



# “The Dangote Way”

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

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

## Building a sustainable business

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

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

**409**

## Communities impacted during Sustainability Week

**58**



## Our 7 key Sustainability Pillars

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

### “The Dangote Way”: focusing on values and a sustainable future

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

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

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



**“Our commitment is further demonstrated in the enthusiasm with which we continue to operationalise our 7 Dangote Sustainability Pillars, which collectively reflect the ethos behind ‘The Dangote Way’.”**





# Cultural pillar: building a culture of sustainability

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



## “12,709 employees trained for 92,999 hours in 2020.”



### Cultural standards

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

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

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

### Labour practices

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

To this end, we have put in place:

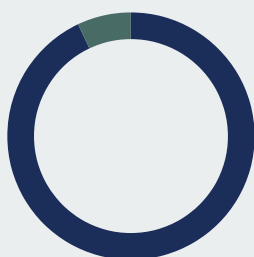
- Policies that align with internationally recognised human rights and labour practices, that promote cordial and harmonious working environment;
- Employment conditions that encourage creativity and full deployment of the capabilities of each employee;
- Training and development initiatives that promote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

### Our workforce

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

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

#### Gender categorisation of staff



Male	93%
Female	7%

#### Age categorisation of staff



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

#### Categorisation of employees according to contract



Permanent	73%	Expatriates	2%
Temporary	25%		

# “The Dangote Way” Cultural Pillar continued



## Our workforce continued

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

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

## Employee growth and turn-over rate

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

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

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

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



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

	2018		2019		2020	
	New hires	Exits	New hires	Exits	New hires	Exits
	508	179	558	161	416	834
Country			2019 new hire*	2020 new hire	2019 exits*	2020 exits
Nigeria – HQ			67	79	45	84
Nigeria – Gboko			1	23	19	105
Nigeria – Ibesse			285	103	36	331
Nigeria – Obajana			205	211	61	299
Cameroon			37	10	15	10
Congo			68	30	26	9
Ethiopia			31	35	21	12
Ghana			7	7	137	10
Senegal			31	20	19	11
Sierra Leone			6	7	8	5
South Africa			51	28	37	18
Tanzania			122	64	59	58
Zambia			155	39	42	30
<b>Total</b>			<b>1,066</b>	<b>656</b>	<b>525</b>	<b>982</b>

\* Excludes transport new hire or exits.

## Building a work environment where employees are empowered to thrive

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

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

Some of the benefits that we offer our employees include:

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

- Birthday present
- Paid mourning leave
- Wedding cash gifts

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

### Learning and development

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

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



### 2020 training numbers

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



# “The Dangote Way” Cultural Pillar continued



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

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

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

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

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

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

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

## 2020 training and capacity building

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





# “The Dangote Way” Cultural Pillar continued



## 2020 Sustainability trainings

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

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

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

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

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

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

### Sustainability trainings: 2019–2020

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

### 2020 sustainability trainings

Seven (7) Training modules executed

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

366 employees trained

1,441 total training hours



## Sustainability awareness creation

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

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

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



## 2020 Sustainability Week

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

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

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

### Initiatives and programmes

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

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

### Dangote Sustainability Week (2018–2020)

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



### Summary of impacts

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

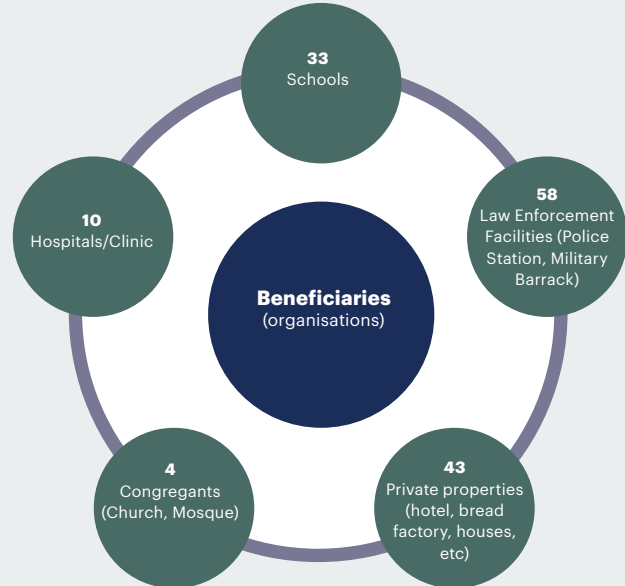
# “The Dangote Way” Cultural Pillar continued



## Sustainability Week Beneficiaries



## Sustainability Week Beneficiaries



## 2020 Dangote Sustainability Week Impact

COVID-19 support & donations

Educational donations

Food/agriculture and poverty alleviation donations

Economic/SMEs empowerment, skills acquisition and capacity building

Provision of water/sanitation

Women empowerment

Environmental interventions

Infrastructure enhancement

## Alignment with UN SDGs



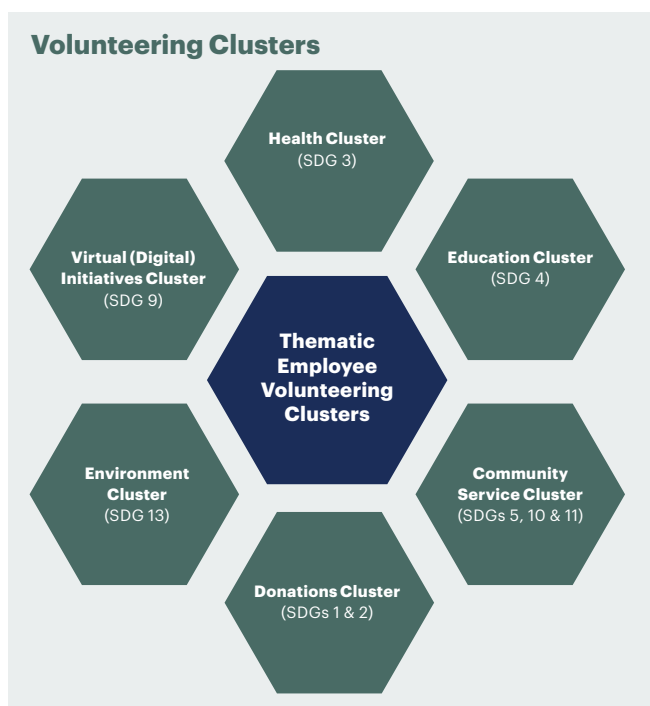
## Institutionalising employee volunteering

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

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

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

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



### Health Cluster

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

### Education Cluster

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

### Virtual (Digital) Activities Cluster

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

### Community Service Cluster

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

### Donations Cluster

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

### Environment Cluster

- Environmental awareness and education (recycling, waste management, etc).
- Mentoring and coaching in schools and local communities
- Tree planting/afforestation activities in host communities, schools, etc.
- Enlightenment on prevention of erosion, excessive CO<sub>2</sub> emissions, etc.
- Donation of environmental books and knowledge sharing materials
- Support for Environment Clubs in schools

# “The Dangote Way” Cultural Pillar continued



## Employee volunteering activities in 2020

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

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

### Education Cluster

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

### Health Cluster

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

### Environment Cluster

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



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

A key environmental impact of cement production is the emission of gases such as CO<sub>2</sub> and NO<sub>x</sub> into the atmosphere. Besides combatting these emissions through our adoption of environmentally friendly technologies, Dangote Cement Senegal has adopted a reforestation approach tagged “the Ngomene Green Wall” as part of a well-designed eco-system protection strategy. “The Ngomene Green Wall” is an ambitious tree planting initiative around the Ngomene limestone mine, where 5,000 trees comprising of eucalyptus and meluferats will be planted. A total of 1,500 trees have so far been planted since the project was launched in July 2020. The green wall is expected to rise between the mine and the immediate host community, and absorb CO<sub>2</sub> emissions released in the cement operations, thus reducing environmental impact. The initiative is designed to regenerate the ecosystem, including the soils and improve air quality.

