Dangote Cement Plc
Annual Report and Accounts 2021

DANGOTE CEMENT

Transforming Africa

Transforming **Africa**

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

For our 2021 report, we have combined our Annual Report and our Sustainability Report.

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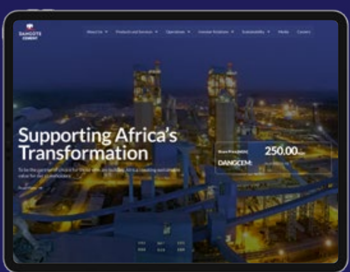


dangotecement.com

Why invest in Dangote Cement

Dangote Cement is supporting Africa's Transformation, while creating sustainable value for all our stakeholders.

Strong growth in Africa

The World Bank describes Africa as the fastest growing and youngest region globally. As the population continues to expand, Africa urgently needs infrastructure, housing and commercial buildings. This creates a tremendous opportunity for Dangote Cement.

Read more on pages **2 to 3 and 8 to 9**

Sustainability growth for all our stakeholders

Our 7 Dangote Sustainability Pillars collectively reflect the ethos behind "The Dangote Way". These pillars provide the framework in which we have embedded our corporate culture and guide our approach to building a prosperous and sustainable business.

Read more on pages **30 to 35**

Financial investment case, shareholder value

Dangote Cement has achieved excellent financial performance and growth over the last decade. Our volumes have grown by a compound annual rate of 13% over the last 11 years, while our EBITDA has increased by a compound annual growth rate of 18% over the same period. In 2021, we achieved another record volume, EBITDA and profit after tax.

Read more on pages **1 to 7**

Robust export strategy

Our "export to import" strategy aims to serve West and Central Africa, through regional integration making the region cement self-sufficient. We believe that the African Continental Free Trade Area (AfCFTA) will give Dangote Cement the opportunity to serve African markets effectively and support its self-sufficiency; as we achieved in Nigeria.

Read more on pages **6**

Strong organic growth

We plan to serve the region by optimising the efficiency of our existing assets. We are now focused on a less capital-intensive expansion cycle, which includes building grinding plants across West and Central Africa to leverage and strengthen regional integration.

Read more on page **7**

In 2021, Dangote Cement achieved another record financial performance with double digit growth across board. Profit after tax was ₦364.4 billion, up 32.0%.

Strong growth in Africa

Africa is a major growth market for cement and needs to more than double its cement consumption in the coming decade to close the infrastructure and housing gap.

Africa cement market

Cement demand is driven by an increase in population, urbanisation, infrastructure and housing growth. These are key attributes driving the strong demand for cement in Africa.

Sub-Saharan Africa is home to over 1.1 billion people. The United Nations estimates that by 2050, the region will have a population of more than 2.1 billion. Two-thirds of this growth will be absorbed by urban areas, which will be home to an additional 950 million people. The World Bank describes Africa as the fastest growing and youngest region globally. As the population continues to expand, Africa urgently needs infrastructure, housing and commercial buildings. This creates a tremendous opportunity for Dangote Cement.

Economic outlook

Although the impact of the COVID-19 shock in Sub-Saharan Africa (SSA) has been severe, economic growth emerged from the 2020 recession, with the region expanding by 4.5% in 2021. According to the IMF, SSA is expected to grow by 3.8% in 2022. The recovery is supported by favourable external conditions on trade, elevated commodity prices and the relaxation of stringent pandemic measures. Faster vaccine deployment could accelerate the region's growth to 5.1% in 2022 and 5.4% in 2023 – as containment measures are lifted faster and spending increases. At Dangote Cement, we have continued our vaccination advocacy and roll-out across all countries of operations, encouraging and advocating that all our staff get vaccinated.

Furthermore, one of the region's most promising prospects stems from the new African Continental Free Trade Area, a potential market of 1.3 billion people, with a combined GDP of almost $3.5 trillion in 2021. Ensuring the success of this trade-integration framework would not only reduce Africa's vulnerability to global disruptions but will boost regional competition, attract foreign investment and promote food security.

Per capita consumption

The Global Cement Report estimates 2021 average global per capita consumption at 541kg. Levels are highest in the Gulf region, while China's per capita consumption remains the third highest in the world at 1,665kg. Sub-Saharan Africa significantly lags average per capita consumption. As a region, per-capita cement consumption is just 130kg, indicating both the huge potential from the region in the future and the low level of cement consumption at present.

Global per-capita cement consumption

541kg

SSA per-capita cement consumption

130kg

Concrete road construction in Nigeria with the dedicated tax scheme

Infrastructure deficit

One of Sub-Saharan Africa's top developmental challenges continues to be the shortage of physical infrastructure. The role of productive infrastructure facilities cannot be overemphasised in every nation's economic growth and development. Unfortunately, the current state of Africa's infrastructure is below what the economy needs to thrive. Thus, private organisations and the government have been making actionable steps towards turning around the state of Africa's infrastructure. Some of these measures include public-private partnership (PPP), encouraging foreign direct investment (FDI), and other fiscal arrangements.

The African Development Bank (AfDB) estimates that Africa's infrastructure needs amount to $130–170 billion a year, with a financing gap in the range of $68–$108 billion. The infrastructure deficit dramatically reduces intra-African trade and trade with other regions.

How we are responding

Dangote Cement is the largest cement producer in Sub-Saharan Africa with a capacity of 51.6Mt across 10 countries. As a Company, we see the infrastructure development efforts as opportunities to expand the market for our product. We are leveraging the Dangote brand, our economies of scale, and efficient production facilities in satisfying the rapidly growing cement demand across all markets. We continue to serve the growing demand through prudent expansion into high growth Sub-Saharan Africa cement markets and growth in existing markets.

Concrete roads

Structural experts have proven the advantages of concrete roads over various other counterpart. Concrete highways are more durable; they can withstand severe rainfall, tropical weather conditions and heavy traffic; they can last atleast 25 to 30 years without the need of major construction repairs.

Highways are necessary infrastructural facilities that strengthen the economic activities of every nation as they connect two or more economic locations or markets to engage in viable and legitimate businesses. Building concrete roads, which require less regular maintenance and have higher durability, reduces the negative effect on local economies and communities, thereby enhancing a nation's gross domestic product (GDP).

How we are responding

Considering the numerous merits of cement-made roads, governments and concerned private organisations have begun to appreciate concrete roads. In Nigeria, Dangote Industry Limited constructed one of the longest 43-kilometre-concrete road in Obajana-Kabba, Kogi state, under the Public-Private Partnership (PPP) program. Broadly, over the last few years, attention towards concrete roads has been remarkable; and there is high optimism that this will persist in the coming years across all markets, especially in Africa. This creates more opportunity for Dangote Cement.

Africa's infrastructure needs amount to

$130–170 billion a year

Rapid urbanisation

Africa's urban population in 2015 was 567 million people, compared to 27 million in 1950. Increased urbanisation necessitates more social amenities, housing and developmental projects in Africa. The growing urbanisation rate is exacerbating the housing deficit in Africa. The rapid urbanisation and natural population growth within urban areas will continue to be an essential demographic phenomenon shaping housing needs.

How we are responding

As a producer of basic building material in Africa, we see a strong demand stemming from the housing needs in all our markets. Urbanisation will necessitate the demand for more schools, supermarkets, recreational centres, and more corporate organisations.

Cement remains the most used material for building any type of house, either personal or commercial. As a result, there is no doubt that cement will continue to be a sought-after commodity across all our markets. Dangote Cement is prepared to ensure cement is available and the market is adequately satisfied through expansion and our "export-to-import" strategy. We will continue to focus on quality and delivery of superior products to our markets.

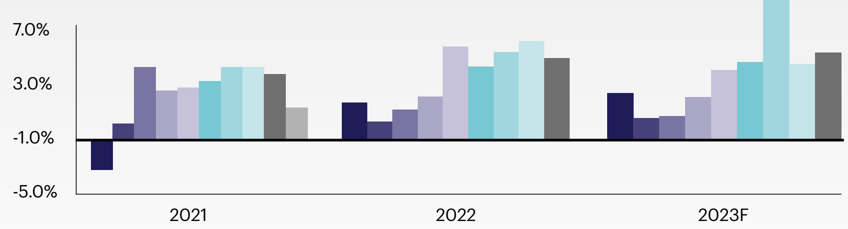
Public-private partnership

Dangote signed the Road Infrastructure Development and Refurbishment Investment Tax Credit Scheme and is leading the way in building concrete roads. For example: Dangote led the Apapa-Oshodi-Oworonsoki-Ojota highway construction project in Lagos State.

Visit to the Apapa Oshodi site by President/CE Dangote Industries Limited, Mr Aliko Dangote and Finance Minister, H.E Mrs Zainab Ahmed

GDP growth across our operating environment

2022 – all countries of operation are estimated to return to growth



Source: IMF estimates investor presentation

As the population continues to expand, Africa urgently needs infrastructure, housing and commercial buildings. This creates a tremendous opportunity for Dangote Cement.

Our sustainability journey

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

"The Dangote Way"
The 7 Sustainability Pillars are embedded in our corporate culture and guide our approach to building a prosperous and sustainable business. Our 7 Dangote Sustainability Pillars, collectively reflect the ethos behind "The Dangote Way".

Our approach is built on the premise that sustainability must be owned and practised at every level of our organisation, especially at the highest levels of institutional governance.

Environmental
Caring for the environment and addressing the challenges of climate change.

Social
Nurturing the growth and wellbeing of our employees and host communities. This also includes social impact on stakeholders and the larger society.

Governance
Building a world-class company based upon strong governance, sustainable growth and transparency.

Sustainability highlights

2.6%
Thermal substitution rate is estimated at 2.6% for FY 2021 vs. 1.7% in FY 2020.

89,000 tonnes of waste
DCP co-processed 89,000 tonnes of waste in 2021, an increase of 60% over 2020.

Rating upgraded to "B-"
by CDP on our carbon disclosure for 2021.

27%
female Board representation. Diverse Board with 6 different nationalities.

Energy consumption

849 Kcal/kg
2020: 894 Kcal/kg

CO_2 emission

661kg CO2/tonne
2020: 648kg CO2/tonne

Water consumption

285 m3/tonne
2020: 274 m3/tonne

Read more about our stakeholder engagement on pages **50 to 59**

Financial investment case, shareholder value

Superior performance

Another record result with double digit growth across board.

Transparency

First Nigerian listed company to report its financial results using XBRL format with the IFRS taxonomy.

Financial highlights

Strong resilient performance with a record EBITDA and PAT of ₦684.6 billion and ₦364.4 billion; up 43.2% and 32.0%, respectively.

Revenue

₦1,383.6bn +33.84%

2021	₦1,383.6bn
2020	₦1,034.2bn
2019	₦891.7bn

EBITDA

₦684.6bn +43.2%

2021	₦684.6bn
2020	₦478.1bn
2019	₦395.4bn

Net debt/EBITDA

0.33x

2021	0.33x
2020	0.71x
2019	0.58x

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

₦682.9bn +41.2%

2021	₦682.9bn
2020	₦483.5bn
2019	₦392.3bn

Profit after tax

₦364.4bn +32.0%

2021	₦364.4bn
2020	₦276.1bn
2019	₦200.5bn

Total dividends per share

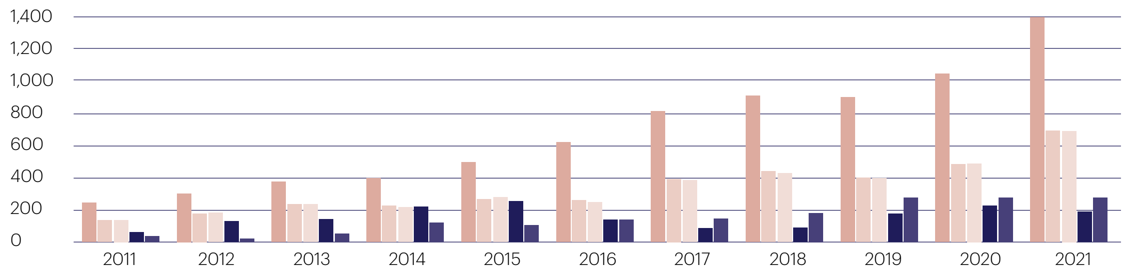
₦20.00 +25%

2021	₦20.00
2020	₦16.00
2019	₦16.00

Dangote Cement completed tranche II of the buy-back programme on 20th January 2022, buying back 0.74% of its shares outstanding (126,748,153 shares) at an average price of ₦276.89 per share. Following the completion of tranche I and II, the Company has bought back 0.98% (166,948,153 shares) of its shares outstanding.

Outstanding financial performance

Over the past 11 years DCP has paid over ₦1.6 trillion in dividends to shareholders



Revenue EBITDA Cash flow from operations
Capex Dividend paid

Revenue
19%
11-year CAGR

EBITDA
18%
11-year CAGR

Dividend
20%
11-year CAGR

Robust export strategy

Our vision is for West and Central Africa to be cement and clinker self-sufficient. We fulfilled this goal in our home country, Nigeria, which has gone from being one of the largest importers of cement, to become self-sufficient and now an exporter of cement and clinker.

Our export strategy

- Nigeria has a relative abundance of quality limestone especially in key southern regions near to demand centres and export facilities.
- Absence of limestone in much of West Africa, especially coastal states, forces those countries to import bulk cement or its intermediate product, clinker, usually from Asia and Europe.
- Dangote Cement is deploying an "export to import" strategy to serve West and Central Africa from Nigerian factories – making the region cement self-sufficient.
- In May, we recommenced clinker exports from both our Onne and Apapa terminals, in Nigeria. We achieved seven clinker shipments, with a total volume of 197Kt.
- 706Kt of cement was exported by road out of Nigeria.

Dangote Cement will make the regional and continental free trade agreements a reality.

Long term

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

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

Our vision is for West and Central Africa to become cement and clinker self-sufficient. This will notably contribute to the improvement of regional trade within the ECOWAS region and beyond with AfCFTA. Nigeria can serve a potential market of 15 countries, 350 million+ people with high-quality and competitively priced clinker. The Global Cement Report estimates that West Africa imported over 20.4 million tonnes of cement and clinker in 2021. Dangote Cement welcomes the strong dynamics driven by the AfCFTA which supports our vision.

Cement exported

706Kt

2020: 149Kt

Clinker exported

197Kt

2020: 197Kt

Strong organic growth

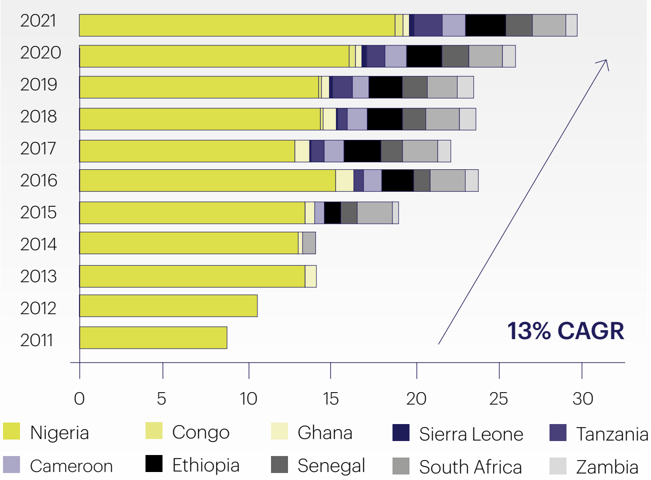
Over the last decade, Dangote Cement has grown its operations from its home country Nigeria, to operations in 10 countries across Africa. Our volumes have grown by a compound annual rate of 13% over the last 11 years, with 2021 Group volumes at 29.3Mta.

Organic growth

Our focus is on optimising the efficiency of our existing assets, increasing output and lowering cost. We do this with the use of cheaper sources of fuel like alternative fuel, modern technologies and including additional lines in our plants. This is supported by our superior logistics network and dedicated truck fleet which allow us meet our customers' needs efficiently

Over the last decade, Dangote Cement has expanded prudently into attractive and high-growth cement markets across SSA, while also tapping into high-value export markets. In the past two years, 6 million tonnes new capacity has been deployed in Nigeria, Obajana line 5 and Okpella plant. Looking ahead, we are now focused on a less capital-intensive expansion cycle, which includes deploying grinding plants across West and Central Africa to leverage and strengthen regional integration.

Robust volume growth



2021 Group volumes up 13.8%, at 29.3Mta. Dangote Cement, Okpella has contributed to the creation of the new industrial hub in Edo State.

Investing in new plants

We are ramping up production in our 3Mta Okpella plant, the addition of the plant brings Dangote Cement's total capacity to 51.6Mta. In the short term, we have grinding plants to be completed in:

- Côte d'Ivoire
- Ghana

Opportunities

Longer term, we plan to serve the region by building more grinding plants across West and Central Africa, supplying them with clinker from our integrated plants, therefore eliminating the need for importation of clinker from Asia or Europe.

We have commenced commercial production at our 3Mta Okpella plant, bringing Dangote Cement's total capacity to 51.6Mta.

Leading Africa's *transformation*

Dangote Cement has production capacity of 51.6 million tonnes per year across 10 countries in Sub-Saharan Africa. We have integrated factories in 7 countries, a clinker grinding plant in Cameroon, and import and distribution facilities for bulk cement in Ghana and Sierra Leone. Together, these operations make us the largest and leading cement producer in Sub-Saharan Africa.

Our values

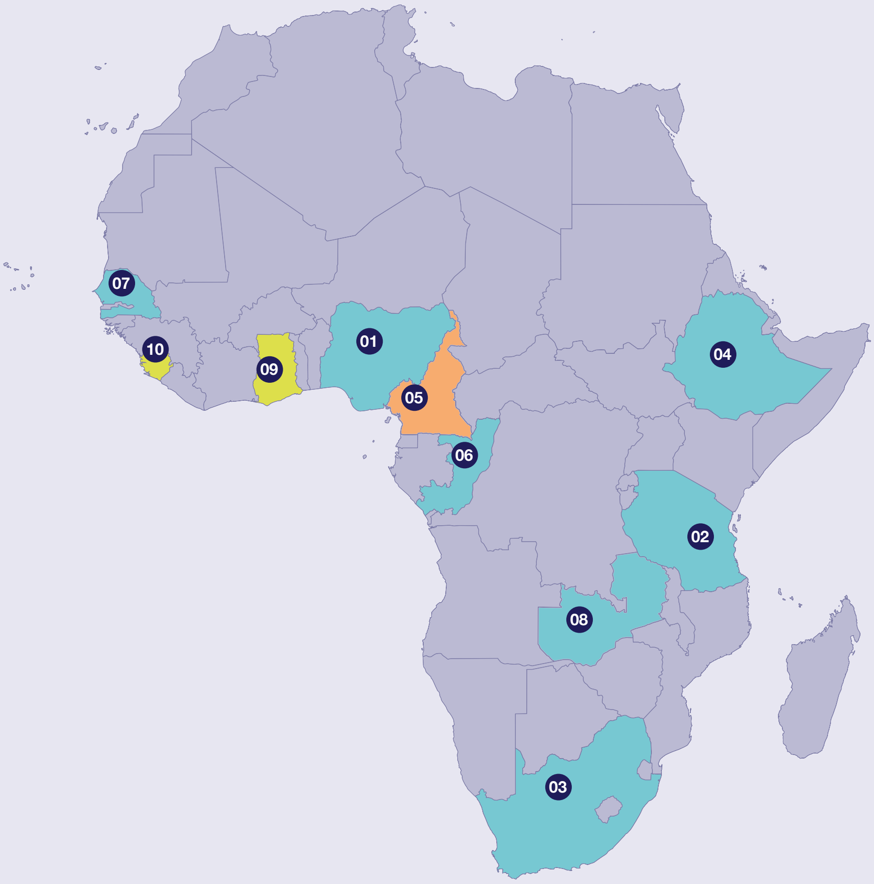
Our values are Service, Leadership, Entrepreneurship and Excellence which are all linked to "The Dangote Way".

Read more on pages **14 to 15**

Our vision

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

Read more on pages **6**



Serving our local economies

Based in Nigeria, we operate in many of Sub-Saharan Africa's key cement markets and through regional integration help the continent become self-sufficient in this basic commodity.

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

Types of operations

Integrated

Import

Clinker grinding

1. Nigeria

Estimated market share
Mid-60s

Capacity
35.3Mta

2. Tanzania

Estimated market share
28%

Capacity
3.0Mta

3. South Africa

Estimated market share
Cannot be published

Capacity
2.8Mta

4. Ethiopia

Estimated market share
34%

Capacity
2.5Mta

5. Cameroon

Estimated market share
34%

Capacity
1.5Mta

6. Congo

Estimated market share
53%

Capacity
1.5Mta

7. Senegal

Estimated market share
20%

Capacity
1.5Mta

8. Zambia

Estimated market share
30%

Capacity
1.5Mta

9. Ghana

Estimated market share
5%

Capacity
1.5Mta

10. Sierra Leone

Estimated market share
25%

Capacity
0.5Mta

Dangote Cement has production capacity of 51.6 million tonnes per year across 10 countries in Sub-Saharan Africa.

dangotecement.com/sustainability

Large and growing *markets*

Nigeria

Sales volume

18.6Mt +16.8%

2020: 15.9Mt

Revenue

₦993.4bn

+38.0%

2020: ₦719.9bn

Market

Total capacity	Cement consumption
50.7Mt	112kg/person

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

Performance

Our Nigerian operations sold over 18Mt of cement during the period, including clinker exports, a 16.8% increase on the 15.9Mt sold in 2020. When looking at the domestic sales alone, our Nigerian operations sold 17.7Mt, up 13.6% year on year. Although sales were up overall in 2021, we experienced heavy rains in the third quarter compared to last year. Strong demand was supported by improved route to market channels and additional trucks to enhance our distribution network.

Revenues for the Nigeria operations increased by 38.0% to ₦993.4 billion. We recorded a strong EBITDA of ₦610.2 billion at a margin of 61.4%, excluding central costs and eliminations (2020: ₦421.4 billion, 58.5%).

Tanzania

Sales volume

1.7Mt +56%

2020: 1.1Mt

Revenue

₦63.7bn +68%

2020: ₦37.9bn

Market

Total capacity	Cement consumption
10.8Mt	106kg/person

At 3.0Mta, our integrated plant at Mtwara is the largest of Tanzania's cement plants.

Performance

Tanzania's robust economy has driven growth in infrastructure and housing, with major government projects including roads, railways and airports. We estimate the total market for cement in Tanzania to have been about 6.2Mt for the full year 2021. We commissioned our second gas-fired power plant.

Sales volumes at our 3.0Mta factory at Mtwara were 56% higher than last year at 1.7Mt, including clinker sales of 222Kt.

South Africa

Sales volume

Cannot be published due to local competition laws

Revenue

₦69.1bn +31%

2020: ₦52.7bn

Market

Total capacity	Cement consumption
21.9Mt	245kg/person

South Africa remains one of Africa's largest markets for cement. Our facilities at Aganang and Delmas can produce up to 2.8Mt per year. South Africa's GDP is estimated to have grown by 4.6% in 2021, with an expected growth of 1.9% in 2022.

Performance

South Africa's residential building sector has been performing well because of high residential housing demand since H2 2020. While the rate of buildings completed is flat year on year, the rate for building plans passed has increased quite significantly since Q1 2021.

Dangote Cement continues to position itself as the bellwether in the cement sector in Africa; with operations in 10 countries across Western, Eastern and Southern Africa.

Ethiopia

Sales volume

2.4Mt +11%

2020: 2.1Mt

Revenue

₦67.2bn +15.7%

2020: ₦58.1bn

Market

Total capacity	Cement consumption
20.4Mt	84kg/person

Despite a complex security and social environment, Ethiopia remains an attractive market for cement, with high demand for infrastructure projects, housing and industrial parks development, driven by private investments and Public Private Partnerships.

Performance

We estimate the total market for cement in Ethiopia to have been 7.0Mt in 2021, lower than 2020 due to security challenges. However, sales at our 2.5Mta factory in Mugher were up 11% year on year at 2.4Mt, with an increased market share to 34.0%. Despite the security challenges, our operation continues to perform strongly.

Cameroon

Sales volume

1.4Mt +3%

2020: 1.3Mt

Revenue

₦68.6bn +19.7%

2020: ₦57.3bn

Market

Total capacity	Cement consumption
6.2Mt	107kg/person

Cameroon is one of our well performing operations and its commitment to infrastructure investment and housing deficit should see an increase in cement demand. Cameroon lacks sufficient limestone for large-scale cement manufacturing, so we import clinker for grinding.

Performance

Our 1.5Mta clinker grinding facility in Douala sold 1.4Mt of cement in 2021, up 3% compared to the same period last year. We were able to launch Falcon 32.5R grade in Q3 to expand our portfolio and seize more market opportunities, while optimising clinker consumption.

Congo

Sales volume

0.5Mt +25%

2020: 0.4Mt

Revenue

₦18.0bn +44.3%

2020: ₦12.4bn

Market

Total capacity	Cement consumption
3.2Mt	139kg/person

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

Performance

We estimate the total market for cement in Congo to have been about 800Kt in 2021. Our 1.5Mta integrated plant in Mfila sold 486Kt of cement (including exports) during the period, up 25% compared to 2020.

Large and growing *markets* continued

Senegal

Sales volume

1.61Mt -1.2%

2020: 1.59Mt

Revenue

₦51.3bn +9.2%

2020: ₦46.9bn

Market

Total capacity	Cement consumption
7.8Mt	311kg/person

With extensive limestone reserves and a relatively stable environment, Senegal's cement industry remains robust and continues to be one of our strong performing markets.

Performance, we estimate the total market sales to have been about 7.9Mt, including exports, for the full year. The market is expanding, supported by a growing middle class, growth in the construction sector and infrastructure projects across the country including low-cost housing projects.

Dangote Cement Senegal's 1.5Mta plant in Pout sold 1.6Mt in the 2021. The plant is working at full capacity. Our market share is estimated at 20%
.

Zambia

Sales volume

0.7Mt -5%

2020: 0.8Mt

Revenue

₦31.8bn +21.6%

2020: ₦26.1bn

Market

Total capacity	Cement consumption
5.6Mt	118kg/person

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

Performance, we estimate total market sales to have been 2.5Mt for the full year 2021.

Our 1.5Mta Ndola factory sold 736Kt of cement in 2021. We estimate our market share to have been at 30% during the period.

Ghana

Sales volume

0.353Mt -16.2%

2020: 0.422Mt

Revenue

₦16.8bn -0.5%

2020: ₦16.9bn

Market

Total capacity	Cement consumption
10.4Mt	205kg/person

An important market for cement in West Africa, Ghana lacks sufficient limestone and is obliged to import clinker or bulk cement. Ghana is benefiting from a stable political environment. In 2021, several government project expansion plans and incentives were announced.

Performance, Dangote Cement Ghana sold 353Kt of cement. 2021 challenges were notably due to the surge in international freight prices and overall global supply chain challenges.

Sierra Leone

Sales volume

0.2Mt -9%

2020: 0.3Mt

Revenue

₦10.9bn +6.3%+

2020: ₦10.3bn

Market

Total capacity	Cement consumption
10.4Mt	**205kg/person**

Sierra Leone's cement market continues to improve with increased infrastructure spending, more foreign aid being made available and the resumption of building projects in the corporate sector including road infrastructure. A growing population has resulted in a rise in housing construction.

Performance,
the Sierra Leonean cement market consumed about 1.0Mt of cement for the year 2021. Dangote Cement Sierra Leone sold 247Kt of cement.

Our Nigeria operations sold over 18Mta of cement during the period, including clinker exports, a 16.8% increase on the 15.9Mta sold in 2020. When looking at the domestic sales alone, our Nigerian operations sold 17.7Mta, up 13.6% year on year.

Creating value – "The Dangote Way"

Aliko Dangote
Chairman

"We are resolute in transforming Africa, while creating sustainable value for our stakeholders."

Dear fellow stakeholders

I am pleased to welcome you to the 13th Annual General Meeting of Dangote Cement Plc. It is an honour to be here with you today to present yet another unprecedented result, albeit the challenges brought by the lingering pandemic. 2021 was undoubtedly a transformative year, as the world adjusted to living with COVID-19; economic recovery emerged from the 2020 recession. Sub-Saharan Africa was not left behind, growing at 4.5%, markedly improving from the 1.9% contraction in 2020. This economic rebound, infrastructural deficit and rapid urbanisation drove the double-digit cement demand we experienced in 2021.

Over the last decade, Dangote Cement has recorded exponential growth across all areas. Group volumes are now at almost 30Mta, our capacity has tripled to 51.6Mta and we export cement from five countries across Africa. As the volatile global environment propels us into a new era of uncertainties, we are fortunate that the last two years have taught us resilience, adaptability and grit. These values are what we need to face unpredictable times in the future.

Dangote Cement remains the leading cement company in Africa, well-positioned for a positive and sustainable future. We are resolute in transforming Africa, while creating sustainable value for our stakeholders. I am confident that we are well equipped for our next growth journey.

The year under review

Dangote Cement achieved its highest profit before tax in the Company's history at ₦538.4 billion. As mentioned earlier, cement demand was robust and we recorded Group volumes of 29.3Mta, up 13.8%. Our exceptional EBITDA of ₦684.6 billion was up 43.2%, owing to our strong cost control measures. Over the last decade, EBITDA has grown by a compound annual growth rate of 18%, implying a fivefold increase and revealing a true growth story.

Due to this robust performance, the Board has recommended a dividend of ₦20.00 per ordinary 50 kobo share for your approval. This represents a 25% increase in dividend compared to the 2020 dividend of ₦16.00 per share, reinforcing our commitment to maximising shareholder value. If approved at the Annual General Meeting on 14th June 2022, it will be payable to shareholders whose names are on the Company's register at the close of business on 30th May 2022.

Furthermore, in January 2022 the Company completed the second tranche of its buy-back programme. Dangote Cement has now repurchased 0.98% of its outstanding shares. This share buy-back programme reflects the Company's unwavering commitment to creating value and identifying opportunities to return cash to shareholders.

Operating performance

In 2021, we began operations in our new 3Mta Okpella plant in Edo state, where we are successfully ramping up production and have contributed to creating a new industrial hub. We are actively deploying our alternative fuel strategy across all countries of operations, to optimise energy efficiency, reduce reliance on fossil fuels and ultimately reduce CO_2 emission. Whilst we focused our efforts on meeting the robust demand of our local market in Nigeria, at the expense of our export markets, we still made significant progress in our cement and clinker exports. In 2021, we exported 7 ships of clinker out of Nigeria and exported cement from 5 of our operations. Our vision is for West and Central Africa to be cement and clinker self-sufficient, while making the regional and continental free trade agreements a reality.

Our Nigeria operations sold over 18.6Mta of cement, up 16.8% year on year, growing faster than the market, thus increasing our market share. This strong demand was due to a resilient retail market and rejuvenated growth in housing and infrastructure investments. However, despite the global rise in freight cost and overall international supply chain challenges, Pan-Africa volumes were up 8.7% to 10.9Mta. In addition, our Pan-African operations achieved another record EBITDA of ₦88.8 billion, up 24.6%, notably supported by strong performances in Ethiopia and Senegal.

Board changes

On 14th November 2021, we sadly lost one of our Board members, my dear brother, Mr Sani Dangote. Mr Sani Dangote had been an active Board member since his appointment on 22nd July 2005. His commitment and contribution to the Board of Dangote Cement over the past 16 years will not be forgotten. Nevertheless, his legacy remains dear to our hearts.

The Board appointed Mr. Philip Mathew as the Deputy Group Managing Director effective from 15th September 2021. The Board welcomes Philip to the Dangote family and wishes him every success in his new role.

Along with our focus on strategy, we have also made progress on the effectiveness and diversity of our Board. Ms. Halima Aliko-Dangote was appointed to the Board of Dangote Cement as a Non-Executive Director effective 26th February 2022. This brings our female Board representation to 27%, from 20% in 2020 in addition to the six different nationalities and five independent non-executive directors on our Board.

Sustainability journey

As a brand that is built on a vision to create sustainable value for stakeholders, Dangote Cement prioritises its environmental, social and governance responsibilities and understands that these ultimately translate to business sustainability. We continue our sustainability and governance efforts with our 7 Sustainability Pillars – 'The Dangote Way'. The 7 Pillars: cultural, economic, institutional, financial, environmental, operational and social, provide the appropriate framework in which we have embedded our corporate values and strategic objectives.

Our strategy in 2021 focused on energy transition, which is a crucial enabler of sustainable development and climate resilience on the continent. We have increased our focus on alternative fuels in our energy mix. We are actively investing in installing mechanical multi-fuel systems that can process diverse types of wastes. I am pleased to report that Dangote Cement has, for the third time, submitted to the Carbon Disclosure Project (CDP) and, this time, achieved a rating upgrade to B-. This demonstrates our coordinated action on climate issues. To improve our performance on transparency and disclosure, Dangote Cement became the first Nigerian listed company to report its financial results using the eXtensible Business Reporting Language (XBRL) format with the IFRS taxonomy. Our social investment transcends beyond the environment to tackle social issues through the provision of scholarships, the empowerment of SME's and social amenities for underserved populations in the countries where we operate. We are genuinely delighted to have collaborated with communities, civil societies and the Government during the 2021 Sustainability Week, an impactful employee volunteering initiative of the Company. Through collaboration and commitment, we advanced in production capacity and ensured that this does not come at the cost of people, climate and environment.

COVID-19

We have been pragmatic in our approach to ensure the health and safety of our people. As Africa's leading cement manufacturer, we have taken deliberate steps to deploy resources to help our communities overcome hardships during these turbulent times. Over the last two years, I have led the CACOVID initiative, a Nigerian private sector coalition against COVID-19 set up at the outset of the pandemic. In 2021, CACOVID focused on supporting the Government on oxygen supply for case management, reopening the economy and supporting the Government in its vaccination drive. We continued regular testing and aftercare for our staff, while encouraging all staff to get vaccinated. Dangote Cement remains committed to keeping its staff and communities safe by being fully compliant with health and safety measures in all our operational regions.

Outlook

I remain very optimistic about the future of Dangote Cement. Our Board is considering all strategic and financial options for the Company. We strive to improve in all areas of our organisation, and I thank all our staff for their commitment and effort toward achieving the vision of our Board and Executive Team.

Our strategy remains steadfast, focused on organic growth in Nigeria and Pan-Africa, while ensuring that Africa's regional integration becomes a reality. We will continue to contribute to improving regional trade within Africa by building plants across West and Central Africa, therefore eliminating the need for the importation of cement. In addition, we aim to deliver superior profitability and value to our shareholders. Lastly, we remain focused on demonstrating our clear commitment to transparency around environmental impacts and strategies for action while taking coordinated steps on climate issues.

I would like to thank our shareholders, host governments, communities, staff and stakeholders at large, for the support we have received over this transformative but fulfilling year. We are grateful for your continuing faith in our Company and look forward to an exciting and productive 2022.

Aliko Dangote
Chairman
1st March 2022

Transforming Africa

Q&A

with Michel Puchercos

"I am very excited about the future of Dangote Cement. My five strategic priorities for the year ahead include growth, operational excellence, financial strength, people management, and sustainable development."

What have been the main highlights and achievements in 2021?

Over the last two years Dangote Cement has reach tremendous growth in both Nigeria and across Pan-Africa operations. Despite the strong retail demand and housing construction that supported growth, I further attribute this robust performance to the commitment and dedication of all staff and executive management. Dangote Cement has been able to forge on to greater heights, even in these unprecedented times. A noteworthy achievement is our record EBITDA of ₦684.6 billion, up 43.2%; buoyed by disciplined cost control efforts that offset the heightened inflationary pressure experienced in the year. I am delighted to report that Dangote Cement experienced its strongest year across all line items, with a profit after tax of ₦364.4B, up 32.0%. This impressive performance informed the Board to recommend a 25% increase in dividend at ₦20.00 per ordinary 50kobo share.

Several milestones made 2021 a productive year. I am happy to state that in 2021 we started ramping up operations at our 3Mta Okpella plant. In May, we released our 2020 combined annual and sustainability report during our Annual General Meeting and successfully raised series 1 fixed-rate Bonds under a fresh ₦300 billion Debt Issuance Programme. The Securities and Exchange Commission approved the renewal of our share buy-back programme in June, and we have gone on to complete the

The year so far...

May
Resumed clinker shipment
Recommenced clinker shipment from Nigeria

May
Bond issuance
Successful issuance of Series 1 Fixed Rate Bonds under new ₦300 billion Multi-Instrument Issuance Programme

June
Tanzania power plant commissioning
Commissioning of second gas fired power plant in Tanzania

August
Commercial paper programme
Establishment of a new ₦150 billion Commercial Paper Programme

December
Rating upgrade to B-
Dangote Cement's CDP Climate Rating Upgraded to B- for the Company's commitment to climate change

May
Virtual AGM
Released our 2020 combined Annual and Sustainability Report

June
Share buy-back renewal
Buy-back programme renewal approved by the Securities and Exchange Commission

June
Financial results released in XBRL format
The first Nigerian listed company to report its financial results in XBRL format using IFRS taxonomy

September
Sustainability Week
Theme:"Building a Sustainable Future: The Dangote Way"

second tranche of the buy-back. In the same month, we became the first Nigerian listed company to report its financial results in XBRL format using IFRS taxonomy and commissioned our second gas-fired power plant in Tanzania. August brought with it the establishment of a new ₦150 billion Commercial Paper Programme, while in September we had a successful 'Sustainable Week' themed "Building a Sustainable Future: The Dangote Way". I believe that building a sustainable future is a collective responsibility and it was fantastic to see such a great team effort across all our countries of operations. Lastly, in December, CDP raised 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 CO_2 footprint.

Over the last two years, we have finalised the deployment of 6 million tonnes of new capacity in Nigeria – Obajana line 5 and Okpella plant. This expansion supports the increasingly growing demand in our local market, as we prepare for the next phase of growth. That said, we are now focused on a less capital-intensive expansion cycle, which includes building grinding plants across West and Central Africa to leverage and strengthen Dangote Cement's regional integration. We are on track to deploy grinding capacity in Cote d'Ivoire and Ghana over the coming months, which will feed off clinker exported from neighbouring operating countries.

Finally, we have made great strides in our debt capital market journey, from the issuance of our maiden ₦100 billion 5-year bond in 2020 to another landmark bond issuance, where we have now raised ₦116 billion. The largest corporate bond issuance in the history of the Nigerian capital market. Our effort was rewarded with our ₦100 billion maiden Senior Secured Bond, selected as the winner of the 2021 Bonds, Loans & Sukuk Africa Awards for Local Currency Corporate Bond Deal of the Year. We are very proud of all these achievements.

What were your biggest challenges in 2021, and how did you manage to overcome them?

One of the biggest challenges we faced in 2021 was the increased inflationary pressure across our cost lines. We experienced a significant increase in our energy cost and spare parts. Some of these cost pressures were due to the depreciation of the Naira from ₦401/1US$ at the end of 2020 to ₦424/1US$ at the end of 2021, while others were due to macro-economic inflationary pressure, especially in our domestic market Nigeria where average inflation was at 16.95% in 2021. Nevertheless, we closely monitored all our cost lines and working capital needs through our disciplined cost control measures. Our plant efficiency initiatives, high productivity of the new assets deployed, and better-fixed cost absorption across the Group enabled the offsetting of inflationary pressures on most of our cost lines.

We experienced supply challenges and increased sea freight costs, which resulted in the volatility in the landing cost of clinker and cement. Countries importing clinker such as Cameroon and those importing cement such as Ghana and Sierra Leone faced challenges due to freight prices and material price volatility.

Lastly, the COVID -19 pandemic persisted into 2021, with various new variants emerging. We upheld the structures we put in place in 2020 to manage the pandemic and maintained a strong focus on health and safety measures in all our engagements with stakeholders.

Furthermore, we continued testing and aftercare while encouraging all our staff to get vaccinated. Dangote Cement remains committed to protecting our team members and communities by being fully compliant with local laws and regulations.

How have your sustainability efforts developed over the year?

In 2021, our sustainability agenda remained firmly on track and in line with our strategic priorities. I will highlight our continued sustainability and governance efforts, structured around the 'The Dangote Way'.

Our institutional pillar defines our strong governance framework with a focus on Board member diversity. We are pleased to announce the appointment of two new board members, Mr. Philip Mathew, the Deputy Group Managing Director, with effect from 15th September2021, and Ms. Halima Aliko-Dangote as a Non-Executive Director with effect from 26th February 2022. As such, we now have a 27% female Board member representative on our Board. We have made significant improvements to our environmental pillar by strengthening our alternative fuel initiatives. It focus on leveraging the circular economy business model, optimising costs, and sustainably reducing exposure of our cash cost base to foreign currency fluctuations. So far, our plants are currently procuring and installing alternative fuel equipment that can process diverse types of waste. In 2021, we co-processed waste lubricants, biomass, industrial waste, scrap tyres, and fly ash. Thanks to various programs deployed across all territories of operations, we have also registered a decline in our energy consumption per tonne compared to the same period last year. Our social pillar shows our social investments in 2021, having spent ₦2.49 billion on CSR across our operations

As Africa's leading cement producer, we are leading the way with our commitment to sustainability and best practices. We are driven by the goal of achieving the highest level of governance and building a sustainable brand for all stakeholders. Transparency and consistency are at the core of every part of our business culture.

What is the outlook for Dangote Cement in 2022?

I am very excited about the future of Dangote Cement. My five strategic priorities for the year ahead include growth, operational excellence, financial strength, people management, and sustainable development. I am dedicated and focused on fulfilling this strategy in 2022 and beyond.

As the world faces further uncertainty, inflation and scarcity of raw materials are bringing new challenges. I take pride in our successes and acknowledge our ability to adapt to the fast-changing environment. Our goal to be the partner of choice for those transforming Africa, while creating sustainable value for our stakeholders remains firm and clear. Despite operating in a challenging and fast-moving environment, Dangote Cement consistently delivers superior profitability to the shareholders. The robust demand experienced across the continent despite the COVID-19 related challenges, confirm the powerful potential of these markets. I would like to thank all our investors for your continued trust and support in our business. I look forward to an exciting year ahead.

A focus on sustainable growth

At Dangote Cement we understand our corporate sustainability responsibilities. We are focused on continually improving our social and environmental stewardship, socio-economic wellbeing, and health and safety of key stakeholders. We are dedicated to ensuring progress in the communities and economies where we carry out our business.

Strategic priority	Our approach
Focus on optimising the efficiency of our existing assets, to increase output and lower cost.	We aim to be the lowest-cost producer in each market, by increasing output and thereby diluting our fixed costs. This enables us to improve margins, strengthen our balance sheet and increase returns for our shareholders.
Increase our leadership of existing markets and become the number one supplier with at least 30% market share.	We aim to increase market share through higher cement production, backed by excellent logistics, marketing and customer service. By doing so, we improve margins as we increase capacity utilisation.
Tap into high-value export markets, generating useful foreign currency that we can deploy outside Nigeria.	We have not only made Nigeria self-sufficient in cement, but also turned it into a net exporter. In addition, we are exporting cement from countries including Senegal, Congo, Zambia and Tanzania.
Expand prudently into attractive and high-growth cement markets across Sub-Saharan Africa.	We will continue to look for attractive markets characterised by good economic growth, large and growing populations and a small or fragmented cement industry.
Adhere to high standards of corporate governance and improve our efforts in sustainability.	Strong corporate governance provides reassurance that we are committed to building a sustainable company for the benefit of all our stakeholders and for the environment in which we exist.

Pre-heater system cyclone at new 3Mta Okpella plant
Over the last two years, we have finalised the deployment of 6 million tonnes new capacity in Nigeria. Looking ahead, we are now focused on a less capital-intensive expansion cycle, which includes building grinding plants across West and Central Africa to leverage and strengthen Dangote Cement's regional integration.

2021 highlights		Outlook
+14% **Group volume growth**	Nigeria volumes at 18.6Mt up 16.8%. Pan-Africa volume at 10.9Mt up 8.7%.	Focus on organic volume growth in both Nigeria and Pan-Africa supported by improved route to market channels and enhanced distribution network. Deploy cheaper sources of fuel such as alternative fuel.
Full **capacity in Senegal**	Selling everything, we produce in Senegal. Focus on quality with superior logistics network.	Increase market share across all our countries of operation through strong branding and marketing efforts. Improved route to market channels to enhance distribution.
7 **clinker shipments out of Nigeria, with a total volume of 197Kt**	706Kt of cement was exported by road out of Nigeria to Togo and Niger.	Focus on cement export out of Nigeria and commence clinker exports from our plant in Congo. Continue to ramp-up exports in Tanzania, Senegal and Zambia.
Deployed 6Mt capacity in Nigeria over the last 2 years	3Mt Okpella plant started ramping up. Modern and efficient 3Mt line 5 at Obajana supporting strong performance.	Grinding plants in Côte d'Ivoire and in Ghana expected to be completed in 2022/2023. Longer term, the plan is to build grinding plants across West and Central Africa through regional integration making the region cement self-sufficient.
27% **female Board representation**	Diverse Board with six different nationalities. New female Board member – Ms. Halima Aliko-Dangote appointed as a Non-Executive Director with effect from 26th February 2022. 2021 World Environment Day: 826 trees planted	Continue to demonstrate a clear commitment to transparency around environmental impacts and strategies for action. Taking coordinated actions on climate issues.

Africa's leading cement manufacturer

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

Our input

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

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

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

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

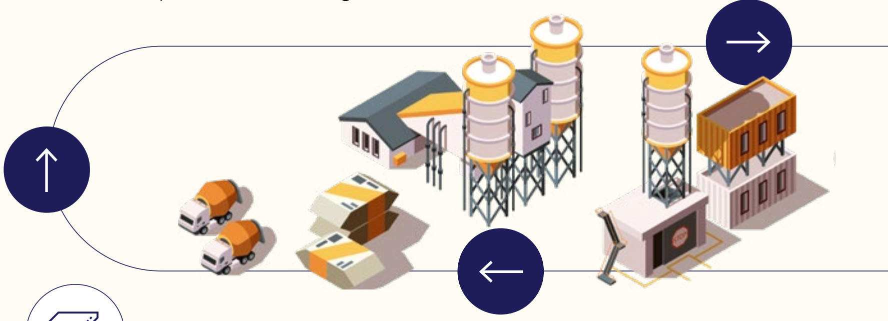
Our customers:
We focus on quality and superior products for all our customers.

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

How we do it

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

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



Sales and distribution
- Vertical integration with long term large investments in logistics
- Good relationships with key market dealers
- Rapid loading of trucks using automated systems
- FMCG approach to sales
- Strong assistance programme for resellers

Underpinned by the Dangote Way

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

"The Dangote Way"

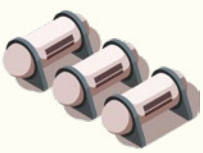
Our 7 Dangote Sustainability Pillars collectively reflect the ethos behind "The Dangote Way". These pillars provide the framework in which we have embedded our corporate values and strategic objectives.

