	285	103	338	36	331	60
Nigeria – Obajana	205	211	255	61	299	67
Nigeria – Okpella	—	—	17	—	—	—
Cameroon	37	10	21	15	10	10
Congo	68	30	8	26	9	8
Ethiopia	31	35	12	21	12	26
Ghana	7	7	—	137	10	34
Senegal	31	20	52	19	11	12
Sierra Leone	6	7	6	8	5	10
South Africa	51	28	64	37	18	34
Tanzania	122	64	37	59	58	68
Zambia	155	39	42	42	30	34
Total	1,066	656	1,303	525	982	407

* Excludes transport new hire or exits.

Year	New hires	Percentage increase (+) or decrease (-) year on year	Exits	Percentage increase (+) or decrease (-) year on year
2019	1,066		525	
2020	656	-38.46%	982	87.05%
2021	1,303	98.63%	407	-58.55%

A work environment where employees thrive

At DCP, we are committed to creating the right conditions to empower our employees to do their jobs with efficiency and dedication. We are well invested in the general welfare of our employees as we offer them competitive benefits and packages that contribute to their motivation and continuous productivity.

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; and
- Children Education Support Allowance.

Also, we have formulated and enforced policies and guidelines that ensure that all employees are aligned with our expectations, understand our cultures and values, and develop harmonious relationships with their colleagues. This helps to build trust and mutual understanding across the board. Our human resources handbook contains clauses on various aspects of labour relations such as diversity and inclusion, harassment, compensation and benefits, manpower planning and recruitment, education and training, leave, travel, among others.

We also adhere to other local and global sustainability principles and standards such as the NSE Sustainability Disclosure Guidelines and our membership of the UNGC mandates that we adhere to its principles on labour and human rights.

Upholding ethical labour practices

Dangote Cement upholds the fundamental human rights principles in all the ways that we interact with people as employees, consumers, customers, suppliers, contractors, and community members wherever we conduct business. To ensure that we are living up to our commitments, we will conduct appropriate training on this policy and due diligence to identify and remedy any adverse impact that any of our operations may have.

At DCP, we consider diversity and inclusion a crucial component to build innovation, growth, and a long-term sustainable business. As such, we leverage our diversity to deliver on our vision of building a sustainable organisation by actively engaging the different experiences and unique set of competencies of our people. Presently, our Company is diverse across multiple dimensions, including ethnicity, nationality, race, culture, religion, gender, socio-economic background, physical abilities, learning styles, values and viewpoints.

In terms of diversity in age, in 2021, our staff from 18–30 years of age consisted of 10.5% of our total workforce, 72.5% represented employees between the age of 30 and 50 while 16.8% represented 50 years and above. Also, we had a total of 10 physically challenged staff in our operations in Nigeria who enjoy the equal opportunity with other staff and who are accorded the needed support to succeed and thrive in our organisation.

A leadership of diversity

Our Board consists of professionals of different ages, gender, nationality, races and religion – a leadership of diversity. Our Board's major role is to promote the long-term success of the business for the benefit of stakeholders through sustainable development practices. The Board derives its strength partly from its diverse components, the different experiences and cultural orientation. Our Board currently consists of 15 Directors, 11 males and 4 females representing 73.3% and 26.7% respectively.

At the senior management level, we have a total number of 250 men and 24 women representing 91% and 9% respectively. Also, at the Executive Management level, we have a total of 66 men and 9 women representing 88% and 12% respectively. We remain committed to driving initiatives and creating opportunities that engender more women in strategic positions of the business.

Associating without discriminating

Ours is an environment with zero tolerance for discrimination. Rather, we apply the principle of equal opportunity, valuing diversity regardless of age, gender, disability, creed, ethnicity or origin. At all times, we ensure that merit is the ultimate basis for key human resources decisions. We have a non-discrimination policy that guides our employees in this regard. In the year under review, we had zero cases of discrimination in our operations.

Freedom has many meanings but to us at Dangote, freedom means that in our operations, our staff enjoy the freedom of association and collective bargaining wherever the local labour law permits. We respect the rights of our employees to form and join trade unions and take part in collective bargaining because inclusivity promotes productivity. The business recognises that this freedom helps to regulate social and labour relations, build social capital in the Company and promote mutually beneficial employee-employer relationships.



The Dangote Ethiopia Ladies Club was inaugurated at Skylight Hotel, Addis Ababa in Ethiopia.

The club's vision is to build self-sufficiency among female staff and provide a support system where women can make a difference in their careers and the community.



Child labour, forced or compulsory labour

We prohibit forced, compulsory and child labour in all forms including modern slavery. Our suppliers and contractors are required to operate within the standards of our operating procedures which upholds ethical practices in sourcing labour. Acts such as the exploitation of children, physical punishment, abuse or any such behaviour are deemed unacceptable. For the year under review, we had zero cases of child and forced labour.

The human rights

At Dangote every individual has the right to basic human identity and dignity. Respecting the human rights of all our stakeholders in our operations and across our value chain is a commitment we keep. Our stance on this is reinforced through training and awareness for employees. This is integrated into our policies and practices to ensure that cases of human rights abuse are adequately attended to. A whistleblowing policy and grievance mechanism process are tools made available to address cases that may arise which can be reported anonymously without fear of retaliation or retribution. Our grievance mechanism process ensures that grievances are reported through the right channel and to the right persons. The process ensures that grievance cases are resolved in a timely and efficient manner to the satisfaction of all stakeholders. In 2021, we had a total number of 124 reported grievances out of which 86 have been closed while the others are at different levels of closure.

Whistleblowing policy

We have a formal transparent whistleblower system that provides a framework for reporting suspected breaches of internal policies or laws and regulations regarding labour practices, anti-corruption, human rights, environmental issues, societal impact issues, discrimination, money laundering, competition and antitrust and a whole range of many other issues that may pose a threat to our organisation. Our whistle blowing platform is independently managed by a third-party provider to ensure impartiality, fairness and objectivity of the process. Confidentiality of the whistle blower is guaranteed and retaliation is strictly proscribed.

Our whistleblowing (WB) policy was updated and approved by the Board. A new whistleblowing platform and service provider was engaged and the whistleblowing policy and platforms were cascaded to our other Nigerian operations besides the Head Office. In the year under review, we received a total of 34 whistle blowing cases with 15% resolved and 85% ongoing.