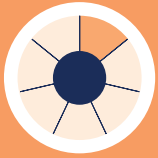
As part of Dangote Cement Senegal’s ecosystem protection strategy, aspirators are used to collect dusts and reinject them in production, instead of allowing them to disperse into the atmosphere. This technology, which is unique in Senegal, makes our operation one of the least polluting cement plants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

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

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

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





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

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



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



## Economic standards

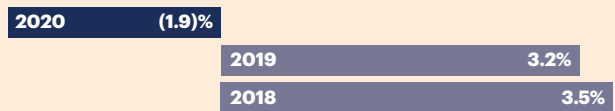
In line with the principles behind our Economic Pillar, we strive to promote inclusive, sustainable economic growth, self-reliance, self-sufficiency and industrialisation across Africa, by establishing efficient production facilities and developing resilient local economies in strategic locations and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

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

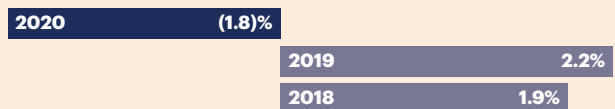
We ensure that our business activities and model strengthen national productivity, job creation, growth in household incomes as well as GDP growth and economic prosperity. We support our host countries and local communities by developing a value chain that prioritises the patronage of local labour, suppliers,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

## Developing markets

### SSA economic growth



### Nigerian economic growth



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

## The 2020 business landscape for Dangote Cement

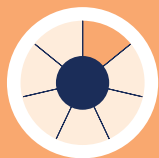
Sub-Saharan Africa was hit by the double effect of the COVID-19 pandemic and the commodity market decline in 2020. This coupled with inflation and foreign exchange volatility resulted in a challenging year. Most COVID-19 lockdown measures started at the end of March and peaked in April. With the imposition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

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

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

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





## The 2020 business landscape for Dangote Cement continued

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

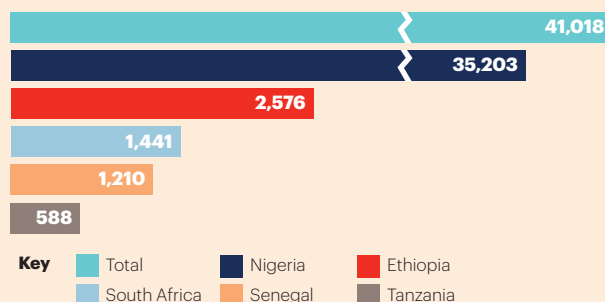
## Dangote’s contribution to economic development in Africa

### Contribution to job creation

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

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

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



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

### 2020 employment growth/attrition economic

New Hire	Exits	Attrition Rate (%)
656	982	9

### Contributions to household income

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

### Economic performance

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

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

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

\* excluding administrative expense.

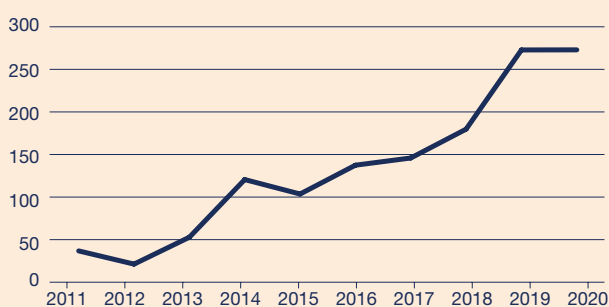
#### Direct economic value created and distributed

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

#### Dividend payment history – shareholders

At Dangote Cement, we pursue a dividend policy that reflects the Company's earnings and cash flow, while maintaining appropriate levels of dividend cover. Our history of dividend payments predates our listing on the Nigerian Stock Exchange in 2010. We have consistently paid dividends over the years, with payments history of ₦7, ₦6, ₦8, ₦3.50, ₦10.5, ₦16 and ₦16.00 per share in 2013, 2014, 2015, 2016, 2017, 2018 and 2019 respectively. In 2020, our proposed dividend payment of ₦16.00 per share ensures that we keep our promise of continuous wealth creation for our valued shareholders.

#### Dividend payment history – shareholders 2013–2020 (₦)



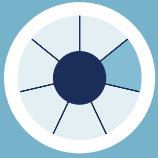
#### Community investments

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

#### Indirect economic impacts

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





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

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



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

## Operational standards

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

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

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

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

## Regional review

### Group volumes

**+8.6%**

2020	25.7Mt
2019	23.7Mt
2018	23.5Mt

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

### Nigerian volumes

**+12.9%**

2020	15.9Mt
2019	14.1Mt
2018	14.2Mt

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

### Pan-African volumes

**+4.4%**

2020	10.0Mt
2019	9.6Mt
2018	9.4Mt

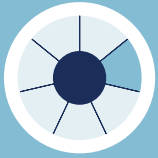
Volumes up at 10.0Mt, despite lockdowns and restrictions in 2020. Strong volume growth in Ethiopia, Congo and Cameroon.

### Supply chain management

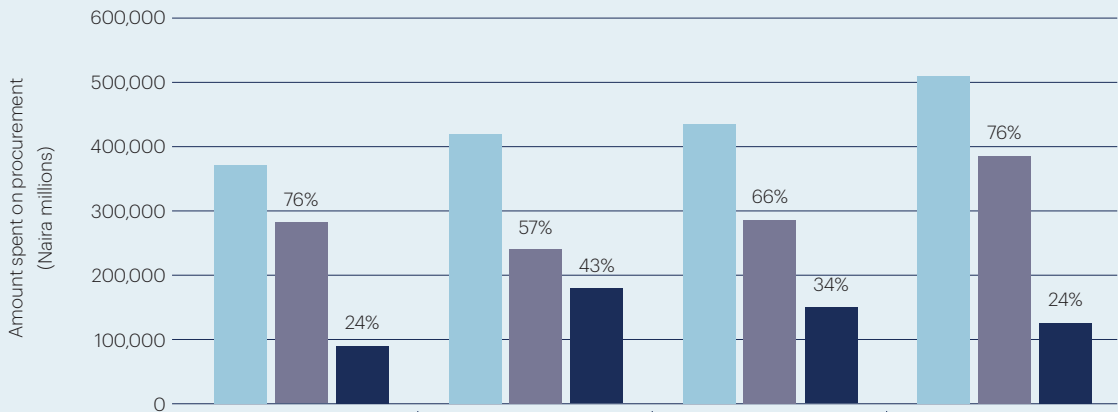
Dangote Cement is a vertically integrated cement company with complete haulage needs that are sourced within the Group to ensure an efficient supply and distribution chain.

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

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



## 2017-2020 total procurement spending



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

### Procurement practices

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

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

### Building a sustainable supply chain

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

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

We expect our supply chain partners and their affiliates, employees, subcontractors, agents and other representatives to observe the highest standard of ethics in all activities and operations regarding the supply of goods and services to Dangote Cement Plc. Compliance with environmental, social and governance regulations and best practices will be assessed from

time to time. The outcome of such evaluations would determine the vendors and contractors that we choose to continue business relationships with.

### Prioritising local content

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

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

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

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

### Penetrating markets and empowering consumers

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

### Product quality and market competitiveness

We believe in continuous product improvement and innovation. This is one of our most vital edges in all the markets where we operate. Our research and technology initiatives support our plant operations to ensure robust production processes. We remain focused on product efficiency and market competitiveness. We have an extended value chain – beginning at mining and running through raw materials preparation, clinker burning, cement grinding and production, packaging, and finally delivering to the esteemed customers. While this makes it a seemingly complex business chain, it also offers opportunities for sustainable improvements along the value chain's length. Our key focus areas include higher efficiency in the use of limestone, laterite, and other minerals beneficiation; pollution reduction (dust, noise and other forms of pollutants that come with cement production); optimised limestone and material mix; efficiency in lowering CO<sub>2</sub> generation; efficiency in cement bag loading systems; improving profitability; while producing a higher-quality, stronger brand of cement at a lower cost. Our plants are equipped with cutting-edge technology like Prompt Gamma Neutron Activation Analysis (PGNAA) for online analysis, robotic laboratory, and fully automated central control room system equipped with Human Machine Interface technology (HMI). We have constantly deployed the most advanced machinery at our new plants that improve overall efficiency in cement production.

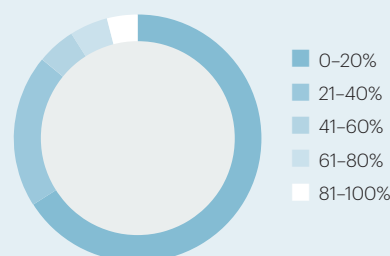


In many countries where we operate, we significantly support the local economies towards self-sufficiency in cement production. We accompany this with product quality guarantee. We ensure that all our products and services are consistently tested for quality assurance and safety. To drive consistency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

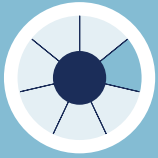
The quality and innovativeness that goes into our production and the value that our products create for consumers are the reasons we enjoy strong market share and are the clear market leader in most countries where we play. In our Nigerian operations, we enjoyed over 60% market share in 2020.



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



# “The Dangote Way” Operational Pillar continued



## Marketing and labelling practices

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

## Product responsibility

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

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

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

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

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

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

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



## Dangote Cement Product Offerings



### Customer privacy

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

• <https://www.dangote.com/privacy-policy/>



### Customer Service Week

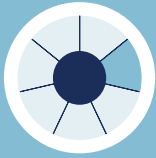
In 2020, we participated in Customer Service Week's global celebration to raise awareness on the need for consistently excellent customer service. We also leverage this Week to appreciate customers for their loyalty to the Dangote Cement brand; and our staff for the unique role they play in ensuring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

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

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







# National Consumer Promotion case study

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

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



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

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



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

*BusinessDay Newspaper 21st December 2020.*

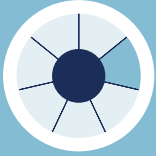


The promo produced 471 millionaires plus over 13 million beneficiaries of other prizes including cars, motorcycles, 43" LED TVs, specially created Dangote food packs and millions of cash and telephone airtime. The initiative was also designed to serve as a palliative for the tough economy and ameliorate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

#### Redemption Management:

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





**Ravi Sood**  
Director of Operations, Nigeria



**Rajesh Kumar Kothari**  
Director of Operations, Pan-Africa

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

## Operating review

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

### Nigerian operations

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

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

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

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

### Exports

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

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

### Pan-African operations

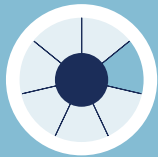
In Pan-Africa, most COVID-19 lockdown measures started at the end of March and peaked in April. The response by the authorities varied in nature from specific temporary restrictions in some countries to a complete temporary lockdown for non-essential businesses. Our operations in South Africa, Congo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