Building a sustainable business

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

Production

- Modern, energy-efficient plants reduce costs and improve product quality
- Large size of plants enables significant economies of scale; at 16.3Mta, our Obajana plant alone has more capacity than many African countries
- High degree of automation



Premium product

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

The value we create for our stakeholders

1,373
employees volunteered during the 2021 Sustainability Week
across 14 locations in 10 countries.

Read more on pages **50 to 59**

Increasing shareholder return
₦684.6bn
in EBITDA up 43%
Rating upgraded to "B" by CDP on our carbon disclosure for 2021 and became a CDP supporter

Read more on pages **50 to 59**

25%
increase in dividend recommended at ₦20.00

Spent
₦2.5bn
on social investment

51.6Mta
across 10 countries in Africa

Spent
₦409bn
on local procurement, up 12.1% YoY

Read more on pages **50 to 59**

Delivering sustainable value for our shareholders

Guillaume Moyen
Group Chief Financial Officer

"Our ability to efficiently seize strong demand coupled with costs discipline led to a robust profit after tax up 32.0% at ₦364.4 billion."

Dear shareholders

Financial highlights
Summary

	FY 2021 '000 tonnes	FY 2020 '000 tonnes
Volume sold*		
Nigeria	**18,612**	15,936
Pan-Africa	**10,856**	9,982
Inter-company sales	**(197)**	(197)
Total volume sold	**29,271**	25,720

	FY 2021 ₦'million	FY 2020 ₦'million
Revenues		
Nigeria	**993,399**	719,945
Pan-Africa	**397,329**	318,681
Inter-company sales	**(7,091)**	(4,430)
Total revenues	**1,383,637**	1,034,196

	FY 2021 ₦'million	FY 2020 ₦'million
Group EBITDA**	**684,595**	478,122
EBITDA margin	**49.5%**	46.2%
Operating profit	**582,491**	386,734
Profit before tax	**538,366**	373,310
Earnings per ordinary share (Naira)	**21.24**	16.14

As at 31st December	FY 2021	FY 2020
Total assets	**2,392,019**	2,022,451
Net debt	**225,097**	337,275

* Volumes include cement and clinker.
** Earnings before interest, taxes, depreciation and amortisation.

Revenue increased by 33.8% to ₦1,383.6 billion from ₦1,034.2 billion, driven by higher volumes in Nigeria and Pan-Africa.

Volumes sold by our core Nigerian operations increased by 16.8% to 18.6Mt from 15.9Mt supported by an increase in housing and commercial construction. Pan-African volumes increased by 8.7% to 10.9Mt from 10.0Mt in 2020. Strong volume growth in Tanzania, Ethiopia and Congo supported this growth.

Manufacturing and operating costs

Year ended 31st December	2021 ₦'million	2020 ₦'million
Materials consumed	175,367	134,910
Fuel and power consumed	196,634	146,342
Royalties	1,667	1,270
Salaries and related staff costs	38,701	37,020
Depreciation and amortisation	75,954	64,946
Plant maintenance costs	42,203	30,706
Other production expenses	25,589	15,670
(Increase)/decrease in finished goods and work in progress	(5,096)	7,106
Total manufacturing costs	551,019	437,970

In total, manufacturing costs increased by 25.8% to ₦551.0 billion from ₦437.9 billion in 2020. Materials consumed increased by 30.0% to ₦175.4 billion; while fuel & power consumed increased by 34.4% to ₦196.6 billion. These increases were as a result of volume growth and inflationary pressures on our costs.

The increase in Nigeria manufacturing costs was mainly driven by energy costs due to increased production volumes and price increases for gas which is pegged to the US Dollar. The Nigerian Naira depreciated from ₦401/1US$ at the end of 2020 to ₦424/1US$ at the end of 2021.

Administration and selling expenses

Year ended 31st December	31st December 2021 ₦'million	31st December 2020 ₦'million
Administration and selling costs	256,007	214,058

Thanks to our continuous cost control efforts, total selling and administration expenses only rose by 19.6% to ₦256.0 billion in 2021 mainly from higher haulage expenses which are driven by volumes, AGO costs and other general administrative expenses. Inflationary pressure and the foreign currencies conversion to Naira is driving part of this increase.

Profitability

Year ended 31st December	31st December 2021 ₦'million	31st December 2020 ₦'million
EBITDA	684,595	478,122
Depreciation, amortisation and impairment	102,104	91,388
Operating profit	582,491	386,734

EBITDA by operating region

Year ended 31st December	31st December 2021 ₦'million	31st December 2020 ₦'million
Nigeria	**610,196**	421,417
Pan-Africa	**88,830**	71,313
Central costs and inter-company sales	**(14,431)**	(14,608)
Total EBITDA	**684,595**	478,122

Group earnings before interest, tax, depreciation and amortisation (EBITDA) for the year increased by 43.2% to ₦684.6 billion at a margin of 49.5% (2020: ₦478.1 billion, 46.2%).

Excluding eliminations and central costs, Nigeria EBITDA increased by 44.8%, to ₦610.2 billion at a margin of 61.4% (2020: ₦421.4 billion, 58.5%). The increase in Nigeria EBITDA is mainly as a result of the increased volumes, higher realised prices and better fixed costs absorption in the year 2021 compared to 2020.

Pan-African EBITDA increased by 24.6% to ₦88.8 billion, at 22.4% margin (2020: ₦71.3 billion, 22.4%), notably driven by increased volumes and better performance across the Group.

Operating profit of ₦582.5 billion was 50.6% higher than the ₦386.7 billion for 2020 at a margin of 42.1% (2020: 37.4%).

Interest and similar income/expense

Year ended 31st December	31st December 2021 ₦'million	31st December 2020 ₦'million
Interest income	**20,765**	13,183
Exchange gain/(loss)	**(9,381)**	16,631
Interest expense	**(56,326)**	(43,988)
Net finance (cost)	**(44,942)**	(14,174)

Interest income increased to ₦20.8 billion mainly as a result of increased interest earning cash balances.

During the year to December 2021, the Nigerian Naira value against the US Dollar decreased from about ₦401/1US$ to ₦424/1US$. This resulted in exchange gains from intercompany balances in Nigeria which were outweighed by exchange losses from liabilities in the subsidiaries.

Taxation

Year ended 31st December	31st December 2021 ₦'million	31st December 2020 ₦'million
Tax (charge)/credit	**(173,927)**	(97,242)

Pioneer tax exemption for the Ibese lines and Obajana line 4 ended in 2020 resulting in an increased Nigerian region effective tax rate.

The Group's effective tax rate for 2021 was higher at 32.3%, mainly because of intercompany exchange gains reported in Other Comprehensive Income for the Group.

Profit after tax

The Group's profit for 2021 increased by 32.0% to ₦364.4 billion (2020: ₦276.1 billion). As a result, earnings per share increased to ₦21.24 (2020: ₦16.14).

Financial position

As at	31st December 2021 ₦'million	31st December 2020 ₦'million
Property, plant and equipment	**1,472,859**	1,390,687
Other non-current assets	**40,996**	77,072
Intangible assets	**5,122**	4,554
Total non-current assets	**1,518,977**	1,472,313
Current assets	**533,199**	404,303
Cash and bank balances	**339,843**	145,835
Total assets	**2,392,019**	2,022,451
Non-current liabilities	**155,305**	142,756
Current liabilities	**688,105**	505,615
Debt	**564,940**	483,110
Total liabilities	**1,408,350**	1,131,481

Non-current assets increased to ₦1,472.9 billion at the end of 2021 from ₦1,390.7 billion at 31st December 2020. This was mainly as a result of additions to property, plant and equipment which were partially offset by depreciation.

Additions to property, plant and equipment were ₦185.8 billion, of which ₦152.5 billion was spent in Nigeria and ₦33.3 billion in Pan-Africa operations.

Increase in current liabilities is driven by current income tax charge, trade payables and amounts owed to related parties for trucks and the exchange impact due to the depreciation of the Naira.

Movement in net debt

	Cash ₦'million	Debt ₦'million	Net debt ₦'million
As at 31st December 2020	145,835	(483,110)	(337,275)
Cash from operations before working capital changes	682,900	—	682,900
Change in working capital	(60,853)	—	(60,853)
Income tax paid	(33,408)	—	(33,408)
Additions to fixed assets	(184,576)	—	(184,576)
Loan to related party	20,000	—	20,000
Other investing activities	(848)	—	(848)
Change in non-current prepayments and payables	27,306	—	27,306
Net lease received	5,960	—	5,960
Share buy-back	(9,833)	—	(9,833)
Net interest payment	(41,309)	—	(41,309)
Net loans obtained (repaid)	4,284	(4,284)	—
Dividend paid	(272,005)	—	(272,005)
Overdraft	71,679	(71,679)	—
Other cash and non-cash movements	(15,289)	(5,867)	(21,156)
As at 31st December 2021	**339,843**	**(564,940)**	**(225,097)**

Cash generated from operations before changes in working capital of ₦682.9 billion is 41.2% higher than ₦483.5 billion generated during the same period for 2020. After net movement of ₦60.9 billion in working capital and tax payments of ₦33.4 billion, the net cash flow from operations was ₦596.7 billion.

Excluding overdrafts, financing outflows of ₦332.2 billion reflected net loans obtained of ₦4.3 billion, dividend paid of ₦272.0 billion and net interest paid of ₦41.3 billion.

Cash and cash equivalents (net of bank overdrafts used for cash management purposes) increased from ₦141.0 billion at the end of 2020 to ₦263.4 billion at 31st December 2021. Net debt decreased by ₦112.2 billion from ₦337.3 billion at the end of 2020 to ₦225.1 billion at 31st December 2021.

Capital expenditure by region

	Nigeria ₦'million	Pan-Africa ₦'million	Total ₦'million
Capital expenditure	152,493	33,321	185,814

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

Recommended dividend

On 26th February, 2022, the Directors recommended a dividend of ₦20.00 per share for approval at the Annual General Meeting.

Going Concern

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

The Directors believe that the current working capital is sufficient for the operations and the Group generates sufficient cash flows to fund its operations.

Share buy-back

Dangote Cement completed tranche II of the buy-back programme on 20th January 2022, buying back 0.74% of its shares outstanding (126,748,153 shares) at an average price of ₦276.89 per share. Following the completion of tranche I and II, the Company has bought back 0.98% (166,948,153 shares) of its shares outstanding.

Guillaume Moyen
Group Chief Financial Officer
1st March 2022

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.

Winning with insightful Risk Management

Adenike Fajemirokun
Group Chief Risk Officer

"Our business during the year under review experienced a significant leap in sales volume and EBITDA when compared to the previous year."

Our business during the year under review experienced a significant leap in sales volume and EBITDA when compared to the previous year. This is noteworthy considering the world at large emerged from a year 2020 that was significantly impacted by the outbreak of COVID-19 with new variants emerging in 2021. Economic recovery, reopening and rebuilding was aided by aggressive vaccination with households and companies becoming mobile again in 2021. This sustained mobility seen in 2021 signalled the slow but steady growth that became visible across various economies particularly around emerging and developing economies. Our business was a key beneficiary of this uptick in economic activity, which was based on improved public health, considering the curtailment efforts of the pandemic and increased vaccination. In Nigeria, retail spend and government capital expenditure on infrastructure was strong and coupled with our marketing strategy to get cement across to our consumers. The year 2021 further reiterated our belief in Africa as a resilient market and one with enormous opportunities.

The IMF in its World Economic Outlook update projected a global economy growth rate of 6% for 2021, which ordinarily was premised on the continued adaptation of economic activity to the pandemic. While global recovery continued, the momentum weakened towards the end of 2021 fuelled by the highly transmissible variants, which impacted human movements and disrupted supply chain globally. The reality from the foregoing following the close of 2021 is that global growth pitched at 5.9% indicating 0.1% lower than the IMF projection of 6%. The IMF global economic outlook report highlighted the continuation of COVID-19 restrictions and bottlenecks in the equitable distribution of vaccines as key headwinds that curbed business activity in Sub-Saharan Africa. With this headwind, quite a number of African countries tilted towards a wider budget deficit with spikes in government debt, heightened risk of debt distress coupled with ethnic conflicts. However, commodity prices remained strong in favour of commodity exporting developing countries.

The economy of our key market, Nigeria, sustained its growth trajectory following the negative growth rates recorded in the world's second and third quarters of 2020 – its deepest recession in four decades stemming from the coronavirus pandemic. Whilst the recovery of the economy was steady in 2021, some policy reforms were implemented (with many more yet to be implemented) to avoid a much deeper recession and to sustain recovery. Notably among these policies were the policy intervention by the Central Bank of Nigeria with regards to exchange rate regimes. Crude oil prices recovered from their pandemic slump as demand firmed up with production restraint by OPEC and its partners with price of crude oil averaging at $76.25/barrel compared to a $40.28/barrel average price in 2020(Q3&Q4). Whilst this is a plus for our economy, its impact was not visible considering the pressure on the Naira and our inability to meet production levels.

Despite the excellent performance (particularly from our Nigeria operations), I would say we made big sacrifices by prioritising our impressive local market – Nigeria, at the expense of our efforts to organically generate our FX requirements considering its increased cost (in terms of rates) and its scarce availability.

For our biggest plants domiciled in Nigeria, the reliability of our critical equipment was significantly impacted considering the dearth of foreign exchange particularly as we are an import dependent Company referencing our production input requirements. Beyond FX related issues, our planned maintenance efforts were impacted by delays at the port coupled with the traffic gridlock around the Apapa and Tin Can Island ports with some relief visible considering the work being done by the Apapa Traffic Management and Enforcement Committee and the ongoing implementation of the Electronic Callup System (ETO).

Towards the last quarter of 2021, the second biggest economy, China, was thrown into an energy crisis despite its efforts to stockpile coal and natural gas. Emergency power rationing policies were activated with many factories halting production for days each week, which started in September 2021, with quite a number of factories relying on diesel generators with its attendant cost. For a company like ours with major dependence on China, there were supply chain disruptions, with quarter-on-quarter price increase of up to 15% on our import invoices. The energy crisis is projected to snowball with significant impact on global supply.

Security issues across the Africa region remained a headwind for our business particularly in some of our big and bright markets – Nigeria and Ethiopia. In Nigeria, the IPOB sit-at-home order around the Eastern region took its toll on the safety of our drivers and Logistics team as a whole. The ethnic crisis in Ethiopia went south with significant in-country impacts considering the loss of lives and destruction of properties leading to the declaration of a state-of-emergency nationwide. The escalation of the crisis in Ethiopia reiterated the need for a proper response plan following a national crisis as our risk assessments of some African countries indicated an increase in likelihood of the volatility of ethnic clashes with significant threat to our people (both expats and locals) and our assets.

How did the business manage these risk impacts?

In 2021, we drew significantly from the structures we put in place in 2020 to manage the pandemic as our Group COVID Centre continued to provide the necessary steer to protect the health and wellbeing of our people. This was quite visible considering we maintained a reasonably healthy workforce, whilst we continued aggressive testing and aftercare with increased sensitisation for vaccination.

"In 2021, we drew significantly from the structures we put in place in 2020 to manage the pandemic as our Group COVID Centre continued to provide the necessary steer to protect the health and well-being of our people."

Whilst we made huge sacrifices to serve our local markets (particularly Nigeria), at the expense of our export markets, we still made significant progress in our cement exports strides considering our budget achievement figures which when compared to the previous year (2020) was outstanding. Significant volumes were pushed through road export across newly consolidated borders. Export inflows from our export markets were quite instrumental in our efforts to resolve our plant reliability issues – majority of which were foreign exchange related in terms of availability. We clinically matched our planned maintenance spares replacement requirements with our expected FX inflows with apparent gaps which we strived to bridge through applications for foreign exchange allocation to the CBN and Letters of Credit through commercial banks. Despite these inflows, we still had gaps considering the size of our import procurements. Hence, we adopted the strategy of prioritisation based on critical equipment needs (in terms of spares) for the allocation of FX and I would say we still struggled, coupled with unplanned maintenance of plant equipment for which we airlifted some of these requirements.

As always, we moderated our market segment expectations around projections across our various markets with consistent emphasis on the retail segment considering the huge housing deficit across the Africa region. We drew from the gains of some of the market promos we ran in 2020 considering we achieved the connection we sought with the final consumers of our product at the time.

Our first response to the energy crisis leading to price hikes on import elements for our plant and transport operations was to review all existing import PRs and POs reflecting the quarter-on-quarter percentage price increases as this was expected to impact our budget figures across some key financial indicators. We also commenced engagements with our strategic supply vendors in China for possible price concession considering our long-standing relationship.

In addressing the security issues in Ethiopia, we took a holistic approach considering our Pan-African footprints and the outcomes of our risk assessments across African countries. As a business, we will seek to maintain our operations to the best extent possible, however with key emphasis on the safety of our people and assets. To this end, during the year under review, we drew up a Group Policy and procedure for in-country crisis management with clear steps to be taken through an evacuation plan for Expats and Nationals working away from regions where their homes are whilst ensuring safety of other staff hibernating at home during a crisis. Following its approval, we shall strive to implement same in the 2022 financial year considering the depth of partnership and collaboration required from various external stakeholders. Prior to the implementation of this Policy, we have taken certain security measures to ensure the safety of our people and assets across Africa.

We embarked on Risk Management improvement initiatives in 2021 and critical to mention is the "SAP GRC (Governance, Risk & Compliance) implementation". This is in pursuance of our strategic outlook to further entrench Risk Management in our strategic planning and decision-making process. The full implementation of SAP GRC Risk Module would see our Risk Management practice migrate to advanced level of risk maturity whilst ensuring the full automation of all Risk Management processes across the Group.

Our principal risks and uncertainties

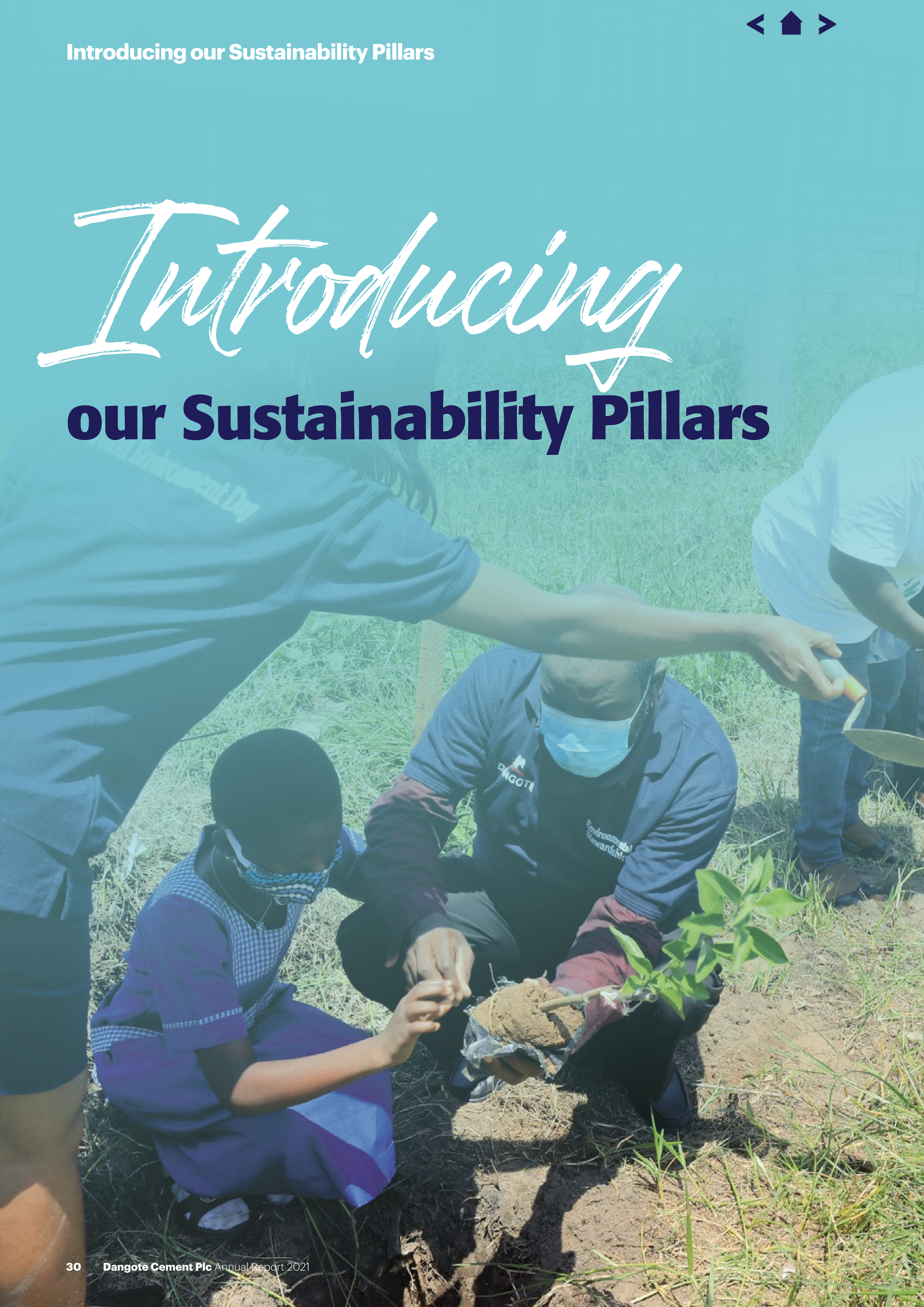
We present below ten principal risks identified and managed through the provisions of our Enterprise Risk Management Framework. Each principal risk is managed by the head of the function responsible for the process related risk. The end-to-end management of these principal risks are presented to the Executive Management and Board with support and steer to ensure these risks trend downwards and within our risk appetite.

Principal risk	Impact	Mitigation	Risk direction
1. Loss of production volume due to dearth of FX to fund import requirements	• Loss of market share and brand confidence from inability to meet market demands considering capacity share	• Set-up and implementation of Annual FX Allocation Plan • Continuous prioritisation of the funding of critical LCs of Production function	↔
2. Threat to staff wellbeing following the fourth wave of COVID-19	• Impacts on productivity levels considering the ease of spread of the virus • Profound effect on mental health • Increased instances of workplace burnout coupled with increased anxiety levels of staff	• Coordinated Group-wide COVID-19 testing through liaison with local authorities and approved private laboratory • Rigorous awareness promotion/ campaigns • Voluntary vaccination awareness campaigns • Medical helplines to address all COVID-19 related issues • Mental help counselling sessions through Helplines • Equipped Isolation Centre set-up in our various Plants • Medical aftercare and support services for sick staff	↗
3. Fatal accidents involving our fleet	• Negative impact in our commitments to achieve fatal free accidents • Loss of trust and confidence of our host and transit communities	• Reaffirming key messages through continuous engagement of drivers (pep-talks) • Drug and Alcohol Testing • Over speeding violation counselling and consequence Management • Learnings from Incident – Root Cause Assessment discussion with drivers • Fully set-up transport training school to include defensive driving and safety trainers, introduction of in-cabin coaches for new drivers	↘

Key No change / Increased / Decreased

Principal risk	Impact	Mitigation	Risk direction
4. Risk of financial and data loss from ransomware attacks	• Service interruption with significant impact on mission critical functions (Sales and Logistics/Transport) which depends on the availability of our ERP and ancillary applications	• Implementation of robust vulnerability assessment and penetration testing	Decreased
5. Threat to the staff safety and assets following the escalation of the crisis in Ethiopia	• Threat to staff safety and business interruption	• Strategic daily monitoring of the security situation in country with security report issued • Activation of the Group Crisis Management Policy and Evacuation Plan where required • Proactive security risk assessment of Pan-Africa locations	Decreased
6. Loss of value from delays in the repatriation of investments in Pan-Africa	• Exposure of Cash at Bank to possible devaluation considering unavailability of FX In-country • Impact on DCP Group's strategic plan to source its FX requirement organically	• Increased engagement with Central Banks of countries of Operation for more FX allocation • Possible refinance options to be explored with regards to loan structure change • Review of possible Export corridors in neighbouring countries	Decreased
7. Budget impacts from price increase on our China imports following energy crisis in country	• Likely impact of price increase on China imports • Impact likely to crystallise considering vendor engagement on prices	• Recalibration of our supply chain with focus beyond China • Review of all Purchasing Orders to accommodate price hikes	Increased
8. Risk of further depreciation of the Naira	• Impact on exchange rate considering further depreciation at official window • Clearing immediate backlogs of matured lines remains a constraint in view of increased liabilities	• Stay on course on mandate to generate organically FX requirements • Increased engagement with Central Bank for FX allocation • Sustain fund repatriation effort of investment proceed	Decreased
9. Increased energy cost from production fuel	• EBITDA margins impacted	• Deployment of alternative fuel material/system	Increased
10. Quality variance considering production cycle	• Likely impact on brand erosion and customer confidence • Reputational risk and loss of market share	• Investment in cross-belt analysers for real time review • Strict adherence to Standard Operating Procedures on basic requirements to achieve desired quality	Decreased

Introducing
our Sustainability Pillars




CEMENT

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 CO_2 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 Mbayion 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

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

The 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

8 11

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

8 16 17

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

1 2 8 11 16

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

4 5 10 11 16 17

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

8 9 12 13

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

6 7 9 12 13

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

1 3 4 5 10 15

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.

The Dangote Way

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, CO_2 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 (UNFCC) however makes it imperative for the cement industry to set out its plan for decarbonisation. Dangote Cement acknowledges the challenges of reducing its specific CO_2 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 CO_2. 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 CO_2 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 CO_2 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.

"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

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

C

2019

Awareness band:
Knowledge of impacts on, and of, climate issues

C

2020

Awareness band:
Knowledge of impacts on, and of, climate issues

B-

2021

Management band:
Taking coordinated action on climate issues

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.

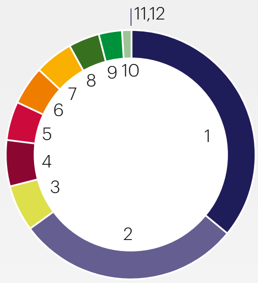
Dangote Cement recognised the effects of greenhouse gas emissions on the ecosystem. The table below shows the direct CO_2 emission per tonne increased slightly in 2021 to 660.57 kg CO_2/ tonne from 648.38kg CO_2/tonne in 2020. As reported previously the Gboko Plant in Nigeria which was previously not operational resumed production in 2021 contributed to increased production output and invariably CO_2 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

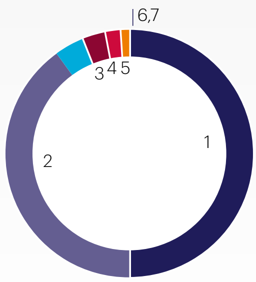
Cement production is generally regarded as a "dry" process because a relatively low amount of water per unit of the finished product is utilised. However, we know that water is fundamentally a vital resource with a significant impact on lives and livelihood. For this reason, Dangote adopts sustainable water resource management in our operations. Total water consumption in 2021 for all operational locations is reported as 8,131,204 cubic metres (m^3); 19.8% higher than the consumption of 6,789,816 cubic metres (m^3) in 2020. Water consumed per tonne of cement increased slightly by 3.9% to 285m^3/tonne in 2021 compared to 274m^3/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%

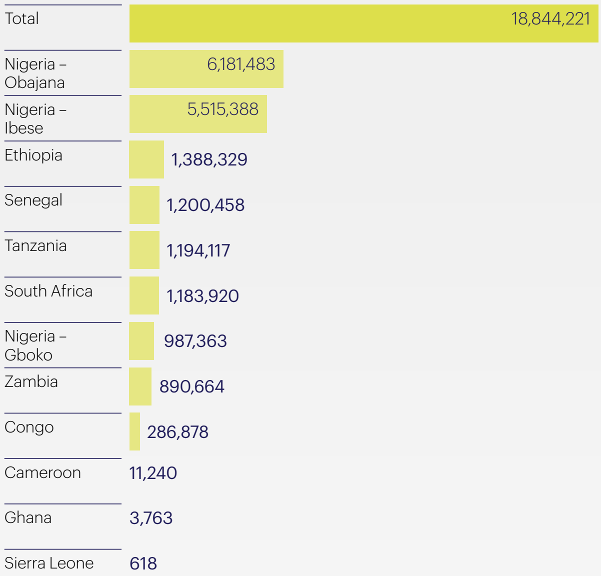
Percentage based on fuel sources – 2021 total energy consumption (GJ)



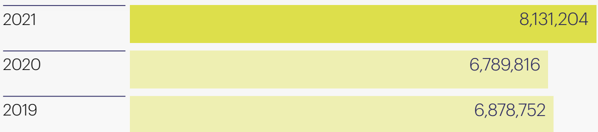
1. Natural Gas	51.3%
2. Coal	41.0%
3. Diesel	3.7%
4. Electricity	1.9%
5. Alternative fuel	1.5%
6. Mix	0.6%
7. Petrol	0.0%

Biomass used as alternative fuel

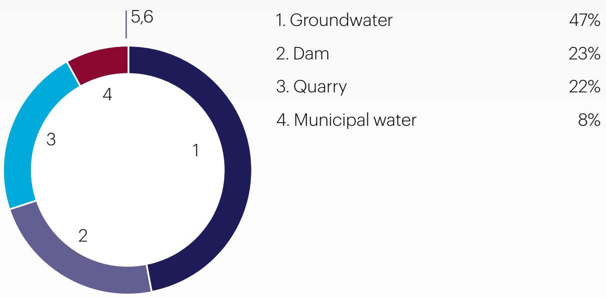
2021 total direct CO_2 emissions (tonnes CO_2) (Scope 1) per location



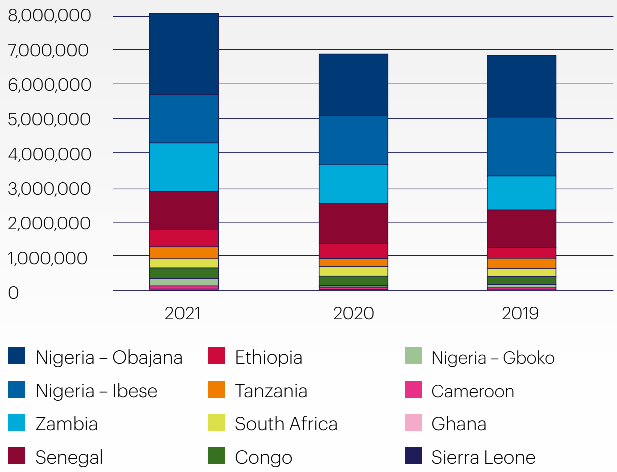
Total water consumption/utilisation (m³)



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 som eplants 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

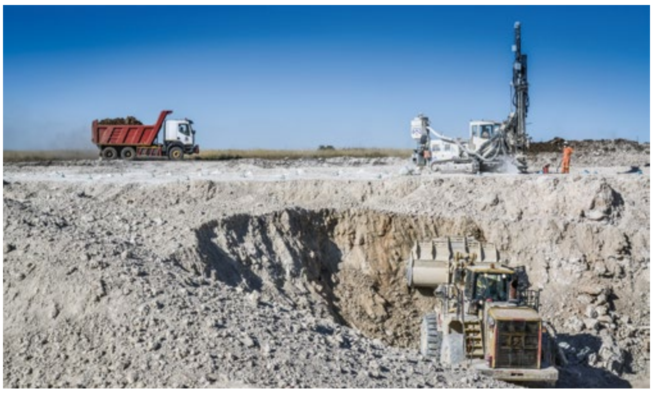
Due to rising input costs and growth prospects of the business in 2021, the Company adopted a plant operational transformational approach. This approach aimed to offset the continual increase in input costs and minimise the producing cost through optimised operations. Our strategy for incorporating modern 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 CO_2 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 CO_2 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.

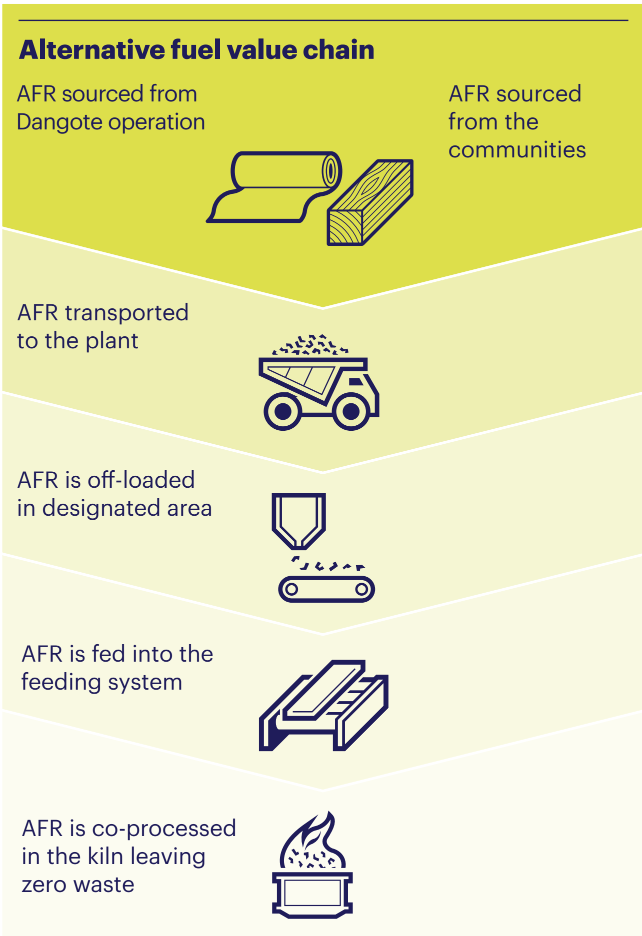
Managing our carbon footprint

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, CO_2 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	Benefits
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	• Lower CO_2 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 CO_2 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/Nm^3) 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

The Dangote Way

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.

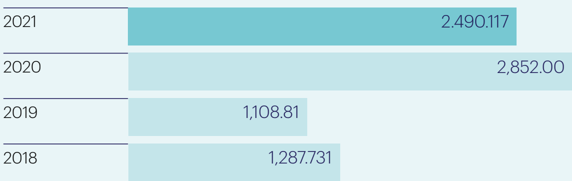
Creating sustainable impact in host communities

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

	Cost of project (million Naira)				
Spending category	**2021**	2020	2019	UN SDGs alignment	2021s percentage of total (for each spending category)
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)



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

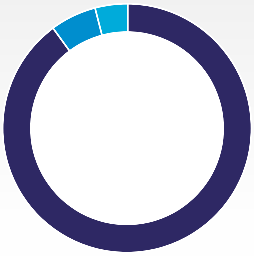
At Dangote, our employees form the building block of all our accomplishments. Our efforts are channelled towards creating a workforce environment in which they are enabled to work to the best of their abilities and to unleash their full potential for the benefit of all. As such, we have established initiatives 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 nationals, 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.

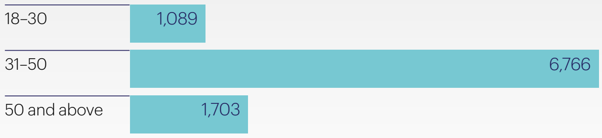
For the reporting year 2021, our total staff strength was 9, 508 (this figure excludes the transport division). Of this number, 8,726 are males and 782 are females. Also, of the total 9,508 staff, 8,530 are permanent employees; 571 are temporary employees; while 407 are expatriates. Out of the total 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



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

	Dangote Cement Plc (DCP) and DCP transport		2021 reported community grievances	2021 grievances community closed	% of total
Category	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.

2020
28
confirmed cases of bribery and corruption

2021
15
confirmed cases of bribery and corruption

Bribery and corruption cases in 2021 by location

Cases of bribery and corruption	Dangote Cement Plc (DCP) and Dangote Cement Plc Transport (DCP Transport) Number of confirmed cases of bribery and corruption				Internal Audit to provide explanations for 2021	
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) — Number of confirmed cases of bribery and corruption				Internal Audit to provide explanations for 2021	
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

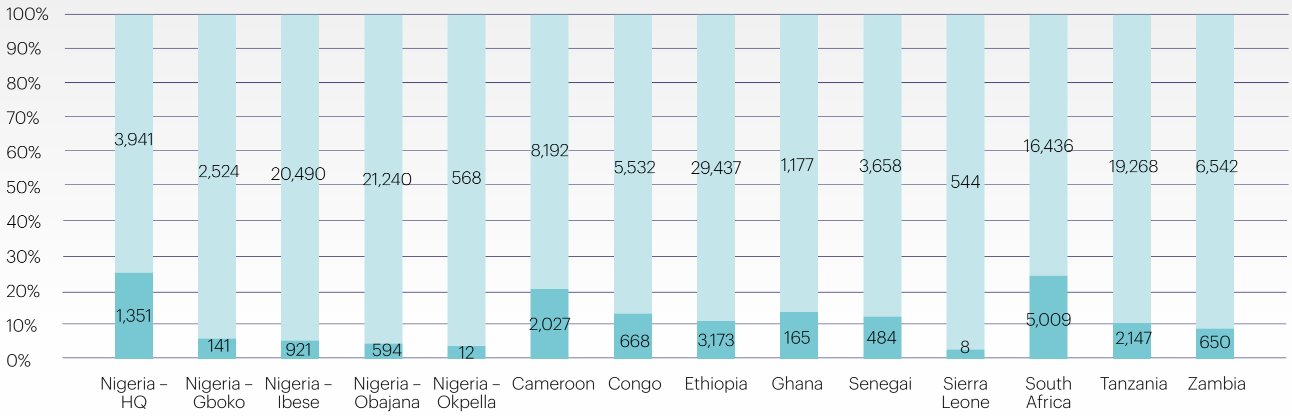
Men
90.51%
22,302

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)

2019

12
sustainability training programmes

249
employees trained

2,608
sustainability training hours

2020

7
sustainability training programmes

366
employees trained

1,441
sustainability training hours

2021

5
sustainability training programmes

281
employees trained

1,188
sustainability training hours

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.

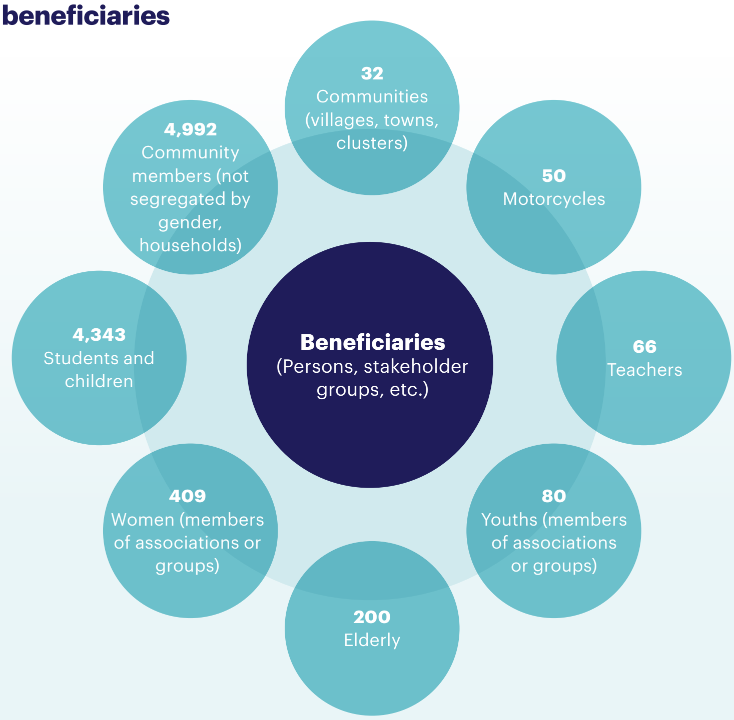
The annual Sustainability Week is a flagship employee volunteering initiative which enables active employee participation in our sustainability initiatives. It provides a viable platform for engaging host communities and delivering impactful environmental and social projects. This Week-long programme 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

3 Good Health and Well-Being	General/thematic support and COVID-19 donations
4 Quality Education	Educational donations
1 No Poverty; 2 Zero Hunger	Food/agriculture and poverty alleviation donations
4 Quality Education; 8 Decent Work and Economic Growth	Economic/SMEs empowerment
3 Good Health and Well-Being	Health donations
6 Clean Water and Sanitation	Water/sanitation
5 Gender Equality	Women empowerment
13 Climate Action; 15 Life on Land	Environmental/climate change interventions
11 Sustainable Cities and Communities	Infrastructure enhancement

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

The Dangote Way | 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.

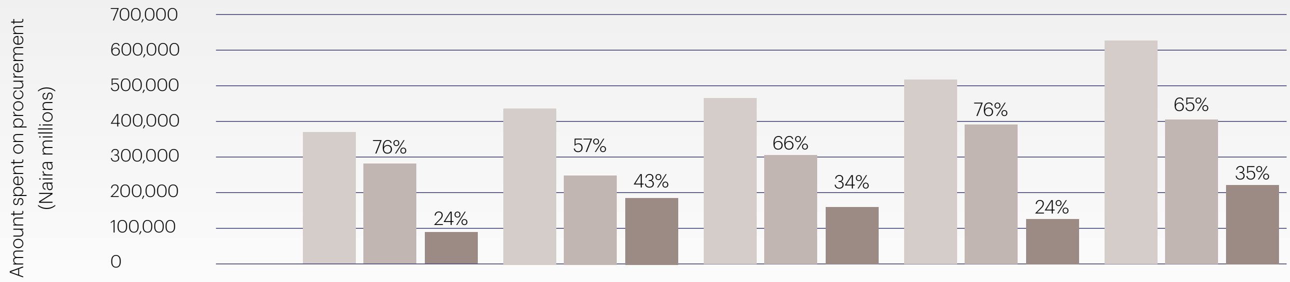
To enhance the sustainability performance of our supply chain, an ESG code of conduct for suppliers was also launched within the year, setting the Company on a continuous improvement process.

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



Procurement per year	2017	2018	2019	2020	2021
Total (million Naira)	370,521	418,690	434,065	509,964	632,960
Local (million Naira)	281,461	239,859	284,845	385,453	409,216
Imported (million Naira)	89,060	178,831	149,220	124,511	223,744

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, N409,216 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 N1,033,843 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.

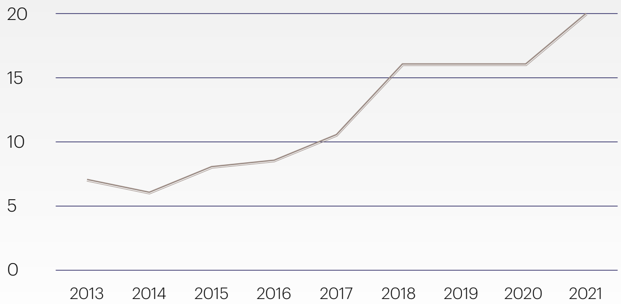
The direct economic impact

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 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.

Importance to stakeholders	Low	Medium	High
High	• Fire outbreaks • Biodiversity	• Current valuation • Energy and electricity scarcity • Employee/human capital development • Population influx • Employment opportunity	• 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
Medium	• Waste and effluent management • Water efficiency/ management • Increased vibration level • Deforestation	• 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	• 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
Low	• 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	• 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	• 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

Impact on business

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.

Corporate Governance

Corporate governance

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DANGOTE
CEMENT
12th ANNUAL
GENERAL
MEETING
DANGOTE
CEMENT

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

Aliko Dangote, GCON
Chairman

Date of appointment:
4th November 2002

Aliko Dangote is the Chairman of the Board of Directors, Dangote Cement Plc. He is the founder and President/ Chief Executive of Dangote Industries Limited, primary holding company of the largest conglomerate in West Africa. A graduate of Business Studies from Al-Azhar University in Cairo, Egypt, he started business in 1978 trading in commodities, before he ventured into full-scale manufacturing. He has been conferred several Honorary Doctorate degrees from various prestigious Universities across the globe, including Coventry University in the United Kingdom (2016), University of Ibadan in Nigeria (2016), and Ahmadu Bello University (2019). He is well known for his philanthropic engagements in local and international initiatives via the Aliko Dangote Foundation; committed to improving healthcare, education and social wellbeing. In addition, he sits on the boards of notable international bodies involved in global economic growth, sustainable development, and healthcare initiatives. These include the JP Morgan International Council, the Clinton Health Access Initiative, the McKinsey Advisory Council, the International Business Council of the World Economic Forum, the Harvard Advisory Council, amongst others. The Nigerian Government conferred on him the Grand Commander of the Niger (GCON), the first person outside government functionaries to receive this honour.

Michel Puchercos
Group Managing Director

Date of appointment:
1st February 2020

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

Philip Mathew
Deputy Group Managing Director

Date of appointment:
15th September 2021

Philip Mathew is a professional with 34 years of working experience in large global and regional cement industries and has been involved in project management from feasibility to commissioning and stabilisation. He has worked with multicultural teams in different countries and held several roles, including Process Engineer, Optimisation Manager, Plant Manager, Technical Director, Director Performance and Progress, Chief Manufacturing Officer, and recently, Head of Cement Excellence Manufacturing for the Asia-Pacific region; defining the strategic goals and ambitions for cement manufacturing at regional level for a global cement company.

Sani Dangote
Non-Executive Director

Date of appointment:
22nd July 2005

Sani Dangote was a businessman with more than 30 years' experience in key sectors of the Nigerian economy including manufacturing, agriculture and oil services. He was the Vice President of Dangote Industries Ltd and was a member on the boards of several companies. He was also the Deputy Chairman of African Gum Arabic Producers Association, a Fellow of the Nigeria Institute of Shipping and President of the Fertiliser Producers and Suppliers Association. In 2012, he completed the Owner Management Programme at the Harvard Business School. He passed away on 14th November 2021.

Olakunle Alake
Non-Executive Director

Date of appointment:
22nd July 2005

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

Devakumar Edwin
Non-Executive Director

Date of appointment:
22nd July 2005

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

Abdu Dantata
Non-Executive Director

Date of appointment:
22nd July 2005

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

Ernest Ebi MFR
Independent Non-Executive Director

Date of appointment:
30th January 2014

Ernest Ebi has more than 40 years of banking experience from various leadership positions in Nigeria. He is also the former Chairman of the Board of Directors of Fidelity Bank Plc. In a very distinguished career within the financial services industry, he went on to serve in leadership positions across a number of banks. In June 1999, he was appointed as a Deputy Governor at the Central Bank of Nigeria where he covered the policy and corporate services portfolios over a ten-year period. He maintained oversight functions over Nigeria's External Reserves, International Economic Relations, Trade & Exchange and Research Department among other responsibilities. He was a key member of the banking sector reform team, especially during the major consolidation process in 2006. In recognition for his sound professional background and track record of meritorious service, the Federal Government of Nigeria in 2007 awarded him the National Honour of Member of the Order of the Federal Republic (MFR). He sits on the boards of several blue-chip companies.