Community grievances per category

Category	Dangote Cement Plc (DCP) and DCP transport		2021 reported community grievances	2021 grievances community closed	% of total
	Number reported in 2019	Number reported in 2020			
Environmental impact and safety	5	29	14	10	11.3
Delays in implementing social investment project	5	0	4	3	3.2
Resettlement issues	6	0	0	0	0.0
Land access	9	28	3	2	2.4
Unresolved commitments	10	1	5	3	4.0
Local business opportunities	12	15	5	3	4.0
Compensation	16	10	10	7	8.1
Employment	31	40	16	11	12.9
Others	4	34	67	47	54.0
Total	98	157	124	86	100.0

Engaging with our stakeholders

How we engaged our different stakeholders in 2021:

Stakeholder	Engagement method
Employees The key resource for competitive advantage, innovation and sustainable growth	Meetings in small groups, one-on-one engagements, notice board, emails, newsletters, combined annual report and sustainability report, surveys, awards and recognition, etc.
Vendors, suppliers and contractors Critical component of the value chain	Emails, one-on-one engagements, meetings
Distributors and customers Principal source of sustenance	Emails, one-on-one engagements, meetings, customer service week
Host communities Key stakeholders in the business	One-on-one engagements, town hall meetings, interest group communications, surveys
Media Stakeholders in sustainable development	Press releases, media parley, combined annual report and sustainability report, quarterly and annual financial reports, conferences
Government/regulatory agencies Stakeholders in sustainable development	Official letters/mails, periodic assessments, compliance filing and reporting, quarterly and annual financial reports, combined annual report and sustainability report
Financiers/banks Providers of capital	Quarterly and annual financial reports, combined annual report and sustainability report, meetings
External affiliations/associations Stakeholders in sustainable development	Letters, meetings, combined annual report and sustainability report, workshops, other fora
Non-governmental organisations/CSOs Stakeholders in sustainable development	Quarterly and annual financial reports, combined annual report and sustainability report, meetings, partnerships
Labour unions Stakeholders in sustainable development	Meetings, emails, letters, combined annual report and sustainability report
Investors/shareholders Owners and providers of capital	Annual General Meeting, Extraordinary General Meeting, investor relations fora, quarterly and annual financial reports, combined annual report and sustainability report

Stakeholder engagement

Engaging our stakeholders is a vital aspect of our sustainability management. By listening to what our stakeholders consider important, we can engage with their key interests proactively, manage risks and opportunities, and set a clear direction to deliver long-term shared value for our Company and communities.

To better understand the expectations and perspectives of our stakeholders and to engage in dialogue that is more targeted and solution-oriented, we conduct materiality assessment surveys. Also, we continuously monitor their opinions at several levels including multi-stakeholder initiatives, direct dialogue and through specific platforms on sustainability-related issues.

This is to help us share best practices, accelerate change and ensure that we are contributing our utmost to a sustainable future. Our stakeholders include our employees, vendors, distributors and customers, host communities, media, shareholders, investors, governments/regulatory agencies among others. The table below represents our stakeholder engagement grid in 2021.

Community engagement

We periodically engage our host communities to build a mutually beneficial relationship and partnership. Also, to understand issues that are of utmost concern to them and bring a timely resolution to such issues. More importantly is the need to sustain our social licence to operate and to ensure they understand our strategy, plan or policy regarding sustainable development. In all our host communities, we had a total number of 675 stakeholder engagement activities, 67 social investment projects have been concluded and handed over to the communities. Also, we have several disruptions in the year in review. However, all issues that led to disruption have been accorded utmost attention.

Total community stakeholder engagement, community projects and disruption

	2021	2020
Number of community stakeholder engagements	675	596
Number of completed community projects	67	—
Number of social incidents or disruption	6	30
Number of hours lost to social incidents (host communities disruption or disturbances)	118	65

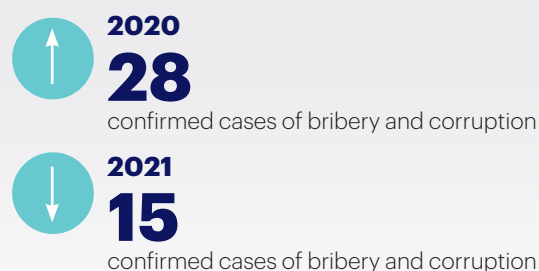
Frequency	Key issues and topics
As required	Career growth and development, compensation and benefits, sustainability performance and reporting, equal opportunities for all employees, skill/knowledge development, health and safety, etc.
Regular	Invoices and payments, products and service quality, health & safety practices, pricing, after sales support and efficiency, ESG practices, etc.
As required	Meeting targets, value creation, ensuring production continuity, Credit line, Customer Trucks Empowerment Scheme (CTES), distributors award initiatives
As required	Youth employment, social investments, environmental impacts, safety, scholarships, patronage of local vendors and suppliers, impacts on existing infrastructure
As required	Governance restructuring, advertisement, public service announcements, social and environmental impacts
As required	Formal notices, applications, policies and regulations, compliance, tax
As required	Investments opportunities, loan financing, credit negotiations, interest rates, ESG compliance
Monthly, bi-annually, annually	Memberships subscriptions, partnerships, policy reviews
As required	Community development, environmental impacts, social initiatives, partnership for sustainable development
As required	Labour laws and regulations, productivity, employees' rights & obligations, safe working conditions, compensations and benefits
Continuous	Quality of leadership, business strategy, financial performance, dividends, corporate governance, board composition, corporate actions, external reporting, ESG compliance

Anti-corruption

We do not tolerate any form of bribery, corruption and anti-competitive behaviour in our operations. We have an anti-corruption policy that expatiates on DCP's zero tolerance to all forms of fraud including but not limited to: bribery and corruption, asset misappropriation and financial statements fraud. The policy is binding for all employees regardless of their level and position. We are committed to investigating any fraud or suspected fraud without regard to the career level of the individuals involved. We had 15 confirmed cases of bribery and corruption in the year under review as against 28 cases in 2020. A Board-approved policy on the referral of internal audit investigated cases of bribery and corruption is currently in place.

Anti-corruption training

We conduct periodic training on anti-corruption to scale up knowledge and awareness among employees and to reduce bribery and corruption in our operations. In 2021, we had a total of 36 anti-corruption trainings for 2,791 staff expending a total of 36 training hours in our operations in Nigeria and Pan-Africa.