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

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

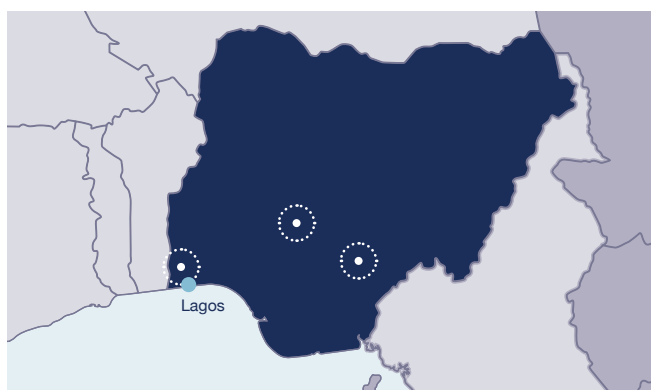
### Cement value chain





# Nigeria

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



**Sales volumes**  
**15.9Mt**  
 2019: 14.1Mt +12.9%

**Revenue**  
**₦719.9bn**  
 2019: ₦610.2bn +18.0%

### Key statistics

#### Demographics

Population	206.1m
Urbanisation	52%
2020 GDP growth	-1.8%

#### Market

Total capacity	50.8Mta
Cement consumption	125kg/person
Total market	25.8Mt

#### Dangote presence

Location	Obajana, Ibese, Gboko
Capacity	32.3Mta
Type	Integrated
Kiln fuel	Gas, coal
Power	Gas, diesel

### Market

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

### Performance

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

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



# Tanzania

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



## Sales volumes

# 1.1Mt

2019: 1.2Mt -9.25%

## Revenue

# ₦37.9bn

2019: ₦38.5bn -1.6%

## Key statistics

### Demographics

Population	58m
Urbanisation	35.2%
2020 GDP growth	1.0%

### Market

Total capacity	11.3Mta
Cement consumption	97kg/person
Total market	5.6Mt

### Dangote presence

Location	Mtwara
Capacity	3.0Mta
Type	Integrated
Kiln fuel	Coal, gas
Power	Gas

## Market

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

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

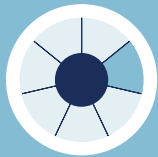
## Performance

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



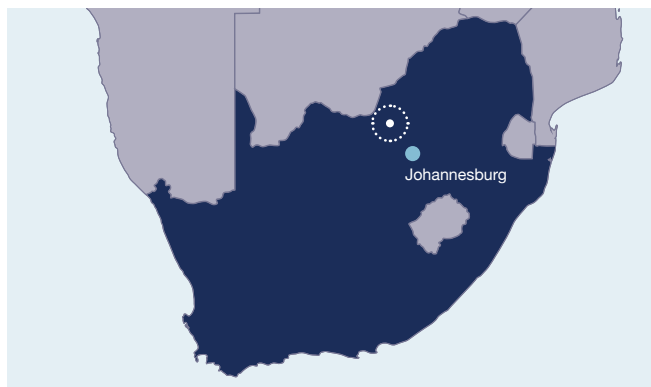
## Living "The Dangote Way"

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



# South Africa

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



## Sales volumes

Cannot be published due to local competition laws

## Revenue

**₹52.7bn**

2019: ₹46.4bn 13%

### Key statistics

#### Demographics

Population	59.8m
Urbanisation	67.4%
2020 GDP growth	-7.0%

#### Market

Total capacity	22.5Mta
Cement consumption	184kg/person
Total market	11.0Mt

#### Dangote presence

Location	Aganang, Delmas
Capacity	2.8Mta
Type	Integrated
Kiln fuel	Coal
Power	Grid

## Market

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

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

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

## Performance

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



## Living “The Dangote Way”

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

# Ethiopia

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



## Sales volumes

# 2.1Mt

2019: 2.0Mt +8.7%

## Revenue

# ₦58.1bn

2019: ₦53.9bn 7.8%

## Key statistics

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

## Market

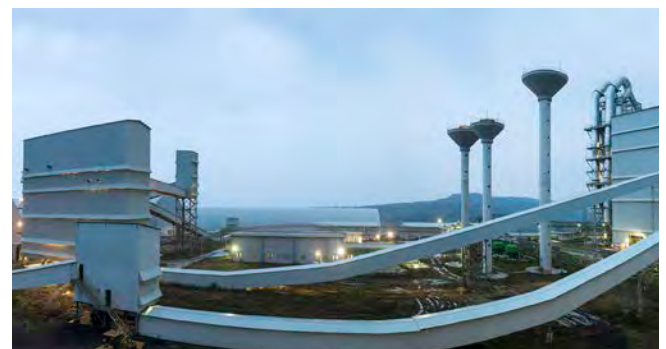
We estimate the cement market in Ethiopia to have been 7.6Mt for the full year of 2020, down 3.8% from the same period last year. This was mainly due to a slowdown in the economic activities arising from the overall impacts of COVID-19, lower infrastructure spending, continued challenges around foreign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

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

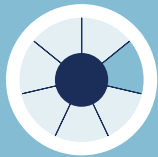
## Performance

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

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







# Cameroon

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



## Sales volumes

**1.3Mt**

2019: 1.1Mt +17.2%

## Revenue

**₦57.3bn**

2019: ₦45.7bn +25.4%

### Key statistics

#### Demographics

Population	26.14m
Urbanisation	57.6%
2020 GDP growth	-2.8%

#### Market

Total capacity	6.2Mta
Cement consumption	134kg/person
Total market	3.5Mta

#### Dangote presence

Location	Douala
Capacity	1.5Mta
Type	Grinding
Kiln fuel	n/a
Power	Grid

## Market

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

## Performance

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



## Living “The Dangote Way”

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

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

# Congo

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



## Sales volumes

**0.4Mt**

2019: 0.2Mt

## Revenue

**₦12.4bn**

2019: ₦7.7bn +61%

## Key statistics

### Demographics

Population	4.7m
Urbanisation	67.8%
2020 GDP growth	-7.8%

### Market

Total capacity	3.2Mta
Cement consumption	192kg/person
Total market	0.9Mta

### Dangote presence

Location	Mfila
Capacity	1.5Mta
Type	Integrated
Kiln fuel	Coal
Power	Grid

## Market

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

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

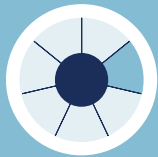
## Performance

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



## Living "The Dangote Way"

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



# Ghana

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



## Sales volumes

**0.4Mt**

2019: 0.5Mt -15.8%

## Revenue

**₺16.9bn**

2019: ₺18.3bn -7.7%

### Key statistics

#### Demographics

Population	30.8m
Urbanisation	57.3%
2020 GDP growth	0.9%

#### Market

Total capacity	9.35Mta
Cement consumption	218kg/person
Total market	6.7Mt

#### Dangote presence

Location	Tema
Capacity	1.5Mta
Type	Import
Kiln fuel	n/a
Power	Grid

## Market

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

## Performance

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

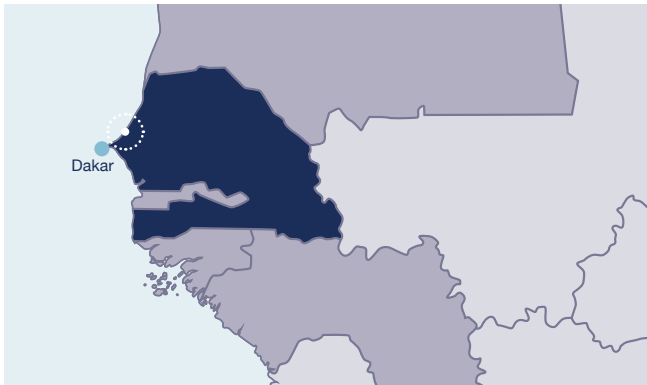


## Living “The Dangote Way”

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

# Senegal

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



**Sales volumes**  
**1.59Mt**  
 2019: 1.48Mt +7.5%

**Revenue**  
**₦46.9bn**  
 2019: ₦38.3bn +22.5%

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

## Market

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

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

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

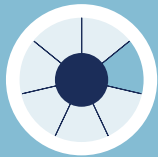
## Performance

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



## Living "The Dangote Way"

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



# Zambia

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



## Sales volumes

**0.8Mt**

2019: 1.0Mt -21%

## Revenue

**₦26.1bn**

2019: ₦24.7bn +5.7%

### Key statistics

#### Demographics

Population	18.9m
Urbanisation	44.6%
2020 GDP growth	-3.5%

#### Market

Total capacity	4.63Mta
Cement consumption	143kg/person
Total market	2.7Mt

#### Dangote presence

Location	Ndola
Capacity	1.5Mta
Type	Integrated
Kiln fuel	Coal
Power	Coal

## Market

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

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

## Performance

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



## Living “The Dangote Way”

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

# Sierra Leone

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



## Sales volumes

# 0.3Mt

2019: 0.2Mt +14.6%

## Revenue

# ₦10.3bn

2019: ₦7.9bn +30%

## Key statistics

### Demographics

Population	8m
Urbanisation	42.9%
2020 GDP growth	-2.2%

### Market

Total capacity	1.6Mta
Cement consumption	113kg/person
Total market	0.9Mt

### Dangote presence

Location	Freetown
Capacity	0.5Mta
Type	Import
Kiln fuel	n/a
Power	Grid

## Market

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

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

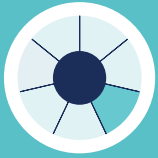
## Performance

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



## Living "The Dangote Way"

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



# Social Pillar: strong relationships with local economies

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



## “₦2.85bn spent on social investment in 2020, up 67%.”



### Social standards

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

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

### Social investments

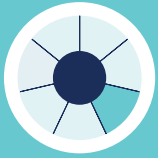
Our approach to social investment is to partner with the beneficiaries to achieve sustainable progress and development. Our key focus areas include education and skills development, economic empowerment, environmental sustainability, healthcare and infrastructural development. We periodically conduct assessments to identify our community members’ actual needs and align our social interventions accordingly, as much as is practicable.