Emmanuel Ikazoboh
Independent Non-Executive Director

Date of appointment:
30th January 2014

Emmanuel Ikazoboh has over 40 years of experience in senior management roles in Nigeria, Côte d'Ivoire, Cameroon and South Africa. He was previously the Group Chairman of Ecobank Transnational Inc., the Pan-African banking group. He started his professional career at Akintola Williams Deloitte. He first became the Managing Partner for francophone offices in Cameroon and Côte d'Ivoire and later became the Managing Partner of the Deloitte firm in West and Central Africa until 2009. In 2010 he was appointed by the Securities and Exchange (SEC) as an Interim Administrator to carry out capital market reforms of the Nigerian Exchange Limited (NGX) and the Central Securities Clearing System Plc. (CSCS). He serves on several corporate boards as Chairman or Non-Executive Director. He obtained an MBA in Financial Management and Marketing from Manchester University Business School in 1979, a Certified Accountant in the United Kingdom, and a fellow of the Nigeria Institute of Chartered Accountants.

Douraid Zaghouani
Non-Executive Director

Date of appointment:
29th April 2015

Douraid Zaghouani was appointed to the Board of Dangote Cement Plc on 29th April 2015 as a Non-Executive Director. Douraid is Chief Operating Officer of Investment Corporation of Dubai (ICD), the principal investment arm of the Government of Dubai. In this role, he is responsible for the efficient operational management of the organisation (including Finance, Strategy, Legal and Compliance, Risk and Audit…) with the aim of optimising business performance. He joined ICD in 2014 after a distinguished and international career at Xerox for over 25 years where his most recent position was Corporate Officer and Global President, Channel Partners Operations based in New York (responsible for a USD10.3b business). Douraid serves as Chairman of the Board of Dubai Global Connect. He is on the Board of Directors of IHI (International Hotel Investment), of CDI (Corinthia Development International), and of IPEMED (Institut de Prospective Economique du Monde Mediterraneen). Douraid is a Civil Engineer from Ecole Nationale des Travaux Publics de l'Etat (France) and is also a graduate in Business Administration - Strategy and Management from ESSEC (Ecole Superieure des Sciences Economiques et Commerciales) business school in Paris.

Dorothy Udeme Ufot, SAN
Independent Non-Executive Director

Date of appointment:
19th April 2016

Dorothy Udeme Ufot has more than 32 years' experience in commercial litigation, having been admitted to the Nigerian Bar in 1989 and then admitted to the Inner Bar as a Senior Advocate of Nigeria (SAN) in April 2009. She also qualified as a Chartered Arbitrator at the Chartered Institute of Arbitrators, London, in 2003.

She obtained Bachelor's Degrees in Political Science in 1983 and Law in 1988 from the University of Calabar, Nigeria and the University of Lagos respectively. She also obtained a Master's Degree in Law in 1996 and an Advanced Diploma in Commercial Law Practice from the University of Lagos in 1998. She is an internationally recongnised expert in commercial arbitration, and was appointed as a member of the International Chamber of Commerce (ICC)'s International Court of Arbitration, Paris (2006-2018). She became one of the eight Global Vice-Presidents of the ICC Commission on Arbitration & ADR (2014-2016) and won the prestigious African Arbitrator of the Year Award in 2020.

She is currently the Chairman of the International Chamber of Commerce, Nigeria Arbitration & ADR Commission.

Viswanathan Shankar
Non-Executive Director

Date of appointment:
10th December 2017

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

Sir Michael Davis
Independent Non-Executive Director

Date of appointment:
20th April 2018

Sir Michael Davis is the Chairman of Macsteel, a global trading and shipping company. He has recently launched Vision Blue Resources Limited, an investment organisation that invests in companies, operations and projects that produce metals and minerals that support energy and other changes that support the reduction in CO_2 emissions. From 2001 to 2013, he was the Chief Executive of Xstrata, one of the world's largest global diversified mining and metal companies. Prior to joining Xstrata, he was Executive Director and Chief Financial Officer of Billiton Plc. He has extensive capital markets and corporate transaction experience. During his career, he has raised more than $40 billion from global capital markets and successfully completed more than $120 billion of corporate transactions, including the listing of Billiton on the London Stock Exchange, the merger of BHP and Billiton into the largest diversified mining company in the world and the successful merger of Xstrata and Glencore. Sir Davis obtained a Bachelor of Commerce (Honours) degree from Rhodes University in 1979 and an Honorary Doctorate from Bar Ilan University in 2012.

Cherie Blair CBE, QC
Independent Non-Executive Director

Date of appointment:
20th April 2018

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

Berlina Moroole
Non-Executive Director

Date of appointment:
24th July 2020

Berlina Moroole is the Group Chief Operating Officer for Rand Mutual Assurance. Prior to joining Rand, she held several senior management roles at different companies, Motus Holding Limited, Liberty Holding Limited and a Partner at Deloitte. She is an Independent Non-Executive Board Member and member of the Audit and Risk Committee for Emira Property Fund Limited; was previously an Independent Non-Executive Board Member, Chairperson for both the Audit Committee and Social Ethics Committee and a member of the Risk Committee at Assupol Holding and Life; Advisory Audit Committee member for the United Nations Population Fund (UNFPA) and the Board Member for the Legal Aid South Africa. Berlina is a qualified Chartered Accountant (SA).

Arvind Pathak
Deputy Group Managing Director

Date of appointment:
29th October 2019

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

He resigned effective 25th February 2021.

Halima Aliko-Dangote
Non-Executive Director

Date of appointment:
26th February 2022

Ms. Halima Aliko-Dangote is currently the Group Executive Director, Commercial Operations at Dangote Industries Limited, where she is responsible for leading the development and execution of Dangote Group's Customer and Shared services strategy with specific oversight for the following functions: Commercial, Strategic procurement, Branding & Communications and Corporate Services. Ms. Dangote also served as Executive Director of Dangote Flour Mills, where she led the successful turnaround and recent sale of the business. Prior to then, she served as Executive Director of NASCON Allied Industries Plc and continues to serve as a Non-Executive Director. She is currently the Board President of The Africa Center (TAC) in New York, a Board member of Endeavour Nigeria and a member of the Women Corporate Directors (WCD). Ms. Dangote started off her career as an Analyst at KPMG and has over 13 years of professional experience. She holds a Bachelors' Degree in Marketing from American Intercontinental University, London, and a Master of Business Administration from Webster Business School. She is a Trustee of the Aliko Dangote Foundation and is happily married with children.

Executive Committee

Michel Puchercos

Group Managing Director/Chief Executive Officer

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

Philip Mathew

Deputy Group Managing Director

Philip Mathew joined Dangote Cement in 2021, as the Deputy Group Managing Director. He has over 35 years of experience in the cement industry, with large regional and international companies. Prior to joining Dangote, he was Head of Cement Manufacturing Excellence for LafargeHolcim APAC region. He has worked across various countries in Europe and Asia, in different roles, leading plant, country and regional manufacturing teams. Apart from a background in leading operational excellence, he has broad-ranging experience in establishing and stabilising new cement plants and piloting transformational change in large industrial organisations. He is a chemical engineer from the Indian Institute of Technology (IIT), Madras.

Guillaume Moyen

Group Chief Financial Officer

Guillaume joined Dangote Cement in February 2019 as Group CFO (Operations), was appointed Acting Group CFO in March 2019 and was confirmed as substantive Group CFO in March 2020. He is in charge of Finance and IT and has more than 20 years' experience in multinational industrial and services companies notably operating in emerging and frontier markets. His career cuts across Finance, Risk Management, Internal Control, Audit, IT and Procurement working in senior positions in Manufacturing, Engineering, Oil and Gas, Nuclear Energy, Mining and Consulting sectors notably with the Orano (ex-Areva) Group, the Ola Energy Group and KPMG. Guillaume is a Chartered Accountant and holds an MBA degree from Columbia Business School.

Mahmud Kazaure

Company Secretary and Chief Legal Officer

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

Dr. Adenike Fajemirokun

Group Chief Risk Officer

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

Edward Imoedemhe

Deputy Company Secretary

Edward Imoedemhe is the Deputy Company Secretary/Legal Adviser of Dangote Cement Plc. He joined the Dangote Group of companies (DCP) in May 2013. He has since brought his experience to bear in various roles in the Group legal department, including regulatory and compliance, corporate and company secretarial services, contracts management and litigation/dispute resolutions. He has over 24 years' post-call experience with a master's degree in Maritime and Commercial Law. He is an associate member of the Institute of Chartered Secretary and Administration. A member of the Society of Corporate Governance, he served as Head Legal & Secretariat, Insurance/Investors Relations in Intercellular Nigeria Plc from 2006 to 2013. He also held the position of Company Secretary/Legal Adviser in an Oil & Gas/Shipping firm, among others, before joining DCP.

Gloria Byamugisha
Group Chief Human Resource Officer

Gloria Byamugisha joined Dangote Cement in October 2021 as the Group Chief Human Resource Officer with over 20 years' experience in Human Resources, of which 15 were in C-suit roles. She has held several Director Roles in leading organisations and her experience spans across Telecommunications, Banking and Public sector in different geographies. She holds an undergraduate degree in Business Administration & Management from Uganda Martyrs University. She has a Post Graduate Diploma in Human Resources from the University of Bedfordshire and an MBA in Finance & Management from the University of Westminster with Strategic Business Analysis at the London Business School. She is a certified trainer of the Extraordinary Leadership Program by Louis Allen.

Jonathan Ogiku MBA, FCA
Group Chief Internal Auditor

Jonathan Ogiku is the Group Chief Internal Auditor for Dangote Cement. He holds a Master's Degree (Executive MBA) from Lagos Business School, Pan Atlantic University and is a Fellow of the Institute of Chartered Accountants of Nigeria. Mr. Ogiku started his career with the British American Tobacco (BAT) Company Plc, as a management trainee in 1989 and held various senior roles as Operations Finance Manager, Treasurer and Head of Audit. During these years he had extensive international trainings in the UK in diverse areas in finance, internal audit, investigations, corporate security management and risk management. Jonathan's professional experience combines a deep understanding of manufacturing operations, cultural sensitivity and a commercial approach to business. He is a regular paper presenter at the ICAN MCPE & CPE programmes and a member of the Board of Directors of the Institute of Internal Auditors, Nigeria.

Jonathan joined Dangote Cement Group from BAT 8 years ago as General Manager, Internal Audit responsible for Nigerian Operations. He was promoted to Senior General Manager, Group Head Internal Audit and Group Chief Internal Auditor over the years. He is currently leading various business improvement and transformation projects to transform Dangote Cement internal audit department to a world-class internal audit function.

Juan-Carlos Rincon
Head of Transport

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

Kashinath Bhairappa
Director of Projects

Kashinath joined Dangote Cement in February 2001 as a General Manager and was subsequently elevated to Director of Projects, responsible for looking after Dangote Cement's projects. He previously worked with different cement manufacturers in India, including BK Birla Group (Cement), Ambuja Cements and Grasim Industries Limited at different levels in project management and execution. He obtained a BE in Mechanical Engineering from Karnataka University, Karnataka State, in 1973.

Knut Ulvmoen
Supply Chain Director

Knut joined Dangote Industries Limited in 1996 as Finance Director. He previously had extensive finance experience in companies including Norcem, Bulkcem and Scancem. As Group Managing Director of Dangote Cement, from 2002 to 2007, he was instrumental in Dangote Cement's transition from importing cement to becoming Nigeria's leading manufacturer. As part of this expansion, he was a key figure in the acquisition of Benue Cement Company and in the development of plans to build the Obajana Cement factory in Kogi State. In addition to his work in cement, he was also involved in the development of Dangote Industries Limited's flour and sugar operations.

Igazeuma Okoroba
Head, Sustainability

Dr Igazeuma Okoroba joined Dangote Cement in October 2021 as the Head, Sustainability, overseeing DCP's Sustainability function. She is an experienced Development Sociologist specialised in CSR, sustainability strategy, reporting and climate action from diverse industries. Her professional experience spans over 18 years in Civil Society, Media, Oil and Gas and Telecommunications sectors. She has worked at United Nations Institute for Training and Research (UNITAR), Total Exploration and Production Nigeria, and is joining DCP from IHS Towers Nigeria where she was Sustainability Strategy Manager, leading the company's sustainability thought leadership programme. Dr. Okoroba holds an M.Sc in Sustainable Development from the University of Exeter in the UK and a Ph.D in Development Sociology, from the University of Port Harcourt.

Oliver Obu
Group Financial Controller

Oliver joined Dangote Industries in 2012, specialising in Finance. After substantial in-house training he was assigned to Dangote Cement in 2015, as Head of Internal Reporting and Planning. He is a key member of the Company's Finance team, shaping its internal reporting and planning framework as well as working on the development of financial models for numerous projects undertaken by the Group. Oliver holds a BA in Economics and Statistics from the University of Benin and an MBA from the Lagos Business School in Nigeria. Oliver is a member of the Association of Chartered Certified Accountants, ACCA, UK.

Rajesh Kumar Kothari
Director of Operations, Pan-Africa

Rajesh joined Dangote Cements as the Director Operations (Pan Africa) in October 2019. He is a competent technical professional with 43 years of wide and varied experience in cement manufacturing process right from "quarry" to "lorry" specially, green and brownfield projects engineering and execution of the Project as well as plant maintenance , trouble shooting , de-bottlenecking to improve the Plant Productivity. Rajesh has played a significant role in technical, production and maintenance while working in companies like Shree Digvijay Cement Co. Ltd for 20 years, Saurashtra Chemicals Limited for two years and Ambuja Cements Limited – a flag ship company of Lafarge Holcim for 18 years. He is a qualified Mechanical Engineer B.E. (Mechanical) from Sardar Patel University, Vallabh Vidyanagar, Gujarat, India in 1978.

Rabiu Umar
Group Sales and Marketing Director

Rabiu Abdullahi Umar joined DCP as Group Sales and Marketing Director with over 20 years of experience in senior and executive functions within the downstream Petroleum and Cement manufacturing sectors with a focus on transformational leadership. Rabiu started his career in Oando Plc and rapidly rose to hold different management roles within the marketing business and led the Sales and Marketing Transformation plan successfully. He was later appointed Chief Operating Officer for the Terminals and Logistics arm of Oando Plc. In 2014 he moved to Lafarge Africa as the Energy and Power Director and subsequently managed Strategy and Business Development portfolio for West Africa. In 2016 he became the Managing Director/Chief Executive Officer of Ashaka Cement Plc and spearheaded the turnaround of the business until his departure in 2019 to join Dangote Industries Ltd as Group Chief Commercial Officer. A graduate of Accounting from Bayero University Kano and an Alumnus of Harvard Business School (GMP), he is also a member of the Institute of Directors and Chartered Institute of Marketing UK (ACIM).

Dr. Ravi Sood
Director of Operations, Nigeria

Dr. Ravi Sood joined Dangote Cement as Director of Operations, Nigeria in June 2018. He has over 35 years experience in successfully managing cement manufacturing units in different countries. He was Plant Director-Tabuk Cement Co. Saudi Arabia, Technical Director with Holcim in Eastern Europe and Relation Director with Lafarge, Austria. He previously worked as Director of Research & Development in Dangote Cement (2012-13) during which he made substantial contribution to Dangote Cement product development across all units in Nigeria (42.5, 3X Brand). Dr. Ravi Sood holds a PhD in Materials Science from the Indian Institute of Technology, Delhi. He is a highly experienced professional in the area of cement manufacturing in difficult and complex industrial environment.

Sada Ladan-Baki
Head, International Trade/Export

Alhaji Sada Ladan-Baki is a graduate of Economics from Ahmadu Bello University, Zaria, Nigeria. He holds a Masters' Degree in Business Administration. He has about 30 years of experience in public service and fund administration. In 1991, Alhaji Ladan-Baki was appointed the General Manager of NASCON and in 1994 he rose to the position of Managing Director. He joined the Dangote Group as Executive Director in charge of Logistics and Distribution in 1998. He then took over the responsibility for the Foods Division with the factories producing sugar, flour, semolina, spaghetti and salt. In 2002, he became the Executive Director, Sales and Marketing, Salt and Pasta. He sits on the board of several companies and belongs to many professional associations including the Institute of Logistics and Distribution (Chartered Fellow), Institute of Directors (Chartered Fellow) and the Nigerian Institute of Marketing (Chartered Member).He is currently the Chairman Logistics Committee of the Institute of Directors, and the Vice President of Manufacturers Association of Nigeria Export Group.

Temilade Aduroja
Head, Investor Relations

Temilade Aduroja was appointed Head, Investor Relations in February 2020. She is an experienced equity and debt capital market professional, with an expertise in Africa Infrastructure and Oil & Gas sectors. She is a finance professional with over 12 years of experience with a demonstrated history of working in the investment banking industry. Temilade is skilled in Capital Markets, Portfolio Management, Corporate Finance and Investments. She has worked at Standard Chartered Bank, Price Waterhouse Coopers, Renaissance Capital, and joined DCP from Standard Bank Group where she was the Senior Africa Infrastructure and Oil & Gas Equity Analyst.

A culture of strong governance

Distinguished shareholders, it is my pleasure to introduce this Corporate Governance Report, which forms part of the Report of the Directors and which sets out the principles by which Dangote Cement Plc is governed.

Aliko Dangote, GCON
Chairman

"The Board is accountable for the Company's activities, strategy, risk management and financial performance as well as the Corporate Governance Framework."

Corporate Governance Framework

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

The Board of Directors

At the heart of our Corporate Governance Framework is our Board of Directors, which serves as the ultimate decision-making body of the Company, except for those matters reserved to or shared with the shareholders. The roles and responsibilities of the Board and its Committees are documented in the Board and Committee Charters. The Board is accountable for the Company's activities, strategy, risk management and financial performance as well as the Corporate Governance Framework.

Board composition

As at 31st December 2021, the Board was composed of 14 people with skills in manufacturing, finance, engineering, business and law. Arvind Pathak resigned on 25th February 2021 while Halima Aliko-Dangote was appointed on 26th February 2022. We lost one of our Directors, Sani Dangote, who passed away on 14th November 2021. The entire Board, Management and Staff of the Company will dearly miss him and we once more extend our condolence to his family. The Board comprises of myself, the Group Managing Director, the Group Deputy Managing Director, five independent Non-Executive Directors and seven Non-Executive Directors.

As the Chairman of the Board, I act as a liaison between the Board and Management through the Group Managing Director. I am responsible for the governance of the Board and set its agenda in consultation with the Group Managing Director and the Company Secretary, with contributions from other Board members. The positions of the Chairman and Group Managing Director are separate and held by different individuals in line with the Securities and Exchange Commission Corporate Governance Code and the Nigerian Code of Corporate Governance ("the Corporate Governance Codes"). Michel Puchercos is the Group Managing

Director and is responsible for the execution of strategy and the day to day management of the DCP Group, supported by the Executive Committee (ExCo).

The Board assesses the independence of the Independent Non-Executive Directors periodically, in line with the Corporate Governance Codes and has concluded that they are all independent in character and judgement. The Non-Executive Directors bring a wide range of international expertise, as they occupy senior positions in industry, finance or public life. We believe that the current Board size and composition is appropriate, except for the ongoing need to improve gender diversity, which is being addressed.

The Company Secretary

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

Board Committees

The Board governs the Company through the operation of Board Committees, which have terms of reference issued by the Board. All Committee Chairmen report on the proceedings of their Committee meetings at the Board meetings. As at 26th February 2022, the Board has four Committees – the Audit, Compliance and Risk Management Committee, the Finance and Investment Committee, the Technical and Sustainability Committee, and the Remuneration, Governance and Nomination Committee. Reports from these Committees, which form part of this Report, can be found on pages 86 to 90.

Delegation to management

The Board delegates responsibility for implementing the Company's strategy and for managing the Group to the Group Managing Director, who is supported by the Executive Committee, which he chairs. The profiles of the members of the Executive Committee can be found on pages 73 to 75.

Appointment and re-election of Directors

The Board Remuneration, Governance and Nomination Committee, leads the process of the appointments to the Board, in accordance with the Board Appointment Policy, utilising the Board membership criteria while taking into cognisance the experience of Directors on the Board as well as the attributes of the nominee. Upon appointment, a new Director is issued a letter of appointment that sets out the tenure, role, responsibilities and powers of the Director. The Company has a Tenure Policy in line with the Corporate Governance Codes. According to the Policy, an Executive Director serves for initial term of five years, a Non-Executive Director for an initial term of three years with additional terms of three years each, and an Independent Non-Executive Director for an initial term of three years with additional terms of three years each. The terms are renewable, subject to satisfactory performance. Non-Executive Directors who are 70 or more years of age are disclosed to shareholders at Annual General Meetings in line with the Companies and Allied Matters Act, 2020 (CAMA).

All Directors are required to retire by rotation and stand for re-election at least every three years in compliance with the provisions of CAMA and the Corporate Governance Codes. At the forthcoming Annual General Meeting, Abdu Dantata, Cherie Blair CBE, QC, Michael Davis, Viswanathan Shankar and I will retire by rotation and be presented for re-election. The Board recognises the need to reinforce its effectiveness by injecting new energy, fresh ideas and perspectives. In this regard, we welcome Philip Mathew and Halima Aliko-Dangote to the Board, who bring extensive experience to the Board. We hope their appointments will be ratified by shareholders at the forthcoming Annual General Meeting. Arvind Pathak, who was the Chief Operating Officer immediately prior to his appointment to the Board, resigned from the Board. We wish him the very best in the future.

Director induction and development

As Chairman, I am responsible for ensuring that induction and training programmes are provided for Directors based on training needs and gaps identified in consultation with the respective Directors. The Board has established an Induction and Training Policy for Directors and they receive periodic trainings and inductions. The Board is confident that all its members have the knowledge, ability and experience to perform the functions required of a director of a listed company.

Board and Committee meetings

Meeting dates for Board and Committee meetings are agreed in advance and notices of meetings and other Board papers are sent to Directors ahead of the meetings. Working with the Company Secretary, I implement an Annual Agenda Plan to assist the Board and its Committees in discharging their roles and responsibilities in line with their charters. Board meetings were well attended with attendance of Directors exceeding two-thirds as required by the Corporate Governance Codes. Details of Directors' attendances at Board and Committee meetings are shown on pages 81.

Key matters during the year

The Board met five times during 2021 and details of key matters discussed at these Board meetings are indicated below:

Appointment of new Directors	The Board, in consideration of its internal processes, policies and best practice, appointed a new Deputy Managing Director. The appointment will enhance Board effectiveness and development.
Share buy-back scheme	The Board considered and approved the share buy-back scheme, allowing the Company to purchase its own shares.
Review and approval of Budget	The Board reviewed and approved the Budget for the succeeding financial year.
Board and subsidiary Board meetings	The Board reviewed and approved Board and Committee Meeting dates for the succeeding financial year.
Quarterly and full year financial statements	The Board reviewed and approved unaudited quarterly accounts and the audited financial statements and submitted the latter to the shareholders to approve at the Annual General Meeting.
Approval of proposed dividends	The Board proposed a dividend for the financial year, which will be approved by shareholders at the Annual General Meeting.
Quality/operational efficiency	The Board reviewed and approved several initiatives to enhance quality and improve operational efficiency in the Company.
Health, Safety, Security and Environment	The Board reviewed and approved systemic and strategic approaches to improve health, safety, social and environmental matters within the Company and its subsidiaries.
Transport	The Board reviewed and approved strategic approaches to improve transport operations in the Company.
Annual General Meeting	The Board resolved on the date, venue and other modalities for the Annual General Meeting of the Company.

Review of the Governance Framework and policy formulation

The Board ensures continuous reviews of the Company's Governance Framework. Further to these reviews, the Board approves the formulation of policies that are in line with good governance and has taken cognisance of the regulatory and business environment. These include:

Annual Agenda Cycle	This represents the minimum agenda to be considered by the Board and Board Committees considering the current information needs of the Board. Additional matters requiring the Board's attention are added as required.
Anti-Bribery and Corruption Policy	The policy demonstrates the Group's zero tolerance for all forms of fraud including but not limited to bribery, corruption, asset misappropriation and financial fraud. The Company has established an Anti-Fraud Programme that sets out the fraud prevention and detection strategies.
Board Appointment Policy	This policy sets out the standards for the appointment of the Directors and aims to achieve a balance of experience and diversity amongst its Directors.
Board Development Policy	This policy seeks to institutionalise training and development of the Directors.
Board Evaluation Policy	This policy provides a systematic method of assisting Board members in the assessment of the Board's scope of operation and responsibilities.
Board Remuneration Policy	This policy reflects the Group's desire to sustain value creation for shareholders and aims to attract the requisite people to deliver the Group's strategy.
Board Reporting Framework	This provides guidance on information to be provided by Senior Management to the Board and Board Committees, to aid the discharging of their responsibilities in line with the Framework.
Board Tenure Policy	This outlines the criteria for ensuring the rotation and appointment of Board members in order to maintain continuity of experience and introduce people with new ideas.
Communication Governance Policy	This establishes guidelines for communication of general and price-sensitive information about the Company to stakeholders in line with regulatory requirements.
Complaints Management Policy	This policy has been designed in line with the requirements of the SEC's Rules. It defines a procedure for managing complaints from shareholders.
Conflict of Interest/Related Party Transaction Policy	This provides a framework to identify, and manage actual and perceived conflicts of interest.
Dangote Safety Golden Rule	This describes mandatory safety rules and regulations applicable to all staff, contractors and visitors.

Directors' Code of Conduct Policy	This sets out the standards that each Director is expected to adhere to while conducting his/her fiduciary duties. This Code is intended to provide guidance to Directors on ethical issues and help foster a culture of integrity.
Executive Management Remuneration Framework	This policy seeks to link performance and reward by providing a variable/at risk element of executive remuneration that encourages performance.
Group Executive Committee Charter	This Charter governs the operations of the Group Executive Committee (ExCo) of DCP.
Group HSSE Standards	These Standards describe the requirements for reporting and investigating HSSE incidents. They ensure DCP adopts a rigorous risk analysis process to make informed and productive decisions.
Insider Trading Policy	This Policy provides guidelines regarding dealing in DCP's shares or securities on the basis of potentially price-sensitive information that is not in the public domain. The Company issues "Closed Trading Period" notifications to insiders as required by capital market regulations. Having enquired, we can confirm that all Directors complied with the Insider Trading Policy during the year.
Subsidiary Governance Framework	This articulates the framework to assist the Board of Directors in the governance of subsidiary companies, with the goal of achieving the Company's vision, strategic objectives and business goals.
Succession Planning Policy	This policy describes the process of identifying and developing successors for critical positions in the Company. The focus of this policy is to ensure that qualified people are available to fill vacancies at Executive Management level as and when needed.
Whistleblowing Policy	In line with the SEC Code and international best practice in corporate governance, this policy seeks to enable stakeholders to raise concerns about possible improprieties without fear of reprisal.

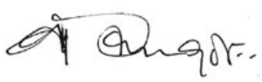
Code of Ethics
The Board has formalised a Board Code of Conduct, setting out the standards of conduct expected from Directors. To this end, the Directors attest to a Code of Conduct annually. To inculcate good ethical conduct, the Company has also established a Code of Conduct for employees, which has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

Succession planning
The Board views succession planning as important for business continuity. To ensure its success, the Board has established a Succession Planning Policy to ensure that there are processes in place to provide for the orderly succession of senior management.

Board and Directors' evaluation
In line with the provisions of the Corporate Governance Codes and in accordance with the Board Evaluation Policy, we conduct evaluations of the Board and individual Directors, as well as the Company Secretarial function. Upon completion, the results are given to the Chairman, who in turn provides assessment feedback to each Director. The result of the evaluation indicated that the Board and Corporate Governance Framework is in compliance with the Codes of Corporate Governance. The process is designed to enhance Board performance, comply with regulatory requirements.

Shareholder engagement
As a Board of a premium-listed company on the Nigerian Exchange Group, our Board attaches importance to constructive relationships with all stakeholders. We have a dedicated Investor Relations team that reports to the Group Chief Financial Officer. The team is responsible for maintaining long-term relationships with investors and analysts. As Chairman, I also had meetings with investors to discuss matters of interest.

Annual General Meeting
The Annual General Meeting is the principal opportunity for the Board to meet shareholders and for me, as the Chairman, to give a report on the Company's activities during the year, and provide clarifications on issues raised by shareholders. Shareholders have the right to ask questions at the Annual General Meeting or submit them in writing to the Company Secretary no later than 24 hours before the start of the AGM. The Notice of Annual General Meeting is sent to our shareholders, at least 21 days before the AGM is held. I hope the Annual Report, which outlines the work of our Board and its Committees during the year, will be informative to you as co-owners of the Company.



Aliko Dangote
Chairman
1st March 2022

Deloitte.

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18 January 2022

The Chairman
Dangote Cement Plc,
Leadway Marble House,
1, Alfred Rewane Road,
Ikoyi,
Lagos.

Dear Sir,

Report of the Independent Consultants on the Review of the Corporate Governance Framework and Performance of the Board of Directors of Dangote Cement Plc.

Deloitte & Touche has performed the annual review of the corporate governance framework and performance evaluation of the Board of Directors of Dangote Cement Plc ("Dangote Cement") for the year ended 31 December 2021. The scope of the review included an assessment of the structure, mandate, and performance of the Board, Board Committees, and Management as it relates to the company's overall strategic direction, stakeholder engagement, disclosures, and transparency.

The review was performed in compliance with Section 11.2.9.5, Principle 14, and Principle 15 of the Nigerian Code of Corporate Governance ("NCCG"). We also evaluated the board's corporate governance framework and performance to align with regulatory requirements under the Securities and Exchange Commission's Corporate Governance Guideline ("SEC Guideline"). The scope of the review included an assessment of key areas of Dangote Cement's corporate governance and Board structure and composition framework, Board operations and effectiveness, assurance and secretarial functions, corporate disclosures, and relationship with stakeholders. Our evaluation report was premised on a desk review of relevant governance documents, policies, and procedures, interview sessions with Directors and select members of executive management, and survey responses received from the Directors.

Our evaluation result has shown that the Board, the Board Committees, Secretarial and Corporate Governance framework and practices in Dangote Cement Plc comply with the extant Codes of Corporate Governance. We also ascertained that the key Board functionaries (Board and Board Committee Chairpersons) and the Board Committees met their responsibilities under the Codes and governance charters in Dangote Cement Plc. Finally, the report highlights our reviewed activities, observations, and recommendations for the Board and Executive Management's sustained improvement actions.

Yours faithfully,

For: Deloitte and Touche

Ibukun Beecroft

Ibukun Beecroft
FRC/2020/ICAN/00000020765
Partner

Board roles and activities

Aliko Dangote GCON
Chairman
Attendance
●●●●●

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

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

Michel Puchercos
Group Managing Director
Attendance
●●●●●

Arvind Pathak
Deputy Group Managing Director
Attendance
○○○○○

Philip Mathew
Deputy Group Managing Director
Attendance
○○○●●

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

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

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

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

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

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

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

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

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

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

Key
● Present
● Absence was due to illness
○ Not a member
○ Deceased

Board meetings
were held on the following dates:
18/03/21, 29/04/21, 29/07/21, 28/10/21, 15/12/21

Board Committees

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

Full Committee report on page 86.

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

Full Committee Report on page 87.

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

Full Committee report on page 88.

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

Full Committee report on page 89.

Directors' report

The Directors of Dangote Cement Plc present the Consolidated and Separate Financial Statements for the year ended 31st December 2021. The Directors have considered all the matters brought before them in the financial year under review and are satisfied that the Directors' Report represents a fair, balanced and realistic view of events.

Legal form

Obajana Cement Plc., subsequently renamed Dangote Cement Plc by virtue of a special resolution dated 14th July 2010, was incorporated in Nigeria as a public limited company on 4th November 1992 and commenced operations in January 2007. Dangote Cement Plc listed its shares on the Nigerian Exchange Group ("the Exchange") on 26th October 2010, and it has a market capitalisation of ₦4.4 trillion as at 31st December 2021.

Principal activities

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

Subsequent events

Other than those disclosed in note 36 of the financial statements there were no other events after the reporting date which could have had a material effect on the financial position of the Group as of 31st December 2021, which have not been adequately provided for in the financial statements.

Directors' responsibilities

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

1. The Board is charged with ensuring that appropriate values and ethics of the Company are agreed and that appropriate procedures and policies are in place to ensure that these are implemented effectively. The Board ensures leadership through oversight and review. Supported by its Committees, the Board sets the Company's strategic direction and aims to deliver a sustainable increase in shareholder value over the longer term.
2. The Board ensures that proper accounting records are maintained. The accounting policies are consistently applied, and appropriate financial statements are prepared on a going concern basis, conforming to applicable law and standards. Most of this responsibility is delegated to the Board Finance and Investment Committee.
3. The Board ensures that internal control procedures are established to safeguard the Company's assets and detect fraud and other irregularities. It also oversees the implementation of risk assessment processes to identify, manage and mitigate the principal risks of the Company's business. Much of this work is delegated to the Board Audit, Risk and Compliance Committee.
4. The Board reviews the remuneration framework, performance criteria and succession planning at Board and Executive Management level. It also oversees the Group's human resources strategy, including the organisational and compensation structures. Much of these responsibilities are delegated to the Board Remuneration, Governance and Nomination Committee.
5. The Board reviews the structure of the Board and develops governance policies in line with regulatory requirements and international best practices. Many of these responsibilities are delegated to the Board Remuneration, Governance and Nomination Committee.
6. The Board ensures that the technical and operational aspects of the business are conducted in line with global best practices. It assesses the feasibility of proposed new projects and ensures that plant operations comply with local and international laws and align with our business goals. Also, it is responsible for overseeing new technology and development programmes of the business. Many of these responsibilities are delegated to the Board Technical and Sustainability Committee.

Board Committees

The Board Committees do not assume the functions of management, which remain the responsibility of the Group Managing Director and Executive Management. Members of Senior Management are invited to attend meetings of Board Committees as required, while the Committee Chairmen hold further meetings with certain members of Executive Management to better review areas of concern. The reports of the Committees are presented at Board meetings. As part of the review of the effectiveness of its Committees, the Board has considered the qualifications and experience of the members and is satisfied that all the Committee members bring a wide range of knowledge and skill and will effectively discharge their duties. The Company Secretary is the Secretary to each Committee.

Results for the year

- Group revenue increased by 34% to ₦1,384 billion (2020: ₦1,034 billion).
- Company revenue increased by 38% to ₦993 billion (2020: ₦720 billion).
- Group net profit increased by 32% to ₦364 billion (2020: ₦276.1 billion).
- Company net profit increased by 8% to ₦381 billion (2020: ₦352.6 billion).
- Group earnings per share increased by 32% to ₦21.24 (2020: ₦16.14).
- Company earnings per share increased by 8% to ₦22.42 (2020: ₦20.69).

Dividends

The Directors pursue a dividend policy that reflects the Company's earnings and cash flow, while maintaining appropriate levels of dividend cover. They consider the capital needed to fund the Company's operations and expansion plans. For the 2021 financial year, the Directors are pleased to recommend a dividend of ₦20.00 per ordinary 50 kobo share (2020: ₦16.00). The Board considers that the proposed dividend is appropriate and is in line with the Company's strategic growth objectives. If the shareholders approve this dividend at the Annual General Meeting, dividends will be paid to the shareholders whose names are registered in the Company's Register of Members at the close of business on the Qualification Date.

Unclaimed dividends

The total unclaimed dividends outstanding as of 31st December 2021 is ₦4.6 billion (2020: ₦4.0 billion). A list of unclaimed dividends is available on the Company's website at www.dangotecement.com. The Company notes that some dividend warrants remain unclaimed. Shareholders with unclaimed share certificates or dividends should address their claims to Coronation Registrars Ltd registrars at eforms@coronationregistrars.com or 9, Amodu Ojikutu Street, Victoria Island, Lagos, Nigeria. Members are encouraged to notify the registrars of any changes in their details.

Directors

As of 26th February 2022, Dangote Cement Plc had 14 Directors, all of whom held office as of 31st December 2021. Arvind Pathak resigned on 25th February 2021, while Philip Mathew and Halima Aliko-Dangote were appointed on 15th September 2021 and 26th February 2022, respectively. Sani Dangote passed away on 14th November 2021. The appointment, removal or reappointment of Directors is governed by the Company's Articles of Association, the Companies and Allied Matters Act (CAMA), 2020, and Board and governance policies. These documents also set out the rights and obligations of Directors. In accordance with the Articles of Association of Dangote Cement Plc, prevailing legislation and any directions via resolution, the business of the Company is managed by the Directors, who in good faith, exercise all such powers on behalf of the Company.

Directors' interests

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

S/N	Shareholder	As at 26th February 2022	As at 31st December 2021	As at 31st December 2020
1a	Aliko Dangote	**27,642,637**	27,642,637	27,642,637
1b	(Indirect: Aliko Dangote) Dangote Industries Ltd.	**14,621,387,610**	14,621,387,610	14,621,387,610
2	Sani Dangote	—	—	—
3	Olakunle Alake	**8,000,000**	8,000,000	8,000,000
4	Abdu Dantata	**8,680**	8,680	8,680
5	Devakumar V. G. Edwin	**6,000,000**	6,000,000	6,000,000
6	Ernest Ebi	**100,000**	100,000	100,000
7a	Emmanuel Ikazoboh	—	—	—
7b	(Indirect: Emmanuel Ikazoboh) Arm Nom: Osigbeme, Enterprises Limited	**58,149**	58,149	58,149
7c	(Indirect: Emmanuel Ikazoboh) Arm Nom: Emmanuel Osigbeme Ikazoboh	—	—	—
8a	Douraid Zaghouani	—	—	—
8b	(Indirect: Douraid Zaghouani) Investment Corporation of Dubai	**243,540,000**	243,540,000	243,540,000
9a	Viswanathan Shankar	—	—	—
9b	(Indirect: Viswanathan Shankar) GW Grey, Pte Ltd	**128,560,764**	128,560,764	128,560,764
10	Dorothy Udeme Ufot	—	—	—
11	Michael Davis	—	—	—
12	Cherie Blair	—	—	—
13	Michel Puchercos	—	—	—
14	Berlina Moroole	—	—	—
15	Arvind Pathak	—	—	—
16	Philip Mathew	—	—	—

Conflicts of interest

The Company maintains a Register of Directors' interest in accordance with the requirements of the Companies and Allied Act (CAMA), 2020. The Company also applies a conflict of interest Policy developed in accordance with corporate governance codes, as well as the Investment and Securities Act, 2007. The Company also applies a Conflict of Interest Policy developed in accordance with international best practices, as well as the Corporate Governance Codes.

Supplier payment policy

It is the practice of the Company to agree on the terms of payment negotiated with suppliers and pay according to those terms based upon receipt of accurate invoices. Trade creditor days for the year ended 31st December 2021 were 70 days on average for the Group (2020: 47 days) and 76 days for the Company (2020: 63 days).

Property, plant and equipment

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

Donations

Sponsorship and charitable donations amounted to ₦2.5 billion (2020: ₦2.9 billion) for the Group and ₦2.0 billion (2020: ₦2.5 billion) for the Company.

Sustainability

Dangote Cement Plc is committed to complying with all applicable legislation, regulations and codes of practice. We integrate sustainability considerations into all our business decisions and ensure that our stakeholders are aware of our Sustainability Policy.

Corporate governance and investor relations

During the financial year under review, the Company complied with the NGX Rules and has not been fined by the FRC, SEC, nor NGX for any infringements. The Board engaged an external consultant to carry out corporate governance and Board evaluation. The result indicated that the Corporate Governance Framework in Dangote Cement Plc complies with the extant Codes of Corporate Governance provisions. The Company pursues an active investor relations programme with investor meetings and earnings calls throughout the year. Our website contains information about the Company's performance and strategy.

Employees

Dangote Cement Plc operates a policy of non-discrimination and considers all employment applications equitably. Efforts are made to ensure that the most qualified person is recruited for the position, irrespective of religion, ethnic group, physical condition or state of origin. We review our employment policies in line with the strategic objectives of our business and ensure that information is disseminated to employees through various means, including through notice boards and Company emails. We consult employees regularly to ensure that their views are considered when making decisions that are likely to affect their interests and to achieve a shared awareness of the factors affecting the Company.

Health and safety at work and welfare of employees

Dangote Cement Plc recognises the importance of safeguarding the health and safety of its workforce. Safety and environment workshops are organised, while fire prevention and firefighting equipment are installed in strategic locations in the offices and plants. The Company provides personal protective equipment (PPE) and other safety equipment and has developed several Health, Safety, Security and Environment (HSSE) policies, including the 15 HSSE Golden Rules.

Training and development

Dangote Cement Plc is committed to supporting the development of all its employees. The fundamental purpose is to facilitate personal and professional development enabling individuals to achieve their full potential at work. The Dangote Academy offers training programmes for employees across the Group, with facilitation from professionals and other training experts. The courses are designed to help employees in the performance of their designated roles and to help them to fulfil their potential. Our policy is that all employees have at least one annual performance review a year, with their head of department or line manager. Training and development needs will be assessed, and ways of meeting these will be identified, and an appropriate timescale agreed.

Retirement benefits

The Company operates a Group life policy and a contributory pension scheme for its employees in Nigeria, in line with the provisions of the Pension Reform Act 2014. The scheme is funded through employees' and employers' contributions as prescribed by the Act.

Research and innovation

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

Capital structure

The Company has one class of ordinary shares, which reflect the total value of the share capital. Each ordinary share carries the right to one vote at the Company's Annual General Meeting. The shareholding and transfer of shares are governed by the Company's Articles of Association and relevant regulations. There are no restrictions with respect thereto. The Articles of Association may be amended by a special resolution approved by the shareholders. Further to the directive of the Corporate Affairs Commission (CAC) in respect of the unissued share capital of companies, the Company has opted to cancel its unissued shares amounting to 2,959,492,596 shares of 50 kobo each and the treasury shares amounting to 166,948,153 shares.

Substantial interest in shares

All shares other than treasury shares and shares held by Dangote Industries Limited (85.8%) and Aliko Dangote (0.16%) are considered free float shares. Aliko Dangote is the ultimate owner of Dangote Industries Limited. All issued shares are fully paid, and no additional shares were issued during the year under review. As of 31st December 2021, and 26th February 2022, Dangote Industries Limited and Stanbic IBTC Nominees Nigeria Ltd held more than 5% of the Company's issued share capital detailed below. Aside from Dangote Industries Limited and Stanbic IBTC Nominees Nigeria Limited, no other individual(s) or entity(s) hold(s) 5% and above of the Company's shares.

Date	Details	Dangote Industries Ltd.	Stanbic IBTC Nominees Ltd
As at 31st December 2020	Units	14,621,387,610	974,097,274
	%	85.8	5.7
As at 30th December 2021	Units	14,621,387,610	962,835,709
	%	85.8	5.7
As at 26th February 2022	Units	14,621,387,610	962,222,558
	%	85.8	5.7

Share Buy-Back Programme

The Company's shareholders approved the execution of the Share Buy-Back Programme at the Extraordinary General Meeting, which was held on 21st January 2020. This Programme, which involves the Company's buy-back of up to 10% of its issued shares, will be effected in tranches. The execution of tranches I and II did not have any material impact on the Company's financial position. Further details are as follows:

Share capital analysis	
Pre-buy-back number of shares	17,040,507,404
Shares bought back from 30th to 31st December 2020 (Tranche I)	(40,200,000)
Shares bought back from 19th to 20th January 2022 (Tranche II)	(126,748,153)
Total number of residual issued and fully paid outstanding shares	**16,873,559,251**
Number of shares cancelled	Nil

Independent auditors

Messrs. KPMG Professional Services, having satisfied the relevant corporate governance rules on their tenure in office, have indicated their willingness to continue in office as auditors to the Company. In accordance with Section 401(2) of the Companies and Allied Matters Act (CAMA), 2020, therefore, the independent auditors will be reappointed at the next Annual General Meeting of the Company without any resolution being passed. A resolution will however be proposed authorising the Directors to fix their remuneration.

By the Order of the Board of Directors.

Edward Imoedemhe
Deputy Company Secretary
FRC/2021/002/00000022594
Registered Office
Leadway Marble House,
1, Alfred Rewane Road,
P. O. Box 40032,
Ikoyi, Lagos.

26th February 2022

Ernest Ebi MFR
Independent Non-Executive Director

Role of the Committee

Members	Meetings attended (eligible to attend)
Ernest Ebi (Chairman)	Attended, Attended, Attended, Attended
Sani Dangote	Medical absence, Medical absence, Medical absence, Medical absence
Dorothy Udeme Ufot	Attended, Attended, Attended, Attended
Emmanuel Ikazoboh	Attended, Attended, Attended, Attended
Cherie Blair	Attended, Attended, Attended, Attended

Attended · Medical absence · Not attended · Not a member as at date

Introduction

I am pleased to present to you the 2021 report of the Board Audit, Compliance and Risk Management Committee. The Board is ultimately accountable for the risk management process, system of internal control and monitoring compliance with applicable laws and regulations. These functions have been delegated to the Audit, Compliance and Risk Management Committee, in accordance with the Company's Corporate Governance Framework.

Roles and responsibilities

The Committee has oversight over the Audit, Compliance and Risk Management functions and assists the Board in fulfilling its oversight responsibilities regarding:

- oversight of the Group Internal Audit function and ensuring cooperation between statutory auditors and the Group Internal Audit function;
- oversight of the execution of risk management framework;
- review of legal matters that could have significant impact on the Company's operations;
- oversight of the Company's compliance and ethics programme; and
- monitoring of the whistleblowing mechanism.

Activities during the year

The reports of the Committee are presented to the Board, providing the Board with summaries of discussions as well as its recommendations. During the year, the Committee carried out the following:

- review of risk management reports on risk exposures;
- monitoring of the Company's compliance with applicable laws and standards;
- review of the Internal Audit Plan and internal audit reports; and
- provision of recommendations to the Board on various audit, compliance and risk matters.

Composition and attendance

As an Independent Non-Executive Director, I serve as the Chairman of the Committee. Some members of our Senior and Executive Management teams were invited to meetings to provide information on directives given by the Committee. The Committee met 4 times in 2021 and its composition and attendance are stated on page 187, while details of each Committee member are set out on pages 70 to 72.

Ernest Ebi MFR
Chairman of the Audit, Compliance and Risk Management Committee
1st March 2022

Board Finance and Investment Committee report

Viswanathan Shankar
Non-Executive Director

Role of the Committee

Members	Meetings attended (eligible to attend)
Viswanathan Shankar (Chairman)	● ● ● ● ● ● ● ● ● ●
Olakunle Alake	● ● ● ● ● ● ● ● ● ●
Douraid Zaghouani	● ● ● ● ● ● ● ● ● ●
Michael Davis	● ● ● ● ● ● ● ● ● ●
Devakumar Edwin	● ● ● ● ● ◍ ● ● ● ●

● Attended ● Medical absence
● Not attended ○ Not a member as at date

Introduction

I am pleased to introduce the report of the Board Finance and Investment Committee for the 2021 financial year. The Committee receives its insight into the challenges and goals of the Company from the financial and business targets set by the Board. Some members of senior and Executive Management are invited to attend meetings to provide necessary information, as well as updates on directives requested by the Committee. As Chairman of the Committee, I regularly hold meetings with the Group Chief Financial Officer, and members of the senior management team, prior to the Committee meetings to better address any areas of concern and to allow sufficient time for meaningful discussion in the Committee meetings.