Bribery and corruption cases in 2021 by location

Cases of bribery and corruption	Dangote Cement Plc (DCP) and Dangote Cement Plc Transport (DCP Transport)				Internal Audit to provide explanations for 2021	
	Number of confirmed cases of bribery and corruption					
Country	2021	2020	2019	2018	Description of cases	Actions taken on confirmed cases of bribery and corruption
Nigeria – HQ	1	2	0	0	Fraud	Case reported to the law enforcement agency in line with Company policy.
Cameroon	1	4	2	4	Non-compliance to due diligence in issuance of AGO to a third party contractor.	Disciplinary action taken against the responsible staff in line with Company policy.
Congo	2	4	3	0	1. Breach of Company policy 2. Breach of Company policy	1. Disciplinary action taken against the responsible staff in line with Company policy. 2. Disciplinary action taken against the responsible staff in line with Company policy.
Ethiopia	3	4	1	0	1. Theft 2. Non compliance to employment process. 3. Theft and abandonment of truck by third-party driver.	1. Full recovery of value of asset from the responsible third party. 2. Management strengthened control around employment process by ensuring that all employment contracts are signed by the Country Manager. 3. Full recovery of value of asset from the responsible third party.

Cases of bribery and corruption	Dangote Cement Plc (DCP) and Dangote Cement Plc Transport (DCP Transport)				Internal Audit to provide explanations for 2021	
	Number of confirmed cases of bribery and corruption					
Country	2021	2020	2019	2018	Description of cases	Actions taken on confirmed cases of bribery and corruption
South Africa	1	0	2	0	Deliberate damage of the Company's asset by a sub-contractor for personal benefits.	Full recovery of the cost of asset repair from the sub-contractor.
Tanzania	3	5	2	2	1. Theft of cement consignment and abandonment of the trucks by third-party drivers. 2. Fraud 3. Fraud	1. Full recovery of value of asset from the responsible third party. 2. Disciplinary actions taken against responsible staff in line with Company policy. 3. Full recovery of value of asset from the responsible third party and customer. While disciplinary actions taken against all responsible staff in line with Company policy.
Zambia	3	1	4	5	1. Theft 2. Theft and abandonment of truck by third-party driver. 3. Illegal use of Company's cargo	1. Case reported to the law enforcement agency as the suspected staff absconded. 2. Full recovery of value of asset from the responsible third party. 3. Management driving more control measures to mitigate the recurrence of this practice.
Total	15	30	25	20		



Health and safety performance

Improving our occupational and community health and safety is fundamental to our business sustainability and brand. We remain committed to safeguarding the health and safety of our internal and external stakeholders; and continuously make effort 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. To achieve our ultimate goal of zero accidents and fatalities in our business operations and across our entire value chain, we have made health and safety a critical/high priority through the implementation of our comprehensive Health and Safety Improvement Plan developed in 2020. This plan enables us to take far-reaching performance enhancement steps in all our operations. 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.

Safety improvement initiatives in 2021

In addition to the various safety improvement initiatives we commenced in 2020, during the year 2021, we executed numerous key initiatives to advance safety performance across our operations and logistics management:

- We promoted visibly and felt safety leadership through regular meetings and communications on safety by executive leadership.
- We are promoting a culture in which all Dangote Cement employees accept responsibility for collectively driving health and safety best practices.
- We executed extensive and comprehensive health and safety competence development across the business from the executives to front-line workers.
- We are continually training and enforcing a safe system of work on the use of operational tools, plant equipment and the compulsory use of Personal Protective Equipment (PPE).
- We are improving compliance with relevant laws and regulations and implementing applicable standards, including ISO 45001:2018 (Occupational Health & Safety).
- In the event of an incident we apply consequence management to prevent a reoccurrence.
- We executed a unified health and safety action plan, alcohol and drugs tests pre and post-trip, provision of rest areas to enable enforcement and compliance on night driving rules, transport audits, review of accidents due to mechanical faults. Our continuous improvement programmes also include a workshop QA/QC process, improvement of post-trip inspection of trucks, pre and post-trip safety briefings, route risk assessments and communication of outcomes etc.

- We completed the full set-up of our transport training school to include defensive driving and safety trainers, the introduction of in-cabin coach for new drivers, introduction of training tracking cards to ensure all drivers attend at least 8 hours of safety training per annum, among others.
- We also introduced fatigue management modules, health awareness and general wellness for all drivers.
- We enforce 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 observed an increase in compliance with the Rules compared to the previous year. Employees reported all health and safety risks and incidents and are empowered to stop any unsafe act. Our Board Technical and Sustainability Committee has oversight on safety issues.

Health and safety awareness and training

During the year, we also executed training 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 18,505 employees underwent health and safety training and awareness sessions.



Health and safety performance (2017–2021) across DCP plant operations

Type of incidents	2017	2018	2019	2020	2021
Total number of work hours	28,117,655	28,888,151	28,489,399	29,828,480	33,485,774
Total number of near misses	10,567	22,852	17,385	11,523	1,341
Total number of first aid injuries	339	220	322	306	306
Total number of medical treatment	98	73	50	55	79
Total number of lost time injuries (LTI)	47	22	25	25	38
Total number of fatalities	2	4	2	7	9
Total number of staff trained on HSE	9,574	17,008	23,804	15,757	15,392
Total number of hours for staff training on HSE	44,666	105,086	85,905	86,664	30,784



“In 2021, a total of 24,641 employees were trained for 156,899 hours across DCP operations.”

Learning and development

Similar to 2020 due to the COVID-19 pandemic, our 2021 pieces of training were executed using a mixture of physical (in-classroom or onsite) and virtual modes of delivery by both internal and external facilitators. Our Human Resources and Dangote Academy worked in partnership with departments and functions to ensure that the required training interventions were implemented as identified in line with our overall business goals and objectives.

We know that adequate training and re-training is required for building a learning culture that is focused on developing and consistently improving the skills, competencies and capacity of our workforce. During the year under review, we offered our employees a variety of resources and opportunities that help them advance their professional and personal development. These 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. Also, we executed a series of independent study courses, web-based courses, continuous assessments courses, intensive workshops and action-planning courses through our learning management system (LMS). Some of the training opportunities were made available to all employees irrespective of functions, while others were designed to address specific learning and development outcomes in particular functions.

Our impact in training

In 2021, a total of 24,641 employees were trained for 156,899 hours for ₦553.22 million across DCP operations (transport excluded). Year on year, the number of employees trained increased by 93.89%, while the cost of training increased by 9.62% when compared to 2020. Also, of the total employees trained in 2021, 9% were women while 91% were men. Based on the mode of training delivery, 81.02% (19,965 employees) were trained physically or in-classroom or onsite while 18.98% (4,676 employees) attended virtual or online programmes.

The table below captures the total number of employees trained per employee level across all our operations in 2021. A total of 180 Executive/Senior Management staff were trained in the year under review, 2,711 Management trained, 7,457 Senior/Professional and 14,293 Junior/Technicians were trained. 156,899 training hours were expended in all.



