

# SETTLING ON SUSTAINABILITY



**Building a sustainable future is about driving change that evolves over time.**

**Igazeuma Okoroba**  
Head, Sustainability, Dangote Cement

Africa has been described as the fastest-growing region and Dangote Cement is privileged to be a major player in advancing economic growth in the region. Beyond our growth statistics our business embraces the challenge of contributing to meet the region's needs of sustainable housing, energy, transportation, and basic services for a growing population in the face of climate change. To support the inhabitants of Africa who will move to urban areas by 2050, Dangote Cement's resolution on sustainability could not have come at a better time.

The year 2022 saw us navigate through the "fork in the road". We made choices and trade-offs, leveraging economies of scale and efficient processes to transform market leadership to become a market leader taking coordinated action towards sustainability. The CDP climate change performance upgrade from B- to B+ is proof of this growth.

Dangote Cement is abreast with society's expectations of our industry. For buildings, bridges, and other infrastructure to be enduring and safe, performance over its lifecycle is a key sustainability consideration in our processes; therefore we choose the right inputs by optimising mix and efficient use of materials.

Our 2022 sustainability performance was determined mostly by culture. The cultural pillar affirms our shared values with partners and stakeholders. We are proud to share the progress we made in environmental sustainability practices such as the co-processing and indigenous innovation from waste and recycling of treated water for irrigation of farmlands in communities close to our mines.

In keeping with local and international compliance standards, we fostered partnerships for sustainable development goals through strategic stakeholder engagement. Our engagement with communities supported the management of agro-waste for the creation of green jobs. We partnered with civil society and government agencies to promote quality standards in the building industry of Nigeria and Pan-African countries.

Building a sustainable future is about driving change that evolves over time. Change involves milestones to be celebrated along the way. Progress in our sustainability reporting and transparency is a milestone worthy of recognition received. I am grateful for another opportunity to share our wins and lessons learned.

Transformation might be a tough journey but we are clear on this - Dangote Cement has settled on sustainability.

# The Dangote Way

## Mainstreaming sustainability – The Dangote Way

As the foremost cement manufacturing company in Sub-Saharan Africa, we remain at the forefront of the global shift in sustainable cement production - challenging not only ourselves, but also our customers, suppliers, and peers to partner on delivering measurable social and environmental progress. This translates into taking measurable strides to accelerate innovation in our ESG practices and to achieving our goals in a way that contributes to rapid socio-economic development. We are focused on our approach to operationalising sustainability which we have consistently termed “The Dangote Way”.

The Dangote Way is our unique approach of ensuring that sustainability permeates into every aspect of our business. Through our seven strategic sustainability pillars, which include: institutional, financial, operational, cultural, economic, social and environmental, all DCP stakeholders are encouraged to participate in advancing this objective.

We have continued to leverage our unique capabilities, invest in technology and innovation, develop strategic partnerships, and engage the organisation to achieve our sustainability goals. In 2021, sustainability was adopted as one of the five key levers of the business. The sustainability function aligned with management direction on this by mainstreaming sustainability from adhoc to permanent roles in all facilities. This also informed our ESG integration process.

## The Sustainability Pillars



### Financial

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

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

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

**SDGs x 7**

1 2 8 11 16



### Cultural

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

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, and 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

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

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



### Mapping our terrain

Annually, we implement a materiality assessment to identify the economic, social and environmental topics that matter most to our business and our stakeholders. Our annual materiality assessment is part of a range of processes to identify and define the material topics to be accorded priority in our business strategy and reporting. The outcome of our materiality assessment exercise provides a tangible basis for decisions on where and how to channel resources.

As in the previous year, we implemented a materiality assessment for our employees, supply chain, investors and host communities. The formal materiality process included desktop research, internal and external stakeholder engagement through our customers' voice – an online survey platform and data analysis. For objectivity, we engaged an independent consultancy to carry out a high level review and analysis of data from the exercise. Following our materiality assessment, material topics identified of medium importance to stakeholders include employee welfare, vendor engagement, responsible sourcing, product availability and affordability and infrastructure development. On the other hand, topics reported of high importance to the business were climate change and GHG emissions, pollution control, waste and effluent management, and health, wellness and safety. Other critical issues of impact to the business include community impact, corporate governance, sustainability reporting, financial performance and responsible sourcing. The overall outcome forms our material topics which are ranked and reflected in the materiality matrix below:

The outcome of our 2022 materiality assessment indicated the most pressing issues for our internal and external stakeholders. Over 75 topics were identified. Some of these topics are as follows: human rights, biodiversity and climate change, etc. The identified material topics significantly influence the issues that are disclosed in this report.

Following the diversity and complexity of the material issues raised by the various stakeholder groups, materiality matrices were developed to capture the critical and relevant issues.

#### Employees

A total of 23 ESG-related topics were identified as material to the employees. These were derived from the ratings of various ESG issues by employees during the survey. Overall, six topics were ranked in the range of high importance and high impact.

#### Investors

A total of 14 ESG-related topics were identified as material to the investors. These were derived from the ratings of various ESG issues by investors during the survey. Overall, six topics were ranked in the range of high importance and high impact.

#### Vendors

A total of 21 ESG-related topics were identified as material to the supply chain. These were derived from the ratings of various ESG issues by the supply chain during the survey. Overall, 6 topics were ranked in the range of high importance and high impact.

### Dangote Cement's 2022 materiality matrix

Importance to stakeholders	High	<ul style="list-style-type: none"> <li>Employee welfare</li> <li>Talent attraction, development and retention</li> <li>Vendor engagement</li> <li>Responsible sourcing</li> <li>Customer privacy</li> <li>Improved vendor management</li> </ul>	<ul style="list-style-type: none"> <li>Product availability and affordability</li> <li>Employment opportunities</li> <li>Infrastructure development</li> <li>Anti-corruption</li> </ul>	<ul style="list-style-type: none"> <li>Climate change and GHG emissions</li> <li>Pollution control</li> <li>Waste and effluent management</li> <li>Water efficiency</li> <li>Health, wellness and safety</li> </ul>	<ul style="list-style-type: none"> <li>Energy management</li> <li>Community impact</li> <li>Corporate governance</li> <li>Sustainability reporting and disclosures</li> <li>Financial performance</li> <li>Customer privacy</li> <li>Responsible sourcing</li> </ul>	
	Medium	<ul style="list-style-type: none"> <li>Retirement provision</li> <li>Business support</li> <li>Community training</li> </ul>	<ul style="list-style-type: none"> <li>Women and youth empowerment</li> <li>Employee engagement</li> <li>Community engagement</li> <li>Digitalisation</li> <li>Fraud and corruption</li> <li>Improved communication</li> </ul>	<ul style="list-style-type: none"> <li>Reduced vibrations</li> <li>Operational process improvement</li> <li>Stakeholder engagement</li> <li>Accountability and transparency</li> </ul>	<ul style="list-style-type: none"> <li>Afforestation</li> <li>Land resettlement</li> <li>Business continuity</li> </ul>	
	Low	<ul style="list-style-type: none"> <li>Fair competition</li> <li>Sustainable infrastructure</li> <li>Green investments</li> <li>Credit facility</li> <li>Biodiversity</li> </ul>	<ul style="list-style-type: none"> <li>Human rights</li> <li>Child labour</li> <li>Economic improvement</li> <li>Supply chain training</li> </ul>		<ul style="list-style-type: none"> <li>Alternative fuels</li> </ul>	
		Low	Medium	High		
		Impact on business				

### Our materiality assessment

Desk review	Stakeholder mapping	Quantitative data collection and analysis	Identification of material factors	Key informant engagement	Prioritisation and ranking
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### Communities

A total of 17 ESG-related topics were identified as material to the community. The matrix above represents the ranking of the material issues in the order of importance to stakeholders and DCP's impact on the host communities.

### Our materiality outlook

Looking to the future, we will continue to monitor our material topics, including the potential impact on the performance, development and position of our Company, as well as the potential environmental and social impacts of our activities on our stakeholders. We will provide updates annually in our Sustainability Report and use the outcomes to continuously improve our stakeholder engagement processes and inform further integration with global initiatives, as we seek to deliver long-term value creation from sustainability.

### Reporting practice

- Evolution of our sustainability reporting.
- Reporting scope, timeframe and boundary
- GRI content index service
- Data integrity
- Report reference
- Independent external assurance

### Evolution of our sustainability reporting

At DCP, sustainability mandate is to comply with disclosures of non-financial performance in the annual reporting process. We commenced our sustainability reporting journey by disclosing only key topics that are pertinent to our business referencing the GRI Sustainability Reporting Protocols in 2017. The report was well received by both internal and external stakeholders and thus set the stage for our next Sustainability Report in 2018 – a fully compliant GRI Core Option Sustainability Report. Dangote Cement's report was the first to be presented to stakeholders under the Facts Behind the Figures Platform of the Nigeria Exchange Group, demonstrating our compliance with the NSE Sustainability Disclosure Guidelines. We continued to improve our reporting practices by integrating financial and non-financial disclosures in a single report in 2019 and 2020 thereby, demonstrating our commitment to a balance scorecard in sustainability. In 2021, we published our first ESG-aligned report to further align with stakeholders' expectations. We have received several awards and recognition for our Sustainability Report including best company in reporting and transparency for 2019, 2020 and 2022 by the SERAS Africa Awards and best company in reporting and transparency by the CSR Reporters Awards.

### Our reporting practice

The scope of this report covers the full range of our ESG performance in Nigeria (DCP Obajana, Okpella, Ibese and Gboko) and Pan-Africa (Cameroon, Congo, Ethiopia, Ghana, Senegal, Sierra Leone, South Africa, Tanzania and Zambia) within the timeframe of 1 January 2022 to 31 December 2022. This is our sixth Sustainability Report and, like previous reports, it has been prepared in accordance with the 2021 GRI Standards Sustainability Reporting Framework Core Option. The report has also been cross-referenced with other sustainability principles and standards including the Global Cement and Concrete Association (GCCA) Sustainability Principles and Guidelines, United Nations Global Compact (UNGC) Principles, Sustainable Development Goals (SDGs), Securities and Exchange Commission (SEC) Code of Corporate Governance and the Nigerian Exchange Group (NSE) Sustainability Disclosure Guidelines. This further lends credence to the report and showcases our efforts at adhering to best practices.

The report is environment, social and governance (ESG) structured to ensure our stakeholder groups have easy access to them. It aptly reflects our strategic sustainability pillars which include social, economic, environmental, operational, cultural, financial and institutional. As in previous years, it complements our Annual Report, which primarily covers our financial and economic performance in furtherance of our integrated reporting approach.

In line with the GRI reporting principles, we have considered the principles of stakeholder inclusiveness, sustainability context, materiality, completeness, balance, comparability, accuracy, timeliness, clarity and reliability and believe that this report meets these requirements. Data utilised for this report underwent several layers of review and validation and represents the most accurate information at the time of publication.

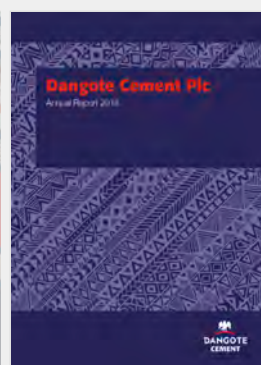
A materiality assessment carried out with the assistance of an independent third party ensured we identified and reported on the most material topics related to our business. Thus, this report provides a reasonable and balanced representation of the DCP's material sustainability areas of impact and opportunity. External assurance was implemented by KPMG on some indicators using the ISAE 3000 Standards to further add a layer of validation and credibility to the report. The report has received the Content Index Essential Service of the GRI.

[dangotecement.com](http://dangotecement.com)

2017



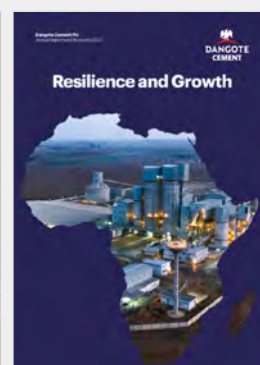
2018



2019



2020



2021



**Environmental indicators**

	2021	2022
<b>CO<sub>2</sub> emissions (absolute)</b>		
Total scope 1 emissions in the reporting year (million metric tonnes)	18.8	17.7
Gross absolute direct CO <sub>2</sub> emissions (million metric tonnes) <sup>*a</sup>	17.0	16.0
Net absolute direct CO <sub>2</sub> emissions (million metric tonnes)	16.9	15.9
CO <sub>2</sub> from on-site power generation (million metric tonnes)	1.8	1.7
Total scope 2 CO <sub>2</sub> emissions from power purchased (million metric tonnes)	0.2	0.3
<b>Direct CO<sub>2</sub> emissions intensity (scope 1)</b>		
Gross CO <sub>2</sub> per tonne of cementitious product (kg CO <sub>2</sub> /tonne)	609	595
Net CO <sub>2</sub> per tonne of cementitious product (kg CO <sub>2</sub> /tonne)	606	590
<b>Energy (thermal and electrical)</b>		
SHC clinker production (MJ/tonne clinker)	3,337	3,330
Convictional fossil fuel (% of kiln fuels)	0.979	0.961
Alternative fuel rate (% of kiln fuels)	0.019	0.027
Biomass fuel rate (% of kiln fuels)	0.002	0.012
Total energy consumption (kiln in TJ)	71,118	66,247
Total energy consumption (plant) in TJ)	101,355	95,786
<b>% of total plant energy consumed per source</b>		
Petroleum coke/coal mix	0.6	0.0
Coal	41.0	42.6
Natural gas	51.3	48.7
Diesel	3.7	3.2
Petrol	0.0	0.0
LPFO	0.0	0.7
Electricity	1.9	2.1
Alternative fuel (fossil and biomass based)	1.5	2.7
Clinker/cement (equivalent) factor (%)	0.77	0.74
<b>Water management</b>		
Total water withdrawal (million m <sup>3</sup> )	8.16	6.81
<b>Water withdrawal by source</b>		
Groundwater (% of total)	0.51	0.51
Municipal water (% of total)	0.07	0.01
Quarry (% of total)	0.20	0.12
Other (dam, etc.) (% of total)	0.21	0.36
Total water consumption/utilisation (million m <sup>3</sup> )	7.57	6.28
Water recycled/reused (million m <sup>3</sup> )	0.21	0.22
Water withdrawal per cementitious product (lit/tonne)	292	253
Water consumption per cementitious product (lit/tonne) <sup>*d</sup>	271	234
<b>Waste management</b>		
Total waste generated (ktonnes)	16.4	11.1
Total waste recycled/reused (ktonnes)	-	7.6
Total AFR waste consumed (ktonnes)	89	157
<b>Continuous emissions monitoring systems coverage (dust, NOx, and SOx)</b>		
% of clinker produced with CEMS coverage (dust, NOx and SOx)	0.9	0.9
Dust: % of production with dust measurement	1.0	1.0
NOx: % of production with NOx measurement	0.9	0.9
SO <sub>x</sub> : % of production with SO <sub>x</sub> measurement	0.9	0.9
<b>Particulate and gaseous emissions</b>		
Total absolute kiln dust emissions (tonnes)	2,973	1,937
Specific dust (g/tonne of clinker)	140	97
Specific NOx (g/tonne of clinker)	-	1,073
Specific SOx (g/tonne of clinker)	-	195
<b>Trees planted</b>		
Total number per annum	510,636	123,253

<sup>\*a</sup> 2021 and 2022 data consolidated based on GCCA definition of total direct CO<sub>2</sub> emissions – as direct CO<sub>2</sub> emissions originating from fossil carbon, i.e. excluding CO<sub>2</sub> emissions from biomass which are considered climate neutral and CO<sub>2</sub> from on-site electricity production.

<sup>\*b</sup> Specific CO<sub>2</sub> for 2021 and 2022 consolidated to CO<sub>2</sub>/tonne cementitious product with Global Cement and Concrete Association (GCCA) Cement CO<sub>2</sub> and Energy Protocol, Version 3.1 GNR 2.0.

<sup>\*c</sup> Specific heat consumption for 2021 and 2022 consolidated with GCCA Cement CO<sub>2</sub> and Energy Protocol, Version 3.1 GNR 2.0.