Roles and responsibilities

The Committee assists the Board in fulfilling its oversight responsibilities by advising the Board on matters relating to:

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

Activities during the year

The reports of the Committee are presented to the Board, providing the Board with summaries of discussions as well as its recommendations. During the year, the Committee carried out the following:

- approval of the share buy-back programme;
- monitoring of pricing strategy and impact on revenue and profits;
- review of the tax impact and tax exemption status of entities within the Group, and total tax liability of the Group;
- review of organic and inorganic expansion plans;
- review of the carrying amount of Group assets including any potential impairment loss to be recognised during the year;
- review of various funding plans including issuance of bond and commercial papers; and
- review of Financial Statements.

Composition and attendance

The Committee met 10 times in 2021 and its composition and attendance are stated on page 187, while details of each Committee member are set out on pages 70 to 72.

Viswanathan Shankar
Chairman of the Finance and Investment Committee
1st March 2022

Sir Michael Davis
Independent Non-Executive Director

Role of the Committee

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

● Attended ● Medical absence
● Not attended ○ Not a member as at date

Introduction

I am pleased to introduce the report of the Board Technical and Sustainability Committee for the 2021 financial year. The Committee 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.

Roles and responsibilities

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

- reviewing the technical scope, feasibility and status of plant projects including risk assessment and the Quality Management Plan;
- reviewing the status of projects according to scope, schedule, project milestones and KPIs;
- reviewing safety, health and environmental performance and improvement plans;
- reviewing operational, staffing and commissioning readiness plans;
- monitoring the production budget, standards, raw material supplies, energy and key performance indicators per plant;
- reviewing asset/plant care policy and performance;
- ensuring effective technical, research and development programmes to continue innovation and improvement; and
- overseeing the development of corporate social responsibility and community programmes throughout our locations.

Activities during the year

The reports of the Committee are presented to the Board, providing the Board with summaries of discussions as well as its recommendations. During the year, the Committee carried out the following:

- implemented measures across operations to achieve cost savings;
- reviewed production targets across the Group;
- monitored the enforcement of health, safety and environment policies;
- ensured that sustainability strategy and policies were implemented; and
- oversaw the implementation of transport and transport safety initiatives.

Composition and attendance

The Committee met 4 times in 2021 and its composition and attendance are stated on page 187, while details of each Committee member are set out on pages 70 to 72.

Sir Michael Davis
Chairman of the Technical and Sustainability Committee
1st March 2022

Board Remuneration, Governance and Nomination Committee report

Emmanuel Ikazoboh
Independent Non-Executive Director

Role of the Committee

Members	Meetings attended (eligible to attend)
Emmanuel Ikazoboh (Chairman)	Attended, Attended, Attended, Attended, Attended
Ernest Ebi	Attended, Attended, Attended, Attended, Attended
Sir Michael Davis	Attended, Attended, Attended, Attended, Not attended
Cherie Blair	Attended, Attended, Attended, Attended, Not attended
Berlina Moroole	Attended, Attended, Attended, Not attended, Attended

Attended Medical absence
Not attended Not a member as at date

Introduction

I am pleased to introduce the report of the Board Remuneration, Governance and Nomination Committee. The Company's remuneration principles aim to remunerate personnel commensurately in compliance with applicable law. The fixed component of remuneration is paid as a base salary; the variable components are intended to reflect, clearly and directly, the joint performance of the Board and Management, taking cognisance of interests of various stakeholders.

Roles and responsibilities

The purpose of the Committee is to assist the Board to discharge its oversight responsibilities including:

- establishing the criteria for Board and Board Committee memberships, and assessing candidates' qualifications and the contribution of current Directors;
- reviewing the implementation and effectiveness of the governance policies;
- planning the Board composition, as well as succession planning for the Board and Executive Management;
- ensuring that the performance of the Board is periodically evaluated;
- monitoring the implementation of the remuneration policy and making recommendations on the remuneration of the Directors; and
- overseeing the Group's human capital strategy and make recommendations to the Board on the Group's organisational and compensation structures.

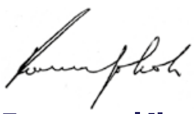
Activities during the year

The reports of the Committee are presented to the Board, providing the Board with summaries of discussions as well as its recommendations. During the year, the Committee carried out the following:

- reviewed proposals to train the Directors;
- monitored the effectiveness of governance policies vis-à-vis regulatory requirements;
- reviewed Management reports on the remuneration structure;
- complemented succession planning initiatives; and
- monitored the performance evaluation of the Board, and of the KPIs of the Executive Committee.

Composition and attendance

Some members of senior and Executive Management are invited to attend meetings to provide necessary information, as well as updates on directives requested by the Committee. The Committee met 5 times in 2021 and its composition and attendance are stated on page 187, while details of each Committee member are set out on pages 70 to 72.



Emmanuel Ikazoboh
Chairman of the Remuneration, Governance and Nomination Committee
1st March 2022

Directors' emoluments for 2021

	Directors' fees and allowances		Sitting allowances		Other allowances		Total	
	2021 ₦'000	2020 ₦'000	**2021 ₦'000**	2020 ₦'000	**2021 ₦'000**	2020 ₦'000	**2021 ₦'000**	2020 ₦'000
Aliko Dangote	**26,600**	26,600	**3,000**	3,000	**14,796**	19,400	**44,396**	49,000
Sani Dangote	**19,200**	25,600	**2,200**	1,700	**14,796**	19,400	**36,196**	46,700
Olakunle Alake	**25,600**	25,600	**14,750**	12,450	**14,796**	19,400	**55,146**	57,450
Abdu Dantata	**25,600**	25,600	**4,000**	4,400	**14,796**	19,400	**44,396**	49,400
Sir Michael Davis	**39,867**	37,345	**9,950**	7,850	**14,796**	19,400	**64,613**	64,595
Ernest Ebi	**25,600**	40,400	**8,950**	9,500	**33,096**	19,400	**67,646**	69,300
Emmanuel Ikazoboh	**25,600**	40,400	**16,100**	11,000	**33,096**	19,400	**74,796**	70,800
Devakumar V.G. Edwin	**25,600**	25,600	**12,800**	8,900	**14,796**	19,400	**53,196**	53,900
Douraid Zaghouani	**39,867**	37,345	**7,950**	5,900	**14,796**	19,400	**62,613**	62,645
Viswanathan Shankar	**—**	—	**5,600**	5,150	**—**	4,000	**5,600**	9,150
Dorothy Udeme Ufot	**25,600**	25,600	**5,400**	6,500	**21,296**	19,400	**52,296**	51,500
Cherie Blair	**39,867**	37,345	**5,150**	6,250	**14,796**	19,400	**59,813**	62,995
Berlina Moroole	**39,867**	9,336	**3,400**	1,550	**14,796**	4,000	**58,063**	14,886
Total	**358,868**	356,771	**99,250**	84,150	**220,652**	221,400	**678,770**	662,321
Executive directors							**730,704**	829,130
Grand total							**1,409,474**	1,491,451

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Report of the Statutory Audit Committee

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

"We have exercised our statutory functions under Section 404 (7) of the Companies and Allied Matters Act (CAMA), 2020 and we acknowledge the cooperation of the Board, management and staff in the conduct of these responsibilities. After careful consideration of the report of the external auditors, we accepted the report that the Financial Statements give a true and fair view of the state of the Group and Company's financial affairs as at 31 December 2021.

We confirm that:

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

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

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

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

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

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

The Committee therefore recommends that the Audited Financial Statements for the year ended 31 December 2021 and the External Auditors' report thereon be presented for adoption at the Annual General Meeting."

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

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

Statement of Directors' responsibilities for the preparation and approval of the financial statements

For the year ended 31 December 2021

The Directors of Dangote Cement Plc are responsible for the preparation of the consolidated and separate financial statements that present fairly the financial position of the Group and Company as at 31 December 2021, and the results of its operations, cash flows and changes in equity for the year then ended, in compliance with International Financial Reporting Standards ("IFRS") and in the manner required by the Companies and Allied Matters Act (CAMA), 2020 and the Financial Reporting Council of Nigeria Act, 2011.

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

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

The Directors are responsible for:

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

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

The consolidated and separate financial statements of the Group and Company for the year ended 31 December 2021 were approved by the Directors on 26 February 2022.

On behalf of the Directors

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

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

Statement of corporate responsibility for the financial statements

For the year ended 31 December 2021

Further to the provisions of section 405 of the Companies and Allied Matters Act (CAMA), 2020, we, the Group Managing Director/ Group CEO and Group Chief Financial Officer, hereby certify the consolidated and separate financial statements of Dangote Cement Plc for the year ended 31 December 2021 as follows:

a) That we have reviewed the audited consolidated and separate financial statements of Dangote Cement Plc ("the Company") and its subsidiaries (together, "the Group") for the year ended 31 December 2021.

b) That the audited consolidated and separate financial statements do not contain any untrue statement of material fact or omit to state a material fact which would make the statements misleading, in the light of the circumstances under which such statement was made.

c) That the audited consolidated and separate financial statements and all other financial information included in the statements fairly present, in all material respects, the financial condition and results of operation of the Group and Company as of and for, the year ended 31 December 2021.

d) That we are responsible for establishing and maintaining internal controls and have designed such internal controls to ensure that material information relating to the Company and its subsidiaries is made known to us by other officers of the companies, during the year ended 31 December 2021.

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

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

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Dangote Cement Plc

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

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

- the consolidated and separate statements of financial position as at 31 December 2021;
- the consolidated and separate statements of profit or loss;
- the consolidated and separate statements of comprehensive income;
- the consolidated and separate statements of changes in equity;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of the Company and its subsidiaries as at 31 December 2021, and of its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and in the manner required by the Companies and Allied Matters Act (CAMA), 2020 and the Financial Reporting Council of Nigeria Act, 2011.

Basis for Opinion

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

Key Audit Matters

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

<table>
<tr><td colspan="2">1. Investment in subsidiaries</td></tr>
<tr><td colspan="2">Refer to significant accounting policies (Note 2.3.1) and related disclosures (Note 18.2) of the separate financial statements.</td></tr>
<tr><th>The key audit matter</th><th>How the matter was addressed in our audit</th></tr>
<tr><td>As disclosed in Note 18.2 to the financial statements, the carrying amount of ₦162 billion representing the Company's investment in subsidiaries is significant. Some of the subsidiaries are currently loss-making and are dependent on financial support mostly in the form of loans and advances from the parent company for their ongoing operations (Note 31).

Judgment is required in estimating the recoverable amounts of the investment in subsidiaries. The estimation of recoverable amounts involves making assumptions regarding the future performance of the subsidiaries, inherent uncertainties around macroeconomic decisions and climate-related risks involved in preparing forecasts and discounted future cash flow projections and determining an appropriate discount rate.

The significance of the amounts involved and the uncertainties inherent in estimating the recoverable amounts makes this a key audit matter in the separate financial statements.</td><td>Our procedures included the following:

• We held inquiry sessions with management to understand the process and procedures for the identification of indicators of impairment of investment in subsidiaries.

• We checked that the impairment indicators were appropriately identified as at the reporting date based on our knowledge of the business, its operating environment and other information obtained during the audit.

• We assessed the reasonableness of the forecasts presented for the subsidiaries with impairment triggers by comparing them with historical performance.

• We challenged management's assumptions, judgements and decisions made in the calculation of the recoverable amounts by comparing them with historical performance, industry trends and future projections, considering the uncertainties around macroeconomic factors and climate change.

• We engaged our valuation specialist to test the appropriateness of the discount rates and terminal growth rates used.

• We assessed the appropriateness of the classification and disclosure in the financial statements required by relevant accounting standards, including disclosures about sensitivities and major sources of estimation uncertainties.</td></tr>
</table>

2. Trade and Other Payables	
Refer to significant accounting policies (Note 2.23) and related disclosures (Note 25) of the consolidated and separate financial statements.	
The key audit matter	**How the matter was addressed in our audit**
Included in trade and other payables as at 31 December 2021 is an amount of ₦162 billion and ₦99 billion for Group and Company respectively related to vendors. We focused on this area due to the large volume and value of vendor transactions, the numerous reconciling items and the manual nature of the reconciliation process. This is considered a key audit matter in both the consolidated and separate financial statements.	Our procedures included the following: • We reviewed documentation and performed a walkthrough of the procure-to-pay process (PTP) to identify process risk points and related controls. • We selected a sample of high-value balances and obtained confirmations from the vendors. We had control over the confirmation process by sending out the letters and requested that the vendors responded directly to us. • We tested reconciliation statements prepared by management at year end and checked the reconciling items to underlying supporting documents such as invoices, bank advices and confirmations, goods received note and shipping documents. • We assessed the presentation and appropriateness of related disclosures with respect to the trade and other payables in the financial statements.

Other Information

The Directors are responsible for the other information. The other information comprises the Directors Report, Report of the Statutory Audit Committee, Statement of Directors' Responsibilities for the preparation and approval of the financial statements, Statement of Corporate Responsibility for the Financial Statements and Other National Disclosures which we obtained prior to the date of this auditors' report; but does not include the consolidated and separate financial statements and our auditor's report thereon. Other information also includes Strategic report, The Dangote Way, Corporate Governance report and Supplementary information, together the "Outstanding reports", which are expected to be made available to us after that date.

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group and Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group and Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements.

KPMG

We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Report on Other Legal and Regulatory Requirements

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

i. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
ii. In our opinion, proper books of account have been kept by the Company, so far as appears from our examination of those books.
iii. The Company's statement of financial position, statement of profit or loss and statement of comprehensive income are in agreement with the books of account.

Signed:

Goodluck C. Obi, FCA
FRC/2012/ICAN/00000000442
For: KPMG Professional Services
Chartered Accountants
28 February 2022
Lagos, Nigeria

Consolidated and separate statements of profit or loss

For the year ended 31 December 2021

		Group		Company	
	Notes	**Year ended 31/12/21 ₦'million**	Year ended 31/12/20 ₦'million	**Year ended 31/12/21 ₦'million**	Year ended 31/12/20 ₦'million
Revenue	5	**1,383,637**	1,034,196	**993,399**	719,945
Production cost of sales	7	**(551,019)**	(437,970)	**(345,225)**	(225,744)
Gross profit		**832,618**	596,226	**648,174**	494,201
Administrative expenses	8	**(64,349)**	(60,339)	**(33,319)**	(32,289)
Selling and distribution expenses	9	**(191,658)**	(153,719)	**(132,285)**	(112,919)
Other income	11	**6,221**	4,754	**1,975**	1,922
Impairment of financial assets	21	**(341)**	(188)	**(402)**	(3,318)
Profit from operating activities		**582,491**	386,734	**484,143**	347,597
Finance income	10.1	**20,765**	29,814	**92,783**	112,031
Finance costs	10.2	**(65,707)**	(43,988)	**(42,501)**	(28,881)
Share of profit from associate	18.3	**817**	750	**—**	—
Profit before tax		**538,366**	373,310	**534,425**	430,747
Income tax expense	14.1	**(173,927)**	(97,242)	**(153,325)**	(78,138)
Profit for the year		**364,439**	276,068	**381,100**	352,609
Profit for the year attributable to:					
Owners of the Company		**361,008**	275,080	**381,100**	352,609
Non-controlling interests		**3,431**	988	**—**	—
		364,439	276,068	**381,100**	352,609
Earnings per share, basic and diluted (Naira)	13	**21.24**	16.14	**22.42**	20.69

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

Consolidated and separate statements of comprehensive income

For the year ended 31 December 2021

	Group		Company	
	Year ended 31/12/21 ₦'million	Year ended 31/12/20 ₦'million	**Year ended 31/12/21 ₦'million**	Year ended 31/12/20 ₦'million
Profit for the year	**364,439**	276,068	**381,100**	352,609
Other comprehensive income, net of income tax:				
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating net investments in foreign operations	**265**	(509)	**—**	—
Other comprehensive loss for the year, net of tax	**265**	(509)	**—**	—
Total comprehensive income for the year	**364,704**	275,559	**381,100**	352,609
Total comprehensive income for the year attributable to:				
Owners of the Company	**361,429**	271,787	**381,100**	352,609
Non-controlling interests	**3,275**	3,772	**—**	—
	364,704	275,559	**381,100**	352,609

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

Consolidated and separate statements of financial position
As at 31 December 2021

	Notes	Group 31/12/21 ₦'million	Group 31/12/20 ₦'million	Company 31/12/21 ₦'million	Company 31/12/20 ₦'million
Assets					
Non-current assets					
Property, plant and equipment	15	**1,472,859**	1,390,687	**554,883**	551,926
Intangible assets	16	**5,122**	4,554	**147**	180
Right-of-use assets	17	**18,566**	12,594	**1,365**	1,164
Investments in subsidiaries	18.2	**—**	—	**162,268**	162,246
Investment in associate	18.3	**6,528**	5,711	**1,582**	1,582
Lease receivables	22	**5,980**	9,846	**5,980**	9,846
Deferred tax assets	14.4	**5,163**	11,708	**—**	—
Prepayments	19.1	**4,759**	37,213	**211**	19,605
Receivables from subsidiaries	31	**—**	—	**968,000**	815,463
Total non-current assets		**1,518,977**	1,472,313	**1,694,436**	1,562,012
Current assets					
Inventories	20	**167,205**	108,270	**88,421**	54,545
Trade and other receivables	21	**47,469**	35,194	**15,798**	14,829
Prepayments and other current assets	19.2	**311,722**	248,561	**504,786**	405,066
Lease receivables	22	**3,752**	5,249	**3,752**	5,249
Current tax assets	14.2	**3,051**	7,029	**2,542**	5,511
Cash and cash equivalents	32.1	**339,843**	145,835	**272,563**	68,848
Total current assets		**873,042**	550,138	**887,862**	554,048
Total assets		**2,392,019**	2,022,451	**2,582,298**	2,116,060
Liabilities					
Current liabilities					
Trade and other payables	25	**371,224**	349,388	**214,411**	140,245
Lease liabilities	33	**2,187**	2,073	**261**	158
Current tax liabilities	14.3	**153,385**	59,781	**146,517**	58,117
Financial liabilities	26	**401,393**	335,011	**315,090**	258,280
Derivatives	26.5	**—**	104	**—**	104
Other current liabilities	27.2	**148,294**	83,460	**161,579**	81,709
Total current liabilities		**1,076,483**	829,817	**837,858**	538,613
Non-current liabilities					
Deferred tax liabilities	14.4	**135,003**	122,980	**126,226**	117,762
Financial liabilities	26	**176,562**	158,908	**147,789**	98,577
Lease liabilities	33	**8,019**	7,772	**110**	130
Provisions	28	**8,428**	8,049	**5,573**	5,049
Deferred revenue	27.1	**636**	374	**298**	—
Employee benefit obligations	29.2	**3,219**	3,581	**2,972**	3,552
Total non-current liabilities		**331,867**	301,664	**282,968**	225,070
Total liabilities		**1,408,350**	1,131,481	**1,120,826**	763,683
Net assets		**983,669**	890,970	**1,461,472**	1,352,377
Equity					
Share capital	23.1	**8,520**	8,520	**8,520**	8,520
Share premium	23.2	**42,430**	42,430	**42,430**	42,430
Treasury shares	23.5	**(9,833)**	(9,833)	**(9,833)**	(9,833)
Capital contribution	23.6	**2,877**	2,877	**2,828**	2,828
Currency translation reserve	23.7	**53,102**	52,681	**—**	—
Retained earnings		**868,274**	779,271	**1,417,527**	1,308,432
Equity attributable to owners of the Company		**965,370**	875,946	**1,461,472**	1,352,377
Non-controlling interest		**18,299**	15,024	**—**	—
Total equity		**983,669**	890,970	**1,461,472**	1,352,377
Total equity and liabilities		**2,392,019**	2,022,451	**2,582,298**	2,116,060

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

These financial statements were approved and authorised for issue by the Board of Directors on 26 February 2022 and were signed on its behalf by:

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

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

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

Consolidated statement of changes in equity

For the year ended 31 December 2021

Group	Share capital ₦'million	Share premium ₦'million	Treasury shares ₦'million	Retained earnings ₦'million	Currency translation reserve ₦'million	Capital contribution ₦'million	Attributable to the owners of the parent ₦'million	Non-controlling Interests ₦'million	Total equity ₦'million
Balance as at 1 January 2020	8,520	42,430	—	776,839	55,974	2,877	886,640	11,297	897,937
Profit for the year	—	—	—	275,080	—	—	275,080	988	276,068
Other comprehensive income for the year, net of tax	—	—	—	—	(3,293)	—	(3,293)	2,784	(509)
Total comprehensive income/(loss) for the year	—	—	—	275,080	(3,293)	—	271,787	3,772	275,559
Dividends	—	—	—	(272,648)	—	—	(272,648)	(45)	(272,693)
Effect of shares buy-back	—	—	(9,833)	—	—	—	(9,833)	—	(9,833)
Balance as at 31 December 2020	8,520	42,430	(9,833)	779,271	52,681	2,877	875,946	15,024	890,970
Balance as at 1 January 2021	**8,520**	**42,430**	**(9,833)**	**779,271**	**52,681**	**2,877**	**875,946**	**15,024**	**890,970**
Profit for the year	**—**	**—**	**—**	**361,008**	**—**	**—**	**361,008**	**3,431**	**364,439**
Other comprehensive income for the year, net of tax	**—**	**—**	**—**	**—**	**421**	**—**	**421**	**(156)**	**265**
Total comprehensive income for the year	**—**	**—**	**—**	**361,008**	**421**	**—**	**361,429**	**3,275**	**364,704**
Dividends	**—**	**—**	**—**	**(272,005)**	**—**	**—**	**(272,005)**	**—**	**(272,005)**
Balance as at 31 December 2021	**8,520**	**42,430**	**(9,833)**	**868,274**	**53,102**	**2,877**	**965,370**	**18,299**	**983,669**

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

Separate statement of changes in equity

For the year ended 31 December 2021

Company	Share capital ₦'million	Share premium ₦'million	Treasury shares ₦'million	Capital contribution ₦'million	Retained earnings ₦'million	Total equity ₦'million
Balance as at 1 January 2020	8,520	42,430	—	2,828	1,228,471	1,282,249
Profit for the year	—	—	—	—	352,609	352,609
Other comprehensive income for the year, net of tax	—	—	—	—	—	—
Total comprehensive income for the year	—	—	—	—	352,609	352,609
Dividends	—	—	—	—	(272,648)	(272,648)
Effect of shares buy-back	—	—	(9,833)	—	—	(9,833)
Balance as at 31 December 2020	8,520	42,430	(9,833)	2,828	1,308,432	1,352,377
Balance as at 1 January 2021	**8,520**	**42,430**	**(9,833)**	**2,828**	**1,308,432**	**1,352,377**
Profit for the year	—	—	—	—	**381,100**	**381,100**
Other comprehensive income for the year, net of tax	—	—	—	—	—	—
Total comprehensive income for the year	—	—	—	—	**381,100**	**381,100**
Dividends	—	—	—	—	**(272,005)**	**(272,005)**
Balance as at 31 December 2021	**8,520**	**42,430**	**(9,833)**	**2,828**	**1,417,527**	**1,461,472**

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

Consolidated and separate statements of cash flows

For the year ended 31 December 2021

	Notes	Group Year ended 31/12/21 ₦'million	Group Year ended 31/12/20 ₦'million	Company Year ended 31/12/21 ₦'million	Company Year ended 31/12/20 ₦'million
Cash flows from operating activities					
Profit before tax		**538,366**	373,310	**534,425**	430,747
Adjustments for:					
Depreciation & amortisation	15, 16 & 17	**100,766**	89,538	**58,720**	54,571
Write-off & impairment of property, plant, equipment and intangible		**1,338**	1,850	**122**	—
Interest expenses	10.2	**56,326**	43,971	**41,925**	28,881
Interest income	10.1	**(20,765)**	(13,183)	**(48,031)**	(41,238)
Net exchange loss/(gain) on borrowings and non-operating assets		**7,924**	(19,229)	**(43,476)**	(72,594)
Change in fair value of derivatives		**(104)**	104	**(104)**	104
Share of income from associate	18.3	**(817)**	(750)	**—**	—
Change in deferred revenue		**227**	(148)	**262**	(119)
Provisions		**379**	4,365	**524**	3,099
Provision for employee benefits obligations		**(362)**	3,581	**(580)**	3,552
Other adjustments		**—**	118	**—**	118
(Gain)/loss on disposal of property, plant and equipment & right-of-use		**(378)**	4	**(359)**	4
		682,900	483,531	**543,428**	407,125
Changes in:					
Inventories		**(60,526)**	3,677	**(33,117)**	9,086
Trade and other receivables		**(11,173)**	(4,775)	**153**	(2,803)
Trade and other payables		**26,846**	51,446	**79,182**	(2,805)
Prepayments and other current assets		**(79,404)**	(51,519)	**(82,922)**	(42,702)
Other current liabilities		**63,404**	43,129	**112,148**	41,415
		622,047	525,489	**618,872**	409,316
Change in lease receivables		**8,070**	7,393	**8,070**	7,393
Income tax paid		**(33,408)**	(20,997)	**(31,196)**	(18,419)
Net cash generated from operating activities		**596,709**	511,885	**595,746**	398,290
Cash flows from investing activities					
Interest received		**11,249**	8,438	**8,281**	5,035
Acquisition of intangible assets	16	**(848)**	(551)	**(31)**	(142)
Additional receivables from subsidiaries		**—**	—	**(164,367)**	(73,136)
Repayment by subsidiaries		**—**	—	**22,852**	10,760
Loan given to parent company		**—**	(70,000)	**—**	(70,000)
Loan repaid by parent company		**20,000**	—	**20,000**	—
Proceeds from disposal of property, plant and equipment		**1,238**	—	**1,218**	—
Acquisition of investment		**—**	—	**(22)**	(25)
Acquisition of property, plant and equipment		**(158,508)**	(210,370)	**(58,158)**	(71,827)
Additions to property, plant and equipment	15	**(185,814)**	(224,005)	**(72,404)**	(57,095)
Change in non-current prepayments		**17,849**	14,452	**4,789**	(13,915)
Net suppliers' credit repaid		**9,457**	(817)	**9,457**	(817)
Net cash used in investing activities		**(126,869)**	(272,483)	**(170,227)**	(199,335)
Cash flows from financing activities					
Interest paid		**(52,558)**	(48,288)	**(42,232)**	(35,339)
Lease payment		**(2,110)**	(1,202)	**(884)**	(585)
Shares buy-back		**(9,833)**	—	**(9,833)**	—
Dividends paid		**(272,005)**	(272,693)	**(272,005)**	(272,648)
Loans obtained		**329,115**	500,786	**312,439**	477,406
Loans repaid		**(324,831)**	(377,861)	**(278,043)**	(354,728)
Net cash used in financing activities		**(332,222)**	(199,258)	**(290,558)**	(185,894)
Increase in cash and cash equivalents		**137,618**	40,144	**134,961**	13,061
Cash and cash equivalents at beginning of year		**141,039**	112,091	**68,848**	55,787
Effects of exchange rate changes		**(15,289)**	(11,196)	**—**	—
Cash and cash equivalents at end of year	32.1	**263,368**	141,039	**203,809**	68,848

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

1. General information

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

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

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

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

The consolidated financial statements for the year ended 31 December 2021 comprise the results and the financial position of the Company and its subsidiaries (together referred to as "the Group" and individually as "Group entities").

The separate financial statements of the Company for the year ended 31 December 2021 comprise those of the Company only.

2. Significant accounting policies

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

2.1 Statement of compliance

The Group and Company's financial statements for the year ended 31 December 2021 have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IASB"), and interpretations issued by the International Financial Reporting Interpretations Committee of the IASB (together "IFRS") that are effective at 31 December 2021 and requirements of the Companies and Allied Matters Act (CAMA), 2020 and the Financial Reporting Council of Nigeria Act, 2011.

2.2 Basis of preparation

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

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

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

2.3 Basis of consolidation

The Group financial statements incorporate the financial statements of the Parent Company and entities controlled by the Company and its subsidiaries made up to 31 December 2021. Control is achieved where the investor: (i) has power over the investee entity, (ii) is exposed, or has rights, to variable returns from the investee entity as a result of its involvement, and (iii) can exercise some power over the investee to affect its returns.

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

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

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

2.3.1 Investments in subsidiaries

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

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

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

2. Significant accounting policies continued

2.3 Basis of consolidation continued

2.3.2 Transactions eliminated on consolidation

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

2.4 Interest in associates

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

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

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

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

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

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

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

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

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

2.5 Non-controlling interest

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

2. Significant accounting policies continued

2.6 Acquisition of entities under common control

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

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

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

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

2.8 Revenue

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

2.8.1 Sale of cement and related products

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

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

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

2.9 Finance income

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

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

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

2.10 Production cost of sales

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

2. Significant accounting policies continued

2.11 Finance costs

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

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

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

2.12 Foreign currency

2.12.1 Functional and presentation currency

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

2.12.2 Foreign currency transactions

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

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

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

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

2.12.3 Foreign operations

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

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

2.13 Property, plant and equipment

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

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

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

2. Significant accounting policies continued

2.13 Property, plant and equipment continued

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefit embodied within the component will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The cost of day to day servicing of the property plant and equipment is recognised in profit or loss as incurred.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

2.13.1 Depreciation

Depreciation is calculated on the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value (except for freehold land and assets under construction). Depreciation is recognised within "Cost of sales" and "Administrative expenses and selling and distribution expenses," depending on the utilisation of the respective assets on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment.

Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term in which case the assets are depreciated over their useful life on the same basis as owned assets. Strategic spare parts with high value and held for commissioning of a new plant or for infrequent maintenance of plants are capitalised and depreciated over the shorter of their useful life and the remaining life of the plant from the date such strategic spare parts are capable of being used for their intended use.

Major overhaul expenditure, including replacement spares and labour costs, is capitalised and amortised over the average expected life between major overhauls. All other replacement spares and other costs relating to maintenance of plant are charged to profit or loss on consumption or as incurred respectively.

	Useful life (years)
Leasehold land improvement	Over the lease period
Buildings	25–50
Plant and machinery	10–25
Power plants	5–25
Cement plants	5–25
Motor vehicles	4–6
Furniture and equipment	5
Computer hardware	3
Aircraft and related components	5–25

The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

2.14 Intangible assets

In accordance with criteria set out in IAS 38 – "Intangible assets", intangible assets are recognised only if identifiable; controlled by the entity because of past events; it is probable that the expected future economic benefits that are attributable to the asset will flow to the Group and the cost of the asset can be measured reliably. Intangible assets primarily include amortisable items such as software, mineral rights, as well as certain development costs that meet the IAS 38 criteria.

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Intangible assets are amortised using the straight-line method over their useful lives ranging from two to seven years. Amortisation expense is recorded in "Cost of sales" and "Selling and distribution expenses" or administrative expenses, based on the function of the underlying assets. The estimated useful lives and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Exploration assets are carried at cost less any impairment losses. All costs, including overhead costs directly associated with the specific project are capitalised. The Directors evaluate each project at each period end to determine if the carrying value should be written off. In determining whether expenditure meets the criteria to be capitalised, the Directors use information from several sources, depending on the level of exploration.

Purchased exploration and evaluation assets are recognised at the cost of acquisition or at the fair value if purchased as part of a business combination.

Exploration assets are amortised over a period of 30 years in line with the estimated lives of the mines.

2. Significant accounting policies continued

2.14 Intangible assets continued

2.14.1 Internally-generated intangible assets – research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred. An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

2.14.2 Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

2.15 Prepayments

Prepayments are non-financial assets which result when payments are made in advance of the receipt of goods and services. They are recognised when the Group expects to receive future economic benefits equivalent to the value of the prepayments. The receipt or consumption of the services results in a reduction in the prepayment and a corresponding increase in expenses or assets for that reporting period.

2.16 Inventories

Inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

Cost is determined as follows:

Raw materials

Raw materials which include purchase cost and other costs incurred to bring the materials to their location and condition are valued using a weighted average cost basis.

Work in progress

Cost of work in progress includes cost of raw material, labour, production and attributable overheads based on normal operating capacity. Work in progress is valued using a weighted average cost basis.

Finished goods

Cost is determined using the weighted average method and includes cost of material, labour, production and attributable overheads based on normal operating capacity.

Spare parts and consumables

Spare parts which are expected to be fully utilised in production within the next operating cycle and other consumables are valued at weighted average cost after making allowance for obsolete and damaged stocks.

Packaging materials

Packaging materials which include purchase cost and other costs incurred to bring the materials to their location and condition are valued using a weighted average cost basis.

2.17 Statement of cash flows

The statement of cash flows shows the changes in cash and cash equivalents arising during the period from operating, investing and financing activities. The Group applies the indirect method for the preparation of the statement of cash flows. Changes in statement of financial position items that have not resulted in cash flows such as translation differences, fair value changes and other non-cash items have been adjusted for the purpose of preparing the statement. Dividends paid to ordinary shareholders are included in financing activities. Interest paid is also included in financing activities while interest income is included in investing activities.

2. Significant accounting policies continued

2.18 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial instruments are recognised in the consolidated and separate statements of financial position when a member of the Group or the Company becomes a party to the contractual obligations of the instrument. Regular way purchases or sales of financial assets, i.e. purchases or sales under a contract whose terms require delivery of the asset within the time frame established generally by regulation or convention in the marketplace concerned, are accounted for at the trade date.

Initially, financial instruments are recognised at their fair value. Transaction costs directly attributable to the acquisition or issue of financial instruments are recognised in determining the carrying amount except for financial instruments at fair value through profit or loss. For financial instruments classified as Fair Value Through Profit or Loss (FVTPL) transaction costs incurred are recognised in profit or loss. Subsequently, financial assets and liabilities are measured according to the category to which they are assigned. The Group does not make use of the option to designate financial assets or financial liabilities at fair value through profit or loss at inception (Fair Value Option).

2.18.1 Financial assets

Classification of financial assets

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Group does not have debt instruments that are measured subsequently at fair value through other comprehensive income (FVTOCI).

Despite the foregoing, the Group may make the following irrevocable election/designation at initial recognition of a financial asset:

- the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met; and
- the Group may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

2.18.2 Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

2.19 Cash and cash equivalents

The Group considers all highly liquid unrestricted investments with less than three months maturity from the date of acquisition to be cash equivalents. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows. Term deposit with tenor of 90 days or less are also included in cash and cash equivalents if they are held for short-term cash commitments rather than for investment or other purposes.

2.20 Trade and other receivables

The fair value of trade and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. This fair value is determined for disclosure purposes. For short-term trade receivables, no disclosure of fair value is presented when the carrying amount is a reasonable approximation of fair value due to the insignificant impact of discounting.

2. Significant accounting policies continued

2.21 Equity instruments designated as at FVTOCI

On initial recognition, the Group may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognised by an acquirer in a business combination.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has evidence of a recent actual pattern of short-term profit-taking; or
- it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the investments revaluation reserve. The cumulative gain or loss is not reclassified to profit or loss on disposal of the equity investments, instead, it is transferred to retained earnings.

Dividends on these investments in equity instruments are recognised in profit or loss in accordance with IFRS 9, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the "finance income" line item (note 10) in profit or loss.

2.22 Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by a member of the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

2.22.1 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs. Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. Equity instruments includes share capital, share premium, currency translation reserve and capital contribution.

2.22.2 Financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at FVTPL.

Financial liabilities measured subsequently at amortised cost:

Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held-for-trading, or (iii) designated as at FVTPL, are measured subsequently at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

2.22.3 Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

2.22.4 Offsetting

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.22.5 Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial assets other than purchased or originated credit-impaired financial assets (i.e. assets that are credit-impaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

2. Significant accounting policies continued

2.22 Financial liabilities and equity instruments continued

2.22.5 Amortised cost and effective interest method continued

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVTOCI. For financial assets other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

For purchased or originated credit-impaired financial assets, the Group recognises interest income by applying the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit-impaired.

Interest income is recognised in profit or loss and is included in the "finance income – interest income" line item (note 10).

2.23 Trade and other payables

Trade and other payables are recognised when the Group becomes a party to the contractual provisions, and are measured, at initial recognition, at fair value plus transaction costs, if any. They are subsequently measured at amortised cost using the effective interest method. The effective interest rate exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability. If trade and other payables contain a significant financing component, and the effective interest method results in the recognition of interest expense, then it is included in profit or loss in finance costs. Trade and other payables expose the Group and Company to liquidity risk and possibly to interest rate risk.

2.24 Impairment

2.24.1 Financial assets

The Group recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost or at FVTOCI, lease receivables, trade receivables and contract assets, as well as on financial guarantee contracts. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument. The Group always recognises lifetime ECL for trade receivables, contract assets and lease receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate. For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to twelve (12)-month ECL. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, twelve (12)-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within twelve (12) months after the reporting date.

(i) Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations.

2. Significant accounting policies continued
2.24 Impairment continued
2.24.1 Financial assets continued
(i) Significant increase in credit risk continued

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk for a particular financial instrument, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor, or the length of time or the extent to which the fair value of a financial asset has been less than its amortised cost;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- significant increases in credit risk on other financial instruments of the same debtor; and
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

(1) the financial instrument has a low risk of default;

(2) the debtor has a strong capacity to meet its contractual cash flow obligations in the near term; and

(3) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Group considers a financial asset to have low credit risk when the asset has external credit rating of "investment grade" in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of "performing". Performing means that the counterparty has a strong financial position and there is no past due amounts.

For financial guarantee contracts, the date that the Group becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing the financial instrument for impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition of a financial guarantee contracts, the Group considers the changes in the risk that the specified debtor will default on the contract.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

(ii) Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the debtor; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collateral held by the Group).

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

2. Significant accounting policies continued

2.24 Impairment continued

2.24.1 Financial assets continued

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

(a) significant financial difficulty of the issuer or the borrower;

(b) a breach of contract, such as a default or past due event (see (ii) above);

(c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;

(d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or

(e) the disappearance of an active market for that financial asset because of financial difficulties.

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner unless in case where there is sufficient security. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

(v) Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Group's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate. For a lease receivable, the cash flows used for determining the expected credit losses is consistent with the cash flows used in measuring the lease receivable in accordance with IFRS 16 Leases.

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to twelve (12)-month ECL at the current reporting date, except for assets for which simplified approach was used.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognised in other comprehensive income and accumulated in the investment revaluation reserve.

2.24.2 Non-financial assets

The carrying amounts of the Group's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. For intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated at each reporting date.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses are reversed when there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. A reversal of an impairment loss is recognised immediately in the Profit or loss.

2.25 Measurement of fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability that market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated and separate financial statements is determined on such a basis, except for leasing transactions that are within the scope of IFRS 16, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 or value in use in IAS 36.

2. Significant accounting policies continued

2.25 Measurement of fair value continued

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. Further information about the assumptions made in measuring fair values is included in the following notes: If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

2.25.1 Derivative financial assets and liabilities fair value

Derivatives are initially measured at fair value; any directly attributable transaction costs are recognised in profit or loss as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in profit or loss.

2.26 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

2.26.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in profit or loss because of items of income or expense that are taxable or deductible in future years and items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period. Current tax assets and liabilities are offset only if certain criteria are met.

2.26.2 Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Deferred tax is not recognised for the following temporary differences: (i) the initial recognition of goodwill, (ii) the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and (iii) differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax assets and liabilities are offset only if certain criteria are met.

2.26.3 Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

2. Significant accounting policies continued

2.27 Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates. The total of the government grant is recognised as deferred revenue on the statement of financial position and is recognised in profit or loss over the period the related expenditure is incurred.

Export Expansion Grant (EEG) is recognised upon confirmation of the Group's eligibility by the relevant government departments.

2.28 Employee benefits

2.28.1 Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided by the employee. This includes wages, salaries, bonuses, paid annual leave, sick leave and other contributions. Except when they qualify for capitalisation, these benefits are expensed in the period in which the associated services are rendered by employees of the Group. A liability is recognised for the amount that is expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

2.28.2 Defined contribution plans

The Group operates a defined contribution retirement benefit scheme for its employees. A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The assets of this scheme are held in separate trustee administered funds, which are funded by contributions from both the employee and the Group. Except when they qualify for capitalisation, obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

2.28.3 Defined benefit plans

The Group operates defined benefit plans for certain qualifying employees. Defined benefit plans define an amount of pension benefit that an employee will receive on retirement, dependent on, years of service and compensation. The liability recognised in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by using actuarial methods of projected unit credit. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation. Where there is no deep market in such bonds, the market rates on government bonds are used. The estimated cost of providing such benefits is charged to the statement of profit or loss on a systematic basis over the employees' working lives. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions (remeasurements) are recognised in other comprehensive income in the period in which they arise and accumulated in retained earnings. Current service cost is included as part of administrative expense and interest cost is included as part of finance cost in the profit or loss.

2.28.4 Other long-term employee benefits (Long service award)

The Group provides employees with Long service award benefits. The benefits are gift items, ex-gratia (expressed as a multiple of monthly basic salary), a plaque and certificate. The liability recognised in respect of these awards is computed using actuarial methods (discounted at present value). Any resulting remeasurement gain/loss is recognised in full within other income/administrative expense in the profit or loss. Current service cost is included as part of administrative expense and interest cost is included as part of finance cost in the profit or loss.

2.28.5 Termination benefit

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring. Benefits are expected to be settled wholly within twelve (12) months of the reporting date.

2. Significant accounting policies continued

2.29 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

2.29.1 Restoration costs

Environmental expenditure related to existing conditions resulting from past or current operations and from which no current or future benefit is discernible is charged to profit or loss. The Group recognises its liability on a site-by-site basis when it can be reliably estimated. This liability includes the Group's portion of the total costs and also a portion of other potentially responsible parties' costs when it is probable that they will not be able to satisfy their respective shares of the clean-up obligation. Recoveries of reimbursements are recorded as assets when virtually certain.

The Group has an obligation to restore quarry sites due to the mining activities in those areas. The provision for the site restoration is determined based on the disturbed areas and is measured at the present value of the expected future cash flows that will be required to perform the site restoration. The estimated future costs for known restoration requirements are determined on a site-by-site basis. The cash flows are discounted at a pre-tax rate that reflects the current market assessments of the time value of money and the risk specific to the site restoration liability. The unwinding of the discount is expensed as incurred and recognised in the statement of profit or loss as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs, timing of future cash flows, or in the discount rate applied, are accounted for in the profit or loss at each statement of financial position date.

2.30 Contingencies

Contingent liabilities are not recognised in the consolidated and separate statements of financial position but are disclosed unless the possibility of any outflow in settlement is remote. A contingent asset is not recognised in the consolidated statement of financial position but disclosed when an inflow of economic benefits is probable.

2.31 Earnings per share

The Group presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of shares outstanding during the period. The weighted average number of ordinary shares outstanding during the period and for all periods presented is adjusted for the issue of bonus shares as if the bonus shares were outstanding at the beginning of earliest period presented.

Diluted earnings per share are computed by dividing adjusted net income available to shareholders of the Company by the weighted average number of common shares outstanding during the year adjusted to include any dilutive potential common shares. The Group does not have any dilutive instruments.

2.32 Leases

Leases – as a lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of twelve (12) months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

2. Significant accounting policies continued

2.32 Leases continued

Leases – as a lessee continued

The lease liability is presented as a separate line in the consolidated and separate statements of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the consolidated statement of financial position.

The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has not used this practical expedient. For a contracts that contain a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

Leases – as a lessor

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

When a contract includes both lease and non-lease components, the Group applies IFRS 15 to allocate the consideration under the contract to each component.

3. Application of new and revised International Financial Reporting Standards (IFRSs)

3.1 New and revised IFRSs/IFRICs affecting amounts reported and/or disclosures in these financial statements

In the current year, the Group has applied a number of amendments to IFRSs issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting periods that begin on or after 1 January 2021.

Impact of the initial application of Interest Rate Benchmark Reform amendments to IFRS 9 and IFRS 7

In the current year, the Group adopted the Phase 2 amendments Interest Rate Benchmark Reform – Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16. Adopting these amendments enables the Group to reflect the effects of transitioning from interbank offered rates (IBOR) to alternative benchmark interest rates (also referred to as "risk-free rates" or RFRs without giving rise to accounting impacts that would not provide useful information to users of financial statements.

Both the Phase 1 and Phase 2 amendments did not have a material impact on the Group financial statements because the Group does not apply hedge accounting to its interest rate benchmark exposures and there are no material assets and liabilities carried at fair value.

3.2 New and revised IFRSs in issue but not yet effective

IFRS 17 (including the June 2020 amendments to IFRS 17)	Insurance Contracts
IFRS 10 and IAS 28 (amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
Amendments to IAS 1	Classification of Liabilities as Current or Non-current
Amendments to IFRS 3	Reference to the Conceptual Framework
Amendments to IAS 16	Property, Plant and Equipment – Proceeds before Intended Use
Amendments to IAS 37	Onerous Contracts – Cost of Fulfilling a Contract
Annual Improvements to IFRS Standards 2018-2020 Cycle	Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IFRS 16 Leases, and IAS 41 Agriculture
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to IAS 8	Definition of Accounting Estimates
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction

IFRS 17 Insurance Contracts

The new Standard establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes IFRS 4 Insurance Contracts. The Standard outlines a General Model, which is modified for insurance contracts with direct participation features, described as the Variable Fee Approach. The General Model is simplified if certain criteria are met by measuring the liability for remaining coverage using the Premium Allocation Approach. The General Model will use current assumptions to estimate the amount, timing and uncertainty of future cash flows and it will explicitly measure the cost of that uncertainty, it takes into account market interest rates and the impact of policyholders' options and guarantees.

The implementation of the Standard is unlikely to bring significant changes entity's processes, systems and financial statements as the Group does not hold insurance contracts.

The Standard is effective for annual reporting periods beginning on or after 1 January 2023, with early application permitted.

IFRS 10 Consolidated Financial Statements and IAS 28 (amendments) Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture. The effective date of the amendments has yet to be set by the IASB; however, earlier application of the amendments is permitted. The Directors of the Company anticipate that the application of these amendments may have an impact on the Group's consolidated financial statements in future periods should such transactions arise.

Amendments to IAS 1 – Classification of Liabilities as Current or Non-current

The amendments to IAS 1 affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of "settlement" to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

The amendments are applied retrospectively for annual periods beginning on or after 1 January 2023, with early application permitted. This is not expected to have a material impact on the Group financial statements.