Despite the COVID-19 pandemic and the economic challenges that accompanied it, our commitment to supporting socioeconomic development and wellbeing in host communities has been unwavering. In the course of the reporting year, we had a robust social investment portfolio. Highlights of our key initiatives included:

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



# “The Dangote Way” Social Pillar continued



## Social investments continued

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

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



Dangote Cement Isolation centre, Obajana



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



Obajana-Kabba Road (Kogi state) 44 km



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



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



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

## Dangote Cement 2020 social investments

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

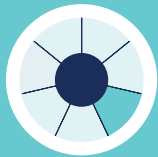


### Educational, Health and Environmental Interventions in Senegal

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



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



## 2020 COVID-19 interventions

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

### COVID-19 initiatives in host communities

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

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

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

Furthermore, Dangote Cement South Africa conducted workshops with Kopano Community Authority’s leadership to empower them with knowledge on how to manage the pandemic effectively. Also, COVID-19 sensitisation initiatives were carried out in schools, such as Dingake Primary School and Swartklip Combined School.

The second management directive on combatting the impact of COVID-19 is the provision of palliatives such as food supplies to community members and medical supplies to hospitals and clinics. Donations to host communities included bags of rice, gallons of vegetable oil, and other food items. PPEs such as hand sanitisers, liquid handwashing soap and facemasks were also donated. Donations to community healthcare facilities included medical supplies such as digital infrared thermometers, surgical masks, surgical hand gloves and medications.

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

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

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

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

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





### COVID-19 preventive initiatives for employees

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

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

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

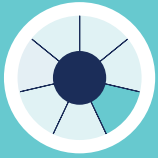
In the year under review, across all operations, a total of 4,306 COVID-19 tests were conducted and 363 were confirmed positive. Sadly, a total of three Dangote Cement employees were fatally impacted by the deadly virus in 2020.

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

### Dangote Group, ADF and CACOVID responses

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

# “The Dangote Way” Social Pillar continued



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

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

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

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

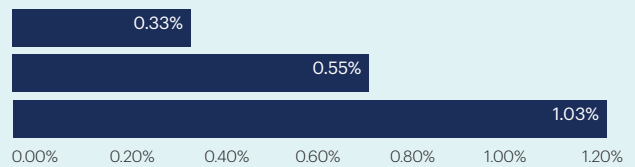
These, in addition to contributions from other members of the coalition, have empowered CACOVID to actualise the following:

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

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

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

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



## DCP South Africa pandemic response plan

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

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

Aspects of the response plan include:

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

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

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



CA COVID donation of palliatives to Lagos State Government in September 2020

## Stakeholder engagement

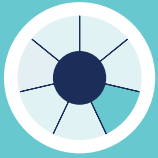
A key aspect of our commitment to operating responsibly is to develop, maintain and strengthen our relationships with all key stakeholders. We recognise that the geographies and markets we operate are becoming more diverse and complex, with shifting needs, priorities and expectations necessitating that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

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

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

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

# “The Dangote Way” Social Pillar continued



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

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

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

## Stakeholder identification, categorisation and mapping

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

## Dangote Cement Plc’s stakeholder categorisation



## 2020 stakeholder engagement initiatives

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

## Dangote Cement stakeholder mapping

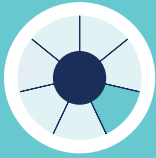


## How we engaged our different stakeholders in 2020

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



# “The Dangote Way” Social Pillar continued



## Engaging our employees

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

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



## Community engagement

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

We adopt a participatory approach to community relations and ensure that we elicit and address their feedbacks. We have community relations officers and managers who engage with these important stakeholders continuously. We listen to their perspectives, concerns and priorities, and take cognizance of these as we make our strategic business decisions.

We have developed multiple communication channels with host communities, including periodic face-to-face, town hall meetings that enable us to discuss and agree on issues that are important to both parties. This is not to say that we do not sometimes disagree. When there are contradictory views, we activate mechanisms for resolving them and grievances that they might have about our business operations. We endeavour to maintain an open, honest and continuous engagement with them and their representatives.

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

## 2020 materiality assessment and stakeholders' surveys

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

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

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

### Materiality assessment process

Quantitative data collection, control and analysis

Identification of material sustainability indicators

Prioritisation and ranking of sustainability indicators

Preparation of Materiality Matrix

Final report, with recommendations and roadmaps

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

## Dangote Cement's 2020 materiality matrix

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

**Dangote Cement Plc 2020 Matrix**

Influence	High	<ul style="list-style-type: none"> <li>Executive pay scheme aligned to shareholder interests</li> </ul>	<ul style="list-style-type: none"> <li>Current valuation</li> <li>Investors' easy access to management</li> </ul>	<ul style="list-style-type: none"> <li>Infrastructural development</li> <li>Business strategy</li> <li>Carbon emissions &amp; climate change</li> <li>Community relations</li> <li>Corporate Governance</li> <li>Currency/FX factors</li> <li>Environmental Compliance</li> <li>Financial Performance</li> <li>Human Rights</li> <li>Quality of Management team</li> <li>Renewable energy / Alternative fuel</li> <li>Transparency and external reporting</li> </ul>
	Medium	<ul style="list-style-type: none"> <li>Sustainability reporting</li> <li>Community engagement</li> </ul>	<ul style="list-style-type: none"> <li>Anti-corruption policies and practices</li> </ul>	<ul style="list-style-type: none"> <li>Energy efficiency</li> </ul>
	Low	<ul style="list-style-type: none"> <li>Reputational capital</li> <li>Impact Investment</li> <li>CDP Reporting</li> <li>Board Diversity</li> <li>Sustainable Development Goals</li> <li>Dividend Policy</li> <li>Founder's Active involvement</li> <li>Gender Equity</li> <li>Liquidity of stock in countries of operation</li> </ul>	<ul style="list-style-type: none"> <li>Social investment and CSR</li> <li>Macro-economic factors in country of operation</li> <li>ESG Risk Profile</li> <li>Environmental Performance</li> <li>Employee wellbeing and job satisfaction</li> </ul>	<ul style="list-style-type: none"> <li>Employee engagement</li> <li>Circular economy</li> <li>Health and Safety</li> </ul>
		Low	Medium	High

Importance to stakeholders ↑

Impact on Dangote Cement PLC →

### Investors' survey

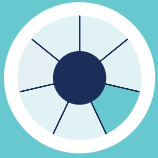
The 2020 investors' survey is in line with our sustainability commitment of regularly eliciting the views of our esteemed investors on our Environmental, Social and Governance (ESG) performance, and also to obtain relevant feedback on how we could improve on our overall business sustainability practices;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

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

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

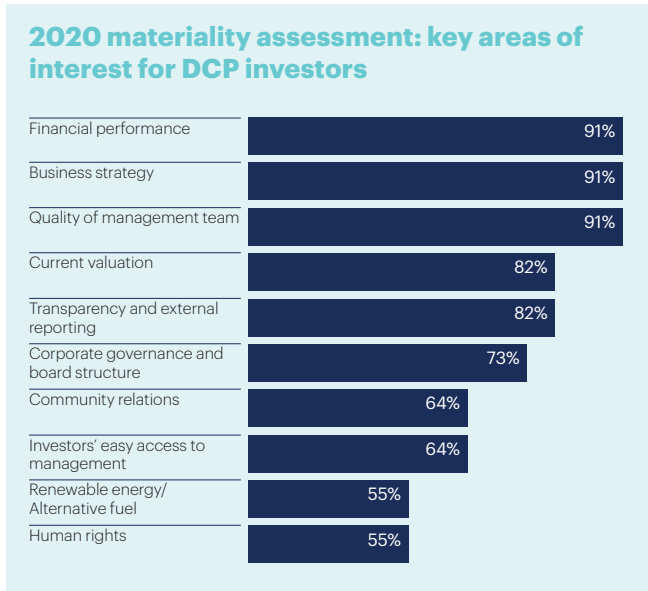
The impact that the Company's operations have on host communities and the physical environment was also of high interest to investors, as this was seen as an important business sustainability issue. Also, transparency and external reporting, which was among the top five material issues identified, allows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