<sup>\*d</sup> Water consumption for 2021 and 2022 consolidated and reported in liters/tonne cementitious product

**Social indicators**

	2021	2022
<b>Employee hire and turnover</b>		
New hires	1,061	<b>1,172</b>
<b>Communities – grievances</b>		
Community grievances closed	86	<b>169</b>
<b>Communities – projects/engagement</b>		
Number of completed community projects	67	<b>71</b>
Community engagement	675	<b>763</b>
<b>General training</b>		
Number of training hours	156,899	<b>313,192</b>
<b>Sustainability training</b>		
Number of employees trained	281	<b>598</b>
Number of training hours	1,188	<b>1,478</b>
<b>HSE/training</b>		
Number of persons trained on HSE (including external stakeholders)	15,392	<b>27,450</b>

**Governance indicators**

	2021	2022
<b>Business ethics</b>		
Number of whistleblowing	34 (15% resolved, 85% ongoing)	<b>71</b> (41% resolved, 59% ongoing)
<b>Gender diversity</b>		
Gender diversity – females at senior management level	9%	<b>15%</b>
Gender diversity – females in Executive Management	12%	<b>13%</b>
Females in total workforce (permanent employees)	8%	<b>9%</b>

	2021	2022
<b>Economic performance</b>		
Contribution to household income:		
• Direct contributions to household income (salaries, wages and dividends)	₦397,387	<b>₦496,634</b>
• Indirect contributions to household income (taxes, local procurement and social investments)	₦445,114	<b>₦648,763</b>

	2021	2022
<b>Local content</b>		
Local Procurement	₦409,216	<b>₦496,349</b>
Imported	₦223,744	<b>₦300,937</b>
Total procurement spending	₦632,960	<b>₦797,286</b>



# ENVIRONMENT

The environmental pillar defines our ways of entrenching sustainability by identifying, measuring, and mitigating actual and potential negative environmental impacts resulting from our operations.

Our goal is to improve our performance on energy efficiency, waste management, water consumption, and greenhouse gas emissions, while leveraging the opportunities in environmental stewardship, such as efficiencies in alternative fuel, and the medium to long-term cost efficiencies offered by the circular economy business model. This upholds our operational sustainability pillar, which defines how we serve and satisfy our markets by working together with partners to deliver the best quality products and services to our valued customers. We leverage innovation, new business development, and technology to optimise cost and competitiveness.

In our cement value chain, operational sustainability requires that we maximise the value of raw materials and local resources, whilst being mindful of the health and safety of all stakeholders and our impact on the physical environment; hence 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.

## Environmental sustainability performance highlights



**CO<sub>2</sub> emission product**

**590kg /tonne**

% change from 2021: -2.59%



**Thermal substitution rate**

**4.3%**

% change from 2021: +66.7%



**Water consumption**

**234 litres/tonne**

% change from 2021: -13.71%



**Specific heat consumption**

**795.4kg/Kcal**

% change from 2021: -0.22%



Our workers demonstrate concern for protecting nature in our mines

### Understanding cement value chain

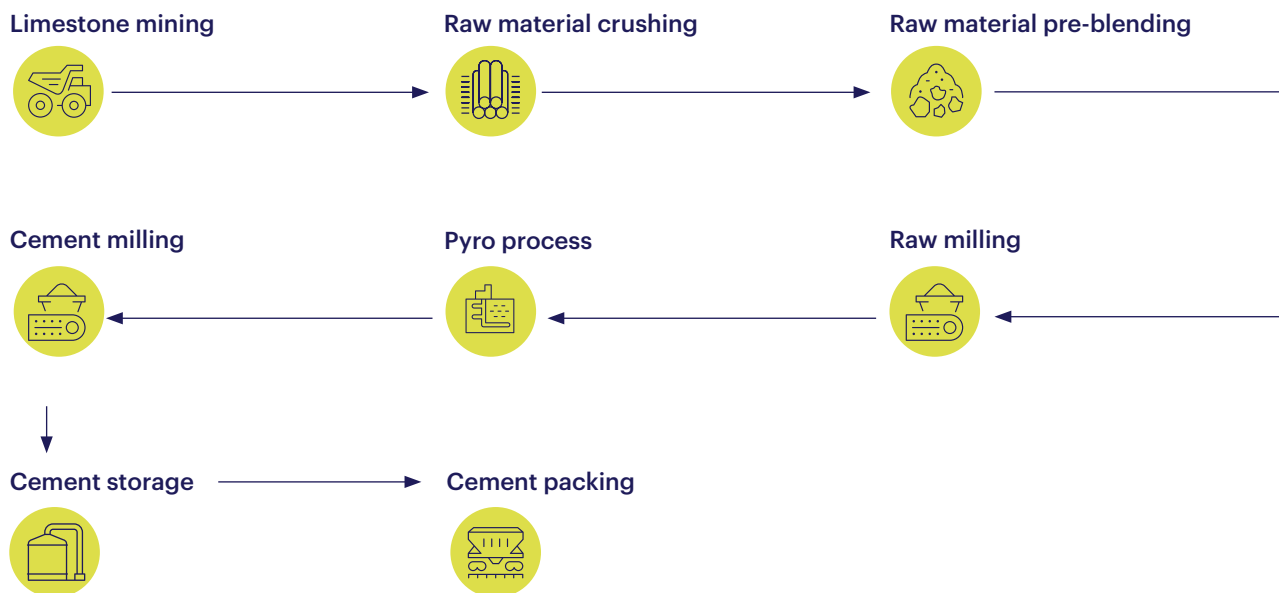


Chart 1.1 Cement value chain environment impacts

### Benchmarking our environmental stewardship

The Carbon Disclosure Project (CDP) is an international non-profit organisation that provides a proof-based platform for organisations to disclose their environmental impact. It aims to make environmental reporting and risk management a business norm, driving disclosure, insight, and action towards a sustainable economy. In 2022, Dangote Cement was among almost 20,000 organisations that disclosed their environmental information through CDP.

Our 2022 climate change score showed a progression from B- to B+, which places Dangote Cement higher than the African regional average of B- and in the same category as the industry average of B+. This is a testament of our stewardship and continuous improvement in non-renewable and carbon intensive resource eco-efficiency while further cementing our mission statement: “to lead the way in areas such as governance, sustainability and environmental conservation and to set a good example for other companies to follow”. This score upholds the contribution of all the Company’s shareholders and stakeholders to climate change mitigation.

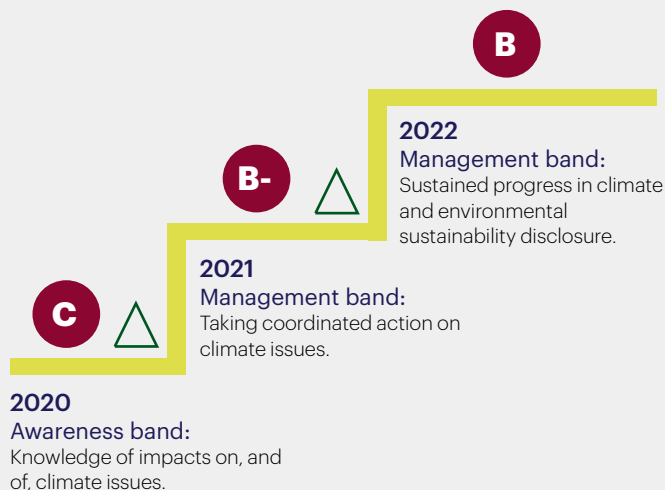
**“We are pleased to be recognised again for the progress we are making in our environmental disclosures and sustainability”.**

**Michel Puchercos**  
GMD, Dangote Cement



B

- Submission to the Carbon Disclosure Project (CDP).
- Rated “B+” by the CDP on our carbon disclosure for 2022, the second consecutive upgrade.
- One of the highest ratings in Sub-Saharan Africa and the only Nigerian company rated by the CDP.
- In 2021 DCP became a CDP supporter.





**Alternative fuel**

Dangote Cement prioritises mitigation and adaptation to climate change across its operations as a way of entrenching environmental sustainability. The goal of the Company is the continuous improvement of performance on energy efficiency, waste management, water consumption, and monitoring of greenhouse gas emissions. An example of this mindset is Dangote Cement’s alternative fuel (AF) project.

As Africa’s population is projected to reach nearly 2.5 billion by 2050, the development needs of the continent are significant. With this growth comes an infrastructure deficit; hence there is increasing demand for building materials to support the provision of social amenities and for urbanisation. Cement manufacturing is an energy-intensive process driven largely by the demand of a growing population; hence a higher demand drives more production which results in significant emissions of green house gases. Our response to this market pull is climate mitigation and adaptation. This is done through our alignment with regional and global industry practices which promote responsible resource extraction while meeting Africa’s need for climate-resilient infrastructure.

**“The responsible use of waste as alternative fuel for our pyro process is reducing our consumption of fossil fuels, which is mitigating the environmental footprint of our cement production.”**

In line with SDG 12 - Responsible Consumption and Production, alternative fuel is used to reduce dependency on fossil fuels in eight integrated cement plants. The Dangote Cement AF project aims to achieve a thermal substitution rate of 25% in all plants by 2025. In 2022, the project achieved 4.3% TSR with 157 Ktonnes of waste diverted from landfill and co-processed in the kilns, in contrast to 89 ktonnes co-processed in 2021. Resources utilised include processed AF such as fly ash, plastics, tire chips, waste oils and lubricant, and agro waste such as palm kernel shell, rice husk, peanut shell, cashew nut shell, coffee husk, coconut shell and sugarcane bagasse. The AF project is now at the technology integration phase. Mechanical feeding systems have been earmarked for plants in Ethiopia, Zambia, Senegal, Congo and Tanzania, while the Dangote Cement Obajana line 5 AF system was commissioned in November 2022. The line 1 pneumatic feeding system by Di Matteo was commissioned in December, the same month as the commissioning of the Dangote cement Ibese AF pneumatic feeding system.

The AF systems of Ibese and Obajana is projected to replace 330 tonnes of coal per day each with alternative fuel resources. This would amount to an estimated reduction of 650 tonnes of CO<sub>2</sub> on daily basis by each system hence the plan is to replicate this model in all kilns. The plan is to replicate this model in all kilns.

**Thermal substitution rate projection**

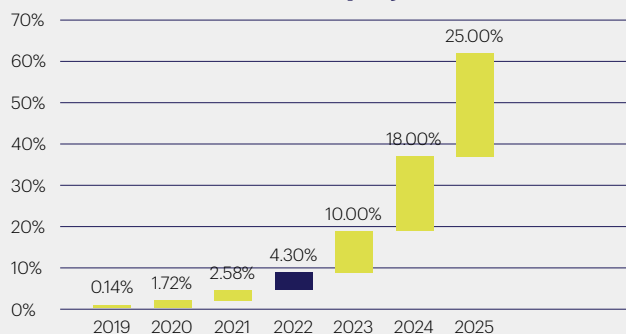


Chart 1.2 Achieved and projected thermal substitution rate (TSR)



A tour of a palm oil milling community to assess AF value chain

### Tackling unemployment through indirect green jobs

One of the major development problems in Africa is unemployment. The provision of green jobs to unskilled workers in local communities has significance in achieving SDGs 1, 2 and 7. The International Labour Organisation (ILO) defines green jobs as jobs that add value to green products and services. This includes jobs in greening processes, and jobs contributing to natural resource conservation. Dangote Cement's integration of biomass in its energy mix helps not only in the reduction of our carbon footprint but also supports the expansion of our value chain. With over 46,000 tonnes of biomass consumed in the year, Dangote Cement has contributed to the creation of green jobs in the informal sector. The jobs include planting and harvesting of various biomass, processing the shells and sorting, washing, bagging and transporting the agricultural residue which was formerly treated as waste.



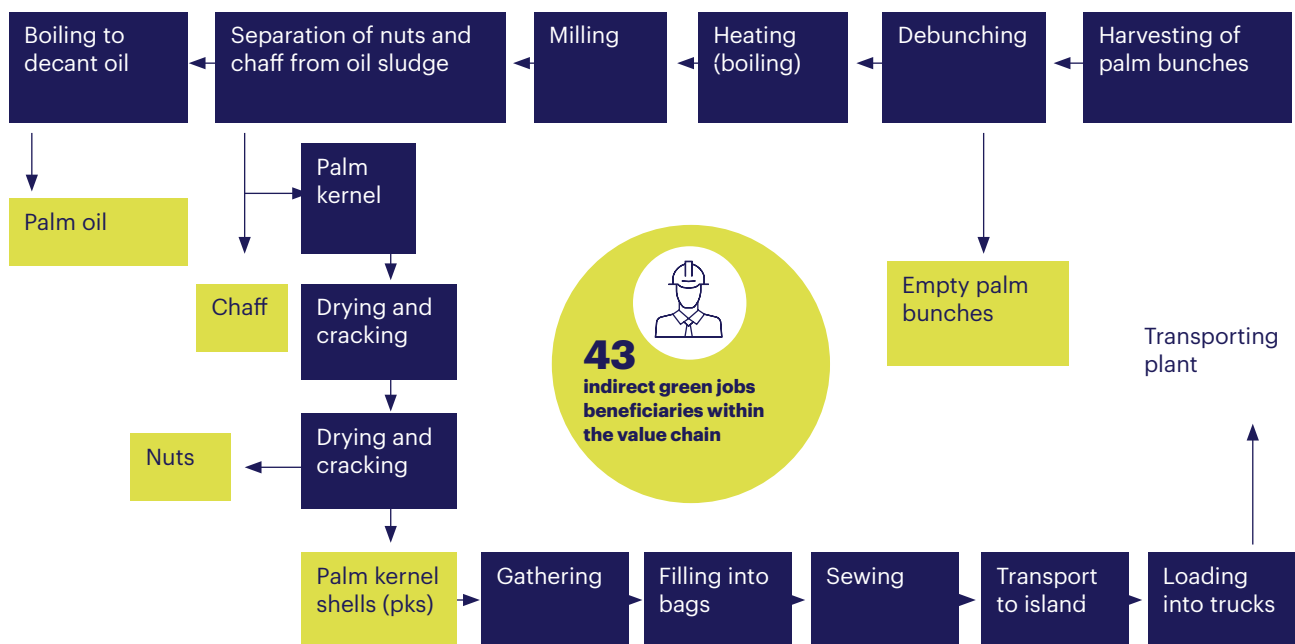
Zambia community women sourcing corn stalks as biomass

### Informal sector participants in the value chain

Biomass consumed	Indirect participants
Palm kernel shell	41,258
Rice husk	264
Non-impregnated saw-dust	22
Coffee husk	4,389
Cashew nut shell	594
Coconut husk	53,206
Maize cob	1,010
Mango seeds	26

Palm kernel shell, waste from the palm fruit is one of the major resources for alternative fuel. The value chain of this biomass begins with the harvesting of palm fruit bunches before it goes through debunching for fruit separation. The fruits are heated up, milled and processed to produce palm oil. Following the extraction of the oil, the palm kernel is separated from the sludge and dried. Palm kernel is cracked open to separate the nuts from the shells which are gathered and transported to our plants. While this process can be supported by simple mechanical devices, the handling is done by people at every stage.

### Palm kernel shell waste value chain



Palm kernel shell waste value chain

Prioritising biomass as an alternative our fuel for reducing carbon footprint provides jobs, which is a key aspect of our adaptation strategy. The results of this strategy are already visible as the plants and subsidiary industries have created green jobs contributing to the sustainable development of the industry and the economy.

### Zambia's diverse AF utilisation

Agricultural waste in many African communities is mostly disposed of through open-air burning in the dry season. This results in air pollution and bush fires which are a risk to property and also contribute to deforestation. The alternative fuel project offers a solution to mitigate this environmental hazard. DCP Zambia supported communities in establishing cooperative societies comprising women and the youth to supply corncobs (agricultural waste) for use as an alternative fuel. The initiative resulted in income generation and job creation for the community. The Christian Association Reliance Youth Movement (CARYM) and Kasonkama, which are youth-led cooperatives, were engaged to supply corncobs in 2022. CARYM was also assisted with vendor registration and awarded the biomass feeding contract in the plant under the alternative fuels (AF) project. By the end of 2022, two hundred tonnes of biomass were sourced from 3 villages. The volume is expected to increase with more community participation from over 20 villages in the region. To achieve an increase in the production of the agricultural sources of biomass, DCP Zambia donated 10 tonnes of fertiliser to the community cooperatives. The farmers were also sensitised on the environmental negative effects of open-air burning and the advantages of biomass supply to the plant's AF project.