3 Application of new and revised International Financial Reporting Standards (IFRSs) continued

3.2 New and revised IFRSs in issue but not yet effective continued

Amendments to IFRS 3 – Reference to the Conceptual Framework

The amendments update IFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework. They also add to IFRS 3 a requirement that, for obligations within the scope of IAS 37, an acquirer applies IAS 37 to determine whether at the acquisition date a present obligation exists as a result of past events. For a levy that would be within the scope of IFRIC 21 Levies, the acquirer applies IFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date.

Finally, the amendments add an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination.

The amendments are effective for business combinations for which the date of acquisition is on or after the beginning of the first annual period beginning on or after 1 January 2022. Early application is permitted if an entity also applies all other updated references (published together with the updated Conceptual Framework) at the same time or earlier. This may have an impact on the Group financial statements if such transactions occur in future.

Amendments to IAS 16 – Property, Plant and Equipment – Proceeds before Intended Use

The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced before that asset is available for use, i.e. proceeds while bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Consequently, an entity recognises such sales proceeds and related costs in profit or loss. The entity measures the cost of those items in accordance with IAS 2 Inventories.

The amendments also clarify the meaning of "testing whether an asset is functioning properly" IAS 16 now specifies this as assessing whether the technical and physical performance of the asset is such that it is capable of being used in the production or supply of goods or services, for rental to others, or for administrative purposes.

If not presented separately in the statement of comprehensive income, the financial statements shall disclose the amounts of proceeds and cost included in profit or loss that relate to items produced that are not an output of the entity's ordinary activities, and which line item(s) in the statement of comprehensive income include(s) such proceeds and cost.

The amendments are applied retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments.

The entity shall recognise the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented. The Directors anticipate that the amendment will have an impact of the financial statements if such transactions occur. The amendments are effective for annual periods beginning on or after 1 January 2022, with early application permitted.

Amendments to IAS 37 – Onerous Contracts – Cost of Fulfilling a Contract

The amendments specify that the 'cost of fulfilling' a contract comprises the "costs that relate directly to the contract". Costs that relate directly to a contract consist of both the incremental costs of fulfilling that contract (examples would be direct labour or materials) and an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

The amendments apply to contracts for which the entity has not yet fulfilled all its obligations at the beginning of the annual reporting period in which the entity first applies the amendments. Comparatives are not restated. Instead, the entity shall recognise the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application.

The amendments are effective for annual periods beginning on or after 1 January 2022, with early application permitted. The Directors anticipate that the amendment will have an impact on the financial statements if such transactions occur.

Annual Improvements to IFRS Standards 2018–2020 (the Annual Improvements include amendments to four Standards)

IFRS 1 First-time Adoption of International Financial Reporting Standards

The amendment provides additional relief to a subsidiary which becomes a first-time adopter later than its parent in respect of accounting for cumulative translation differences. As a result of the amendment, a subsidiary that uses the exemption in IFRS 1:D16(a) can now also elect to measure cumulative translation differences for all foreign operations at the carrying amount that would be included in the parent's consolidated financial statements, based on the parent's date of transition to IFRS Standards, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. A similar election is available to an associate or joint venture that uses the exemption in IFRS 1:D16(a). The amendment is effective for annual periods beginning on or after 1 January 2022, with early application permitted.

IFRS 9 Financial Instruments

The amendment clarifies that in applying the "10 per cent" test to assess whether to derecognise a financial liability, an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf. The amendment is applied prospectively to modifications and exchanges that occur on or after the date the entity first applies the amendment. The amendment is effective for annual periods beginning on or after 1 January 2022, with early application permitted.

3. Application of new and revised International Financial Reporting Standards (IFRSs) continued

3.2 New and revised IFRSs in issue but not yet effective continued

Annual Improvements to IFRS Standards 2018–2020 (The Annual Improvements include amendments to four Standards) continued

IFRS 16 Leases

The amendment removes the illustration of the reimbursement of leasehold improvements. As the amendment to IFRS 16 only regards an illustrative example, no effective date is stated.

IAS 41 Agriculture

The amendment removes the requirement in IAS 41 for entities to exclude cash flows for taxation when measuring fair value. This aligns the fair value measurement in IAS 41 with the requirements of IFRS 13 Fair Value Measurement to use internally consistent cash flows and discount rates and enables preparers to determine whether to use pre-tax or post-tax cash flows and discount rates for the most appropriate fair value measurement.

The amendment is applied prospectively, i.e. for fair value measurements on or after the date an entity initially applies the amendment. The amendment is effective for annual reporting periods beginning on or after 1 January 2022, with earlier application permitted.

These amendments are not expected to have a material impact on the Group financial statements.

Amendments to IAS 1 – Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements – Disclosure of Accounting Policies

The amendments change the requirements in IAS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term "significant accounting policies" with "material accounting policy information". Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The supporting paragraphs in IAS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material.

The Board has also developed guidance and examples to explain and demonstrate the application of the "four-step materiality process" described in IFRS Practice Statement 2.

The amendments to IAS 1 are effective for annual periods beginning on or after 1 January 2023, with earlier application permitted and are applied prospectively. The amendments to IFRS Practice Statement 2 do not contain an effective date or transition requirements.

These amendments are not expected to have a material impact on the Group financial statements.

Amendments to IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimate

The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty".

The definition of a change in accounting estimates was deleted. However, the Board retained the concept of changes in accounting estimates in the Standard with the following clarifications:

- a change in accounting estimate that results from new information or new developments is not the correction of an error; and
- the effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors.

The amendments are effective for annual periods beginning on or after 1 January 2023 to changes in accounting policies and changes in accounting estimates that occur on or after the beginning of that period, with earlier application permitted.

The Directors anticipate that the amendment will have an impact of the financial statements if such changes in accounting estimates and errors occur.

Amendments to IAS 12 – Income Taxes – Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction

The amendments introduce a further exception from the initial recognition exemption. Under the amendments, an entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences.

Depending on the applicable tax law, equal taxable and deductible temporary differences may arise on initial recognition of an asset and liability in a transaction that is not a business combination and affects neither accounting nor taxable profit. For example, this may arise upon recognition of a lease liability and the corresponding right-of-use asset applying IFRS 16 at the commencement date of a lease.

Following the amendments to IAS 12, an entity is required to recognise the related deferred tax asset and liability, with the recognition of any deferred tax asset being subject to the recoverability criteria in IAS 12.

3. Application of new and revised International Financial Reporting Standards (IFRSs) continued

3.2 New and revised IFRSs in issue but not yet effective continued

Amendments to IAS 12 Income Taxes—Deferred Tax related to Assets and Liabilities arising from a Single Transaction continued

The amendments apply to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period an entity recognises:

- a deferred tax asset (to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised) and a deferred tax liability for all deductible and taxable temporary differences associated with:
  - right-of-use assets and lease liabilities; and
  - decommissioning, restoration and similar liabilities and the corresponding amounts recognised as part of the cost of the related asset; and
- the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at that date.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023, with earlier application permitted.

The Directors anticipate that the amendment will have an impact on the financial statements if such transactions occur.

4. Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The management of the Group revises its estimates and assumptions on a regular basis to ensure that they are relevant regarding the past experience and the current economic and political environment. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. The accounting for certain provisions, certain financial instruments and the disclosure of financial assets, contingent assets and liabilities at the date of the consolidated and separate financial statements is judgemental. The items, subject to judgement, are detailed in the corresponding notes to the consolidated and separate financial statements.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are discussed below:

4.1 Critical accounting judgements

4.1.1 Provisions and contingencies

The Group makes judgements in recognition and measurement of provisions and contingencies especially relating to key assumptions about the likelihood and magnitude of an outflow of resources. See note 35.

4.2 Key sources of estimation uncertainty

4.2.1 Impairment of property, plant and equipment

Assumptions underlying the estimation of value in use in respect of cash-generating units for impairment testing purposes require the use of estimates such as long-term discount rates and growth rates.

4.2.2 Provision for site restoration

Where the Group is legally, contractually or constructively required to restore a site, the estimated costs of site restoration are accrued for at the present value of expected costs to settle the obligation using estimated cash flows and are recognised. The unwinding of the discount is expensed as incurred and recognised in the statement of profit or loss as a finance cost. The estimated future costs of site restoration are reviewed annually and adjusted as appropriate. The estimated future costs for known restoration requirements are determined on a site-by-site basis and are calculated based on the present value of future activities. See further details in Note 28.

4.2.3 Uncertain tax treatments

Significant estimates are required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

4.2.4 Measurement of ECL allowance

The Group assesses its trade receivables for impairment at the end of each reporting period. In determining whether an impairment should be recorded in profit or loss, the Group makes significant assumptions in line with the expected credit loss model of IFRS 9 in determining the weighted average loss rate. See further details in Note 21.

4. Critical accounting judgements and key sources of estimation uncertainty continued

4.2 Key sources of estimation uncertainty continued

4.2.5 Employee benefit obligations

The cost of the defined benefit plans and the present value of retirement benefit obligations and long service awards are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and changes in inflation rates. Due to the complexities involved in the valuation and its long-term nature, these obligations are highly sensitive to changes in assumptions. All assumptions are reviewed at each reporting date. The parameter most subject to change is the discount rate. In determining the appropriate discount rate, management considers market yield on federal government bond in currencies consistent with the currencies of the post-employment benefit obligation and extrapolated as needed along the yield curve to correspond with the expected term of the defined benefit obligation. Further information is provided in Note 29.

4.2.6 Impairment of investment in subsidiaries

Management estimates the recoverable amount of the Investment in subsidiaries by assessing the value in use. Estimating the recoverable amount involves a number of assumptions, judgements and estimates regarding various inputs.

4.2.7 Deferred tax asset

Recognition of deferred tax asset: assumptions about the availability of future taxable profit against which tax losses carried forward can be utilised.

5. Revenue

5.1 Volumes

	Group		Company	
	2021 '000 tonnes	2020 '000 tonnes	**2021 '000 tonnes**	2020 '000 tonnes
Cement production and bagging capacity (for the year)	**51,550**	48,550	**29,250**	29,250
Production volume*	**28,516**	24,730	**16,832**	15,529
Trade cement purchase*	**600**	658	**1,557**	460
Decrease/(increase) in stocks**	**155**	332	**223**	(53)
Sales volume*	**29,271**	25,720	**18,612**	15,936

* Includes both cement and clinker volumes.

** Decrease/(increase) in stocks refers to the difference between the opening and closing stocks for the year.

5.2 Revenue from contracts with customers

	Group		Company	
	Year ended 31/12/2021 ₦'million	Year ended 31/12/2020 ₦'million	**Year ended 31/12/2021 ₦'million**	Year ended 31/12/2020 ₦'million
Revenue from sales of cement and clinker	**1,383,635**	1,032,594	**993,399**	719,945
Revenue from sales of other products	**2**	1,602	**—**	—
	1,383,637	1,034,196	**993,399**	719,945

Group revenue after adjusting intra-group sales as shown above are from external customers.

5.3 Information about major customers

Included in revenue arising from direct sales of cement of ₦1,383.6 billion (2020: ₦1,032.6 billion) is revenue of approximately ₦40.0 billion (2020: ₦34.3 billion) which arose from sales to the Group's largest customer.

No single customer contributed 10% or more to the Group's revenue for both 2021 and 2020 financial years.

5.4 Disaggregation of revenue from contracts with customers

The table below shows the revenue from contracts with customers is disaggregated by domestic sales vis-à-vis export sales. It also shows a reconciliation of the disaggregated revenue with the Group's reportable segments.

	Nigeria		Pan Africa		Total	
	Year ended 31/12/2021 ₦'million	Year ended 31/12/2020 ₦'million	**Year ended 31/12/2021 ₦'million**	Year ended 31/12/2020 ₦'million	**Year ended 31/12/2021 ₦'million**	Year ended 31/12/2020 ₦'million
Domestic sales	**956,960**	709,086	**369,259**	298,902	**1,326,219**	1,007,988
Export sales	**36,439**	10,859	**28,070**	19,779	**64,509**	30,638
	993,399	719,945	**397,329**	318,681	**1,390,728**	1,038,626
Inter-segment sales	**—**	—	**—**	—	**(7,091)**	(4,430)
	993,399	719,945	**397,329**	318,681	**1,383,637**	1,034,196

6. Segment information

6.1 Products and services from which reportable segments derive their revenue

The Executive Management Committee is the Company's Chief Operating Decision Maker. Management has determined operating segments based on the information reported and reviewed by the Executive Management Committee for the purposes of allocating resources and assessing performance. The Executive Management Committee reviews internal management reports on at least a quarterly basis. These internal reports are prepared on the same basis as the accompanying consolidated and separate financial statements.

Segment information is presented in respect of the Group's reportable segments. For management purposes, the Group is organised into business units by geographical areas in which the Company operates. The Group has two (2) reportable segments based on location of the principal operations as follows:

- Nigeria (includes Company and all subsidiaries operating in Nigeria. See Note 18.1); and
- Pan Africa (includes entities operating outside Nigeria. See Note 18.1).

6.2 Segment revenue and results

The following is an analysis of the Group's revenue, results, assets and liabilities by reportable segment. Performance is measured based on segment sales revenue, earnings before interest, tax, depreciation and amortisation (EBITDA) and profit from operating activities, as included in the internal management reports that are reviewed by the Executive Management Committee. Segment revenue and operating profit are used to measure performance as management believes that such information is the most relevant in evaluating results of certain segments relative to other entities that operate within the industry.

	For the year ended 31 December 2021				
Segment results	**Nigeria ₦'million**	**Pan Africa ₦'million**	**Central administrative costs ₦'million**	**Eliminations ₦'million**	**Total ₦'million**
Revenue	993,399	397,329	—	(7,091)	1,383,637
EBITDA*	610,196	88,830	(15,420)	989	684,595
Depreciation, amortisation, write-off and impairment	65,221	38,558	—	(1,675)	102,104
Other income	1,376	4,845	—	—	6,221
Profit from operating activities	544,975	50,272	(15,420)	2,664	582,491
Finance income	92,785	36,420	—	(108,440)	20,765
Finance costs	44,688	97,260	—	(76,241)	65,707
Income tax expense	153,912	20,015	—	—	173,927
Profit/(loss) after tax	439,160	(30,583)	(15,420)	(28,718)	364,439
Segment assets and liabilities					
Non-current assets	1,942,858	698,042	—	(1,121,923)	1,518,977
Current assets	892,475	230,926	—	(250,359)	873,042
Total assets	2,835,333	928,968	—	(1,372,282)	2,392,019
Segment liabilities	1,153,211	1,256,375	—	(1,001,236)	1,408,350
Net additions to non-current assets, excluding deferred tax	153,232	14,919	—	(114,942)	53,209

* Represents earnings before interest, taxes, share of profit from associate, depreciation, amortisation and impairment.

	For the year ended 31 December 2020				
Segment results	Nigeria ₦'million	Pan Africa ₦'million	Central administrative costs ₦'million	Eliminations ₦'million	Total ₦'million
Revenue	719,945	318,681	—	(4,430)	1,034,196
EBITDA*	421,417	71,313	(17,000)	2,392	478,122
Depreciation, amortisation, write-off and impairment	54,605	36,803	—	(20)	91,388
Other income	1,922	2,832	—	—	4,754
Profit from operating activities	366,812	34,510	(17,000)	2,412	386,734
Finance income	111,134	25,112	—	(106,432)	29,814
Finance costs	29,490	121,638	—	(107,140)	43,988
Income tax expense	78,138	19,104	—	—	97,242
Profit/(loss) after tax	370,317	(81,120)	(17,000)	3,871	276,068
Segment assets and liabilities					
Non-current assets	1,789,626	689,668	—	(1,006,981)	1,472,313
Current assets	565,909	210,812	—	(226,583)	550,138
Total assets	2,355,535	900,480	—	(1,233,564)	2,022,451
Segment liabilities	1,004,656	1,168,038	—	(1,041,213)	1,131,481
Net additions to non-current assets, excluding deferred tax	282,238	45,219	—	(156,699)	170,758

* Represents earnings before interest, taxes, share of profit from associate, depreciation, amortisation and impairment.

6. Segment information continued

6.2 Segment revenue and results continued

The accounting policies of the reportable segments are the same as the Group's accounting policies described in Note 2. Each segment bears its administrative costs and there are no allocations from central administration. This is the measure reported to the Chief Operating Decision Maker for the purposes of resource allocation and assessment of segment performance. Group financing (including finance income and finance costs) and income taxes are managed at an individual company level.

A reconciliation of Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) is presented below:

	Year ended 31/12/2021 ₦'million	Year ended 31/12/2020 ₦'million
EBITDA	684,595	478,122
Depreciation and amortisation, write-off and impairment	(102,104)	(91,388)
Profit from operating activities	582,491	386,734
Finance income	20,765	29,814
Finance costs	(65,707)	(43,988)
Share of profit from associate	817	750
Profit before tax	538,366	373,310
Income tax expense	(173,927)	(97,242)
Profit after tax	**364,439**	276,068

Non current assets by country excluding deferred tax

	2021 ₦'million	2020 ₦'million
Nigeria	1,942,858	1,789,626
South Africa	68,973	71,951
Senegal	90,417	92,694
Zambia	58,107	45,000
Ethiopia	52,322	62,256
Tanzania	183,649	169,836
Congo	93,332	102,711
Cameroon	45,937	49,018
Ghana	18,507	15,855
Sierra Leone	14,017	15,472
Côte d'Ivoire	63,715	49,393
Significant revenue by country (external customers)		
Nigeria	986,308	715,515
Ghana	16,847	16,942
South Africa	69,122	52,698
Ethiopia	67,189	58,066
Zambia	31,798	26,149
Tanzania	63,656	37,885
Senegal	51,267	46,933
Cameroon	68,550	57,270
Sierra Leone	10,946	10,298
Congo	17,954	12,440

Revenues are attributed to individual countries based on the geographical location of where the cement and clinker originated.

6.3 Eliminations and adjustments

Elimination and Adjustments relate to the following:

- Profit/(loss) after tax of ₦28.7 billion (2020: ₦3.9 billion) is due to elimination of interest on inter-company loan, trading activities and exchange differences reclassified to other comprehensive income.
- Non-current assets of ₦1,121.9 billion (2020: ₦1,007 billion) is due to the elimination of investment in subsidiaries with the parent's share of their equity and non current inter-company payable and receivable balances.
- Current assets of ₦250.4 billion (2020: ₦226.6 billion) is due to the elimination of current inter-company payable and receivable balances.
- Total liabilities of ₦1,001.2 billion (2020: ₦1,041.2 billion) are due to the elimination of inter-company due to and due from subsidiaries.
- Finance income of ₦108.4 billion (2020: ₦106.4 billion) and finance cost of ₦76.2 billion (2020: ₦107.1 billion) is due to the elimination of interest on inter-company loan and exchange differences reclassified to other comprehensive income.
- Revenue of ₦7.1 billion (2020: ₦4.4 billion) represents sales by the Nigeria region to the Pan Africa regions.

In addition to the depreciation and amortisation reported above, a sum of ₦1.3 billion (2020: ₦1.8 billion) in the financial statements represents write-off in respect of property, plant and equipment in Pan Africa.

7. Production cost of sales

	Group		Company	
	Year ended 31/12/2021 ₦'million	Year ended 31/12/2020 ₦'million	Year ended 31/12/2021 ₦'million	Year ended 31/12/2020 ₦'million
Material consumed	**175,367**	134,910	**139,129**	51,070
Fuel & power consumed	**196,634**	146,342	**113,953**	85,611
Royalty*	**1,667**	1,270	**791**	636
Salaries and related staff costs	**38,701**	37,020	**19,843**	21,038
Depreciation & amortisation	**75,954**	64,946	**41,207**	38,387
Plant maintenance	**42,203**	30,706	**22,148**	16,867
Other production expenses	**25,589**	15,670	**7,816**	7,406
(Increase)/decrease in finished goods and work in progress	**(5,096)**	7,106	**338**	4,729
	551,019	437,970	**345,225**	225,744

* Royalty payable is charged based on volume of extraction made during the year.

8. Administrative expenses

	Group		Company	
	Year ended 31/12/2021 ₦'million	Year ended 31/12/2020 ₦'million	Year ended 31/12/2021 ₦'million	Year ended 31/12/2020 ₦'million
Salaries and related staff costs	**15,933**	16,086	**7,963**	9,920
Corporate social responsibility	**3,534**	3,793	**2,149**	3,381
Management fee (refer to (a) below)	**5,413**	5,311	**5,413**	5,311
Depreciation and amortisation	**6,672**	6,235	**2,547**	2,369
Auditors' remuneration (refer to (b) below)	**697**	695	**388**	420
Directors' remuneration	**1,409**	1,491	**1,391**	1,478
Rent, rate and insurance	**6,804**	5,211	**2,382**	2,379
Repairs and maintenance	**1,467**	1,372	**1,045**	1,025
Travel expenses	**5,759**	2,107	**4,182**	993
Bank charges	**3,281**	2,296	**1,158**	943
Professional and consultancy fees	**2,286**	2,878	**944**	1,342
Security expenses	**2,203**	2,015	**739**	908
Janitorial and Office Cleaning	**897**	1,064	**808**	699
General administrative expenses	**4,083**	3,097	**588**	629
Others	**2,573**	3,861	**1,500**	492
Impairment of non-financial assets	**1,338**	2,827	**122**	—
	64,349	60,339	**33,319**	32,289

(a) The management fee is charged by Dangote Industries Limited for management and corporate services provided to Dangote Cement Plc. It is an apportionment of DIL shared-service cost to DCP plus mark-up.

(b) Auditors' remuneration is detailed in the table below:

	Group		Company	
	Year ended 31/12/2021 ₦'million	Year ended 31/12/2020 ₦'million	Year ended 31/12/2021 ₦'million	Year ended 31/12/2020 ₦'million
Audit fees	**652**	524	**361**	249
Non-audit fees:				
Audit related services*	**45**	8	**27**	8
Technical support services	**—**	113	**—**	113
Regulatory compliance and advisory services	**—**	50	**—**	50
	697	695	**388**	420

* Included in audit related services are fees for limited quarterly review and certification of financial information.

Other employee related disclosures

	Group		Company	
	Year ended 31/12/2021 ₦'million	Year ended 31/12/2020 ₦'million	Year ended 31/12/2021 ₦'million	Year ended 31/12/2020 ₦'million
Aggregate payroll costs:				
Wages, salaries and staff welfare	**68,401**	66,496	**37,977**	40,509
Pension costs	**3,546**	3,073	**1,372**	1,251
Employee benefits obligation	**877**	2,683	**614**	2,655
	72,824	72,252	**39,963**	44,415

8. Administrative expenses continued
Other employee related disclosures continued

	Group		Company	
	2021 Number	2020 Number	**2021 Number**	2020 Number
Full time employees remunerated at higher rate excluding allowances:				
Up to ₦250,000	**299**	5,965	**53**	5,331
₦250,001 – ₦500,000	**7,107**	2,662	**6,918**	2,372
₦500,001 – ₦750,000	**4,604**	1,042	**4,332**	935
₦750,001 – ₦1,000,000	**1,569**	2,844	**1,391**	2,754
₦1,000,001 – ₦1,250,000	**1,361**	518	**1,223**	424
₦1,250,001 – ₦1,500,000	**516**	273	**426**	230
₦1,500,001 – ₦2,000,000	**475**	376	**359**	315
₦2,000,001 and above	**1,816**	1,798	**514**	408
	17,747	15,478	**15,216**	12,769

The average number of full time employees employed during the year excluding Directors was as follows:

	Group		Company	
	Number	Number	**Number**	Number
Management	**826**	576	**604**	362
Non-management	**15,874**	15,623	**13,565**	13,125
	16,700	16,199	**14,169**	13,487

Chairman's and Directors' remuneration

	Group		Company	
	Year ended 31/12/2021 ₦'million	Year ended 31/12/2020 ₦'million	**Year ended 31/12/2021 ₦'million**	Year ended 31/12/2020 ₦'million
Directors' remuneration comprises:				
Emoluments	**1,409**	1,491	**1,391**	1,478
	1,409	1,491	**1,391**	1,478
Chairman	**44**	49	**44**	49
Highest paid Director	**531**	448	**531**	448

Number of Directors whose emoluments were within the following ranges:

₦-₦	**2021 Number**	2020 Number	**2021 Number**	2020 Number
1 – 20,000,000	**1**	3	**1**	3
Above 20,000,000	**15**	13	**15**	13
	16	16	**16**	16

9. Selling and distribution expenses

	Group		Company	
	Year ended 31/12/2021 ₦'million	Year ended 31/12/2020 ₦'million	**Year ended 31/12/2021 ₦'million**	Year ended 31/12/2020 ₦'million
Salaries and related staff costs	**18,190**	19,146	**12,157**	13,457
Depreciation	**18,140**	18,357	**14,966**	13,815
Advertisement and promotion	**3,206**	12,178	**2,637**	11,187
Haulage expenses	**147,495**	98,954	**98,540**	69,757
Others	**4,627**	5,084	**3,985**	4,703
	191,658	153,719	**132,285**	112,919

10. Finance income and finance costs

	Group		Company	
	Year ended 31/12/2021 ₦'million	Year ended 31/12/2020 ₦'million	**Year ended 31/12/2021 ₦'million**	Year ended 31/12/2020 ₦'million
10.1 Finance income:				
Interest income	**20,765**	13,183	**48,031**	41,238
Others – foreign exchange gain	**—**	16,631	**44,752**	70,793
	20,765	29,814	**92,783**	112,031
10.2 Finance costs				
Finance costs:				
Interest expenses*	**57,173**	46,002	**42,265**	29,888
Less: amounts included in the cost of qualifying assets (Note 15)	**(847)**	(2,031)	**(340)**	(1,007)
	56,326	43,971	**41,925**	28,881
Foreign exchange loss	**8,766**	—	**—**	—
Other finance costs	**615**	17	**576**	—
	65,707	43,988	**42,501**	28,881

* The average effective interest rate on funds borrowed generally is 10.75% and 11.3% per annum for Group and Company respectively. (2020: 9.67% per annum for Group and 8.52% per annum for Company).

All interest income and interest costs are from financial instrument measured at amortised cost.

The schedule below shows the exchange rates presented in one unit of foreign currency to Naira for the significant currencies used in the Group:

	2021		2020	
	Average rate	**Year-end rate**	Average rate	Year-end rate
Currency				
South African Rand to Naira	**25.9000**	**26.9558**	21.9525	26.0800
Central Africa Franc to Naira	**0.7393**	**0.7353**	0.6734	0.7468
Ethiopian Birr to Naira	**9.1935**	**8.4522**	10.9592	10.0171
Zambian Kwacha to Naira	**21.2745**	**25.4826**	20.8126	18.9371
Tanzanian Shilling to Naira	**0.1779**	**0.1847**	0.1664	0.1730
Ghanaian Cedi to Naira	**70.0157**	**70.1008**	67.3897	68.9036
United States Dollar to Naira	**410.9200**	**424.1100**	384.6475	400.3300

11. Other income

	Group		Company	
	Year ended 31/12/21 ₦'million	Year ended 31/12/20 ₦'million	**Year ended 31/12/21 ₦'million**	Year ended 31/12/20 ₦'million
Insurance claims	**501**	1,321	**202**	1,148
Government grant	**71**	148	**36**	119
Sale of scrap	**279**	—	**194**	—
Disposal of property, plant and equipment	**378**	—	**359**	—
Other miscellaneous income*	**4,992**	3,285	**1,184**	655
	6,221	4,754	**1,975**	1,922

* Other miscellaneous income of ₦4.99 billion (2020: ₦3.29 billion) includes income derived from the sale of electricity.

12. Profit before tax

Profit before tax includes the following charges/credits:

	Group		Company	
	Year ended 31/12/21 ₦'million	Year ended 31/12/20 ₦'million	**Year ended 31/12/21 ₦'million**	Year ended 31/12/20 ₦'million
Depreciation of property, plant and equipment and right-of-use asset	**100,488**	89,225	**58,656**	54,540
Amortisation of intangible assets	**278**	313	**64**	31
Auditors' remuneration	**697**	695	**388**	420
Employee benefits expenses	**72,824**	72,252	**39,963**	44,415
Gain on disposal of property, plant and equipment	**378**	4	**359**	4
Lease rental expenses	**1,285**	985	**189**	246
Directors emoluments	**1,409**	1,491	**1,391**	1,478
Write-off & impairment of property, plant, equipment and intangible	**1,338**	1,850	**122**	—
Foreign exchange loss/(gain)	**8,766**	(16,631)	**(44,752)**	(70,793)
Management service fee	**5,413**	5,311	**5,413**	5,311
Royalty	**1,667**	1,270	**791**	636
Impairment of financial assets	**341**	188	**402**	3,318

13. Earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic and diluted earnings per share are as follows:

	Group		Company	
	Year ended 31/12/21 ₦'million	Year ended 31/12/20 ₦'million	**Year ended 31/12/21 ₦'million**	Year ended 31/12/20 ₦'million
Profit for the year attributable to owners of the Company	**361,008**	275,080	**381,100**	352,609
Weighted average number of ordinary shares for the purposes of basic and diluted earnings per share	**17,000**	17,040	**17,000**	17,040
Basic & diluted earnings per share (Naira)	**21.24**	16.14	**22.42**	20.69

14. Income taxes

14.1 Income tax expense recognised in profit or loss

	Group		Company	
	Year ended 31/12/21 ₦'million	Year ended 31/12/20 ₦'million	**Year ended 31/12/21 ₦'million**	Year ended 31/12/20 ₦'million
Current tax				
Current year	**(154,915)**	(58,353)	**(144,861)**	(55,781)
Changes in estimates related to prior year	**—**	20,288	**—**	20,288
	(154,915)	(38,065)	**(144,861)**	(35,493)
Deferred tax				
Origination and reversal of temporary differences	**(17,568)**	(38,889)	**(8,464)**	(22,357)
Previously unrecognised temporary difference relating to prior year	**(1,444)**	(20,288)	**—**	(20,288)
	(19,012)	(59,177)	**(8,464)**	(42,645)
Total income tax expense recognised in the current year	**(173,927)**	(97,242)	**(153,325)**	(78,138)

14. Income taxes continued

14.1 Income tax expense recognised in profit or loss continued

The income tax expense for the year can be reconciled to the accounting profit as follows:

	Group		Company	
	Year ended 31/12/21 ₦'million	Year ended 31/12/20 ₦'million	Year ended 31/12/21 ₦'million	Year ended 31/12/20 ₦'million
Profit before tax	**538,366**	373,310	**534,425**	430,747
Income tax expense calculated at 30% (2020: 30%)	**(161,510)**	(111,993)	**(160,328)**	(129,224)
Education tax	**(13,055)**	(7,426)	**(13,055)**	(7,426)
Effect of tax holiday and income that is exempt from taxation	**26,991**	18,934	**7,826**	15,057
Effect of expenses that are not deductible in determining taxable profit	**(337)**	(497)	**(13)**	(248)
Effect of previously recognised temporary difference now derecognised as deferred tax assets.	**(36)**	(13,533)	**—**	—
Effect of deferred tax not recognised on net investment exchange gains	**2,727**	17,800	**11,680**	16,897
Effect of prior year over provision	**(1,102)**	20,288	**342**	20,288
Effect of Investment Allowance	**401**	6,080	**401**	6,080
Effect of income taxed at different rates	**901**	1,823	**901**	1,823
Effect of Commencement rule	**—**	—	**—**	—
Effect of unused tax losses and offsets not recognised as deferred tax assets	**(28,030)**	(28,028)	**—**	—
Effect of different tax rates of subsidiaries operating in other jurisdictions	**460**	801	**—**	—
Others	**(1,337)**	(1,491)	**(1,079)**	(1,385)
Income tax expense recognised in profit or loss	**(173,927)**	(97,242)	**(153,325)**	(78,138)

The income tax rate of 30% was used for the company income tax computation as established by the tax legislation of Nigeria effective in 2021 and 2020. The income tax rate in South Africa is 28%, in Cameroon, 38.5% and 35% in Zambia.

14.2 Current tax assets

	Group		Company	
	31/12/21 ₦'million	31/12/20 ₦'million	31/12/21 ₦'million	31/12/20 ₦'million
Balance at beginning of the year	**7,029**	6,718	**5,511**	6,712
Charge for the year	**774**	(10)	**—**	—
Payments during the year	**291**	1,664	**—**	—
Road infrastructure tax credit	**22,296**	5,511	**22,296**	5,511
Tax credit utilised to offset current tax payable	**(27,021)**	(6,712)	**(25,265)**	(6,712)
Effect of currency exchange difference	**(318)**	(142)	**—**	—
Balance at the end of the year	**3,051**	7,029	**2,542**	5,511

14.3 Current tax liabilities

	Group		Company	
	31/12/21 ₦'million	31/12/20 ₦'million	31/12/21 ₦'million	31/12/20 ₦'million
Balance at beginning of the year	**59,781**	49,932	**58,117**	49,127
Charge for the year	**155,689**	38,055	**144,861**	35,493
Payments during the year	**(33,117)**	(19,333)	**(31,196)**	(18,419)
Withholding tax credit and grant utilised	**(21)**	(1,372)	**—**	(1,372)
Tax credit utilised to offset current tax liabilities	**(27,021)**	(6,712)	**(25,265)**	(6,712)
Effect of currency exchange difference	**(1,926)**	(789)	**—**	—
Balance at the end of the year	**153,385**	59,781	**146,517**	58,117

14. Income taxes continued

14.4 Deferred tax balance

	Group		Company	
	31/12/21 ₦'million	31/12/20 ₦'million	31/12/21 ₦'million	31/12/20 ₦'million
Deferred tax assets	5,163	11,708	—	—
Deferred tax liabilities	(135,003)	(122,980)	(126,226)	(117,762)
Net deferred tax assets/(liabilities)	(129,840)	(111,272)	(126,226)	(117,762)

Group

2021	Opening balance ₦'million	Recognised in profit or loss ₦'million	Effect of currency translation ₦'million	Net closing balance ₦'million	Deferred tax assets ₦'million	Differed tax liabilities ₦'million
Deferred tax assets/(liabilities) in relation to:						
Property, plant and equipment	(134,278)	(7,217)	(1,615)	(143,110)	—	(147,733)
Unrealised exchange gains	(19,290)	(310)	(76)	(19,676)	—	(13,870)
Employee benefits	1,066	367	(14)	1,419	1,419	—
Provision	4,094	2,593	19	6,706	7,043	—
Tax losses	37,485	(14,583)	2,127	25,029	23,509	—
Right-of-use assets	(349)	138	3	(208)	18	(226)
Deferred tax assets/(liabilities) before set-off	(111,272)	(19,012)	444	(129,840)	31,989	(161,829)
Set-off of tax	—	—	—	—	(26,826)	26,826
Net tax assets/(liabilities)	(111,272)	(19,012)	444	(129,840)	5,163	(135,003)

2020	Opening balance ₦'million	Recognised in profit or loss ₦'million	Effect of currency translation ₦'million	Net closing balance ₦'million	Deferred tax assets ₦'million	Differed tax liabilities ₦'million
Deferred tax assets/(liabilities) in relation to:						
Property, plant and equipment	(91,805)	(44,284)	1,811	(134,278)	—	(138,901)
Unrealised exchange gains	(14,215)	(4,988)	(87)	(19,290)	927	(14,411)
Employee benefits	—	1,066	—	1,066	1,066	—
Provision	9,233	(3,401)	(1,738)	4,094	4,431	—
Tax losses	47,714	(7,221)	(3,008)	37,485	35,965	—
Right-of-use assets	—	(349)	—	(349)	—	(349)
Deferred tax assets/(liabilities) before set-off	(49,073)	(59,177)	(3,022)	(111,272)	42,389	(153,661)
Set-off of tax	—	—	—	—	(30,681)	30,681
Net tax assets/(liabilities)	(49,073)	(59,177)	(3,022)	(111,272)	11,708	(122,980)

14. Income taxes continued

14.4 Deferred tax balance continued

Company

2021	Net opening balance ₦'million	Recognised in profit or loss ₦'million	Net closing balance ₦'million
Deferred tax assets/(liabilities) in relation to:			
Property, plant and equipment	**(105,948)**	**(9,482)**	**(115,430)**
Unrealised exchange gains	**(14,412)**	**541**	**(13,871)**
Employee benefits obligations	**1,066**	**—**	**1,066**
Provision	**1,881**	**312**	**2,193**
Right-of-use assets	**(349)**	**165**	**(184)**
	(117,762)	**(8,464)**	**(126,226)**

2020	Net opening balance ₦'million	Recognised in profit or loss ₦'million	Net closing balance ₦'million
Deferred tax assets/(liabilities) in relation to:			
Property, plant and equipment	(64,558)	(41,390)	(105,948)
Unrealised exchange gains	(11,841)	(2,571)	(14,412)
Employee benefits obligations	—	1,066	1,066
Provision	1,282	599	1,881
Right-of-use assets	—	(349)	(349)
	(75,117)	(42,645)	(117,762)

Tax authorities in various jurisdictions where the Group operates in, reserve the right to audit the tax charges for the financial year ended 31 December 2021 and prior years. In cases where tax audits have been carried out and additional charges levied, the Group has responded to the tax authorities challenging the technical merits and made a provision it considers appropriate in line with the technical merits of issues raised by tax authorities.

Deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax assets have been recognised because it is not probable that future taxable profit will be available against which the benefits can be utilised, are attributable to the following:

	Group		Company	
	31/12/21 ₦'million	31/12/20 ₦'million	**31/12/21 ₦'million**	31/12/20 ₦'million
Tax losses	**99,143**	77,295	**—**	—
Unused tax credits	**—**	—	**—**	—
Deductible temporary differences	**(6,728)**	(5,558)	**—**	—
	92,415	71,737	**—**	—

The unrecognised tax credits will expire as follows:

	Group		Company	
	31/12/21 ₦'million	31/12/20 ₦'million	**31/12/21 ₦'million**	31/12/20 ₦'million
Year 1	**13,038**	2,981	**—**	—
Year 2	**6,670**	12,549	**—**	—
Year 3	**21,758**	6,420	**—**	—
Year 4	**9,308**	10,186	**—**	—
Year 5	**—**	—	**—**	—
After Year 5	**509**	—	**—**	—
No expiry date	**41,132**	39,601	**—**	—
	92,415	71,737	**—**	—

Deferred tax liability amounting to ₦41.1 billion (2020: ₦34.7 billion) for both Group and Company was not recognised in this financial statements. This relates to exchange on inter-company loans classified as part of the net investment in subsidiaries.

15. Property, plant and equipment

15.1 The Group

	Leasehold improvements and buildings ₦'million	Plant and machinery ₦'million	Motor vehicles ₦'million	Aircraft ₦'million	Furniture & equipment ₦'million	Capital work-in-progress ₦'million	Total ₦'million
Cost							
At 1 January 2020	224,329	1,058,081	218,375	4,028	11,414	193,628	1,709,855
Additions	1,640	50,232	1,975	—	583	169,575	224,005
Reclassifications	18,265	58,488	25,642	—	626	(103,021)	—
Transfers (Note 15.1.1)	—	(85)	—	—	—	472	387
Disposal	—	(63)	(7,098)	—	—	—	(7,161)
Write-off	(255)	—	(18)	—	(6)	(88)	(367)
Effect of foreign currency exchange rates differences	18,020	26,568	3,371	—	527	8,740	57,226
Balance at 31 December 2020	261,999	1,193,221	242,247	4,028	13,144	269,306	1,983,945
At 1 January 2021	**261,999**	**1,193,221**	**242,247**	**4,028**	**13,144**	**269,306**	**1,983,945**
Additions	**1,800**	**7,255**	**2,035**	**—**	**714**	**174,010**	**185,814**
Reclassifications	**21,698**	**14,398**	**27,023**	**—**	**633**	**(63,752)**	**—**
Transfers (Note 15.1.1)	**(6,036)**	**(5,344)**	**(7)**	**—**	**—**	**(2,861)**	**(14,248)**
Disposal	**—**	**—**	**(85)**	**—**	**(7)**	**(857)**	**(949)**
Write-off	**—**	**(811)**	**(124)**	**—**	**(32)**	**(838)**	**(1,805)**
Effect of foreign currency exchange rates differences	**1,654**	**6,938**	**2,340**	**—**	**219**	**3,931**	**15,082**
Balance at 31 December 2021	**281,115**	**1,215,657**	**273,429**	**4,028**	**14,671**	**378,939**	**2,167,839**
Accumulated depreciation and impairment							
At 1 January 2020	41,987	304,039	148,900	2,326	5,854	—	503,106
Depreciation expense	9,189	49,391	27,132	403	1,359	—	87,474
Transfers (Note 15.1.1)	—	172	—	—	—	—	172
Disposal	—	(63)	(7,094)	—	—	—	(7,157)
Impairment	(255)	—	100	—	(4)	—	(159)
Effect of foreign currency exchange rates differences	2,672	5,893	1,033	—	224	—	9,822
Balance at 31 December 2020	53,593	359,432	170,071	2,729	7,433	—	593,258
At 1 January 2021	**53,593**	**359,432**	**170,071**	**2,729**	**7,433**	**—**	**593,258**
Depreciation expense	**11,423**	**56,806**	**28,473**	**403**	**1,437**	**—**	**98,542**
Transfers (Note 15.1.1)	**(126)**	**—**	**—**	**—**	**—**	**—**	**(126)**
Disposal	**—**	**—**	**(83)**	**—**	**(6)**	**—**	**(89)**
Impairment	**—**	**(433)**	**(2)**	**—**	**(32)**	**—**	**(467)**
Effect of foreign currency exchange rates differences	**233**	**1,766**	**1,773**	**—**	**90**	**—**	**3,862**
Balance at 31 December 2021	**65,123**	**417,571**	**200,232**	**3,132**	**8,922**	**—**	**694,980**
Carrying amounts:							
At 1 January 2020	182,342	754,042	69,475	1,702	5,560	193,628	1,206,749
At 31 December 2020	208,406	833,789	72,176	1,299	5,711	269,306	1,390,687
At 31 December 2021	**215,992**	**798,086**	**73,197**	**896**	**5,749**	**378,939**	**1,472,859**

15.1.1 Represents amounts transferred to right-of-use assets, customers and related parties.

15.1.2 Borrowing cost capitalised to property, plant and equipment for the Group was ₦0.85 billion (2020: ₦2.03 billion) calculated at an average interest rate of 7.5% (2020: 7.5%).

15.1.3 Some borrowings are secured by a debenture on all the fixed and floating assets (Note 26).

15. Property, plant and equipment continued

15.2 The Company

	Leasehold improvements and buildings ₦'million	Plant and machinery ₦'million	Motor vehicles ₦'million	Aircraft ₦'million	Furniture & equipment ₦'million	Capital work-in-progress ₦'million	Total ₦'million
Cost							
At 1 January 2020	52,287	635,120	144,807	4,028	4,124	35,179	875,545
Additions	—	786	722	—	30	55,557	57,095
Reclassifications	18,056	7,211	25,379	—	398	(51,044)	—
Transfers (Note 15.2.1)	—	(554)	—	—	—	3,392	2,838
Disposal	—	(63)	(6,206)	—	—	—	(6,269)
Balance at 31 December 2020	70,343	642,500	164,702	4,028	4,552	43,084	929,209
At 1 January 2021	**70,343**	**642,500**	**164,702**	**4,028**	**4,552**	**43,084**	**929,209**
Additions	**1,310**	**131**	**1,445**	**—**	**147**	**69,371**	**72,404**
Reclassifications	**18,264**	**9,374**	**27,049**	**—**	**506**	**(55,193)**	**—**
Transfers (Note 15.2.1)	**—**	**(4,859)**	**(4)**	**—**	**—**	**(5,712)**	**(10,575)**
Disposal	**—**	**—**	**(5)**	**—**	**(7)**	**(857)**	**(869)**
Write-off	**—**	**—**	**(122)**	**—**	**—**	**—**	**(122)**
Balance at 31 December 2021	**89,917**	**647,146**	**193,065**	**4,028**	**5,198**	**50,693**	**990,047**
Accumulated depreciation & impairment							
At 1 January 2020	15,710	209,942	98,970	2,326	2,763	—	329,711
Depreciation expense	2,382	29,700	20,667	403	685	—	53,837
Disposal	—	(63)	(6,202)	—	—	—	(6,265)
Balance at 31 December 2020	18,092	239,579	113,435	2,729	3,448	—	377,283
At 1 January 2021	**18,092**	**239,579**	**113,435**	**2,729**	**3,448**	**—**	**377,283**
Depreciation expense	**3,276**	**30,338**	**23,170**	**403**	**704**	**—**	**57,891**
Disposal	**—**	**—**	**(4)**	**—**	**(6)**	**—**	**(10)**
Balance at 31 December 2021	**21,368**	**269,917**	**136,601**	**3,132**	**4,146**	**—**	**435,164**
Carrying amounts:							
At 1 January 2020	36,577	425,178	45,837	1,702	1,361	35,179	545,834
At 31 December 2020	52,251	402,921	51,267	1,299	1,104	43,084	551,926
At 31 December 2021	**68,549**	**377,229**	**56,464**	**896**	**1,052**	**50,693**	**554,883**

15.2.1 Represents amounts transferred to customers and related parties.

15.2.2 Borrowing cost capitalised to property, plant and equipment for the Group was ₦0.34 billion (2020: ₦1.0 billion) calculated at an average interest rate of 6.4% (2020: 6.4%).

15.2.3 Some borrowings are secured by a debenture on all the fixed and floating assets (Note 26).

15.3 Capital work in progress

Capital work in progress comprises amounts incurred with respect to Leasehold improvements and buildings, Plant and machinery, Motor vehicles as well as Furniture and equipment during the year.

	Group		Company	
	Year ended 31/12/21 ₦'million	Year ended 31/12/20 ₦'million	**Year ended 31/12/21 ₦'million**	Year ended 31/12/20 ₦'million
Closing capital work in progress is analysed as follows:				
Leasehold improvements and buildings	**8,156**	9,039	**751**	8,180
Plant and machinery	**333,695**	243,488	**15,063**	18,720
Motor vehicles	**36,941**	15,407	**34,879**	14,828
Furniture and equipment	**147**	1,372	**—**	1,356
	378,939	269,306	**50,693**	43,084

16. Intangible assets

	Group			Company	
	Computer software ₦'million	Exploration assets ₦'million	Total ₦'million	Computer software ₦'million	Total ₦'million
Cost					
At 1 January 2020	4,649	2,424	7,073	1,397	1,397
Additions	253	298	551	142	142
Transfers (Note 16.1)	—	851	851	—	—
Write-off	(36)	(1,606)	(1,642)	—	—
Effect of foreign currency exchange rates differences	505	1,358	1,863	—	—
Balance at 31 December 2020	5,371	3,325	8,696	1,539	1,539
At 1 January 2021	**5,371**	**3,325**	**8,696**	**1,539**	**1,539**
Additions	**557**	**291**	**848**	**31**	**31**
Write-off	**(78)**	**—**	**(78)**	**—**	**—**
Effect of foreign currency exchange rates differences	**(83)**	**(4)**	**(87)**	**—**	**—**
Balance at 31 December 2021	**5,767**	**3,612**	**9,379**	**1,570**	**1,570**
Accumulated amortisation and impairment					
At 1 January 2020	3,330	80	3,410	1,328	1,328
Amortisation expense	253	60	313	31	31
Transfers (Note 16.1)	—	(143)	(143)	—	—
Effect of foreign currency exchange rates differences	297	265	562	—	—
Balance at 31 December 2020	3,880	262	4,142	1,359	1,359
At 1 January 2021	**3,880**	**262**	**4,142**	**1,359**	**1,359**
Amortisation expense	**240**	**38**	**278**	**64**	**64**
Impairment	**(78)**	**—**	**(78)**	**—**	**—**
Effect of foreign currency exchange rates differences	**(69)**	**(16)**	**(85)**	**—**	**—**
Balance at 31 December 2021	**3,973**	**284**	**4,257**	**1,423**	**1,423**
Carrying amounts:					
At 1 January 2020	1,319	2,344	3,663	69	69
At 31 December 2020	1,491	3,063	4,554	180	180
At 31 December 2021	**1,794**	**3,328**	**5,122**	**147**	**147**

Computer software represent software which is amortised on a straight-line basis.