# “The Dangote Way” Social Pillar continued



## Investors’ survey continued

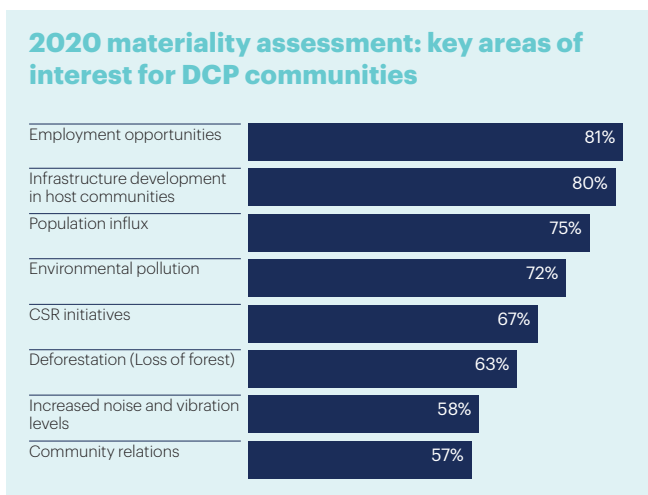
Of a total of 32 key sustainability indicators, 10 were ranked by Dangote Cement investors as most important, as shown in the graph below:



## Communities’ survey

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

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



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

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

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

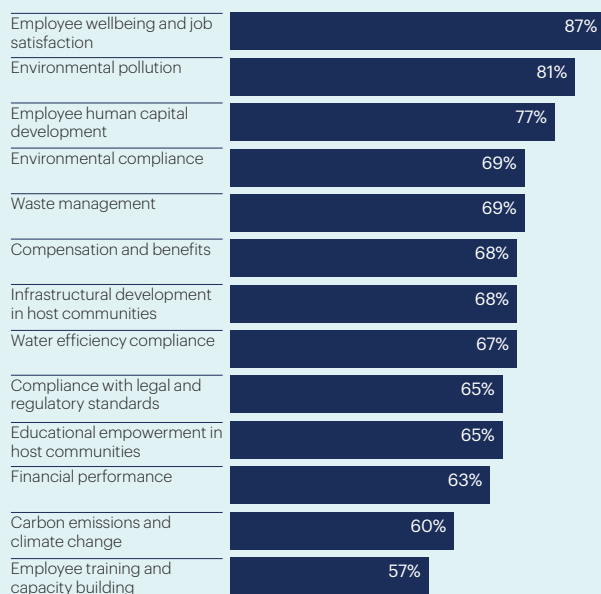
## Employees’ survey

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

We obtained valuable employees’ views and perceptions on our internal processes and structures, and external relations through this engagement. Among other very important feedback, the survey helped us to understand our employees’ opinions on how we could continuously improve employee productivity and satisfaction and attract and retain talented millennials (employees between 18-30 years of age). Furthermore, we were able to assess our employees’ views on our contributions to socioeconomic development in the different countries where we operate and our support towards the United Nations SDGs’ actualisation.

During the 2020 survey, our employees identified 38 key sustainability indicators, out of which thirteen (13) were ranked as key areas of interest and impact, as shown below:

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



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

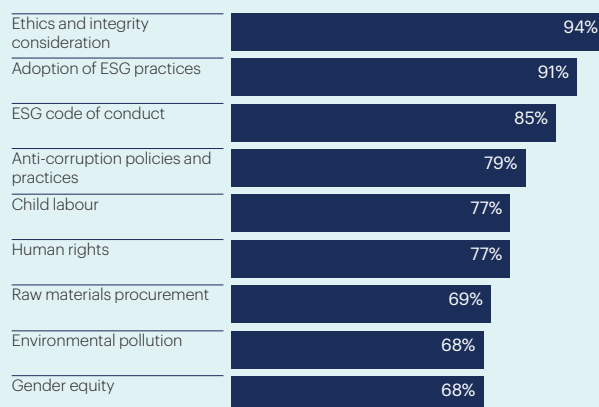
### Supply chain partners' survey

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

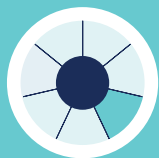
The survey provided us with qualitative and quantitative information required to continuously assess our supply chain management performance and gave very insightful feedback on our supply chain partners' ESG profile.

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

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



# “The Dangote Way” Social Pillar continued



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

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

## Dangote Cement’s 2020 social investment spending

Country	2020 ₦ million	2019 ₦ million	2018 ₦ million
Nigeria	2,507.51	811.82	1,045.97
Cameroon	74.66	8.58	40.41
Congo	3.98	0.64	—
Ethiopia	107.40	83.25	55.86
Ghana	—	—	—
Senegal	126.20	156.34	119.66
Sierra Leone	—	0.58	—
South Africa	16.67	29.71	0.11
Tanzania	2.48	7.07	20.10
Zambia	12.87	8.76	5.61
Niger	—	2.05	—
<b>Total expenditure</b>	<b>2,852</b>	<b>1,108.81</b>	<b>1,287.73</b>

## Anti-corruption

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

In the year under review, we conducted fraud and risk management trainings for staff in our internal audit department to equip them with the knowledge required to function effectively in their roles. Utilising approved transparency processes, we implemented audits across all plants. We also implemented audits on all plant, utilising approved transparency processes. In the year under review, 30 cases of corruption were identified, reported and

investigated, accordingly. All offenders were dealt with in accordance with company policies and regulatory requirements in our various markets. Some disciplinary actions taken include warning letters, queries, suspension and outright termination. Where required, legal steps were taken against persons found culpable of bribery and corruption, while some others are reported to the appropriate authorities.

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

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

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

## Health and safety performance

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

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

## Safety improvement initiatives in 2020

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

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

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

Our Board Technical and Sustainability Committee is intensifying oversight on safety issues. It has mandated continuous improvement actions that should be taken to mitigate safety risks in all aspects of our operations.

### Health and safety awareness and trainings

In response to the COVID-19 pandemic, we implemented several trainings in the year under review, to build employee awareness and capacity on managing the disease outbreak. Staying safe during the pandemic was a recurring theme in several of our 2020 trainings which were mostly conducted virtually. We also issued the "10 commandments on high risk activities," designed to ensure that our employees understand the practices to imbibe and the actions to take to stay safe and protected from the virus.

During the year, we also executed trainings on understanding the origin and nature of critical incidents and high potential near misses. Root Cause Analyses (RCA) were carried out on all critical incidents and high potential near misses to broaden the practical understanding of key function owners on safety and incidents management. These learnings and implementation of corrective/preventive actions are designed to ensure that such incidents are not recorded again in our operations. In addition, safety town hall meetings were conducted by our Executive Management in Dangote Cement locations to emphasise the need to work safely and comply with laid down rules. In line with our zero accidents and fatalities agenda, a total of 385 health and safety trainings and awareness sessions were carried out in 2020.

### 2020 Health, Safety and Environment (HSE) trainings

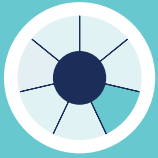
2020 HSE trainings

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

### Summary of Health & Safety performance (2017-2020)

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

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



## Diversity and equal opportunity

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

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

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

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

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

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

### Diversity of leadership

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

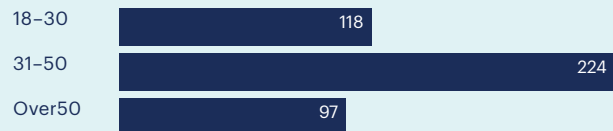
During 2020, Dangote Cement Plc. had a cumulative total of 15 Directors (12 were male while 3 were female). Engr. Joseph Makoju retired as the Group Managing Director on 31st January 2020, while Michel Puchercos was appointed as the Group Managing

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

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

### Senior management breakdown by age and gender

#### Age



#### Gender



### Non-discrimination

At Dangote Cement, we are committed to maintaining a work environment where all individuals are treated with dignity and respect. Every individual has the right to work in a professional environment where they are certain that they will not be stereotyped or discriminated against. We prohibit discriminatory practices and harassment in our workplace. We frown at any form of bias and prejudice in our recruitments, assignments, transfers, promotions, compensations, benefits, working conditions, among others. We enforce non-discrimination at all levels and across all Dangote Cement operations. We also encourage our employees

to report all cases and incidents of discrimination, regardless of the offender's identity or position. Such reports are appropriately investigated and addressed in line with laid down policies and standards.

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

## Grievance mechanism and whistleblowing

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

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

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

### Reported grievances in 2020 (by location)

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

### 2020 grievances by types

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

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

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

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

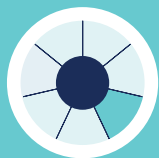
Our whistleblowing and grievance mechanism processes are clearly communicated to employees through the staff handbook which is available on the Company's intranet.

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

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



# “The Dangote Way” Social Pillar continued



## 2020 Whistleblowing cases (by location)

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

## Freedom of association and collective bargaining

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

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

## Number of employees covered by collective bargaining agreements

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

## Child labour, forced or compulsory labour

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

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

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

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

### Combating Child Labour (i)

**What is Child Labour?**  
Child Labour refers to the exploitation of children through any form of work that deprives them of their childhood, harms their social and mental development and limits educational opportunities. Without an education or vocational skills, children grow up into adults without the capacity they require to secure employment and means of livelihood, making it more likely that they will send their own underage children to work someday, thereby creating a vicious cycle of poverty.