Zambia community women sourcing corn cobs as biomass

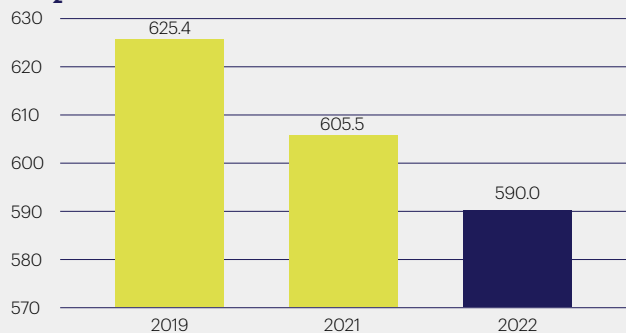


Rice husk biomass sourcing

### Gaseous emissions management

To mitigate gaseous emissions from our production process, our new plants are designed to be resource and energy efficient. The business invests in modern equipment such as analysers, opacimeters and other continuous emissions monitoring systems used to measure greenhouse gas (GHG) emissions in real time.

### CO<sub>2</sub>/tonne cementitious material produced



Actual net CO<sub>2</sub> intensity performance

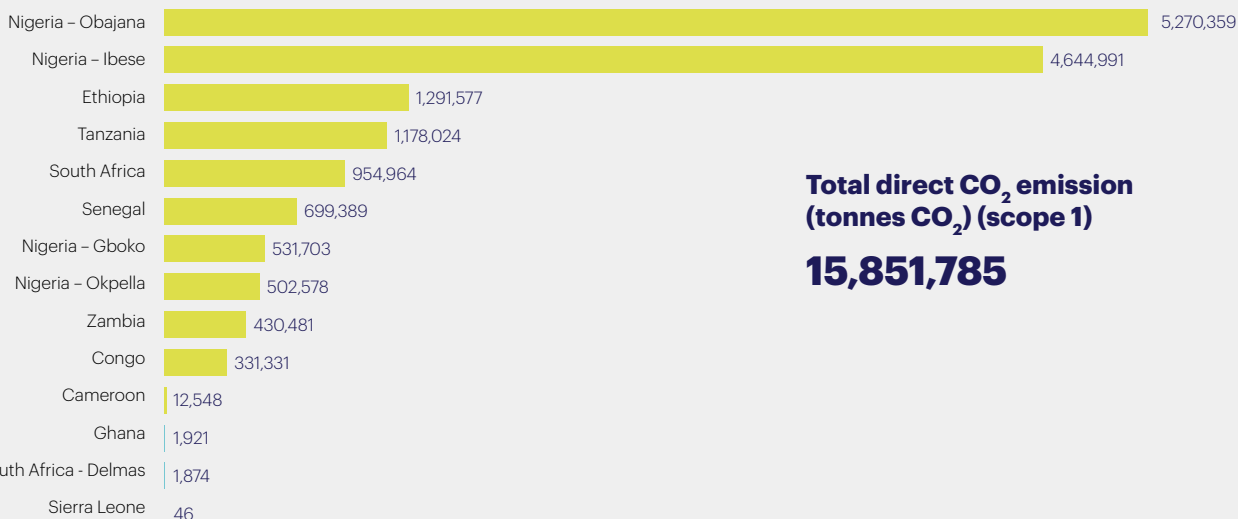
Through alignment with industry guidelines for CO<sub>2</sub> and energy accounting protocol, DCP measures performance for accurate consolidation of our scope 1 and scope 2 CO<sub>2</sub> emissions for all our integrated and grinding plants. In our industry an absolute target refers to the total amount of emissions being emitted while an intensity target is a normalised metric that sets a company's emissions targets relative to the economic output. The economic output in our case is known as cementitious material. Cementitious materials are hydraulic, pozzolanic and raw materials used in cement finish grinding.

In 2022 we achieved a 6.3% reduction in absolute scope 1 CO<sub>2</sub> emissions from 18,844,221 tonnes to 17,651,998 tonnes. Due to increased reliance on the national grid by some of our plants, scope 2 emissions from purchased power increased from 200,659 tonnes to 327,784 tonnes. The net specific CO<sub>2</sub> emission reduced by 2.6% from 605.5 kg CO<sub>2</sub>/tonne of cementitious material in 2021 to 589.8 kg CO<sub>2</sub>/tonne of cementitious materials in 2022. We recorded NO<sub>x</sub> and SO<sub>x</sub> of 1072.9 g/tonne of clinker and 195 g/tonne of clinker respectively.

### Sustainable waste management

The cement industry is expanding worldwide driven by population growth and urbanisation. This has created a rise in cement production volume, and process waste generated. To achieve sustainable waste management, Dangote Cement Plc has developed waste management processes and practices as part of its environmental management system and it incorporates efficient waste management from the point of material extraction through the entire cement value chain. Our sustainable waste management promotes re-use, waste to energy in form of alternative fuel and proper disposal through organisations accredited by regulatory agencies on occupational health and safety. The total waste generated across our plants in 2022 was 11,085 tonnes, representing a 32% decrease compared to 2021. 68% of waste generated was diverted from disposal through reuse in the plant maintenance process and in kilns as alternative fuel resources. The responsible use of waste as alternative fuel for pyro process is reducing our consumption of fossil fuels, which is mitigating the environmental footprint of our cement production.

### 2022 total direct scope 1 CO<sub>2</sub> emissions



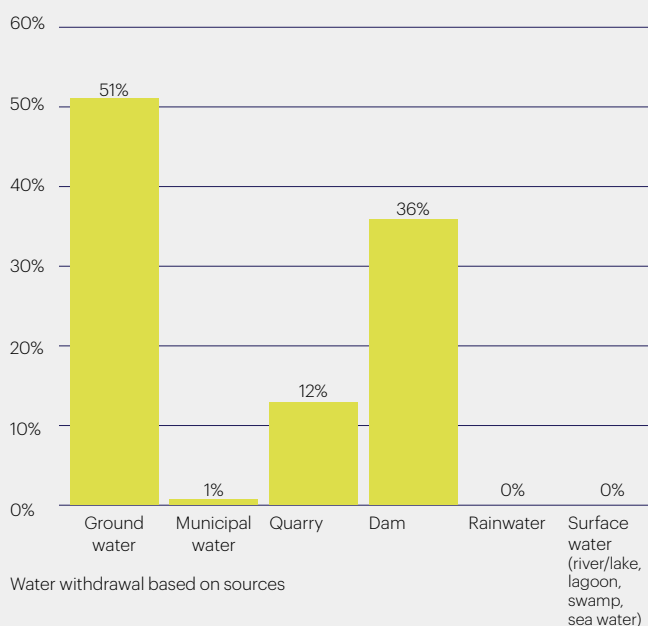
Total direct Scope 1 CO<sub>2</sub> emissions in 2022

### Responsible water withdrawal and consumption

Water is the basis of all life and also essential for production process. Water is required in plant operations for temperature control, dust suppression, enhanced milling and washing of equipment. Our value for water informs our practice of reusing and recycling water. We aim to reduce our water withdrawal and consumption per tonne of cementitious material we produce.

In driving towards the achievement of SDG 6 - Clean Water and Sanitation, Dangote Cement ensures proper accounting of water withdrawn by source and water discharged. We use effluent treatment plants (ETP) for sewage treatment before reuse or discharge of water to drainages. This process and portable water recirculation closes the water loop and helps minimize water wastage. Another practice to achieve water conservation adopted is the harvesting of rain water to recharge aquifers. The total water consumption in 2022 for all operational locations was 6284.6 million m<sup>3</sup>, and this is 17.021% lower than the total water consumption of 7573.7 million m<sup>3</sup> recorded in 2021. Water consumption per tonne of cementitious material recorded in 2022 is 233.8 lit/tonnes which is a 13.7% decrease from the 2021 water consumption intensity of 271 lit/tonnes of cementitious material produced. Ground, dam and surface water sources make up the majority of the total volume of water withdrawn. This accounts for 51%, 36% and 12%, respectively, while other sources, including rainwater and municipal water, make up the remaining 1%.

### Total water withdrawal based on sources



**Our water consumption per tonne of cementitious material produced in 2022 is 233.8 Lit/tonnes which is a 13.7% reduction from 2021 water consumption and a testament of our environmental stewardship**



Ethiopia distributes water to Mughler community residents during scarcity

### Water efficiency

Dangote Cement has been focusing on many approaches to optimise water consumption by reducing freshwater withdrawal as well as increasing the availability of water through water harvesting and recharging. Our level initiatives spanned from the establishment of water recirculation and cooling units to heat exchangers for process water cooling and recycling, thereby reducing demand for make-up water. Other initiatives include the construction of rainwater harvesting structures like pits around operating sites and mining areas, installation of effluent treatment plants (ETP) for treating domestic wastewater, use of recycled water in operations and reusing of treated waste water for dust suppression and equipment cleaning which help in increasing the availability of water and reduce dependence on ground water.

#### Some of our water efficiency actions:



Campaigns



Rainfall harvesting in the mine pits



Low moisture requirement native plants



Regular monitoring



Water treatment



Preventing leakages

### Energy management

Cement production is a high thermal and electrical energy demanding process.

For integrated cement plants, energy in the form of heat is required to raise the kiln temperature to over 1,450 degrees Celsius, required to produce clinker. This heat is predominantly generated using conventional and alternative fuels.

Dangote Cement's monthly target on specific heat consumption (SHC) and specific power consumption (SPC) helps us reduce our utilisation of non-renewable energy resources; hence we recorded total energy of 95,786.3 TJ in 2022 which is a -5.49% reduction from 2021 kiln and non-kiln energy consumption of 101,355.3 TJ. Diverse fuels utilised in the year under review were coal, natural gas, heavy oil, and various forms of processed and biomass alternative fuels. The specific heat consumption also reduced from 797 Kcal/kg in 2021 to 795 Kcal/kg of kiln fuels in the year under review.

#### Some of our strategic energy management practices:



Vertical roller mill maintenance and optimisation



Minimised false air-ingress and radiation loss



Pyro-process optimisation



Reduction of equipment idling and electrical energy wastage

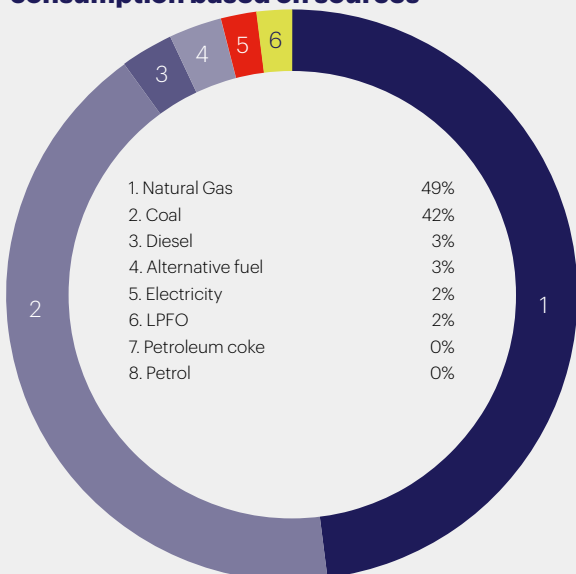


Improvement of product quantity and quality



Technology upgrade/eco-friendly equipment

### 2022 total kiln and non-kiln energy consumption based on sources



### Total energy consumption (TJ)

2019

79,976.2

2020

92,515.7  
15.68%

2021

101,355.4  
9.55%

2022

95,786.3  
-5.49%



DCP Gboko clear stack during operation



DCP Zambia mines tree planting

### Particulate emissions management

Dangote Cement values clear skies and clean air. The importance of minimising particulate emissions enhances our bid in making our environment sustainable. To reduce air pollutants, we installed cutting-edge primary and secondary pollution abatement systems in addition to performing routine maintenance on equipment at the manufacturing facilities. This enables us to adhere to the Emission Limit Value (ELV) requirements set by the International Finance Corporation (IFC) and environmental regulatory ministries where we operate. To track air pollutants, we have installed continuous emission monitoring systems (CEMs) in nine out of our ten integrated plants while discontinuous monitoring in all the plants is 100% and, to achieve process improvement, our new lines have high-efficiency bag houses installed. To maintain good air quality, the older facilities that use electrostatic precipitators (ESPs) undergo routine maintenance.

Our absolute emissions showed a 35% reduction from 2,973 tonnes in 2021 to 1,937 tonnes of kiln dust emitted in 2022.

Country	2021 particulate emission (tonnes) [Annual average kiln dust emission]	2022 particulate emission (tonnes) [Annual average kiln dust emission]
Nigeria – Gboko	—	—
Nigeria – Ibese	1,769	1,027
Nigeria – Obajana	497	503
Nigeria – Okpella	—	26
Cameroon	—	—
Congo	11	34
Ethiopia	71	63
Ghana	—	—
Senegal	81	52
Sierra Leone	—	—
South Africa – Aganang	68	75
South Africa – Delmas	—	—
Tanzania	352	107
Zambia	125	50
DCP absolute	2,973	1,937
DCP-specific kiln dust (gram/tonne of clinker produced)	140	97

2022 total kiln particulate emission

### Progressive mines rehabilitation planning

At Dangote Cement we recognise the importance of extended producer responsibility; hence we ensure end of life management of our mines and quarries through progressive reclamation of partially active mines and fully utilised mines. The actions help to minimise risks of the mining operations, preserve vegetation and overburden, in order to maintain ecosystem balance. Dangote Cement takes measures to monitor the progressive rehabilitation actions through tracking and compliance in line with the regulatory requirements in the countries of our operations. It is important that the prospects of mining does not lead to the marginalisation of the people who are generally most affected by mining. Therefore we follow country and industry guidelines on the resettlement of communities impacted. Other actions such as afforestation by planting native vegetation and creating wetland channels for recharging mines are also practices we adopt to protect the ecosystem, and for our plants that practice conventional mining we ensure that the impact of vibration is controlled. In 2022, Dangote Cement planted 123,636 trees across nine countries where we operate including Nigeria, Congo, Ethiopia, Ghana, Senegal, South Africa, Tanzania, and Zambia. We collaborate with our communities in the selection of vegetation to be planted to ensure choices that provide both ornamental and economic benefits to the community; in addition these initiatives showcase Dangote’s commitment to biodiversity preservation.



**In 2022, we recorded a 35% reduction in our absolute kiln dust emissions.”**



DCP Obajana AF feeding system and rice husk storage inspection



Investing in our planet on Earth Day in Ethiopia

**Climate action**

Climate action refers to the effort to increase adaptive capacity and resilience to climate-induced impacts. The cement and concrete sector is one of the most vulnerable to long-term climate risks because of its significant contributions to global carbon emissions; hence Dangote Cement adopted SDG 13 - Climate Action as one of the seven priority SDGs to promote intentional actions and strategies towards the mitigation of climate change

So far, our climate action activities include:

- consolidation of our CO<sub>2</sub> and energy inventory using GCCA's "Getting the Numbers Right" (GNR) tool;
- adoption of an emissions base year;
- institutionalisation of sustainability and governance;
- increased investment in green technologies and jobs; and
- creation of a decarbonisation think tank.

**Planning for decarbonisation**

Decarbonisation is the process of reducing carbon dioxide emissions by using low or zero-carbon energy sources to emit less greenhouse gases into the atmosphere. To achieve continuous carbon emissions reduction, which is our key environmental performance indicator, the Company considers the adoption of levers such as clinker substitution and thermal energy substitution. The decarbonisation of electricity is also a viable lever for our CO<sub>2</sub> reduction; however, the most promising technology for decarbonising conventional cement production process involves carbon capture, utilisation and storage (CCUS). In our planning for decarbonisation we have taken the first step to understand our greenhouse gas (GHG) emissions baseline and the business-as-usual emissions projections. Presently we are engaging key stakeholders on the levers, and timescales by which we aim to achieve CO<sub>2</sub> reduction in the near term and long term.



**Dangote cement adopted SDG 13 - Climate Action' as one of the seven priority SDGs to promote intentional actions and strategies towards the mitigation of climate change."**

**Environmental campaigns**

Environmentalism is an ideology that promotes the need and responsibility of humans to respect, protect and defend the natural world from the damages caused by human activities. Environmental awareness is an essential component for the movement to become a success. In 2022, Dangote Cement conducted different environmental campaigns to encourage more ecologically responsible behaviour in different communities of our operations. The goal is to build knowledge and skills needed to solve complex environmental problems and take steps to conserve natural resources. We leveraged notable international days such as the United Nations World Environment Day, Earth Day and World Water Day.