Women

9.49%
2,339



Men

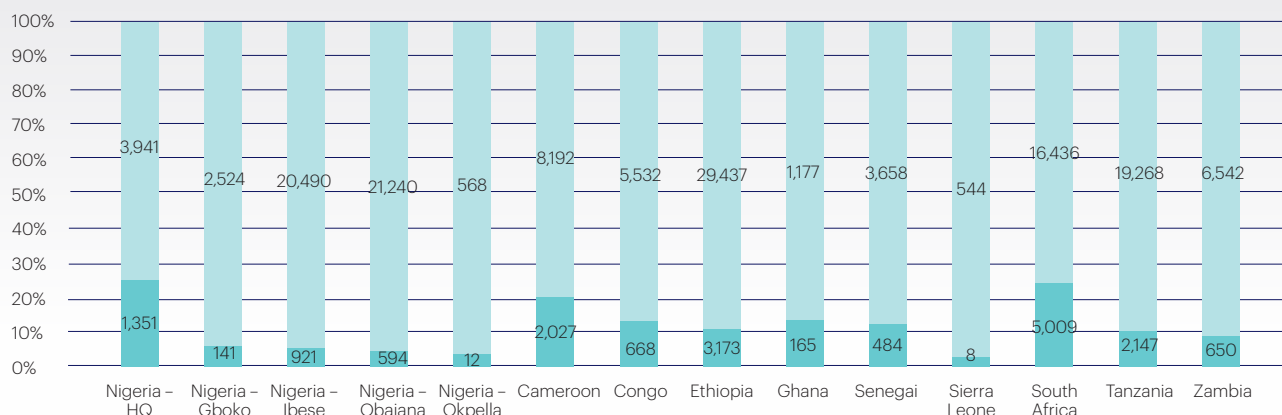
90.51%
22,302

Total number of employees trained per employee level

Country	Executive/senior management		Management		Senior/professional		Junior/technician		
Employees trained	Women	Men	Women	Men	Women	Men	Women	Men	Total
Nigeria – HQ	6	51	62	315	294	672	3	39	1,442
Nigeria – Gboko	0	2	0	123	23	366	4	343	861
Nigeria – Ibese	0	10	15	567	110	1,724	67	3,257	5,750
Nigeria – Obajana	0	17	6	196	50	633	15	2,397	3,314
Nigeria – Okpella	0	1	0	22	3	47	3	60	136
Cameroon	0	0	41	252	94	265	21	295	968
Congo	6	8	32	129	55	412	95	2,047	2,784
Ethiopia	0	1	2	75	55	402	214	942	1,691
Ghana	0	1	5	8	32	66	7	509	628
Senegal	1	15	2	1	15	67	34	366	501
Sierra Leone	0	0	0	25	5	57	0	238	325
South Africa	10	43	112	359	276	715	169	775	2,459
Tanzania	0	8	9	125	103	693	111	963	2,012
Zambia	0	0	25	203	27	196	120	1,199	1,770
Total	23	157	311	2,400	1,142	6,315	863	13,430	24,641

Women	9.49%	2,339
Men	90.51%	22,302

Number of training hours provided to employees (by gender) in 2021 across all employee levels



Sustainability training

Dangote Cement Plc 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 the 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 2021 had modules/courses on GRI Sustainability Reporting Standards; Understanding the NSE Sustainability Guideline Principles and Reporting; Building a Sustainable Business Culture – the Fundamentals; Understanding Basic Sustainability Implementation Requirements: Monitoring, Measuring and Reporting ESG Impact, ISO 26000 (Social Responsibility) Lead Implementer, etc. Our employees were trained on sustainability principles, best practices and implementation steps and requirements, as facilitated by both external and internal facilitators. In total, five sustainability training modules were executed in 2021, with 281 employees trained in about 1,188 hours. This is lower than the 7 modules and 1,441 training hours achieved in 2020.

Our sustainability training targeted the following categories of staff:

- 1 Sustainability Leads in Nigerian and Pan-African operations.
- 2 Sustainability champions across diverse departments/ functions such as Environment, Health & Safety, Social Performance/Community Relation, Human Resources, Risk Management, Internal Audit, Legal and Finance.
- 3 Employee Volunteers across Dangote Cement operations.
- 4 Key Departments/Function Heads.
- 5 Senior and Executive Management.

Sustainability training (2019–2021)



Pouring passions to humanity

At Dangote Cement we know that building a sustainable future where poverty is eradicated, discrimination is non-existent and our environment is safe and clean is a collective responsibility. For this reason we set aside a week every year as Sustainability Week to collectively demonstrate our love to humanity. Through the Sustainability Week, employees were given the chance to appreciate humanity in a collective manner.



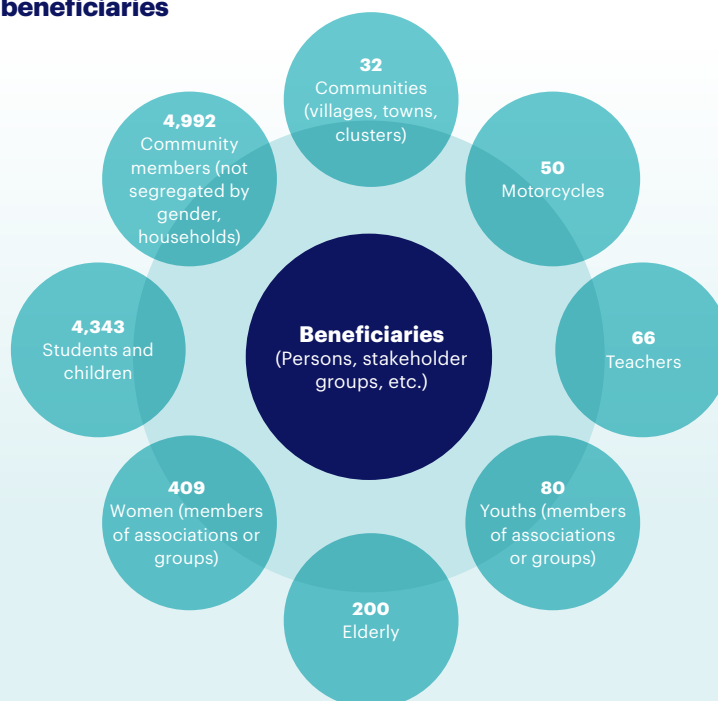
The annual Sustainability Week is a flagship employee volunteering initiative which enables active employee participation in our sustainability initiatives. It provides a viable platform for engaging host communities and delivering impactful environmental and social projects. This Week-long programme involves not only the staff but also the government and citizens who participate passionately. During the week sustainable development initiatives are implemented in underserved communities.