Exploration assets are amortised in line with the useful life of the mines.

Amortisation of intangible assets is included in note 7 and note 8.

There are no development expenditure capitalised as internally generated intangible asset.

16.1 Represent assets transferred to property, plant and equipment from exploration assets in 2020.

17. Right-of-use assets

17.1 The Group

	Land and buildings ₦'million	Plant and machinery ₦'million	Motor vehicles ₦'million	Total ₦'million
Cost				
At 1 January 2020	12,329	304	1,147	13,780
Additions	993	613	37	1,643
Transfers (Note 17.1.1)	(48)	—	—	(48)
Effect of foreign currency exchange rates differences	634	177	238	1,049
Balance at 31 December 2020	13,908	1,094	1,422	16,424
At 1 January 2021	**13,908**	**1,094**	**1,422**	**16,424**
Additions	**1,494**	**372**	**181**	**2,047**
Transfers (Note 17.1.1)	**6,024**	**—**	**—**	**6,024**
Disposal	**—**	**(289)**	**—**	**(289)**
Effect of foreign currency exchange rates differences	**(83)**	**(11)**	**(17)**	**(111)**
Balance at 31 December 2021	**21,343**	**1,166**	**1,586**	**24,095**
Accumulated depreciation				
At 1 January 2020	1,306	135	383	1,824
Depreciation expense	1,241	257	253	1,751
Effect of foreign currency exchange rates differences	54	76	125	255
Balance at 31 December 2020	2,601	468	761	3,830
At 1 January 2021	**2,601**	**468**	**761**	**3,830**
Depreciation expense	**1,308**	**328**	**310**	**1,946**
Transfers (Note 17.1.1)	**126**	**—**	**—**	**126**
Disposal	**—**	**(289)**	**—**	**(289)**
Effect of foreign currency exchange rates differences	**(62)**	**(5)**	**(17)**	**(84)**
Balance at 31 December 2021	**3,973**	**502**	**1,054**	**5,529**
Carrying amounts:				
At 1 January 2020	11,023	169	764	11,956
At 31 December 2020	11,307	626	661	12,594
Balance at 31 December 2021	**17,370**	**664**	**532**	**18,566**

The Group leases several assets including cement depots, residential apartments, trucks, trailers, fleet vehicles, forklifts and land. The average lease term is 15.6 years (2020: 18.9 years).

Approximately 26 (2020: 38) of the leases for the Group expired in the current financial year. The expired contracts were replaced by new leases for similar underlying assets.

17.1.1 Represents amount of leases reclassified from property, plants and equipment.

17. Right-of-use assets continued

17.2 The Company

	Land and buildings ₦'million	Total ₦'million
Cost		
At 1 January 2020	1,648	1,648
Additions	873	873
Balance at 31 December 2020	2,521	2,521
At 1 January 2021	**2,521**	**2,521**
Additions	**966**	**966**
Balance at 31 December 2021	**3,487**	**3,487**
Accumulated depreciation		
At 1 January 2020	654	654
Depreciation expense	703	703
Balance at 31 December 2020	1,357	1,357
At 1 January 2021	**1,357**	**1,357**
Depreciation expense	**765**	**765**
Balance at 31 December 2021	**2,122**	**2,122**
Carrying amounts:		
At 1 January 2020	994	994
At 31 December 2020	1,164	1,164
Balance at 31 December 2021	**1,365**	**1,365**

The Company leases several assets including cement depots, residential apartments. The average lease term is 2.50 years (2020: 2.66 years).

Approximately 26 of the 71 (2020: 33 of the 69) leases expired in the current financial year. The expired contracts were replaced by new leases for similar underlying assets. This resulted in additions to right-of-use assets of ₦966 million (2020: ₦873 million).

17.3 Recognised in profit or loss

	Group		Company	
	Year ended 31/12/21 ₦'million	Year ended 31/12/20 ₦'million	**Year ended 31/12/21 ₦'million**	Year ended 31/12/20 ₦'million
Amounts recognised in profit or loss:				
Depreciation expense on right-of-use assets	**1,946**	1,751	**765**	703
Interest expense on lease liabilities	**842**	654	**36**	27
Expense relating to short-term leases	**443**	331	**153**	219

At 31 December 2021, the Group is committed to ₦0.80 billion (2020: ₦1.06 billion) for short-term leases.

All payments for lease are fixed.

The total cash outflow for leases amount to ₦2.64 billion (2020: ₦1.96 billion).

18. Information regarding subsidiaries and associate

18.1 Subsidiaries

Details of the Group's subsidiaries at the end of the reporting period are as follows:

Direct subsidiaries	Principal activity	Place of incorporation and operation	Proportion of ownership or voting power held by the Group 31/12/21	31/12/20
Dangote Cement South Africa (Pty) Limited	Cement production	South Africa	**64.00%**	64.00%
Dangote Cement (Ethiopia) Plc	Cement production	Ethiopia	**99.97%**	99.97%
Dangote Cement Zambia Limited	Cement production	Zambia	**99.96%**	99.96%
Dangote Cement Senegal S.A	Cement production	Senegal	**99.99%**	99.99%
Dangote Cement Cameroun S.A	Cement Grinding	Cameroun	**99.97%**	99.97%
Dangote Mines Limited, Tanzania	Cement production	Tanzania	**99.70%**	99.70%
Dangote Cement Congo S.A	Cement production	Congo	**100.00%**	100.00%
Dangote Cement (Sierra Leone) Limited	Bagging and distribution of cement	Sierra Leone	**99.60%**	99.60%
Dangote Cement Cote D'Ivoire S.A	Cement Grinding	Côte D'Ivoire	**80.00%**	80.00%
Dangote Industries Gabon S.A	Cement Grinding	Gabon	**80.00%**	80.00%
Dangote Cement Ghana Limited	Bagging and distribution of cement	Ghana	**100.00%**	100.00%
Dangote Cement – Liberia Ltd.	Bagging and distribution of cement	Liberia	**100.00%**	100.00%
Dangote Cement Burkina Faso S.A	Selling and distribution of cement	Burkina Faso	**95.00%**	95.00%
Dangote Cement Chad S.A	Selling and distribution of cement	Chad	**95.00%**	95.00%
Dangote Cement Mali S.A	Selling and distribution of cement	Mali	**95.00%**	95.00%
Dangote Cement Niger SARL	Selling and distribution of cement	Niger	**95.00%**	95.00%
Dangote Industries Benin S.A	Selling and distribution of cement	Benin	**98.00%**	98.00%
Dangote Cement Togo S.A	Selling and distribution of cement	Togo	**90.00%**	90.00%
Dangote Cement Kenya Limited	Cement production	Kenya	**90.00%**	90.00%
Dangote Quarries Kenya Limited	Limestone mining	Kenya	**90.00%**	90.00%
Dangote Cement Madagascar Limited	Cement production	Madagascar	**95.00%**	95.00%
Dangote Quarries Mozambique Limitada	Cement production	Mozambique	**95.00%**	95.00%
Dangote Cement Nepal Pvt. Limited	Cement production	Nepal	**100.00%**	100.00%
Dangote Zimbabwe Holdings (Private) Limited	Investment holding	Zimbabwe	**90.00%**	90.00%
Dangote Cement Zimbabwe (Private) Limited	Cement production	Zimbabwe	**90.00%**	90.00%
Dangote Energy Zimbabwe (Private) Limited	Power production	Zimbabwe	**90.00%**	90.00%
Dangote Mining Zimbabwe (Private) Limited	Coal production	Zimbabwe	**90.00%**	90.00%
Dangote Cement Guinea SA	Cement production	Guinea	**95.00%**	95.00%
Cimenterie Obajana Sprl- D.R. Congo	Cement production	D.R. Congo	**98.00%**	98.00%
Itori Cement Plc.	Cement production	Nigeria	**99.00%**	99.00%
Okpella Cement Plc.	Cement production	Nigeria	**99.00%**	99.00%
Dangote Takoradi Cement Production Limited	Cement Grinding	Ghana	**99.00%**	99.00%
Dangote Cement Yaounde	Cement Grinding	Cameroun	**90.00%**	90.00%
Dangote Cement Congo D.R. S.A	Cement production	D.R. Congo	**99.00%**	99.00%
DCP Cement Limited	Cement production	Nigeria	**90.00%**	90.00%
Dangote Cement Limited, Tanzania	Cement production	Tanzania	**99.70%**	99.70%
Dangote Contracting Services Limited, Tanzania	Contracting Services	Tanzania	**99.70%**	99.70%
Dangote Mining Niger S.A	Limestone mining	Niger	**88.00%**	88.00%
Dangote Ceramics Limited	Manufacturing of ceramics products	Nigeria	**99.00%**	99.00%
Indirect subsidiaries				
Dangote Cement South Africa (Pty) Limited subsidiaries				
Sephaku Development (Pty) Ltd	Mining right holder	South Africa	**85.00%**	85.00%
Sephaku Delmas Properties (Pty) Ltd	Investment property	South Africa	**100.00%**	100.00%
Blue Waves Properties 198 (Pty) Ltd	Exploration	South Africa	**100.00%**	100.00%
Sephaku Enterprise Development (Pty) Ltd	Cement production	South Africa	**100.00%**	100.00%
Dangote Dwaalboom mining (Pty) Ltd	Investment property	South Africa	**100.00%**	100.00%
Benificial Ingenuity (Pty) Limited	Investment holding	South Africa	**80.00%**	80.00%
Benificial Ingenuity (Pty) Limited Subsidiary				
Sephaku Limestone and Exploration (Pty) Ltd	Exploration	South Africa	**52.00%**	52.00%
Dangote Cement Zambia Limited				
Dangote Quarries (Zambia) Limited	Limestone mining	Zambia	**99.997%**	99.997%
Dangote Fuels Zambia Limited	Selling and Distribution of Fuels	Zambia	**99.00%**	99.00%
Dangote Cement Nepal Pvt. Limited subsidiary				
Birat Cement Pvt. Limited	Cement production and distribution	Nepal	**100.00%**	100.00%

18. Information regarding subsidiaries and associate continued

18.2 Investments in subsidiaries

	Group 31/12/21 ₦'million	Group 31/12/20 ₦'million	Company 31/12/21 ₦'million	Company 31/12/20 ₦'million
Dangote Cement South Africa (Pty) Limited	—	—	**27,922**	27,922
Dangote Cement (Ethiopia) Plc	—	—	**40,036**	40,036
Dangote Cement Zambia Limited	—	—	**106**	106
Dangote Cement Senegal S.A	—	—	**64,782**	64,782
Dangote Cement Cameroun S.A	—	—	**15,160**	15,160
Dangote Cement Ghana Limited	—	—	**135**	135
Dangote Mines Limited, Tanzania	—	—	**13,851**	13,851
Dangote Cement Congo S.A	—	—	**3**	3
Dangote Cement (Sierra Leone) Limited	—	—	**18**	18
Dangote Cement Côte D'Ivoire S.A	—	—	**16**	16
Dangote Industries Gabon S.A	—	—	**31**	31
Dangote Cement Burkina Faso SA	—	—	**3**	3
Dangote Cement Chad SA	—	—	**3**	3
Dangote Cement Mali SA	—	—	**3**	3
Dangote Cement Niger SARL	—	—	**7**	7
Dangote Industries Benin S.A.	—	—	**3**	3
Dangote Cement Togo S.A.	—	—	**5**	5
Dangote Takoradi Cement Production Limited	—	—	**141**	141
Dangote Cement Madagascar Limited	—	—	**2**	2
Dangote Cement Congo D.R. S.A	—	—	**6**	6
Itori Cement Plc.	—	—	**1**	1
Okpella Cement Plc.	—	—	**1**	1
DCP Cement Limited	—	—	**1**	1
Dangote Ceramics Limited	—	—	**10**	10
Dangote Cement Yaounde	—	—	**22**	—
Dangote Mining Niger S.A	—	—	—	—
Dangote Cement – Liberia Ltd.	—	—	—	—
Dangote Cement Kenya Limited	—	—	—	—
Dangote Quarries Kenya Limited	—	—	—	—
Dangote Quarries Mozambique Limitada	—	—	—	—
Dangote Cement Nepal Pvt. Ltd.	—	—	—	—
Dangote Zimbabwe Holdings (Private) Limited	—	—	—	—
Dangote Cement Zimbabwe (Private) Limited	—	—	—	—
Dangote Energy Zimbabwe (Private) Limited	—	—	—	—
Dangote Mining Zimbabwe (Private) Limited	—	—	—	—
Dangote Cement Guinea SA	—	—	—	—
Cimenterie Obajana Sprl- D.R. Congo	—	—	—	—
Dangote Cement Limited, Tanzania	—	—	—	—
Dangote Contracting Services Limited, Tanzania	—	—	—	—
	—	—	**162,268**	162,246

18.3 Investment in associate

	Group 31/12/21 ₦'million	Group 31/12/20 ₦'million	Company 31/12/21 ₦'million	Company 31/12/20 ₦'million
Societe des Ciments d'Onigbolo	**1,582**	1,582	**1,582**	1,582
Accumulated share of profit	**4,129**	3,379	—	—
	5,711	4,961	**1,582**	1,582
Current year share of profit	**817**	750	—	—
	6,528	5,711	**1,582**	1,582

The Group holds 43% of the voting rights in Societe des Ciments d'Onigbolo, a cement producing company incorporated in the Republic of Benin.

18. Information regarding subsidiaries and associate continued

18.4 Composition of the Group

Information about the composition of the Group at the end of the reporting year is as follows:

Principal activity	Place of incorporation and operation	Number of wholly owned subsidiaries 2021	2020
Cement production	Congo	1	1
Bagging and distribution of cement	Liberia	1	1
Bagging and distribution of cement	Ghana	1	1
Cement production	Nepal	1	1

Principal activity	Place of incorporation and operation	Number of non-wholly owned subsidiaries 2021	2020
Cement production	South Africa	1	1
Cement production	Ethiopia	1	1
Cement production	Zambia	1	1
Cement production	Senegal	1	1
Cement Grinding	Cameroun	2	2
Cement production	Tanzania	2	2
Contracting Services	Tanzania	1	1
Bagging and distribution of cement	Sierra Leone	1	1
Bagging and distribution of cement	Côte D'Ivoire	1	1
Cement Grinding	Gabon	1	1
Selling and distribution of cement	Burkina Faso	1	1
Selling and distribution of cement	Chad	1	1
Selling and distribution of cement	Mali	1	1
Selling and distribution of cement	Niger	1	1
Limestone mining	Niger	1	1
Limestone mining	Kenya	1	1
Cement production	Kenya	1	1
Cement production	Madagascar	1	1
Selling and distribution of cement	Benin	1	1
Selling and distribution of cement	Togo	1	1
Cement production	Mozambique	1	1
Holding company	Zimbabwe	1	1
Cement production	Zimbabwe	1	1
Power production	Zimbabwe	1	1
Coal production	Zimbabwe	1	1
Cement production	Guinea	1	1
Cement production	D.R. Congo	2	2
Cement production	Nigeria	3	3
Cement Grinding	Ghana	1	1
Manufacturing of ceramics products	Nigeria	1	1

18.5 Details of non-wholly owned subsidiaries that have material non-controlling interests

The table below shows details of non-wholly owned subsidiary of the Group that has material non-controlling interests:

Name of subsidiary	Place of incorporation and principal place of business	Proportion of ownership interests and voting rights held by non-controlling interests 2021 %	2020 %	Profit/(loss) allocated to non-controlling interests 2021 ₦'million	2020 ₦'million	Accumulated non-controlling interests 2021 ₦'million	2020 ₦'million
Dangote Cement South Africa (Pty) Limited	South Africa	36.00%	36.00%	315	319	15,821	15,640

18.6 Change in the Group's ownership interest in a subsidiary

There are no changes to the Company's shareholding during the year. Also, no entity was incorporated.

18.7 Significant restriction

There are no significant restrictions on the Company's or its subsidiaries' ability to access or use its assets to settle the liabilities of the Group.

18. Information regarding subsidiaries and associate continued

18.8

Summarised below is the financial information in respect of the Group's subsidiaries that have material non-controlling interests. Information below represent amounts before intra-group eliminations.

	Dangote Cement South Africa (Pty) Limited	
	2021 ₦'million	2020 ₦'million
Information in respect of the financial position of the subsidiaries		
Current assets	22,805	25,947
Non-current assets	74,068	79,151
Current liabilities	45,358	36,215
Non-current liabilities	2,326	20,197
Equity attributable to owners of the Company	49,084	48,617
Non-controlling interests	105	68
Information in respect of the profit and loss and other comprehensive income		
Revenue	69,122	52,698
Expenses	(66,121)	(51,184)
Tax expense	(2,126)	(629)
Profit for the year	875	885
Profit attributable to owners of the Company	838	861
Profit attributable to the non-controlling interests	37	24
Profit for the year	875	885
Other comprehensive income for the year, net of tax	—	—
Total comprehensive income for the year	875	885
Total comprehensive income attributable to owners of the Company	838	861
Total comprehensive income attributable to the non-controlling interests	37	24
Total comprehensive income for the year	875	885
Information in respect of the cash flows of the subsidiary		
Dividends paid to non-controlling interests	—	(45)
Net cash inflow from operating activities	8,915	5,686
Net cash inflow from investing activities	(907)	102
Net cash (outflow) from financing activities	(12,143)	(6,231)
Net cash outflow	(4,135)	(443)

19. Prepayments

19.1 Non-current

	Group		Company	
	31/12/21 ₦'million	31/12/20 ₦'million	31/12/21 ₦'million	31/12/20 ₦'million
Advance to contractors	4,759	22,608	211	5,000
Prepayment for road infrastructure tax credit	—	14,605	—	14,605
Total non-current prepayments	4,759	37,213	211	19,605

19. Prepayments continued

19.2 Prepayments and other current assets

	Group		Company	
	31/12/21 ₦'million	31/12/20 ₦'million	31/12/21 ₦'million	31/12/20 ₦'million
Advance to contractors	17,055	17,728	7,051	1,942
Advance payment to suppliers	101,247	34,862	92,184	27,021
Rent, rates and insurance	3,495	2,339	1,298	971
Prepayment for road infrastructure tax credit	212	8,418	212	8,418
Total current prepayments and other assets	122,009	63,347	100,745	38,352
Due from related parties – current (Note 31)				
Parent company	27,929	8,522	27,929	8,522
Loans to parent company	50,000	70,000	50,000	70,000
Entities controlled by the parent company	111,724	106,657	106,224	101,345
Affiliates and associates of parent company	60	35	—	—
Subsidiaries	—	—	219,888	186,847
Total current receivables from related parties	189,713	185,214	404,041	366,714
Prepayments and other current assets	311,722	248,561	504,786	405,066

Non-current advances to contractors represent various advances made to contractors for the construction of plants while current advances to contractors represent various advances made for the purchase of AGO, coal and other materials which were not received at the year end.

20. Inventories

	Group		Company	
	31/12/21 ₦'million	31/12/20 ₦'million	31/12/21 ₦'million	31/12/20 ₦'million
Finished product	6,574	5,887	2,625	3,203
Work-in-progress	13,338	8,929	2,245	2,005
Raw materials	14,561	5,434	7,029	2,188
Packaging materials	12,618	4,165	7,793	1,152
Consumables	16,602	12,834	10,057	8,090
Fuel	13,577	6,219	5,822	3,453
Spare parts	76,207	58,727	43,398	31,843
Goods in transit	13,728	6,075	9,452	2,611
	167,205	108,270	88,421	54,545

The cost of inventories recognised as an expense during the year was ₦331.84 billion and ₦211.89 billion (2020: ₦243.43 billion and ₦90.75 billion) in the consolidated and separate financial statements respectively.

The amount recognised as inventories obsolescence during the year was ₦280.3 million (2020: ₦4.5 million) for Group and nil (2020: nil) for Company.

The amount recognised as inventories write back during the year was ₦20.61 million (2020: nil) for Group and nil (2020: nil) for Company.

Some borrowings are secured by a debenture on all the fixed and floating assets (Note 26).

21. Trade and other receivables

	Group		Company	
	31/12/21 ₦'million	31/12/20 ₦'million	31/12/21 ₦'million	31/12/20 ₦'million
Trade receivables	14,395	15,496	5,819	5,108
Impairment allowance on trade receivables	(1,685)	(1,344)	(1,484)	(1,082)
	12,710	14,152	4,335	4,026
Staff loans and advances	553	1,952	21	1,527
Value added tax receivables	6,720	2,630	—	—
Receivables from registrar	1,217	1,143	1,217	1,143
Other receivables*	26,269	15,317	10,225	8,133
Total trade and other receivables	47,469	35,194	15,798	14,829

* Included in other receivables is ₦5.72 billion (2020:₦5.72 billion) due from the Parent Company (Dangote Industries Limited).

21. Trade and other receivables continued

Of the trade receivables balance at the end of the year in the consolidated and separate financial statements, ₦958 million (2020: ₦930.0 million) represents the largest trade receivable balance due from a single customer at both the Group and Company level. There are no customers who represent more than 10% of the total balance of trade receivables of the Group after impairment.

The Group always measures the loss allowance for trade receivables at an amount equal to lifetime expected credit loss (ECL). The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date. The Group has recognised a loss allowance of 100% against all receivables over 720 days past due, except where there is adequate security, because historical experience has indicated that these receivables are generally not recoverable.

Movement in impairment loss allowance of ₦341 million (2020: ₦188 million) relates to additional provision made during the year for the Group and ₦402 million relates to the Company (2020: ₦51.6 million relates to reversal of provision for the Company).

There has been no change in the estimation techniques or significant assumptions made during the current reporting year.

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the trade receivables are over two years past due, except where there is adequate security. None of the trade receivables that have been written off is subject to enforcement activities.

Trade receivables are considered to be past due when they exceed the credit period granted.

The following table details the risk profile of trade receivables based on the Group's provision matrix. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished between the Group's different customer segment.

	Group					
31 December 2021	**Not past due ₦'million**	**<30 days ₦'million**	**31–60 days ₦'million**	**61–90 days ₦'million**	**>90 days ₦'million**	**Total ₦'million**
Expected credit loss rate	**2.1%**	**0.3%**	**2.1%**	**90.1%**	**79.1%**	
Estimated total gross carrying amount at default	**6,204**	**6,304**	**(22)**	**263**	**1,646**	**14,395**
Lifetime ECL	**130**	**14**	**—**	**238**	**1,303**	**1,685**
31 December 2020	Not past due ₦'million	<30 days ₦'million	31–60 days ₦'million	61–90 days ₦'million	>90 days ₦'million	Total ₦'million
Expected credit loss rate	3.0%	2.4%	0.1%	3.1%	41.6%	
Estimated total gross carrying amount at default	8,744	3,732	325	341	2,354	15,496
Lifetime ECL	262	90	—	11	981	1,344

	Company					
31 December 2021	**Not past due ₦'million**	**<30 days ₦'million**	**31–60 days ₦'million**	**61–90 days ₦'million**	**>90 days ₦'million**	**Total ₦'million**
Expected credit loss rate	**0.0%**	**0.3%**	**0.0%**	**93.0%**	**87.0%**	
Estimated total gross carrying amount at default	**3,682**	**451**	**—**	**255**	**1,431**	**5,819**
Lifetime ECL	**—**	**1**	**—**	**237**	**1,246**	**1,484**
31 December 2020	Not past due ₦'million	<30 days ₦'million	31–60 days ₦'million	61–90 days ₦'million	>90 days ₦'million	Total ₦'million
Expected credit loss rate	0.0%	3.5%	0.2%	6.0%	47.0%	
Estimated total gross carrying amount at default	91	2,623	137	174	2,083	5,108
Lifetime ECL	—	91	—	10	981	1,082

22. Lease receivables

Leasing arrangements

Amounts receivable under finance leases:

	Group/Company			
	Minimum lease payments		Present value of minimum lease payment	
	31/12/21 ₦'million	31/12/20 ₦'million	**31/12/21 ₦'million**	31/12/20 ₦'million
Year 1	**4,692**	6,919	**3,751**	5,249
Year 2	**3,857**	7,043	**3,404**	3,216
Year 3	**2,174**	4,141	**2,041**	3,065
Year 4	**435**	3,340	**400**	3,209
Year 5	**142**	953	**136**	356
	11,300	22,396	**9,732**	15,095
Less: unearned finance income	**(1,568)**	(7,301)	**—**	—
Present value of minimum lease payments receivable	**9,732**	15,095	**9,732**	15,095
Allowance for uncollectible lease payments	**—**	—	**—**	—
Net investment in the lease	**9,732**	15,095	**9,732**	15,095
Analysed as follows:				
Recoverable within 12 months	**4,691**	6,919	**3,752**	5,249
Recoverable after 12 months	**6,609**	15,477	**5,980**	9,846
	11,300	22,396	**9,732**	15,095

The Company entered into finance lease arrangements for some of its trucks. All leases are denominated in Naira. The average term of finance leases entered into is 4.17 years (2020: 4.17 years).

During the year, the Group recognised interest income on lease receivables of ₦1.66 billion (2020: ₦2.42 billion).

Unguaranteed residual values of assets leased under finance leases at the end of the reporting year are estimated at nil.

The average effective interest rate implicit in the contracts is 9.06% (2020: 9.06%) per annum.

The Directors of the Company estimate the loss allowance on finance lease receivables at the end of the reporting year at an amount equal to lifetime ECL. Taking into account the historical default experience and the future prospects of the industries in which the leases operate, together with the value of collateral held over these finance lease receivables, the Directors consider that no finance lease receivables is impaired.

The table below shows the aged analysis of the finance lease receivables.

	Group & Company					
31 December 2021	**Not past due ₦'million**	**<30 days ₦'million**	**31–60 days ₦'million**	**61–90 days ₦'million**	**>90 days ₦'million**	**Total ₦'million**
Estimated total gross carrying amount at default	**9,693**	**5**	**19**	**13**	**2**	**9,732**
31 December 2020	Not past due ₦'million	<30 days ₦'million	31–60 days ₦'million	61–90 days ₦'million	>90 days ₦'million	Total ₦'million
Estimated total gross carrying amount at default	15,030	12	3	2	48	15,095

23. Share capital

23.1

	Group/Company	
	31/12/21 ₦'million	31/12/20 ₦'million
Issued and fully paid		
Share capital 17,040,507,404 (2020: 17,040,507,404) ordinary shares of ₦0.5 each	**8,520**	8,520
23.2 Share premium	**42,430**	42,430

23.3

Authorised share capital as at reporting dates represents 20,000,000,000 units of ordinary shares of ₦0.5 each. Out of the total units of issued and fully paid share capital, 40,200,000 units are held by the Company.

Fully paid ordinary shares carry one vote per fully paid up share and a right to dividends when declared and approved.

23.4 Securities trading policy

The Board of Directors have established an Insider Trading Policy designed to prohibit dealing in Dangote Cement Plc. shares or securities on the basis of potentially price sensitive information that is not yet in the public domain. This is in line with the Rules of the NSE, the Investment and Securities Act (ISA) 2007 and the SEC Rules and Regulations. All Directors complied with the Insider Trading Policy during the year under review, and the free float of the Company is in compliance with the NSE's free float requirements, as its value is above the threshold of forty billion Naira as mandated by the NSE.

23.5 Treasury shares

On the 31 December 2020, the Company embarked on a share buy-back programme, buying back 40,200,000 units of its shares at a total cost of ₦9.8 billion which included the par value of the shares and additional premium paid on it. At 31 December 2021, the Company held 40,200,000 (2020: 40,200,000) of its own shares.

23.6 Capital contribution

A subordinated loan was obtained by the Company from the immediate parent, Dangote Industries Limited in 2010. The interest on the long-term portion was waived for 2011. Given the favourable terms at which the Company secured the loan, an amount of ₦2.8 billion which is the difference between the fair value of the loan on initial recognition and the amount received, has been recognised as a capital contribution.

23.7 Currency translation reserve

Exchange difference relating to the translation of the results and net investments of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e. Currency Units) are recognised directly in other comprehensive income and accumulated in the foreign currency translation reserve. Exchange differences previously accumulated in the foreign currency translation reserve are reclassified to profit or loss on the disposal of foreign operations.

24. Dividend

On 26 May 2021, a dividend of ₦16.00. per share was approved by shareholders to be paid to holders of fully paid ordinary shares in relation to 2020 financial year.

In respect of the current year, the Directors proposed a dividend of ₦20.00 per share (2020: ₦16.00). This dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these consolidated and separate financial statements.

25. Trade and other payables

	Group		Company	
	31/12/21 ₦'million	31/12/20 ₦'million	31/12/21 ₦'million	31/12/20 ₦'million
Trade payables	**105,518**	56,168	**71,979**	38,676
Payable to contractors	**44,227**	123,099	**14,665**	12,270
Value added tax	**11,494**	7,635	**6,583**	4,760
Withholding tax payable	**25,123**	22,898	**1,654**	1,981
Staff pension (Note 29.1)	**470**	722	**15**	15
Advances from customers	**94,847**	69,193	**79,779**	49,745
Dividend payables	**4,550**	4,013	**4,550**	4,013
Suppliers' credit	**12,773**	2,859	**12,773**	2,859
Accruals	**72,222**	62,801	**22,413**	25,926
Total trade and other payables	**371,224**	349,388	**214,411**	140,245

The average credit period on purchases of goods is 70 days and 76 days (2020: 47 days and 63 days) for Group and Company respectively. Normally, no interest is charged on trade payables. The Group has financial risk management policies in place to ensure that all payables are paid in line with the pre-agreed credit terms.

Contract liabilities are made up of advances from customers for cement and clinker yet to be delivered out of which ₦66.6 billion (2020: ₦58.0 billion) and ₦47.1 billion (2020: ₦47.0 billion) for Group and Company respectively relating to brought forward balances was recognised in revenue.

26. Financial liabilities

	Group		Company	
	31/12/21 ₦'million	31/12/20 ₦'million	**31/12/21 ₦'million**	31/12/20 ₦'million
Unsecured borrowings at amortised cost				
Bulk Commodities loans (Note 26.1)	**21,801**	23,515	**1,400**	1,322
Loans from Dangote Oil & Gas	**—**	32,905	**—**	32,905
Bond (Note 26.2)	**147,789**	98,423	**147,789**	98,423
Commercial papers (Note 26.3)	**38,974**	110,970	**38,974**	110,970
Bank loans	**134,533**	33,561	**117,837**	10,529
	343,097	299,374	**306,000**	254,149
Secured borrowings at amortised cost				
Power intervention loan	**250**	2,238	**250**	2,238
Bank loans (Note 26.4)	**221,593**	181,498	**151,270**	93,242
	221,843	183,736	**151,520**	95,480
Total loans and borrowings	**564,940**	483,110	**457,520**	349,629
Financial liabilities (Non-current)	**176,562**	158,908	**147,789**	98,577
Current portion repayable in one year and shown as current liabilities	**311,903**	319,406	**240,977**	251,052
Overdraft balances (Note 32.1)	**76,475**	4,796	**68,754**	—
Current portion of loans and borrowings	**388,378**	324,202	**309,731**	251,052
Interest payable	**13,015**	10,809	**5,359**	7,228
Financial liabilities (Current)	**401,393**	335,011	**315,090**	258,280

26.1 The loans from Bulk Commodities International, a related party, are denominated in USD with interest rate ranging from 6% to 8.5% per annum.

26.2 The Company issued bonds with a total face value of ₦150 billion and a coupon rate of 11.25% to 13.5%. The tenure is between 3 to 7 years.

26.3 Commercial papers were issued under a programme with a face value of ₦41 billion. The tenure is between 90 days and 270 days with discount ranging from 8.5% to 10.0%.

26.4 Bank loans include Letters of credit (LCs) obtained to finance inventories, property, plant and equipment. The average interest rate is Libor plus 7.4%.

26.5 In 2020, the Company entered into foreign currency swap which is carried at fair value. The amount represents a liability arising from the foreign currency swap arrangement.

26. Financial liabilities continued

Loans	Currency	Nominal interest rate	Maturity	Group 31/12/21 ₦'million	Group 31/12/20 ₦'million
Bank overdrafts			On demand	**76,475**	4,796
Other borrowings					
Loan from Bulk Commodities Inc.	USD	6.0% – 8.5%	On demand	**21,801**	23,515
Loans from Dangote Oil & Gas	Naira	Libor + 7.5%	On demand	**—**	32,905
Power intervention loan	Naira	5.0%	01/2022	**250**	2,238
Commercial paper	Naira	8.5.0% – 10.0%	2022	**38,974**	110,970
Bond	Naira	11.25 – 13.5%	2025 – 2027	**147,789**	98,423
Short-term loans from banks	USD	Libor + 7.4%	2022	**230,816**	138,107
Standard Chartered	USD	Libor + 6%	04/2022	**9,757**	19,611
Long-term loans from banks	USD	Libor + 4%	2027	**14,210**	—
Long-term loans from banks	CFA	7.25% – 8.5%	2025	**7,390**	25,630
Nedbank/Standard Bank Loan	Rands	JIBAR + 4%	11/2022	**17,478**	26,915
				488,465	478,314
Total borrowings				**564,940**	483,110

Loans Bank overdrafts	Currency	Nominal interest rate	Maturity	Company 31/12/21 ₦'million	Company 31/12/20 ₦'million
Loan from Bulk Commodities Inc.	USD	6.0%	On demand	**1,400**	1,322
Loans from Dangote Oil & Gas	Naira	Libor + 7.5%	On demand	**—**	32,905
Power intervention loan	Naira	5.0%	01/2022	**250**	2,238
Commercial paper	Naira	8.5.0% – 10.0%	2022	**38,974**	110,970
Bond	Naira	11.25 – 13.5%	2025 – 2027	**147,789**	98,423
Short-term loans from Banks	USD	Libor + 7.4%	2022	**200,353**	103,771
				388,765	349,629
Total borrowings				**457,520**	349,629

26.6

The maturity profiles of borrowings are as follows:

	Group		Company	
	31/12/21 ₦'million	31/12/20 ₦'million	**31/12/21 ₦'million**	31/12/20 ₦'million
Due within one month	**85,561**	13,432	**69,004**	406
Due from one to three months	**25,244**	90,727	**15,200**	82,250
Due from three to twelve months	**277,573**	220,043	**225,527**	168,396
Total current portion repayable in one year	**388,378**	324,202	**309,731**	251,052
Due in the second year	**5,536**	26,198	**—**	154
Due in the third year	**23,389**	25,640	**3,643**	—
Due in the fourth year	**103,481**	100,580	**98,423**	—
Due in the fifth year and further	**44,156**	6,490	**45,723**	98,423
Total long-term portion of borrowings	**176,562**	158,908	**147,789**	98,577
Total	**564,940**	483,110	**457,520**	349,629

26. Financial liabilities continued

26.6 continued

The table below details changes in the liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group and Company's consolidated and separate statements of cash flows as cash flows from financing activities.

	Group				
	31/12/20 ₦'million	Financing cash flows ₦'million	Exchange gains/(losses) ₦'million	Others ₦'million	**31/12/21 ₦'million**
Bulk Commodities loans	23,515	—	(1,714)	—	**21,801**
Loans from Dangote Oil & Gas	32,905	(32,873)	(32)	—	**—**
Power intervention loan	2,238	(2,376)	—	388	**250**
Commercial papers	110,970	(71,996)	—	—	**38,974**
Bond	98,423	49,256	—	110	**147,789**
Bank loans	210,263	62,273	6,472	643	**279,651**
	478,314	4,284	4,726	1,141	**488,465**

	Company				
	31/12/20 ₦'million	Financing cash flows ₦'million	Exchange gains/(losses) ₦'million	Others ₦'million	**31/12/21 ₦'million**
Bulk Commodities loans	1,322	—	78	—	**1,400**
Loans from Dangote Oil & Gas	32,905	(32,873)	(32)	—	**—**
Power intervention loan	2,238	(2,376)	—	388	**250**
Commercial papers	110,970	(71,996)	—	—	**38,974**
Bond	98,423	49,256	—	110	**147,789**
Bank loans	103,771	92,385	3,554	643	**200,353**
	349,629	34,396	3,600	1,141	**388,766**

	Group				
	01/01/20 ₦'million	Financing cash flows ₦'million	Exchange gains/(losses) ₦'million	Others ₦'million	31/12/20 ₦'million
Loans from Dangote Industries Limited	37,006	(36,097)	(909)	—	—
Bulk Commodities loans	19,588	1,956	1,971	—	23,515
Loans from Dangote Oil & Gas	29,736	3,137	32	—	32,905
Power intervention loan	5,320	(2,625)	—	(457)	2,238
Commercial papers	137,505	(26,535)	—	—	110,970
Bond	—	98,423	—	—	98,423
Bank loans	110,467	84,666	15,130	—	210,263
	339,622	122,925	16,224	(457)	478,314

	Company				
	01/01/20 ₦'million	Financing cash flows ₦'million	Exchange gains/(losses) ₦'million	Others ₦'million	31/12/20 ₦'million
Loans from Dangote Industries Limited	37,006	(36,097)	(909)	—	—
Bulk Commodities loans	1,204	—	118	—	1,322
Loans from Dangote Oil & Gas	29,736	3,137	32	—	32,905
Power intervention loan	5,320	(2,625)	—	(457)	2,238
Commercial papers	137,505	(26,535)	—	—	110,970
Bond	—	98,423	—	—	98,423
Bank loans	14,759	86,375	2,637	—	103,771
	225,530	122,678	1,878	(457)	349,629

27. Deferred revenue and other current liabilities

27.1 Deferred revenue

	Group 31/12/21 ₦'million	Group 31/12/20 ₦'million	Company 31/12/21 ₦'million	Company 31/12/20 ₦'million
Deferred revenue arising from government grant (refer to (a) below)	670	444	299	37
	670	444	299	37
Current (Note 27.2)	34	70	1	37
Non-current	636	374	298	—
	670	444	299	37

a) The deferred revenue mainly arises as a result of the benefits received from government. The income recognised in current year was recorded in other income line.

Movement in deferred revenue

	Group 31/12/21 ₦'million	Group 31/12/20 ₦'million	Company 31/12/21 ₦'million	Company 31/12/20 ₦'million
At 1 January	444	516	37	156
Additions during the year	298	—	298	—
	742	516	335	156
Released to profit and loss account (other income)	(71)	(148)	(36)	(119)
Effect of foreign exchange differences	(1)	76	—	—
Closing balance	670	444	299	37

27.2 Other current liabilities

	Group 31/12/21 ₦'million	Group 31/12/20 ₦'million	Company 31/12/21 ₦'million	Company 31/12/20 ₦'million
Current portion of deferred revenue (Note 27.1)	34	70	1	37
Due to related parties – current (Note 31)				
Entities controlled by the parent company	101,806	50,387	95,407	42,513
Affiliates and associates of parent company	46,454	33,003	26,080	23,272
Subsidiaries	—	—	40,091	15,887
Total current payables to related parties	148,260	83,390	161,578	81,672
Other current liabilities	148,294	83,460	161,579	81,709

28. Provisions

Group	31/12/21 Site restoration ₦'million	31/12/21 Others* ₦'million	31/12/21 Total ₦'million	31/12/20 Site Restoration ₦'million	31/12/20 Others ₦'million	31/12/20 Total ₦'million
Balance at beginning of the year	6,913	1,136	8,049	2,869	815	3,684
Effect of foreign exchange differences	(914)	412	(502)	274	43	317
Provisions made during the year	(9)	275	266	2,793	278	3,071
Transfer from short term	—	—	—	717	—	717
Unwinding of discount	615	—	615	260	—	260
Balance at the end of the year	6,605	1,823	8,428	6,913	1,136	8,049

Company	31/12/21 Site Restoration ₦'million	31/12/21 Others ₦'million	31/12/21 Total ₦'million	31/12/20 Site Restoration ₦'million	31/12/20 Others ₦'million	31/12/20 Total ₦'million
Balance at beginning of the year	5,049	—	5,049	1,950	—	1,950
Provisions made during the year	(52)	—	(52)	2,865	—	2,865
Unwinding of discount	576	—	576	234	—	234
Balance at the end of the year	5,573	—	5,573	5,049	—	5,049

The Group's obligations are to settle environmental restoration and dismantling/decommissioning cost of property, plant and equipment when the Group has a legal or constructive obligation to do so. The expenditure is expected to be utilised at the end of the useful lives of the mines.

The provision for site restoration represents an estimate of the costs involved in restoring production sites at the end of the expected life of the quarries. The provision is an estimate based on management's re-assessment. It is expected that the restoration cost will happen over a period of time for the Group and Company. The long-term inflation and discount rates used in the estimate for Nigerian entities were 12.0% and 13.5%. (2020: 10.7% and 11.4%).

* Others include non-current withholding tax payable on interest.

29. Employee benefits

Employee benefits include defined contribution plans and long service awards. These are analysed as follows:

29.1 Defined contribution plans (Note 25)

	Group		Company	
	31/12/21 ₦'million	31/12/20 ₦'million	31/12/21 ₦'million	31/12/20 ₦'million
Balance at beginning of the year	722	393	15	8
Provision for the year	3,546	3,073	1,372	1,251
Payments during the year	(3,821)	(2,744)	(1,372)	(1,244)
Effect of foreign exchange differences	23	—	—	—
Balance at the end of the year	470	722	15	15

29.2 Employee benefit obligations

The Group operates an unfunded long service award for qualifying employees of the Group. Under the plan, the employees are entitled to benefits such as gift items, Ex-Gratia (expressed as a multiple of Monthly Basic Salary), a plaque and certificate on attainment of a specific number of years in service. The most recent actuarial valuations of the present value of the long service award were carried out as at 31 December, 2020 by Ernst & Young Nigeria (FRC registration number: FRC/2012/NAS/00000000738). The present value of the long service award, and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

The plan typically exposes the Group to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

Interest rate risk A decrease in the bond interest rate will increase the plan liability.

Longevity risk The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants during their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The principal assumptions used for the purposes of the actuarial valuations for Group and Company were as follows:

	Company	
	31/12/21 %	31/12/20 %
Discount rate(s)	13.50	8.00
Expected rate(s) of salary increase	12.00	12.00
Inflation rate	12.00	12.00

Movements in the present value of the long service awards are as follows:

	Group		Company	
	31/12/21 ₦'million	31/12/20 ₦'million	31/12/21 ₦'million	31/12/20 ₦'million
At 1 January	3,581	—	3,552	—
Current service cost	877	2,683	614	2,655
Interest cost	301	294	277	291
Remeasurement loss/gain				
Actuarial (gain)/loss	(1,458)	736	(1,378)	736
Benefits paid	(100)	(132)	(93)	(130)
Effect of foreign exchange differences	18	—	—	—
At 31 December	3,219	3,581	2,972	3,552

The actual return on plan assets in 2021 was nil (2020: nil).

Amounts recognised in profit or loss in respect of these long service awards are as follows:

	Group		Company	
	31/12/21 ₦'million	31/12/20 ₦'million	31/12/21 ₦'million	31/12/20 ₦'million
Current service cost	877	2,683	614	2,655
Net Interest expense	301	294	277	291
Actuarial (gain)/loss	(1,458)	736	(1,378)	736
	(280)	3,713	(487)	3,682

29. Employee benefits continued

29.2 Employee benefit obligations continued

The amount included in the consolidated and separate statements of financial position arising from the entity's obligation in respect of its long service awards is as follows:

	Group		Company	
	31/12/21 ₦'million	31/12/20 ₦'million	31/12/21 ₦'million	31/12/20 ₦'million
Present value of defined benefit obligations	**3,219**	3,581	**2,972**	3,552
Net liability arising from defined benefit obligation	**3,219**	3,581	**2,972**	3,552

- If the discount rate is 100 basis points higher (lower), the long service award at 31 December 2021 would decrease by ₦258.79 million (increase by ₦299.36 million) (2020: decrease by ₦309.29 million (increase by ₦357.79 million)).
- If the expected salary growth increases (decreases) by 1%, the long service award as at 31 December 2021 would increase by ₦194.90 million (decrease by ₦171.01 million) (2020: increase by ₦232.94 million (decrease by ₦204.38 million)).
- If the assumed mortality age is rated up (down) by one year, the long service award as at 31 December 2021 would decrease by ₦17.67 million (increase by ₦16.07 million) (2020: decrease by ₦21.12 million (increase by ₦19.20 million)).

The sensitivity analysis presented above may not be representative of the actual change in the long service award as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

In presenting the above sensitivity analysis, the present value of the long service award has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the long service awards liability recognised in the statement of financial position.

30. Financial instruments

30.1 Capital management

The Group manages its capital to ensure that the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the Group consists of net debt (borrowings as detailed in note 26 offset by cash and cash equivalents) and equity of the Group (comprising issued capital, reserves, retained earnings and non-controlling interests as detailed below.

	Group		Company	
	31/12/21 ₦'million	31/12/20 ₦'million	31/12/21 ₦'million	31/12/20 ₦'million
Net debt	**225,097**	337,275	**184,957**	280,781
Equity	**983,669**	890,970	**1,461,472**	1,352,377

The Finance committee reviews the capital structure of the Group on a quarterly basis. As part of this review, the committee considers the cost of capital and the risks associated with each class of capital. The Group endeavours to maintain an optimum mix of net debt to equity ratio which provides benefits of trading on equity without exposing the Group to any undue long-term liquidity risk. The Group manages its capital structure and makes adjustments to it in the light of changes in economic conditions. To maintain the capital or adjust the capital structure, the Group may adjust the dividend payment to shareholders, issue new and/or bonus shares, or raise debts in favourable market conditions.

The net debt to equity ratio as on 31 December 2021 is 23% (2020: 38%).