**Investing in our planet on Earth Day**

The UNESCO Earth Day observance seeks to demonstrate initiatives for the protection of the earth. The theme for this year's campaign was "Invest in our planet", which was a call for action to governments and citizens to take steps towards improving the earth's well-being. Dangote Cement commemorated this day with a field trip to a biomass production community in Osun State. The aim of the visit was to assess the value chain of the biomass market and engage stakeholders on ways the organisation can support their enterprise while also enlightening them on the circular economy.

A circular economy can be achieved through waste management and responsible production and consumption (SDG 12) to reduce carbon footprint; hence to advance our CO<sub>2</sub> reduction goal, Dangote Cement adopted alternative fuel substitution as a decarbonisation lever. In 2022, 157 Ktonnes of alternative fuel was utilised in the production processes resulting in about 226,850 tonnes reduction of CO<sub>2</sub>.





Tree planting to commemorate World environment day



World water day campaign by Ibesse sustainability champions.

### Only One Earth

This year's World Environment Day themed "Only One Earth" was commemorated on 6 June. As part of the Company's environmental stewardship, over 1,708 employee volunteers supported by 1,186 third-party volunteers contributed 12,658 hours on 46 different initiatives to conserve the values of biodiversity in our 13 Pan-African plants.

The corporate office collaborated with the Lagos Business School Sustainability Centre, United Nations Environment Programme (UNEP), Nigerian Conservation Foundation (NCF), and National Environmental Standards and Regulations Enforcement Agency (NESREA) to deliver a webinar titled "Only One Earth: Conserving the Values of Biodiversity" in a forum which brought together participants from the private sector, government agencies, international agencies, and industry experts across Africa to a discussion centred on the deliberate efforts humans must make to save the earth and the values of biodiversity.

### Groundwater – Making the invisible visible

Groundwater makes up about 3% of the world's freshwater which is the largest and most widely distributed source of freshwater. Exploring, protecting, and sustainably using groundwater are central to surviving and adapting to climate change; as they are best suitable to meeting the needs of a growing population. In a campaign to promote groundwater preservation, Dangote Cement adopted the UN SDG 6 - Clean Water and Sanitation for all and SDG 12 - Responsible Consumption and Production, as its thematic focus. During the week, Dangote teams in all locations implemented water conservation initiatives in 13 Pan-African cement plants and from the corporate office. The United Nations Environment Programme supported the advocacy for water conservation by delivering a lecture on "Sustainable Use of Groundwater" in a virtual forum that featured stakeholders in the extractive and water-reliant sectors.

#### 2022 environmental campaign key figures

3,703 volunteers



7,205 trees planted



> ₦18,000,000



3,507 beneficiaries



13,382 volunteer hours



1,851 employee volunteers and  
1,852 third-party volunteers



**At Dangote cement, we promote the care of our environment by creating sustainable practices to address the challenges of climate change by optimising aspects of our operations."**





# SOCIAL

The social dimension of sustainability is found in people-centred approaches to business.

Managing relationships with our employees, workers in the value chain, customers and local communities inspires our investment in education, infrastructure, health and empowerment. Our work on social sustainability aligns with the principles of the UN Global Compact and encompasses issues affecting diverse groups. We are pleased that our societal efforts created opportunities to unlock new markets, helping us attract partners locally and from across the globe. Our social pillar defines our management of social impact on stakeholders and the larger society. On the other hand, our cultural pillar is the foundation on which our organisational ethos is built. Through this pillar, we ensure that sustainability is embedded in our corporate culture.

## Social sustainability performance highlights



**112%**  
increase in employees  
trained on sustainability



**13%**  
increase in community  
engagement



Financial literacy programme in a neighbourhood market of Dangote Cement in Lagos, Nigeria

## Stakeholder engagement

Our stakeholders are defined as groups of people whose activities affect our business and can be affected by our operations. Stakeholder engagement is integral to supporting our sustainability strategy. A dialogue based on trust with our people is the motivating force in stakeholder engagement. We adopted consultation as an approach for the exchange of views to help us identify issues and gain the trust of our stakeholders. Guided by our stakeholder management plan, we conduct polls and town-hall meetings and participate in cultural and citizenship activities as an expression of our solidarity. Consultation also helps us stay in tune with the perceptions and attitudes of those who shape and influence our growth and learning curve.

Table 2.1 How we engaged our stakeholders

Category	Rationale	Method	Frequency	Topics
Employees	The key resource for competitive advantage, innovation and sustainable growth	Meetings in small groups, one-on-one engagements, notice board, emails, newsletters, sustainability reporting, surveys, awards and recognition, etc.	As required	Career growth, compensation and benefits, learning and development, health and safety
Vendors, suppliers and contractors	Critical component of the value chain	Emails, one-on-one engagements, meetings	Regular	Competitive bidding, payments, pricing, after-sales support, etc.
Distributors and customers	Principal source of sustenance	Emails, one-on-one engagements, regular meetings, customer service week	As required	Customer service, inventory, trucking, packaging, delivery, etc.
Communities	Key stakeholders in the business	One-on-one engagements, town hall meetings, interest group communications, surveys	As required	Philanthropy, social investment, Inclusion, provision of amenities, etc.
Media	Stakeholders in sustainable development	Press releases, media parley, Sustainability Report, quarterly financial reports, conferences	As required	Branding, communications, crisis management, etc.
Regulatory agencies	Stakeholders in sustainable development	Official letters/emails, periodic assessments, compliance filing and reporting, quarterly financial reports, Sustainability Report	As required	Policies, regulations, compliance.
Financial institutions	Providers of capital	Quarterly financial reports, Sustainability Report, meetings	As required	Investments, loans, etc.
External affiliations/associations	Stakeholders in sustainable development	Letters, meetings, Sustainability Report, workshops, other fora	Monthly, biannually, annually	Membership subscriptions, partnerships, policy reviews
Civil society, etc.	Stakeholders in sustainable development	Quarterly financial reports, Sustainability Report, meetings, partnerships	As required	Community development, environmental impact, social initiatives, partnership for sustainable development, etc.
Labour relations	Stakeholders in sustainable development	Meetings, emails, letters, Sustainability Report	As required	Labour laws and regulations, productivity, employees' rights and obligation, safe working conditions, compensation, and benefits
Shareholders	Owners and providers of capital	Annual General Meeting, Extraordinary General Meeting, quarterly and annual financial report, Sustainability Report, newsletters	Continuous	Governance, financial performance compliance, dividends

Groups we interacted with in the year include:

## Customers

In a dynamic market such as ours we realise that having satisfied customers is not enough. Our focus therefore is to convert customers to become our friends. Our engagement shifted from what went wrong to how we build on customers' positive experiences to create loyalty. Our sales and marketing teams engaged in mapping the customers' needs in the purchase process and rewarding their response through promotional sales.

## Vendors

Third party risk management in business is well appreciated but our industry has its peculiar challenges for sourcing raw materials. Our vendor forums in locations were effective to help us understand and proffer solutions to supply chain difficulties occasioned by the rising cost of raw materials, disrupted logistics and foreign exchange. Through engagements we learned to tailor due diligence to be appropriate for every vendor.

## Investors

While some may consider investors as just shareholders, we have an alternative view. Whether primary or secondary, we consider investors as stakeholders which support the business. Beyond delivering value, we respond to our investors with deeper investment in purpose, proving our positive contributions to the investment communities and Africa.



CDA Sign off in DCP Ibese



Fig 2.3 Engagement with DCP Customers during Customer Service Week



Employees celebrating the 2022 Customer Service Week

## Engaging communities

In the management of communities, social performance teams are domiciled in every operation location. Countries' leadership is responsible for maintaining relationships with the stakeholders in their domain just as the plants actively support their local communities, keeping their ears to the ground. Our social performance efforts converge at the centre where all relationships lead to shared value for stakeholders and the business. Highlights of engagement activities held in our host communities are shown below:

### Ibese

- Ibese plant tour;
- Courtesy visit to Aboro of Ibese and Olu of Ilaro.
- Maiden 2022 Community Day celebration with community-based groups (CBOs), government, media and civil society.
- Dialogue with Oba Bamgbose Market and motorcycle riders.
- Engagement with Yewa Defenders organisation.
- Community Joint Consultative Committee quarterly meeting.
- Meeting with local vendors.

### Obajana

- Inauguration of community security group.

### Gboko

- Engagement with community vigilante groups.

### Okpella

- Engagements with National Environmental Standards and Regulations Enforcement Agency (NESREA).

### Cameroon

- Safety meeting for the Batoke quarry.

### Congo

- Stakeholder engagement with Community Leads.

### Senegal and Tanzania

- End of the year town hall meetings in Tanzania communities of Seune Serrere, Ndeuye and Niakhip and Ngomene.

### Senegal

- Dialogue with the Bureau of Economic Affairs of the State Department and Office of Foreign Assets Control of the US Treasury Department.

### Tanzania

- National mine closure committee meeting.
- Meeting with the Deputy Minister of Mines
- Engagement with community coordination committee leaders.

## Deepening our host communities engagement

2022 was an interesting year for dialogue with our host communities. We recorded a total of 763 engagements which marked a significant increase from the previous year. Engaging more with our communities has yielded results as we completed 71 projects. This outcome is also an improvement from 2021 by 5.9%. Another outcome of deepening our community engagement was the decline in social disruptions recorded by 66% from the previous year. However, we experienced more lost time hours than the previous year due to an incident in our Obajana plant. Following the legal process in Nigeria where the incident occurred, the Company is taking the right steps toward a resolution. Lessons learned for the prevention of such disruptions are also being considered at all operational locations.

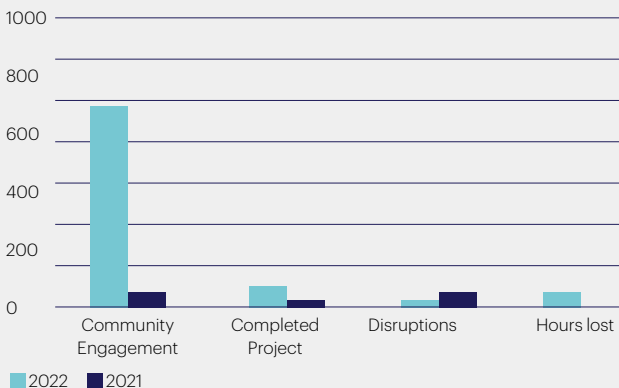
Details of how we achieved the improvement of our community engagement in all other locations are shown in the map below:



A map of Africa indicating DCP locations where community engagement took place

Community engagement distribution in Nigeria and Pan-Africa locations

	Nigeria	Tanzania	Cameroon	Zambia	Senegal	Ghana	Ethiopia	Congo	Sierra Leone	South Africa	Total
No of project	25	9	9	5	3	—	12	4	—	4	71
Stakeholder engagement	265	55	117	69	148	2	16	27	1	63	763
Disruption	9	—	—	—	1	—	—	—	—	13	23



DCP community engagement performance 2021 vs 2022



**Our products can be designed to resist water penetration, reducing the inconvenience and disruption to businesses, households and the community. Downtime of businesses, homes, and essential services is minimised with cement buildings.”**

## Engaging employees

Human resource are the greatest asset of a future-oriented business. Understanding that our people are the most credible ambassadors of the business helps us prioritise the growth of our human capital as we manage the growth of the bottom-line of our business. To fully harness the benefits of our people, we promote communication channels, feedback mechanisms and incentive systems that convey our appreciation of our talents. Supporting career growth of our employees has been one step; our focus shall continue to be the integration of the concerns of our employees in future plans for a healthy and happy workforce.

Some milestone employee engagement initiatives in the year include the staff end-of-year party and long service award. The wall of fame awards were newly introduced and COVID-19 awareness sessions, mental health support forums and office exercise and ergonomic support sessions were held.



A staff member receives long service award from management

## Giving back comes back to the employee

When Layti Ndiaye needs a boost of personal motivation he knows just how to find it. He works as head of mines in DC Senegal. Having engaged in volunteer activities since 2019, he understands the intrinsic value that employees derive when they give time and resources selflessly. Inspired by the need to share his experience and knowledge with local communities, the Company gave him an opportunity and he signed up to participate in outreaches. Layti learned that through volunteering, he was capable of meeting the needs of communities while also learning and networking with diverse people. So far his volunteering activities have involved tree planting, cleaning, and teaching in schools. According to Layti, the opportunity of employee volunteering has supported his personal development and improved his soft skills and resilience in certain situations.



A school outreach programme anchored by Layti Ndiaye



DCP employees

## Managing our human capital

Our approach to human capital management and relations is subsumed in the International Labour Organisation's (ILO) recommendation on human resources development, which is centred around training and lifelong learning, employee health and well-being, inclusion among others, as a driving force for growth. Also, as a signatory to the United Nations Global Compact (UNGC), we adhere to its human rights principle. As such, we put our employees first by acting ethically, respecting their rights as individuals, implementing training and development activities, ensuring their health, safety, and well-being, and enabling an organisational culture that is warm, friendly, and inclusive. In 2022, we had a total number of 11,983 employees (excluding our transport division) consisting of persons of varying educational levels, age groups, places of origin and qualifications. This is further delineated in our employee profile.



Cross-section of employees at the Obajana plant, Nigeria

## Sustaining an inclusive workforce

Engendering inclusion in our workplace is one of our objectives as a member of the United Nations Global Compact (UNGC). We aspire to maintain a workplace environment where every employee feels valued. The recognition of talents, potentials and individual differences have been acknowledged as key ingredients to building a healthy organisational culture. This informs our approach to equity which aims to promote mutual respect and support for employees who feel valued for their contributions. We have established structures to ensure equal opportunities for people of all generations, including those with physical disabilities. Our employee profile shows that in 2022 we had a total of 11,983 employees. Out of this, 8% are female while 92% are male.

In terms of employee categorisation by contract, we had a total of 9,315 permanent employees, 2,193 temporary employees and 475 expatriates representing 78%, 18% and 4% respectively. Also, we had a total of 296 staff in senior management consisting of 15% women and 85% men. To ensure fair representation of males and females in our industry, we leverage programmes through the Dangote Women's Network and participate in country level

programmes such as the Nigeria2Equal programme of the International Finance Corporation (IFC) in Nigeria. In terms of diversity in age, we have a young and vibrant workforce between the ages of 18 and 30 representing of 18.1% of our total staff population. Our mid-level workforce is characterised by persons between the ages of 31 and 50 representing the largest population of our workforce at 66.7% while our mature workforce, who are aged 51 years and above, comprise 15.1% of our total workforce.

These figures exclude our transport employees. In 2022, our transport division had a total number of 10,100 employees bringing our overall employee numbers to 22,083.

### Employee benefits

Underpinning an organisation's ability to attract and retain "cream of the crop" talent is a mature compensation strategy.



**Men**  
**11,006**



**Female**  
**977**



**Permanent staff**  
**9,315**



**Temporary staff**  
**2,193**



**Expatriate staff**  
**475**

Whether our employees are building lifelong careers with us or developing skills to help them on their professional journeys, we ensure their welfare is given priority of place. This begins with offering competitive wages and benefits in all our locations as well as support, and providing opportunities to help employees reach their full potential. Our benefits include workmen's comprehensive insurance, comprehensive health care, paid annual leave, maternity leave, children education support allowance, professional body subscriptions, and wedding cash gifts. Other ways we demonstrate to our people that we are invested in them are through paid time off, flexible work schedules, award or recognition, education support and goal-based bonus incentives. We are consistent in the prompt payment of wages and will continue to engage our workforce to understand their compensation needs and priorities. The total number of full-time employees remunerated as at 31 December 2022 was 19,112.

### Workforce policies

Our drive to build a world-class institution centred around good corporate governance is hinged on setting standards of compliance and ethical business practices. This is hinged on creating policies which set clear-cut expectations for employees and provide a roadmap for day to day operations. Policies are guidelines on how our organisation operates. They ensure compliance with the rules, give guidance for decision-making, and streamline internal processes. Some human resources related policies include the annual leave policy, travel policy, compensation and benefits policy, manpower planning and recruitment policy and education and training policy.

### Employee growth and turnover

Dangote Cement aims not only to hire the best talents, but also ensure their retention through support for employees' career aspirations. In the year under review, we had a total of 1,172 new hires which represents a 10.5% increase from 2021 hires of 1,061 staff. The year also recorded the movement of 738 of our employees out of the organisation for various reasons including those who left voluntarily, those who were laid off and those whose length of tenure had come to an end. Dangote Cement keeps a pulse on turnover rate because it gives insight into the employee experience to uncover workplace opportunities or areas for improvement.