This year was themed “Building a Sustainable Future – The Dangote Way.” Activities executed during the week focused on 6 UN SDGs – SDG 1 (No Poverty), SDG 3 (Good Health & Wellbeing), SDG 4 (Quality Education), SDG 5 (Gender Equality), SDG 6 (Clean Water and Sanitation), SDG 13 (Climate Action). This allowed DCP to execute initiatives/activities aligned with the priority UN SDGs in response to the outcome of the needs assessments in the different host communities during 2021. The Week was held between September and October 2021 across the DCP Corporate Centre (HQ), Nigeria and Pan-African locations recorded significant and measurable impact with 1,373 employees volunteering 9,463 hours on 46 initiatives across 14 operational sites in 10 African countries. The initiatives cost a total of ₦51.59 million.

Dangote Sustainability Week (2018–2021) key figures

Key KPI	2018	2019	2020	2021	2020 vs 2021 percentage increase (+) or decrease (-)
Employee volunteers	500	1,676	1,560	1,373	-12%
Volunteered hours	3,000	11,504	7,633	9,463	24%
Locations	8	12	13	14	8%
Countries	6	9	10	10	0%
Total number of initiatives	30	63	70	46	-34%
Beneficiaries of skills acquisition initiatives for women	43	100	409	760	86%













Sustainability Week beneficiaries



Highlights include:

- 1,373 Dangote Cement employees volunteered during the 2021 Sustainability Week across 14 locations in 10 countries.
- 9,463 hours were spent on numerous activities and initiatives by Dangote Cement employees during the week.
- 46 initiatives were carried out by volunteers across 32 communities, involving 15 schools, 1 hospital, 50 motorcyclists, 200 elderly, 66 teachers, 760 women, 80 youths, 4,992 community members, 4,343 students & children.
- 13 awareness sessions (Webinars, Lectures, Publicity, etc.) alongside competitions (Quiz, Debate, Housekeeping,) was executed.
- General/Thematic support & COVID-19 donations: 3,860 washable facemasks, 10,750 facemasks (disposable), 3,120 bottles of hand sanitisers, 4,900 litres of refillable sanitisers, 7,000 bottles of hand washing soap, 3,300 copies of COVID-19 & UN SDGs sensitisation materials, 5,040 branded t-shirts, 55 branded shirts, 410 branded face cap, 530 branded reflective jackets, among others.
- Educational donations: 1 school building, 5 scholarships (school fees, WASSCE registration fees, etc.); 19,745 notebooks, 35 boxes of writing pens, 25 pencils & erasers, 85 school bags, and 60 mathematical sets were donated to students that participated in various educational support initiatives in Congo, Ethiopia, Senegal, Sierra Leone and Tanzania.
- Food and agriculture (Zero hunger and poverty alleviation donations): Several packs/bags of food items such as rice, cassava meal, beans, vegetable oil, spaghetti, sugar, salt, semolina, noodles and beverages were donated to our Head Office (Lagos) and Gboko operations.
- Economic/SME development and skills acquisition: Several women and youths in the host communities were trained on garri packaging, production of organic drinks/snacks, fabric tie & dye, soap & cream, antiseptic and disinfectants; and were empowered with over 200 startup kits in Ibese and Gboko.
- Health outreach: 7 hospital/health centres benefitted from the donation of sanitary pads, first aid boxes, breaded bedspread, cotton wools and latex hand gloves; in addition to 39 blood donations and sponsored medical checkups for 355 persons.
- Water and sanitation: During the waste-to-wealth initiatives executed at Head Office (Lagos), Obajana, Sierra Leone and Zambia, 411 waste bins, alongside trash pickers, weighing scale and DORI bin were donated. Also, several packs of cleaning liquid soaps, detergents, toothpaste tubes, bathing soaps, tissue paper and adult diapers were donated.
- Environment: 1,869 trees were planted during the week to support environmental regeneration and reduce the effect of climate change (Gboko, Congo, Senegal, South Africa and Tanzania).
- Road rehabilitation: Grading and filling of one community road (Zambia).
- Rehabilitation of two community boreholes and water sources (South Africa and Tanzania) and donation of 18 community engagement tables/chairs (Ibese and Congo).
- Over 401 external facilitators and subject matter experts (including medical doctors) were supported during the various initiatives.

2021 Dangote Cement Sustainability Week initiatives

	General/thematic support and COVID-19 donations
	Educational donations
 	Food/agriculture and poverty alleviation donations
 	Economic/SMEs empowerment
	Health donations
	Water/sanitation
	Women empowerment
 	Environmental/climate change interventions
	Infrastructure enhancement



President Buhari visits Dangote pavilion at the Intra-Africa Trade Fair 2021 In Durban, South Africa



Financial



Institutional



Economic

Governance:

Leading with ethics and integrity

A responsible tax payer

As responsible corporate citizens we understand that tax payment is instrumental to the growth and progress of every society. We are therefore committed to timely tax payment, collections and transparency to contribute to the sustainable development in countries where we operate.

Our responsible tax payment ensures that our approach is progressive, developmental and considers the interests of the general society. For example, in Nigeria, the largest African economy, Dangote Cement leads other businesses in total tax remittance to the revenue-generating agencies.

A way to promote good governance

For us as Dangote Cement, being a responsible citizen is about paying the right taxes as well as promoting good governance. It is our goal to support stronger linkages between a responsive government and accountable citizens. By demonstrating our commitment to taxation, we become nation-builders and advocates for effective service delivery.



Sustainability governance

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 2021 and its composition and attendance are stated on page 88. Biographical details of each member of the Committee, including relevant qualifications and experience, are set out on pages 70 to 75 of this report. Members of the executive management team are always in attendance at Committee meetings to provide the necessary information, support the Committee and give status updates on decisions from previous meetings.

Institutional standards

Our Institutional Pillar supports our drive to build a worldclass 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 GRI Sustainability Reporting Standards, and validated through external assurance.

Operational standards

Dangote Cement conducts its operations following applicable standards in all countries where we operate. When dealing with customers, suppliers, competitors or other third parties, employees shall not undertake any commitment nor engage in any agreement understood as unlawful. Beyond compliance with laws and regulations, the Company maintains transparency when dealing with customers, suppliers, investors, government agencies or partners. With our integrated approach to sustainable development, Dangote works to align with the UNGC principles. We strive to implement the ten principles of the Compact and apply them to advancing sustainability. Among other local and global standards, we have adopted in our operations are the GRI sustainability reporting standards, the Nigeria Exchange Limited (NGX) Sustainability Disclosure Guidelines and the Global Cement and Concrete Association (GCCA) Charter.