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

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

**Speak out against Child Labour and Abuse whenever you see it being perpetuated. It is the right thing to do!**

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

**QUIZ OF THE WEEK**  
Please click on the link below to give your answer:  
<https://bit.ly/3aq3vtn>

**READ MORE ON CHILD LABOUR**  

- <https://connectdangote.com/articles/2020/05/04/great-quotes-from-famous-people-on-child-labour/>
- [https://www.pri.org/stories/2019-07-30/child-labour-continues-to-grapple-problem-nigeria-girls-are-especially-at-risk#:~:text=UNICEF%20says%20that%20girls%20are%20more%20vulnerable%20to%20exploitation,https://www.ilo.org/guest/factsheet/child-labour/WCMS\\_359713/lang-en/index.htm](https://www.pri.org/stories/2019-07-30/child-labour-continues-to-grapple-problem-nigeria-girls-are-especially-at-risk#:~:text=UNICEF%20says%20that%20girls%20are%20more%20vulnerable%20to%20exploitation,https://www.ilo.org/guest/factsheet/child-labour/WCMS_359713/lang-en/index.htm)
- <https://www.ilo.org/guest/factsheet/lang-en/index.htm>
- [https://stopchildlabour.org/about-child-labour/#:~:text=www.ilo.org/guest/factsheet/child-labour/WCMS\\_359713/lang-en/index.htm](https://stopchildlabour.org/about-child-labour/#:~:text=www.ilo.org/guest/factsheet/child-labour/WCMS_359713/lang-en/index.htm)

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

## Human rights assessment

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

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

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

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





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

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



## “Rated ‘C’ by CDP on our carbon disclosure for 2020.”



### Environmental standards

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

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

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

Our business activities are undertaken with conscious thoughts for our natural environment and the need to consistently enhance our environmental stewardship while also leveraging the opportunities that this presents. While there are negative environmental fallouts from our business operations, including dust pollutions, CO<sub>2</sub> emission, and so on, we remain committed to continually improving our environmental stewardship.

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

### 2020 environmental performance: energy, water, emissions

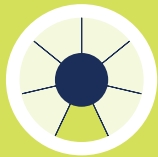
We constantly disclose our environmental performance through our annual Climate Disclosure Projects (CDPs) and Sustainability Reports. This is to avail our stakeholders (internal and external) and interested parties outside our organisation with information that they require to assess the progress that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

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

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

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

# “The Dangote Way” Environmental Pillar continued



## 2020 Total energy consumption (GJ) per location

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

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

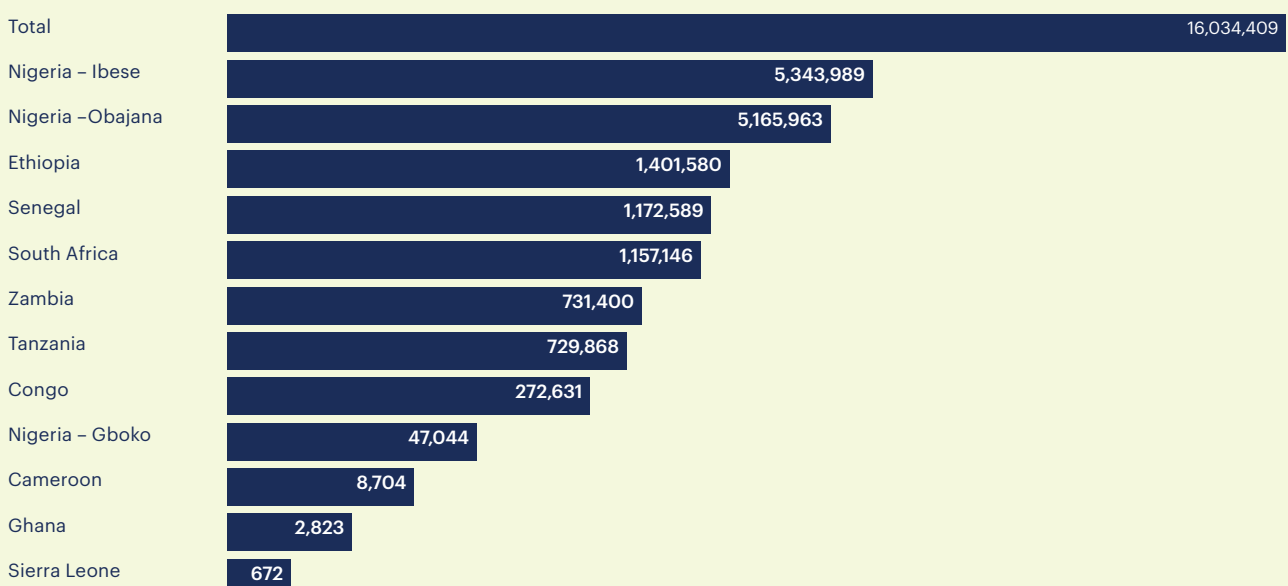
The manufacturing of cement is an energy process industry, with a large proportion of production costs spent on fuel sourcing for kilns operations. Our kilns, like others in the industry, require high energy for the conversion of raw materials such as limestone, laterite and other minerals into clinker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

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

In 2019, our total greenhouse gas emissions from cement production activities, resulting from captive power plants and generators, kilns and vehicles used at the quarries and sites (Scope 1) was 14,903,613 (tonnes CO<sub>2</sub>). This increased by 7.59% in 2020 to 16,034,409 (tonnes CO<sub>2</sub>), due mostly to increased energy consumption as we increased production activities in the year under review.

Our plant in Gboko (Nigeria) resumed operations in 2020. A new line in our Obajana Plant (Obajana Line 5, Nigeria) also began productions in 2020. These had an upward impact on our energy consumption and CO<sub>2</sub> emissions (Scope 1) in the year under review.

## 2020 total direct CO<sub>2</sub> emissions (tonnes CO<sub>2</sub>)\*



\* Higher clinker production resulted in increased energy consumption in some DCP Plants as explained above, resulting in higher total CO<sub>2</sub> emissions in 2020.

### Environmental management and compliance

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

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

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

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

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

### Operational efficiency

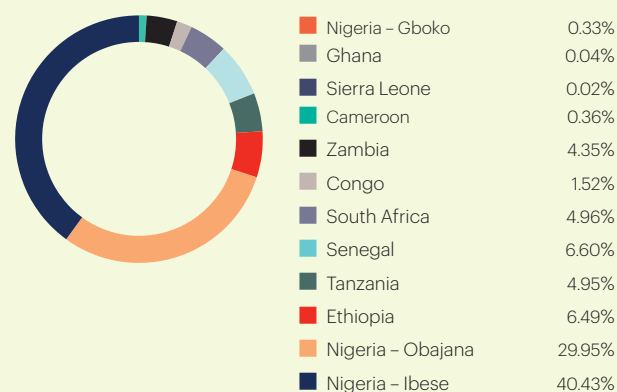
Achieving operational efficiency is one of our key environmental sustainability objectives aimed at reducing operational costs, reducing the consumption of production resources, while also minimising CO<sub>2</sub> emitted from our operational processes. We are implementing ISO 50001 Energy management system at DCP Ibese, Nigeria, as a pilot. This will systematise the effective management of energy in our operations.

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

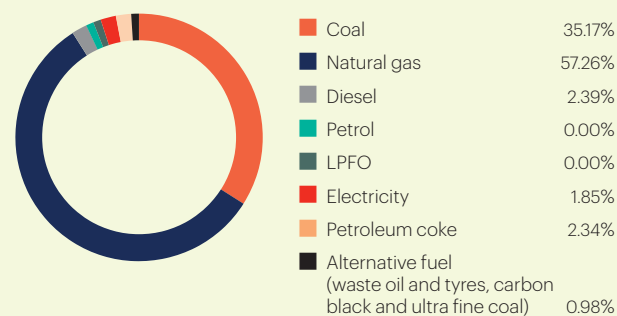
We made progress in using alternative fuels in kilns during the year under review through effective and fit-for-purpose reutilisation of wastes produced in our sites, such as old tyres and packaging materials. This is a positive step towards reducing the use of fossil fuels in order to minimise emissions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

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

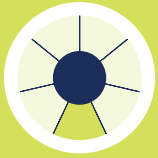
### 2020 total energy consumption (GJ) = 92,515,735



### 2020 total energy consumption based on source



# “The Dangote Way” Environmental Pillar continued



## Operational efficiency continued

Also, at Dangote Cement, we use large, modern rotary kilns equipped with ‘preheaters’ that use exhaust gases from the kiln to heat raw materials as they pass down the pre-heater tower to the kiln. Using these modern heat recycling systems helps reduce time spent in the kiln and the amount of fuel used to convert raw material into clinker, as it guarantees that the raw material is heated to about 900°C before it enters the kiln. This process is good for costs and for the environment, resulting in less CO<sub>2</sub> emissions per ton of clinker and cementitious material produced at Dangote Cement.