### Staff count



**2022**  
**11,983**



**2021**  
**9,508**



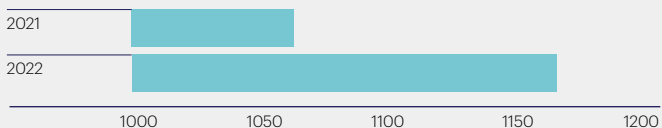
**2020**  
**11,412**

Staff count: 2020 - 2022.



Female employees celebrating customer service week

### Employee growth



A comparison of employee growth rate 2021 and 2022

## Promoting human rights

As a signatory to the United Nations Global Compact (UNGC), we are duty bound to respect the laws of the states where we operate and the stakeholders affected by our business. We support the protection of internationally proclaimed human rights by ensuring that we are not complicit in human rights abuse. Throughout the value chain, we conduct our business with respect for human dignity, which is fundamental to our purpose of building a self-sufficient Africa. We adopt the UN Guiding Principles on Business and Human Rights as our compass to engaging suppliers and communities. The three-pillar framework of Protect, Respect and Remedy supports our human rights policy. Through the Company's mechanism for reporting human right risks and violations, we recorded no cases of human rights abuses in 2022.

## Non-discrimination

Among basic rights that have to be respected in the workplace, discrimination is one which directly threatens the potential of our people to optimise their contribution when, denied equal opportunities or treated unfairly. At Dangote Cement, we promote diversity as a way to achieve non-discrimination of people based on their gender, race, age or any other characteristic. For us, promoting non-discrimination begins with establishing a culture of speaking out. As part of our onboarding process for new employees, we state our zero tolerance stance on discrimination and encourage our employees to lodge complaints through our internal grievance reporting mechanism. In the year under review, we recorded zero cases of discrimination.

## Ethical labour practices

We prohibit any use or contracting, directly or indirectly, of child labour, forced labour, human trafficking, or other forms of modern slavery. We have an ESG code of conduct for our supply chain partners which guides the ESG practices of our supply chain. To further drive this among our business value chain, we had an ESG training for our procurement team and the subject of child and forced labour in all its forms, whether covert or overt, was a topical focus of discussion. We did not record any cases of child and forced labour in 2022. DCP has zero tolerance for child labour.



Some DCP female employees

## A workplace that inspires diversity

Across all our locations in Nigeria and Pan-Africa, we have a broad and rich mix of people, from diverse cultures and geographies. Presently, Dangote Cement employees are spread across four generations. Our business benefits from the creativity and innovative thinking of Gen Z as well as the wealth of experience of the Baby Boomers. Truly, ours is a workplace that inspires diversity and inclusion because diversity is in our DNA. When it comes to building an inclusive work environment where everyone feels a genuine sense of belonging, DCP as a fundamental aspect of its cultural pillar ensures all staff are

afforded equal opportunity to participate and benefit from company wide programmes and initiatives. Promoting inclusion and diversity goes beyond awareness building and involves dismantling any pathways that may lead to structural inequalities and we are committed to ensuring that this is a constant in our organisation. Employees who are physically challenged in our workforce are given all the support they need to thrive and grow in the business. One of the ways we celebrated our diversity in the year was during the customer service week where we express our cultural diversity through a diversity day at the HQ.

## Fostering community inclusion

Community inclusion is the opportunity to live and exist as a contributing member of the community while being valued for one's abilities and uniqueness. Beyond promoting diversity and inclusion in our workplace, diversity in communities engenders multicultural exchange of ideas which leads to innovation and creativity. Expressing our value for inclusion in the year, we implemented an outreach to the physically challenged during our white cane safety campaign and charity outreach to the Down Syndrome Foundation. The "white cane campaign" which took place in October 2022 featured DCP employee volunteers creating awareness about the symbol of the white cane as a tool of independence for the visually impaired. Our employees also made donations to the Women and Children with Disabilities Initiative (WACWDI) and the Down Syndrome Foundation Nigeria (DSFN).



DCP volunteers donate to the Down Syndrome Foundation



DCP volunteers participate in a sensitisation walk for the visually impaired

## Freedom of association and collective bargaining

DCP's policies and practices are designed to promote respect for the rights of freedom of association and collective bargaining and to comply with the legal requirements of the countries where we operate. In our records this year, staff participated in collective bargaining activities in some of our operating countries in Pan-Africa including Ethiopia, Ghana, Senegal and South Africa.

### Training and professional development

Investing in talent development helps employees grow their careers and access professional development opportunities. Beyond this, building a learning culture supports the corporate vision and encourages employees to understand values and practices that shape the Dangote brand. As part of our commitment to advancing SDG 8 - Decent Work and Economic Growth, we empower our workforce with the knowledge and skills to excel. Through the Dangote Academy, which is our learning and development school, we increased training investment in the last two years by 9.6% in 2021, and 46.8% in 2022. The training conducted is both physical and virtual with modules to meet identified training needs. We update our training approach and resources to match the skills needed in a dynamic industry. A total of 16,815 employees were trained with 313,192 training hours expended in 2022.

Executive/senior management - 5,856 hours

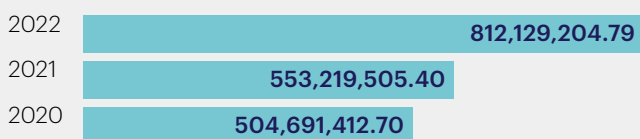
- Management staff - 27,444 hours
- Senior staff - 88,136 hours
- Junior staff - 191,756 hours

Number of employees trained in 2021 and 2022	Number of employees trained	
	2022	2021
Women	891	2,339
Men	15,924	22,302
Total	16,815	24,641

### Capacity building for cement sustainability

Education for sustainable development allows every human being to acquire the knowledge, skills, attitudes and values necessary to shape a sustainable future. Our focus in 2022 was to expand the knowledge of our employees in cement sustainability. We implemented sustainability trainings to build sustainability acculturation in the DCP Group. As a member of Global Cement and Concrete Association, we had access to experienced

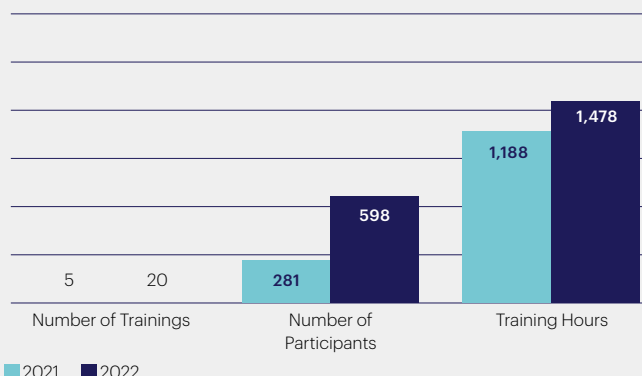
### Training Spend



Comparison of training spend from 2021 - 2023



Employees participate in a training session



Comparison of sustainability training performance 2021 to 2022

resources and faculty in industry specific subjects. Workshop sessions delivered knowledge on carbon capture use and storage (CCUS), co-processing, procurement of low-carbon concrete and construction, and other cement-related topics.

We also held internally facilitated ESG trainings which were delivered in physical and virtual sessions. Some of such trainings were the GHG Accounting training, Understanding the Nigeria Sustainable Banking Principles (NSBP) and others. Sustainability trainings and workshops delivered in the year benefited 598 participants.

### DCP management trainee programme

The DCP management trainee programme was launched in July 2022 with the aim of creating a talent base that delivers quality employees to meet the current and future needs of the business. A key objective is integrating young graduates in the Nigeria unemployment market into our industry. The programme targets young graduates in our countries of operation. Following a pilot in Nigeria, the goal is to expand the scheme to Pan-Africa. The programme adopts a three-prong approach to equip the trainees with skills to excel in their career. Foundational skills include soft skills such as MS Office packages and skills for the DCP business. Other modules delivered skills for basic cement manufacturing processes. Professional competence skills and leadership skills are prerequisite for development of technical support functions. The trainees learned through structured rotational learning and received coaching and mentoring in their respective areas of interest. With a sustained on-boarding of at least 100 graduates in Nigeria, the programme looks forward to producing 400 world-class professionals in six years. The trainees are placed on a monthly salary above the average market entry level package thus reducing the unemployment rate. The programme is a win-win for all stakeholders for reducing poverty and promoting decent work and economic growth. The programme also supports the succession planning goal of the business as it aims to build values and business ethics in the character of Dangote future leaders.

### Keeping our health and safety culture

Our 15 safety golden rules set the tone for our safety culture. It establishes best practice safety, health and environment standards for our operations as it provides mandatory safety rules and regulations applicable to all staff, contractors and visitors. It is a set of 15 rules that contain prohibition of unsafe work, alcohol or drugs while working or driving, obtaining authorisation while entering a confined space, promotes usage of correct PPEs, as well as incident reporting among others. The year under review witnessed an improvement in compliance with the 15 golden rules. Other initiatives taken to advance safety in the workplace and plants include the development of a monthly safety theme to guide action and performance in the month regarding safety, and the introduction of an occupational health and safety training matrix.





Management trainee class of 2022

### Workplace ergonomics

To minimise exposure to occupational illnesses and promote healthy living amongst our office-based staff, those whose tasks require long hours of seating. We keep on striving to ensure the workplace is suited to their needs by embedding workplace ergonomics principles.

Ergonomics is a Human Factors Engineering (HFE) and focuses on the interaction between the human and the work system to minimise injuries and optimise performance especially for office-based staff whose tasks are over 80% sedentary .

In 2022, staff were taught how to physically interact with their work environment to minimise repetitive strain injuries (RSI's) and other musculoskeletal disorders are incorporated in staff daily routine to minimize neck, shoulder stiffness and occasional lower back pain.

Anthropometric measurements were carried out as well as workstation assessments/adjustments and general advice given on how to ensure a safe posture is maintained both on and off work to sustain a healthy and more productive workforce and minimize lost time due to these injuries.

Employee wellness programmes such as subscriptions to gym membership, medical surveillance, employee assistance programmes, health maintenance and activities to enhance work-life balance, etc. are our top priority. We continually strive to improve on this year on year.

In alignment with ILO's recommendation on occupational health and safety which sets the pace for establishing sound prevention, reporting and inspection practices and maximum safety at work.

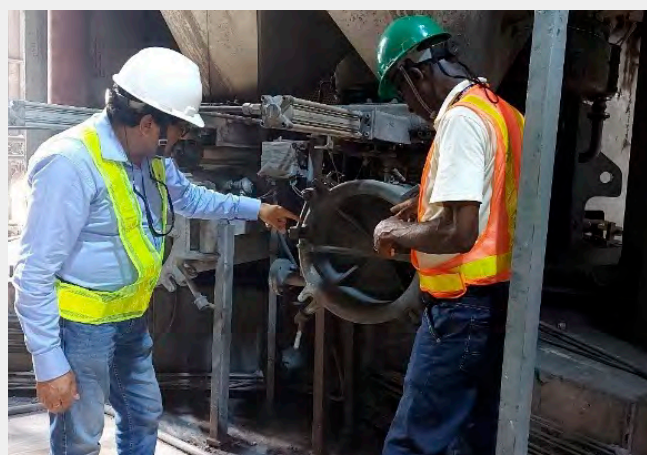
Our approach to workplace health and safety thus revolves around protecting our people through anticipation and management of workplace health risks and promoting health and well-being through bespoke programmes and solutions that encourage our people to take responsibility for their health. This has improved our health and safety score card over time. The below table represents our health and safety performance for a three-year duration. Our performance in 2022 demonstrated improvement from 2021.

	2022	2021	2020
Work hours	<b>39,343,281</b>	33,485,774	29,828,480
Near misses	<b>1,347</b>	1,341	11,523
First aid injuries	<b>293</b>	306	306
Number of medical treatment	<b>132</b>	79	55
Total lost time injuries (LTI)	<b>37</b>	38	25
Fatalities	<b>2</b>	9	7
Stakeholders trained on HSE	<b>27,450</b>	15,392	15,757
Hours trained on HSE	<b>109,800</b>	30,784	86,664

Summary of health and safety performance

### Occupational health and safety training

Our employees constantly undergo health and safety trainings to equip them with knowledge and current trends in workplace health and safety in their various divisions. In the year under review, we had a total 986 training programmes with 27,450 employees trained both virtually and on site.



Occupational health and safety leader during an inspection at Ibese Plant, Nigeria



Stakeholders trained on HSE **27,450**



Leading HSE KPIs increased by **131%** while lagging indicators decreased by **150%** by focused approach



All critical HSE incidents and high potential near miss investigated



A medical intervention in DCP Gboko communities



**1,826**  
volunteers



**4,055**  
volunteering  
hours



**9**  
countries



**47**  
Projects



**15**  
locations



**Over 573**  
beneficiaries  
in HQ



### Promoting health and safety in DCP transit communities

Transit communities are communities located along major highway routes that allow commuters to rest and refresh before continuing their journey. Such communities have a higher density and diversity of population with the locals cohabiting with non-locals who may settle in the community. The communities are usually within walking distance of frequent transit stops and stations. Transit communities support sustainable transportation and contribute to economic development. However, transit communities are also exposed to risks when they are unplanned and not designed to host their visitors. Following an assessment of the health risks in transit communities in Benue State, Nigeria, we undertook an intervention to address the prevalence of HIV/AIDS and other common health ailments in the area.

The Safer and Healthier Transit Communities (SHTC) initiative of Dangote Cement Plc is our pilot health intervention aimed at improving access to health in transit communities. The pilot phase of the project was held in three communities, namely the Tse-Kucha, Katsina-Ala and Aliade communities, between 29 November and 1 December 2022. The primary focus of this phase was to provide HIV testing, counselling and referrals to residents of the community which hosts DCP truck drivers transiting through Gboko Benue State. It was also an opportunity for DCP to join the global advocacy and campaigns on the annual UN World AIDS Day. The programme benefited 785 community residents in the three locations. We recorded 255 community members who received testing and treatment in Tse-Kucha, 251 in Katsina-Ala and 279 in Aliade communities of Benue State, Nigeria. Medical cases identified were counselled to maintain lifestyle choices that will prevent the spread of the HIV virus and other diseases the locals are exposed to.



Donation of bins to Yaba College of Technology during the Yaba Green Challenge event at the school

## Sustainability week

We held our 2022 sustainability week as part of our yearly tradition of impacting our host communities through employee volunteering. This enables employees to fulfil their yearnings and aspirations to make a positive impact to the economic, social and environmental wellbeing of our host communities. The 2022 sustainability week was held officially in the week of 24-28 October 2022 in our Nigerian and Pan-African plants. The theme was "People, Planet and Profit – The Dangote Way". The focus was on advancing our seven DCP strategic SDGs including SDG 4 – Quality Education, SDG 8 – Decent Work and Economic Growth, SDG 9 - Industry Innovation and Infrastructure, SDG 11 - Sustainable Cities and Communities, SDG 12 – Responsible Consumption and Production, SDG 13 - Climate Action, SDG 17 – Partnerships for the Goals. In total, the 2022 sustainability week featured 4,027 volunteering hours, 1,826 employee volunteers and 47 projects. Some of the initiatives were as follows:

- white cane safety campaign and charity outreach to the Down Syndrome Foundation, Lagos, Nigeria;
- Yaba Green Challenge, Lagos, Nigeria;
- Obalende Smart Money Campaign, Lagos, Nigeria;
- Health Education seminar and counselling at Mbaakpohul Community Secondary School, Mbayon;



## Sustainability week continued

- donation of plastic water tankers to two primary schools in DCE;
- career counselling and civic education for secondary school students in Obajana Kogi State, Nigeria;
- road show and enlightenment campaign to NURTW/ transport stakeholders on sustainable transport in DCP Obajana, Nigeria;
- tree planting in mines 3 and 4 in DCP Ibese, Nigeria;
- sensitisation on waste management to DCP Ethiopia host community;
- maintenance of Moiofontein Community Building in DCSA including: water tank structure repairs, repair of door frames, replacement of door handles, installation of new geyser for kitchen, maintenance of toilets and installation of fluorescent tubes South Africa;
- donation of trash bins (reusing of empty oil drums) in a school, sensitisation on waste management, and sanitation of school premises by DCP Cameroun;
- construction of a Tower and provision of an overhead water Tank to support the borehole project executed in the previous year at Imekuwa Village – DCP Tanzania host community;
- hosting of an awareness Session on Biodiversity at Pout High School Senegal;
- environmental sanitation of Bouansa Market and Main Road in DCP Congo;
- implementation of Climate Change Awareness Seminar in Yamba High School Congo;
- implementation of sanitation initiatives that entails building new washrooms and refurbishing of existing washrooms in Tema community II, DCP Ghana host community; and
- community school painting and replacement of broken windows at Sungabukanda village, DCP Zambia.