Product quality and market competitiveness

Our strong commitment to continuous product innovation and the quality that our products offer are the reasons we enjoy a strong market share and leadership in Sub-Saharan Africa.

We have constantly deployed the most advanced technology at plants 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). This technology helps us to drive resource efficiency, process optimisation and mitigate the environmental footprints of our products while delivering quality products that meet the needs of our esteemed customers. We also ensure that all our products and services are consistently tested for quality assurance and safety.



Sustainable supply chain strategy

The supply chain is integral to the corporate responsibility of Dangote cement. Our sustainable supply chain management strategy integrates two main approaches of risk management and efficiency management. It is substantial to the business to be able to handle emerging risks such as commodities (including

fuels), raw materials, spare parts and consumables. Therefore, identifying and addressing or mitigating the respective risks is crucial to sustainability.

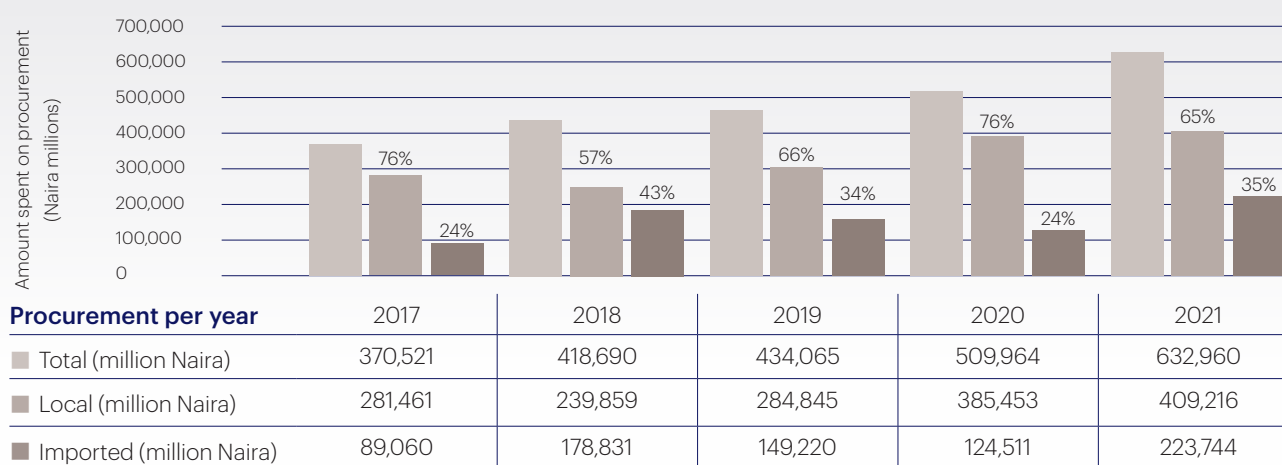
To enhance the sustainability performance of our supply chain, an ESG code of conduct for suppliers was also launched within the year, setting the Company on a continuous improvement process.

Supply chain impact – Customer Trucks Empowerment Scheme (CTES)

At Dangote Cement, we recognise that every purchasing decision we make has an impact on the environment, economy and society, from the energy we use to power our operations to the conditions of the workers that made the products that supplied to us. We plan to elicit suppliers, vendors or contractors' commitment to best Environmental, Social and Governance (ESG) principles and standards in their business relationship with Dangote Cement through ESG Code of Conduct for Suppliers, Vendors and Contractors.

The role of procurement as a facilitator for sustainable supply chain management and engagement involves a deep culture change, a new way of engaging in business relationships with suppliers. This can be achieved through supplier forums, surveys and various avenues for receiving feedback. In 2021, we proactively engaged suppliers, vendors and contractors through our annual stakeholder engagement and materiality assessment survey and other vendor engagement forums to ensure common understanding, alignment and commitment to the process. The number of respondents in the materiality assessment survey were 45 suppliers, vendors and contractors. As part of our efforts to create economic benefit to our host communities, actions were taken to map waste for alternative fuel in those areas to enable community members to participate in the cement value chain.

2017–2021 total procurement spending



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.

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. In 2021, a total of ₦632,960 Million was spent for local and imported procurements across all operations. Out of the total procurement spending, ₦409,216 was spent on local products and services while ₦223,744 was spent on imported procurements.



Responsible marketing and respect for customer privacy

Dangote Cement is committed to responsible marketing and labelling of our products to meet the global best practice and regulatory standards for product transparency in the markets where we operate. We strive for labelling and marketing expressions that are trusted by customers. Our responsible marketing approach ensures we are not only meeting customers' needs but also having a positive impact on them and the entire society. With this strategy, we will remain focused on approaches for improving our route to market and promotional campaigns that support growth in sales volume.

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: www.dangotecement.com.

A week to celebrate our customers

Dangote Cement participated in the 2021 Customer Service Week themed – The Power of Service. This annual internationally recognised celebration was held on 4th – 8th of October 2021. During the Customer Service Week, the team deployed different educative and interesting activities to excite, motivate, boost morale and build strong bonds among staff. Most importantly DCP reached out to customers to appreciate them for their patronage and loyalty to the Dangote Cement brand, and to staff for the unique role they play in ensuring that we keep our promise of excellent service to our dear customers.

Dangote Cement conducted a customer satisfaction survey twice in the year 2021 to gain insight into customer perception, needs and to confirm their loyalty to Dangote Cement as well as get useful feedback on how to serve them better. Dangote Cement was able to measure customer satisfaction on different aspects of her products and services. The feedback on customers' insights helped us to identify unhappy customers, practices and developments that require corrective actions. As a customer-centric company committed to consistently exceeding customers' expectations and providing satisfaction, the feedback from our consumers was analysed and recommendations on how to improve were made and they are being implemented.



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.



Dangote's contribution to Africa's development

Africa's population is growing, with an ever-larger number of people making cities their home. The task of sustainably providing housing, transportation and other basic services to this rising number of urban dwellers in the face of climate change is vast. When taking the performance of a building over its whole lifecycle into account, cement offers significant sustainability benefits over other building materials thanks to its innate properties, such as its strength, durability, resilience to extreme weather and hazards such as fire, its thermal mass, its recyclability, its carbon uptake and its local availability. Today, cement production processes in Africa have embraced ways to minimise carbon footprints by the efficient use of materials. Cement, therefore, enables the development of sustainable and resilient buildings and communities in Africa.