30.1.1 Debt to equity ratio

The debt to equity ratio at end of the reporting year was as follows:

	Group		Company	
	31/12/21 ₦'million	31/12/20 ₦'million	31/12/21 ₦'million	31/12/20 ₦'million
Financial liabilities (Note 26)	**564,940**	483,110	**457,520**	349,629
Cash and cash equivalents (Note 32.1)	**339,843**	145,835	**272,563**	68,848
Net debt	**225,097**	337,275	**184,957**	280,781
Equity	**983,669**	890,970	**1,461,472**	1,352,377
Net debt/Equity ratio	**0.23**	0.38	**0.13**	0.21

30. Financial instruments continued

30.2 Categories of financial instruments

31/12/21	Group Amortised cost ₦'million	FVTPL ₦'million	FVTOCI ₦'million	Total financial ₦'million	Non-financial ₦'million	Total ₦'million
Assets						
Property, plant and equipment	—	—	—	—	1,472,859	1,472,859
Intangible assets	—	—	—	—	5,122	5,122
Right-of-use assets	—	—	—	—	18,566	18,566
Investment in associate	—	—	—	—	6,528	6,528
Lease receivables	9,732	—	—	9,732	—	9,732
Deferred tax asset	—	—	—	—	5,163	5,163
Prepayments for property, plant and equipment	—	—	—	—	4,759	4,759
Inventories	—	—	—	—	167,205	167,205
Trade and other receivables	40,749	—	—	40,749	6,720	47,469
Prepayments and other current assets	189,713	—	—	189,713	122,009	311,722
Current tax assets	—	—	—	—	3,051	3,051
Cash and cash equivalents	339,843	—	—	339,843	—	339,843
Total assets	**580,037**	**—**	**—**	**580,037**	**1,811,982**	**2,392,019**
Liabilities						
Trade and other payables	239,760	—	—	239,760	131,464	371,224
Current tax liabilities	—	—	—	—	153,385	153,385
Financial liabilities	577,955	—	—	577,955	—	577,955
Other current liabilities	148,260	—	—	148,260	34	148,294
Lease liabilities	10,206	—	—	10,206	—	10,206
Deferred tax liabilities	—	—	—	—	135,003	135,003
Provisions	—	—	—	—	8,428	8,428
Employee benefits obligations	—	—	—	—	3,219	3,219
Deferred revenue	—	—	—	—	636	636
Total liabilities	**976,181**	**—**	**—**	**976,181**	**432,169**	**1,408,350**

31/12/20	Group Amortised cost ₦'million	FVTPL ₦'million	FVTOCI ₦'million	Total financial ₦'million	Non-financial ₦'million	Total ₦'million
Assets						
Property, plant and equipment	—	—	—	—	1,390,687	1,390,687
Intangible assets	—	—	—	—	4,554	4,554
Right-of-use assets	—	—	—	—	12,594	12,594
Investment in associate	—	—	—	—	5,711	5,711
Lease receivables	15,095	—	—	15,095	—	15,095
Deferred tax asset	—	—	—	—	11,708	11,708
Prepayments for property, plant and equipment	—	—	—	—	37,213	37,213
Inventories	—	—	—	—	108,270	108,270
Trade and other receivables	32,564	—	—	32,564	2,630	35,194
Prepayments and other current assets	185,214	—	—	185,214	63,347	248,561
Current tax assets	—	—	—	—	7,029	7,029
Cash and cash equivalents	145,835	—	—	145,835	—	145,835
Total assets	**378,708**	**—**	**—**	**378,708**	**1,643,743**	**2,022,451**
Liabilities						
Trade and other payables	249,662	—	—	249,662	99,726	349,388
Current tax liabilities	—	—	—	—	59,781	59,781
Financial liabilities	493,919	—	—	493,919	—	493,919
Other current liabilities	83,390	—	—	83,390	70	83,460
Lease liabilities	9,845	—	—	9,845	—	9,845
Derivatives	—	104	—	104	—	104
Deferred tax liabilities	—	—	—	—	122,980	122,980
Provisions	—	—	—	—	8,049	8,049
Employee benefit obligations	—	—	—	—	3,581	3,581
Deferred revenue	—	—	—	—	374	374
Total liabilities	**836,816**	**104**	**—**	**836,920**	**294,561**	**1,131,481**

30. Financial Instruments continued

30.2 Categories of financial instruments continued

31/12/21	Company Amortised cost ₦'million	FVTPL ₦'million	FVTOCI ₦'million	Total financial ₦'million	Non-financial ₦'million	Total ₦'million
Assets						
Property, plant and equipment	—	—	—	—	554,883	554,883
Intangible assets	—	—	—	—	147	147
Right-of-use assets	—	—	—	—	1,365	1,365
Investments in subsidiaries	—	—	—	—	162,268	162,268
Investment in associate	—	—	—	—	1,582	1,582
Lease receivables	9,732	—	—	9,732	—	9,732
Prepayments for property, plant and equipment	—	—	—	—	211	211
Receivables from subsidiaries	968,000	—	—	968,000	—	968,000
Inventories	—	—	—	—	88,421	88,421
Trade and other receivables	15,798	—	—	15,798	—	15,798
Prepayments and other current assets	404,041	—	—	404,041	100,745	504,786
Current tax assets	—	—	—	—	2,542	2,542
Cash and cash equivalents	272,563	—	—	272,563	—	272,563
Total assets	**1,670,134**	—	—	**1,670,134**	**912,164**	**2,582,298**
Liabilities						
Trade and other payables	126,395	—	—	126,395	88,016	214,411
Current tax liabilities	—	—	—	—	146,517	146,517
Financial liabilities	462,879	—	—	462,879	—	462,879
Other current liabilities	161,578	—	—	161,578	1	161,579
Lease liabilities	371	—	—	371	—	371
Deferred tax liabilities	—	—	—	—	126,226	126,226
Provisions	—	—	—	—	5,573	5,573
Employees benefits obligations		—	—	—	2,972	2,972
Deferred revenue	—	—	—	—	298	298
Total liabilities	**751,223**	—	—	**751,223**	**369,603**	**1,120,826**

31/12/20	Company Amortised cost ₦'million	FVTPL ₦'million	FVTOCI ₦'million	Total financial ₦'million	Non-financial ₦'million	Total ₦'million
Assets						
Property, plant and equipment	—	—	—	—	551,926	551,926
Intangible assets	—	—	—	—	180	180
Right-of-use assets	—	—	—	—	1,164	1,164
Investments in subsidiaries	—	—	—	—	162,246	162,246
Investment in associate	—	—	—	—	1,582	1,582
Lease receivables	15,095	—	—	15,095	—	15,095
Prepayments for property, plant and equipment	—	—	—	—	19,605	19,605
Receivables from subsidiaries	815,463	—	—	815,463	—	815,463
Inventories	—	—	—	—	54,545	54,545
Trade and other receivables	14,829	—	—	14,829	—	14,829
Prepayments and other current assets	366,714	—	—	366,714	38,352	405,066
Current tax assets	—	—	—	—	5,511	5,511
Cash and cash equivalents	68,848	—	—	68,848	—	68,848
Total assets	1,280,949	—	—	1,280,949	835,111	2,116,060
Liabilities						
Trade and other payables	83,759	—	—	83,759	56,486	140,245
Current tax liabilities	—	—	—	—	58,117	58,117
Financial liabilities	356,857	—	—	356,857	—	356,857
Other current liabilities	81,672	—	—	81,672	37	81,709
Lease liabilities	288	—	—	288	—	288
Derivatives	—	104	—	104	—	104
Deferred tax liabilities	—	—	—	—	117,762	117,762
Provisions	—	—	—	—	5,049	5,049
Employee benefit obligations	—	—	—	—	3,552	3,552
Total liabilities	522,576	104	—	522,680	241,003	763,683

30. Financial instruments continued

30.3 Financial risk management objectives

The Group's Corporate Treasury function provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group and analyses exposures by degree and magnitude of risks. These risks include market risk, credit risk and liquidity risk.

30.4 Market risk

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates (Note 30.5.1) and interest rates (Note 30.7.2).

30.5 Foreign currency risk management

The Group undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Income is primarily earned in local currency for most of the locations with a significant portion of capital expenditure being in foreign currency. The Group manages foreign currency by monitoring our financial position in each country we operate with the aim of having assets and liabilities denominated in the functional currency as much as possible. The effective closing rate as at 31 December 2021 are ₦424.11/US Dollar, ₦470.19/GB Pounds and ₦559.96/Euro (2020: ₦400.33/US Dollar, ₦482.63/GB Pounds and ₦539.16/Euro). The carrying amounts of the Group and Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting year are as follows:

	Group			
	Liabilities		Assets	
	31/12/21 ₦'million	31/12/20 ₦'million	**31/12/21 ₦'million**	31/12/20 ₦'million
US Dollars	**473,843**	252,871	**2,759**	1,124
GB Pounds	**5,382**	5,004	**9**	9
Euro	**24,235**	14,866	**6,815**	1,882
Total	**503,460**	272,741	**9,583**	3,015

	Company			
	Liabilities		Assets	
	31/12/21 ₦'million	31/12/20 ₦'million	**31/12/21 ₦'million**	31/12/20 ₦'million
US Dollars	**385,286**	199,881	**922,731**	987,521
GB Pounds	**5,366**	4,944	**9**	9
Euro	**19,800**	14,805	**8,647**	5,310
Total	**410,452**	219,630	**931,387**	992,840

30.5.1 Foreign currency sensitivity analysis

The Group is mainly exposed to US Dollars.

The following table details the Group and Company's sensitivity to a 15% (2020: 15%) increase and decrease in the Naira against the US Dollar, GB Pounds and Euro. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 15% change in foreign currency rates. The sensitivity analysis includes external loans as well as loans to foreign operations within the Group where the denomination of the loan is in a currency other than the functional currency of the lender or the borrower. A positive number below indicates an increase in profit or equity for a 15% change in the exchange rates. A negative number below indicates a decrease in profit or equity for a 15% change in the exchange rates.

	Group		Company	
	31/12/21 ₦'million	31/12/20 ₦'million	**31/12/21 ₦'million**	31/12/20 ₦'million
Effect on profit or loss/equity for a 15% (2020: 15%) appreciation in Naira:				
US Dollars	**49,464**	26,434	**(56,432)**	(82,702)
GB Pounds	**564**	524	**562**	518
Euro	**1,829**	1,363	**1,171**	997
Total	**51,857**	28,321	**(54,699)**	(81,187)

	Group		Company	
	31/12/21 ₦'million	31/12/20 ₦'million	**31/12/21 ₦'million**	31/12/20 ₦'million
Effect on profit or loss/equity for a 15% (2020: 15%) depreciation in Naira:				
US Dollars	**(49,464)**	(26,434)	**56,432**	82,702
GB Pounds	**(564)**	(524)	**(562)**	(518)
Euro	**(1,829)**	(1,363)	**(1,171)**	(997)
Total	**(51,857)**	(28,321)	**54,699**	81,187

30. Financial instruments continued

30.6 Credit risk management

30.5.1 Foreign currency sensitivity analysis continued

Credit risk refers to the risk that counterparties will default on their contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties.

The Group's and Company's business is predominantly on a cash basis. Revolving credits granted to major distributors and very large corporate customers approximate about ₦37.07 billion and these are payable within 30 days. Stringent credit control is exercised over the granting of credit, this is done through the review and approval by executive management based on the recommendation of the credit control group.

Credits to major distributors are covered by bank guarantee with an average credit period of no more than 15 days.

For very large corporate customers, clean credits are granted based on previous business relationships and positive credit worthiness which is performed on an ongoing basis. These credits are usually payable at no more than 30 days.

The Group and the Company do not have significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The Group defines counterparties as related entities with similar characteristics.

Trade receivables consist of a large number of customers, spread across diverse geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable.

The credit risk on liquid funds financial instruments is limited because the counterparties are banks with high credit-ratings assigned by credit-rating agencies.

30.6.1 Exposure to credit risk

The tables below detail the credit quality of the Group's financial assets as well as the Group's maximum exposure to credit risk by credit risk rating grades:

		Group					
31/12/21	Notes	**External credit rating**	**Internal rating**	**12 months or lifetime ECL**	**Gross carrying amount ₦'million**	**Allowance ₦'million**	**Net carrying amount ₦'million**
Lease receivables	22	**N/A**	**ii**	**Lifetime ECL**	**9,732**	**—**	**9,732**
Trade and other receivables	21	**N/A**	**ii**	**Lifetime ECL**	**42,434**	**(1,685)**	**40,749**
Prepayments and other current assets	19.2	**N/A**	**Performing**	**Lifetime ECL**	**189,713**	**—**	**189,713**
Cash and cash equivalents	32.1	**i**	**i**	**i**	**339,843**	**—**	**339,843**
Total					**581,722**	**(1,685)**	**580,037**

		Group					
31/12/20	Notes	External credit rating	Internal rating	12 months or lifetime ECL	Gross carrying amount ₦'million	Allowance ₦'million	Net carrying amount ₦'million
Lease receivables	22	N/A	ii	Lifetime ECL	15,095	—	15,095
Trade and other receivables	21	N/A	ii	Lifetime ECL	33,908	(1,344)	32,564
Prepayments and other current assets	19.2	N/A	Performing	Lifetime ECL	185,214	—	185,214
Cash and cash equivalents	32.1	i	i	i	145,835	—	145,835
Total					380,052	(1,344)	378,708

30. Financial instruments continued

30.6 Credit risk management continued

		Company					
31/12/21	Notes	External credit rating	Internal rating	12 months or lifetime ECL	Gross carrying amount ₦'million	Allowance ₦'million	Net carrying amount ₦'million
Lease receivables	22	N/A	ii	Lifetime ECL	9,732	—	9,732
Receivables from subsidiaries	31	N/A	ii	Lifetime ECL	968,000	—	968,000
Trade and other receivables	21	N/A	ii	Lifetime ECL	17,282	(1,484)	15,798
Prepayments and other current assets	19.2	N/A	Performing	Lifetime ECL	404,041	—	404,041
Cash and bank balances	32.1	i	i	i	272,563	—	272,563
Total					**1,671,618**	**(1,484)**	**1,670,134**

		Company					
31/12/20	Notes	External credit rating	Internal rating	12 months or lifetime ECL	Gross carrying amount ₦'million	Allowance ₦'million	Net carrying amount ₦'million
Lease receivables	22	N/A	ii	Lifetime ECL	15,095	—	15,095
Receivables from subsidiaries	31	N/A	ii	Lifetime ECL	815,463	—	815,463
Trade and other receivables	21	N/A	ii	Lifetime ECL	15,911	(1,082)	14,829
Prepayments and other current assets	19.2	N/A	Performing	Lifetime ECL	366,714	—	366,714
Cash and bank balances	32.1	i	i	i	68,848	—	68,848
Total					1,282,031	(1,082)	1,280,949

(i) All bank balances are assessed to have low credit risk at each reporting date as they are held with reputable banking institutions with good credit rating by rating agencies.

(ii) For finance leases and trade receivables, the simplified approach to measure the loss allowance at lifetime ECL has been applied.

30.7 Liquidity risk management

The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans, debentures and preference shares. The Group has access to sufficient sources of funds directly from external sources as well as from the Group's parent.

30.7.1 Liquidity maturity table

The following tables detail the Group and Company's remaining contractual maturity for its financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay. The tables below include both interest and principal cash flows for the Group.

		Group			
		Contractual cash flows			
	Gross carrying amount ₦'million	<1 month ₦'million	1–3 months ₦'million	3 months–1 year ₦'million	>1 year ₦'million
As at 31 December 2021					
Trade and other payables	239,760	226,987	—	12,773	—
Financial liabilities	577,955	99,011	26,075	299,177	244,181
Lease liabilities	10,206	182	364	1,358	52,383
Other current liabilities	148,260	148,260	—	—	—
Total	**976,181**	**474,440**	**26,439**	**313,308**	**296,564**

		Group			
		Contractual cash flows			
	Gross carrying amount ₦'million	<1 month ₦'million	1–3 months ₦'million	3 months–1 year ₦'million	>1 year ₦'million
As at 31 December 2020					
Trade and other payables	249,662	246,803	—	2,859	—
Financial liabilities	493,919	15,751	95,725	233,612	205,855
Lease liabilities	9,845	151	302	1,358	50,093
Other current liabilities	83,390	83,390	—	—	—
Derivatives	104	—	104	—	—
Total	836,920	346,095	96,131	237,829	255,948

30. Financial instruments continued
30.7 Liquidity risk management continued
30.7.1 Liquidity maturity table continued

	Gross carrying amount ₦'million	Company Contractual cash flows <1 month ₦'million	1–3 months ₦'million	3 months–1 year ₦'million	>1 year ₦'million
As at 31 December 2021					
Trade and other payables	**126,395**	**113,622**	**—**	**12,773**	**—**
Financial liabilities	**462,879**	**74,363**	**15,200**	**245,021**	**212,556**
Other current liabilities	**161,578**	**161,578**	**—**	**—**	**—**
Lease liabilities	**371**	**—**	**—**	**261**	**110**
Total	**751,223**	**349,563**	**15,200**	**258,055**	**212,666**

	Gross carrying amount ₦'million	Contractual cash flows <1 month ₦'million	1–3 months ₦'million	3 months–1 year ₦'million	>1 year ₦'million
As at 31 December 2020					
Trade and other payables	83,759	80,900	—	2,859	—
Financial liabilities	356,857	2,048	85,987	177,169	140,249
Other current liabilities	81,672	81,672	—	—	—
Lease liabilities	288	—	—	158	130
Derivatives	104	—	104	—	—
Total	522,680	164,620	86,091	180,186	140,379

The Company guaranteed the loans in the subsidiaries amounting to ₦87.0 billion (2020: ₦111.3 billion).

30.7.2 Interest risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to the changes in market interest rates. The Group maintains a centralised treasury department and Group borrowing is done in order to obtain lower interest rates. The Group negotiates long-term credit facilities to reduce the risk associated with high cost of borrowing. The Group is exposed to interest rate risk because it borrows funds at both fixed and floating interest rates. The sensitivity analysis below have been determined based on the exposure to interest rates for borrowings at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. 100 basis points (BP) increase or decrease are used when reporting Libor risk internally to key management personnel and these represent management's assessment of the reasonably possible change in interest rates. Please refer to note 26 for interest rates of financial instruments.

The following sensitivity analysis has been prepared using a sensitivity rate which is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates. All other variables remain constant. The sensitivity analysis includes only financial instruments exposed to interest rate risk which were recognised at the reporting date. No changes were made to the methods and assumptions used in the preparation of the sensitivity analysis compared to the previous reporting period. The following table details the sensitivity to a 1% (2020: 1%) increase or decrease in interest rates.

	Group		Company	
	31/12/21 ₦'million	31/12/20 ₦'million	**31/12/21 ₦'million**	31/12/20 ₦'million
Effect on Profit or loss/Equity for a 1% (2020: 1%) increase in rate	**(1,693)**	(1,213)	**1,758**	2,270
Effect on Profit or loss/Equity for a 1% (2020: 1%) decrease in rate	**1,693**	1,213	**(1,758)**	(2,270)

30. Financial instruments continued

30.7 Liquidity risk management continued

30.7.3 Fair valuation of financial assets and liabilities

Except for bond as shown in table below, the carrying amount of trade and other receivables, cash and cash equivalents, lease receivables, lease liabilities and amounts due from and to related parties as well as trade payables, other payables approximate their fair values because of the short-term nature of these instruments and, for trade and other receivables, because of the fact that any loss from recoverability is reflected in an impairment loss. The fair values of financial debt approximate the carrying amount as the loans are pegged to market rates and reset when rates change.

	Group				Company			
	31/12/21 Fair value ₦'million	**31/12/21 Carrying amount ₦'million**	31/12/20 Fair value ₦'million	31/12/20 Carrying amount ₦'million	**31/12/21 Fair value ₦'million**	**31/12/21 Carrying amount ₦'million**	31/12/20 Fair value ₦'million	31/12/20 Carrying amount ₦'million
Bond	**147,590**	**147,789**	114,000	98,423	**147,590**	**147,789**	114,000	98,423

Fair value hierarchy

Financial instruments in Level 1

The fair value of financial instruments traded in active markets (quoted equity) is based on quoted market prices at the reporting date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

The quoted market price used for quoted equity investment held by the Company is the bid price at the reporting date. These instruments are included in level 1. There were no transfers between levels during the year.

Financial instruments in Level 2

The fair value of financial instruments that are not traded in an active market (loans and borrowings) is determined by using discounted cash flow valuation techniques. This valuation technique maximise the use of observable market data by using the market related interest rate for discounting the contractual cash flows. There are no significant unobservable inputs. There were no transfers between levels during the year. The basis of measurement has remained the same between current and prior years.

The fair value of future and forward exchange contracts is determined using quoted forward exchange rates at the reporting date and present value calculations based on high credit quality yield curves in the respective currencies.

Financial instruments in Level 3

The valuation model is based on market multiples derived from quoted prices of companies comparable to the investee and the expected revenue and EBITDA of the investee. The estimate is adjusted for the effect of non-marketability of the equity securities. The valuation model considers the present value of expected payment, discounted using a risk-adjusted discount rate.

31. Related-party transactions

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation. Details of transactions between the Group and Company, and other related parties are disclosed below.

The Group and the Company, in the normal course of business, sells to and buys from other business enterprises that fall within the definition of a "related party" contained in International Accounting Standard 24. These transactions mainly comprise purchases, sales, finance costs, finance income and management fees paid to shareholders. The companies in the Group also provide funds to and receive funds from each other as and when required for working capital financing and capital projects.

31.1 Trading transactions

During the year, Group entities entered into the following trading transactions with related parties that are not members of the Group:

	Sale of goods		Purchases of goods and services	
	31/12/21 ₦'million	31/12/20 ₦'million	**31/12/21 ₦'million**	31/12/20 ₦'million
Parent company	**22**	—	**—**	—
Entities controlled by the parent company	**8,708**	15,194	**149,869**	123,707
Affiliates and associates of the parent company	**—**	—	**77,890**	43,049

During the year, the Company entered into the following trading transactions with related parties:

	Sale of goods		Purchases of goods and services	
	31/12/21 ₦'million	31/12/20 ₦'million	**31/12/21 ₦'million**	31/12/20 ₦'million
Parent company	**22**	—	**—**	—
Entities controlled by the parent company	**8,708**	15,194	**147,466**	115,650
Affiliates and associates of the parent company	**—**	—	**13,264**	10,649
Subsidiaries	**7,091**	4,430	**74,714**	11,125

31. Related-party transactions continued

31.1 Trading transactions continued

In addition to sales and purchases of goods, the Company charged interest amounting to ₦30.2 billion (2020: ₦31.5 billion) on loans granted to subsidiaries. This interest is eliminated on consolidation.

Also during the year, the Parent Company charged the Group a total interest of nil (2020: ₦487.7 million), being the cost of borrowing to finance capital projects and other operational expenses. In the same vein, the Group charged the Parent Company a total interest of ₦14.59 billion (2020: ₦1.69 billion).

In addition to the above, Dangote Industries Limited performed certain administrative services for the Company, for which a management fee of ₦5.4 billion (2020: ₦5.3 billion) was charged, being an allocation of costs incurred by relevant administrative departments. Also, the Parent Company (DIL) provided a guarantee for related parties receivables.

During the year, the Company provided materials and services of ₦16.80 billion (2020: ₦8.81 billion), used in the manufacturing process of subsidiaries.

The following balances were outstanding at the end of the reporting year:

	Company			
	Amounts owed by related parties		Amounts owed to related parties	
	31/12/21 ₦'million	31/12/20 ₦'million	**31/12/21 ₦'million**	31/12/20 ₦'million
Non-current				
Entities controlled by the Company	**968,000**	815,463	**—**	—

The above balances represents expenditures on projects in African countries. These are not likely to be repaid within the next twelve (12) months and have been classified under non-current assets.

In 2021, amount totalling nil (2020: ₦3.4 billion) was impaired from loan receivables from subsidiaries by the Company. This has been included within provision for doubtful debt and bad debt expense for the year ended 31 December 2021.

The Group management has continued to show its intention to provide financial support to its subsidiaries and to assist, when necessary, any subsidiary to obtain financial support in the future and does not envisage any material risk as a result of this. Interest charged to the subsidiaries on the advances extended to them during the year was between 5% to 11%.

During the year, the Company provided financial support to its subsidiaries of ₦164.4 billion (2020: ₦73.1 billion) for capital development and/or for operational purposes. Assistance rendered was always in the form of funds transferred to them for the normal running of their operations or on their behalf to vendors/contractors for settlement of commitments.

	Group			
	Amounts owed by related parties		Amounts owed to related parties	
	31/12/21 ₦'million	31/12/20 ₦'million	**31/12/21 ₦'million**	31/12/20 ₦'million
Current				
Parent company	**27,929**	8,522	**—**	—
Loans to parent company	**50,000**	70,000	**—**	—
Entities controlled by the parent company	**111,724**	106,657	**101,806**	50,387
Affiliates and associates of parent company	**60**	35	**46,454**	33,003
	189,713	185,214	**148,260**	83,390

	Company			
	Amounts owed by related parties		Amounts owed to related parties	
	31/12/21 ₦'million	31/12/20 ₦'million	**31/12/21 ₦'million**	31/12/20 ₦'million
Current				
Parent company	**27,929**	8,522	**—**	—
Loans to parent company	**50,000**	70,000	**—**	—
Entities controlled by the parent company	**106,224**	101,345	**95,407**	42,513
Affiliates and associates of the parent company	**—**	—	**26,080**	23,272
Subsidiaries	**219,888**	186,847	**40,091**	15,887
	404,041	366,714	**161,578**	81,672

31.2 Loans from related parties

	Group		Company	
	31/12/21 ₦'million	31/12/20 ₦'million	**31/12/21 ₦'million**	31/12/20 ₦'million
Affiliates and associates of the parent company	**21,801**	23,515	**1,400**	1,322
Entities controlled by the parent company	**—**	32,905	**—**	32,905
	21,801	56,420	**1,400**	34,227

31. Related-party transactions continued

31.3 Compensation of key management personnel

The remuneration of Directors who are the members of key management personnel during the year was as follows:

	Group		Company	
	31/12/21 ₦'million	31/12/20 ₦'million	**31/12/21 ₦'million**	31/12/20 ₦'million
Short-term benefits	**1,409**	1,491	**1,391**	1,478
	1,409	1,491	**1,391**	1,478

32. Supplemental cash flow disclosures

32.1 Cash and cash equivalents

	Group		Company	
	31/12/21 ₦'million	31/12/20 ₦'million	**31/12/21 ₦'million**	31/12/20 ₦'million
Cash and bank balances	**251,887**	115,871	**184,889**	48,492
Short-term deposits	**87,956**	29,964	**87,674**	20,356
Cash and cash equivalents per statement of financial position	**339,843**	145,835	**272,563**	68,848
Bank overdrafts used for cash management purposes (Note 26)	**(76,475)**	(4,796)	**(68,754)**	—
Cash and cash equivalents per statement of cash flows	**263,368**	141,039	**203,809**	68,848

Cash and cash equivalents include restricted cash of ₦8.34 billion for Group and ₦4.17 billion for Company (2020: ₦3.83 billion for Group and ₦3.49 billion for Company) on unclaimed dividends held in a separate bank account, letters of credit for the acquisition of inventories, property, plant and equipment as well as debt service reserve account.

33. Lease liabilities

	Group		Company	
	31/12/21 ₦'million	31/12/20 ₦'million	**31/12/21 ₦'million**	31/12/20 ₦'million
Maturity analysis				
Year 1	**2,184**	1,811	**261**	158
Year 2	**1,561**	2,592	**—**	92
Year 3	**1,384**	1,236	**110**	—
Year 4	**1,147**	1,160	**—**	38
Year 5	**1,162**	905	**—**	—
Later than 5 years	**47,129**	44,200	**—**	—
	54,567	51,904	**371**	288
Less unearned interest	**(44,361)**	(42,059)	**—**	—
	10,206	9,845	**371**	288
Analysed as				
Current	**2,187**	2,073	**261**	158
Non-current	**8,019**	7,772	**110**	130
	10,206	9,845	**371**	288

33.1 Extension options

Some leases include extension options that are exercisable by the Group/Company up to one (1) year before the end of the non cancellable contract period. The extension options held are not exercisable by the lessor but only by the Group/Company. The Group/Company assesses at the commencement date of lease whether or not it is reasonably certain to exercise these options. If there is a significant event or changes in circumstances within its control, the Group/Company reassesses whether it is reasonably certain to exercise the options.

34. Commitments for expenditure

	Group		Company	
	31/12/21 ₦'million	31/12/20 ₦'million	**31/12/21 ₦'million**	31/12/20 ₦'million
Commitments for the acquisition of property, plant and equipment	**206,980**	127,665	**2,111**	21,137

35. Contingent liabilities

The Group and Company are engaged in law suits that have arisen in the normal course of business. The contingent liabilities in respect of pending litigation and other claims amounted to ₦57.8 billion and ₦50.1 billion for the Group and Company respectively (2020: ₦117.5 billion and ₦93.2 billion for Group and Company respectively). The Group and Company have assessed these claims and believe that no material loss is expected to arise from them.

36. Subsequent events

On 26 February 2022, a dividend of ₦20.00 (2020: ₦16.00) per share was proposed by the Directors for approval at the Annual General Meeting (AGM). There were no events after the reporting date that could have had a material effect on the consolidated and separate financial statements that have not been provided for or disclosed in these financial statements.

In January 2022, the Company executed tranche II of its Share Buy-Back Programme, buying back 126,748,153 units of its shares representing 0.74% of the Company's issued and fully paid ordinary shares. This is a non-adjusting event occurring after the reporting period.

Five-year financial summary – other national disclosure
Group

	2021 ₦'million	2020 ₦'million	2019 ₦'million	2018 ₦'million	2017 ₦'million
Assets/liabilities					
Property, plant and equipment	**1,472,859**	1,390,687	1,206,749	1,171,864	1,192,140
Intangible assets	**5,122**	4,554	3,663	5,969	6,355
Right-of-use assets	**18,566**	12,594	11,956	—	—
Investments	**6,528**	5,711	4,961	4,312	3,749
Non current prepayments	**4,759**	37,213	51,233	36,383	16,101
Lease receivables	**5,980**	9,846	11,285	6,475	6,614
Net current liabilities	**(203,441)**	(279,679)	(224,058)	(66,668)	(110,177)
Deferred taxation assets/(liabilities)	**(129,840)**	(111,272)	(49,073)	(42,728)	(86,273)
Long-term debts	**(176,562)**	(158,908)	(107,279)	(125,725)	(242,894)
Employee benefits obligations	**(3,219)**	(3,581)	—	—	—
Other non-current liabilities	**(17,083)**	(16,195)	(11,500)	(3,269)	(4,255)
Net assets	**983,669**	890,970	897,937	986,613	781,360
Capital and reserves					
Share capital	**8,520**	8,520	8,520	8,520	8,520
Share premium	**42,430**	42,430	42,430	42,430	42,430
Capital Contribution	**2,877**	2,877	2,877	2,877	2,877
Treasury shares	**(9,833)**	(9,833)	—	—	—
Currency Translation Reserve	**53,102**	52,681	55,974	72,605	75,441
Revenue reserve	**868,274**	779,271	776,839	848,695	639,462
Non controlling interest	**18,299**	15,024	11,297	11,486	12,630
	983,669	890,970	897,937	986,613	781,360
Turnover, profit or loss account					
Turnover	**1,383,637**	1,034,196	891,671	901,213	805,582
Profit before taxation	**538,366**	373,310	250,479	300,806	289,590
Taxation	**(173,927)**	(97,242)	(49,958)	89,519	(85,342)
Profit after taxation	**364,439**	276,068	200,521	390,325	204,248
Per share data (Naira):					
Earnings (basic and diluted)	**21.24**	16.14	11.79	22.83	11.65
Net assets	**57.86**	52.29	52.69	57.90	45.85

Earnings per share are based on profit after taxation and the weighted average number of issued and fully paid ordinary shares at the end of each financial year.

Net assets per share are based on net assets and the weighted average number of issued and fully paid ordinary shares at the end of each financial year.

Five-year financial summary – other national disclosure continued
Company

	2021 ₦'million	2020 ₦'million	2019 ₦'million	2018 ₦'million	2017 ₦'million
Assets/(liabilities)					
Property, plant and equipment	**554,883**	551,926	545,834	535,934	549,962
Intangible assets	**147**	180	69	48	37
Right-of-use	**1,365**	1,164	994	—	—
Investments	**163,850**	163,828	163,653	163,653	163,539
Receivables from subsidiaries	**1,147,797**	986,423	817,906	715,561	594,783
Prepayments for property, plant and equipment	**211**	19,605	5,690	—	1,600
Lease receivables	**5,980**	9,846	11,285	6,475	6,614
Net current asset/(liabilities)	**(129,793)**	(155,525)	(146,378)	983	(56,078)
Deferred taxation (liabilities)/assets	**(126,226)**	(117,762)	(75,117)	(65,472)	(109,817)
Long-term debts	**(147,789)**	(98,577)	(39,700)	(62,168)	(157,195)
Employee benefits obligations	**(2,972)**	(3,552)	—	—	—
Other non-current liabilities	**(5,981)**	(5,179)	(1,987)	(1,466)	(2,428)
Net assets	**1,461,472**	1,352,377	1,282,249	1,293,548	991,017
Capital and reserves					
Share capital	**8,520**	8,520	8,520	8,520	8,520
Share premium	**42,430**	42,430	42,430	42,430	42,430
Capital contribution	**2,828**	2,828	2,828	2,828	2,828
Treasury shares	**(9,833)**	(9,833)	—	—	—
Revenue reserve	**1,417,527**	1,308,432	1,228,471	1,239,770	937,239
	1,461,472	1,352,377	1,282,249	1,293,548	991,017
Turnover, profit or loss account					
Turnover	**993,399**	719,945	610,247	618,301	552,364
Profit before taxation	**534,425**	430,747	315,420	392,223	342,153
Taxation	**(153,325)**	(78,138)	(54,071)	89,233	(87,523)
Profit after taxation	**381,100**	352,609	261,349	481,456	254,630
Per share data (Naira):					
Earnings (basic and diluted)	**22.42**	20.69	15.34	28.25	14.94
Net assets	**85.97**	79.36	75.25	75.91	58.16

Earnings per share are based on profit after taxation and the weighted average number of issued and fully paid ordinary shares at the end of each financial year.

Net assets per share are based on net assets and the weighted average number of issued and fully paid ordinary shares at the end of each financial year.

Statement of value added – other national disclosure

	Group				Company			
	2021 ₦'million	**%**	2020 ₦'million	%	**2021 ₦'million**	**%**	2020 ₦'million	%
Sales	**1,383,637**		1,034,196		**993,399**		719,945	
Finance income	**20,765**		29,814		**92,783**		112,031	
Other income	**6,221**		4,754		**1,975**		1,922	
	1,410,623		1,068,764		**1,088,157**		833,898	
Bought-in materials and services:								
– Imported	**(223,744)**		(124,511)		**(121,006)**		(74,340)	
– Local	**(409,216)**		(365,165)		**(291,542)**		(200,944)	
Value added	**777,663**	**100**	579,088	100	**675,609**	**100**	558,614	100
Applied as follows:								
To pay employees:								
Salaries, wages and other benefits	**72,824**	**9**	72,252	12	**39,963**	**6**	44,415	8
To pay government:								
Current taxation	**154,915**	**20**	38,065	7	**144,861**	**22**	35,493	6
Deferred taxation	**19,012**	**3**	59,177	10	**8,464**	**1**	42,645	8
To pay providers of capital:								
Finance charges	**65,707**	**8**	43,988	8	**42,501**	**6**	28,881	5
To provide for maintenance of fixed assets:								
– Depreciation	**100,488**	**13**	89,225	15	**58,656**	**9**	54,540	10
– Amortisation	**278**	**—**	313	—	**64**	**—**	31	—
Retained in the Group:								
– Non-controlling interest	**3,431**	**1**	988	—	**—**	**—**	—	—
– Profit and loss account	**361,008**	**46**	275,080	48	**381,100**	**56**	352,609	63
	777,663	**100**	579,088	100	**675,609**	**100**	558,614	100

Value added represents the additional wealth which the Group and Company have been able to create by its own and its employees' efforts. The statement shows the allocation of that wealth to employees, government, providers of finance, and that retained for future creation of more wealth.

Share capital history

	Authorised		Issued and fully paid		Consideration/remarks
Date	Increase	Cumulative	Increase	Cumulative	Cash/bonus/others
1992	500,000,000	210,000,000	210,000,000	210,000,000	Cash
2001	0	500,000,000	290,000,000	500,000,000	Cash
2010	9,500,000,000	10,000,000,000	7,000,000,000	7,500,000,000	Bonus
2010	—	—	245,685,184	7,745,685,184	Share Exchange (Merger)
2011	—	10,000,000,000	—	7,745,685,184	No change
2012	—	10,000,000,000	774,568,518	8,520,253,702	Bonus
2013	—	10,000,000,000	—	8,520,253,702	No change
2014	—	10,000,000,000	—	8,520,253,702	No change
2015	—	10,000,000,000	—	8,520,253,702	No change
2016	—	10,000,000,000	—	8,520,253,702	No change
2017	—	10,000,000,000	—	8,520,253,702	No change
2018	—	10,000,000,000	—	8,520,253,702	No change
2019	—	10,000,000,000	—	8,520,253,702	No change
2020	—	10,000,000,000	—	8,520,253,702	No change
2021	—	10,000,000,000	—	8,520,253,702	No change

Shareholding range analysis

Range analysis as at 31st December 2021

Share Range	No. of shareholders	% of shareholders	No. of holdings	% shareholding
1-1,000	32,675	73.33	10,679,685	0.06
1,001-5,000	8,603	19.31	17,539,482	0.10
5,001-10,000	1,340	3.01	9,636,257	0.06
10,001-50,000	1,275	2.86	26,521,016	0.16
50,001-100,000	223	0.50	16,188,968	0.10
100,001-500,000	263	0.59	62,267,587	0.37
500,001-1,000,000	58	0.13	44,084,161	0.26
1,000,001-5,000,000	75	0.17	157,075,809	0.92
5,000,001-10,000,000	20	0.04	138,477,023	0.81
10,000,001-50,000,000	18	0.04	377,735,874	2.22
50,000,001-100,000,000	3	0.01	252,190,097	1.48
100,000,001-500,000,000	4	0.01	640,146,131	3.76
500,000,001-1,000,000,000	1	0.00	803,582,668	4.72
5,000,000,001 & Above	1	0.00	14,484,382,646	85.00
Total	**44,559**	**100**	**17,040,507,404**	**100**

GRI content index

For the Content Index - Essentials Service, GRI Services reviewed that the GRI content index is clearly presented, in a manner consistent with the Standards, and that the references for disclosures 2-1 to 2-5, 3-1 and 3-2 are aligned with the appropriate sections in the body of the report.

GRI CONTENT INDEX ESSENTIALS SERVICE 2022

Statement of use	Dangote Cement Plc has reported in accordance with the GRI Standards for the period 1st January 2021 to 31st December 2021.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	Not applicable

GRI CONTENT INDEX - 2021

GRI Standards	Disclosure	Disclosure title	UN SDGs	UNGC	NGX	Page number
GRI 2: General Disclosures 2021	2-1	Organisational details				8
	2-2	Entities included in the organisation's sustainability reporting				8
	2-3	Reporting period, frequency and contact point				35
	2-4	Restatements of information				35
	2-5	External assurance				173
	2-6	Activities, value chain and other business relationships				8
	2-7	Employees				46
	2-8	Workers who are not employees				46
	2-9	Governance structure and composition	Goal 16		Governance	70
	2-10	Nomination and selection of the highest governance body	Goal 5 and 16			77
	2-11	Chair of the highest governance body				70
	2-12	Role of the highest governance body in overseeing the management of impacts	Goal 3			61
	2-13	Delegation of responsibility for managing impacts				61
	2-14	Role of the highest governance body in sustainability reporting				61
	2-15	Conflicts of interest				49, 79
	2-16	Communication of critical concerns				49
	2-17	Collective knowledge of the highest governance body			Governance	78
	2-18	Evaluation of the performance of the highest governance body				78
	2-19	Remuneration policies				78
	2-20	Process to determine remuneration				78
	2-21	Annual total compensation ratio				78
	2-22	Statement on sustainable development strategy				35
	2-23	Policy commitments	Goal 16	Principle 1 and 2 – DCP Human Rights Policy		48
	2-24	Embedding policy commitments				48
	2-25	Processes to remediate negative impacts				49
	2-26	Mechanisms for seeking advice and raising concerns				49
	2-27	Compliance with laws and regulations				40
	2-28	Membership associations				65
	2-29	Approach to stakeholder engagement			Governance	50
	2-30	Collective bargaining agreements				48
GRI 3: Material Topics 2021	3-1	Process to determine material topics				34, 66
	3-2	List of material topics				66
ECONOMIC PERFORMANCE						
GRI 3: Material Topics 2021	3-3	Management of material topics	Goal 1, Goal 2, Goal 8, Goal 11,			64
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed			Economic	64
	201-2	Financial implications and other risks and opportunities due to climate change				41
	201-3	Defined benefit plan obligations and other retirement plans				48
	201-4	Financial assistance received from government				61

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GRI Standards	Disclosure	Disclosure title	UN SDGs	UNGC	NGX	Page number
MARKET PRESENCE						
GRI 3: Material Topics 2021	3-3	Management of material topics				48
GRI 202: Market Presence 2016	202-1	Ratios of standard entry level wage by gender compared to local minimum wage				48
	202-2	Proportion of senior management hired from the local community			Economic	62
INDIRECT ECONOMIC IMPACTS						
GRI 3: Material Topics 2021	3-3	Management of material topics				45
GRI 203: Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported	Goal 9			45
	203-2	Significant indirect economic impacts	Goal 1, Goal 3, Goal 8, Goal 10			45
PROCUREMENT PRACTICES						
GRI 3: Material Topics 2021	3-3	Management of material topics				62
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	Goal 12			62
ANTI-CORRUPTION						
GRI 3: Material Topics 2021	3-3	Management of material topics				52
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption		Principle 10 Anti-corruption		52
	205-2	Communication and training about anti-corruption policies and procedures	Goal 16			52
	205-3	Confirmed incidents of corruption and actions taken				52
ANTI-COMPETITIVE BEHAVIOUR						
GRI 3: Material Topics 2021	3-3	Management of material topics				52
GRI 206: Anti-competitive Behaviour 2016	206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	Goal 16			52
TAX						
GRI 3: Material Topics 2021	3-3	Management of material topics				117
GRI 207: Tax 2019	207-1	Approach to tax				60, 117
	207-2	Tax governance, control, and risk management				117
	207-3	Stakeholder engagement and management of concerns related to tax				117
	207-4	Country-by-country reporting				117
MATERIALS						
GRI 3: Material Topics 2021	3-3	Management of material topics		Principle 7		38
GRI 301: Materials 2016	301-1	Materials used by weight or volume	Goal 6			38
	301-2	Recycled input materials used	Goal 6 and 9	Principle 9 Environmentally Friendly Technologies		38
	301-3	Reclaimed products and their packaging materials	Goal 9 and 12			38
ENERGY						
GRI 3: Material Topics 2021	3-3	Management of material topics				37
GRI 302: Energy 2016	302-1	Energy consumption within the organisation	Goal 7			37
	302-2	Energy consumption outside of the organisation	Goal 6 and 9			37
	302-3	Energy intensity				37
	302-4	Reduction of energy consumption			Environment	37
	302-5	Reductions in energy requirements of products and services	Goal 12			37

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GRI Standards	Disclosure	Disclosure title	UN SDGs	UNGC	NGX	Page number
WATER AND EFFLUENTS						
GRI 3: Material Topics 2021	3-3	Management of material topics				38
GRI 303: Water and Effluents 2018	303-1	Interactions with water as a shared resource				38
	303-2	Management of water discharge-related impacts	Goal 6	Principle 8 Environmental Responsibility		38
	303-3	Water withdrawal				38
	303-4	Water discharge				38
	303-5	Water consumption				38
BIODIVERSITY						
GRI 3: Material Topics 2021	3-3	Management of material topics				43
GRI 304: Biodiversity 2016	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Goal 14 and 15			43
	304-2	Significant impacts of activities, products and services on biodiversity	Goal 14 and 15			43
	304-3	Habitats protected or restored				43
	304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations				43
EMISSIONS						
GRI 3: Material Topics 2021	3-3	Management of material topics				38
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions				38
	305-2	Energy indirect (Scope 2) GHG emissions				38
	305-3	Other indirect (Scope 3) GHG emis-ions				38
	305-4	GHG emissions intensity				38
	305-5	Reduction of GHG emissions	Goal 3, 11 and 12		Environment	38
	305-6	Emissions of ozone-depleting sub-stances (ODS)				38
	305-7	Nitrogen oxides (NO_x), sulfur oxides (SO_x), and other significant air emissions	Goal 7			38
WASTE						
GRI 3: Material Topics 2021	3-3	Management of material topics				39
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts				39
	306-2	Management of significant waste-related impacts	Goal 11 and 12			39
	306-3	Waste generated				39
	306-4	Waste diverted from disposal				39
	306-5	Waste directed to disposal				39
SUPPLIER ENVIRONMENTAL ASSESSMENT						
GRI 3: Material Topics 2021	3-3	Management of material topics				62
GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	Goal 13, Goal 14, Goal 15, Goal 17			62
	308-2	Negative environmental impacts in the supply chain and actions taken				62
EMPLOYMENT						
GRI 3: Material Topics 2021	3-3	Management of material topics				47
GRI 401: Employment 2016	401-1	New employee hires and employee turnover				47
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Goal 8			48
	401-3	Parental leave				48

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GRI Standards	Disclosure	Disclosure title	UN SDGs	UNGC	NGX	Page number
LABOUR/MANAGEMENT RELATIONS						
GRI 3: Material Topics 2021	3-3	Management of material topics				48
GRI 402: Labour/ Management Relations 2016	402-1	Minimum notice periods regarding operational changes				48
OCCUPATIONAL HEALTH AND SAFETY						
GRI 3: Material Topics 2021	3-3	Management of material topics				54
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system				54
	403-2	Hazard identification, risk assessment, and incident investigation				54
	403-3	Occupational health services				54
	403-4	Worker participation, consultation, and communication on occupational health and safety				54
	403-5	Worker training on occupational health and safety				54
	403-6	Promotion of worker health			Social	54
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationship				54
	403-8	Workers covered by an occupational health and safety management system				54
	403-9	Work-related injuries				54
	403-10	Work-related ill health				54
TRAINING AND EDUCATION						
GRI 3: Material Topics 2021	3-3	Management of material topics				55
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee				55
	404-2	Programmes for upgrading employee skills and transition assistance programmes				55
	404-3	Percentage of employees receiving regular performance and career development reviews				55
DIVERSITY AND EQUAL OPPORTUNITY						
GRI 3: Material Topics 2021	3-3	Management of material topics				48
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees				48
	405-2	Ratio of basic salary and remuneration of women to men				48
NON-DISCRIMINATION						
GRI 3: Material Topics 2021	3-3	Management of material topics				48
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken		Principle 6 Discrimination		48
FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING						
GRI 3: Material Topics 2021	3-3	Management of material topics				48
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk		Principle 3 Collective bargaining		48
CHILD LABOUR						
GRI 3: Material Topics 2021	3-3	Management of material topics				49
GRI 408: Child Labour 2016	408-1	Operations and suppliers at significant risk for incidents of child labour		Principle 5 Child labour	Social	49
FORCED OR COMPULSORY LABOUR						
GRI 3: Material Topics 2021	3-3	Management of material topics				49
GRI 409: Forced or Compulsory Labour 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour		Principle 4 Forced or Compulsory Labour	Social	49

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GRI Standards	Disclosure	Disclosure title	UN SDGs	UNGC	NGX	Page number
SECURITY PRACTICES						
GRI 3: Material Topics 2021	3-3	Management of material topics				49
GRI 410: Security Practices 2016	410-1 Security	Personnel trained in human rights policies or procedures				49
RIGHTS OF INDIGENOUS PEOPLES						
GRI 3: Material Topics 2021	3-3	Management of material topics				49
GRI 411: Rights of Indigenous Peoples 2016	411-1	Incidents of violations involving rights of indigenous peoples				49
LOCAL COMMUNITIES						
GRI 3: Material Topics 2021	3-3	Management of material topics				61
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programmes	Goal 1			61
	413-2	Operations with significant actual and potential negative impacts on local communities				61
SUPPLIER SOCIAL ASSESSMENT						
GRI 3: Material Topics 2021	3-3	Management of material topics				62
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria				62
	414-2	Negative social impacts in the supply chain and actions taken				62
PUBLIC POLICY						
GRI 3: Material Topics 2021	3-3	Management of material topics				45 – No contribution
GRI 415: Public Policy 2016	415-1	Political contributions				45 – No contribution
CUSTOMER HEALTH AND SAFETY						
GRI 3: Material Topics 2021	3-3	Management of material topics				63
GRI 416: Customer Health and Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories				61
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services				61
MARKETING AND LABELLING						
GRI 3: Material Topics 2021	3-3	Management of material topics				63
GRI 417: Marketing and Labelling 2016	417-1	Requirements for product and service information and labelling				63
	417-2	Incidents of non-compliance concerning product and service information and labelling				63
	417-3	Incidents of non-compliance concerning marketing communications				63
CUSTOMER PRIVACY						
GRI 3: Material Topics 2021	3-3	Management of material topics				63
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data				63

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Independent assurance statement by Deloitte Nigeria to Dangote Cement Plc (Dangote Cement) on selected sustainability indicators for inclusion in the 2021 Sustainability Report.