### Other volunteering activities

DCP staff also engaged in other employee volunteering activities besides the 2022 sustainability week. These activities were centred around four thematic areas including empowerment, infrastructure, health and education. Some of the activities include the commemoration of the World Water Day, World Earth Day and World Environment Day among others. A total of 13,518.5 volunteering hours and 4,849 volunteers participated in our employee volunteering activities in DCP Nigeria and Pan-Africa.



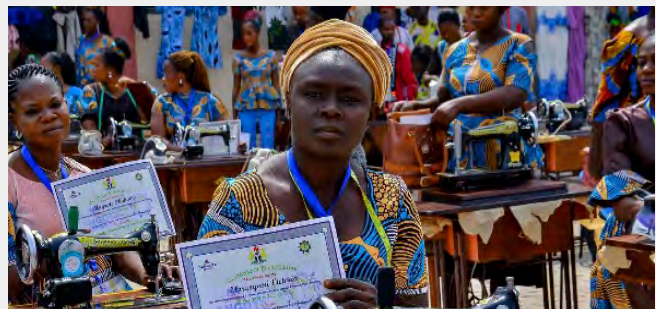
Benue community provides entertainment during medical outreach in Gboko.



Health Centre Keur Moussa Senegal



Community skills centre DCP Zambia



DCP Obajana women empowerment scheme DC Ethiopia donates blankets to neighboring communities



DC Ethiopia donates blankets to neighboring communities



### Thriving on sustainable partnership

For Doudou Mbengue of Pout in Senegal, partnering with Dangote Cement in his restaurant business is one of the best things to happen to him as it has resulted in significant growth of his business. Originally a trained metal worker and carpenter, he commenced partnership with the Pout cement plant on a small scale, by delivering lunch to staff of the Company's sales and marketing department. The demand for his services grew rapidly due to the quality and efficiency of his output, ultimately resulting in expansion and floating of the KEING-BI brand. He acknowledges DCP's partnership as instrumental to this growth especially through its local procurement policies.

His accelerated business growth has made room for employment of over 15 personnel and a daily turnover of 300,000 franc. His clientele base has also increased tremendously. The socio-economic impact of KEING-BI's activity in Pout is remarkable. In addition to the salaries paid to employees, Doudou Mbengue trains many young boys and girls from his community in the catering trade and is actively involved in the socio-educational activities in the commune.



The Safer and Healthier Transit Communities (SHTC) initiative of Dangote Cement Plc is our pilot health intervention aimed at improving access to health in transit communities



**How do we ensure access for all to adequate, safe, and affordable housing to upgrade slums to achieve UN SDG 11? The goal of sustainably providing housing, energy, transportation, and other basic services to the rising number of Africa's urban dwellers in the face of climate change is vast."**

### Our footprint in communities - social investment

At DCP, we understand that our operations have a significant impact in the host communities where we operate; as such, we are committed to empowering our host communities through the provision of timely educational, health infrastructure and economic interventions. In the year in review, we signed Community Development Agreements (CDAs) with a number of our host communities including DCP Obajana, DCP Ibese and DCP Senegal for varying social investment projects. These CDAs and our social investment guidelines have supported our operations in planning, designing, implementing and overseeing social investment programmes that are of the utmost benefit to these communities. We conduct needs assessments to gauge the actual needs of these communities before engaging in these interventions.



Dangote Cement volunteers provide community service in South Africa

In the year under review, we completed 71 social investment projects in health, education, economic empowerment and infrastructural developments. Some of these projects include:

- building of a health centre in Keur Moussa Senegal;
- implementation of medical outreach in three Local Government Areas in Benue State;
- Women empowerment initiatives through the provision of sewing machines and grinding machines, etc;
- construction of lecture room for school of nursing Ilaro Ogun, State Nigeria;
- scholarship award to 17 secondary schools and 103 tertiary institution students Yewa North and
- youth empowerment in domestic electrification and installation, etc.

We expended the sum of ₦1.6 billion on our social investment projects in 2022. We had no political contributions in the reporting year.

**Social investment**

Project/programme	Cost of project (₦million)		
	2020	2021	2022
COVID-19 support and donations	1,912.03	1,500.00	<b>0.16</b>
Health	42.68	69.68	<b>57.38</b>
Food and agriculture	8.52	82.50	<b>64.70</b>
Water/sanitation	25.40	24.56	<b>89.37</b>
Security and safety	323.57	12.07	<b>2.71</b>
Environment/climate change	5.04	0.66	<b>9.56</b>
Economic/SME development	44.49	18.88	<b>14.60</b>
People empowerment	5.72	38.00	<b>23.05</b>
Infrastructure (electricity, road and drainage)	137.39	255.31	<b>234.45</b>
Education and scholarships	184.02	185.53	<b>513.40</b>
Community compensation	4.50	6.81	<b>75.92</b>
Sports	4.08	4.41	<b>2.98</b>
Donations, support and grants to host communities	76.96	149.01	<b>137.11</b>
Donations and grants to government	21.16	54.29	<b>7.46</b>
Donations and grants to CSOs/NGOs and development bodies	—	88.41	<b>62.60</b>
Others	0.30	—	<b>352.12</b>
<b>Total expenditure</b>	<b>2,851.78</b>	<b>2,490</b>	<b>1,647.56</b>

**Promoting a circular economy with our people**

In the year in review, DCP launched and implemented the DangCircular Initiative which is designed to reduce the use of printing paper and its resultant cost in our business. Though the primary objective was to mitigate the negative environmental impact, it has generated a lot of social benefits. First, it improved employees’ wellbeing from that of sedentary office workers to mobile and agile personnel. This occurs the moment staff leave their seats to dispose of trash in the recycling bins at a distance. Also, it has served as an alternative source of income for the vendors which have been engaged to dispose of the recyclable wastes to waste companies that receive them for a fee. It has contributed to effective waste management and a cleaner office environment for Dangote Cement.

The Yaba Green Challenge is a Youth Innovation Programme targeting students of higher institution and designed to promote recycling and reuse of scarce resources in the society to reduce the rate of waste to landfill and the promotion of environmental sustainability. The programme took place as part of the sustainability week in October 2022 in partnership with the Yaba College of Technology, Lagos and UNESCO International Centre for Technical and Vocational Education and Training (UNESCO-UNEVOC) in a competition tagged “Yaba Green Challenge”.



GMD/CEO demonstrates recycling of plastics at the launch of the DangCircular initiative in HQ



**The DangCircular initiative mitigates negative environmental impact and improves employees’ well-being from that of sedentary office workers to mobile and agile personnels.”**

The initiative featured students' creation of artwork through wastes such as sawdust. The students produced mixed media painting from sawdust, fungal growth medium from industrial wheat wastes, medicinal mushrooms from sawdust and water hyacinth. Others include mycelium blocks from spent mushroom substrate, wearable art, from aluminium pull tab can waste and sculpture from metal scraps, among others. The winner of the challenge, a student of the Fashion Design Department, built wearable art from aluminium pull tabs. The Green Challenge will move to other higher education institutions in due course.

### Community grievances and resolution

As partners in our sustainable development aspiration, we listen to the views, concerns and grievances of our host community members. We have developed a functional platform where they can air their grievance and any such grievance received is duly acted upon in a timely and thorough fashion through our grievance redressal system. This has helped reduce operational and reputational risk for our organisation. In the year in review, we received a total of 211 grievances. Out of the 211 grievances received, 169 grievances have been closed while others are still being remediated. The below table indicates the number of grievances from 2020 to 2022.

Country	2020 reported grievances	2021 reported grievances	2022 reported grievances	2022 grievances closed
Nigeria - HQ	—	—	1	1
Nigeria - Gboko	7	14	18	8
Nigeria - Ibese	19	21	46	42
Nigeria - Obajana	10	7	22	17
Nigeria - Okpella	—	—	9	7
Cameroon	7	10	4	3
Congo	3	1	3	2
Ethiopia	12	6	17	14
Ghana	—	—	—	—
Senegal	8	2	—	—
Sierra Leone	—	—	—	—
South Africa	58	26	29	23
Tanzania	—	24	49	40
Zambia	33	9	13	12
Total	157	120	211	169



A wearable art from aluminum pull tab



An artwork created through waste. The wearable art and the painting should be placed before the beginning of Community Grievances and Resolution



Student displaying wearable art from aluminum beverage can pull tab wastes



Student displaying Medicinal mushrooms from sawdust and water hyacinth



# GOVERNANCE

Governance reveals an organisation’s commitment to responsible business leadership and practices towards the environment, society and the interest of its shareholders and financiers.

As a responsible corporate citizen, we have integrated sustainability management at the core of our business strategy and it is driven by the highest level of governance to deliver shared value to all key stakeholders, including shareholders, employees, customers, suppliers, financiers, governments, and host communities.

In Dangote Cement, we have integrated sustainability management at the core of our business strategy. Our mission statement states clearly our readiness to lead the way in areas such as governance, sustainability and environmental conservation. Our strategic outcomes for 2021 - 2023 are hinged on five guiding principles of growth, operational excellence, financial strength, people, and sustainability.

Our sustainability principle supports sustainable economic development in our areas of operations through job creation, social investment and low environmental footprint.

## Governance sustainability performance highlights



**Direct contribution to household income**

**₦496,634m**



**Local content  
Local Procurement**

**496,349**

**Imported**

**300,937**



**Local procurement represents**

**65%  
of our total  
procurements in 2022**



### Our institutional pillar

The institutional pillar is part of Dangote seven sustainability pillars – “The Dangote Way” – which we use to ensure that sustainability is ingrained in the way we do business across all departments and the value chain. Our Institutional Pillar supports our drive to build a business centred around sustainability principles that promote responsible business practice, regulatory compliance, transparency, integrity, business continuity and purpose-driven leadership. At Dangote Cement, we conduct an annual corporate governance review through a third-party auditor to evaluate the effectiveness of the governance structure in delivering positive values to our people.

### Sustainability and governance

Governance is integral to how we drive enterprise value and ESG goals. Through constant communication and reporting we strengthen relationships with stakeholders for accountability. The highest level of governance on sustainability issues is at the Board of Dangote Cement Plc. The Technical and Sustainability Committee of the Board performs the oversight function on sustainability. In the year, the Committee met four times, with its composition and attendance as stated on page 106. Biographical details of each member of the Committee, including relevant qualifications and experience, are set out on pages 84 to 86 of this report. Members of the executive management team are committed to participate in every meeting to give reports and seek the Board’s steer on matters arising.

The Chief Executive Officer (CEO) is a member of the Board of Directors responsible for the strategic and day to day management of climate-related issues of the Group. He is responsible for the approval of climate-related investment and outcomes. The Executive Management Committee has the mandate of

identifying sustainability trends and practices for adoption and approval of targets across the Company’s value chain. Supporting the Executive Management Committee is the Board Technical and Sustainability Committee, which provides oversight on the direction of business.

At the implementation level of our climate governance is the climate think-tank, Dangote Cement’s in-house team of climate change and sustainability experts that meets on a regular basis to share feasible ideas on the climate-related issues and brainstorm on them to find solutions.

### Our climate action strategy

Climate change is experienced through rising temperatures, melting glaciers, shifting rain patterns, increased storm intensity and rising sea levels. Greenhouse gas (GHG) emissions from human activities – mainly fossil fuel use, deforestation and agriculture - are reported to be a major cause climate change. Africa, considered one of the continents’ most vulnerable to climate change impact, is regarded as hotbed for urgent climate mitigation and adaptation.

While noting the impact of the cement industry on climate change, Dangote Cement commits to reduce the adverse impacts on natural ecosystems and the economy. We considered the three elements critical to actualise our climate ambition are policy, project and a team. Following the performance of our alternative fuel project as a lever to support decarbonisation, we developed a climate change policy. A climate change policy is a broad guideline for decision-making

### Climate Action Teams



- Integrated plant
- Grinding plant
- Packing plant

### Lead countries





**Our climate action strategy** continued

that links the formulation of our climate change strategy with its implementation. Dangote Cement aligns with the climate change policy of Dangote Industries Limited, which guides the business to comply with climate-related regulations of our countries and international protocols. In 2022, we leveraged the Dangote Industry Limited Group policy to domesticate our climate change policy. The policy outlines our approach to addressing the use of energy, resource optimisation, water consumption and emissions management. We are currently building a think-tank to assess our risks and opportunities for climate change. The climate think tank is an internal team of professionals exploring levers for CO2. The decarbonisation squad are homegrown experts laying the foundation for monitoring our GHG footprint and developing a roadmap for decarbonisation.

**Diversity and inclusion**

Across all our locations in Nigeria and Pan-Africa, we have a broad and rich mix of people, across so many cultures and geographies. As such, the practice of diversity and inclusion is a natural priority for us.

At Dangote Cement, we are working hard to build an inclusive work environment where everyone feels a genuine sense of belonging and where they have equal opportunities to grow and progress. One of the ways we celebrate diversity and inclusion is during our customer service week where celebrate and embrace our cultural diversity. We understand that promoting inclusion and diversity goes beyond awareness building and involves dismantling any pathways that may lead to structural inequalities and we are committed to ensuring that this is a constant in our organisation. Our physically challenged employees are accorded needed support to grow and add value in a safe and healthy environment.

The Dangote Cement on-site crèche has been highly beneficial to our female employees, particularly nursing mothers, providing flexibility for them to meet their challenging need for childcare in the workplace. Our crèche facility has enabled female employees to access childcare as part of our business culture to promoting gender equality, well-being at work and a work-life balance that increases productivity.



Dangote creche at the corporate center Lagos

**Diversity in leadership**

Diverse leadership brings a wealth of knowledge and varying perspectives, which can help improve the way leaders relate to those inside and outside an organisation. Our Board leadership is made up of experienced professionals in their fields bringing their expertise from around the world to strengthen the business and contribute to our business growth. The composition of our management team brings to bear a broad range of experience from different technical and non-technical backgrounds and cultural orientations. Our aspiration for a globally diverse Board is linked to our goal of being able to respond flexibly and quickly to stakeholder needs. In 2022, our Board consisted of 15 persons from six different nationalities. Out of the total Board members, 26.67% are women while 73.33% are men.

**2021 and 2022 percentage of women in DCP leadership**

Gender diversity	2021	2022
Females in Board	26.7%	26.7%
Females in Executive Management	12%	13%
Females at senior management level	9%	15%
Females in total workforce (permanent employees)	8%	9.1%

**Women in leadership**

For us, diversity also means that we work towards minimum regulatory standards in gender representation across our workforce. As part of our ESG integration process, we have set gender targets for our various plants and locations which we are committed to actualising. In the year under review, Halima Aliko Dangote was appointed Executive Director in February 2022 bringing the total female Board percentage to 26.7%. Also, in our Zambia plant, Choolwe Natala Lungu was appointed first female CFO, a position that was gotten on the basis of meritocracy.



Dangote creche at the corporate center Lagos



### Meet our female leaders

**Choolwe Natala Lungu, first female CFO – Dangote Cement Zambia**

“I am excited to have been appointed for my role in this business, more so to break the ceiling for other women who will join Dangote Cement Zambia in the future to be the 1<sup>st</sup> female CFO and ExCo member. Cement is generally seen as a man’s industry and I am proud to have found some level of success in the industry and look forward to using my skills to make a positive contribution to the business. I believe my success in my role will open doors for other women as it will be proof of our abilities to rise into C-suite positions. On a lighter note, I must mention I have learnt not to take offence when someone says “gentlemen” in a meeting I am attending physically.

Sustainability for me means making and promoting decisions on operations and investments, which will enable the shareholders to get maximum returns on their investments whilst preserving (not compromising) the results and environment for the future. This includes actions around compliance not only for the environment but also finance, tax and legal and making positive contributions in the communities we operate in.”