Contribution to job creation

Dangote Cement is a strong contributor to the local economy of Africa. Throughout our value chain, we created jobs for thousands of Nigerians and Africans in nine other countries. Increased exports of cement products that are produced in Nigeria and exported to Pan-Africa have maintained production capacity in the region. Exports are taken into account in the calculation of the multiplier effect since they contribute to the local economy and jobs.

In 2021, our business activities supported over 19,561 direct jobs. Staff between 18 to 50 years constituted 16,755 or 86.1% of our total workforce, indicative of our commitment to supporting government efforts at combating rising youth unemployment across the country.

Contribution to household income

Since the Nigerian cement sector metamorphosed from being import-dependent to a growing hub for cement export in Africa, Dangote Cement has had a significant contribution to the country's Gross Domestic Product (GDP). To fulfil our purpose, we foster transformational change through income generation by close collaboration with partners and stakeholders for shared value creation. In 2021 we strengthened local economic development programs through collaboration with the people, local authorities and non-governmental organisations (NGOs). Our SME projects which benefitted many people in Pan-Africa have proven a key success factor in multiplying our positive impact on society. The Company also plays a major role in income generation through the construction and rehabilitation of major roads, bridges, networks and public infrastructure for the enhancement of social welfare.



The salaries, wages, and dividends that we pay are our direct contributions to household income which amounted to ₦341,283 million in 2021, a slight decrease from ₦341,872 million in 2020; while our taxes, local procurement, and social investments are our indirect contributions which amounted to ₦585,633 million in 2021, an increase of 21% from ₦485,547 million in 2020.

Contribution to household income

Parameters	2021 ₦'million	2020 ₦'million	2019 ₦'million
Direct contributions			
Employee wages, salaries and benefits	69,278	69,179	60,603
Dividend paid to shareholders	272,005	272,693	272,648
Total	341,283	341,872	333,251
Indirect contributions			
Tax expense	173,927	97,242	49,958
Local procurements (all operations)	409,216	385,453	284,845
Social/community investments	2,490	2,852	1,108
Total	585,633	485,547	335,911

Economic performance – direct economic value created and distributed (EVC&D)

Our gross revenue (economic value created) increased by 34% from ₦1,034,196 million in 2020 to ₦1,383,637 million in 2021, supported by our 2021 consumer activities and strengthened market penetration strategies. Similarly, our economic value distributed (operating costs, employee wages and benefits, payments to providers of capital, payments to government by country, and community investments) increased from ₦1,033,843 million in 2020 to ₦1,260,718 million in 2021.

Direct, indirect and induced economic value generated and distributed – gross value added (GVA)

	2021 ₦ million	2020 ₦ million	2019 ₦ million	2018 ₦ million	2017 ₦ million
Revenue	1,383,637	1,034,196	891,671	901,213	805,582
Employee wages, salaries and benefits	69,278	69,179	60,603	55,164	47,253
Operating costs*	743,018	591,877	540,634	520,236	471,207
Dividend paid to shareholders	272,005	272,693	272,648	178,925	144,844
Social/community investments	2,490	2,852	1,108	1,287	1,020
Local procurements (all operations)	409,216	385,453	284,845	239,859	281,461

* Excluding administrative expense.



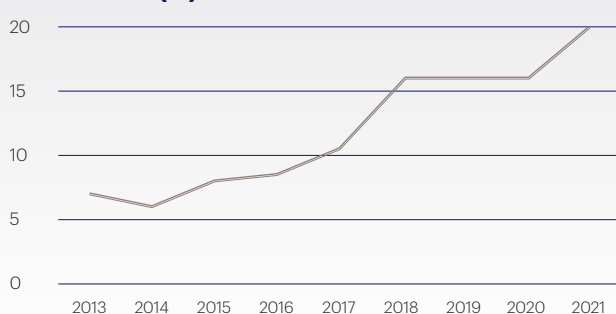
The direct economic impact

We continue to generate impressive returns for our stakeholders. Our profit after tax in 2021 was ₦364.3 billion as against ₦276.1 billion in 2020. This also led to a 31.6% increase in the earnings per share of ₦21.24, versus ₦16.14 in 2020.

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 pre-dates our listing on the Nigerian Exchange Group in 2010. We have consistently paid dividends over the years, with a payment history of ₦7.00, ₦6.00, ₦8.00, ₦8.50, ₦10.50, ₦16.00, ₦16.00 and ₦16.00 per share in 2013, 2014, 2015, 2016, 2017, 2018, 2019 and 2020 respectively. In 2021, our proposed dividend payment was up 25% at ₦20.00 per share ensuring that we keep our promise of continuous wealth creation for our valued shareholders.

Dividend payment history – shareholders 2013–2021 (₦)



Community investments

As part of our corporate social responsibility, we spent ₦2,490 billion on community investments in 2021, including strategic sponsorships, community projects, donations, charitable gifts, and community affairs expenses. Our detailed community investments in 2021 are disclosed in the social investments section of this report.

Indirect economic impact

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.

In 2021, financial commitment to sustainability was remarkable in Pan-Africa with Dangote Cement Tanzania allocating Sh648 million for implementation of Corporate Social Responsibility (CSR) projects in 13 villages in the region. In response to unemployment rates and the improvement of work conditions, Dangote Cement Senegal entered an agreement with the government to recruit 333 temporary workers based on an annual quota spread over 2 years. We are also pleased with the scale of local economic development in the continent. Our response to the demand of cement in the region occasioned by urbanisation contributed to restarting Gboko plant.

ESG compliance

ESG is an increasingly growing trend and the current focus is an effect of long-term structural changes. In the aftermath of the COVID-19 pandemic, the conversation around ESG become an increasingly significant part of our reports and disclosures. In a time where corporate sustainability concerns dominate headlines, ESG factors are not considered trivial issues confined to a company's CSR department. To us at Dangote, ESG has become central to business performance and reputation. Corporate sustainability for us is not just about "doing good". The business integrates the concerns of key stakeholders into operations, using ESG factors to assess our environmental, social and corporate governance practices.

The integration of ESG factors in our operations in Pan-Africa is viewed as a necessity to evaluate ESG performance in a measurable and meaningful way. In 2021 we advanced in the process through the adoption of positive ESG screening. This process involved setting specific ESG metrics, and targets as benchmarks for evaluating the year's performance. Conducting fundamental research to identify material ESG issues that tangibly affect production outcomes as a cement industry was a critical step taken in the year. This process informed our ESG-driven corporate carbon reduction initiatives as well as other ESG goals for the upcoming year, which we are firmly on track to achieve.