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

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

## Precautionary approach to environmental management

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

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

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

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

## Understanding and managing our carbon footprint

The cement manufacturing industry is one of the largest contributors to global warming and climate change due to the large amount of energy utilised and therefore, the carbon dioxide emitted. This occurs most especially during the conversion of limestone (CaCO<sub>3</sub>), a key natural ingredient, to clinker (CaO), an intermediate component of finished cement and during the combustion of fossil fuels in the kiln and production of electricity to power the plant. However, our plants are mostly designed to be energy efficient using cutting-edge technology in cement production.

Dangote Cement is aware of the harmful effects of greenhouse gas emissions (CO<sub>2</sub>, CH<sub>4</sub>, NO<sub>2</sub>, Fluorinated gases) on the ecosystem and global climate. We try to minimise these impacts by adopting energy efficiency measures such as use of Alternative Fuel.

## Governance of climate change-related issues:

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

## Tree planting campaigns

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

In 2020, we increased the numbers of trees planted across our operations to reduce our carbon footprints and negative environmental impacts in host communities. For example, in Dangote Cement Tanzania, a total of 5,045 trees were planted around the Plant location in the year under review, to combat climate change and global warming, leveraging the carbon sink potentials of trees. For example, Sagwan tree with a width of 10–30 cm absorbs 3.70 tonnes of carbon dioxide from the atmosphere in its lifetime; Eucalyptus tree absorbs 2.46 tonnes of carbon dioxide; Neem tree has a CO<sub>2</sub> sequestration capacity of 1.45 tonnes in its lifetime.

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



## Opportunities and challenges in climate change

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

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

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

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

## Circular economy

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

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

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



## Alternative fuel enhancement project

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

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

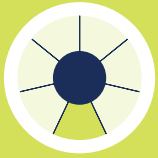
Waste materials that have been identified as viable in the alternative fuel project and are available within a 450km radius of our operations include: saw dusts, agro-waste like palm kernel shells, rice husks, maize cobs, and cashew nutshells, commercial and industrial wastes, refuse-derived fuel (RDF),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

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

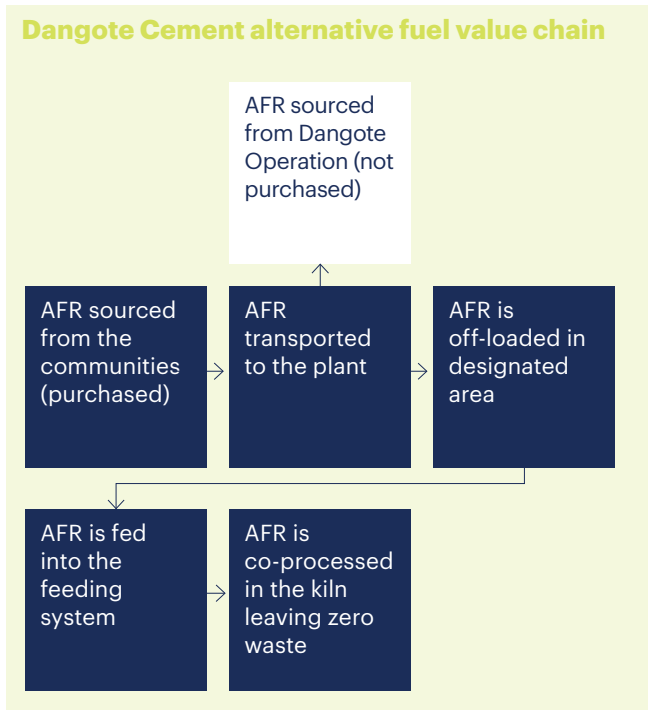
In 2020, some milestones were recorded, such as alternative fuel sourcing and mapping, equipment/technology identification, ordering process, and installations of in-house AF co-processing systems at some specific sites like Ibese, Obajana, Zambia, Congo, South Africa, Ethiopia and Tanzania. Our ambition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



# “The Dangote Way” Environmental Pillar continued



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



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

## Dust emissions

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

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

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

## 2020 dust emission (mg/Nm<sup>3</sup>) per location

Country	2019 Dust Emission (mg/Nm <sup>3</sup> ) Annual average kiln dust emission	2020 Dust Emission (mg/Nm <sup>3</sup> ) Annual average kiln dust emission*	Comments
Nigeria – HQ	—	—	Corporate Centre
Nigeria – Gboko	—	—	No production for most part of 2020; production commenced in Dec 2020
Nigeria – Ibese	39	87	Average of 4 Kilns
Nigeria – Obajana	16	16	Average of 4 Kilns
Cameroon	—	—	No Kiln
Congo	11	17	1 Kiln
Ethiopia	20	56	1 Kiln
Ghana	—	—	No Kiln
Senegal	25	44	1 Kiln
Sierra Leone	—	—	No Kiln
South Africa	24	15	1 Kiln
Tanzania	34	97	1 Kiln
Zambia	21	26	1 Kiln

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

## Water efficiency management

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

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

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

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

Dangote Cement’s total water consumption in 2020 for all operational locations was 6,789,816 cubic metres (m<sup>3</sup>); 1.29% lower than the total water consumption of 6,878,752 cubic metres (m<sup>3</sup>) in 2019.

### 2020 water efficiency campaign

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

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



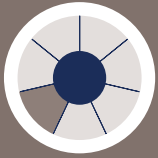
### 2020 Total water consumption/Utilisation (cubic metre) per location (all sources)

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

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

Year	Surface water	Groundwater	Rainwater	Municipal water	Quarry	Dam
2019	27.00%	73.00%	0.00%	0.00%	0.00%	0.00%
<b>2020</b>	<b>0.11%</b>	<b>67.38%</b>	<b>0.00%</b>	<b>9.47%</b>	<b>4.30%</b>	<b>18.74%</b>