Basis of our work and level of assurance

We carried out limited assurance on the selected key performance indicators in accordance with the International Standard on Assurance Engagements 3000 (Revised) (ISAE 3000). To achieve limited assurance the ISAE 3000 requires that we review the processes, systems and competencies used to compile the areas on which we provide assurance. It does not include detailed testing of source data or the operating effectiveness of processes and internal controls.

Our engagement provides limited assurance as defined in ISAE 3000. The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement and consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Limited assurance procedures performed

To form our conclusions we undertook the following procedures:

- Discussions with the Company's staff primarily responsible for matters on sustainability
- Interviewed key functions that oversee the selected sustainability information to understand the governance and review process for data management and collection, the expectations around reporting, the challenge made internally over the data and expectations of year end performance given the understanding of the operations during the year
- Interviewed key personnel involved in the data collection, management and reporting processes, including how the information is captured at site level and how this feeds up to the Group
- Sighting of factsheets, data sheets and other evidence from primary process owners
- Study of the key controls put in place by the Directors over the selected sustainability information
- Reviews of documented policies, reports and supporting information for relevant Directors' assertions
- Close examination of the sustainability report in relation to the findings from this sustainability assurance exercise and making recommendations
- Considerations of the disclosure and presentation of the selected sustainability information
- Close examination of the sustainability report in relation to the findings from this sustainability assurance exercise and making recommendations and considerations of the disclosure and presentation of the selected sustainability Information.

Scope of our work

Dangote Cement engaged us to provide limited assurance on the following selected key performance data for inclusion in its 2021 Sustainability Report:

Sustainability Indicator Category	Selected Sustainability Information *(as documented in the 2021 Sustainability Report)*	Criteria	Page Number
Environment	Thermal energy consumed per tonne reduced to 849.18 Kcal/kg in 2021 compared to 894.13 cal/kg in 2020.	GRI 302-1	38
	The energy sources used across DCPs 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.	GRI 302-3	38

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Sustainability Indicator Category	Selected Sustainability Information *(as documented in the 2021 Sustainability Report)*	Criteria	Page Number
	The table below shows the direct CO2 emission per tonne increased slightly in 2021 to 660.57 kg CO2/ tonnes from 648.38kg CO2/tonnes in 2020.	GRI 305-1 GRI 305-4	38
	Water consumed per tonne of cement increased slightly by 3.9% to 285 m^3/tonnes in 2021 compared to 274 m^3/tonnes in 2020.	GRI 303- 3 GRI 303-5	38
	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.	GRI 303-2 GRI 303-4	39
	In 2021, the total non-hazardous and hazardous waste generated across our Plants was 8,669 tonnes and 7,717 tonnes respectively.	GRI 306-3	39
	DCP co-processed 89,000 tonnes of waste in 2021, an increase of 60% over 2020.	GRI 306-4	42
	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.	GRI 2-27	41
	In 2021, C02 data integrity has improved, evident in improved CSP rating from C to B-.	GRI 305-1 GRI 305-4	41
	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.	GRI 305-5	43
Social	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.	GR1 2-7 GRI 2-8 GRI 405-1	46
	As part of our corporate social responsibility, we spent ₦2.49 billion on community investments in 2021, including strategic sponsorships, community projects, donations, charitable gifts, and community affairs expenses.	GRI 201-1	65
	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	GRI 413-1	45
	A total amount of N1.5B was spent on COVID-19 in 2021.	GRI 413-1	46
	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.	GRI 405-1 GRI 2-9	46
	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.	GI 401-1	47
	Our HR 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.	GRI 2-24	48
	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.	GRI 2-7 GRI 2-9 GRI 405-1	48
	In the year under review, we had zero cases of discrimination in our operations.	GRI 406-1	48
	For the year under review, we had zero cases of child and forced labour.	GRI 408-1 GRI 409-1	49

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Sustainability Indicator Category	Selected Sustainability Information *(as documented in the 2021 Sustainability Report)*	Criteria	Page Number
	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.	GRI 413-1	49
	In the year under review, we received a total of 34 whistle blowing cases with 15% resolved and 85% ongoing.	GRI 2-26	49
	We had 15 confirmed cases of bribery and corruption in the year under review as against 28 cases in 2020.	GRI 205-1 GRI 205-3	52
	In 2021, we had a total of 36 anti-corruption trainings for 2791 staff expending a total of 36 training hours in our operations in Nigeria and Pan-Africa.	GRI 205-2	52
	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.	GRI 401-4	55
	In line with our zero accidents and fatalities agenda, a total of 18,505 employees underwent health and safety training and awareness sessions.	GRI 403-3 GRI 403-4	54
	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.	GR1 413-1	57
	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.	GRI 413-1 GRI 413-2	51
	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.	GRI 2-29	63
Governance	In 2021, a total of ₦632,960 Million was spent for local and imported procurements across all operations. Out of the total procurement spending, N409,216 was spent on local products and services while N223,744 was spent on imported procurements.	GRI 204-1	62
	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.	GRI 203-1 GRI 203-2 GRI 207-1 - 4	64
	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 N1,033,843 million in 2020 to ₦1,260,718 million in 2021.	GRI 201-1 GRI 203-1 GRI 203-2	64
	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.	GRI 203-1 GRI 203-2	64
	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.	GRI 201-1	65
	Our sustainability strategy also aligns with the United Nations Sustainable Development Goals (SDGs).	GRI 413-1 GRI 413-2	34
	Dangote Cement is a member of the Global Cement & Concrete Association (GCCA) and subscribes to the GCCA Sustainability Guidelines.	GRI 2-28	36

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Responsibilities of Directors and independent assurance provider

Dangote Cement's responsibilities

The Directors are responsible for the preparation of the 2021 Annual and Sustainability Report, and for the information and statements contained within them. They are responsible for determining the sustainability targets and for establishing and maintaining appropriate performance management and internal control systems from which the reported information is derived.

Deloitte's responsibilities, independence and team competencies

We have complied with the International Federation of Accountants' (IFAC) Code of Ethics for Professional Accountants, which includes comprehensive independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. As independent auditors, we have not taken part in any financial, commercial, governance and ownership positions which might affect, or be perceived to affect, our independence and impartiality, and from any involvement in the preparation of the report.

Our engagement was conducted by a multi-disciplinary team of environmental, social, governance, economic and assurance specialists with extensive experience in sustainability report assurance.

Our responsibility is to independently express conclusions on the subject matters as defined within the scope of work above to Dangote Cement in accordance with our letter of engagement. Our work has been undertaken so that we might state to the Firm those matters we are required to state to them in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Dangote Cement for our work, for this report, or for the conclusions we have formed.

Our assurance opinion

Limited assurance conclusion: Based on the assurance work performed we have concluded that for the indicators described in the scope of our work, nothing has come to our attention that causes us to believe that the indicators are not fairly stated, accurate, and complete and have not been prepared, in all material respects, in accordance with the Reporting Criteria.

Deloitte & Touche

Deloitte Nigeria

11 May 2022

Related-party transactions

Scope of our work

AG Dangote Construction Limited	The entity buys cement from Dangote Cement and is an affiliate of DCP. |AG Dangote also provides construction services to DCP.
Amaras Nigeria Limited	The entity buys cement from Dangote Cement and is guaranteed by Sani Dangote, a Director of Dangote Cement Plc.
Bluestar shipping Ltd	The entity engages in clearing of bulk materials and imported capital goods.
Borkir International Co. ltd	Dangote Cement Plc purchased compressed gas from this entity. The entity is related to Sani Dangote, a Director of Dangote Cement Plc
Bulk Commodities International Inc./ Bulk Commodities International Dubai	The entity, which is an affiliate of DCP, procures gypsum, coal, clinker, bulk cement and spare parts for Dangote Cement.
DANCOM Technologies Limited	The entity, which is an affiliate of DCP, provides internet services and IT support to Dangote Cement.
Dangote Agro Sacks Limited	Dangote Agro Sacks produces bags for Dangote Cement and also purchased cement from the Company during the year. Dangote Cement also shares one of its power plants with this entity.
Dangote Coal Limited	Dangote Cement buys coal from this entity, which is an affiliate of DCP.
Dangote Fertiliser Limited	Dangote Cement purchases equipment and AGO in bulk and on behalf of DFL.
Dangote Global Services	This entity, which is an affiliate of DCP, assists Dangote Cement in importing parts.
Dangote Granite Mine Ltd.	The entity buys cement from Dangote Cement and is an affiliate of Dangote Cement Plc.
Dangote Industries Limited	Dangote Industries Limited is a major shareholder of Dangote Cement Plc. The two entities DIL and DCP provide short term inter-company loans to each other. In addition, DIL assists DCP is sourcing spares and managing central services for which DCP is charged management fee.
Dangote Nasarawa Sugar	The entity buys cement from Dangote Cement and is an affiliate of Dangote Cement Plc.
Dangote Nigeria limited	The entity engages in clearing of bulk materials and imported capital goods.
Dangote Oil & Gas	This entity, which is an affiliate of DCP, imports AGO and LPFO on behalf of Dangote Cement.
Dangote Oil Refinery	The entity is an affiliate of Dangote Industries Limited and buys cement from Dangote Cement.
Dangote Packaging Material Plc.	Dangote Cement paid some expenses on behalf of some subsidiaries and affiliates of DIL, including this entity.
Dangote Rice Ltd.	The entity buys cement from Dangote Cement and is an affiliate of Dangote Cement Plc.
Dangote Sino Truck West Africa	Dangote Cement Plc purchased Trucks from this entity which is related to Dangote Industries Limited (DIL)
Dangote Sugar Refinery Plc.	Dangote Cement purchases LPFO and equipment in bulk and on behalf of DSR Plc. Dangote Cement is reimbursed for expenses incurred on behalf of DSR.

Related-party transactions

Scope of our work

DANSA Foods Limited	Dangote Cement purchased products from this entity for sales promotion. The entity is related to Sani Dangote, a Director of Dangote Cement.
SAGAS Energy Company	Dangote Cement purchases compressed gas and spares from this entity. The entity is related to Sani Dangote.
Greenview Development Nigeria Limited	This entity, which is an affiliate of DIL, assists Dangote Cement with procurement, clearing of bulk materials, imported goods and spares.
Integrated Steel Limited	Dangote Cement purchases AGO in bulk and on behalf of some subsidiaries/ affiliates of DIL, including this entity.
Kura Holdings	This company, which is an affiliate of Dangote Industries Limited, provides travel agency services to Dangote Cement.
MHF Properties	This company, which is an affiliate of Dangote Industries, provides accommodation and property services to Dangote Cement.
NASCON Allied Industries Plc	Dangote Cement purchases AGO in bulk and on behalf of this entity. In addition, Dangote Cement purchases trucks and earthen salt on behalf of this entity.
Savannah Sugar	Dangote Cement is reimbursed for payments for duties on equipment and terminal charges on behalf of this entity. The entity is controlled by Dangote Sugar Refinery Plc.

Notice of Annual General Meeting

Notice is hereby given that the 13th Annual General Meeting (AGM) of Dangote Cement Plc. will hold on Tuesday, 14 June 2022, at Eko Hotel and Suites, Victoria Island, Lagos, Plot 1415 Adetokunbo Ademola Street, Victoria Island, Lagos at 11.00 a.m. to transact the following business:

Ordinary Business

1. To lay the Audited Financial Statements for the Year Ended 31 December 2021 and the Reports of the Directors, Auditors and the Audit Committee thereon.
2. To declare a dividend.
3. To elect/re-elect Directors.
4. To authorise the Directors to fix the remuneration of the Auditors.
5. To elect shareholders' representatives of the Statutory Audit Committee.
6. To disclose the remuneration of managers.

Special Business

To consider and if thought fit, pass the following as ordinary resolutions of the Company:

7. To fix the remuneration of the Directors.
8. To consider and, if thought fit, pass the following as special resolutions:

   8.1. The unissued share capital of the Company be and are hereby cancelled pursuant to Section 124 Companies and Allied Matters Act (CAMA) 2020, and Regulation 13 of the Companies Regulations 2021.

   8.2. Following the recommendation of the Board of Directors and in line with Article 10 of the Company's Memorandum and Articles of Association as well as compliance with section 124 of the Companies and Allied Matters Act (CAMA) 2020 and Regulation 13 of the Companies Regulations 2021, to cancel all unissued shares amounting to 2,959,492,596 (two billion, nine hundred and fifty-nine million, four hundred and ninety-two thousand, five hundred and ninety-six) shares of 50 kobo each and treasury shares amounting to 166,948,153 (one hundred and sixty-six million, nine hundred and forty-eight thousand, one hundred and fifty-three) shares of 50 kobo each.

   8.3. Pursuant to Article 10 of the Company's Memorandum and Articles of Association and in compliance with the requirements of Section 124 of the Companies and Allied Matters Act (CAMA) 2020 and Regulation 13 of the Companies Regulations 2021, to declare that the share capital of the Company is 16,873,559,251 (sixteen billion, eight hundred and seventy-three million, five hundred and fifty-nine thousand, two hundred and fifty-one) shares of 50 kobo each.

   8.4. To amend Article 6 of the Memorandum and Articles of Association of the Company as follows:

   "The share capital of the Company is N8,436,779,626 (Eight Billion, Four Hundred and Thirty-Six Million, Seven Hundred and Seventy-Nine Thousand, Six Hundred and Twenty-Six Naira) divided into 16,873,559,251 (Sixteen Billion, Eight Hundred and Seventy-Three Million, Five Hundred and Fifty-Nine Thousand, Two Hundred and Fifty-One) ordinary shares of 50 kobo each."

   8.5. To authorise the Board of Directors of the Company to take all necessary steps required to effect the cancellation of unissued and treasury shares in compliance with extant laws and regulations.

Notes:

A. **Preparation:** Given the COVID-19 pandemic, the Nigeria Centre for Disease Control (NCDC) COVID-19 Guidance for Safe Mass Gatherings in Nigeria, and guidelines issued by the Corporate Affairs Commission (CAC) on holding Annual General Meetings using proxies, the Company has obtained the approval of the CAC to hold the AGM by proxies. The Company has taken various steps to ensure the safety of attendees and compliance with stated guidelines. These include the provision of sanitisers, masks and gloves at the venue, as well as the checking of temperatures and ensuring social distancing between attendees.

B. **Proxies:** Attendance at the AGM shall only be by proxy because of the COVID-19 pandemic and in compliance with regulatory approvals to hold the meeting by proxy. A proxy form is included in the Annual Report. A Member has the right to appoint a proxy/proxies from the list below to attend and vote instead of him; the proxy/proxies need not be a member(s) of the Company. All instruments of proxy must be deposited at the registered Office of the Company at 1, Alfred Rewane Road, Ikoyi, Lagos (or dcp.legal@dangote.com) or the Office of the Registrars, Coronation Registrars Ltd, at 9, Amodu Ojikutu Street, Victoria Island, Lagos, (or eforms@coronationregistrars.com) not later than 48 hours before the time for holding the meeting. All instruments of proxy shall be at the Company's expense. A member entitled to attend and vote at the AGM is advised to select from the following proxies to attend and vote in his stead:

   1. Alhaji Aliko Dangote GCON.
   2. Mr. Olakunle Alake
   3. Mr. Emmanuel Ikazoboh
   4. Mr. Michel Puchercos.
   5. Mr. Obinna Michael Nwosu
   6. Mrs. Bisi Bakare
   7. Dr. Umar Farouk
   8. Mr. Nornah Awoh

C. **Closure of Register of Members:** Notice is hereby given that the Register of Members and the Transfer Books of the Company will be closed on 31 May 2022.

D. **Payment of Dividend:** If the Shareholders approve the dividend recommended by the Directors at the Annual General Meeting, dividends will be paid by 15 June 2022 to the shareholders whose names are registered in the Company's Register of Members at the close of business on 30 May 2022. A list of unclaimed dividends is available on the Company's website at www.dangotecement.com. Shareholders with unclaimed share certificates or unclaimed dividends should address their claims to the registrars, Coronation Registrars Ltd, at info@coronationregistrars.com or 9, Amodu Ojikutu Street, Victoria Island, Lagos, Nigeria. OR use the link https://crlselfservice.coronation.ng/ to complete the shareholder E-Mandate processing form.

E. **E-Dividend Registration:** Notice is hereby given to all shareholders to open bank accounts, stockbroking accounts, and CSCS accounts to receive dividend payments electronically. A detachable E-Mandate Activation form is included in the Annual Report to enable shareholders to provide their details to the Registrar.

F. **Nomination to the Audit Committee:** In accordance with the Companies and Allied Matters Act 2020, a shareholder may nominate another shareholder for appointment as a member of the Audit Committee by giving notice to the Company Secretary at least 21 days before the Annual General Meeting.

G. **Rights of Securities Holders to Ask Questions:** Securities holders can ask questions at the Annual General Meeting and in writing before the meeting. Questions should be submitted to the Company Secretary at the Company's registered office up to two days before the Annual General Meeting.

H. **Streaming:** The Annual General Meeting will be streamed live from our website (http://www.dangotecement.com) and our YouTube channel (https://www.youtube.com/dangotegroup).

I. **Online participation of Shareholders via Electronic Platform:** Shareholders who intend to attend the meeting virtually are required to register by visiting https://app.coronationregistrars.com/agmregistration Kindly be informed that Shareholders will be required to provide their registered email address in completing the accreditation. Upon successful accreditation, an email with a unique link for attending the meeting will be sent to the registered email of the respective shareholder. Accreditation process opens on the 3rd of June 2022.

By the Order of the Board of Directors.

Edward Imoedemhe
Deputy Company Secretary
FRC/2021/002/00000022594

Registered Office
Leadway Marble House,
1, Alfred Rewane Road,
Ikoyi, Lagos.
1st March 2022

Directors and professional advisers

Directors

Aliko Dangote	GCON Chairman
Michel Puchercos	Group Managing Director
Arvind Pathak	Deputy Group Managing Director (resigned on 25th February 2021)
Philip Mathew	Deputy Group Managing Director (appointed on 15th September 2021)
Ernest Ebi MFR	Independent Non-Executive Director
Emmanuel Ikazoboh	Independent Non-Executive Director
Dorothy Udeme Ufot, SAN	Independent Non-Executive Director
Sir Michael Davis	Independent Non-Executive Director
Cherie Blair, CBE, QC	Independent Non-Executive Director
Sani Dangote	Non-Executive Director (passed away on 14th November 2021)
Olakunle Alake	Non-Executive Director
Abdu Dantata	Non-Executive Director
Devakumar Edwin	Non-Executive Director
Douraid Zaghouani	Non-Executive Director
Viswanathan Shankar	Non-Executive Director
Berlina Moroole	Non-Executive Director
Halima Aliko-Dangote	Non-Executive Director (appointed on 26th February 2022)

Company Secretary/Legal Adviser
Mahmud Kazaure

Auditors
KPMG Professional Services

Principal Bankers
Access Bank Plc.
First Bank of Nigeria Plc.
Guaranty Trust Bank Plc.
Zenith Bank Plc.
United Bank for Africa Plc.

Primary Legal Advisers
Banwo & Ighodalo
Olaniwun Ajayi & Co.
Fola Sowemimo & Co.

Corporate information

Capital market information

Dangote Cement Plc is listed on the Premium Board of Nigerian Exchange Group (NGX).

Each share carries one voting right

NSE Ticker Symbol	DANGCEM
Bloomberg Code	DANGCEM:NL
Reuters Code	DANGCEM: LG
Date Listed	26th October 2010
Issued Shares	17,040,507,404 as at 26th February 2022 (166,948,153 are held as treasury shares)
Market Capitalisation	₦4,660,578,775,268 as at 26th February 2022
Free Float	2,378,919,794 (i.e. 13.96%) as at 26th February 2022

Registration information

RC Number	208767
Date of Incorporation	4th November 1992

Registered office

Leadway Marble House
customercare@dangote.com
1 Alfred Rewane Road
P.O. Box 40032
Ikoyi Lagos, Nigeria

Registrars

Coronation Registrars Limited
info@coronationregistrars.com
eforms@coronationregistrars.com
9, Amodu Ojikutu Street
Victoria Island
Lagos, Nigeria

For enquiries, please contact:

Corporate Communications

Anthony Chiejina
corporate.communications@dangote.com

Investor Relations

Temilade Aduroja
investorrelationsdangotecement@dangote.com

Donations

List of donations and sponsorships	Amount ₦
Ethiopia	
Support towards road work in Ada Berga Woreda Administration	3,006,276
Donations of 200 copies of books to children in the community	64,355
Support towards rental of excavator for Inchini road work	2,316,763
Support towards Deku Kersa access road work	7,331,819
Donations towards construction of additional block for muger town school	4,124,917
Support towards Woreda Christmas Festivity	1,838,701
Donations towards borehole drilling & construction works to the community in Ada Berga Woreda Administration	4,369,672
Support towards Ambo prison school construction	9,358,986
Support towards Reji Mokoda and Micire Kebele office construction	5,933,189
Support towards construction of additional block at Ulagora schools	6,478,157
Support towards culvert at Ula Gora Birate River in Ada Berga Woreda Administration	8,120,684
Sponsorship of drilling and construction of one deep water to the community in Ada Berga Woreda Administration	11,303,982
Sponsorship given to West Shoa administration	27,543,736
Tanzania	
Support to various local communities	61,302,290
Financial support to a Sports team – Mtwara	4,411,606
Support towards construction of community dumpsite in Mtwara	584,315
Support towards construction of classrooms in Mtwara	51,427,507
Support made towards planting of trees	515,873
Donations made towards various community activities in Mtwara	2,522,567
Donations towards Uhuru Torch celebrations in Mtwara	1,120,690
Congo	
Support towards school rehabilitation work	8,902,561
Support towards Women Learning Center building work	8,502,190
Donation in support of various materials for school project work in Mfila	715,304
South Africa	
Sponsorship of agricultural development and local training for Youth Development Centre, Verdwaal	53,911,667
Sponsorship of mobile machinery training for people in the community	481,027
Sponsorship of code 14 and code 10 driver's licence courses for people in the community	3,928,543
Support towards Small, Medium and Micro Enterprises (SMME) training	4,161,476
Sponsorship of water supply infrastructure for community and livestock	5,254,531
Cameroon	
Financial assistance to bereaved families	1,478,665
Donation of tonnes of cement	1,820,059
Donation to Ngondo foundation	11,089,986
Donation of various household items to people in the community	2,576,026
Sponsorship given to FOCACO for World Consumer Rights 2021	739,332
Sponsorship given to LCC for World Consumer Rights 2021	739,332
Sponsorship given to CNACOC for World Consumer Rights 2021	739,332
Sponsorship of Bonita festival, 61st Edition	1,478,665
Sponsorship of 40th General Assembly of Shelter Afrique	3,526,616
Sponsorship towards ONECCA 10th Congress	221,800
Sponsorship of Amitie Vivre Ensemble	739,332
Sponsorship of Camasej Workshop	369,666
Sponsorship of Eworida Kwane (Excellence Scolaire Bone)	221,800
Sponsorship of Excellence Scolaire Canton Bassa	6,574,144
Sponsorship of the Walk for Life event in Limbe	369,666

List of donations and sponsorships	Amount ₦
Senegal	
Construction of Health Centre – Keur Moussa Community	40,063,825
Construction of Primary School – Pout Community	35,103,010
Construction of MontRolland Borewell WIP (Geophysical studies)	998,099
Tables benches for classroom – Pout Community	3,212,436
Construction of chicken coop for Ngomane communities	2,299,398
Donation of Thies University	522,708
Donation for 1st baby of the year – Pout Community	184,833
Donations of note books, tee shirts, cleaning products, etc to the community	16,749,802
Donations to religious houses	578,500
Ramadan Donations authorities (baskets)	7,205,534
Ramadan Donations for villagers (Sugar & Rice)	20,885,365
Police (donation to repair their patrol car breakdown of the motor)	774,081
Tabaski expenses for villagers and authorities (Rams)	11,220,241
Zambia	
Donation for the city mayor's farewell gala	106,372
Donation of fertilisers to villagers	4,999,499
Donation of cement	2,679,604
Nigeria	
Financial support to repair transformer for Ibese host community	580,000
Donation towards rehabilitation of Ibese concrete end road and Ilaro-Papalanto junction	76,436,800
Donation towards construction of a block of three classrooms at Ilaro, Ogun State	2,522,758
Donation in support of Gboko host community traditional rulers stipend	8,220,000
Donation in support of Ibese host community traditional rulers stipend	5,975,000
Donation in support of Obajana host community traditional rulers stipend	4,830,000
Donation of Christmas gifts to Obajana host community	2,095,000
Donation of food items to quarry women in Gboko	400,000
Donation of wedding gift item to the chief of Oyo	50,900
Donation to the Federated Chapel of the Nigeria Union of Journalists (NUJ), Ogun State council	250,000
Financial support for school teachers' salaries in Gboko	16,804,076
Donation to Ibese community youth empowerment rice outgrowers programme	350,000
Donation to Progressive youth rice growers Ibese (Yewa North) Farmers Cooperative Multipurpose Society	810,000
Donation towards 10th year coronation of Olu of Oluke Orile	3,500,000
Donation towards Acutherapy training to Ibese host community youths	147,000
Donation towards Apata community development fund	260,000
Donation towards borehole drilling at Oyo community	3,055,580
Donation towards community allowance for Ibese community	32,884,500
Donation towards community survey re-validation at Ibese	264,000
Donation towards construction & installation of pre-cast speed breaker & sign post at Gada Biu along Kabba junction road	896,400
Donation towards construction Aga Olowo community road, Ogun State	12,585,179
Donation towards construction of health centre at Ajibawo Balogun Abule Maria Wasinmi Imasayi and Afami	17,060,000
Donation towards construction of health centre at Imasayi community	6,182,976
Donation towards construction of Iwaa clinic fence	3,870,000
Donation towards construction of Oba Gbadebo Adesola Oni Road at Imasayi community	38,089,810
Donation towards construction of section of Ijako-orile road, Ogun state	8,208,393
Donation towards constructions of three classrooms at Onigbedu Imasayi & Abule Oke communities	4,584,390
Donation towards Eid-Kabir rams gifted to host community	800,000
Donation towards end-of-the year gifts to Gboko traditional rulers	3,158,000
Donation towards end-of-the year gifts to Ibese host community traditional ruler	798,000
Donation towards end-of-the year gifts to kindred heads of Mbayion and host communities	194,000
Donation towards fabrication & installation of guard rail at Gada-Biyu kabba – Lokoja Federal Road	1,781,300
Donation towards Ibese community development fund	620,000
Donation towards installation & presentation of staff of office to his HRH Oba Rev. Mathew Alabi Ewediaro as the new Awujaiko of Ijako Orile	130,000
Donation towards Iwaa community development fund	320,000
Donation towards Obajana community developments fund	3,900,000

List of donations and sponsorships	Amount ₦
Nigeria continued	
Donation towards Oyo community development fund	450,000
Donation towards planting of trees at Ibese community	85,000
Donation towards planting of trees on World Environmental Day	56,400
Donation towards purchase of drugs and take off of the clinics at Iwaa community	2,500,000
Donation towards repairs and restoration of damage high tension AEDC at Obajana	131,000
Donation towards road repairs at T-Park in Obajana	500,000
Donation towards Sallah gifts to host community chiefs	690,000
Donation towards Sallah gifts to host community Muslims, needy women & widows	2,635,000
Donations towards repairs & maintenance of 33KVA transformer at Iwaa community	250,000
Financial assistance to Terhile Kighir	100,000
Financial assistance for burial of Late E. Ngo Igber family	150,000
Financial assistance for burial of Late Elder Lawrence	150,000
Financial assistance for burial of Mr. Loror Akaaya	50,000
Financial assistance towards burial of Aondongu Nongu	500,000
Financial assistance towards burial of Aondongu Thaddeus	570,000
Financial assistance towards burial of Chief Alamu	250,000
Financial assistance towards burial of Late Ma Vicotoria	20,000
Financial assistance towards burial of Lydia Mguna Agweh	30,000
Financial assistance towards burial of Mr. John A.	40,000
Financial assistance towards burial of Mr. Mkerga Vishigh	60,000
Financial assistance towards burial of Mrs. Ruth Wanngu	20,000
Financial support to farmer in Iwaa community	2,500,000
Financial support to farmer in Oyo community	2,500,000
Financial support to market women in Iwaa community	2,000,000
Financial support to market women in Oyo community	2,000,000
Financial support to Yaji Abera family in Gboko	75,000
Financial support towards Magistrates Association of Nigeria	500,000
Financial support towards new year festival celebration for Ibese host communities	68,800
Donation towards construction of two units of five classroom blocks at Ibese, Ogun state	1,505,708
Scholarship grant for Apata community 2020/2021	3,000,000
Scholarship grant for Obajana community 2020/2021	3,000,000
Scholarship award to two successful students of Owu Comprehensive High School	126,000
Scholarship grant for Iwaa community 2020/2021	7,000,000
Scholarship grant for Oyo Community 2020/2021	3,500,000
Scholarship grants to students of Gboko host community	100,000
Support to Ibese community youths on skills acquisition and empowerment programme	7,935,000
Support To Obajana host community on electricity expense	5,375,250
Donation toward construction of dedicated 33KV overhead feeder & Installation to Kano State University	86,100,000
Donation towards completion of Police Intelligence hostel in Ilorin, Kwara state	10,395,101
Donation towards COVID-19 relief fund contribution – CACOVID	1,500,000,000
Donation to Federal Ministry of Environment for World Environment Welfare Day	500,000
Donation towards construction of permanent secretariat complex of Association of Retired Head of service and Permanent secretaries, Ogun State	1,000,000
Donation towards 29th Annual Industrial Relation Seminar of National Union of Chemical Footwear Rubber Leather and Non Metallic Products Employee	500,000
Donation towards construction of Manufacturer Ass.of Nig. complex at new Yidi road, Ilorin, Kwara state	500,000
Support towards ADF & VDMA technical training programme	18,806,756
Donation towards 4th Annual General Meeting of MAN Export Promotion group (MANEG)	5,000,000
Donation towards proposed international school buildings in Obajana	2,932,540
Donation towards proposed international school buildings in Ibese	3,677,527
Financial Support for Late Sachia children's school fees	116,500
Sponsorship of 10th Gateway International Trade Fair 2021	10,000,000
Sponsorship of Lagos State Ministry of Environment and Water Resources International 8th Climate Change Summit 2021	3,000,000
Sponsorship of training for 240 journalists and creative industry professional in four (4) geographical zones	18,000,000
Sponsorship of training for 50 Journalists in South East and South South	5,250,000
Sponsorship on WIMBIZ Women on Boards programme	31,500,000
	2,490,116,755

Board and Committee meeting dates and attendance

Board meetings – Directors

Director	Board	Board meeting 18/03/21	29/04/21	29/07/21	28/10/21	15/12/21
Aliko Dangote, GCON	Chairman	✓	✓	✓	✓	✓
Sani Dangote	NED	✗	✓	✗	✗	●
Devakumar V.G. Edwin	NED	✓	✓	✓	✓	✓
Michel Puchercos	GMD	✓	✓	✓	✓	✓
Arvind Pathak*	DGMD	N/A	N/A	N/A	N/A	N/A
Philip Mathew	DGMD	N/A	N/A	N/A	✓	✓
Olakunle Alake	NED	✓	✓	✓	✓	✓
Abdu Dantata	NED	✓	✓	✓	✓	✓
Ernest Ebi MFR	INED	✓	✓	✓	✓	✓
Emmanuel Ikazoboh	INED	✓	✓	✓	✓	✓
Douraid Zaghouani	NED	✓	✓	✓	✓	✓
Viswanathan Shankar	NED	✓	✓	✓	✓	✓
Dorothy Udeme Ufot, SAN	INED	✓	✓	✓	✓	✓
Michael Davis	INED	✓	✓	✓	✓	✓
Cherie Blair, CBE QC	INED	✓	✓	✓	✓	✓
Berlina Moroole	NED	✓	✓	✓	✓	✓

✓ = present. ✗ = apology. N/A = not a member. ● = deceased.

* Resigned on 25th February 2021.

Board Finance and Investment Committee

Director	Meeting attendance									
	16/02/21	16/03/21	14/04/21	27/04/21	27/07/21	23/09/21	12/10/21	26/10/21	16/11/21	12/12/21
Viswanathan Shankar	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Olakunle Alake	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Douraid Zaghouani	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Sir Michael Davis	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Devakumar V.G. Edwin	✓	✓	✓	✓	✓	✗	✓	✓	✓	✓

Board Audit, Risk and Compliance Committee

Director	Meeting attendance			
	17/02/21	22/04/21	16/07/21	20/10/21
Ernest Ebi MFR	✓	✓	✓	✓
Sani Dangote*	✗	✗	✗	✗
Dorothy Udeme Ufot, SAN	✓	✓	✓	✓
Emmanuel Ikazoboh	✓	✓	✓	✓
Cherie Blair, CBE QC	✓	✓	✓	✓

* Absence due to illness.

Board Remuneration, Governance and Nomination Committee

Director	Meeting attendance				
	17/02/21	22/04/21	16/07/21	26/07/21	20/10/21
Emmanuel Ikazoboh	✓	✓	✓	✓	✓
Ernest Ebi MFR	✓	✓	✓	✓	✓
Sir Michael Davis	✓	✓	✓	✓	✗
Cherie Blair, CBE QC	✓	✓	✓	✓	✗
Berlina Moroole	✓	✓	✓	✗	✓

Board Technical and Sustainability Committee

Director	Meeting attendance			
	17/02/21	26/04/21	27/07/21	20/10/21
Sir Michael Davis	✓	✓	✓	✓
Devakumar V.G. Edwin	✓	✓	✓	✓
Abdu Dantata	✓	✓	✓	✓
Douraid Zaghouani	✓	✓	✓	✓
Olakunle Alake	✓	✓	✓	✓
Dorothy Udeme Ufot	✓	✓	✓	✓

Statutory Audit Committee

Membership	Meeting attendance		
	16/03/21	27/07/21	26/10/21
Robert Ade-Odiachi	✓	✓	✓
Ernest Ebi MFR	✓	✓	✓
Olakunle Alake	✓	✓	✓
Nicholas Nyamali	✓	✓	✓
Sheriff M. Yussuf	✓	✓	✓
Emmanuel Ikazoboh	✓	✓	N/A

✓ = present. ✗ = apology. N/A = not a member. ● = deceased.

Note: Mr. Emmanuel Ikazoboh was a Member of the Statutory Audit Committee up until the Membership of the Committee was reduced from 6 members to 5 in line with CAMA 2020.

Details of top distributors

Position	Customer Name
1	Gilbert Igweka Global Concept
2	Kazab Heritage Limited
3	D. C. Okika Nig Ltd
4	Lafenax Nig Ltd
5	Ogiemwonyi Godwin Nig Enterprises
6	Nwa Ado Resources Nig. Enterp
7	A G T Business Ventures
8	Raybale Nig. Ltd
9	Jimi Larry Ventures Ltd.
10	Chinedu & Son Inv. Nig. Ltd.
11	Twins Faja Enterprises
12	A. F. Raf. Progressive Vent.
13	Kelex Mega Investment Ltd
14	Moray Unique
15	Chico Trust Ventures
16	Kemson Gop Nig Ltd
17	Kabiru Isah Ahmed Nig. Ltd.
18	Umar Tanko Abdullahi Ventures
19	Ibukun Oluwa Enterprises
20	Abdullahi Fugu

CORONATION

E-MANDATE ACTIVATION FORM

INSTRUCTION
Please complete all sections of this form to make it eligible for processing and return to the address below.
The completed form can also be submitted through any Access Bank Plc nearest to you.
This service costs *N150.00* per approved mandate per company.

The Registrar,
Coronation Registrars Limited RC 126257
9 Amodu Ojikutu Street, Off Saka Tinubu,
Victoria Island, P.M.B 12753 Lagos, Nigeria.

Website: www.coronationregistrars.com
E-mail: info@coronationregistrars.com

For enquiries, please call 012 272 570 or send e-mail to customercare@coronationregistrars.com

ONLY CLEARING BANKS ARE ACCEPTABLE

Coronation Registrars Limited hereby disclaims liability or responsibility for errors/omissions/misstatements in any document transmitted electronically.

AFFIX CURRENT PASSPORT PHOTOGRAPH
(to be stamped by bankers)

Please write your name at the back of your passport photograph

SHAREHOLDER ACCOUNT INFORMATION

I\We hereby request that henceforth, all my\our Dividend Payment(s) due to me\us from my\our holdings in all the companies at the right hand column be credited directly to my\our bank detailed below:

Bank Verification No.

Bank Name

Bank Account No.

Account Opening Date D D M M Y Y Y Y

SHAREHOLDER ACCOUNT INFORMATION

Surname/ Company Name

First Name

Other Name(s)

Address

City State Country

Previous Address (if any)

CHN (if any)

Mobile Telephone 1 Mobile Telephone 2

E-mail

Signature(s)

Joint/ Company Signatories

Company Seal (if applicable)

Kindly tick & quote your shareholder account no. in the box below:

√	NAME OF COMPANY	SHAREHOLDER No.
	Access Bank PLC	
	Access Bank Bond	
	Access Bank Green Bond	
	Afrinvest WA Ltd – NIDF	
	AIICO Insurance PLC	
	AIICO Money Market Fund	
	Airtel Africa PLC	
	Air Liquide Nigeria PLC	
	Caverton Offshore Support Group	
	ChapelHill Denham – NIDF, NREIT	
	Coronation Asset Management Limited	
	Coronation Insurance Plc (formerly Wapic Insurance)	
	First Ally Asset Management	
	Dangote Cement Bond	
	Dangote Cement PLC	
	FirstTrust Mortgage Bank PLC	
	FSDH Asset Management Limited	
	Food Emporium International Limited	
	Gombe State Government	
	IHS Nigeria PLC	
	Lagos State Government	
	Lead Asset Management Limited	
	McNichols Consolidated PLC	
	Mixta Real Estate Bond	
	MTN Nigeria Communication PLC	
	NASD PLC	
	NDEP PLC	
	NIPCO PLC	
	Red Star Express PLC	
	SFS Capital Nigeria Limited	
	STACO Insurance PLC	
	Three Points Industries Limited	

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Proxy form

Dangote Cement Plc RC: 208767: Proxy Form

The thirteenth Annual General Meeting (AGM) of Dangote Cement Plc will be held on Tuesday, 14 June 2022, at Eko Hotels & Suites, Victoria Island, Lagos at 11.00 a.m.

I/We ....

(Name of Shareholder in block letters)

Being a shareholder of Dangote Cement Plc hereby appoint Alhaji Aliko Dangote GCON or failing him, Mr. Olakunle Alake or failing him, Mr. Emmanuel Ikazoboh or failing him, Mr. Michel Puchercos or failing him, Mr. Obinna Michael Nwosu or failing him, Dr. Umar Farouk or failing him, Mr. Nornah Awoh or failing him, Mrs. Bisi Bakare as my/our Proxy to act and vote for me/us on my/our behalf at the Annual General Meeting to be held on Tuesday, 14 June 2022, and at any adjournment thereof.

Shareholder's signature .... Date ....

I/We desire this proxy to be used in favour of/or against the resolution as indicated alongside:

	Ordinary business	For	Against	Abstain
1.	To lay the audited Financial Statements for the year ended 31 December 2021 and the Reports of the Directors, Auditors and Audit Committee.			
2.	To declare a dividend.			
3.	To re-elect or appoint Directors as follows:			
3.1.	To re-elect Mr. Aliko Dangote GCON as a Director, who is retiring by rotation.			
3.2.	To re-elect Mr. Abdu Dantata as a Director, who is retiring by rotation.			
3.3.	To re-elect Mr. Michael Davis as a Director, who is retiring by rotation.			
3.4.	To re-elect Mr. Viswanathan Shankar as a Director, who is retiring by rotation.			
3.5.	To re-elect Mrs. Cherie Blair as a Director, who is retiring by rotation.			
3.6.	To appoint Mr. Philip Mathew as a Director.			
3.7	To appoint Ms. Halima Aliko-Dangote as a Director.			
4.	To authorise the Directors to fix the remuneration of the Auditors.			
5.	To elect shareholders' representatives of the Statutory Audit Committee.			
	Special business	**For**	**Against**	**Abstain**
6.	To approve the remuneration of Directors			
7	To consider and, if thought fit, pass the following as special resolutions:			
7.1	The unissued share capital of the Company be and are hereby cancelled pursuant to Section 124 Companies and Allied Matters Act (CAMA) 2020, and Regulation 13 of the Companies Regulations 2021.			
7.2	Following the recommendation of the Board of Directors and in line with Article 10 of the Company's Memorandum and Articles of Association as well as compliance with section 124 of the Companies and Allied Matters Act (CAMA) 2020 and Regulation 13 of the Companies Regulations 2021, to cancel all unissued shares amounting to 2,959,492,596 (two billion, nine hundred and fifty-nine million, four hundred and ninety-two thousand, five hundred and ninety-six) shares of 50 kobo each and treasury shares amounting to 166,948,153 (one hundred and sixty-six million, nine hundred and forty-eight thousand, one hundred and fifty-three) shares of 50 kobo each.			
7.3	Pursuant to Article 10 of the Company's Memorandum and Articles of Association and in compliance with the requirements of Section 124 of the Companies and Allied Matters Act (CAMA) 2020 and Regulation 13 of the Companies Regulations 2021, to declare that the share capital of the Company is 16,873,559,251 (sixteen billion, eight hundred and seventy-three million, five hundred and fifty-nine thousand, two hundred and fifty-one) shares of 50 kobo each.			
7.4	To amend Article 6 of the Memorandum and Articles of Association of the Company as follows: "The share capital of the Company is N8,436,779,626 (Eight Billion, Four Hundred and Thirty-Six Million, Seven Hundred and Seventy-Nine Thousand, Six Hundred and Twenty-Six Naira) divided into 16,873,559,251 (Sixteen Billion, Eight Hundred and Seventy-Three Million, Five Hundred and Fifty-Nine Thousand, Two Hundred and Fifty-One) ordinary shares of 50 kobo each".			
7.5	To authorise the Board of Directors of the Company to take all necessary steps required to effect the cancellation of unissued and treasury shares in compliance with extant laws and regulations.			

Notes:

A. In view of the COVID-19 pandemic, attendance at the AGM shall only be by proxy. A proxy form is included in the Annual Report. A Member has the right to appoint a proxy/proxies from one of the persons named in the Proxy Form, who have been authorised to act as proxy by the Company, to attend and vote instead of him. All instruments of proxy must be deposited at the registered office of the Company at 1, Alfred Rewane Road Ikoyi Lagos (or dcp.legal@dangote.com) or the office of the Registrars, Coronation Registrars Ltd, at 9, Amodu Ojikutu Street, Victoria Island, Lagos, (or eforms@coronationregistrars.com) not later than 48 hours before the time for holding the meeting.

B. In the case of joint shareholders, any of them may complete the form, but the names of all joint shareholders must be stated.

C. If the shareholder is a corporation, this form must be executed under its Common Seal or under the hand of a duly authorised officer or attorney.

D. The proxy must produce the admission slip along with the notice of the meeting to gain entrance to the meeting.

E. It is a legal requirement that all instruments of proxy to be used for the purpose of voting by any person entitled to vote at any meeting of shareholders must bear the appropriate stamp duty from the Stamp Duties Office (not adhesive postage stamps). All instruments of proxy shall be stamped at the Company's expense.

F. Please indicate with an "X" in the appropriate column, how you wish your votes to be cast on the resolutions set out above. Unless otherwise instructed, the Proxy will vote or abstain from voting at his/her discretion.

Before posting this form, please tear off this admission card and retain it for admission to the meeting.

Admission slip

13th Annual General Meeting of Dangote Cement Plc to be held at Eko Hotels & Suites, Victoria Island, Lagos on Tuesday, 14 June 2022, at 11.00 a.m.

Shareholder's name:	Shareholder's address:
Number of shares held:	

The Registrar,
Coronation Registrars Limited
9, Amodu Ojikutu Street,
Victoria Island,
Lagos, Nigeria

Dangote Cement Plc
Union Marble House
1 Alfred Rewane Road,
PMB 40032, Falomo Ikoyi,
Lagos, NIGERIA