Thought leadership – association and memberships

As part of our commitments to adhering to high standards of governance, social and environmental policy and performance, we belong to industry associations where, as members, we reflect their values and allow external stakeholders to hold us accountable. We are a member of various associations and organisations at both local and global level. These memberships are focused at advancing thought leadership, exchanging ideas with similar organisations, commit to global best practices and achieve greater sustainability performance. As the leading cement manufacturing company in Africa, we are a member of the following organisations:

- Global Cement and Concrete Association;
- United Nations Global Compact;
- Public Sector Advisory Group;
- Science Based Targets Initiative;
- Premium Board Member of the Nigeria Exchange Group; and
- World Economic Forum, among others.

Recognition and awards

In 2021, we received diverse awards from reputable institutions such as the Kogi State Chamber of Commerce, Industry, Mines and Agriculture (KOCCIMA) which named Dangote Cement Plc, Obajana Plant, as the best performing company in Africa for its environment-friendliness. Dangote Cement Plc, Ibese plant won an award as the Best Employer in Training by the Industrial Training Fund (ITF). Recognising our efforts to implement local and international standards in Pan-Africa, Dangote Cement Zambia Limited won the "Exporter of the Year 2021" 1st prize in the Large Enterprise category under the Zambia Quality Awards. In addition, Dangote Cement's ₦100 billion maiden Senior Unsecured Bond won 2021's Bonds, Loans & Sukuk Africa Awards for Local Currency Corporate Bond Deal of the Year in Africa.



Dangote Cement Plc Materiality matrix – high importance, high impacts

DCP's materiality matrix presents indicators that have been identified as material by the key stakeholders surveyed in 2021 (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.



Overall, 62 issues were identified by the stakeholders, and ten (10) issues were ranked as high importance to stakeholders and of high impact to the business.

In addition to the material topics identified in our 2021 materiality assessment exercise as indicated in the above materiality matrix, other material topics applicable to us as an organisation are carefully discussed and addressed throughout this sustainability report. Our material topics for 2021 across the GRI Sustainability Reporting Standards include the following: Economic Performance, Market Presence, Indirect

Importance to stakeholders

Importance to stakeholders	High	Medium	Low
	<ul style="list-style-type: none"> Fire outbreaks Biodiversity 	<ul style="list-style-type: none"> Waste and effluent management Water efficiency/management Increased vibration level Deforestation 	<ul style="list-style-type: none"> Investing in support of small businesses Energy efficiency Investors' easy access to management Falling objects Slips, trips and falls Lifting of heavy equipment and materials
	<ul style="list-style-type: none"> Current valuation Energy and electricity scarcity Employee/human capital development Population influx Employment opportunity 	<ul style="list-style-type: none"> Climate change and carbon emission Environmental responsibility performance Dividend policy Energy efficiency Exposures to harmful substances and hazardous materials Gender, religious and tribal discrimination Training and education on health and safety Board diversity and accountability Workplace violence and abuses 	<ul style="list-style-type: none"> Carbon emissions record Executive pay scheme aligned to shareholder interests Renewable energy/alternative fuel Dust emissions record Community relations record Health and safety performance Persistent climate change and adverse weather conditions
	<ul style="list-style-type: none"> Career growth and development Financial performance Supply chain efficiency Corruption and anti-competitive behaviour Accident, injuries and fatality rates Resource availability Non-compliance with legal and regulatory guidelines Social investment and CSR Transparency and external reporting Pollution 	<ul style="list-style-type: none"> Compliance with environmental regulations Compensation and benefits Environmental regulatory approval Corporate governance and board structure Business strategy Quality of management team Human rights and child labour Environmental responsibility Reputational damage and negative publicity Conflict resolution 	<ul style="list-style-type: none"> Capacity/skills/knowledge development Employee engagement and satisfaction Macro-economic factors in country of operation Human rights record Reputation capital and social licence to operate Anti-corruption policies and practices Market factors Currency/FX factors Effective community engagement and social licence to operate
	Low	Medium	High

Impact on business

Economic Impacts, Procurement Practices, Anti-corruption, Anti-competitive Behavior, Tax, Materials, Energy, Water and Effluents, Biodiversity, Emissions, Waste, Supplier Environmental Assessment, Employment, Labor/Management Relations, Occupational Health and Safety, Training and Education,

Diversity and Equal Opportunity, Non-discrimination, Freedom of Association and Collective Bargaining, Child Labor, Forced or Compulsory Labor, Security Practices, Rights of Indigenous Peoples, Local Communities, Supplier Social Assessment, Public Policy, Customer Health and Safety, Marketing and Labeling, and Customer Privacy.



The Dangote Group is an active member of The Coalition Against COVID-19 in Nigeria

The Coalition Against COVID-19 (CACOVID) is a Private Sector task force spearheaded by Aliko Dangote and key stakeholders in the private sector to support the Nigerian Government's effort in the fight against COVID-19.

In 2021, CACOVID focused on supporting the Government on oxygen supply for case management, reopening the economy, vaccination advocacy and roll-out. In addition to providing logistics support to the national roll-out, CACOVID has supported training of direct vaccine administration to about 50,000 persons in Lagos and the FCT. As at 31st December 2021, 6.8 million 1st doses and 3.7 million 2nd doses had been administered across Nigeria (i.e. 6.1% and 3.3% respectively of the target population).

Growing towards recovery: Our COVID-19 story

Sustainable, inclusive growth can deliver big benefits for the environment, society, and the economy. In material terms, growth is a process of increasing in size. More money, more property, more material – all tangibles. However, in 2021 we embraced growth from a different perspective – the health and wellbeing of our people. These are intangibles that drive productivity and the growth of our business. For this reason, we adopted proven COVID-19 interventions that could extend healthy, productive life spans. In our records, staff received 6,872 vaccinations and a wide range of preventive strategies was implemented.

Below we share some of them:

1. Weekly meetings on COVID-19 Prevention Action Plan which was reviewed by top management.
2. Regular engagements with the local community on awareness.
3. Support communities and employees by providing personal hygiene items such as face masks and hand sanitisers.
4. Temperature check at entrances of buildings.
5. Toolbox talks and other awareness materials are displayed strategically to counter misinformation.
6. COVID-19 vaccination is arranged at DCP Plants to enable contract workmen to receive hassle-free vaccination.
7. Well-equipped Isolation centres commissioned within Plants to accommodate affected employees.
8. Ambulance with life-saving equipment provided in plants.
9. Extra staff buses are provided to maintain 50% occupancy for social distancing.
10. Office operates at 50% capacity.
11. Group COVID-19 Center partnership with a leading laboratory for hassle-free RT-PCR tests for employees and their families.
12. A monthly status report is presented to DIL and DCP top management and eventually to the Board members in a quarterly technical report.