**Mariechristiane Kaul, Deputy Regional CFO, Pan-Africa**

“The CFO is a critical business partner to the management. As CFO, my role consists in ensuring that our cement businesses in Pan-Africa deliver impressive performance in a sustainable manner and in full compliance with the rules and legislations of the countries where we operate.

I work at optimally managing and growing our resources, being fully transparent and reliable in the quality of the information we provide to our stakeholders, developing strong local and regional business partnerships and thus reinforcing the bond we have with the markets and communities we serve. It is important to be relevant, to be effective and to remain fully dedicated to providing the best products and services made by Africans, with African resources and for African development.

Women are very conscious about the importance of inclusivity. As pillars of our families and binders in our communities, women understand that it takes an entire village to move forward. Women are emotionally mature and generally empathic enough to bring all contributors within an organisation together, irrespective of their social status, their backgrounds and their experience. They understand that talent needs to be nurtured, education and people development is key, resources are limited and need to be cared for and that it takes all this, in addition to hard work, commitment and drive, to achieve long lasting success.”

### Culture based on ethics and transparency

Our responsible business practice ensures that we remain committed to building an institution where ethics and transparency are the drivers of corporate performance in delivering value to our shareholders and remaining committed to social and environmental stewardship.

Dangote Cement Plc’s commitments to ethics and transparency have enabled us to maintain the lead on corporate governance compliance with the Securities and Exchange Rules on Corporate Governance in Nigeria and the Investments and Securities Act, as well as the Listing Rules of the Nigerian Exchange (NGX). Our high level commitment to ethics and transparency has culminated in our Company being one of the only seven Nigerian companies to be listed on the Premium Board of the Nigerian Stock Exchange, which is limited to companies which have achieved the stringent rules and international standards prescribed by the Exchange.

### Compliance with local and international charters, codes and best practices for promotion of sustainable development

Compliance is a driver for sustainable business practices and to keep pace with changing societal and regulatory demands. Dangote Cement uses a well-established regulatory and environmental, social and governance (ESG) compliance monitoring system to prevent, identify and remediate in a timely manner any policy deviations. With our integrated approach to advancing sustainability, we align with different applicable local and international standards and regulations in all countries where we operate, such as the United Nations Global Compact (UNGC), the Global Reporting Initiative (GRI) Standards, the Nigeria Exchange Limited (NGX) Sustainability Disclosure Guidelines, the Global Cement and Concrete Association (GCCA) Charter, and others.

We conduct an annual corporate governance review through a third-party auditor to evaluate the effectiveness of the governance, corporate disclosures, and values created for different stakeholders. The review is performed in compliance with Principles of the Nigerian Code of Corporate Governance (NCCG) and other corporate governance standards in areas where we operate.



2022 compliance week at DCP Senegal



**“In 2022, we maintained 93 environmental permits and licenses in compliance with industry standards and best practice.”**



[2022 compliance week at DCG Cameroun



Head Sustainability, on a ESG audit visit to DCP Ethiopia

**Creating awareness is key for compliance**

Dangote Cement held its Annual Compliance Awareness Week (CAW) across Africa from 31 October – 4 November, 2022. The CAW was aimed at raising awareness and demonstrating the role of compliance in enhancing the value of the Company. The theme for the year was “Reinforcing a Corporate Compliance Culture”, which underscored the importance of employee engagement in building compliance within the Organisation. The CAW emphasised how corporate compliance as a tool for sustainable organisational performance, efficiency and effectiveness was the responsibility of and starts with each staff member.

The objectives of the campaign include:

- a. reinforce the knowledge and existence of the corporate compliance culture;
- b. understand why all staff must commit to compliance; and
- c. highlight the risk factors and consequences of non-compliance to the organisation.

SN	List of DCP policies showing compliance SEC Code of Corporate Governance and NGX Sustainability Disclosure Guidelines
1	Sustainability Policy
2	Board Remuneration Policy
3	Board Appointment Policy
4	Board Conflict of Interest and Related Party Transaction Policy
5	Code of Conduct Policy
6	Complaint Management Policy
7	Anti—bribery and Corruption Policy
8	Board Evaluation Policy



**Industry audits**

A sustainability audit is a “triple bottom line” assessment. It is a process that evaluates the performance of an organisation in relation to its sustainability goals as well as benchmarking with standards and performance of peers. In 2022, Dangote Cement’s drive for continuous improvement informed the Company’s participation in the first Global Cement and Concrete Association (GCCA) Sustainability Charter Audit. The GCCA aims to document and improve the sustainability performance of the global cement and concrete sector. The audit questionnaire consists of seven pillars including CO<sub>2</sub> and energy management, fuels - material use and circular economy, emissions monitoring and reporting, health and safety, nature, social responsibility and sustainable supply chain. The Audit Committee commended Dangote Cement for recognising biodiversity as a high business priority in the sustainability materiality matrix and expressed satisfaction for our plant/locations specific Progressive Mines Rehabilitation and Biodiversity Conservation plan developed in alignment with regulatory requirements in different countries.

**Eliminating corruption**

Generally, corruption is a problem to every business and the society. It increases the costs of doing business, raises uncertainty over expected returns to capital and exposes the society to negative impacts of business. Dangote Cement is committed to fighting corruption with extra precautionary measures at every level of our value chain to maintain zero record of corruption. We have an anti-corruption policy that aims to align with all relevant laws designed to prevent, detect and respond to issues of corruption in all the countries where we operate. For example, in our Nigerian operations, we are guided by two anti-bribery laws which are the Corrupt Practices and Other Related Offences Act of the Independent Corrupt Practices Commission (ICPC); and the Money Laundering (Prohibition) Act of the Economic and Financial Crimes Commission (EFCC).

Our Anti-bribery and Corruption Policy demonstrates the Company’s zero tolerance for all forms of fraud including but not limited to bribery, corruption, asset misappropriation and financial statement fraud.

We are committed to investigating any fraud or suspected fraud without regard to the career level of the individuals involved. In 2022, we recorded 23 confirmed cases of bribery and corruption as against 15 cases in 2021.

### Staying informed on anti-corruption practices

We conduct periodic training on anti-corruption to strengthen the competencies required at the individual and collective level to prevent and overcome some of the impacts caused by corruption. In 2022, we conducted a total of 28 different anti-corruption training for 1,472 staff expending a total of 28 training hours in our operations in Nigeria and Pan-Africa.

### Resolutions – bribery and corruption cases recorded (Dangote Cement Plc and Dangote Cement Transport)

Cases	Confirmed cases of bribery and corruption				Description	Internal Audit to provide explanations for 2022 Actions taken on confirmed cases
	2022	2021	2020	2019		
Nigeria – HQ	1	1	2	0	Fraud	Case reported to the law enforcement agency.
Nigeria - Ibese	7	0	1	4	two thefts and five frauds	Asset value was recovered, and disciplinary action taken against those responsible.
Nigeria - Obajana	1	0	2	0	Breach of Company policy	Disciplinary action taken against the responsible staff.
Ethiopia	6	3	4	1	Theft of cement, illegal haulage, and replacement of spare parts by third-party driver	Full recovery of assets and disciplinary action taken against the third party.
Ghana	2	1	2	5	Fraud	Asset value was recovered, and disciplinary action taken against the responsible staff. The case has been referred to the law enforcement agency. Management is driving more control measures to mitigate the reoccurrence of this practice.
Senegal	2	0	3	2	Fraud	Full recovery of assets from the customer and disciplinary action taken against the responsible employee in line with Company policy. The case has been referred to the law enforcement agency. Management driving more control measures to mitigate the reoccurrence of this practice.
Sierra Leone	1	0	1	0	Fraud	The case has been referred to law enforcement agency according to Company policy. Management is driving more control measures to mitigate the reoccurrence of this practice.
Tanzania	1	3	5	2	Theft	Full recovery of asset value and disciplinary action taken against the staff in line with Company policy. Control measures have been strengthened to close the gaps in the mobile payment application.
Zambia	2	3	1	4	Theft	Disciplinary action taken against the staff in line with Company policy.
<b>Total</b>	<b>23</b>	<b>11</b>	<b>21</b>	<b>18</b>		

## Embedding human rights

The role of businesses towards human rights protection is outlined in the United Nations' Universal Declaration of Human Rights and the International Labour Organisation's Core Labour Principles, as well as the United Nations Global Compact principles on human rights. These conventions are enforceable at different levels in our countries. Dangote Cement aligns with human rights standards irrespective of enforcement levels of the agencies. Our Group human rights policy clearly defines responsibilities for upholding best practices in operational area. To embed the practice create awareness periodically. We also ensure that the whistleblowing platform and grievance mechanism can be a trusted space where aggrieved persons channel complaints on violations for resolution.

There were no reported cases of violation of human rights recorded in any of our business operations in 2022. However, we continue to monitor and audit compliance with our human rights policies and standards.

## Freedom of speech

Dangote Cement operates a whistleblowing policy in compliance with the anti-corruption regulation to encourage our employees and other stakeholders to voluntarily disclose in a confidential manner the cases of fraud, bribery, financial misconduct, human rights issues, environmental issues, societal impact issues, discrimination and any other form of workplace corruption.

The whistleblowing platform is independently managed by a third-party provider which monitors and reports independent of interference. This approach helps to ensure confidentiality, impartiality, and fairness in the process. Anonymity of the whistleblower is encouraged, and retaliation is prohibited. In the year we conducted awareness campaigns on the whistleblowing policy and the process for lodging complaints for 1,137 employees. The year's report recorded 71 whistle-blowing cases, out of which 41% are resolved and actions on 59% are ongoing.



**“Our whistleblowing platform is independently managed by a third-party provider to ensure confidentiality, impartiality, and fairness in the process.”**

## Partnerships for sustainable development

Partnerships are a veritable force for achieving development goals which cut across business in our sector and others. Building alliances and collaborations is one of the ways we contribute to the United Nations Sustainable Development Goal (SDG) 17 - Partnerships for the Goals. In working with partners, we leverage the collective strength of diverse groups to influence social change, lending our voices to the development issues of Africa's cities and people. Our participation and facilitation of business-to-business and cross-sector alliances brought together governments, civil society, the private sector and multi-lateral agencies to co-create solutions, mobilise resources and share knowledge that enabled us to scale socio-economic and environmental programmes.

To support our adherence to global norms and practices of our industry, we joined meaningful alliances. Our participation in the activities of local and global sustainability alliances promotes transparency for sharing knowledge and thought leadership. We opened our doors to analysts and assessors to consider our ESG milestones. We also leveraged their support for improved performance and greater accountability. As a leading cement manufacturing company in Africa, we are a member of the following organisations:

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

## Partnerships in 2022



### The ninth Lagos State Climate Change Summit

Dangote Cement collaborated with the Lagos State Government to support the State commitment to implement the Climate Change Action Plan it launched in 2021, in collaboration with the private sector. The Climate Change Action Plan is designed to achieve sustainable low-carbon and climate-resilient socio-economic development. It is a renewed effort to address the ravaging effects of climate change on humanity and the ecosystem generally.



### Lagos State Environmental Protection Agency (LASEPA)

Dangote Cement engaged with LASEPA on the issues of environmental sustainability. The engagement aligns with the main thrust of the Agency to protect and improve the environment and assist public and private organisations, industries, businesses and non-governmental organisations to achieve compliance by providing environment-friendly solutions to varied environmental challenges.



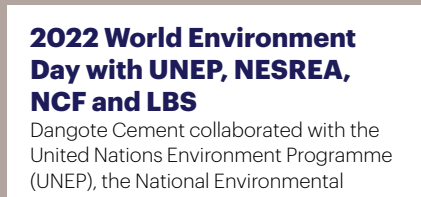
### White Cane Campaign with Women and Children with Disability Initiative (WCWDI)

The Dangote Cement employee volunteers engaged in the White Cane Campaign in collaboration with the Women and Children with Disability Initiative (WCWDI) to mark the 2022 International Day of Persons with Disabilities (IDPD).



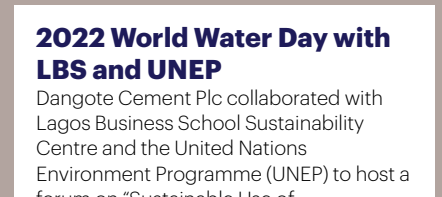
### DangCircular launch with Yaba College of Technology and UNESCO

Dangote Cement partnered the Yaba College of Technology, Lagos, and the UNESCO International Centre for Technical and Vocational Education and Training (UNESCO-UNEVOC), a competition for higher education students tagged "Yaba Green Challenge" as part of the Company's new initiative named "DangCircular" and which was aimed at promoting recycling materials to reduce landfilling, contributing to environmental sustainability, while creating wealth.



### 2022 World Environment Day with UNEP, NESREA, NCF and LBS

Dangote Cement collaborated with the United Nations Environment Programme (UNEP), the National Environmental Standards and Regulations Enforcement Agency (NESREA), the Lagos Business School Sustainability Centre, and the Nigerian Conservation Foundation (NCF) as part of initiatives to mark the 2022 World Environment Day across its 14 production plants in Nigeria and Africa. The World Environment Day featured a web forum entitled "Only One Earth: Conserving the Values of Biodiversity". It centred on the need for humans to make deliberate efforts to save the earth by conserving biodiversity. The forum brought together about 560 participants from the manufacturing and extractive industries, academia, government agencies, international agencies, civil society (NGOs), media, and environment enthusiasts across Africa.

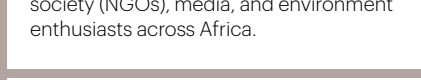


### 2022 World Water Day with LBS and UNEP

Dangote Cement Plc collaborated with Lagos Business School Sustainability Centre and the United Nations Environment Programme (UNEP) to host a forum on "Sustainable Use of Groundwater" for stakeholders in the extractive and water-related ecosystem to commemorate the 2022 World Water Day. The virtual event, which had in attendance stakeholders from across Africa, was in line with this year's theme "Groundwater: Making the Invisible Visible".

### Sustainable Transport with FRSC, NURTW and Traders

The Sustainable Transport campaign was organised by Dangote Cement Transport DCP Transport Sustainability Team Obajana ably facilitated by FRSC on Sustainable Transport for Road Users (NURTW/Transport Stakeholders/Marketers). Federal Road Safety Corps (FRSC), National Union of Road Transport Workers (NURTW) and Traders.



### Nigerian Exchange Group (NGX) Sustainability Disclosure Training

Dangote Cement supported the Nigerian Exchange Group (NGX) Sustainability Disclosure Training for industry practitioners by facilitating a session using the Dangote Cement's case study.



### GRI Community Networking Breakfast

We participated in an exclusive in-person breakfast organised for GRI Community members in Nigeria. The breakfast enabled participants to gain insight into the latest news from GRI and knowledge sharing with industry peers.

**Economic pillar**

The economic pillar is part of Dangote seven sustainability pillars – “The Dangote Way” – which we use to ensure that sustainability is integrated in our economic value creation. It guides our operations and corporate strategy of supporting Africa’s transformation, and economic self-sufficiency and creating sustainable value for our stakeholders.

Our economic pillar promotes 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 and 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.



Leaders in a strategy meeting

**Paying our tax and dividends responsibly**

Taxes create cash that may be used to fund sustainability initiatives in countries and states.

As a leading African business, we contribute to the sustainable development in countries where we operate through our transparent, regular and timely tax payments. 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 for economic development. Our responsible tax payment ensures that our approach is progressive and developmental and considers the interests of the general society.

Dangote Cement Plc is a top performing business on the Nigerian Stock Exchange, considered an investors’ delight. We are able to maintain this reputation due to our consistent profit making and responsible dividend payment records. 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

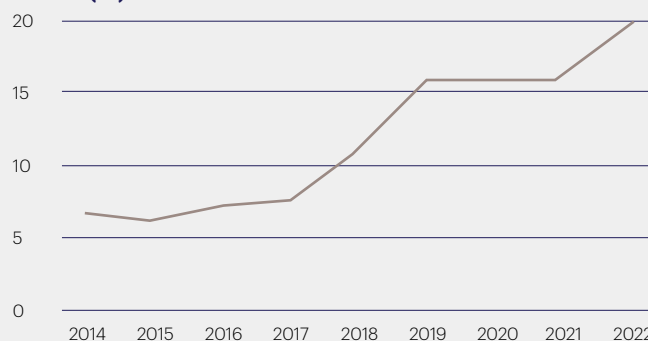
and expansion plans. Our history of dividend payments pre-dates our listing on the Nigerian Exchange Group in 2010. Over the years, we have recorded payments of up to ₦16.00, ₦16.00 and ₦20.00 per share in 2019, 2020 and 2021 respectively. In 2022, our proposed dividend payment was ₦20.00 per share ensuring that we keep our promise of continuous wealth creation for our valued shareholders.