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



# Institutional Pillar: Building a World-Class institution

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



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



## Institutional standards

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

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

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

## Culture based on ethics and integrity

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

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



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



## ESG Compliance

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

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

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

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

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

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

## Mainstreaming sustainability across all operations

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

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



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



# Corporate governance

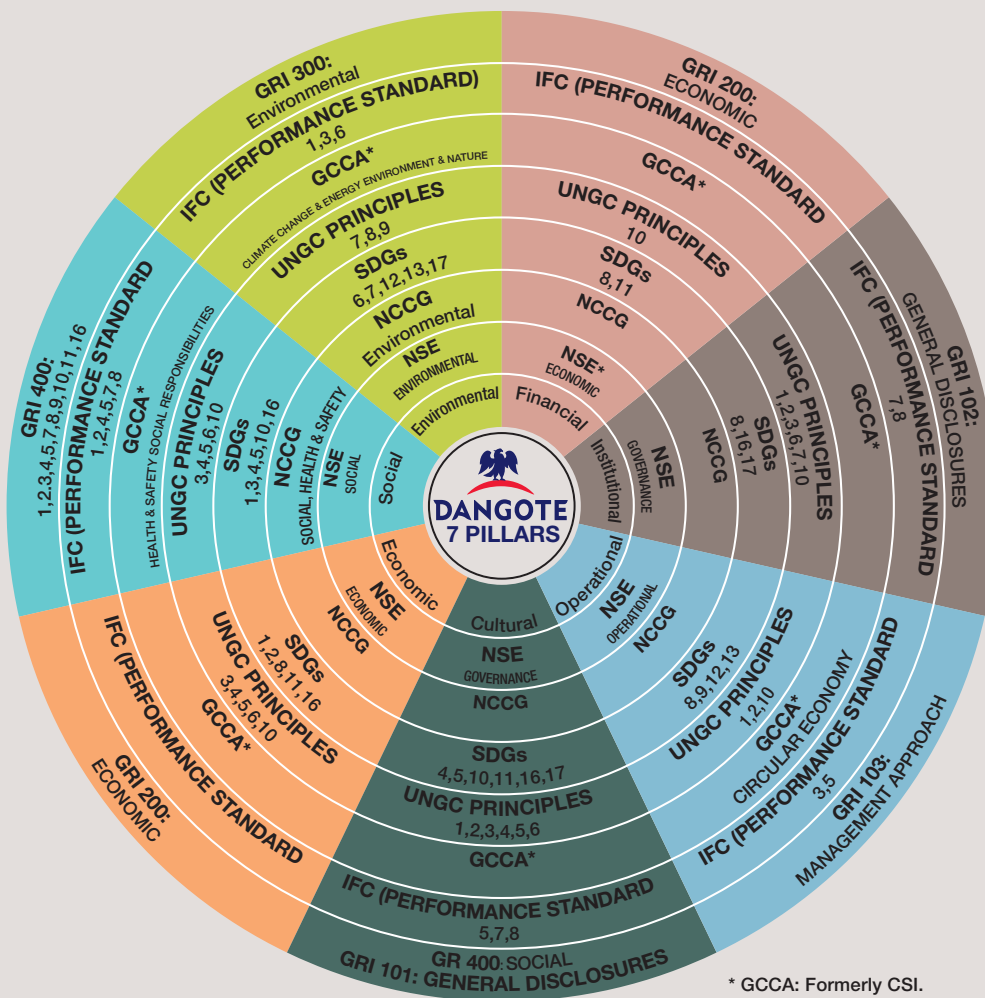
## Our sustainability approach

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

## The Dangote 7 Sustainability Pillars

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

Dangote Cement compliance wheel



Cultural



Economic



Operational



Social



Environmental



Financial

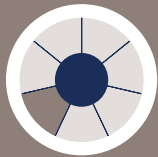


Institutional

GRI – Global Reporting Initiative  
IFC – International Financial Corporation

UNGC – United Nations Global Compact  
SDG – Sustainable Development Goals




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



## Dangote Cement’s priority SDGs

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

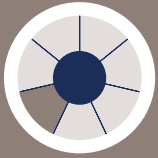
UN SDG	Targets	Importance/Materiality to DCP
 <p><b>Quality Education</b></p>	<p>Target 4.4: Substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship.</p> <p>Target 4.6: Ensure that all youth and a substantial proportion of adults, both men and women, achieve literacy and numeracy.</p>	<ul style="list-style-type: none"> <li>Quality education, skills, capacity and local entrepreneurship are important for human capital development and economic wellbeing; which increase the purchasing power of Dangote Cement’s (potential) customer base.</li> <li>Dangote Cement consistently requires skilled manpower in our local markets.</li> <li>As one of Africa’s largest employers, supporting/building skills and capacity is our corporate responsibility.</li> </ul>
 <p><b>Decent Work and Economic Growth</b></p>	<p>Target 8.2: Achieve higher levels of economic productivity through technological upgrading and innovation, including through a focus on high-value added.</p> <p>Target 8.4: Improve resource efficiency in consumption and production and endeavour to decouple economic growth from environmental degradation.</p> <p>Target 8.5: Achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value</p> <p>Target 8.7: Take immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labour.</p>	<ul style="list-style-type: none"> <li>Dangote is one of the biggest employers of labour in Nigeria after government and will leverage this status to foster “decent work and economic growth.”</li> <li>We will foster innovative business models and expansions across Africa and create more “decent” jobs.</li> </ul>
 <p><b>Industry, Innovation and Infrastructure</b></p>	<p>Target 9.1: Develop quality, reliable, sustainable and resilient infrastructure, including regional and trans-border infrastructure, to support economic development and human wellbeing, with a focus on affordable and equitable access for all.</p> <p>Target 9.2: Promote inclusive and sustainable industrialisation and significantly raise industry’s share of employment and gross domestic product, in line with national circumstances, and double its share in least developed countries.</p>	<ul style="list-style-type: none"> <li>Infrastructural development creates good business opportunities for DCP, as cement is a dominant ingredient for building.</li> <li>Infrastructures, such as good roads and railways, are crucial for DCP’s market expansion and product distribution.</li> <li>Infrastructural development and industrialisation are crucial for driving sustainable development in our African markets.</li> </ul>
 <p><b>Sustainable Cities and Communities</b></p>	<p>Target 11.1: Ensure access for all to adequate, safe and affordable housing and basic services and upgrade slums.</p> <p>Target 11.6: Reduce the adverse per-capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management.</p>	<ul style="list-style-type: none"> <li>Our products foster the building of sustainable cities and communities.</li> <li>Our waste cement packaging bags could have negative environmental impact by polluting cities and waterways; and we are committed to mitigating this footprint.</li> <li>As a leading African business, we have a responsibility to foster the emergence of sustainable cities and communities.</li> </ul>

UN SDG	Targets	Importance/Materiality to DCP
 <p><b>Responsible Consumption and Production</b></p>	<p>Target 12.2: Achieve the sustainable management and efficient use of natural resources.</p> <p>Target 12.3: Reduce food losses along production and supply chains, including post-harvest losses.</p> <p>Target 12.5: Substantially reduce waste generation through prevention, reduction, recycling and reuse.</p> <p>Target 12.6: Adopt sustainable practices and integrate sustainability information into the reporting cycle.</p>	<ul style="list-style-type: none"> <li>Emissions, pollution, land degradation, deforestation and biodiversity loss are key sustainability issues in cement production.</li> <li>Consumption of non-renewable resources (limestone, etc); water consumption intensity e.g. in cooling clinker and grinding are material in cement production.</li> <li>We have a responsibility to foster resource efficiency, responsible consumption and production practices across our value chain, and in the larger societies.</li> </ul>
 <p><b>Climate Action</b></p>	<p>Target 13.2: Integrate climate change measures into policies, strategies and planning.</p>	<ul style="list-style-type: none"> <li>There is energy consumption intensity in cement production, especially the use of coal.</li> <li>89% of CO<sub>2</sub> emission in DCP is from kiln related activities.</li> <li>Limestone conversion to clinker is energy-intensive (to produce the sticky, binding cement, the limestone must be heated at high temperatures – around 1,500C), resulting in high CO<sub>2</sub> emission.</li> <li>Emission of greenhouse gases, deforestation, etc., all contribute to climate change.</li> <li>Environmental stewardship commitments mandate us to support climate action and develop a roadmap for mitigating our climate footprints.</li> </ul>
 <p><b>Responsible Consumption and Production</b></p>	<p>Target 17.16: Enhance the Global Partnership for Sustainable Development, complemented by multi-stakeholder partnerships that mobilise and share knowledge, expertise, technology and financial resources, to support the achievement of the Sustainable Development Goals.</p> <p>Target 17.17: Encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnerships.</p>	<ul style="list-style-type: none"> <li>Local, national and international partnerships are crucial for advancing the SDGs at all levels, and we are committed to this strategy.</li> </ul>





# “The Dangote Way” Institutional Pillar continued



## Aligning our sustainability strategy with the SDGs

As a part of Africa’s major conglomerate, we have aligned the SDGs with our 7 Sustainability Pillars, and are actively driving aspects of these Goals as part of our environmental, social, operational, governance and business objectives. By aligning our business strategies with the United Nations Sustainable Development Goals, we not only better position our business to respond to the biggest challenges facing our world – from ending extreme poverty to tackling climate change – we also leverage

unprecedented opportunities for growth, product and operational innovations, resource and cost efficiencies, and the opportunity to strengthen our reputational capital and social licence to operate.

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

## Dangote Cement’s Strategic SDG Priorities



## The Dangote ESG compliance wheel

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

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

## Our Reporting Practice

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

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

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

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

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

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

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

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

### ESG awards and recognitions:

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

- Best Company in Sustainability Reporting
- Best Company in Stakeholder Engagement

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

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



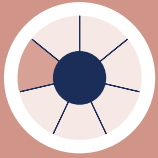
### Associations and memberships

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

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



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



# Financial Pillar: Delivering strong and sustainable returns to shareholders

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



**“Earnings up 37.7% in 2020 compared to 2019.”**



## Financial standard

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

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

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

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

Revenue up 16.0%

**₦1,034.2bn**

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

EBITDA up 20.9%

**₦478.1bn**

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

Total dividends per share

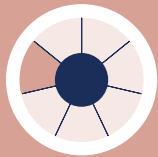
**₦16.00**

2020	₦16.00
2019	₦16.00
2018	₦16.00

## Responsible tax payment

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

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



# Delivering sustainable value to our shareholders

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



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

## Financial highlights Summary

	FY 2020 '000 tonnes	FY 2019 '000 tonnes
<b>Volume sold*</b>		
Nigeria	15,936	14,119
Pan-Africa	9,982	9,564
Inter-company sales	(198)	—
<b>Total volume sold</b>	<b>25,720</b>	23,683
	FY 2020 ₦million	FY 2019 ₦million
<b>Revenues</b>		
Nigeria	719,945	610,247
Pan-Africa	318,681	282,710
Inter-company sales	(4,430)	(1,286)
<b>Total revenues</b>	<b>1,034,196</b>	891,671
	FY 2020 ₦million	FY 2019 ₦million
Group EBITDA**	478,122	395,427
EBITDA margin	46.2%	44.3%
Operating profit	386,734	299,893
Profit before tax	373,310	250,479
<b>Earnings per ordinary share (Naira)</b>	<b>16.14</b>	11.79
<b>As at 31st December</b>	FY 2020	FY 2019
Total assets	2,022,451	1,742,443
Net debt	337,275	227,531

\* Volumes include cement and clinker.

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

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

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

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

### Manufacturing and operating costs

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

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

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

### Administration and selling expenses

Year ended	31st December 2020 N'million	31st December 2019 N'million
Administration and selling costs	<b>214,246</b>	214,769

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

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

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

### Profitability

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

### EBITDA by operating region

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

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

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

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

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

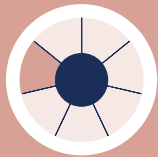
### Interest and similar income/expense

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

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

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

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



## Taxation

Year ended	31st December 2020 ₦'million	31st December 2019 ₦'million
Tax (charge)/credit	<b>(97,242)</b>	(49,958)

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

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

## Financial position

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

\* excluding debt.

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

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

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

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

## Movement in net debt

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

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

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

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

### Capital expenditure by region

	Nigeria ₦million	Pan-Africa ₦million	Total ₦million
<b>Capital expenditure</b>	184,286	39,719	224,005

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

### Share buyback

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

### Recommended dividend

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

### Going Concern

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

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



**Guillaume Moyon**  
Group Chief Financial Officer  
18th March 2021

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