**Table 3.3: DCP tax and dividend payments in the last 3 years**

Parameters	2020	2021	2022
Tax payments (₦million)	20,997	33,408	150,766
Dividend payments per share	₦16.00	₦20.00	₦20.00

Chart 3.1: DPC dividend payment history

**Dividend payment history - shareholders 2014-2022 (₦)**



**Economic value generated, distributed and retained**

Throughout our operational activity in 2022, we created wealth for a wide variety of stakeholders, including shareholders, investors, employees, suppliers and contractors, government authorities, and local communities. We are committed to increasing the economic value generated and distributed to our stakeholders.

**Dangote’s contribution to Africa’s development**

Sub-Saharan Africa is home to more than 1 billion people. The region is faced with poverty, infrastructure deficit, and rising risk of debt distress due to overdependence on importation. As a corporate citizen of the region, we see the development needs of the continent as opportunities to advance the sustainable development while expanding our impact in the market. As part of efforts to boost the economic activities Dangote’s contributions have been scaled in the countries of our operations. As the largest cement producer in Sub-Saharan Africa with a capacity of 51.6Mt, we are supporting the African continent to be self-sufficient in clinker and cement production. Nigeria, being the largest cement industry in West Africa, can leverage this position to earn foreign currency for further development.



Construction of a concrete road at Apapa in Nigeria

### Contribution to job creation

Business exists as a co-creator of jobs with the government. While the government's role is to create a conducive ecosystem for creation of jobs, business plays a significant role in identifying society's problems to be solved through the employment of labour. As Dangote Cement expands the market for products' jobs are created. Our goal of contributing to economic growth through the direct and indirect employment opportunities in our value chain has shown a multiplier effect in the growth of African economies. We understand that whenever people are gainfully employed, households benefit and it opens up more opportunities for small and medium enterprises to thrive. In 2022, our business remunerated 19,112 full time employees for their services. Employees between 18 and 50 years constituted 15,762 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 evolved to a growing hub for cement export in Africa, Dangote Cement's contribution to the country's Gross Domestic Product (GDP) has been significant. To fulfil our purpose, we promote income generation by collaborating with partners and stakeholders in shared value creation. In 2022 collaborated with the people, local authorities and non-governmental organisations (NGOs). Our SME development impact expanded through the construction and rehabilitation of major roads, bridges, networks and public infrastructure in our countries

The salaries, wages, and dividends that we pay are our direct contributions to household income which amounted to ₦496,634 million in 2022, a 25% increase from ₦397,387 recorded in 2021; while our taxes, local procurement, and social investments are our indirect contributions which amounted to ₦648,763 million in 2022, an increase of 46% from ₦445,114 million in 2021.

### Contribution to household income in the last three years

Parameters	2022 ₦'million	2021 ₦'million	2020 ₦'million
<b>Direct contributions</b>			
Employee wages, salaries and benefits (2020 and 2021 adjusted with pension cost and employee benefits obligation)	90,323	72,824	72,252
Payments to providers of capital (2020 and 2021 data adjusted to include interest on all forms of debt and borrowings)	406,311	324,563	320,981
<b>Total</b>	<b>496,634</b>	<b>397,387</b>	<b>393,233</b>
<b>Indirect contributions</b>			
Tax paid (2020 and 2021 data have been adjusted to exclude differed tax)	150,766	33,408	20,997
Local procurements (all operations)	496,349	409,216	385,453
Social/community investments	1,648	2,490	2,852
<b>Total</b>	<b>648,763</b>	<b>445,114</b>	<b>409,302</b>

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

Through our operations, we create value for a variety of stakeholders, including shareholders, investors, employees, suppliers and contractors, government authorities, and local communities. The difference between value created and distributed is the economic value retained by Dangote Cement, which contributes to enterprise value. Our actions on increasing the value generated and distributed recorded a gross revenue increase of 17% from ₦1,383,637 million in 2021 to ₦1,618,323 million in 2022. Similarly, our economic value distributed (operating costs, employee wages and benefits, payments to providers of capital, payments to government by country, and community investments) increased from ₦1,176,303 million in 2021 to ₦1,606,949 million in 2022.

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

Year	2022 ₦'million	2021 ₦'million	2020 ₦'million	2019 ₦'million	2018 ₦'million
Revenue	1,618,323	1,383,637	1,034,196	891,671	901,213
Employee wages, salaries and benefits	90,323	72,824	72,252	60,603	55,164
Operating costs**	957,901	743,018	591,877	540,634	520,236
Dividend paid to shareholders	337,471	272,005	272,693	272,648	178,925
Social/community investments	1,648	2,490	2,852	1,108	1,287
Local procurement (all operations)	496,349	409,216	385,453	284,845	239,859

\*\* Excluding administrative expenses.

### The direct economic impact

Direct economic value generated and distributed defines wealth created through our operations and the subsequent distribution of revenue. Our aim is to continue to generate good returns for shareholders and stakeholders alike. Our profit after tax in 2022 was ₦382 billion as against ₦364.3 billion in 2021. This also led to a 5% increase in the earnings per share of ₦ 22.27 versus ₦21.24 in 2021.



**Economic pillar** continued

**Community investments**

Investments in communities are investments in people, planet and profits because they create the social and physical environments that support community health over the long term. Dangote Group’s community investment standard guides our social investment planning in four thematic focus areas of infrastructure, empowerment, education and health. The investment strategy ensures that programmes yield benefits that impact communities in our domain. In 2022, we spent ₦1,648 billion on community investments, including strategic sponsorships, community projects, donations, charitable gifts, and community affairs expenses. Our detailed community investments in 2022 are disclosed in the social investments section of this report.

**Indirect economic impact**

The indirect economic impact represents the multiplier effect from the re-spending of our distributed economic wealth within the local economy by our stakeholders. Dangote Cement provides quality cement for construction purposes and invests 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 are key to our economic sustainability pillar.

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 opening a new plant, Okpella, Nigeria.

**Supply chain management strategy and responsible procurement practices**

**Sustainable supply chain strategy**

Our sustainable supply chain management strategy enables us to manage and minimise the negative economic, social and environmental impacts associated with the sourcing of goods and services while maximising the positive effects in terms of efficiency, performance, environmental protection, the reduction of injuries, and the reduction of the risk of exposure to non-ethical behaviour.

We operate an ESG Code of Conduct for our supply chain partners to enhance the sustainability performance of our supply chain. The Code aims to elicit suppliers, vendors or contractors’ commitment to best environmental, social and governance (ESG) principles and standards in their business relationship with Dangote Industries Limited. Dangote Cement strategy represents a win-win solution because the Company and suppliers enter a continuous improvement process by adopting the ESG Code.



A vendors’ engagement forum in Cameroon

**Summarised narrative of our procurement process, Nigeria**

Our procurement process begins with a request by the user department through the SAP tool, where a purchase requisition (PR) is created. The Head of Central Procurement assigns approved requisition to a procurement officer for processing. The assigned procurement officer sends Request for Quotation (RFQ) to as many vendors in our registered vendor master in SAP dealing with such items for quotation. The Company’s policy states that a minimum of three quotations are required for price comparison. If the item is being sourced from the original equipment manufacturer (OEM) or its authorised dealer in the country, one quote will do. When the vendor reverts with its quotations, the concerned procurement officer after negotiation will upload each vendor’s quotations into the system.

Based on the recommendation of the plant purchase committee, the plant procurement issues a purchase order (PO) which is created in SAP. The approval levels for the PO are:

- the Plant Procurement/ GM, materials; and
- the Plant Director.

Following the approval of purchase orders the vendor acknowledges and makes the delivery. The end user who requested for the item(s) inspects the material and decides if it should be accepted or rejected. The finance department will book the invoice based on the accepted GRN, and payment to the vendor will be made accordingly.

**Summarised narrative on DCP policy towards patronising local business**

All requisitions from the end user are sourced locally first; it is only when we do not get quotations locally that we source abroad or if it will be cheaper. In other words, priority is first given to the local market/procurement before any consideration is given to foreign procurement. For more accurate data, the value of the actual spend for both local and foreign vendors can be gotten from the Finance team from the payment general ledgers.

**Supply chain impact – Customer Trucks Empowerment Scheme (CTES)**

**Beneficiary Speaks**

“We wish to express the appreciation of our company, His Divine Glory Enterprises Limited, to the Board and management of Dangote Cement Plc for the allocation of two units of 45-tonne trucks and a 30-tonne truck in November 2021. A year after the truck allocation, our company had taken stock of our operations and sales performance and observed that our sales have virtually been doubled.

The consistent trend revealed that our monthly performance which was hovering around 20 trucks per month is now in the range of 40 trucks. We have been able to achieve deeper penetration of the market, not only in Ikorodu, which then was our mainstay, but now to virtually all parts of Lagos and Ogun State. We have an increased and highly motivated task force. We now have an operational head office which can take at least ten trucks amongst many others. After a critical assessment, we arrived at this all-important conclusion, that the trucks allocated to us have been a blessing and had resulted in a unquantifiable and tremendous all-round success. While hoping that our company will be considered when such opportunities are available in the future, we thank Dangote Cement Plc for the privilege, and past and present opportunities.”

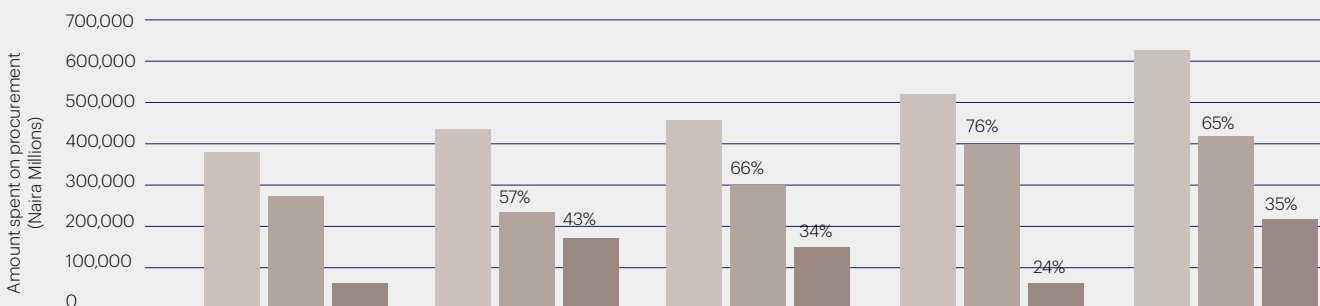
### Sustainable procurement

Every purchasing decision made has an impact on the environment, economy and society, from the energy utilised to power operations, to the conditions of the workers and every third party involved in sourcing raw materials and transporting them. It is therefore critical to integrate the knowledge and practice of environmental, social and governance (ESG) in the supply chain of business.

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 2022, 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. As part of our efforts to create economic benefit to our host communities, we mapped waste for alternative fuel in those areas to enable community members to participate in the cement value chain. In 2022 we launched the use of the Dangote ESG Code of Conduct for Suppliers, Vendors and Contractors as a way of integrating best sustainability practices in our supply chain.

### 2018 - 2022 total procurement spending

Procurement per year (₦'million)	2018	2019	2020	2021	2022
Total	418,690	434,065	509,964	632,960	797,286
Local	239,859	284,845	385,453	409,216	496,349
Imported	178,831	149,220	124,511	223,744	300,937

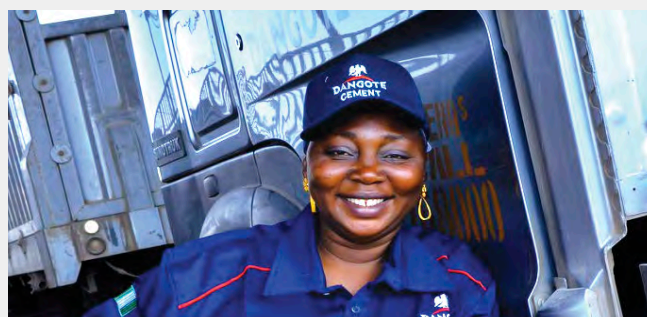


NOTE: Using the sample graph that we have pasted here, please update the chart with 2022 performance figures (total 797,286; Local 496,349; Imported 300,937) and move the chart above the table. Let the years in the table align with the annual performances in the graph.

### 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 2022, a total of ₦797,286 million was spent for local and imported procurements across all operations. Out of the total procurement spending, ₦496,349 million was spent on local products and services while ₦300,937 million was spent on imported procurements.



A female Dangote Cement truck driver



**Local procurement represents 65% of our total procurements in 2022, and this illustrates our commitment to boosting local industries, entrepreneurship, and economies for sustainable development in Africa.”**

### Product quality and market competitiveness

Dangote Cement sets quality targets to continuously manufacture products with a consistent level of quality, and continuously evaluates the status of achievement of those targets. 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 a rigorous quality assurance procedure that starts with ensuring that we apply the right quality raw materials. 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 systems equipped with Human Machine Interface technology (HMI). This technology helps us to drive resource efficiency and 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.



Dangote Cement's products

**Redemption management:**

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

**Responsible marketing and respect for customer privacy**

Our responsible marketing strategy is about building trust and ensuring that we are not only meeting customers' needs but also having a positive impact on them and the communities. 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. 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

**National Consumer Promotion**

**Dangote "Bag of Goodies" Consumer Promo Season 3**

On 15 July 2020, Dangote Cement Plc launched the Spell and Win "Bag of Goodies" Consumer Promo, a National Consumer Promotion (NCP) approved initiative that was designed to produce nine millionaires daily as a way of rewarding consumers and improving the livelihood of our consumers around Nigeria. The mega promo produced over 7,292,877 beneficiaries (winners), 238 star-prize winners with cash of ₦1,000,000.00 each, and impacted positively on the livelihood of loyal customers across the country. The 2022 consumer promo has been well-timed, empowering our loyal customers financially and helping to mitigate the economic effect of inflation. In addition to supporting sales growth, this promo served as a palliative for the tough economy and ameliorated challenges through direct appreciation of loyal Dangote Cement customers. The Dangote Bag of Goodies promo has been unmatched in the local cement industry both in scale, impact, and reach.

The promo produced 238 millionaires plus over seven million beneficiaries of other prizes including refrigerators, electronic fans, power generators, 43" LED TVs and millions in cash and telephone airtime.



A winner in Dangote "Bag of Goodies" promo



**Our responsible marketing strategy is about building trust and ensuring that we are not only meeting customers' needs but also having a positive impact on them and the communities."**

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 it is 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](http://www.dangotecement.com).

Dangote Cement conducted a customer satisfaction survey twice in the year 2022 to gain insight into customer perception and 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 its 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.

#### A week to celebrate our customers

The annual internationally recognised celebration was held on 4-7 October 2022 with the theme – Celebrate Service. The 2022 customer service week was celebrated in a more creative way through several engaging activities to excite, motivate, boost morale, and build strong bonds among staff. As customary, Dangote Cement Plc reached out to our esteemed customers to appreciate them for their patronage and loyalty to the Dangote Cement brand. Staff were highly appreciated for the unique role that they are playing in ensuring that we keep our promise of excellent service to our dear customers.

The customer satisfaction survey aim to measure customers' satisfaction in order to retain customers and attract new ones. The feedback on customers insights, helps us to improve.

#### Awards and Recognitions

A recognition can be seen as a "thank you" for your work. It is great for a meaningful contribution to development, but more importantly it challenges our performance to achieve greater results in the coming year. Among the diverse awards we received from reputable institutions in 2022 were the best company in reporting and compliance award by the SERAS CSR Awards Africa and the best company in sustainability reporting award by CSR Reporters. In Pan-Africa we received the Zambia Best Community Social Impact Award by the CSR & Responsible Business Awards.

Dangote Cement has also received numerous recognitions from capital market regulators and players alike such as: Largest corporate bond lodgement by FMDQ, the best issuer in terms of the fixed income listings by the Nigerian Exchange Limited (NGX) and the sectoral leadership award at the 2022 PEARL Awards.



Sectoral leadership awards at the 2022 PEARL awards



ECOSEA Environmental Sustainability award



Figure 3.13: CSR Reporters Award, best company in sustainability reporting



**Dangote Cement has also received numerous recognitions from capital market regulators and players alike."**